

# HOPE FOR DEMOCRACY

25 YEARS OF PARTICIPATORY BUDGETING WORLDWIDE

THECNICAL FILE

“HOPE FOR DEMOCRACY – 25 YEARS OF PARTICIPATORY  
BUDGETING WORLDWIDE”

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*To In Loco Association, for their 25 years.*

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PRE

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*(English version)*

Good governance begins at the municipal level, and participation by citizens in municipal processes is an important element in this. These are two good reasons why the Service Agency Communities in One World is supporting participatory budgeting processes since 2003. Our work is focussed on ensuring that participatory budgeting is practised in as many German municipalities as possible and in supporting the exchange of experiences both between the German municipalities practicing participatory budgeting, and with their partners in the Global South. Interested municipalities are provided with information and initial specialist advice. They are also able to attend our annual network meetings in order to exchange ideas and compare notes with other municipalities.

Together with the Federal Agency for Civic Education (bpb) we run the information portal [www.buergerhaushalt.de](http://www.buergerhaushalt.de). From current information, to FAQs, to the map of participatory budgeting in Germany – you can now find everything worth knowing about PB and more also in English by visiting [www.buergerhaushalt.de/en](http://www.buergerhaushalt.de/en). Moreover, the Service Agency has also supported the dissemination of participatory budgeting as an example of ‘learning from the South’. An international conference held by the Service Agency and bpb in January 2010 in Berlin, and an international comparative study commissioned by the Service Agency, testify to the strong interest in stepping up international exchange to promote good local governance in the North-South dialogue at municipal level.

This festschrift – ‘Hope for democracy – 25 years of participatory budgeting worldwide’ – matches the work of the Service Agency extremely well, and is an ideal companion to the mentioned study. Its numerous articles highlight the different forms, types of procedure, trends and objectives of participatory budgeting in all regions of the world. They not only document the current status of participatory budgeting, but also identify trends and dynamics in the various countries. International aspects of networking, mutual exchange and joint learning are also given due coverage.

The international authors that contribute to the book are not only experts on issues of participatory budgeting in their country. They

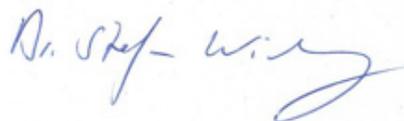
are also ambassadors of an idea that emerged from Brazil 25 years ago to sweep across the world, leading to more democracy and improved governance at the local level, and thus ultimately to sustainable development too. We would like to thank all the authors for their efforts and their commitment, which made this book what it is.

We also owe our thanks and appreciation to Nelson Dias, who is not only the author of several articles himself, but also had the idea for this book, motivated the other authors to be part of it and coordinated the work.

Through this translation of the Portuguese original into English, we would like to play our part in ensuring that the wealth of experience and knowledge it contains reaches even more interested readers around the world. We trust the book will encourage them to pursue international dialogue, and inspire and support them as they implement their own participatory budgeting processes.

We hope you gain plenty of useful ideas from reading it.

Yours,



\*

**DR. STEFAN**  
**WILHELMY**

\* DIRECTOR OF THE SERVICE AGENCY COMMUNITIES IN ONE WORLD

PRE

FA

CE

I was very honoured by the invitation from Nelson Dias, coordinating editor of this book, which commemorates 25 years of Participatory Budgeting in the World, to preface it by looking over some ideas by way of reflection on the exciting process that the Participatory Budget (PB) is and that I experienced intensely in three distinct circumstances: as Mayor of Porto Alegre (1989/1992), Governor of the State of Rio Grande do Sul (1999/2002) and Minister of Cities of Brazil (2003/2005).

This preface is not the appropriate place to go over the three dimensions of this experience. I am very grateful to the teams that worked with me at these three government levels, men and women committed to the social struggles of the past few decades in my country, which brought dreams of freedom and democracy to the administrative action and that gave momentum, from its origin in social movements, to the Participatory Budget.

We all learnt from this process and we certainly still have much to learn. Hence the importance of this book to create awareness about the experiences of Participatory Budgeting, its dilemmas, challenges and limits, as it is being executed worldwide, and to intensify the exchange of such experiences. Another World is Possible if, in a joint effort, we persevere in widening and paving the way to Popular Participation across the globe.

The 32 authors that have enriched this book with their articles express the diversity of learning and teaching experiences that the PB provides everyone who consciously engages with it. I interacted with some of them sharing the day-to-day of this journey. Just like the poem of Carlos Drummond de Andrade:

*“Among them, I consider the enormous reality.*

*The present is so great, let us not go far.*

*Let us not move away, let’s go hand in hand.”*

To read them here, helter-skelter, will be very pleasurable.

The Participatory Budget started in Porto Alegre, in the 80s, originating in social and community movements. It was born as a counter-action to the hegemonic current that then pushed for the State’s privatisation and the reduction of its core functions. It became consolidated under the Popular Front government in 1989 as a tool for ensuring citizen participation in the construction of that year’s proposed public budget, setting priorities for government action and, after approval by lawmakers, monitoring its execution. It became a valuable tool in the fight for public control over the State (at a local scale), the government and its members.

The Participatory Budget arises with the aim of democratising the State at a local

level, in the hope that it would also act at a state and federal scale. Democratisation stood for the struggle for decentring wealth and decentralising power, empowering people as individuals and not political pawns.

In the early days of the Participatory Budget – we did not have an executive mandate yet – I remember when we were once, a committee of workers, demanding from a local authority, the addressing of old claims. The authority justified the government’s difficulties to meet those claims with due promptness because “the municipal budget was like a short blanket; if pulled up it would uncover the feet, if pulled down it would uncover the head.” A textile worker among those present remarked: *“Of making blankets I understand a little. At the factory we know the width, length and thickness of each blanket that needs to be done. But that blanket you are speaking about never passed through our hands. I suspect that if we could help, it would come out better.”* There arose the basic idea of popular participation in the budget proposal. Its implementation unfolded gradually, through meetings and gatherings in different places of the municipality, rural and urban areas, some organised by the City Council and many summoned by the communities themselves. From a planning stage, the need to link the debate on demands made for so long came about, and the inability, up to then, of public power to meet them, with the issue of the income generated in the city by the people’s work and its appropriation and the government’s role on this issue. Who pays taxes? Why? How? How are the City Council’s Revenue and Expenditure constituted? Are the tax indices for the calculation of Urban and Rural property tax (IPTU) fair? And the City Code? The Master Plan? What about Landholding Regulation? How are relations with Federal Agencies State and Union and with the other branches of government, the legislative and the judicial powers? There was a constant demand for more information on these and other topics, and that they be comprehensible to the largest number of participants in the process, that by knowing the reality could, by exercising full citizenship, lead to its transformation.

The concern was with the increased and qualified involvement of popular participation in the PB process, from the preparation of the

budget proposal through to its delivery to the lawmakers, monitoring its progress and discussion so that the end result was not a negotiated disfigurement of the initial proposal, to the implementation under the supervision of residents’ committees and delegates of the Participatory Budget. By guaranteeing fairness and transparency in various elective processes on which the PB was dependent, ensuring democratic inclusion of sectors that, at first, opposed the process, they gradually began to participate. As such there was a consolidated understanding that the State under effective public control works better and in everyone’s interest.

An ever-present problem was the necessary relationship with members of parliament. Some of them felt neglected in their representation by the work by the PB’s advisors. Far from discrediting lawmakers, the PB invited the local councillors to participate in all of the phases and equipped each lawmaker and House with elements that would empower them to exercise with autonomy and responsibility for their irreplaceable task of transforming the proposed budget into Law. A trait of traditional political culture always permeated the PB process: the speech of *“ote for me and I will solve everything for you”* enforces the idea of occasional and incidental citizenship, restricted to the act of voting and that the elected, instead of representing, replaces the voter. This contrasts with the way of thinking promoted by the PB: a reinvigorated representative democracy strengthened through participatory democracy, giving rise to citizenship exercised daily and consciously by all people. Another exciting challenge is the use of instant information technology by the PB notwithstanding the pedagogical and educational richness of meetings and assemblies where people collectively reflect on the problems of their community and the city and build supportive solutions. The risk of fragmentation of representation and the intensification of individualism exists and its solution should be dealt with creatively. Democracy’s problems are solved with more Democracy. The Participatory Budget must continually enhance its completeness and consistency without ever abdicating its democratic radicalism.

The preservation and deepening of the radicalism of the PB process is a political and cultural challenge with no magic solution and much less in the short-term. But it is through this path that *another world is possible*. The exchange of different experiences of the PB's implementation helps improve processes of public control over the State in all its dimensions, democratising power, fighting inequalities and injustices and preventing, from the start, any process of private appropriation of public affairs. It is in areas of intense citizen participation, as propitiated by the PB, that the utopia of a radically democratic society and therefore socialist, can thrive and, like a dream dreamed by many, become a reality.

Our PB experience, in different settings, spaces and times, in Porto Alegre, Rio Grande do Sul, a Federal State with 496 municipalities, was exciting and challenging. It was inspired by it that the first three editions of the World Social Forum took place in Porto Alegre/RA/Brazil. What we need most is that processes like the PB spread and consolidate in all continents as conquests of citizenship and not as gifts from rulers.

\*

OLÍVIO  
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DUTRA

\* PRESIDENT OF THE PORTO ALEGRE BANK WORKERS' UNION (1975/79) | ELECTED CONGRESSMAN 1987/88  
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| MINISTER OF CITIES OF BRAZIL (2003/2005) | HONORARY PRESIDENT OF PT/RS

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This book represents the effort of more than forty authors and many other direct and indirect contributors that spread across different continents seek to provide an overview on the Participatory Budget (PB) in the World. They do so from very different backgrounds. Some are researchers, others are consultants, and others are activists connected to several groups and social movements. The texts reflect this diversity of approaches and perspectives well, and we do not try to influence that.

Therefore, this book is not the result of a comparative study of the PB in different parts of the world, though some authors have based their articles on the research in which they are involved. What we propose is an open and constructive reflection on the multiple dynamics of Participatory Budgets, challenging our readers to continue this work in their own realities.

The pages that follow are an invitation to a fascinating journey on the path of democratic innovation in very diverse cultural, political, social and administrative settings. From North America to Asia, Oceania to Europe, from Latin America to Africa, the reader will find many reasons to closely follow the proposals of the different authors.

The surprising extent of this phenomenon of democratisation of social and political relationships, building trust between citizens and local governments, requires an effort to systematise in order to clarify how Participatory Budgets have spread throughout the world. It is an unprecedented movement of enormous wealth that has invaded even the boundaries of countries where democratic abuses are constant. We will have many reports elucidating this process throughout the book.

To guide the readers through this journey, the articles are divided into three main chapters: Firstly, “Global Dynamics” is composed of contributions from authors who have dedicated themselves to the comparative study of these processes, ensuring a comprehensive insight on the PB in the world, classifying models, identifying objectives and results. These texts are an excellent ‘gateway’ for those interested in understanding the phenomenon of the Participatory Budgets’ globalisation, how they have been applied, the challenges we face today, as well as the related methodological ramifications.

The second chapter, relating to “Regional Dynamics”, includes 22 articles covering 5 continents and over 30 countries, among which are those where the PB certainly achieved greater prominence.

The situation of the PB in Africa is portrayed in 5 texts, one of which by Mamadou Bachir Kanoute, from Senegal, that presents a comprehensive overview of these processes particularly in some francophone countries of the continent. The author is an experienced consultant and the proximity that he has kept with the PB in several countries allows him to conclude that this has contributed to improve the mechanisms of wealth redistribution at the local level and better allocation of budgetary resources to meet the basic needs of the population, particularly the more disadvantaged and peripheral neighbourhoods.

The Brazilian Osmany Oliveira presents a text on the evolution of Participatory Budgets in some of the Sub-Saharan States, highlighting some cases he considers success-

ful. The author analyses the dynamics of how these processes have spread, seeking to understand the mechanisms of transfer between cities, the reasons that support it and the results obtained. This analysis is very interesting as one becomes aware that the PB in Africa is in part the result of a set of contributions and plans from institutions for international cooperation.

Eduardo Nguenha, of Mozambique, offers us a detailed analysis of the characteristics of participatory practices at a municipal level emerging recently in his country. The author introduces the elements that drove to the introduction of Participatory Planning and Budgeting, analyses the legal framework that supports their implementation and the characteristics common to the different practices highlighted.

Jules Nguebou and Achille Noupeou portray the situation of the PB in Cameroon. Since 2003 to date, 57 municipalities have already committed to implement this process. This tends to be seen as a tool that can support the ongoing administrative decentralisation in the country. One of the PB's most interesting results is exactly this, namely the fact that it is contributing to strengthen the role of municipalities in the communities and improve their ability to collect tax revenues. It is an example that demonstrates that the PB is not just to discuss investment but can also allow for a community discussion on income.

Emmy Mbera and Giovanni Allegretti address the experiences underway in the province of South Kivu in the Democratic Republic of Congo. The authors analyse the PB from the perspective of the overall budgeting process, highlighting the activities and choices made in the participatory dynamics, which went beyond merely promoting democratic deliberation and budget transparency.

Latin America, a very rich and diverse reality, is pictured here in eight articles. Cristina Bloj invites us to understand the extraordinary evolution of Participatory Budgets in Argentina, where we find some of the most interesting current innovations.

Luciano Fedozzi and Kátia Lima analyse how these processes arose and expanded in Brazil, illustrating with up-to-date data collected by the Brazilian PB, that enable a better understanding of the demographic, regional and political context from where these initiatives emerged. Leonardo Avritzer and Alexander Vaz complement a historical perspective on Participatory Budgets in Brazil with an analysis of the potential and limits of these processes, discussing in more detail the characteristics of the annual and biannual participation cycles, as well as the monitoring and evaluation systems in the cases studied.

Pablo Paño invites us on a journey on the evolution of PBs in Chile over the last 12 years. The trajectory of these processes, in this South American country on the Pacific coast, follows the evolution of the democratic regime itself in a nation strongly marked by Pinochet's strong dictatorship.

Carolina Lara, from Colombia, offers us interesting thoughts on the emergence of Participatory Budgets in her country, after the creation of a new constitutional framework, dating back to 1991, which reorganised the State's framework and created conditions for the development of citizen participation policies within local governments. Colombia has about 50 PB initiatives and one of the most active national networks of this type.

Stephanie McNulty presents us with a stimulating article on Participatory Budgeting in Peru the first country in the world to pass a law in 2003 requiring all sub-national governments to implement the PB. The author describes the work of the national legislative framework that guides this process, its strengths and weaknesses, as well as the constant challenges in the relationship between national law and local political will.

Following Peru, the Dominican Republic was the second country in the world to develop a national legislative process that mandates all municipalities to implement the Participatory Budget. The analysis of this reality, composed at present by 179 PB experiences, is made here by Francis George, who coordinates the team that provides technical assistance to these processes, based within the Dominican Federation of Municipalities.

Alicia Veneziano and Ivan Sánchez close the set of articles on Latin America with an analysis of the situation of the PB in Uruguay, highlighting the case studies of Montevideo and Paysandú. The particularity of these authors' work is based on the relationship established between the process of the country's political-territorial decentralisation and the development of the Participatory Budgets.

The reality of some of the European countries with the highest expression in the PB theme is portrayed in five articles. From Germany, we get Michelle Ruesche and Mandy Wagner's contribution, plotting the current scenario of the Germanic PBs, consisting of some 100 experiments, mostly advisory. The work of these authors shows how these processes pursue the goal to make local governments more responsive to citizen "advices".

Ernesto Ganuza, accompanied by Francisco Francés, presents us with an excellent article on the situation of Participatory Budgets in Spain. It is a "tremulous" story, they claim. In 2000, this country recorded the largest expansion of the PB in the "old continent". The strong crisis in this European state, associated to the defeat of the political left and, in many municipalities in the 2011 elections, led to a drastic reduction in the number of trials currently active.

From Italy, we get Giovanni Allegretti and Stefano Stortone's contribution. This is a country that has undergone extensive political changes and whose effects are also felt as far as democratic innovations at a local level are concerned. After recording the appearance of the first European PB experience in 1994 in the small town of Grottammare, Italy stands out in the strong instability in these processes. The wide spread of PBs between 2005 and 2010, with strong growth in the Lazio region, was followed by the suspension of the overwhelming majority of these initiatives in 2011. Italy seems to be now gradually recovering from this PB crisis, and there are new initiatives and new models of citizen participation in municipal budgets.

The situation of the PB in Portugal is portrayed in an article of mine, within which are analysed over seventy experiences in the country, through a set of indicators to more accurately understand the geography and the "genetic code" of these processes. The failure of the advisory PBs is contradicted by the growing success of the initiatives of a deliberative nature, allowing after a decade, to clarify the preferred path for citizens to exercise their right to democratic participation outside electoral cycles.

To close the set of articles on the PB in Europe we have the contributions of Lena Langlete and Giovanni Allegretti on experiences in Sweden. The profound changes within the Swedish society, marked by a progressive loss of confidence in political institutions, worsened by a culture of individualism and decline of social ties and the strong disinterest of youth in politics are some of the reasons that have backed the decision by some Swedish municipalities to launch PBs.

From Oceania we have Janette Hartz-Karp and Iain Walker's contribution on the newly created Participatory Budgets in Australia. The first experiments started in 2012, having taken on as a methodological challenge the combination of elements of social representation with techniques of deliberation on municipal budget priorities. It is a very interesting challenge and that the authors sought to address in their article, based on the pioneering experiments of Canada

Bay (NSW) and Greater Geraldton (WA).

The third and final chapter, referring to “Dynamic Themes,” contains five articles on specific issues related to PB processes. César Muñoz proposes a reading roadmap to interpret the Participatory Budgets with children and young people, using several case studies. Any of the experiments highlighted allows us to understand that the great potential of these processes is not in the youth’s participation in the decision on public resources, but especially on the educational and vocational dimension to citizenship that is generated by these initiatives.

Rafael Sampaio and Tiago Peixoto propose an interesting reflection on what they called “false dilemmas and real complexities” associated with the use of ICTs in participatory processes. It is a stimulating and disturbing article that challenges us constantly on the potential and limitations of new technologies in mobilising citizens to submit proposals for debate and deliberation on projects within the dynamics of PBs.

Pedro Pontual clearly takes a political approach of Participatory Budgets and the potential of these processes for the promotion of a democratic pedagogy in contemporary societies. The author contextualises the PB as an instrument that enables the direct participation of citizens in shaping public policy, and thus helps institutions reinvent and modernise the democratic regime. The privileged thematic focus of this article is precisely the PB as a school of citizenship that positively stimulates governments and the governed to create new democratic institutional realities and new models for living in society.

The article by Cristina Miret and Joan Bou offers us a reflection on the difficult but necessary relationship between gender and the processes of participatory budgeting. The authors based this work on the comparative study of various experiments analysed in Spain, Uruguay and the Dominican Republic. The results show that the gender differences found in conventional political circles reproduce themselves in areas of participation for PBs. The authors conclude, however, that this is not fatal but a starting point that can be reversed, and that there are examples of interesting experiences that put the gender issue on the agenda of the participatory process.

Patricia Leiva concludes this book with a very unique approach to the PB. The author focuses her work on the analysis of the psychosocial dimension of these initiatives. This article therefore seeks to contribute to the development of a theoretical framework of psychological empowerment from Participatory Budgets. The results of two case studies allow us to conclude that the population that participates actively strengthens itself, breaking the feeling of defencelessness and consequent political apathy.

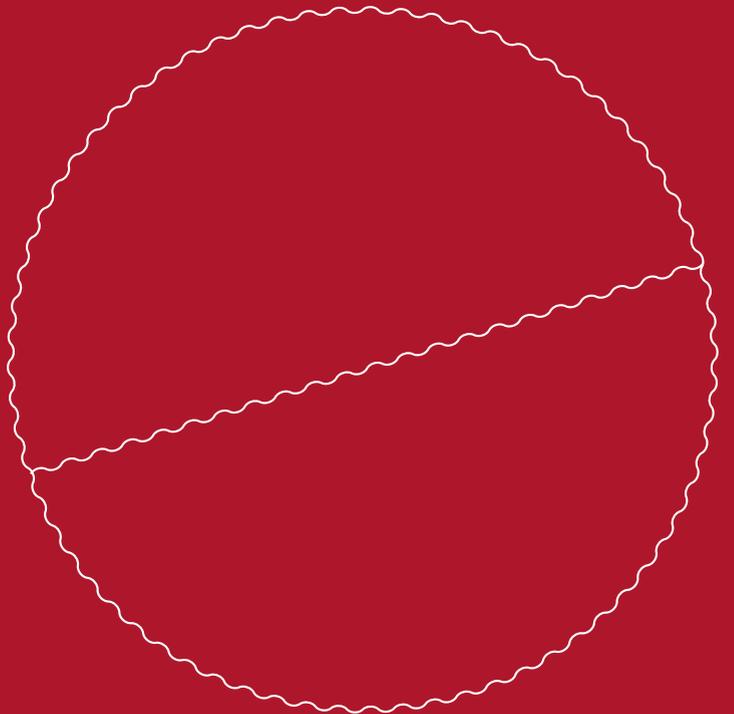
The idea of publishing this book came about as the date commemorating 25 years of Participatory Budgets in the World approaches. However, the final title was only decided after all the articles were reviewed. 'Democratic Hope' seeks to convey a state of mind imbued by innovation, by the constant pursuit of transformative action and by the unconformity of many people and organisations around the world.

The crisis of the system of representative democracy is something that crosses all continents and countries profiled in the book. That being the starting point, the various authors seek to show how the Participatory Budget has brought about changes in the exercise of democratic power, the transformation of public administrations, in the construction of stronger and more organised civil societies, fighting social and territorial inequalities. Reading this book makes us believe that another democracy is possible and necessary.

That is why 'Democratic Hope' is a title, but also a desire and a call-to-action to all readers, so that in their family or community they aim to build other more intense and active ways and models of living democracy.

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NELSON DIAS

# TWENTY-FIVE YEARS OF PARTICIPATORY BUDGETS IN THE WORLD A NEW SOCIAL AND POLITICAL MOVEMENT?

## *Introduction*

In this short text, three theses are presented on the processes of participatory democracy in general, and the Participatory Budget, in particular, as a new social and political movement of the 21st century. The theses refer to the crisis of representative regimes, the rapid and wide dissemination of citizen participation experiences in policy-making and management of public resources, the network dissemination and the model of movement in question. More than absolute certainties, this article aims to challenge all those interested in reflecting from a different angle on what is at stake, offering some provocative thoughts and hypotheses on scientific research.

## *1. The crisis of liberal democracy*

A watchful eye on democracy in the world poses us with very complex and disturbing problems. The standardisation of the principles and procedures of liberal democracy goes hand-in-hand with the crisis of political representation experienced in many countries that have adopted this form of regime. It is an apparently contradictory situation, which forces us to focus our attention on the quality of the forms of governance in States with consolidated democracies.

“Democratic disenchantment” is felt in vast areas of the globe. There are very high rates of electoral abstention in many countries, which means that real representative democracy has lost strength and ceased to be mobilising for many people. This is very impressive! This historical right, which led to broad social and political struggles, has gone through a very rapid process of devaluation in some countries. Why has the act of excellent citizenship in democratic regimes, become so uninspiring for large parts of the population?

The answer to this question seems to be that many citizens believe that the vote is a false power and its exercise is of no importance, because the true centres of influence and decision are out of election cycles. According to this perspective, abstention is not a negligent act but rather a reflected one, and a response to the “disenchantment” with the regime.

The growing distrust of the political class and institutions is closely related to the previous question. The frequent suspicions of corruption, politicisation of the State

and Public Administration, misuse of power for personal favouritism, benefitting private interests at the expense of collective income, among other things, have the effect of what Alain Touraine calls the crisis of political representation. It is as if people do not feel represented anymore and their role as citizens had been reduced to the act of voting. The constitutional and legal guarantees lose importance as the social, economic, cultural and environmental life degrades. In the context of the market economy, democracy has turned into now consumer freedom, a political “supermarket” (1994).

Political parties, considered a supporting column of democratic plurality in liberal theory, are also losing credibility. According to surveys conducted by the United Nations Development Programme, party affiliation in some countries is less than half of what it was 20 years ago.

Many people claim to have more confidence in the media, particularly on television, than in political parties (2002: 5). The idea that the parties have neglected their role of political training and debate of ideas is increasingly common, becoming instead platforms for power disputes, frequently resorting to rhetoric and manifestos, which are quickly forgotten from the moment that elections are won. It is neither possible nor proper to generalise this idea, but this did not prevent ordinary citizens from progressively moving away from parties. Take the example of the most recent social movements, such as the Indignados (Outraged), which explicitly support the exercise of nonpartisan citizenship. This intention to “move away” from parties is no more than a reflection of society’s negative perception of these structures of political representation.

This setting of progressive distrust and alienation of citizens in relation to the political class and institutions thus derives partly from the idea that liberal democracy was unable to make the State and society more transparent. The elimination of the invisible power, as Norberto Bobbio refers, which influences the centres of government and determines public policy is one of the unfulfilled promises of the democratic ideal. It is as if the major decisions that affect the lives of citizens were taken into spheres ruled by secrecy and games of influence, which are later publicised through the media, and sometimes manipulated, making one believe that resolutions are adopted to protect the most the collective interests.

This gains particular importance in the context of globalisation and the transfer of power from states to supranational spheres, which are not elected by direct citizen deliberation. It is somewhat contradictory to the notion of democracy, and for some authors, becomes a threat to the regime. According to Anthony Arblaster, the concentration of power outside the control of elected governments makes it difficult to defend the idea that democratic demands are satisfied just because the government is elected by the people and, in principle, accountable.

The critical period lived by liberal democracy in many countries is also due to the failure to invest in citizenship training. This type of system requires active citizens but the representation model has been unable to combat the phenomenon of widespread political apathy that runs throughout society. It seems to have favoured a democracy of voters instead of a democracy of citizens. With the crisis of the first and the enormous weaknesses of the second, it is not difficult to understand the situation of democratic illiteracy that affects many modern societies. As Augusto de Franco refers, *“democracy is not natural in the world we live in. Despite the declarations of love for democracy expressed by politicians of all stripes, the word was emptied of its meaning. Democracy is a gap – unstable – that was opened in the mythic, sacerdotal, hierarchical and autocratic systems to which we were submitted in the last six thousand years. In this sense, there is nothing more subversive than democracy”* (2007: 8). It needs to be continually reinforced and that requires a

strong focus on education and training for citizenship. However, the current situation shows otherwise. The main means of social interaction with the world of politics and work, as is the case of families, schools, universities, associations, unions, political parties, among others, greatly neglected their role in the training of citizens.

It is in this context that the various experiments that have been adopted in many parts of the world gain particular importance, towards a greater citizen involvement in positions of power and public policymaking. Participatory Budgets (PB) emerge as one of the most accomplished and consolidated practices of participatory democracy. “Democratic disenchantment” is counter-balanced by PBs, among other practices, with “democratic hope”, creating space for trust to grow between politicians and citizens, increasingly contributing to the qualification of this regime.

## *2. Participatory Budgets - the globalisation of localism and working in network*

The dissemination process of Participatory Budgets is unprecedented. One should not forget that we are referring to a practice at a local scale, started in the late eighties of the last century, in the city of Porto Alegre, in southern Brazil, which gained notoriety and visibility in the country and abroad, infecting other local governments, but also regional and national as well as international organisations, cooperation agency, universities, non-governmental organisations, and other agents around the world.

Over approximately 25 years it is possible to identify five major phases in the dynamics of the spread of PBs.<sup>1</sup>

The first phase corresponds to a period of trials between 1989 and 1997, which highlighted the initiatives in Porto Alegre in Brazil, and Montevideo in Uruguay. This period corresponds roughly to two local government electoral mandates in Brazil (1989/1992 and 1993/1996), where more than 30 municipalities started PB experiments.

The second phase, called Brazilian PB wide expansion, occurred in the next mandate, i.e. between 1997 and 2000, during which more than 140 municipalities in the country adopted this approach, albeit with significant variations.

The third phase emerges mainly after 2000, with the expansion of these experiments outside Brazil and with a broad diversification. It is during this period that numerous PB initiatives emerged in Latin American and European cities, inspired by existing models, particularly Porto Alegre, adapted to each location, which in some cases involved substantial changes to the original design.

The fourth phase shows a trend that began in 2007/2008 where both a national and international PB network was built. Here the Brazilian, Colombian, Argentinean, Spanish and German networks stand out, as well as the Chilean PB Forum, the Portuguese Participatory Budget Initiative, the PB Unit (UK), the Participatory Budgeting Project (United States), among others.

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<sup>1</sup> Adapted from Cabannes and Baierle, 2004. In their work, these authors identified the first three phases proposed here.

The main focus of this phase is the network of PB experiments and players that work on the subject.

The fifth phase corresponds to Participatory Budgets' "jumping of the scale" and their integration into larger and more complex systems of citizen participation. It is still very much under construction, but indicators show that it is a process that will tend to consolidate in the coming years. This phase is the result of the simultaneous recognition of the potential and the limits of the PB. The first phases come as a result of the confirmation of the Participatory Budget as a pillar of public policy for participation, often promoting other complementary methodologies. The second result from the identification of problems and under-represented social groups in the PB processes, which supports the creation of other spaces and channels of participation, that will necessarily lead to the design of larger and more ambitious systems with different ways to involve citizens in the management of 'public affairs'.

These five phases can also be summarised in two major distinct periods in the dissemination process of Participatory Budget in the world. The first corresponds to the grouping of the first three phases, which may be referred to as the "individual search" for the PB. Social groups and the political left, which tend to be more aware of the issue, and that had the Porto Alegre PB as an international landmark, mainly carried this out. The fact that the first editions of the World Social Forum were held in this capital of Rio Grande do Sul contributed greatly to this situation, attracting thousands of visitors from around the globe to the city, many of whom were curious to see how the PB worked, whether it be from an academic perspective, or political, in view to the possible application of the model elsewhere. This dissemination is hence characterised by this proactive attitude on the part of those interested in seeking more information on the PB. Many of these had no political and/or academic interlocutors when they were created, nor access to detailed information about the subject.

The second major period may be referred to as "organised supply" of the PB, joining the fourth and fifth phases previously presented. This supply consists mainly in the creation of specialised websites, conferences and thematic meetings, training, publication of guides and manuals, among other activities, with the objective of strengthening the ongoing experiences and encouraging the emergence of new ones. These actions take place all over the world creating a very active, and at times very intense, agenda. This period differs from the previous one, among other things, in the proactive attitude of organised groups in the development of actions to promote the process of spreading the PB, convincing technical staff and politicians in local governments. The aim is to put the Participatory Budget on the political, social and media's agenda. Another of the distinctive elements of the current situation is the PB's polycentrism. Porto Alegre's influence on the international arena is now less relevant and shared with other players. It is something natural that is due in part to the emergence of new models and methodologies for promoting the PB in different countries and continents, which facilitates

cross influencing and a wider dissemination of such practices. This walking away “from the origins” goes alongside to the entry of more conservative political players in the world of PB experiments. For many of these, the Porto Alegre PB is something distant and only a historical and bibliographic reference, because their models of influence derive from the channels through which they had access to the theme. These may be universities, non-governmental organisations, international cooperation agency, and consultants, among others.

The result of these 25 years is a fantastic story. The PB has won the sympathy and recognition from different sectors of society, ensuring a presence in all continents, with particular emphasis on Latin America, Europe and Africa. As mentioned earlier, the networking between players dedicated to the PB theme is something that has occurred naturally, the result of cooperation projects, international meetings, and training courses, among others. The edition of this book is evidence of this network of people and organisations that dedicate part or all of their working time to the PB theme.

### *3. Participatory Democracy: a new social and political movement?*

Throughout the phases described above, the PB has undergone methodological, procedural transformations as well as in its regulatory framework, which in some cases were significant. From experimental and localised practices, to its institutionalisation as public policy in countries such as Peru, the Dominican Republic and Poland, to the creation of national and international networks, the PB may constitute itself as part of a social and political movement supporting participatory democracy. This is of course a mere research hypothesis, based on the analysis of the map below and the dynamics of international cooperation in progress.

This map is very revealing of the wide dissemination of the PB. The ongoing dynamics seem based on a logical network between players, usually well positioned in their countries of origin, that ensure cooperation between them, develop projects and joint activities, produce knowledge about this phenomenon and ensure its dissemination, share experiences, create working groups, among many other actions. We may indeed be facing a social and political movement, the first of the 21st century<sup>2</sup>, distinguishing from old and new movements by the innovative nature of the ways, content and the players involved.

Innovation is felt in the forms or methods of action because it is not a dissident street movement, based on demonstrations defending rights and convictions. It is rather something that operates within the structures of governmental power, through technical and political influence, triggering the transformation of many administrations, taking a form that we could call a “silent revolution”. It is as if we are not aware of its existence, though that does not invalidate its transformative action. This may indeed be one of the factors that explains the PB’s success, and indeed of this movement.

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<sup>2</sup> This is prior to the most recent movements, such as the Indignados (Outraged).

The spread of the PB is, ultimately, much faster than the dynamics of liberal democratic regimes. The constant emergence of new experiences in every continent seems to contradict a certain stalemate in the global trend of democratisation of states. The speed and scope of this process is visible when you look at the map shown earlier where we can see how PBs have penetrated in countries with highly developed and consolidated democracies, as well as in others where this regime has not yet been implemented, or where democratic abuses are constant. This demonstrates, among other things, the greater democratising potential of local power when compared to national governments.

This last point brings us to the innovative nature of this movement with regard to the players involved. It is the very structures of the state - local, regional and in some cases, national - that lead this transformative process. It is as if the State were the social and political movement itself, working on its own transformation. PBs represent a form of alliance between Local Governments and Civil Society, formed in the context of another coalition between Nations, International Organisations and Projects. In the context of globalisation, with the opening of territories and greater vulnerability to external dynamics, local governments promoting PBs seem to choose strategies that favour a relocation of development processes, ensuring the involvement of citizens. It is clear that this is a movement led by the State but which joins other local players, such as schools, universities, non-governmental organisations, social groups, individual citizens, among others. To these must be added the increasingly active role of international organisations like the United Nations, the World Bank and some agencies for cooperation that have developed programmes specifically aimed at supporting the implementation of PB processes in different regions of the globe. The fact that the PB can bring together such diverse players, that sometimes have conflicting goals between themselves, is unprecedented.

The innovation of this process lies in the fact that it is triggered from local contexts. Even work in national and international cooperation networks is usually aimed at producing changes at the local level through the improvement of concrete processes and the introduction of new practices.

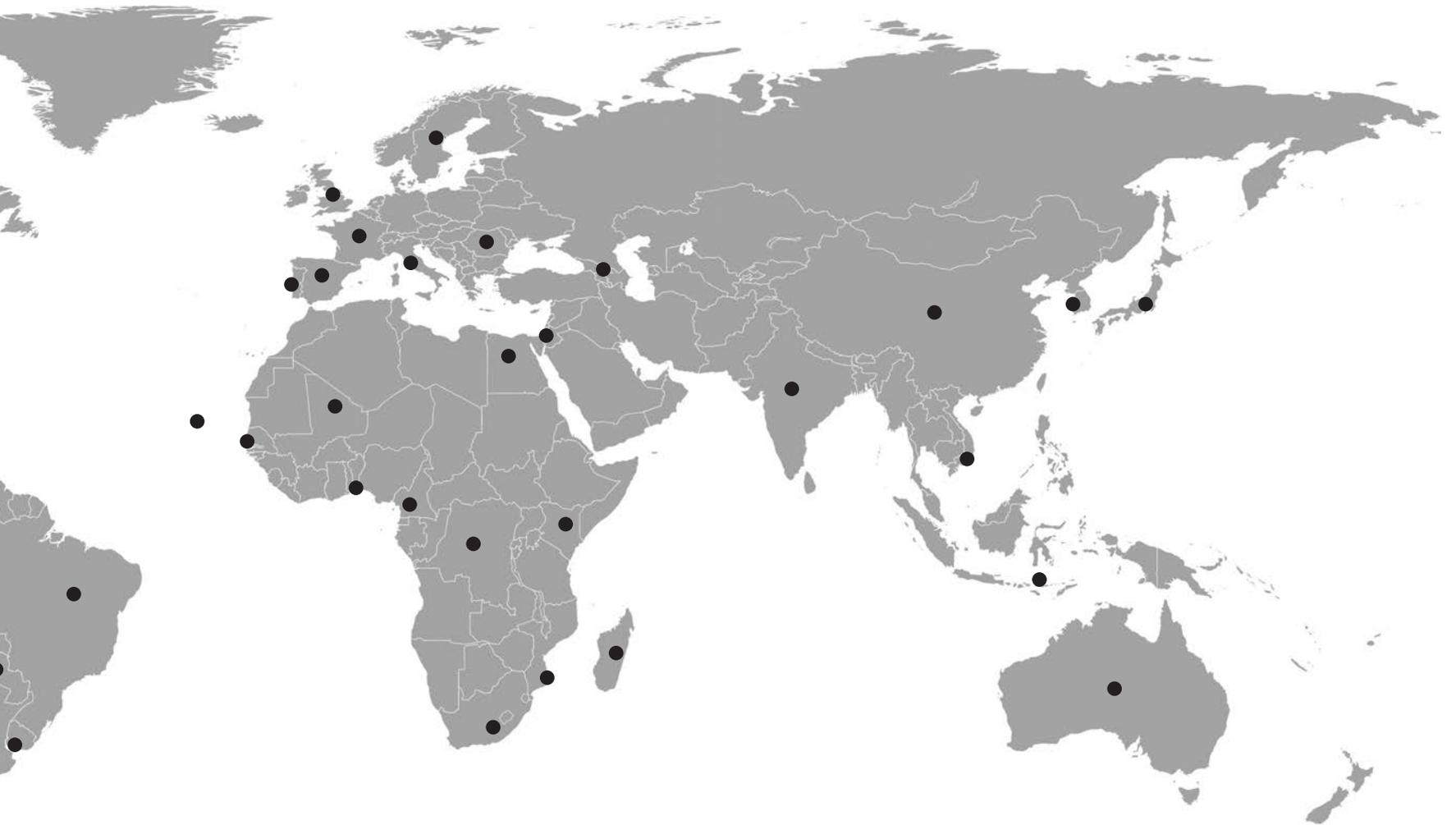
This movement also presents innovative features at the content level, insofar as the heart of its activities is the qualification of democratic regimes by creating spaces for citizen participation, which makes this whole movement even more interesting when you consider that the main player is the State.

Even if it is limited to the potential of its transformative action,



these processes aim to counter the crisis of liberal democracy, as set out in section 1 of this article.

This more comprehensive and global view should not, however, limit our vision of the PB's specificities in different territorial contexts. The differences between the Participatory Budgets developed in North America, Europe, Africa, Latin America, Asia or Oceania are very significant. Political and social cultures, the administrative structures and the decentralisation of states strongly condition methodologies and the results achieved in each case.



The remaining articles in this book will make a strong contribution to understanding these differences and how the PB carries on its path to international affirmation.

*Picture 1* Countries with Participatory Budget

# TRANSNATIONAL MODELS OF CITIZEN PARTICIPATION: THE CASE OF PARTICIPATORY BUDGETING

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<sup>1</sup>A first version of this article has been published in Sintomer et alii, 2012.

Participatory budgeting, involving ordinary citizens in the spending of public funds, has been one of the most successful participatory instruments of the past 20 or 30 years<sup>1</sup>. At the beginning of the 2000s, there is hardly an organization or territorial entity which would not subscribe to the virtues of greater civic engagement, at least verbally. In Western democracies, citizen participation is seen as a potential cure against the acute, though enduring, “malaise” or “crisis” of democratic representation. In other parts of the world, citizen participation is increasingly required in the framework of international development programs or is the result of various bottom-up initiatives. This has led, particularly since the 1990s, to a global diffusion of participatory processes such as citizen juries, deliberative polls, neighborhood funds, and community development projects (Smith, 2009). The global spread of participatory mechanisms, despite their highly variable influence, and the parallel spread of non-democratic dynamics, is still in its infancy, but this development represents more than the latest fashion trend. PB programs are forerunners in this respect, which is the reason why they constitute the starting point of this analysis.

The past 10 to 20 years have seen a huge increase in studies of participatory democracy in Portugal, Europe and the world, spanning a range of very different issues, disciplinary approaches and objectives. Initially, these were mainly monographs or comparisons dealing with two or three areas. A second, more recent phase enabled the comparison of a variety of sites. We conduct integrated fieldwork on participatory budgeting in more than 20 European cities, relying on the same methodology and the same concepts and to extend the methodology to other parts of the world where we can maintain the same definition of PB (Sintomer and al., 2008, 2013b, 2014); In this way, we would like to facilitate comparisons between countries and continents with the goal of a global analysis of citizen participation and the interpretation of long-term developments.

This article discusses the following questions: (I) What kinds of PB programs exist today and how can we explain their different paths of diffusion, varying local adaptations, and global spread? (II) How are they linked to the six different models of participation we present? (III) What are the advantages, challenges, and impacts of these global models of participation?

The first part deals with the creation of participatory budgeting in the Brazilian city of Porto Alegre and then focuses on the diffusion of this process in Latin America and other parts of the world. Through the presentation of six models of citizen participation, the second part contains a presentation of the main insights and chal-

allenges related to participatory budgeting.

### ***1. Participatory Budgeting: the transnational diffusion of a democratic innovation***

Participatory budgeting spread first in Latin America during the early 1990s, and then over the entire globe, hybridizing in contrasting ways. Any comparative world view therefore faces a definition problem, with no organization being able to control the label.

### ***Participatory Budgeting: a definition***

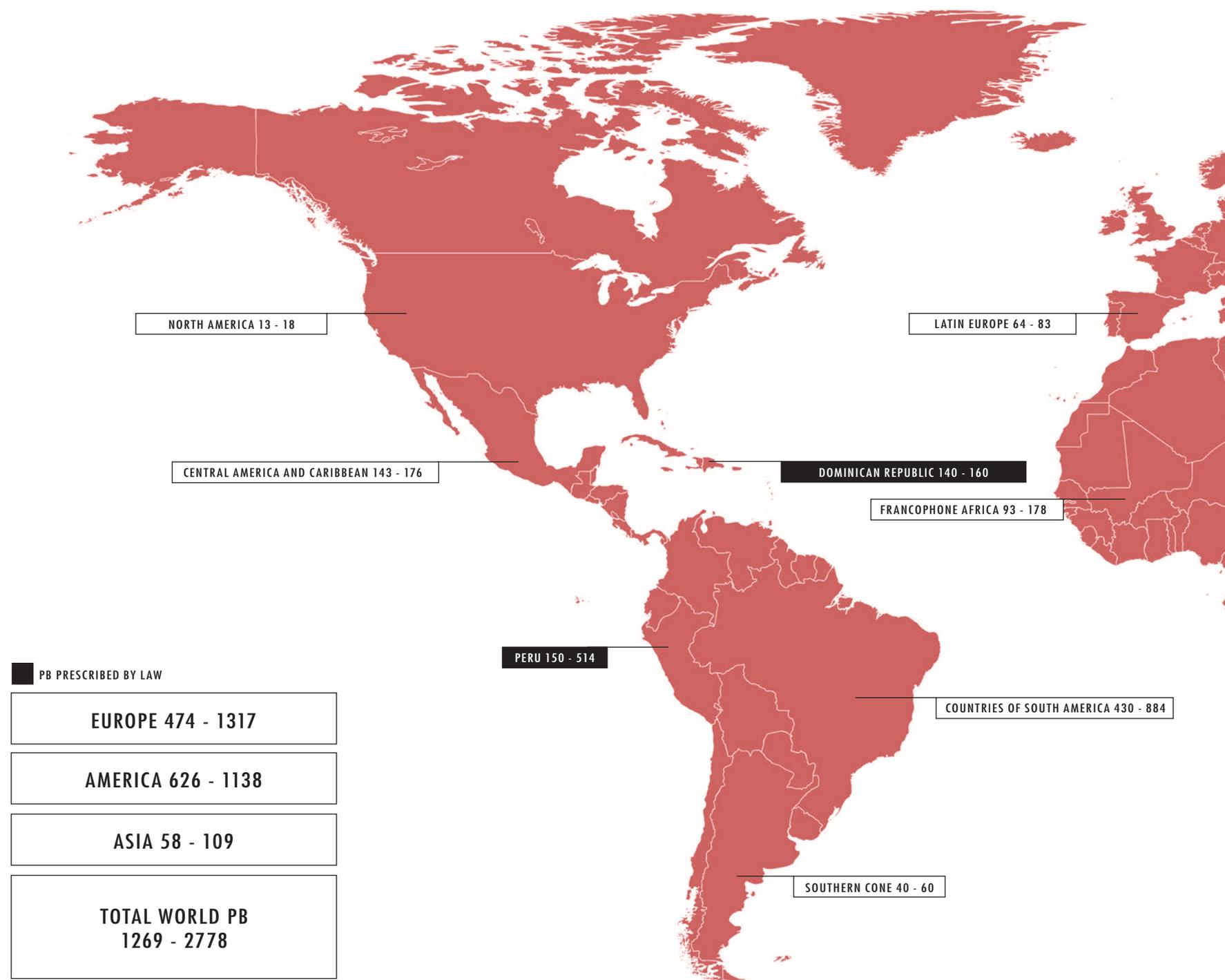
There is no recognized definition of participatory budgeting, either political or scientific, explaining the minimum criteria they must satisfy. Procedures called PB in some places would not get that label in others. Hence, there needs to be a definition that includes a set of minimal requisites to clearly differentiate this participatory procedure from others, while giving sufficient leeway to enable different specificities. Basically, PB allows the participation of non-elected citizens in the conception and/or allocation of public finances. However, five further criteria need to be added (Sintomer and al., 2008, 2014):

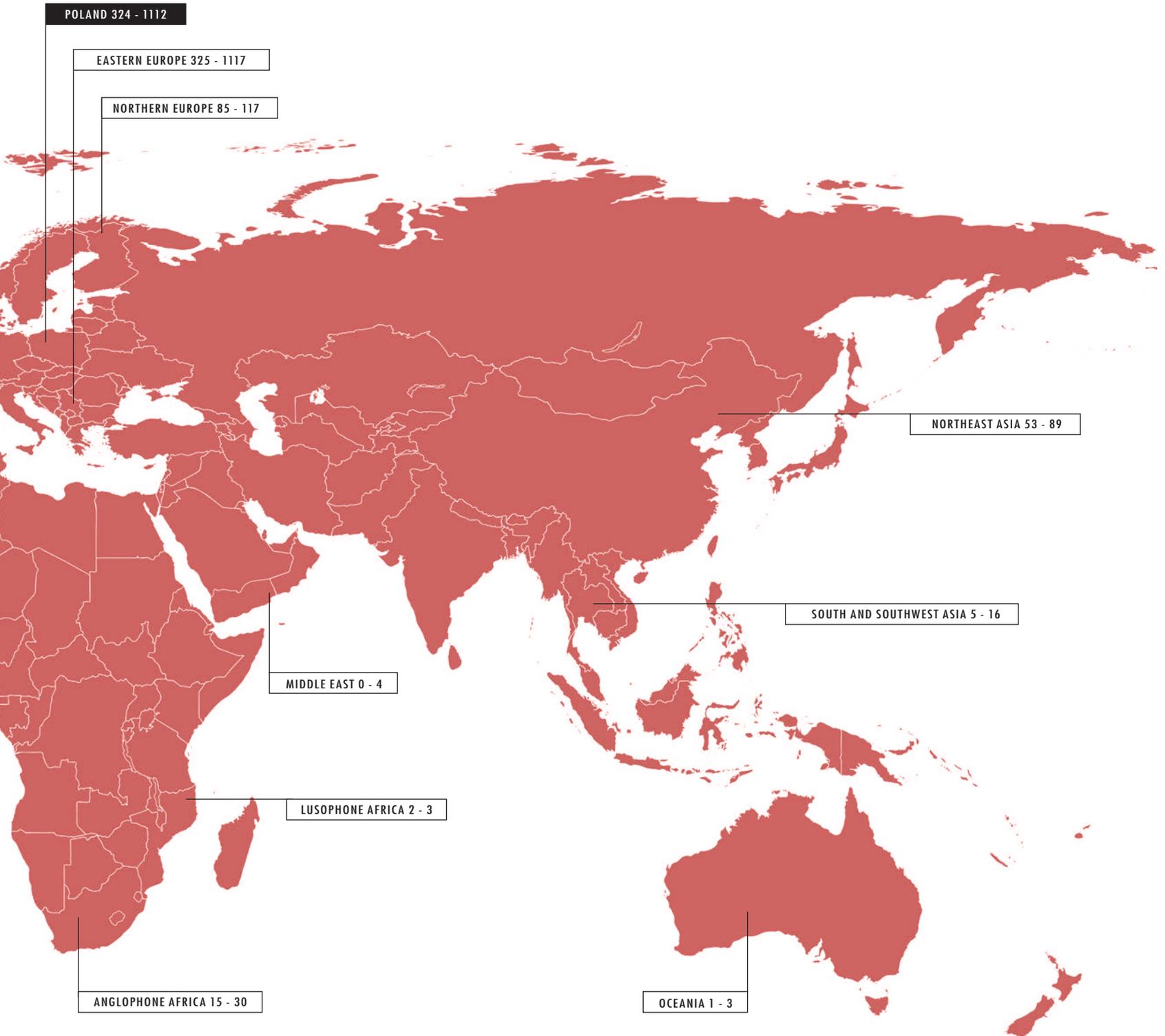
- 1)** Discussion of financial/budgetary processes; PB is dealing with scarce resources;
- 2)** The city level has to be involved, or a (decentralized) district with an elected body and some power over administration and resources (the neighborhood level is not enough);
- 3)** It has to be a repeated process over years (If it is from the outset planned as a unique event, it is not a PB process);
- 4)** Some forms of public deliberation must be included within the framework of specific meetings/forums (The inclusion of ordinary citizens into the institutions of “classic” representative democracy represents no PB process);
- 5)** Some accountability on the results of the process is required.

With these criteria in mind, globally, there were between 1,269 and 2,778 participatory budgets in 2013. Around 200 cases were in Europe (Sintomer and al., 2013b). In Latin America, between 626 and 1138 participatory budgets exist today; in Europe between 474 and 1,317; in Asia between 58 and 109; and in Africa between 110 and 211. From a global perspective, the growth has been considerable.

Figure 1 Participatory budgeting across the world (2010)

Source Sintomer et al., 2010





*Porto Alegre: the cradle of Participatory Budgeting*

When participatory budgeting emerged in Brazil in the 1980s, the country was transitioning from dictatorship to democracy, and was characterized by one of the greatest income gaps in the world. The huge social movements that shook Brazil for over nearly two decades were clamoring for both political and social changes. The new constitution adopted in 1988 was very progressive and open to citizen participation, but the political system remained characterized by corruption and clientelism. The context for Porto Alegre is also quite specific. Porto Alegre (with a population of 1,4 million in 2007), the capital of the state of Rio Grande do Sul, has always been dissident towards the central government. The standard of living was above the average of Brazilian cities, and social movements, especially urban movements, had been the most important in Brazil (Baierle, 2007; Avritzer, 2002, 2009). The city was also one of the strongest places of the Workers' Party (PT).

After some previous experiments in smaller cities, participatory budgeting crystallized in Porto Alegre due to a “window of opportunity” which opened in the aftermath of the electoral victory of the Workers Party in 1988 (Santos, 1998; Abers, 2000; Fedozzi, 1999, 2000, 2007; Baiocchi, 2001, 2005; Allegretti, 2003; Gret and Sintomer, 2005). It was not only the new left-wing local government that pushed the new participatory process. Civil society, in particular community associations, also demanded more co-decision-making capacity. The invention of PB was, therefore, the result of a conjunction of top-down and bottom-up processes. It was a pragmatic move, and not the application of an intellectual or political design. From 1989 to 2004, when the PT lost the office of mayor to the opposition after 16 years in power, PB was sufficiently institutionalized that the new government did not dare abolish it.

The Porto Alegre process is an institutional invention. The basic idea is to permit non-elected citizens to have a role in the allocation of public money, with direct decision-making power at the local level, the power of co-decision at the city level, and oversight capacity at all levels. The participatory pyramid has three levels: assemblies open to all in the neighborhoods, assemblies, and a participatory council of delegates in the districts, and a general participatory council at the city level. In addition to the meetings that are organized on a territorial basis, a complementary process that focuses on thematic topics (i.e., housing, urban infrastructures, healthcare, education, youth, culture, sport, and so on) takes place. The aim of the assemblies is to discuss priorities and to elect delegates who follow up on the development of suggestions put forward. Any individual who wants to participate in the public meetings can do so. Neighborhood associations have no special privileges, but they do have a decisive role in the organization of citizens. The municipal assembly, although it is entitled to accept or reject the municipal budget, has, de facto, a marginal role in participatory budgeting.

Delegates are tightly controlled by the grassroots and have only a one year mandate. At the city level, the PB council convenes once a week for two hours. The process has a one-year cycle. Apart from the technical control (feasibility of public works proposed by citizens), the funds that are at the disposal of each of the investment areas are distributed among the districts taking into consideration the following criteria: **(a)** the local list of priorities with the majority principle ‘one person, one vote’; **(b)**

the number of residents; (c) and the quality of the infrastructure or the service available (Genro and Souza, 1997). The embodiment of a principle of social justice has been one of the most original achievements of the experiment.

Finally, despite continuing challenges, the overall results have been surprisingly positive. Participation increased over time, peaking in 2002, with 17,200 persons taking part in the main district meetings, and many more at the neighborhood level. The social characteristics of participants are even more striking: lower income people tend to be more involved than others, women have become a majority in the assemblies, and young people are very active (Fedozzi, 2000). PB gives the floor to those who previously had been outsiders in the political system. It has led to the empowerment of civil society and, most notably, of the working class (Baierle, 2007). Clientelistic structures have largely been overcome, and relations between the political system and civil society have improved considerably (Avritzer, 2002). In addition, PB has led to a reorientation of public investments towards the most disadvantaged districts, at least those investments decided within the participatory process (Marquetti and al., 2008; Mororo, 2009). This has come about because of the significant working class investment in the process, and because it has contributed to an improvement of public services and infrastructure.

The process has also led to a better government. Corruption, though not high in Porto Alegre, has been made more difficult. PB has been an incentive to reform public administration: a strong planning office has been created to enable discussions with the PB council, there has been more cooperation between administrations, new budgeting methods have focused on products and services, and the relationship between technicians and users has improved (Fedozzi, 1999, 2000). The main weakness is that the focus on annual investments has tended to sideline long-term investments, with the associated risk of PB decisions incurring expenses in the long run (maintenance and salaries) that are not sustainable (World Bank, 2008), or making it more difficult to develop a different urban form (Allegretti, 2003).

Despite these limitations, Porto Alegre has been the most important transnational reference for participatory budgeting and has remained one of the most fascinating experiments. It has convinced alter-globalization activists as well as local governments and advisors from international organizations such as World Bank and UNDP to support PB.

### *Participatory budgeting in Latin-America*

In Brazil, the progression has been impressive: in 2008 there were around 200 participatory budgets (Avritzer and Wampler, 2008; Wampler, 2010). The development in large cities has been even more remarkable. Outside Brazil, PB spread throughout Latin-America and has become one of the most popular instruments of citizen participation. This geographical dissemination has affected nearly every region in Latin America.

The results of 30 years of PB in Latin America vary in direction and scope. Firstly, when it is well designed and implemented, PB increases transparency in the use of public money and reduces corruption (Zamboni, 2007). Secondly, it reduces cli-

entelism and helps to fight corruption which further reduces clientelism (Avritzer, 2002). Thirdly, and crucially important to Latin America, PB is a powerful instrument in the redistribution of wealth towards the poor (Marquetti and al., 2008; World Bank, 2008). Fourthly, although less frequently noted, when PB is articulated with a broader concern for the modernization and efficiency of public administrations, the two processes can reinforce one another (Herzberg, 2001; Gret and Sintomer, 2005).

Summarizing, there is a wide spectrum of experiments. At one extreme, exemplified by Porto Alegre, “empowered participatory governance” (Fung and Wright, 2001) is characterized by strong political will together with bottom-up movements, and a methodology aimed at the devolution of power to local communities. This empowerment is part of a broader and deeper transformation of society and politics, and as a consequence, the massive inequalities that characterized Latin America during the last centuries have been called into question. In this way, participatory budgeting can be seen as a dimension of a larger process that has shaken Latin America, shifting the continent from dictatorships implementing neoliberal policies to democracies in which new governments try to promote another kind of development. At the opposite extreme many examples of participatory budgeting in Latin America are primarily top-down and are not based on the mobilization of civil society. They involve limited amounts of money and have hardly any impact on the redistribution of resources. It is true that they can bring more transparency, social accountability and responsiveness, and reduce corruption. However, although formally they may be inspired by the Porto Alegre methodology, they are not geared towards political participation and empowerment. The World Bank, which in 2000 agreed to foster ‘pro-poor policies,’ is playing a substantial role in the proliferation of these types of PB programs. Some early proponents of PB have denounced such schemes as examples of “participatory budgeting light” that have lost their soul (Baierle, 2007).

### *The return of the caravels: Participatory Budgeting in Europe*

In Europe, the landscape differs significantly from that of Latin America. One might say that the caravels that carried the discoverers to the New World at the beginning of the modern age have now returned, bearing an innovation that brings citizens, elected officials and civil servants closer together. A varying, but overall increasing degree of electoral abstinence and political disaffection is putting pressure on political systems in the Western world to demonstrate their legitimacy anew, and in many countries, local governments are struggling with financial problems. A growing number of municipalities are responding to these multifaceted challenges by developing participatory budgeting. Although their reference point is mainly Porto Alegre, the methodologies that are proposed most often differ from the original one (Sintomer and al., 2012). PB has spread rapidly in Europe, largely as a result of NGO activists and also local government politicians attending social forums in Porto Alegre. A particularly important role was played by those who attended the Local Authorities Forum, a parallel event of the World Social Forum.

Despite the demise of some participatory budgets, their geographic and numerical proliferation is notable at the beginning of the second decade of the new millennium. The most dynamic diffusion seems currently to take place in Poland.

The closest adaptations of the Porto Alegre model are found mainly in Spain and Italy (Ganuza, Francès 2012). The PB processes on the Iberian Peninsula are particularly interesting in that they put a special emphasis on the involvement of associations and community groups. The most widespread approaches in Europe, particular in France, Italy, Portugal, and Scandinavia, are based on neighborhood meetings to seek to improve and strengthen communication among administrators, politicians, and citizens. Now, conservative governments are also active – and in Germany, PB has been non-partisan from the outset (Herzberg, 2009). In most West and North-European countries, various local government networks and state organizations also support the introduction of PB. In Eastern Europe, however, PB is mostly promoted by international organizations, such as the World Bank, UNO, USAID, GIZ, in cooperation with their local partners. Dies war z. B. in der polnischen Stadt Płock der Fall.

As in Latin America, a clear link can be found between PB and the demand for more transparency (Shah, 2007). One important criterion of sustainable development of PB could well be the link between participation and a comprehensive modernization process of public administration.

The potential political consequences of PB are diverse. In many cases, it has contributed to improved communication among citizens, administration and the local political elite. However, it is questionable whether it plays the same intermediary role as political parties have done in the past. Although PB has positive influence on the political culture and competences of participants in Europe, its real long-lasting impacts is still unclear (Talpin, 2011).

The contrast with the Latin-American situation is even sharper with regard to social justice. Only very few cities have reached considerable improvement in this area through their PB process.

*Africa: a 'donor' logic?*

In Africa, a continent in which representative democratic structures and cultures are weak, some social movements and a number of local authorities have engaged in the process, but it remains highly dependent on the action of international institutions and NGOs. Progress has been slow, limited by its decentralization, due largely to the initial premise that innovation should be developed at a local level. However, a series of political reforms in the late 1990s drove attention to a wide range of management tools that could open the way for participatory democracy (Olowu, 2003). PB experiments are often 'catalysts' supporting and even accelerating the effectiveness of decentralization reforms and associated principles of transparency and responsiveness (often demanded by international donors), as well as pre-existing traditions of citizens' participation.

This is perhaps why the second half of the 2000s has seen a visible acceleration supported by powerful institutions, such as the World Bank and the United Nations. It is impossible to deny the existence of a dose of 'neo-colonialism' in the way in which the idea of participatory budgeting entered the African political debate. Cases, such as Fissel in Senegal, where local governments and citizens movements have led the initiative are exceptions. Local adaptations are difficult to classify. Especially in Anglophone Africa, participatory budgeting has merged with other tools, whose main objectives are the 'demystification of budgeting' the 'traceability of investments' and the 'consensual development planning'. The main limit of these practices is their 'donor-based' perspective: processes respond mainly to the goals of the donors rather than to the 'rights of citizens' that could increase the overall level of democracy constitute only a secondary goal. The path that the Latin American radical movements fear is globally the one that has been taken in Africa. At the same time, the hybrid nature of African participatory budgets could play a positive role, opening new possibilities for poverty alleviation strategies and consolidating decentralization. This could lead to new models conceiving democratization as a substantive issue based on resource redistribution, access to education, knowledge, power, and the 'right to the city'. The Cameroun experiment of Batcham considered as a good example in this direction.

*Participatory Budgeting in Asia: between autochthonous development and international exchanges*

Compared to Africa, participatory budgeting in Asia emerged later, but has shown an important growth. In contrast with other continents, initial experiments tended to be mainly autochthonous innovations rather than the result of transnational transfers, although their principles and methodologies had similarities with those of Latin America or Europe. This was especially the case with the Kerala experiment in India and with some initiatives in Japan. Some cases include a critical discussion about the relation between political and economic actors and institutions as well as administrative reform projects. Overall, the differences in methodologies and political significance of PB in Asia make it difficult to draw a global picture. A common factor is that the birth of PB took place in a period of accelerated economic development and, to a lesser extent, in a phase of progressive decentralization.

International exchanges have increased in a second phase. The terms ‘participatory budget’ and ‘participatory budgeting’ started to be used only around 2005 in Asia, with explicit reference to Brazil. The first experiment that entered directly in contact with the European or Latin American debates was that of Kerala state (India), which received an international recognition through left-wing scholars (Fung and Wright, 2001) and alter-globalist movements. The Kerala participatory process took shape in 1996 (Neunecker and Mastuti, 2013). The idea came from younger party leaders of the Marxist CPI-M party. The launching of the process was a political decision, but it opened the door to a huge social movement that gave shape to the experiment. Nowhere else, except in some places in Latin America, has PB been a channel for such mass mobilization. People elected delegates to follow the process in every phase, having a say in prioritizing, implementing, and monitoring the consensually-elaborated demands to be inserted in local and supra-local development plans. Over the 13 years of its existence, the ‘plasticity’ acquired by Kerala’s experiment (Heller, 2001; Chaudhuri and Heller, 2002) enabled it to survive the political changes which twice changed the state government (Jain, 2005).

While China shares with India a number of economic, and social features, its political structure is completely different, and the growing interest in participatory budgeting is embedded mostly in top-down processes. The concept was discovered in the mid-2000s and widespread interest apparently grew after the ‘Sunshine Finance’ revolution that championed the development of budgetary transparency in order to enhance the performance of government. Only a few experiments rest on the active involvement of ‘ordinary’ citizens and can be considered ‘real’ participatory budgets, the best example probably being that of Zeguo (He, 2013). This initiative mixes Porto Alegre’s notion of getting citizens to decide investment priorities with randomly selected citizens’ assemblies.

China is important, but not because the trend towards citizens’ budgets is especially strong there when compared from a transnational perspective. Instead, China is significant because the ruling CCP abjures political pluralism and prefers to modernize the state administration and develop local participation under authoritarian conditions. Generally speaking, this means that the CCP’s monopoly of political power is untouched. Administrative reforms have priority. The new obligation on authorities to disclose their budgets to the public and, for example, to make them accessible on the Internet is intended to improve accountability and limit the scope for corruption. However, Wenling, which has been an exception, could also be a ‘best practice’ example. In this case, not only citizens get involved in the decision-making process, but also the delegates of the local People’s Congress who didn’t have much influence before.

In Japan, local governments have broad functional responsibilities and account for over half of total public expenditure and 10 per cent of GDP. This strong formal role is matched by the extensive power given to citizens to call for local referendums, improve or eliminate ordinances, audits, and even the dissolution of the local assembly, as well as the dismissal of the mayor, council members or officials. Despite this, citizens' participation in public policy-making is infrequent, especially in the field of financial planning. The Coalition for Legislation to Support Citizens' Organizations distinguishes between a number of types: transparency in budget-making processes (sometimes merely informational); counter budget-making by citizens' committees; delivering the budget to the community; citizens carrying out budgeting; and 1 per cent of residential taxes handed over to non-profit organizations for projects on which citizens vote. The city of Ichikawa stands out in this respect, where the participatory budget uses 1 per cent of residential tax revenues for non-profit projects. Other Japanese cities have been inspired by the Ichikawa experiment. In Ichikawa, the use of funds in the citizens' budget is determined by taxpayers. But should involvement in citizens' budgets be bound to the possession of a taxable income or the right of residency alone? Ichikawa has left open a backdoor for housewives, the unemployed, students, and schoolchildren, the main groups excluded by the tax qualification. Community service points are distributed for voluntary community work which, converted into money vouchers, entitle their bearers to vote on citizens' budgets. By this means it is possible to increase at least a little bit the 'tax justice' after the process.

At the beginning of the 2000s, South Korea is the Asian country in which PB has developed most, and, as far as this experiment is concerned, it is indeed one of the most dynamic countries in the whole world. In South Korea, citizen participation has a strong tradition. President Rho Moo-hyun's 2003/2008 mandate was labeled 'Participatory Government' and contributed much to the rapid expansion of PB in the country. The concept was introduced as a bottom-up process, but its diffusion has been stimulated top-down by the national government. One of the most outstanding examples is Dong-ku (Songmin, 2013). Formally, the key principles of PB in Korea have been imported from Porto Alegre, but have been locally adjusted, giving birth to a 'reduced version' of the Porto Alegre model in that it lacks the social mobilization. It consists of locally based meetings in which every resident in the area can participate, and a city assembly that gives a pivotal role to a citizens' committee on participatory budgeting. All members are trained for their tasks at a so-called 'participatory budgeting school'. A number of tools (such as internet surveys and online bidding) have been provided in order to foster non-exclusive processes for all citizens in every phase, and the tradition of citizens' budget schools and budget policy seminars is one of the most important South Korean contributions to the rest of the world in this field.

## *2. Six models of citizen participation*

How can these highly different developments and adaptations of the Brazilian process be integrated in a systematic framework? How is it possible to go beyond the specific case of PB in order to present a more general analysis of citizen participation?

### *A descriptive overview*

It is obvious from the panorama we have drawn that there is no uniform model in any continent to which the others could be compared. Overall, a descriptive overview can identify three different trends.

At the most radical level, we see participatory budget programs that aim to fundamentally change prevailing conditions and are one component of a broader movement for renewal. They are based on interaction between governments and grassroots movements. These budgeting procedures are about overcoming social injustice and achieving sustainable development. This means breaking with established traditions of patronage and corruption. This typifies many Brazilian (particularly Porto Alegre) and other Latin American examples. The outcomes of participatory budgeting in Europe and Africa appear to have less radical impacts. In Asia, Kerala is one of the few examples of the more radical approach.

The second trend involves the use of PB to drive a reform agenda. Although this does not involve a break with former practices, these initiatives do have a real impact. The local government is the lead player here, but citizens are not absent. There are some clear rules. The pursued goals vary. In many countries they include a focus on modernizing public administration and improving the lives of socially disadvantaged groups, while retaining the basic structure of the system and existing patterns of allocation. The greatest impact of reform, however, involves an improvement in relations between local governments and their citizens. In the global south and in Eastern Europe, this kind of PB is often supported by international organizations.

Some of the examples of the second group are part of the third trend, meaning that PB is largely of a symbolic nature; there is a yawning gap between the proclaimed objectives and the reality. Here the aim is no longer really to consult citizens. Meetings are used rather to legitimate a path that has already been embarked upon. Symbolic participatory budgets are found in all parts of the world.

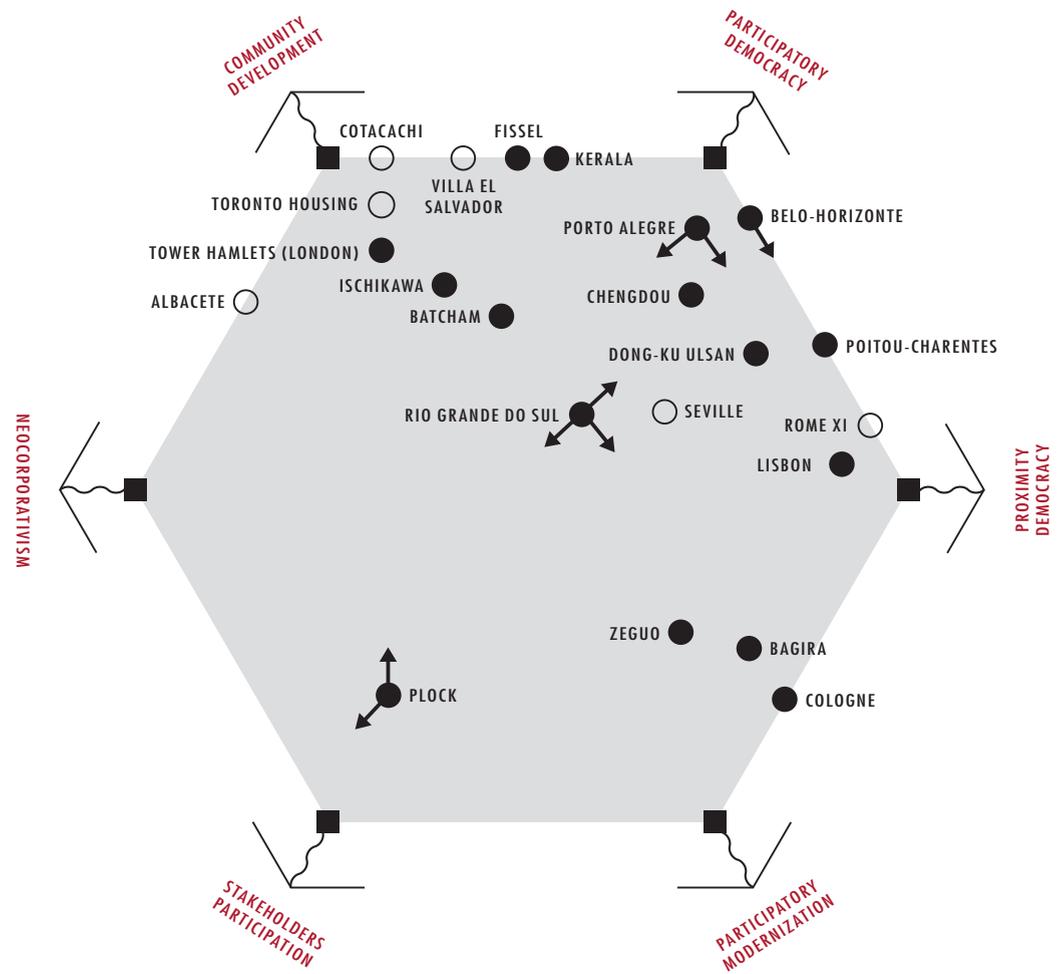
### *Six conceptual models*

In addition to the presented typology, this paper presents another, more complex approach. It is based on ideal types that help to classify and systematize the broad variety of cases. These ideal types compose a conceptual map on which one can situate empirical cases. The models need to be combined in order to explain a par-

ticular experiment – as with a road map, typically, you don’t travel precisely towards North, South, East or West, but the existence of these cardinal points help so you don’t get lost. We distinguish between six models of citizen participation.

**Figure 2** Typology of models of participation in the World (with the example of participatory budgets)

**Source** Giovanni Allegretti, Carsten Herzberg, Anja Röcke and Yves Sintomer.



**label**

- CASE OF PARTICIPATORY BUDGETING
- PB HAS STOPPED/THE EXPERIENCE IS EXHAUSTED
- ↙ DIRECTION OF POSSIBLE DEVELOPMENTS
- IDEALTYP OF PARTICIPATIVE MODEL

### *Participatory Democracy*

We have chosen to call the first model participatory democracy. This model is mainly characterized by the simultaneous emergence of a ‘fourth power’ (participants have a real decision-making power, different from the judiciary, the legislative and the executive) and a ‘countervailing power’ (the autonomous mobilization of civil society within the process leads to the empowerment of the people and the promotion of cooperative conflict resolution). In this model, participation has real repercussions in terms of social justice and relations between civil society and the political system. Essentially, the countervailing power in combination with the political will of the government contributes significantly to an inversion of priorities in benefits of the poor. The model of participatory democracy is based on the participation of the working class and not just the middle classes, thereby creating an emerging plebeian public sphere. This creates a positive equation between conventional and non-conventional politics, as the dynamics of the two can combine. Local governments are active in the launching of the process but also in the implementation of decisions. In such a model, citizen participation is a left-wing flag and is conceived as an alternative to neo-liberalism and as part of a broader social and political reform process. However, the modernization of administrative action is not always taking center stage. The term ‘participatory democracy’ is often used as a catchword. Therefore, we would like to give it a more precise meaning: It implies that mechanisms of representative government are linked to direct democratic procedures.

A number of Latin-American participatory budgets exemplify this model. In Europe and Asia, a few PB cases share some of its characteristics, such as Seville (Spain), Poitou-Charentes (France), Dong-ku (South-Korea) or Chengdou (China). Kerala fits to a certain extent, but shares some dimensions that refer more to the community development model described later. Beyond PB, this model also reflects other citizen participation processes like the constituent assemblies in countries like Bolivia, Ecuador, and to a lesser extent, Venezuela.

Every case has specific advantages and disadvantages that can only be understood in relation to the local context. The weakness of participatory democracy is that it is a demanding model of citizen participation based upon specific conditions (e.g., strong political support, organized civil society).

### *Proximity Democracy*

The key characteristic of the second model is that it showcases proximity both in terms of geographical closeness and increased communication between citizens, public administrations and local authorities. Although local governments have some real power, their public administrations are not necessarily involved in a strong modernizing process. Proximity democracy is based on “selective listening”: its logic is that the decision-makers cherry-pick citizens’ ideas. Proximity democracy is grounded in informal rules and leaves civil society with only marginal autonomy. Proximity democracy is not an instrument of social justice. As the process is merely consultative and civil society does not have much independence, a fourth power or a cooperative countervailing power seems to be excluded. The participatory processes belonging to this model can hardly contribute to reinvigorate “conventional” democracy. It shows its greatest impacts on the micro-local level, which is the reason why it is dealing with “small” issues.

Examples sharing similarities with this model are the PB processes in Lisbon or the XIth district in Rome. Overall, the proximity model is the most widespread approach in Europe, where it often includes small neighborhood funds; the same can be said for North America, Australia, South Korea or Japan. The model is also widespread in the countries of the Global South, where it is however more strongly combined with other ideal types. One example is the PB process in the Brazilian federal state of Rio Grande do Sul where proximity democracy is combined with participatory democracy and the multi-stakeholder participation.

The proximity democracy model is characterized by a low degree of politicization and a low level of mobilization. Its main strength is improving communication between citizens and policymakers. Its weaknesses lie in the essentially arbitrary way in which policymakers ‘selectively listen’ to (cherry-pick) people’s perspectives.

*Participatory modernization*

The key feature of the third model is that participation is only one aspect in New Public Management strategies, in a context in which the state is trying to modernize in order to become more efficient and legitimate. Viewed from this angle, the participatory process is top-down, is not political and has only consultative value. Civil society has only limited independence and there is no space for either a fourth power or a cooperative counter-power. What is at stake here is quite different: participation is first and foremost linked to good management and is aimed at increasing the legitimacy of public policies. Politics remain in the background, so that users or clients of public services are of concern, rather than citizens. The people involved are mainly middle class, except when specific procedural measures are used to improve the diversity of the participants.

In terms of participatory budgeting, this model is influential in Germany (for example in Cologne), and to a lesser extent in Northern Europe. Other participatory tools to improve management reflect this model (for example, consumer charters, panels and inquiries, as well as hotlines). Similarly, neighborhood councils and neighborhood management can be part of this perspective. Governments of varying political orientation use this model. Some PBs in China, like for instance Wenling, represents a combination of the proximity democracy and participatory modernization models. Also some African examples show similarities to this approach, for instance Bagira in the Democratic Republic of Congo. Here, the PB process is combined with decentralization initiatives. This variety is related to the fact that participatory modernization can include a large number of participatory projects and approaches, like for instance user feedback mechanisms, quality warranties or user councils. This ideal type is therefore suitable in many very different contexts.

The strength of this third model is the close link between the modernization of public administrations and participation, and the fact that cross-bench political consensus can easily be achieved. The flipside is that there is only a low level of politicization, which makes it difficult to introduce broader questions, particularly that of social justice; processes close to the model tend to be purely managerial in nature.

*Multi-stakeholder participation*

The main characteristic of the fourth model is that the citizens who take part constitute just one of the many different actors, together with private enterprise and local government. The approach is weakly politicized and the major development issues of local politics can be discussed only peripherally. Although participatory procedures may well have decision-making powers, they remain caught in a top-down approach that does not enable a cooperative countervailing power to emerge.

Rather than an emerging fourth power, participatory instruments of this type represent an enlargement of governance mechanisms (whereby private economic interests gain an institutional influence in the decision-making process). In the multi-stakeholder participation, civil society is weak and has little autonomy, even if the rules of the decision-making process are clearly defined. It is essentially middle class individuals who take part, and the projects are aimed at active citizens or NGOs, who are supposed to be the spokesmen of local residents. International organizations such as the World Bank or the United Nations play an important part in dissemination. This approach lies opposite to the participatory democracy one.

As far as PB programs are concerned, this model exists in Eastern Europe, for example in Płock (Poland); the donor-based participatory budgets of Africa could also share some features of this model, especially when external actors like United Nation Organizations or National Development Organizations try to support the financing of projects defined by the local population. African experiences share often also some features of the modernization approach, especially when PB is linked to processes of decentralization. As far as other participatory processes (not PB) are concerned, this ideal type is widespread in the Anglo-Saxon world as well as in those countries, where state structures are weak.

The multi-stakeholder participation model includes private companies that are fundamental to local development but which tend in other models to remain outside the participative process. However, this comes at the cost of private enterprise having the upper hand in a process in which they have voluntarily become involved (and on condition they clearly profit from their involvement), whereas civil society is limited to a subordinate role and is not able to question the dominant economic and political framework.

### *Neo-corporatism*

The distinctive trait of the neo-corporatist model is that local government plays a strong role by surrounding itself with organized groups (NGOs, trade unions, and employers' associations), social groups (the elderly, immigrant groups and so on) and various local institutions. In this model, government aims to establish a broad consultation with 'those who matter' and tries to achieve social consensus through the mediation of interests, values, and demands for recognition by the various factions in society. In the neo-corporatist model, the participatory rules may be formalized, while the quality of deliberation is variable. In most cases, local neo-corporatist processes are essentially consultative. Even though civil society does play a considerable role in them, its procedural independence is fairly limited, and they are essentially top-down processes. This is why the emergence of a cooperative countervailing power – or of a fourth power – is unlikely to occur.

At national level, the classic neo-corporatist approaches, particularly those used to manage the health care system, often work in very different ways: they may be highly formalized, have real decision-making authority and confer decision-making powers on the social partners. The neo-corporatist model is dominant in Local Agenda 21 processes, or in participatory strategic plans. At international level, climate conferences, where different types of actors (governments, NGOs, researcher and business actors) negotiate, can be understood in relation to this model. In the context of PB, this approach has had only limited influence. One exception is the Spanish city of Albacete.

International organizations play a considerable role in disseminating this model. Its main strength is the linkage between the main organized structures of society, which facilitates social consensus around certain aspects of public policies. However, it is characterized by asymmetrical relationships of power and non-organized citizens are excluded.

### *Community development*

The dominant characteristic of the last model is that participation includes the phase of project implementation. The fourth and cooperative countervailing powers that emerge are therefore not closely linked to local institutions, which is an aspect that distinguishes community development from the participatory democracy model. There are fairly clear procedural rules and a relatively high quality of deliberation. The most active participants are the upper fraction of the working classes or middle classes, because they are involved in running the community associations. The role of NGOs is often decisive, with participation being aimed at disadvantaged or marginalized groups. In a configuration such as this, the partial substitution of non-conventional participation linked to community activities for conventional participation (party membership and voting in elections) is fairly likely to develop.

In the field of participatory budgeting, this model has developed in the Anglo-Saxon world, for instance in Canada (with the Toronto Housing Company), or in the United Kingdom, where it predominates (the experiment of Tower Hamlets, London, can be seen as emblematic). It is also exemplified in other countries of the Global North and in many countries of the Global South, for instance in indigenous towns such as Cotacachi (Ecuador), in rural villages such as Fissel (department of M'bour, Senegal), or in poor suburban communities such as Villa El Salvador (Peru).

This participatory model has clear advantages in a context in which local government is weak and where, conversely, civil society has genuine independence and a real tradition of organizing that enables the community sector to manage local projects by themselves. The weakness lies in the fact that it is difficult to build an overall vision of the town, as well as the tenuous links between participation, modernization of the public administration and institutional politics.

### *Conclusion*

It is apparent that the PB model invented in Porto Alegre has emerged in diverse models throughout its journey around the world. There does not exist ‘the one’ approach. In some cases, it is better to combine a PB structure with existing traditions of participation rather than implementing an ‘artificial’ process with no links to existing structures. On the other hand, radical innovations seem necessary to challenge the present asymmetric power relations within most common participatory devices and in society. This dilemma is not easy to resolve, and it is one of the reasons why there are multiple ways towards more just and more democratic urban development in the world, depending on the situation, rather than one ‘royal road’.

The six models presented here illustrate the differences that exist. They are influenced by different participatory cultures and the existing structures of representative democracy. Participatory budgeting is only one important example of a larger diffusion of democratic innovations. A mere dichotomy (such as authentic vs. fake, or radical vs. neo-liberal, or bottom-up vs. top-down PBs) is inadequate to understand the complexity of this trans-national mosaic. Some more general questions are however worth asking. Will PB and more broadly citizen participation only become another tool of participation in the agenda of international organizations, state and local governments? Will they be part of a broader movement of social and political change? Will they really modify the relations between local citizens and the municipal government, as well as between the later and the central state? The future is open. It seems highly probable that no one answer will be given, and that further developments will add to the design of a complex mosaic. Future developments will depend on the national and local contexts, on transnational transfers of experiences, on the political will of national and local governments – but also and fundamentally on the involvement of civil society and grassroots social movements.





GIOVANNI ALLEGRETTI

## PAYING ATTENTION TO THE PARTICIPANTS' PERCEPTIONS IN ORDER TO TRIGGER A VIRTUOUS CIRCLE

One of the most interesting studies on participatory budget published last year is the book “*El círculo virtuoso de la democracia: los presupuestos participativos a debate*” written by Ernesto Ganuza and Francisco Francés. The authors present PB in an incremental approach, as an instrument that reinforces mutual trust between citizens and institutions through gradual processes that are closely related to the “design,” that is, the architecture of the participative process itself. This factor is described – in the different experiences reported – as an engine, or on the contrary, as an inhibitor, whether of virtuous relationships between the different players of the territory or of its own “legitimacy” while a new “institution” acknowledged by inhabitants as a space that places in direct cooperation administrators and administered people, progressively dematerializing the border between them.

This perspective is, undoubtedly, of strategic importance in a planet where we live a deep crisis of legitimacy of traditional democratic institutions, especially the ones within representative politics. In fact, the increasingly visible estrangement of citizens from many of the institutions that they should perceive as their “own representatives and the defenders of their interests” is stressed out by the self-referential behaviours of many elected authorities, which collide with the economic crisis many countries are facing, making it appear that the world of politics is a “caste” (Rizzo and Stella, 2007) that only pursues its own survival and the maintenance of its positions of power. It is obvious that the distrust in the ability of democracy to fulfil its promises can not be solely attributed to the political class, given that (as Pippa Norris stresses out in her book *Democratic Deficit*, of 2011) the distance between the citizens’ expectations and the results that the government institutional systems are able to produce tend to worsen due to competition phenomena (which sometimes can be positive) that enter in short-circuit, determining “vicious circles” of negativity. Just to give an example: part of the perception of the growing distance between citizens and their political representatives is due to the sounding board role of the media, and also the higher dissemination of culture and access to school, that made people more demanding, and have contributed to widen the gap between the expectations the citizens have towards democracy and its actual performance.

This perspective calls our attention for a central factor that each participatory process should take into account: the existence of “social construction of reality” phenomena, in which continuous short circuits are determined between the operation of institutions and the perceptions that the different inhabitants have of them. These per-

*Participation in public choices is a manner of improving our democracy. This demands the capability to build a living process, where everyone has room and a voice, adjusting to constant changes. I believe this is the most authentic manner of making politics (Iolanda Romano, Cosa fare come fare. Decidere insieme per praticare davvero la democrazia, 2012)*

ceptions are closely related to prejudices, expectations, and the degree of demand and critical capabilities of the latter. Traditionally, if an area is more sensitive and deeply related to the people's yearnings, the latter shall weight a lot in the final perception of the performance. With this in mind, is therefore understandable that representative democracy is seldom considered as satisfactory. In fact, we all feel that in a world where the number of countries formally defined as "democratic" is growing every year (Freedom House, 2012), the *qualitative intensity* of democratic regimens, on the contrary, is constantly lower, especially in many of the countries that already have a consolidated democratic history.

Leonardo Avritzer and Boaventura De Sousa Santos (2003) have been drawing attention to the "dual pathology of liberal democracies" that includes, at the same time, a "representation pathology," that is "the fact that the citizens consider themselves less and less represented by those they have elected," and a "participation pathology," related to an increasingly common idea that "it's not worth to participate," as the citizens "feel too little" (Santos, 2008) to face the big interests and the political and economic dynamics which master society. In fact, the second component is linked to the first one especially in what concerns the processes that Ibarra (2007) has defined as "participation by invitation," opposing to the dynamics of "participation by irruption" that arises when people seek to dialogue with the institution by means of self-mobilization and occupation – temporary or permanent – of physical and virtual spaces. The arenas of "participation by invitation" are the ones created when one or more institutions officially opens social dialogue spaces and "admits" the presence of citizens in moments of public debate and decision-making; most of the times they are merely "concessions" (therefore these are processes initiated with an "up to bottom" direction) confined in micro-spaces of decision whose incidence on the set of public politics is limited or residual. These have an intrinsic vulnerability that may also affect the most interesting and bold cases, such as several participatory budgets that accept to co-decide together with their citizens some non-secondary slices of public resources, and therefore greatly reduce the margin of discretionary decisions of elected representatives. This vulnerability is the result of the nature of this "invitation" itself, coming from institutions that no longer have the complete trust of the territory inhabitants, and so each proposal coming from them (including the ones on open participatory decisions) is surrounded by suspicion and perceived with scepticism.

What can, then, reinforce this proposal that – bravely – try to break up the traditional monopoly of the north-western representative democracy? We believe that the answer is largely related to the architecture of the participatory processes themselves, as well as to information and communication mechanisms created to take root in the society. These two elements, in fact, tend to be assumed by the inhabitants as indicators unveiling the actual intentions of a representative institution toward the participatory process. They are interconnected with a series of central elements to determine an acceptance more (or less) convinced of the proposed participatory path by the population, that is related not only with the volume of resources placed into discussion or the choice of

a co-operative participatory modality (and not only a consulting one), but also with the mode of construction of game rules, with no mutual ambiguity of communication, with the room dedicated to training and empowerment of social players, with the capability of the process of not demonizing conflicting elements, with the time and the debate disposition and the eventual voting of priorities, and the necessary “filters” to narrow down the proposals arising from the society before making a decision on their prioritization.

As such, this article aims to discuss some of these themes that, in several examples of existing participatory budgets, have shown to have an important weight over legitimating and the ability to create territorial roots for the processes themselves. Although we begin by quoting some examples of processes that are not PB, we will then try to focus on our own budgets in order to enlighten the specificities that make these reflections particularly pertinent.

### *1. Not trivializing the participation*

The two macro families of participatory budgets that we have previously quoted, using the definitions by Pedro Ibarra of “participation by invitation” and “participation by irruption” – although the two frequently intersect and overlap – tend to receive a differentiated treatment from institutions and elected in representative democracy. What happens the most is that the participation forms “by irruption” are usually criminalized, while the ones “by invitation” deserve a more differentiated set of reactions, from “convinced support” to the cases in which they are tolerated with little enthusiasm, only hoping that they can bring direct benefits to the elected representatives and the institutes of representative democracy.

Such a treatment differentiation contributes – undoubtedly – for the deepening of the “double pathology” of liberal democracies, as due to this some social subjects do not feel recognized in political life and tend to assume conflicting and merely vindicate radical positions. A participatory process that tries to banish conflict from its horizon, or only “anesthetise it” can be perceived not as a new manner of accepting the difference in politics, but only as a mere extension of the representative processes centred in the one that – in the open line opened by Alexis de Tocqueville – could be seen as a “dictatorship of the majority”.

In the book “Elogio del conflitto” (2010), psychologists Benasayag and del Rey draw attention for the positive aspects, progressive, and social (and not only) individual growing up that the “conflict” includes and – on the contrary – on the adverse effects of conflict removal by the contemporary political scenario, which creates a “dangerous illusion” that ends up any comparison and confrontation and also opens the door to a political use of conflict menace and criminalization of any divergence from the standard rules. Is it therefore imaginable that a participatory process ends up refusing and demonizing conflict, criminalizing internal dissidence and therefore reproducing the pathology of risk of any dispute and a “disciplinary” logic of reading and using power?

It is true that the refusal to face the conflict within a formalized participatory process

<sup>1</sup> See the interpretation of Cluster 2 on the emotional analysis of the text that included interviews with technical personnel of the City Council who work in the Lisbon Participatory Budget and in other processes of social dialogue.

<sup>2</sup> According to the above mentioned new Encyclopaedia of Law (enriched for the first time with the entries “participatory democracy” and “deliberative democracy”) the word has been used to indicate different scopes of institutionalized involvement from citizens in the political life of their territory (from union agreement to militancy in corporate entities or lobbying) and even to designate forms of dialogue between different institutions or the presence of public entities within the entrepreneurial fabric and agencies providing services to citizens.

is not always a choice from the institutions. This is the case, for example, of the Tuscany Law no. 69/2007, with which Tuscany Region was self-forced to assemble public debate paths on large infra-structure choices, offering the citizens the possibility to activate this mechanism by collecting signatures; but, in spite of the possibility opened by the law, in the first 5 years of life of that Law, this path was never actually activated (Florida, 2012). Probably this was due to a lack of confidence of social movements in the regional institutions but also to the desire of keeping alive the easy (and more mediated) forms of antagonist conflict, instead of facing the hard and demanding work of a negotiation dialogue based on deeply analysing the content as well as the proposals and the joint assessment government/society of different alternative choices. In other cases – such as the famous “Public Debate” activated in 2006 on the transformation of the beltway named “Gronda de Genoa” – it can clearly be stated that the success of the participatory process itself was due to the valorisation of the already existing conflict surrounding an issue of high social impact, that rendered the new participatory institution appealing and helped to anchor it in the local territory and the social debate (Bobbio, 2010, Pomatto, 2011).

As such, we can query if the specificities of a participatory budget justify that they refuse or not the conflict. In fact, introducing a competition for scarce resources between a potentially very high number of citizens, movements and organizations, PB seems to be a path of the kind Michelangelo Caponetto (2002) would define as “conflicted”, that is, inherently permeated by conflict, as a foundational component of its own nature. On the other hand, this definition surpasses the mere definition of “conflict space”, as it includes an objective of overcoming the conflict itself through its open and transparent manifestation. Therefore, more than “anesthetising” the conflict, participatory budgets should promote its gradual overcoming, channelling energy and creativity of participation toward convergences able to abridge around those dates and deadlines or delivering budget documents that exist in every context (by law or internal regulation) and that can become an important “technical” support acting as a catalyser of common ideas or mediation between different positions (Allegretti, 2003). In spite of this potential, there are still many PB processes that try to “tame” the conflict dimension of the participation, or that simply cannot assume it as an important component in the construction of the participatory model. As Falanga has shown relating to the Lisbon PB (2013)<sup>1</sup>, this habit is also visible in the speech of institutional players responsible for the organization of the processes, who end up extolling the mythic dimension of the stage of the priority “vote”, and forget the stage of discussion and deliberation on the content, that can be less competitive but that would be more important from the point of view of the conflict between values and visions.

This last reflection reveals that the “trivialization” of a participatory process can include different elements, including the secondary value attributed to the deepening of content (deliberative phase) and an over-valuation of the co-decision phase, reduced to a mere sum of preferences individually expressed by the citizens.

It could be worth underlining that the cases of participatory budgeting that improperly use the term “participatory democracy” are not rare. As properly refereed by Umberto Allegretti, in the new Italian Encyclopaedia of Law (2011), the use of this

term is only justified when the participation experiences are reduced to visions and solid horizons of overcoming the semantic prevalence of representative democracy, while in other cases the PB (as well as other paths of social dialogue) are but “participatory moments” slightly associated to the action of representative institutions. In fact, in the last twenty years, the work “participation” has been frequently used in an abusive manner at the international level, until becoming, many times, almost a buzzword, that is, a good word for every season, that incorporates a so vast amount of senses and concepts that it becomes incapable of really communicating anything.<sup>2</sup> Undoubtedly, the abuse of the “participation” rhetoric has contributed to determine a high level of expectations, frequently frustrated to the point of becoming partially responsible for the feeling of being an “empty” concept, as well as having little weight in the destinies of democracy tout court. Others, and stronger ones, responsible for this feeling are the set of weak results that many participatory experiences have determined, regarding a wide variety of errors performed within the processes that characterize them and are closely linked to the original “restrictive or minimalists” dispositions of the same.

With no fear of making a mistake, we could state that the efficacy of most participatory processes and the possibility that they produce satisfaction in the citizens are dependent variables, closely linked to the concrete results produced, as well as the times and disclosure techniques used to render them visible.

Participatory processes also belong to a context where the social construction of reality has a lot of weight in the memory that lasts from the processes and the diffuse perception of their success. We could even raise the hypothesis that they are even more subject to the weight of this perceptive dimension than to any other decision or public policies construction path. All this because they involve emotional issues linked to the confidence between citizens and politicians, self-esteem, voluntarism of civic engagement, the sacrifice of free time and desire of the people to see their lives changing for the better, by means of a direct role in democracy practices finally reinvented as a space of recovery of the “people power” which started it. In this perspective, it is not only what happens in participatory processes that matters, but also the manner in which these events are chained and progressively connected, and also as they are described, valued and finally filed and reproduced in the collective memory (Allegretti, 2013).

We should, in fact, ask ourselves if it makes sense to invest energies and resources to assemble innovating spaces of participation (especially as they are not imposed by any law), if afterwards the promoters are not interested in the reactions that the path generates

in participant players, nor to give voice to the concerns of citizens. In fact, many participatory processes downplay the importance of the perception of the different participant players that form the dialogic nature of any participatory process, and that may contribute to create a “vicious circle” in which the more the process is incapable of meeting the expectations and desires of the participants, the weaker the response to the institutions efforts to open new interaction spaces, demoralizing the political representatives and blocking the efforts to advance with innovations that require a lot of energy, investments and – frequently – political loneliness from the elected persons (and many technicians) who bear these trials.

As such, two main hypothesis guide our navigation:

- 1) the first is that the peculiar nature of every participatory process consists in the creation and continuous recreation of social capital, understood as a set of positive energies set to work for intensification of democratic quality;
- 2) the second hypothesis is that the social capital dispersion (that may happen due to errors blocking the investment of civic energies in the construction of the territory and public politics) is an almost irreversible phenomena. That is, when an individual understands that the good will with which he “donated” his free time or knowledge for a process of supposed social transformation was underrated, his contributions were wasted and his trust in the institutions betrayed with no explanations, he tends to return to the private sphere, according to a set of different behaviours that can include depression, escape the fulfilment of civic duties, withdrawal from any political commitment (including vote), up to revenge actions that include violence and vandalism.

## *2. Continuities and discontinuities in the definition of PB models*

As pointed out by several authors<sup>3</sup>, the participatory budget cannot be read only as a “standard procedure” that is, a “device” marked by clear relationships between simple and recognizable factors. On the contrary, it is far more realistic to describe it as a set of “principles” that can be locally adapted up to the point of originating processes that are very different. According to this second perspective, the participatory budget is imaginable as an “ideoscape” (Appadurai, 1991), that is a political model that travels globally, but only exists through its local appropriation. As such, the same model ends up transforming itself in an incremental manner by the different located implementations. If the travels the participatory budget has performed in the last 15 years, from Brazil to other countries and continents (Sintomer et al, 2013), and the concrete experiences inspired in this model have been so diverse, this also depends on the fact that the PB, from the first Brazilian experiences of the 90’s (including Porto Alegre), has presented an enormous variety of possible goals to be achieved. These differentiated objectives (many times co-present in one single experience) include a large series of different “meanings” that could have been attributed to an experimentation of the PB, according to the different instruments and specific procedures used to mould is organizational architecture. Therefore, in fact, the holistic approach and the conceptual complexity embedded in the idea of participatory budget, imply an attention to the coherence that exists between the declared goals that inspire every PB experience, and the “instruments” and specific “techniques” used in order to reach those goals.

As it is difficult to provide rigid definitions (regulatory or essentialist) in order to recognize and differentiate the PB from other participatory processes typologies, a possible path that some authors have followed was to adopt a definition of the “methodological” type (Sintomer et al, 2008; Sintomer and Allegretti, 2009), choosing to create some “guidance maps” built on Weber “ideal types” that represent different families of participatory budgets. As such, a hexagon was imagined, whose vertices represent different procedural typologies that characterize each specific procedures of PB based on the relationship that is being produced between the specific processes and some predominant models of privileged public management in the specific context in which each experience is included (see Sintomer et al, 2013). An indispensable aspect that these definitions had to include is the fact that participatory budgets are “processes” with evolve (or do not evolve) in time, and that, due to those transformations, can grow in the content quality and attraction capability, or (on the contrary) drain themselves until loosing its original nature and regressing to very traditional forms of politic/society dialogue.

Thus, it is possible to identify a “vital cycle” of each experience of participatory budget, formed by actions that may lead to its progressive evolution or a downgrading (that is, a progressive weakening) that can expose fragilities and even lead to a quick “death” of the experimentation, as shown by a recent article by Alves and Allegretti (2012) on the change in the Portuguese panorama of participatory budgets in the last decade.

In fact, the history of the journey of participatory budgets throughout the planet in the last decade clearly shows that they were – every time – used as opportunities to introduce a visible “discontinuity” in a territory relating to previous tested social dialogues forms or, on the contrary, they were introduced in the “continuity” of pre-existing participatory models, although adding the will to bring new elements of efficacy and creativity. Defining a specific rule – in terms of “it has to be” – on when to adopt one or other strategy would make no sense

at all (besides not being easy), as usually this is related to cyclical and specific choices of each context. But undoubtedly, it is possible to find a “general logic” to which that choice responds to, or at least, it would be wise to respond to: and this is related to the degree of success achieved by previous participatory trials. That is, if those practices did not achieve the aimed goals (in terms of deliberative quality, attraction capability, and diversification of the public, of satisfaction of the players, generated products, etc.), it does not seem to make sense transforming them into a binding and inertial element of a PB path centred in a continuing basis with them. On the contrary, had they shown a huge capability to produce encouraging results, it would make perfect sense rooting the participatory budget in those results, ideating it as an opportunity to introduce new creative elements to evolve, consolidate and perfect the previously existing procedure.

The plurality of definitions existent in the literature to define the PB help to identify the high level of complexity of strictly classifying the experiences of PB, suggesting it would be useless and very little motivating aiming to establish a hierarchy of the cases based on an absolute “value” of each experience, not keeping the reading intimately related to its capability to transform (or not) public policies and civic and political cultures of each specific context.

It would probably be better to adopt the line of reading claimed by Graham Smith (2009), an important author for the study of democratic innovations, who alerts to a frequent “bad practice” in studies on participatory trials, that is, the habit of judging them in relation with the abstract models of participatory coherence and perfection and not according to the positive transformations they introduce in each context. To Smith, the right posture would be to evaluate each experience according to the offer of the institution panorama “before” it appeared and, successively, to evaluate which were the “procedural” transformations that the participatory process underwent with time, progressively moving away from or closer to (with different strength and different degrees of maturing) that perfection probably inaccessible in its entirety.

As shown in literature, there are no absolute valid “star-guides” to express the constant transformation that is in the essence of a participatory budget, avoiding falling into an entropic and progressive impoverishment dynamics. But it is possible to track some “determinant factors” that act in each territory, affecting the success or weaknesses of any PB. Among them, there are four main factors that we should stress : (1) political will; (2) organizational and propositional capability of the social fabric <sup>4</sup>; (3) the financial autonomy of the institution proposing the PB and the available resources amount for the participatory budget; (4) the process architecture and the rules with which it warrants equal access to all potential participants.

These four factors do not have a weight and a real incidence merely due to the fact that they exist, but they partially affect the result of a participatory process in the proportion of how the citizens “perceive” the consistency of each one of them. This reflection suggests that a PB may become more or less strong concerning the commitment and the attention granted to ensure the centrality of each one of these elements, but also according to the establishment, maintenance and disclosure of the relationships between them. This last feature is linked to some fundamental principles that could guide the relationships among different success factors, generating an asset able to consolidate the participatory path and its sustainability. Therefore, in the following section we will try to

<sup>3</sup> See DICO – Critical and interdisciplinary dictionary on participation: <http://www.participation-et-democratie.fr/fr/node/1035>

<sup>4</sup> The first two usually act in a complementary manner, compensating for each other.

identify three of these “guiding” principles (according to Allegretti, 2013) and present some concrete examples that can reinforce problematic areas that show the need to respect these principles.

### *3. Three pillars to guide the evolution of PB*

Several authors (Ganuza and Francés, 2012; Avritzer, 2009; Wampler 2007; Allegretti, 2005) have shown the fragility of the PB relating to representative institutions and the contribution that can be provided for its rooting in the territory through the existence of some pre-requirements (in terms of transparency, coordination, informational capillarity, language clarity and so forth). The “virtuous circle” between the pre-requirements and the innovating character of each specific architecture of a PB would not be activated only based on actions given that the players’ perceptions are an integral part of the social construction of reality and, therefore, end up being responsible for an amplifying effect that partly contributes to determine the success of the actions that the participatory process implements and also its own sustainability.

The sustainability of a PB should be understood as the ability of reproducing the process in time, keeping or increasing its possibility to attract participants and produce effective transformations over the territory and structuring public politics. It is proportional to the “resilience” of the same participatory process, that is, its capability to change its shape – if necessary – keeping intact the principles and central values, aiming to adjust to the different external conditions (whether political, institutional or financial). We would like to focus on three guiding principles that seem to be crucial to ensure the continuous evolution of a process without mischaracterizing the values and horizons structuring it. These are the following:

- a)* Keeping a firm will to characterize the process as a set of rules and instruments intrinsically evolutionary, that is, able to continuously renovate themselves, in an incremental and attentive manner to all that emerges from past monitoring actions.
- b)* Structuring all the necessary transformations to assure the PB the possibility to mature, becoming more attractive and effective, and increasing its deliberative quality without forgetting the need that the introduced changes do not affect the “centrality” of the citizens in the process. This does not mean that every introduced change has to be negotiated in detail with the participants, but it is certain that all transformations of the decision model and the relations of power between the players should not be changed without previous consent of the citizens when they risk being perceived by the latter as “threats” to their gradual acquisition of power within the decision mechanism. In fact, if in the origin of the PB there is the will to recover trust relationships between inhabitants and institutional representatives in a time of diffuse distrust in the role, the spirit of service and the integrity of the politicians, it is obvious that each change in the power relationships conveyed by the changes in procedural architecture can be faced as a “betrayal” of the founding spirit of the PB and, therefore, a regression towards the “power of politicians,” able to generate some stiffening in the relationships between the players and a waste of the social capital created in the previous process.

c) Finally it will be necessary that each introduced change is gradual and is not excessively “scaring” for the institutional players (whether politicians or members of the technical board). In fact, it is extremely important to be able to explain, defend and show with evidence and appropriate indicators the benefits that the transformation is able to bring to the process as a whole, and its capability of self-probation to citizens.

This last principle is important as the PB are different from other more formalized participatory processes, and are not only a “public policy” (Alves, 2012), therefore unable to survive if it is not constantly supported by political will of those who hold the power of territory management and decisions over public policies. If these players lose confidence in the process, they can threaten the maintenance of the very own “political pact” on which the PB efficacy is based, making it unsustainable in the short term. It is also worth quoting an almost physiological element of political dialect between representative and participatory procedures: that is, the fact that any new elected mayor or city councilman who aims to continue a pre-existent participatory process wants to leave her/his personal imprint, to be able to “take possession” of the creature and caring for her with more passion.

If this legitimate desire is not taken into account by the citizens, and on the contrary is faced as a strange and dangerous threat, there is the risk that the new administrators end up marginalizing the PB, as this is faced merely as an obligation, a heavy heritage of a flagship project (that is, an important “flagship project”) of the previous administration that does not add to the new rulers anything that can be disclosed as their “recognizable logo”. For example, in 2013, in the town of Condeixa-a-Nova (that has passed from an experience dedicated to the young people to a largest trial that opens two separated but interrelated spaces of co-decision for younger citizens and all the others), the Mayor – who was leaving as he could not be elected to a fourth mandate – decided not to include a set of occasional changes discussed during the previous year PB, with the explicit intention of leaving to his successor all the modifications he would consider useful to negotiate with the inhabitants considering an eventual modification of the general or specific goals of the participatory budget.

In this perspective, there is no sense in asking if we should accept or deny this need to introduce novelties in the participatory process, but the real problem seems to be finding the way to defend the PB accumulated achievements, maximizing all positive contributions of the new elements, without losing any of the major gains from the past.

It is worth to underline that in Portugal, in the last few years, there is a growing tendency to build “Letters of Principles” that present in writing the goals and the fundamental values on which the process is built upon, asserting themselves almost as a “constitution” to be respected at all times in the transformation of the operating rules that can occur from time to time. Although in the specific Portuguese case there are not (yet) written self-regulations with the participants (as it already happens in Spain and Brazil)<sup>5</sup>, the methodology presents interesting aspects exactly in the sense of allowing changes in the rules that can perfect the process in time, respecting the horizons and values established from the beginning. In order to assure this “constitutional” operation in the relationship between fundamental principles and pro-

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<sup>5</sup> Only in the case of Condeixa-a-Nova some rules were discussed (by the participants’ willingness) during the PB process of 2012, and consequently changed to 2013.

<sup>6</sup> Cases such as the PDM from São Paulo and Salvador (whose approval was blocked by justice as they did not comply with the minimum obligations required by law relating to the true participation of citizens in the instrument's design) are many times bring forth in those debates.

<sup>7</sup> Given that the interruption of the PB also is related to the failure of the inhabitants to claim any penalty on its lack of implementation.

<sup>8</sup> In the case of Porto Alegre, some authors (for example Langellier, 2011) underline some risks of the PB self-regulation. For example, after 2005, when the new coalition that replaced the Partido dos Trabalhadores (Workers Party) was not able (or did not want) to contradistinguish some proposals for rule changes presented by a series of segments of the society interested to "arrogate" the process for their own benefit, some measures were approved that have determined a series of setbacks in the level of social coverage of the PB.

<sup>9</sup> See: [issuu.com/observapoa/docs/observando\\_v.1\\_n.1\\_2009\\_?mode=window&view-Mode=doublePage](http://issuu.com/observapoa/docs/observando_v.1_n.1_2009_?mode=window&view-Mode=doublePage)

cedural rules, it may be necessary – in the future – to establish an organism for surveillance and monitoring the respect for the "Letter" and eventually improve and detail the principles and fundamental values in time.

In spite of these transformations, we have to acknowledge that to date there have been few examples of participatory budgets in the world that have shown deep attention, not only to the real structuring of the process and the relationships between the players, but also to the centrality of the reactions that each action can determine in its players. Next section, we will try to identify some examples of PB that considered as indispensable to look after the "hypersensitivity" of citizens, which is a normal condition in dialogue processes that touch sensitive aspects relating to emotions, dreams, individual and collective expectations, and that mainly try to value the energies that the individuals participating in the process voluntarily "donate" to the latter, using for that effect the time that could have been spent in activities linked to the private sphere. Namely, we shall centre our discussion on themes linked to financial and organizational architecture of PB processes, trying to show the manner they can affect the mobilization of other determining factors for the success and sustainability of each process.

### 3. Citizens "in the centre"

If, for many years, most of the Brazilian participatory budgets refused to address the subject of PB process institutionalization through official deliberations, the reason for this refusal was frequently justified by the risk that the processes might become rigid, "frozen" and "bureaucratized", thus becoming linked to the bureaucracy that rules inter-institutional relationships and therefore unable to evolve as quickly as necessary in order to respond to the celerity that often characterizes maturing processes from the players and their relationships within the processes. Beyond these motives, there would be the idea that a PB works and "is worth" when the participants are really passionate by the process as a method of policies elaboration and the deliberative game becomes – in a short period of time – in an institution (Allulli, 2011). That is, something in which the participants, although only temporarily, internalize the rules and principles, therefore legitimizing the process, as they understand it as intrinsically rational and correct, not only as a tool to be used, but also as a public asset to defend. This speech was – undoubtedly – instrumentally used as a comfortable "protective shield" by politicians not willing to formally ratify an important step of transfer of power to citizens, but also to have an instrument of "election blackmail" grounded in the strong link between the PB survival and the permanence of that political force in office. In the beginning of the Millennium – after the sudden death of several PB due to electoral defeats – the debate became more vivid (Allegretti and Alfonsin, 2005), given that citizens have started to claim the need of having a legally binding instrument that, in case of victory of coalitions or political parties that are not interested in promoting PB, would allow them to "charge" the application of new political leaderships, as it happens, for example, with the participatory master plans thanks to the Law of the City Statute<sup>6</sup>

Other countries have acted from the start in a manner that is different from Brazil. In Europe, for example, there are cases of PB (in some areas of Italy and Poland) where politicians – at first – have taken, among the first measures, the decision to formalize the existence of the process, by means of turning it into an acknowledged “right” by the citizens. These trials however, have not been able to assure the process maintenance, as it happened in the Italian County Pieve Emanuele, whose statute includes the PB since 2003, but no one has claimed its implementation since the centre-left coalition lost the municipal elections in 2006. This example – when compared with Brazilian cases in which the change of a political majority did not lead to the PB disappearance (as in Porto Alegre or Caxias do Sul) – tells us that political and also social probation<sup>7</sup> is one of the key element for the sustainability of a participatory process in time.

As such, we could list the field of a process rules construction as the first and important space for power dispute that can determine the acceptance, the rooting and sustainability of a PB in time. This explains the growing importance that the self-construction has been gaining (to the very own participants) of the rules presiding the participatory budget operation. Such proposal, from the 90’s, claimed the need to replace a “top down” regulation with the public discussion of a “self-regulation”, in whose transformation the inhabitants have an important degree of control.

The central idea of this tendency is the fact that – being the PB per se a participating instrument “by invitation” (therefore creating many times a sort of “concession”, or a “generous opening” in the availability of administrators that legally would have the whole power to execute the choices on their own and in a discretionary manner) – the whole construction of the rules is kept in the hands of institutional representatives and that would not trigger new trust relationships, especially in territories and political situations marked by a substantial distrust in institutions. In fact, the participation rules duly established and disclosed “top down” can reinforce scepticism towards the process and the sense that it may represent only a new “bureaucratic trap”, where only the ones who created the rules can profit from the benefits of the process. It does not matter how much this impression corresponds to the truth; the fact is that this doubt on the honesty of the PB may arise in the citizens minds, and that is enough to have a negative impact in the legitimization of the process and its rooting in the territory. If self-regulation represents an effective measure to face negative perceptions that a top down regulation can trigger, its efficacy is nevertheless related to the methods used for the revision, and the

degree of control and supervision exerted over that moment of the participatory cycle by institutions possible plural in their composition and that, due to that composition, will be recognized as fairer and equidistant from the different players that directly dispute power within the PB.

When, in several cities, the City Councils established PB Monitoring Committees (which include political opposition or even drawn citizens – as in the cities of Capannori and Cascina in Tuscany) this is an acknowledgment of the fact that each space where the rules are built can be (and usually is) perceived as a “space of power” that can benefit the people who have the better knowledge, organizational capability and time to be able to take advantage from it<sup>8</sup>. Therefore it is crucial that this step of the participatory cycle is monitored and regulated, in order to assure that the change of rules only occurs in a manner perceived as “fair” and not privileging only some groups of territorial players. The “observatories” that began to appear in some cities (in Cameroon, France and in Brazil, *Observapoa* of Porto Alegre, that nowadays publish the magazine “*Observando o Orçamento Participativo de Porto Alegre- Observing the Participatory Budget in Porto Alegre*”<sup>9</sup>) are also an interesting manner to act – at the same time – on the monitoring of the operation and of the rules and the production of “information to the citizen”, therefore avoiding that the informational monopoly from the institutional source becomes an obstacle to the trust in the participatory process.

Today, many cities begin with very “light” operating rules, waiting for new rules to be proposed in the following years by the same citizens according to a growing desire of “guardianship” and “protection” of everyone’s right to participate, but also the efficacy and efficiency of the process. Sometimes, these rules “demanded” over time by the citizens are mainly related to the relationships between the participatory process and the administrative routine operation. In fact, the introduction should especially be gradual and consensual on the rules of a “technical” nature, as these can seem as a politicians or the technical body’s attempt to re-appropriate themselves of part of the decisions, simulating that they are the result of technical and regulator obligations that can not be disregarded. In this perspective, the usefulness of self-regulation is highly visible, as it allows that the more difficult to digest rules are gradually appropriated and understood by the citizens, and not only rejected as “enemies”. As such, the qualitative complexity of a PB occurs gradually and progressively, without causing excessive “shocks” between institutions and citizens.

#### 4. *The futile efforts of advisory PB*

All the above mentioned, reinforces the reflection that one of the central elements of the participatory budget debates is related to the issue of the centrality of the participants in the decision assumption. In fact, while in Brazil, from the 90's onwards, it was never questioned that the PB could only be a "decision-making process" (that is, corresponding to a model in which the inhabitants have the right to decide the list of priorities and the institutions respect the priorities order established by the participants, within the maximum scheduled amount), in other countries and continents there has always been the hypothesis to build "advisory" models of participatory budget. In these models, the citizens express their desires and proposals, but in the end the public institutions make the final decision on which proposals should be included in the list of the financed projects. This second model of PB has been defined in many ways in comparative literature, but always with words that point to a "weak, "light," "poor" commitment and a degree of reduced innovations relating to pre-existing experiences of inhabitants participation in the discussion of public policies and projects. In the comparative analysis between 55 European PB, performed between 2005 and 2009 by the Marc Bloc Institute, under the direction of Professor Yves Sintomer, this PB model was also named as "selective listening": particularly, the analysis underlined the need to include a high level of accountability (or feedback) that can provide citizens with evidence of a good political will relating to consider their proposals, but also detailed information on the reasons that led to the refusal of some proposal and the acceptance of others. Only with this safeguard (the presence of a strong commitment to explain the final choices after the "selection of priorities to be financed" is made by the elected authorities) would nowadays be possible to insert some processes self-denominated PB – such as the Swedish case of Orsa or many of the German examples (more similar to models of "consultation on public finances") in the list of participatory budgets. Today, the debate is still vivid regarding this issue. There are even groups of militant consultants (for example, in Portugal or the United States) who refuse to accept consulting contracts with only advisory PB experiences, claiming their poor autonomy comparing to representative politics, and the lesser capability to resist to alterations determined by changes of external factors. Many radical movements (especially from the left political wing) refute the experiences of advisory PB as "non-influential" in the change of the political culture, because they leave the selective power in the hands of the same elected authorities that would have, in the absence of the PB, made all the decisions. For these critics, public authorities that promote advisory PB frequently make an "instrumental" use of the processes, directing the decisions to preconceived choices, trying to legitimize them by means of the words pronounced by the citizens in the process, but without really promoting a true debate on alternatives nor accepting the "surprises" that frequently arise in the public deliberation phase of the participatory processes.

What interests us from this debate is mainly the fact that the reasons defended by the adversaries of the "advisory" PB model are deeply related to the weight of the "perceptions" of the participants in the possibility of being loyal to a participatory process and acknowledge its legitimacy that should mark a real new "institution". The centre of the problem, seen for the citizen's perspective, is in the mechanism the

Englishmen define as cherry picking. Although the stage in which the elected authorities or their technical bodies choose the priorities in a list of desires and proposals expressed by the citizens can be honest and transparent, for the citizens there are always doubts on the criteria used to finalize that choice.

In fact, it is likely that there is no need for a municipal government to use the speech of the inhabitants in order to legitimize preconceived choices so that the public will form a negative opinion on the manner the selection process was driven. This happens because, in fact, many of the exclusions are not motivated by other reasons than the lack of sufficient resources to be able to accept all the presented proposals. Viewing this motivation, it is extremely difficult to make the excluded accept the fact that their proposals deserved to be less financed than the accepted ones. This is because usually there is no clear statement of the criteria that justify the exclusion or the approval of proposals with apparently the same dignity. And also if those criteria were listed, how would it be viable to make comparisons that seem “objective” between very different proposals based only in definitions such as “efficiency”, “realism”, the “feasibility”, the “public utility”, even the “degree of deficiency of the type of equipment proposed” in a given territory?

The PB that use this criteria in the stages of proposal filtering, inserting in their assessment better “targeted” indices or parameters, have always known that these criteria can never be seen as “objective”, “neutral” or “equidistant” towards a decision. This is the reason why cases such as the participatory budgets of Porto Alegre, Seville or Cordoba (in Spain) have given a secondary role to these criteria (visible in the attribution of less “weight” over the set of the decision), making clear that the centre of the decisions was the outcome of the vote from which the citizens were and are the only protagonists.

It seems therefore natural that whichever the criteria used to justify a selection of priorities made by someone different from the participants themselves, are perceived as “arbitrary” and “contestable” in the manner in which they were defined and/or used. In fact, this is a structural weakness of the participatory advisory models, that alone are not able to set aside the “mistrust” that the use of high levels of “discretion” in the final decision on the allocation of resources for investments naturally causes in whoever has offered their free time, competency and passion to contribute for the making of better decisions, which are closer to the needs of the inhabitants. The citizen who has invested in a participatory process, in view of the final choice, will also ask himself: “What are the ‘hidden criteria’ that lead to that choice?” “What was the weight of patronage relationships in the final decision?” Therefore, it does not need to be a choice made with evil intentions. Whatever the final choice proposed by the political players, it would have many possibilities of being perceived as unfair by the citizens.

As such, if no one compels (as in Peru or the Dominican Republic) a local authority to commit in a voluntary participatory process that can hide so many traps and produce negative perception in the public from which it would want to conquer trust in the first place, why risking to launch this adventure without opening a space of decision autonomy for the inhabitants? In the end, we can say that – to obtain a same degree of trust (and legitimacy) from the citizens – a merely advisory PB process implies a

lot more work for the institution than a co-decision PB process, as they have to justify in detail each rejected proposal, with the risk that every explanation can be perceived as negative (such as incomplete, exotic, poorly justified or even performed in bad faith...) by the citizens. In recent years, especially in many European countries (where, in the last half of the previous decade, several trials of advisory PB have been implemented), this reasoning starts to work, as soon as the number of experiences of deliberative nature is growing. A highly visible case is Portugal, where up to 2008 most PB were merely advisory, in the line tried by Palmela municipality, the first participatory budget of the country. In 2012, from the existing 23 trials, only 5 were advisory ones. As shown in the study by Alves and Allegretti (2012), most advisory PB were suddenly interrupted, especially due to the financial and economic crisis that generated a series of cuts in municipal finances, which have determined the blocking of the implementation of some works included in the participatory budget of previous years and a lot of frustration among citizens. Some cases such as Sesimbra municipality (where, in 2010, in its 5th anniversary, the PB went from deliberative to advisory, and then stopped in 2011) show how the disempowerment of the PB and change in the model that can be considered as a “weakening” of the previous trial have acted as an “antechamber of death” for the PB.

In some manner, the advisory PB model has shown to be little “resilient”; that is, unable to face the alteration brought by the change in the framework conditions in which the process was held. It is, therefore, understandable why processes such as the Portuguese municipality of Amadora, in a moment of crisis, have chosen to reinforce the intensity of the PB and transform them in co-decision processes, expecting to reinforce the bonds of trust between the population and the institution that proposed the PB by means of a clear statement of the will to change the dominant model of governance hitherto chosen.

Obviously, also in a PB co-decision model there can exist delicate moments that can contribute to determine the image of a lesser or higher commitment of the administration in changing the political culture, offering a really central role to the citizens. Among them, there is especially one step of the decision path that needs to be stressed out, regarding filtering and splaying of the proposal presented by the citizens, aiming to ensure the quality and the reduction of the number of those proposals that will be submitted to vote of the final priorities on which to invest the resources foreseen in the PB.

This splaying operation is always necessary, since many participatory budget models tend to generate a large range of citizen demands, and therefore also risking the public to be lost in the excessive amount of projects, ending up not reading them all before the start of priorities voting. A classic example is Lisbon municipality, where the participatory budget allowed the proposals to be submitted through the internet, which has generated since 2008, a very high number of applications that have (every year) to be necessarily filtrated and reduced in order to allow a conscious and rational voting by the participants. This is the reason why, since 2009, the large amount of “proposals” has to be analysed by a team of technicians from the municipality, that merges and reworks them in articulated “projects”: the number of which is about  $\frac{1}{4}$  or  $\frac{1}{5}$  of the initial number.

In many cities, this “filtering” has frequently created dissatisfaction, and many proponents claim not to recognize their own original proposal, although the mergers and aggregations include the identification codes of all original ideas which conform them. In Lisbon, a sign of this dissatisfaction was, back in 2009, a revolt that erupted at the beginning of the poll for the winning projects, forcing the City Council to shut down the votes count and reopening the polls, having asked the technicians to collect all complaints and re-evaluate the initial proposal and its merger.<sup>10</sup> From the following year onwards, this procedure became standard, introducing in the PB regulation of the Portuguese capital (and its duplicate in many other cities) a period devoted to the presentation of complaints, followed by the re-evaluation of the projects object of the criticism. It is therefore not strange that other Portuguese cities that wanted to mimic the example of Lisbon – have afterwards chosen different solutions to reduce the proposals, as well as in an intermediate poll in the very own assemblies’ proposal (Cascais) or in prolonged contacts of the city hall technical teams with the proponents in order to favour corrections and merger of proposals (Guimarães and Condeixa).

As in the case of the adoption of an advisory model of PB, and also relating to this problem it would be possible to ask: “Why should we spend so many efforts to undermine the confidence in the process through a splaying model of the proposals that can offer the perception that is once more the “bureaucracy” that directs the final decisions?” The same “extensive” use of information technologies (that facilitates the redundancy and partially forces the splaying phase) could in this sense be questioned as an instrument generator

of suspicion. Because in fact, if on one hand it can assure the inclusion of new players in the PB, on the other it tends to reduce the negotiations between players and a sum of individual preferences and also does not allow a true control of this aggregation by the citizens, as it happens in a back office level, that is, in the backstage, in a dark room that only produces results without allowing a real monitoring of the accounts and the preferences expressed by the participants<sup>10</sup>.

Special consideration should also be given to those cities (very few in Europe but many in other continents) that return the power not only of splaying, but also of decision, for “delegates” or “popular advisors,” without going through the potential vote of all the inhabitants in plenary spaces (virtual or present). In fact, in a time where many people are suspicious of all who present themselves as “representatives” of others, this may contribute for a wrong image of the participatory budget. In fact, the choice to trust in small groups of people (although openly elected in previous stages of the process) for important choices can generate mistrust in many citizens, and it can also “disclaim” most participants from the process, as far as – since the delegates from various districts or theme assemblies are elected – the role of the citizens is very reduced. In such path, there is the risk of creation of new “representative spaces” that do not stimulate the population direct growth (in political and pedagogical terms) nor a higher social dynamism built on new horizontal relationships between individuals and groups in the space of “learning by doing” formed by the participatory budget. Due to these motives, many cities prefer that the citizens, in successive classroom spaces, are the ones that splay investment proposals through debates that lead to a reduced and “realistic” number of proposals over which the entire population of a given territory rules by means of methods of prioritization and extended voting, or even local referendum.

The case of Cascais, in Portugal, is very clear in showing that, whenever the reduction of redundancies of the proposals is the responsibility of the citizens themselves, the acknowledge legitimacy of the process regarding the used methods is around 100%, even from whom was not able to approve any proposal (OPtar Cascais 2012). This data allows us to make a general reflection on the importance that the architecture of a process – and its capability of relating its transformation and instruments to the perceptions of the participants – has to determine the success and the very own probation of a participatory path.

<sup>10</sup> In spite of the energies required (in terms of time and personnel) and the risks implied in terms of dissatisfaction of the inhabitants, such procedure of splaying does not seem to be very effective. As it is obvious from the results of the Optar Project, that nowadays monitors a dozen of participatory budgets in Portugal, it seems that most people do not even read all the proposals (which are over 200) and only vote in those they already know or that someone told them to.

<sup>11</sup> This kind of criticism has been very marked in Italy between 2012 and 2013, in the newborn *Movimento 5 Stelle* (5 Stars Movement) vote to choose the candidates for members of parliament and the vote for the unit candidate of the movement for President of the Republic.

### 5. Looking to the future: some concluding reflections

Today, in the world, there are only three places (two countries, Peru and Dominican Republic, and a province, South Kivu in Congo) where the participatory budgets have become mandatory by law. The existing studies on these areas (Mbera, 2012; Allegretti et al., 2012; Mc Naulty, 2012; World Bank, 2010) present ambiguous and differentiated findings. In fact, many local and regional administrators perceive this obligation as violence, but the local population perceives it as a warranty, and they frequently ask to introduce improvements in old and very rigid laws. At the same time, it seems that the mandatory process generated some positive effects in terms of construction of “prerequisites” for the implementation of good participatory budgets (especially in terms of transparency, efficacy, accountability and construction of redistributive criteria for the resources in the territory), but did not present the capability to “induce” new good practices – which happen only in areas marked by a strong political will. Other methods more centred in the “promotion” of the PB from supra municipal institutions – as it happens in Poland and in Tuscany, or already has been done in Lazio Region or the Province of Malaga (Allegretti, Paño and Garcia, 2011; Allegretti, 2011) have proven more effective, although the possibility of creation of slightly compromised processes and of low democratic intensity represents, in these cases, also a not secondary possibility.

In any way, the above-mentioned situations are a small percentage of the PB that presently exists in the planet. Most other are represented by voluntary processes, that are born from the meeting between different political will of representatives from institutions, social movements, and, more rarely, public servants that work in local administrations. Most of these trials include participatory process with some evolutionary capability in time, that many times are born weakly – that is, with reduced amounts of resources, in limited territories with a marginal role in the net of public policies – and gradually advance through pilot programs and incremental expansions.

In many cases, they have reduced energies to go forward, and therefore privilege action over self-reflection; that is, they move forward intuitively, without monitoring their findings, using only the “intuitions” of the elected administrators and the officers involved in the PB as a guide for the progressive transformation. A smaller number of cases, in the last few years, has been committing to partnerships with universities or non-governmental organizations in order to ensure a more scientific assessment of the participatory processes, and the possibility to study the feedback from the careful listening to the participants and the questioning

of the reasons for its absence offered by the citizens who do not participate. Few are nowadays the examples of cities gifted with PB that are already equipped with the construction of permanent structures (usually called Observatories) devoted to monitor the performance and the impact of participatory budgets, sometimes in the middle of other tasks.

Within the above-mentioned scenario, there seems to exist a limited number of examples of participatory budgets designed as true “trials”, seriously grounded, not only in terms of political will, but also scientifically designed to analyse their results and coherently modify its shapes and the manner to establish pro-active relationships between the players. Other PB are only “trials” that happen, but seldom devote the necessary space for a self-critical reflection that sustains transformations capable of increasing the coherence between the declared goals and the means used to reach them, relating to its own sustainability in time. Particularly reduced, is the number of examples of PB that in each step – and especially in the intervals between annual cycles, when there is space and time to introduce the necessary changes in the process operation – try to analyse the perceptions that the processes raise in the players of the territory.

The aim of this chapter was to offer a reflection precisely on this last issue, searching the relationship between the neglect existing in many locations on the “perceptive” aspects relating to the participatory processes and the success of the PB. We could conclude that we have disclosed as such some “weakness” areas in which the perception of the actor could determine a lack of legitimization of the processes themselves. If attention is not paid to these risks, it is easy to imagine that the PB may even represent – at a certain point in its life – a “political boomerang” for its promoters. This result would not obviously be a mechanical fact, but the consequence of an incapability of the promoters to ensure the sustainability of participatory budgets in time by means of a critical reflexive posture, able to listen and value the hypersensitivities that surround participatory processes. The latter, in fact, are very delicate political and power struggle spaces, especially when they bet on the possibility to valorise collective intelligence, the maturing of social capital and the reconstruction of mutual trust between political players e citizens.

In this article, we started by identifying some success factors that literature has highlighted as “determinant” in the construction of successful experience of PB until today. After, we tried to analyse some of the “critical macro areas” (such as the spaces for rules construction or filtering of proposals, etc.) that are part of the organization architecture of the participatory budgets, in order to

understand a series of frequent risks that can threaten the success of the PB (when the transformation of the process happens without attention) and to understand how the same changes could have been faced and understood by the different territorial players.

The indications we have tried to offer to deal with some of these risks have included some concrete examples, but also the identification of the three general principles that could guide the evolutionary transformations of a PB, positively affecting its sustainability: (1) the need to keep constant the incrementally evolutionary character of each participatory process; (2) the commitment to make each transformation, allowing the citizens to continue to perceive themselves as the “centre” of the participatory process; (3) the necessary attention to care for the perceptions of the political players, from which depends the continuation of the process, that need to be pampered and respected by the effort to keep the PB alive and rich (and many times they end up isolated from the political parties or from the other administrators), and they also need a critical and constructive support to avoid that the participatory budget ends up as a cyclic repetition of democratic rituals already emptied of its original “soul”.

The most important aspect to underline, to conclude, is that – also when it is not possible to have detailed instruments to test and study the citizens’ reactions towards the progressive transformations of the architecture of the participatory budgets and their relationships with the representative institutions, the territory and its population – it is necessary to pay attention and try to imagine what each element that forms a participatory process can determine in the public for which it is directed. Because, in order to activate a “virtuous circle” between the behaviour of the institutions and the benefits brought by participatory innovations, it is not enough that the first ones act honestly and with good intentions, they should take care – at every step – of the impression that their acts are generating in the territory inhabitants.



#### AUTHOR'S NOTE

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ERNESTO GANUZA & GIANPAOLO BAIOCCHI

# BEYOND THE LINE

## THE PARTICIPATORY BUDGET AS AN INSTRUMENT

The spreading of the participatory budget throughout the world has raised several questions related to the participation, the opportunities and the quality of the deliberation from the citizens, with the efficacy of participatory processes, its regulatory dimension, as well as the equality or inequality within the experiments (Avrtizer, 2006; Goldfrank, 2007; Wampler, 2007; Sintomer et al, 2008; Basolli, 2011; Talpin, 2011; Ganuza and Francés, 2012). In the globalization of the participatory budget, from 2000 onwards, in Africa, Europe, Asia or North America, its impact level in the dynamics of the municipalities which implemented it, underlining its weak repercussion (He, 2011; Allegretti, 2011; Sintomer et al, 2008; Novy and Leuboldt, 2005), even though the experience presented itself – especially due to the achievements of Porto Alegre – based on an emancipator reasoning. In most cases, it is suggested that the participatory budget has a peripheral position in the administrations, that there are excessive technical requirements in participatory procedures and that the leeway of participants is far from the local structures of power (Ganuza and Baiocchi, 2012).

The planetary spreading of participative budgets<sup>4</sup> raised the same issues caused by participatory practices in development projects in the 90's of the 20th century, which already questioned the transformative importance usually associated to the participation (Cooke and Kothari, 2001). These underlines mainly three problems:

- 1) the weak impact of participatory practices in the most influent structures of regulation in the life of the communities;
- 2) putting areas of activity of power into perspective, and therefore, narrowing of possibilities of emancipation of the communities;
- 3) the use of the participation as a working technique, more than a political method of emancipation. Beyond the similarities with the participatory processes in the field of the development, in this chapter, we want to withdraw the discussion of the impact issues that the participatory budgets have in the different contexts, and we will focus in a more central element, whether in its global path, or its transformative capacity: the manner in which the participatory budget has been articulated with the administration. We believe that one of the keys to understand participatory budget and its diffusion by municipalities of the five continents lies precisely in the administration (Ganuza and Baiocchi, 2012), an element that has not been directly analysed in the literature.

The participatory budget aims to involve the citizens in a regulated debate on public budget; this means that, regardless of the limits of that debate, we are dealing with a discussion on the distribution of public spending. As such, we believe that the housing of the participatory budget in the administration is a transversal element to understand the experiences. From its articulation with the administration we can expect limitations and concrete actions, which will

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<sup>4</sup> See the monograph published in the magazine Journal of Public Deliberation 8, issue 2, which includes several articles on the globalization of participatory budgets.

mark the limits and the nature of the participatory budget. This implies understanding the experience as a practice of power – as much as it is related to public spending (Goldfrank, 2007; Bassolli, 2011), what always determines a particular relationship between the ones who rule and the ruled ones (Ganuza et al, 2013).

This is the subject we wish to focus on this chapter. This vision complements the research work conducted on participatory budget all around the world, contributing with a vision from the inside, that is, the manner the administration have embedded the experiences in their routines and management mechanisms. This opens reflection perspectives from which it is possible to evaluate the limits of the experiments, as well as reinterpret their contradictions and achievements. In a similar work, Goldfrank (2012), conducted a study in the World Bank to try to show the manner this institution works with the participatory budget. Besides the criticisms or compliments received by this institution for the promotion of participatory budget in the world, this study shows the internal contradictions or the alliances made with the same to defend or attack them. From this point of view, we understand that the participatory budget – while an administration proposal to the citizens to debate and in some cases decide on this part of their budget – is not outside the scope of the experience embodiment in the routines and goals of the administrations, as it is not outside the scope of the meaning the holders of power have given to the experiences.

We shall begin the chapter with a reflection on the nature of the participatory budget from the administrations point of view, in which the image of the experience as an instrument prevails. If this is so, we can question ourselves, following the studies that have already been conducted, on what is the use of this instrument and in what manner it influences the relationships between the society and politics – from the administration point of view. We shall then analyse its global path, as an instrument with these characteristics, and its posterior framing in the administrations. This work is based in the ethnographic research performed by the authors while working as external advisors for the experiments carried out in the municipalities of Chicago (EUA) and Cordova (Spain). Besides, both authors have studied and published some works on the European and American experiences, having participated in many conferences and congresses on this subject.

### 1. An instrument such as the participatory budget

It's 9:00 a.m. The Director-General of the Presidency of the City Council of Cordova<sup>2</sup> has called a meeting to define the strategy of the administration as to the management of the participatory budget. After one year, the experiment is beginning to be perceived as too much work for the administration and the citizens are beginning to ask for accounts on the decisions made, in a participatory manner, in the previous year. Within the administration the critical voices are beginning to multiply, as all the tasks relating to the continuation of the participatory project and for which the administration is responsible for are beginning to increase, and including a growing number of municipal employees from the different management areas. For the citizens there is the need to obtain results, and mainly a real clarification from the political representatives that were not present in any act linked to participatory budgets during the first year of the experiment. Besides the mentioned General Director, the meeting also includes the technical coordinator of the participatory budget, the responsible political representative and the outworker external assessor. The environment is relaxed and the experiment was politically evaluated as successful in its first year. 3,000 people have participated, many more people, according to the Mayor, than the party in power would have been able to gather in "100 political rallies in a row"<sup>3</sup> Nevertheless, up to that moment, the participatory budget had been coordinated by two persons with technical profile, working with the team of municipal officials of the department of citizenships participation of the City (8 people) who directly intervene in city neighbourhoods. There were a lot of issues that were not clearly defined and that was the moment in which the administration was forced to do so. How are the usual administration tasks and the participatory budget articulated? What should the other civil servants do? What is the role of politicians in the participatory process?

In the day this meeting was held, 19 February 2002, in the first floor of the City Council, near the Office of the President, it was the General Director of the Presidency and not the political responsible person for participatory budgets, who defined the role of the Council in this procedure; and he has done so through a clear statement:

**THE OBJECTIVE OF THE PARTICIPATORY BUDGET IS TO FEED THE BUDGET WITH REQUESTS; THE PARTICIPATION IS SECONDARY, AS IS ANYTHING ARISING FROM IT. AS SUCH, WE HAVE TO REACH THE FINAL GOAL, THAT IS, PARTICIPANTS SUBMITTING THEIR PROPOSALS. PROVIDED THAT POLITICIANS DO WHATEVER THEY WANT. POLITICIANS CANNOT MAKE A BUDGET. SO FAR THEY HAVE USED A TECHNIQUE, ALTHOUGH THEY WERE NOT AWARE OF IT. THIS, THE PARTICIPATORY BUDGET, IS ANOTHER TECHNIQUE. THE BUDGET IS THE END AND THE PARTICIPATION THE MEANS, THE INSTRUMENT, AND NOT OTHERWISE.**

<sup>2</sup> It can be considered as the general secretary of the Town Hall, with responsibilities in the organization and operation of the entire municipal apparatus. (Translator Note)

<sup>3</sup> The Mayor was under this impression considering the first year of operation of the participatory budget in the city of Cordova, as the General-Director of the Presidency has confirmed, off the record and on a personal note.

What can be inferred from this conversation is a condensation of guidelines that places at stake multiple spheres of power: the Town Hall, on one side, includes the technicians and politicians, but they work apart. Citizens, on the other hand, live in a different sphere that has nothing to do with the preceding one. They have needs, and those would guide the action of politicians. Technicians would be mere intermediate persons in this linear political game. Participatory budget is defined as an instrument, but, precisely due to the risk of overlapping all these spheres, or mask them, through this new instrument, the General Director defines the basis of the process, trying to clarify the point of view of the administration: “participation is a secondary fact,” is not more than an instrument that, we can imagine, can change, mould itself and be abandoned; what really matters is the very own mechanism of the linear political logic, in which the participatory budget can contribute as an inventory of the citizens’ needs in a manner that is different from the ones usually used. It is understood that the politicians are sustained by the needs of citizens and that, if associations or protests have served in the past to demonstrate those needs, now the citizens can do it differently. Any way, from the administrative point of view, that detail is only marginal it’s an external problem, foreign to the administration. Internally, public officials propose a budgetary organization that can link the citizens’ needs to the budget managed by politicians. According to the General Director, the new participatory experiment seems to only change the manner the citizens needs are considered and the manner the public officials would organize the budget before its approval by the political representatives, given that this is a merely technical issue. We can infer, from his statement, that the fact that the politicians are aware of the process is marginal and that the good development of the experiment and the management change introduced by the participatory budget would be and issue to be dealt with by municipal technicians, which in the end means that everything is a neutral issue.

For some academic, influenced by science, the instruments are, in spite of it all, a condensed form of knowledge over social control and the manner to exercise it. Far from seeing them as neutral devices, they are thought by means of the specific effect they produce, that, regardless of its purpose, structure public policy according to its own logic (Lascoumes and Le Gales, 2007: 3). Therefore, an instrument would be a particular institution that designs a concrete relationship between politics and society, sustained by a unique concept of public regulation (*ibid.*: 4). What is the relationship that presupposes the instrument set in motion under the name of participatory budget? The definition presented by the highest representative of the administration of the city of Cordova, give us

a clue on the manner the administrations interpret participatory budgeting, at least the ones that have started to use it, besides Brazil and Porto Alegre:

- 1) The participatory budget is an experience outside the dynamics of the administration, it is another manner of understanding the input that feeds any administrative process;
- 2) the experience is not political or has nothing to do with politics; at most, it is a technical issue, since it provides a new material with which the administration operates between the input and the output;<sup>5</sup>
- 3) the emancipator reasoning of participatory budgeting becomes a technical discourse, focused in operating with the needs and interests of the citizens, that can be treated as inputs in a rational organization procedure.

he proposal of Cordova City Hall is not unique. On 23 September 2003, within a working committee between this municipality and Getafe (Madrid), this vision was shared. In view of the position of the General Director of Cordova (“the more in the background politicians are, the better”), the political representatives and technicians of Getafe, who were preparing to implement the experiment from 2004 onwards, confirmed that same perspective. The Mayor of the city of Palmela, in Portugal, would confirm it as well, answering to a question from one of the attendants at an international meeting on participatory budgets, held in 2007. In Chicago, the councilmen responsible for the process was very active and committed to the experiment, but his words indicated a similar perspective, in a conference held at Brown University (Providence, USA), in May 2011: “the participatory budgets are from the citizens, these are the ones who decide how their taxes are spent; we [the politicians] have nothing to do with it”. B. He (2011) describes in detail the technical bias that participatory budgeting presents in China for political authorities, which is not very far from those assessments. This technical dimension is also very visible in the manuals of practice that spread throughout the world to promote participatory budgeting, and that have transformed the participatory experiment into a kit of techniques and procedures available to anyone (Ganuza and Baiocchi, 2012).

The participatory budget has achieved an extraordinary feat, as administrations as different as Chinese, Swedish, German, or Mozambican, have set in motion an experiment that allows citizens to directly take part in a debate that up to that moment was reserved. Besides the marked differences between the experiments that take place in one or other location in the world, there are two elements to consider in this process:

1) we live in a time where mobility and transfer of models, ideas or instruments has steeply accelerated (Peck and Theodore, 2010), which has allowed the experiments to multiply throughout the world in less than 20 years. That would not explain why it is precisely this instrument and not any other that is able to achieve globalization, so we would have to consider the social and political changes caused by the very own globalization itself, since that

2) in the increasingly mobility societies, driven by sectors and sub-sectors searching for a permanent regulatory autonomy and marked by heterogeneity, only participatory instruments seem to be able to supply adequate forms of regulation (Lacoumes and Le Gales, 2007:13). The fact that the participatory budget was wrapped up in a kit of procedures and techniques has favoured its implementation in very different political contexts, but we guess that it was also motivated by the administrations. In a context where regulation based on participation is widely accepted, the participatory budget provided a brand and an experiment that the administrations of the rest of the world have adopted as a neutral device. Therefore, the administration could harmonize the participatory requests, within public frames of regulation, without significantly affecting its own drift. As we can imagine, this experiment coupling with the administration requires measures, discursive positions and the adjustment of procedures that will establish, as instruments, a manner to understand the relationships between politics and society.

## 2. *The double journey of a participatory instrument*

In spite of the administrations perception of participatory budgeting as a technical instrument rather than a political one, it would be difficult to understand the expansion of the experiment without its political mark, the one that refers to a progressive empowerment of civil society. This sets up a contradiction between the ideal and the practice that has had consequences in the development of the experiments. Before looking in detail to the administrations, by means of analysing how they administer the participatory budget, we shall briefly refer that ideal, without which it would be impossible to understand its global expansion.

The success of participatory budgets throughout the world is closely related to the success achieved by the Porto Alegre experiment. In spite of living in a moment where the transfers of political or public models have accelerated, it is not indifferent that this [experiment] happens based on an experiment that is considered as “best practice”.<sup>6</sup> The symbolic association to a specific location provides an authenticity perception that, on its turn, allows the political model to travel under a pragmatic credibility licence (Peck and Theodore, 2010: 171). The Brazilian experiment managed, moreover, to be ideologically sanctioned as a participatory practice in the world of ideas, which has positioned it as a success practice associated to a new type of regulation based on participation. The history of the spreading of participatory budgets remains, however, unwritten, but we cannot underestimate the energy and the efforts that the successive administrations of Porto Alegre have made, from the second half of the 90’s, in order to internationalize their experiment. They have created an international relations Office, endowed with many human and economic resources, and set in motion a propaganda action that has led the responsible per-

4, 5, 6 As the original, (Translator Note)

<sup>7</sup> This is a recurrent idea in international textbooks of participatory budgets, which are presented as practical guides for their implementation (Ganuza and Baiocchi, 2012).

<sup>8</sup> “...our experiment has drawn the attention of sociologists, members of parliament, governments, social movements and publications in other states and, mainly, of countries from America and Europe, because they understand that this practice resumes one of the most pressing issues of representative democracy in the last 150 years: how to provide substance, legitimacy and life to the principle of popular sovereignty without the risk of transforming the delegation of power – as it has happened in this century in most cases – in a simulacrum of representation, a full citizenship fraud or bureaucratization of the decision-making processes”. Raul Pont (2003: 30).

sons for participatory budgets of the city in a journey around the world, until 2001, when Porto Alegre became the international head Office of the World Social Forum. Back then, the WSF logo (“Another world is possible”) began as well to be symbolically associated to participatory budgeting (Ganuza and Baiocchi, 2012; Allegretti, 2011; Sintomer et al, 2010).

The voyage of political models faces countless resistances, and so the model that travels is frequently no more than an abstraction, many times apart from the practice of origin; some investigators believe that, with time, this may also have happened to the Porto Alegre experiment (Leuboldt et al, 2008). As a principle, political transfers do not usually happen as a whole, but in pieces and bytes, and therefore the arriving model is not a replica, but an undergoing transformation policy (Peck and Theodore, 2010: 170). The contexts of application are countless, which favours the uniqueness of the each replica. If we consider participatory budgets, there is a repeating element in every one of the cities and countries they arrive to. The political representatives and the civil society usually say that we have to consider the context and that, therefore the participatory budget can not be an ideal transfer of the original model, but an adjustment of the same to the social and political context of the specific municipality.<sup>7</sup> This has allowed the model to move to scenarios with consolidated democracies, wealthy or less wealthy, with disguised democracies, with no democracy at all or even areas with high political instability. This path has allowed participatory budgeting to identify itself, first, with the successful idea of participation, regardless of the context and, inclusive, the policies under which it could be implemented. Viewing the emancipator discourse of the original version, welcomed by some political representatives identified with participatory politics, it is changed into a technical discourse, involving no politics, welcomed by many administrations, that will favour the housing of participatory budgeting in any type of administration.

What has the participatory budget meant, as an instrument, in the different administrations that have implemented it? If we can not consider the original practice as a replicable model, and have to consider its transformation during the road, the fact that we focus our perspective on the inside of the administrations is an attempt to draft the report of its “landing” in a given territory. As an instrument, the participatory budget establishes a relationship between politics and society, through a regulation concept that aims to distribute the roles of the different players in municipalities, as well as to establish a new administrative relationship. Presently, what we know is that the participatory budget wins fans while its mission is imagined, apart from the administration and as a technical instrument aloof for politics. Nevertheless, the existing tension between the ideal and the practice is a fundamental element in the development of each experiment.

The Brazilian PT (Partido dos Trabalhadores – Workers Party) set up the emancipator reasoning of the participatory budgets during the 90’s. Raul Pont (2003), Mayor of Porto Alegre between 1996 and 2000, said that the participatory budget had been able to fulfil the unmet promises of modern democracies<sup>8</sup> We could say that this is the original model, the one that was able to establish an international brand associated to a different form of ruling.

### 3. *The framing of the speeches*

Many of the politicians in European, African or North-American cities, have shared this reasoning. The responsible person for the participatory budgets in Chicago has implemented the experiment after attending the American Social Forum of 2007 and having shared with academics and commentators that idea on participatory budget. The same has happened in the city of Cordova. The political responsible person would attend the 2001 World Social Forum of Porto Alegre, but previously in 1999 she had invited the authorities from that city to share their experience with the different players of Cordoba civil society. As such, as the General Director of the Presidency [of Cordova] suggested, and he is a person we can consider as a representative of the technical administration, we can infer that on one hand we have the administration and on the other, very different, there is a particular political responsible person. In the administration level, things are not so simple: there is the constant tension between the political instrument, which aims to change the municipality's life, and the technical instrument, which only aims to reorganize the usual tasks without changing the structure.

Besides the global favourable environment to the circulation of participatory instruments, the justification of that movement poses a major challenge. It is very difficult to conceive that the motivations of the administration representatives of a Chinese city are similar to the ones of the administration representatives of a Swedish city; there are enormous contextual differences. In the midst of this complexity, Sintomer (et al, 2010) repeatedly explained the importance that the desire of the administration to improve public management had, within this movement, something that several investigators have shown: in Brazil (Marquetti, 2003; Utzig, 1996), in Asia (He, 2011; Songmin, 2009), in Africa (Allegretti, 2011) and in Europe (Sintomer et al, 2008). But it is also true that it is not the same to improve the administration in Germany or in Sweden, and in Mozambique or in China. The problems are different and players too, and as such we can imagine that the purposes are also diverse, although they all talk about participatory budgeting. Anyway, if we start from this reference, that until now is one of the most plausible one to understand the internationalization of the experiment, with its singularities and differences, the way the administration interprets the participatory budget acquires a significant importance. In principle because the attempt to interpret the experiment as an instrument strongly collides with the emancipator reasoning which made the Porto Alegre experiment to become universal. That is why it is so enlightening to analyse the political effects and the power relationships that arise from the new instrument, now in the hand of the administration (Lacoumes and de Gales, 2007: 7).

The participatory budget started in Chicago by means of a budget that all the districts in that moment had to invest in small infrastructures. There was no need to justify those expenses, and this provided the ruler of the district a vast leeway over his supervisors, including the Mayor himself. In Cordova, the situation was more complicated. The political representative that initiated the process did not have at his disposal any budget to debate with the citizens. That implied looking for alliances; which was done, as it happened in hundreds of European municipalities, in order to discuss a small budget for investments in small infrastructures as well. The start of the initiative in both municipalities is a good picture of the general context of many experiments (Sintomer et al, 2010). Most of the times, the very own practical textbooks on participatory budget implementation advise to start the process with small budgets, in order to previously gain the experience and the necessary skills. It is not surprising that most international studies on participatory budgets have underlined their weak impact in municipalities (Sintomer et al, 2008; Talpin, 2011; Allegretti, 2011; Ganuza and Francés, 2012), since what starts almost always as a pilot project, a learning period in which small amounts are used, is converted, in the medium term, in the distinctive feature of the experiments.

This did not prevent the statement, both from a politician from one of Chicago's municipalities and a political promoter of the experiment in Cordova, to be centred in the transforming effect of the participatory budgets in their cities, including the administration itself. The enthusiasm of the politicians promoting the participatory budget plays with a series of political values that point to a challenging profile of the instrument. Chicago and Cordova present a different manner of making politics, a democratic regeneration, they talk about policy of truth, that is, the empowerment of citizens vs. the de facto powers and a democratization of the administration and politics in general. A concept of transparent public regulation is proposed, in which the relationship between politics and society would be marked by transparency, democracy and by a collective process of decision-making. In this description made by the political promoters there are losers, given that the idea is the loss of power that it will cause to the traditional players in municipal participation, the corporation groups used to attend the offices of political representatives and, lastly, the idea of a traditional form of making politics; due to all these reasons, both politicians and technicians will have to change their habits and their manner of working. But it is precisely this that feeds the emancipator reasoning. These observations are shared by many of the political promoters of participatory budgeting in the whole world, establishing

the contrast between an open, deliberative policy, that returns the leading role to the citizens and the image of a policy dominated by the apparatus of political parties, the social organizations and the privacy of the meetings (Ganuza et al, 2013). We could believe that for its promoters the participatory budget finds its profile in the emancipator reasoning that has characterized, from 2002 onwards, the Porto Alegre experiment.

Well, following the words of the General Director of the Presidency of Cordova City Hall, the political promoters of participatory budget are only a feature of the administrations, they could even be considered as marginal from an inside point of view. The interpretation of participatory budgets, from this wider perspective, changes the colours of this description, as we have seen from this emancipator reasoning. The Director General of the Presidency, in Cordova City Hall, on 30 June 2002, has buoyed the pitch: “now, due to the context, we can perfectly keep the formal structure (political parties) apart from the informal structure (participatory budgets). In the future it will be inevitable to articulate them, but for now it is not necessary, they operate as parallel structures. If we mention only participatory budgets, that does not contradict representative democracy, as they are merely instruments. With participatory budgeting we are not talking in deepening democracy, that would be something else.”

Democracy is the political parties, participatory budgets are something else; they can be articulated in the future, although this is highly unlikely and, naturally, unnecessary. There is an explicit will to show that there is a clear line of demarcation between the outside and the inside, between civil societies, schematized as an informal structure, and the administration, including political parties, as a formal structure. This division implies a continuous wear of the administration, since it is not easy to balance the emancipator reasoning of participatory budgeting with the technical reasoning of the latter. Meanwhile, there are tensions, and they determine a constant control of this separation line. Participants repeatedly insist in the political dimension of the experiment, which the guidelines from the Administration to its officials aim to subvert this dimension. This causes a real wear out in the technicians and it is a source of distrust for the citizens. In Chicago, for example, viewing the impossibility of passing that line, some citizens have decided to perform “escrache,” a form of protest that consists on going after a law enforcement officer in order to manifest, in a civic but insistent manner, his failure or refusal to listen to a public issue. In Cordova, the participants have repeatedly asked for information on political commitments that the politicians have devaluated. As such, they hermetically described the hard and complex operation of the Administration. This is the answer from the Finance Director of Cor-

dova City Hall to a group of citizens, in a meeting aimed to account for the decisions made in a participatory manner in the previous year, on 3 June 2002: “the budget is done by parts and not by projects, and then we decide what is included. It is possible that a part of the budget for intra-structures does not have any projects, but that these are included in another sector of the governance team, therefore it is possible that the project you require is not in the sector of infrastructures and possibly, they (the responsible person for the infra-structures) do not know it. If you could imagine the inside operation of the City Hall, you would know that sometimes this kind of information is just not possible to provide.”

The administration draws a line of separation between itself and the participatory experiment. Sometimes it is the complexity of the technical maze, others the impossibility of analysing the requests, due to legal issues that are never explained, others mention normative principles that prioritize priorities and place the requests from the citizens in a secondary level, others still simply remind that “the participatory budgets do not have a legislative role.” From the administrations point of view, the day-to-day of participatory budgets seems like a continuous attempt to keep an unstable balance that aims, on one hand, to protect political representatives from changing their manner of making politics, and on the other, to appease the citizens who believed that the participatory budget meant to do things differently.

In this complex web of intentions, the participatory budgets have created a disciplinary device from their origins, but that outside Porto Alegre, has been used disproportionately. All citizens’ proposals, in order to be approved, have to comply with the legislation in force, which depends on the previous approval of the Administration. This is justified because the participatory budget does not aim to override the boundaries of legality, and for municipalities it represents a warranty they will only receive proposals within the scope of their responsibilities. In the original model, this process was subject to a mixed committee, in which the voice of the citizens was represented. With the disappearance of this committee, the power of selection and decision has passed to the City Councils, which can, as such, not consider the proposals they consider as bothersome. In one way or the other, this is the procedure in force in most cities of the world, and in almost any of them the citizens participate in it. This provides the Administration with an unequal power, as it is the administration that decides what goes through and what does not. Besides, the decisions are based on justifications with little relevancy, thus originating some discomfort among citizens, that is, another element of tension for the emancipator reasoning. Within a reformation of this process, performed in Cordova in 2004, the principle according to which the proposals of the citizens could not

be contrary to the established in the general government programme of the political party in power was even considered, what reserved a clearly secondary role for the participatory budget experience, referring to the democratic articulation within the municipal space.

If we consider the resources used for the development of the participatory budget, its peripheral status relating to the administration is remarkable. Besides the concrete figures, impossible to obtain from the administrations, we can consider the people who work in the experiment, as well as the operation guidelines issued by the responsible technicians. The technical coordinator of the area of citizen participation from Cordova City Hall was forced to define what the municipal employees from different areas had to do. These had to evaluate the citizens' proposals in order to confirm, from a formal point of view, if they were viable or not. The citizens, on the other hand, as a manner of ensuring a quality information and advice in debates, claimed the presence of the technicians of all areas of the City Hall in the meetings. Obviously, the structure of participatory budgets within the administration would not allow it. Two people from the department of citizen participation were responsible for coordinating the entire technical process and everything related to the meetings. Eight employees would sporadically collaborate in the neighbourhoods' promotion. When the technicians of the infrastructure or education areas explained that it was impossible to accomplish the tasks they were required to do, the technical coordinator of the participatory budget exclaimed, on 12 March 2002: "we have to inform the technicians that this does not imply more work. The only thing that is required is a small effort (in the evaluation of proposals), but afterwards the department of citizen participation should direct the work. The citizens claim that the participatory budget is a method, but nothing else. They are not the plenary [the legislative chamber]. You are not required to be in every place, the department of citizen participation is the one in charge of it."

The participatory budget acquires meaning for the administration as an instrument, but an instrument intended to be emptied of any political dimension and that does not affect the very own administrative structure. The effort from the Administration to keep the separation line between the political and the technical fields is filled with little messages that internally prevent the deepening of the experiment, symbolic barriers to the access of information, a purposefully diminished structure to respond to a process that aims to reach all citizens and a deliberate absenteeism from political elites. As a technical instrument, citizens are confronted with a complex giant, difficult to understand and about which it is easy for the rulers to conceal information, drag decisions and avoid contact with the politicians.

#### *4. Beyond the line*

he technical interpretation of participatory budgets performed by the administrations has placed the experience in the periphery. Nevertheless, the intense effort to keep the separation line between politics and society favours the initiatives guided in the sense to subvert that same separation. At the moment a debate starts, as small as it is or as controlled as its impact may be, it awakens dynamics that can have repercussions beyond the imposed separation line. Considering the task division performed by the administration and the subordination of the city to a non-political plan, in Chicago, a representative of the social movements did not waive participation, how slight the expected impact was: “I do not care about the money. A million dollars is nothing. We cannot even say that we have ever been concerned about that money, at the disposal of the responsible for the district; but we consider the participatory budget as an instrument of organization. It allows us to understand the budget of the city, what will help to press the responsible for the district to gain higher amounts; we can also start managing the global budget”. In the city of Cordova there is a citizen platform to defend the participatory budgets, which claimed for more transparency and to go beyond the line (Ganuza et al, 2013). In spite of the administration’s efforts to control the participatory budget, its deliberative character, the invitation made to the citizens to debate the public budget, as well as the intensification of the relationships between the citizens and public powers, lead to the survival of the emancipator reasoning from the participants, what can always lead to unexpected results.



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MAMADOU BACHIR KANOUE

# PARTICIPATORY BUDGETING OVERVIEW, GAINS AND CHALLENGES OF A PROCESS FOR PROMOTING CITIZENSHIP AND BUILDING LOCAL DEMOCRACY IN AFRICA

## *1. Participatory Budgeting (PB) in the African context marked by a multifaceted crisis of local development*

The pooling of resources for public action is weaker in Africa than anywhere else in the world. Fiscal and parafiscal levies account for less than 17% of GDP. For the majority of African countries, these levies stagnate basically around 10% while in Latin America, they range from 20 to 25 per cent and 40 to 50% in the OECD countries (*MPD and the Sahel Club research, June 2001: Financial Decentralization in Africa*). According to a more recent study (F.Yatta, 2011), the weight of local authorities in public spending, ranged from 0.3% in Togo to 23% in Uganda. That reflects a very low financial decentralization.

On average, expenditures of local government authorities represent no more than 5% of public budgets in Africa. On the other hand, more than two thirds of the expenditure of these communities is dedicated to operating costs leaving only a small portion for investment to support social demand for basic social services.

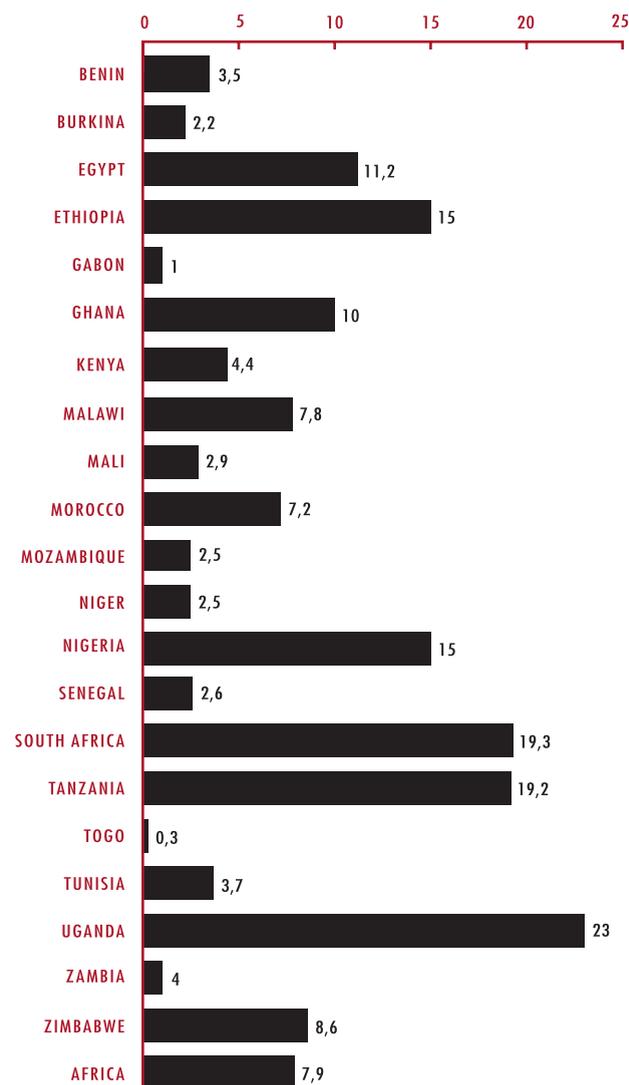
### *Participation deficit of local stakeholders in the management of local affairs*

It should also be noted that important strata of the population (women, youth, vulnerable groups, disabled, etc.) are marginalized in the decision-making process pertaining to the management of relevant public affairs as well as the definition of its development agenda. Also the civil society, the private sector and the Diaspora, are weakly involved, resulting in a crisis of confidence of people vis-à-vis local institutions, distrust or even dissatisfaction toward local authorities. This is also reflected in how elected officials are chosen or appointed. There is a crisis of representative democracy and an increasingly assertive will of citizens, for a participatory democracy. In several African countries and Northern Africa in particular, this quest for democracy has been expressed violently.

Such factors explain the exponential development in Africa of participatory governance approach based on budgeting commonly known as “Participatory Budgeting”

*Graph 1* Weight of local authorities on public expenditure of some african countries.

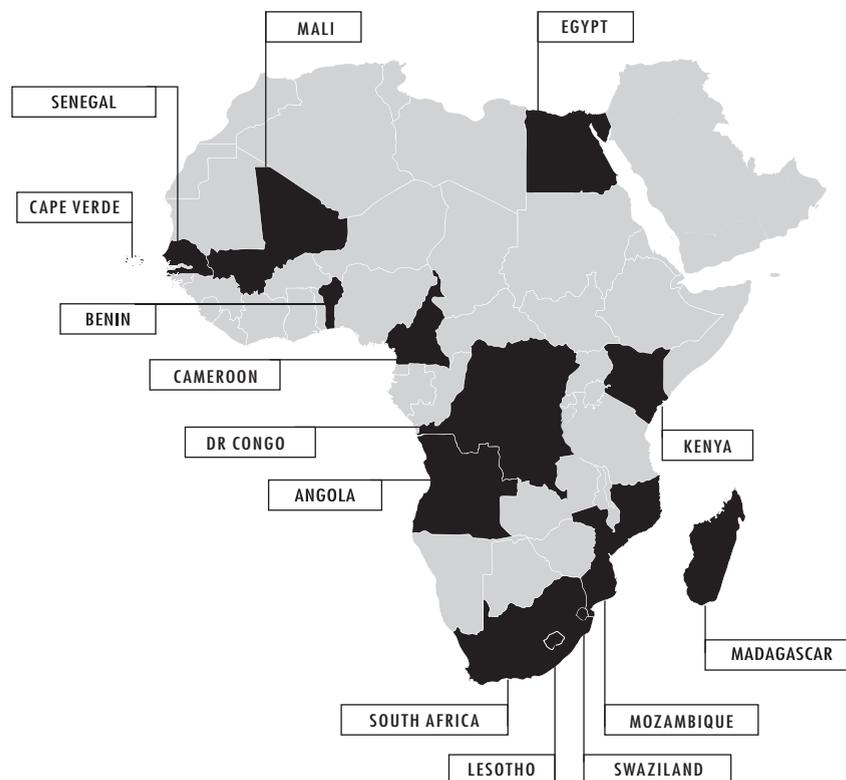
*Source* Yatta, 2011



According to Ubiratan de Souza, one of the main leaders of Participatory Budgeting in Porto Alegre (Brazil) “participatory budgeting is a process of direct, voluntary and universal democracy, whereby people can discuss and decide on public budgets and policies. The citizen’s participation is not limited to the act of voting to elect the executive or the legislators, but also decides on spending priorities and controls the management of the government. He ceases to be an enabler of traditional politics and becomes a permanent protagonist of public administration. The PB combines direct democracy with representative democracy, an achievement that should be preserved and valued”<sup>1</sup>. Since its inception in Porto Alegre, Brazil in 1989, Participatory Budgeting approach, is implemented by a growing number of municipalities. There are over 1500 experiences identified around the world.

*Mapa 1* Typology of participation models in the world. (Participatory Budgets as an example) “Transnational Models of Citizen Participation: The Case of Participatory Budgeting”, *Journal of Public Deliberation*, vol.8, 2 article 9.

Source Sintomer et al., 2012



## 2. Overview of Participatory Budgeting experiences in Africa

From a dozen municipalities in 2005, we recorded 162 in December 2012 (Report – Etude de Cités et Gouvernements Locaux Unis d’Afrique, Y. Cabannes, December 2012).

Among the countries at the forefront of this expansion, we have Senegal where, since the local elections of March 22, 2009, the bulk of local authorities, thanks to the advocacy of organized populations within the civil society, voted in favour of participatory management.

In Madagascar, the process started in 2008 with 9 municipalities with 6 from the mining regions. For these municipalities receiving royalties paid under the Extractive Industries Transparency Initiative (EITI) which Madagascar is signatory, the goal was for the greatest number of people to benefit from the country’s mining resources. Following the positive results recorded in 9 municipalities, the Malagasy Government through the Local Development Fund (LDF), extended the Participatory Budgeting exercise to 159 municipalities in 2011 (World Bank Extractive Industries Review, April 2010). For the fiscal year 2013, a scale-up phase on 104 new experiences is underway.

In Cameroon, after the first experiences in 2005, about 50 have adopted the approach. The experience of introducing ICT into the PB process is underway, with the support of the World Bank Institute. In Democratic Republic of Congo, where the laws on decentralization seem to be lagging behind the political practice of effective decentralization, through the action of non-State actors (civil society organizations) and local authorities, the State is continually adapting to be in tune with democratic aspirations and mutations, otherwise imposed by the civil society. Thus, six local authorities, including burgomasters, though appointed by the Central State, are now experimenting with the Participatory Budgeting approach in the capital Kinshasa and in South Kivu, to be in tune with the democratic aspirations.

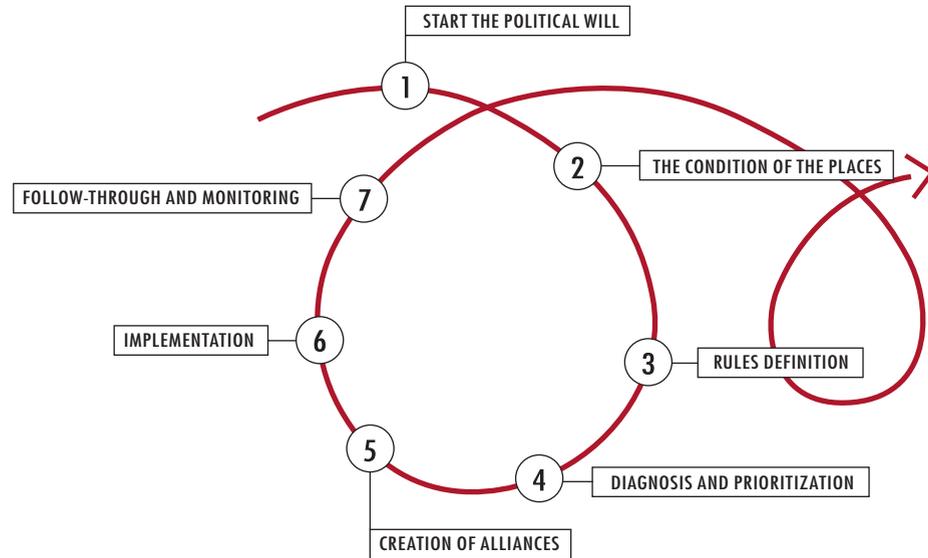
In English-speaking Africa, South Africa and Kenya are spearheading the implementation of Participatory Budgeting. In Mozambique, where the first African experience was attempted and Cape Verde, a quite interesting participatory dynamics are underway even though the process is proving hard to get started. In Northern Africa, also, progress remains very timid despite the strong popular aspiration expressed all through the events of the “Arab spring”. During a recent International Conference organized in September 2012 in Tunis, by FUTURE FOUNDATION on the theme “local governance and civil society in Tunisia: issues, interactions and prospects”, civil society organizations and policy-makers spoke massively in favour of enhancing local democracy. In Egypt attempts to implement Participatory Budgeting, have not yielded the desired result.

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<sup>1</sup> Editions Charles Léopold Mayer, Paris, 1998, 103 p. and Genro, Tarso, De Souza, Ubiratan. Presupuesto participativo : la experiencia de Porto Alegre. CTA, EUDEBA, Buenos Aires, 1998, 123 p.

### 3. The philosophy and principles advocated in Participatory Budgeting, implementation modalities in African municipalities

*Graph 1 3.* The philosophy and principles advocated in Participatory Budgeting  
 Source M. Bachir Kanoute, 2007



Participatory Budgeting exercise in Africa is based on **six principles** that correspond to democratic and civic aspirations in the light of progress made in democratization processes in Africa. These principles have to do with the **Participation** of all actors in order to make the voices of the citizens of the suburbs, neighbourhoods, Fokontany (Malagasy streets) heard within local institutions. **Transparency** in the information provided on the management of public affairs and accountability of elected officials when it comes to the management of local institutions' budgets. While **Inclusion, equality and equity** among citizens are required in the expression and support of essential needs and strategic interests. This approach also calls on the reversal of the order of priorities by taking account of the needs listed in the investment budgets with local resources allocated in an **effective** and **efficient** way to meet key needs identified by communities. It also means ensuring a better **solidarity** in formulating individual needs and interests, in identifying and negotiating common priorities; community mobilization in support of these priorities for the benefit of the greatest number, and especially the most disadvantaged. Ultimately the overlapping of needs is done in a **crosscutting** way with a clear understanding of the articulation of the various territorial levels and existing planning documents at the village, municipal, district, regional, and country level.

After ten years of practice, the implementation of Participatory Budgeting in Africa has come under seven phases that revolve around the regulatory provisions of the laws on decentralization and is renewed every year. Milestones include **Preparation** to enable elected authorities to demonstrate their political will for a PB approach (social and political contract between elected representatives and the citizens). It is also an opportunity for the local government to define the portion of the Bud-

get that will be devoted to the participatory approach. The second phase on the **Forum of neighbourhoods** or villages is considered to be “*The School of democracy and citizenship*”. These forums are educational spaces where citizens exchange on essential concepts of human rights and duties of citizens in relation to local policies. In these forums, populations analyze their context, socialize the difficulties and challenges encountered and identify priorities.

These local forums are followed by a **Delegates Forum** where the needs of neighbourhoods or villages are articulated and consolidated so as to define the priorities of the municipality, as well as negotiation and socialization of the shared interest (vision) of the local community in relation to the specific interests of the neighbourhoods. During recent evaluations made on PB experiences in Africa (assessment report of PB process, January 2013), lessons learnt showed that in Africa debates in local consultation frameworks mainly focus on populations’ basic needs (access to drinking water, health, education, etc.). Questions on strategic issues (economic integration, territorial development, environment and climate change, etc.) are usually articulated at the end of the second or third cycle of the PB practice.

During the **Communal Forum**, three forms of democracy (Representative, Participatory and Community) meet to fertilize each other. It is an important space for exchange on local policies, as evidenced by Christian RAKOTOBE, Mayor of the town of Alakamisy Fenoarivo in Madagascar “*safety was the common problem facing the development of the municipality. The establishment of a police station was the solution adopted unanimously despite the high cost of this operation... But the town has managed to realize it thanks to the active participation of the population.*”

This first “**cycle of participation**” ends with the **Budget Vote**, allowing the local institution to address the population’s priority needs in the local budget. The more important “**cycle of accountability**”, starts after the vote on the Budget, allowing the local authorities to account for their management.

This second cycle includes the **implementation** of defined priorities, the **process assessment and evaluation**. This assessment stage highlights all the principles of transparency and accountability of the authorities towards the citizens. Different methods can be used: the display of the budgets in public places, the organization of a **citizenship day** (in Mali and Senegal) or of a **platform for public opinion** (RD Congo)



#### *4. Gains and challenges of participatory democracy approaches in Africa*

Participatory Budgeting processes in Africa have contributed to the introduction of gains and qualitative mutations at the socio-economic level. It has indeed contributed in several countries to the establishment of **wealth redistribution mechanisms** at the local level, and a better allocation of local budgetary resources to the basic needs of the population, especially the most disadvantaged and peripheral neighbourhoods often on the sidelines of policy makers' priorities. Thus, in Madagascar, the practice of Participatory Budgeting in the mining area, facilitated a more transparent and fair management of mining royalties paid by mining companies to the State. These financial resources transferred into investment budgets of local governments, have helped to cover the needs in schools, health posts and a better support for Millennium Development Goals such as education, health, environment, etc.

It also allowed greater **equality, equity and social inclusion** of vulnerable or marginalized groups – youth, women, peripheral areas

and slums – in formulating and addressing their needs. The municipality of Ampasy Nahampoana in Madagascar, which received the Artur Canana Excellency Award on the implementation of Participatory Budgeting, awarded during the AFRICITIES Summit, introduced a revolving fund to support families in extreme poverty, after 4 years of PB.

In Dakar, a road paving program enabled the opening up of some areas, helped to improve the quality of life and especially to create jobs for thousands of urban youths. It helped to improve the local financial management through an improved fiscal citizenship, a better understanding of the tax base, and an effective mobilization of resources. At the political level, Participatory Budgeting approach contributes:

**1) To leadership building and the decentralization of decision-making spaces** at the local level and a dynamic social



dialogue, based on **concerted participation** of civil society and various categories of populations on local management and decision-making.

2) To the **development of civic culture** by allowing people to reclaim citizenship.

It also provides a **lever for local development**, by channelling aid from decentralized Cooperation, to the priority needs expressed by the populations. Hence, several cooperating cities have revisited the contents of their exchanges harmonizing them with the basic needs of constituents. Finally, PB has facilitated a more **credible local governance** thanks to transparency in local management due to the accountability of local authorities towards the citizens. Thus, in several African municipalities, the creation and institutionalization of accountability space that brings citizens closer to the institutions can be observed.

*Image 3* Sanitation situation in East Rufisque in Senegal. Before PB approach, 2009 / After, 2010

Finally, Participatory Budgeting encourages social cohesion through access of marginalized persons (women, youth, disabled, bororo...) to citizenship (in its political, but also social and economic sense), by promoting their listening skills and their participation. It also helps to fight against intolerance and cultural isolationism.

##### **5. Constraints and challenges faced in the implementation of the African PB**

These are based on the **institutionalization** or the generalization of **Participatory Budgeting processes** that remain a challenge despite gains in several African countries. In Madagascar, after an experi-

ment in 9 pilot municipalities, the Government is in favour of a scale-up to 104 new municipalities in 2013. In Senegal, the Government, represented by the previous Minister of decentralization and local authorities (now Ministry of Planning and Local Authorities) supported a law for “Local Authorities Participatory Budgeting”. In line with this, Enda-ECOPOP in collaboration with the National Local Development Program (PNDL), supports and accompanies 28 new municipalities covering 14 regions of Senegal. The idea, in the long run, will be to consolidate institutionalization areas. In Mozambique, guidelines are being developed by the Government to model the Participatory Budgeting approach being disseminated after the first experiences attempted in the town of Dondo.

In the majority of African countries, legislation on decentralization lags behind practice, the most obvious example is Democratic Republic of Congo, where local authorities are still appointed and are only accountable to the central administration that appoint them. In French-speaking African countries whose texts are inspired by those of France, there is a gap between the texts that date back, for most of them, to the 1960s (independence era) and current realities. These texts need to be cleaned up and aligned with the profound aspirations of the citizens to build political and economic democracy.

At the political level, there is a **great paradox between the expressed will of African countries leaders when it comes to political decentralization and the weakness or lack of financial decentralization**. Powers previously assumed by the States are transferred to local levels whereas resources do not follow suit. For example, African States’ budgets transferred to local authorities do not exceed 3% of States’ budgets. And yet, these same local governments have been given the management of extremely difficult responsibilities such as education, health, environment, access to drinking water, etc.

Moreover, **participatory budgeting processes are highly volatile** of which many are lost as a result of political powers changing hands at the local level and the change of majority in local councils. Furthermore, due to the lack of capacity and leadership, the approach is often abandoned after a first attempt. For a matter of fact, Participatory Budgeting is an approach of power-sharing between local authorities with the legality conferred by the polls through local elections, and other types of power having gained their legitimacy through social and community actions.

The African Diaspora contributes massively to the development of their municipality of origin. The total amount of transfers in Africa in 2005, is estimated at EUR 1 254 million, or 19% of the GDP and 2018% of public development aid (Central Bank 2005 report). To illustrative, the Diaspora of Matam municipality in Senegal offered to their communities many types of equipment, community facilities and basic infrastructure in the areas of education, health, and communication. In Cape Verde a similar situation exists: the Diaspora is demographically more important than the residents. Their participation in local management of their municipalities of origin unfortunately remains very marginal because of the laws on decentralization which impede this participation. The practice of participatory budgeting improves the business environment when it comes to investments in community sectors. The development of the full potential of Decentralized Cooperation is lacking especially in emerging countries of Asia and Latin America.

Technically, there is a **weakness in the capacity and leadership of local actors** (elected representatives, citizens, etc.) and this negatively affects the quality of the participatory local governance process.

Similarly, progress still has to be made with regard to the **lack of benchmarks in the monitoring and evaluation** of PB experiences and the measurement of the real impact of PB processes on the quality of governance and local development. Interesting experiences are coming to the fore with the Citizenship Certification approach as carried out in Senegal and the implementation of Good Governance Barometer attempted in Madagascar and Senegal. In Mali and Mauritania, the experimentation of the local governance index is underway. Challenges to tackle are also related to the **disconnection of experiences** and the weakness of mutual learning (elected officials, civil society, PB actors, etc.) and **exchange** among African countries and between Africa and the rest of the world.

Finally, elements such as attempted embezzlement on the Participatory Budgeting process and/or reproduction at the local level, and also centralism, have all become risks to face for both the better exercise of citizenship and for the building of local democracy.

#### *6. An Observatory for building participatory democracy*

To support the development observed in the practice of participatory budgeting in Africa, the International Observatory on Participatory Democracy in Africa has been set up. It is a space open to local authorities, civil society organizations, universities and research centres that desire to deepen their knowledge, share their experiences, or apply participatory democracy approaches at the local level, and thus build democracy and local governance.

The Observatory was launched in December 07, 2012, during the African Cities Summit (AFRICITIES 6), in the presence of 13 African countries. The Minister of Planning and Local Authorities of Senegal chaired the occasion, as the Vice-President of the Africa Ministerial Conference on Decentralization and Local Development (AMCOD), the Director Project Office at UN Habitat Project Office, the President of the Union of Elected Officials Associations of Senegal, the representative of IOPD whose headquarters is in Barcelona, the Executive Secretary of Enda Tiers Monde and the coordinator of Enda ECOPOP.

The Observatory for Africa ([www.democratieafricaine.org](http://www.democratieafricaine.org)) has the following specific objectives:

- 1) Observe and create visibility for participatory democracy experiences in Africa
- 2) Support and strengthen Participatory Budgeting processes in Africa
- 3) Capitalize PB experiences in Africa and share with the rest of the world.

A large scale program of setting up and managing national and local observatories is underway. This programme supplements the networking of the African continent and offers local authorities in Africa a better framework of exchange and of building participatory democracy.

*Image 4* Launch of the International Observatory of Participatory Democracy in Africa



SUB-SAHARAN  
AFRICA

OSMANY PORTO DE OLIVEIRA

# THE DYNAMICS OF THE DIFFUSION OF THE PARTICIPATORY BUDGET IN SUB-SAHARAN AFRICA: FROM DAKAR TO MAPUTO<sup>1</sup>

## *Abstract*

Arriving in Africa in the early 2000s, the Participatory Budget (PB) was at an advanced stage in its process of international circulation. It had been more than a decade since its inception in Porto Alegre, when the first PB experiments emerged in sub-Saharan region. At this stage, only a small group of local authorities were involved in the PB implementation. Ten years later there were 162 PB experiments in the region and the prospects predicted a rapid growth.

The international circulation of public policies is a complex phenomenon and unavoidable to contemporary public administration. The purpose of this article is to analyse the dynamics of the diffusion of the PB in Africa. One seeks to understand: how does it spread in the region? What is transferred? Why? In what way? Once the PB is transferred, what happens at its final destination? It is argued that the dissemination process of the PB in Africa is the result of a set of forces mobilised by individuals and institutions in a constant transnational action.

## *Introduction*

When it arrived in Africa, the Participatory Budget (PB) was at an advanced stage in its process of international circulation. More than a decade had passed since its inception in Porto Alegre<sup>2</sup>, when the first PB experiments emerged in the sub-Saharan region. You can place the first landmark of the introduction of the PB in Africa, in the 3rd Africités Summit, the great meeting of the continent's local authorities, held in Yaoundé in 2003. At this time, a small group of municipalities had adopted the PB. In the sixth edition of the Summit, nine years later, in Dakar, the PB cases had increased significantly. There were already 162 active experiments (Africités, 2012, 10). Furthermore, countries such as Senegal, Madagascar and Mozambique had projects to greatly expand the PB, foreseeing to expand it in the short term to hundreds of municipalities.

How do we move from a simple situation in which a small group of local authorities start implementing the PB, to over a hundred experiments distributed along the continent, with the prospect of a dramatic growth rate?

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<sup>1</sup>This article is part of a broader research project on the international circulation of the Participatory Budget undertaken for my doctoral thesis at the University of São Paulo and the Université de la Sorbonne Nouvelle. The study on the region of sub-Saharan Africa is based on a field investigation with data collected in situ. About 20 interviews were carried out in South Africa, Mozambique and Senegal and 96 questionnaires at the Africités event in Dakar in 2012. Many people helped, each in their own way, in this research, and I thank Giovanni Allegretti, Gautier Brygo, Mamadou Bachir Kanoute, Yves Cabannes, Nelson Dias, Laura Paruque, John Calenga, Mike Makwela and Terence Smith. I express my gratitude especially to Marcius for the strength and encouragement in the preparation of this challenging fieldwork.

<sup>2</sup>It should be noted that Porto Alegre was not the first PB experiment in Brazil, but cities like Vila Velha (Espírito Santo) and Lages (Santa Catarina) had previous pioneering experiments, see Teixeira and Albuquerque (2006).

The international diffusion of public policies, in general, is a complex phenomenon and at the same time unavoidable to contemporary public administration. It is a process that involves, in general, an excess of players, different models, different political interests and varied strategies. Understanding this phenomenon is not an easy task. However, studying the international circulation is important not only for those in academia who are interested in its heuristic dimension, but also especially for those involved directly with public policies. For the political scientist it is important to understand the mechanisms that cause its spread, the players who are involved in the process, the object that circulates (idea, knowledge, style, technology, etc.) and what leads to the success or failure of such initiatives. As for the manager of public policies, it is critical to understand when transfers of public policies are timely, whom to be influenced by and the best way to accomplish them. In short, how can we take lessons from experiments developed elsewhere and produce sustainable public policies.

It is possible to distinguish three specific stages to the international dissemination of public policy: circulation, diffusion and transfer (Porto de Oliveira, 2011; 2013). Circulation should be understood as a long and broad process of public policy, which may imply flux movement, with the adoption of new policies at once, or the opposite, i.e. setbacks with a mass withdrawal of public policies that had been previously adopted. It is appropriate to differentiate a median (or meso) movement, where public policies are adopted in a circumscribed space or cluster, i.e. a process of regional diffusion. Finally, it is worth considering individual actions of transfer, in which a public policy that exists in a given time and space is adopted elsewhere (Dolowitz and Marsh, 2001; Porto de Oliveira, 2010).

The purpose of this chapter is to focus on the dynamics of the spread of the PB in the sub-Saharan region in Africa. In this case we need to understand the following: how does it spread in Sub-Saharan Africa? What is transferred? Why? In what way? Once the PB is transferred, what happens at its final destination? For a municipality to adopt the PB, there must be political will at the top level of the executive, but this is not enough for the transfer to happen. It is argued that the PB's spread in the region of sub-Saharan Africa is the result of a set of forces deployed by individuals and institutions, a constant work of legitimating participatory governance, connecting players through international events, training teams and producing technical material.

The chapter is organised in three sections. By way of introduction, the first section summarises the process of circulation of the PB starting in Porto Alegre. The second focuses on the analysis of the regional diffusion mechanisms of the PB. The last section makes a

comparison of the processes of transnational transfer of the PB in three cities: Maputo, Makhado and Fissel.

### *1. The process of international circulation of the PB: a prelude*

The PB first started in Porto Alegre, in 1989, after the Workers Party (Partido dos Trabalhadores - PT) won the elections in the city, under the mandate of Mayor Olívio Dutra. In the early years, the PB was still an experimental participatory governance exercise, whose institutional design was gradually being worked on. The meetings were often held in makeshift places and the City Council's activity was dedicated almost exclusively to building the PB internally. In 1993, the year in which Tarso Genro took over the Council, the PB was already in operation. It was then possible to introduce a set of institutional innovations such as the creation of thematic assemblies. Moreover, the PB became more technical with its own lifecycle and with priority inversion criteria.

The advances in the PB's innovative dimension and technical aspects were indispensable for it to be eligible for the United Nations' (UN) Award for Best Practices for Human Settlements, whose distinction would be delivered at the UN-Habitat II Meeting in Istanbul in 1996. Porto Alegre won the award. This was a first step for the PB's international trajectory. One can say that this was the moment that Porto Alegre, or better still, the PB entered the world map. Despite the prize, the PB's prestige was not yet consistent in the international sphere. In fact, its recognition occurred with the succession of the first World Social Forums (WSF) (Porto de Oliveira, 2012). These events projected the city of Porto Alegre worldwide and made its participatory governance policy a part of the city's image.

The PB's spread in the world stems from a combination of local and international factors. The process is operating mainly at a level where there are a wide range of players such as international institutions, local governments, transnational networks, intellectuals, media, social movements, and above all, a group of individuals that specialised on the subject. The success of this process meant that over a thousand PB experiments were undertaken distributed around the world (Sintomer, Herzberg and Allegretti, 2012). In some cases, transfers took place at a supra-municipal level, as in the region of Poitou-Charentes in France, while in other countries, national laws were transferred to lower levels of the State, which made the PB mandatory for municipalities in Peru, Ecuador and the Dominican Republic.

When the PB was introduced in Africa, its international prestige was already progressively increasing and its dissemination on a large scale starting. The UN already encouraged the practice through UN-Habitat and the Urban Management Programme (UMP). The

World Bank also started recommending municipalities to adopt the PB at the turn of the new millennium (World Bank, 2000), and later directly financed pilot PB projects. In turn, the European Union had selected PB as the theme for Network number 9 in a decentralised cooperation project between the cities of Europe and Latin America, within the URB-AL. The PB was at a stage of mass dissemination. The African continent takes an important position in relation to adopting this new system, innovating and expanding it at a large scale. It becomes a new laboratory for participatory governance policies whose effects can be assessed in the following years. In the next section we present the dynamics of the PB's regional diffusion.

### *The PB's diffusion in sub-Saharan Africa: events and catalysts*

The PB is currently distributed in cities of many African countries, with various administrative structures and colonial legacy.<sup>3</sup> To understand international events, such as Africités, and transnational networks, such as Cités et Gouvernements Locaux Unis d'Afrique, and also those institutions that operate as PB disseminators, are crucial steps to investigate the diffusion processes and transnational collective action (Hassenteufel, 2006, Porto de Oliveira, 2011). In this section, the process of regional diffusion was drawn from a set of events that stimulated the spreading and of catalyst institutions, i.e. organisations that have accelerated the PB adoption in the region.

### *The PB in Saharan Africa*

There is a wide variation in the PB quality and intensity in Africa, as in the world in general. There are many experiences that claim to be PB, but in fact are merely consultative in the budget debate. There is a group with advanced practices; another one is still under development, and a third one includes limited experiments of the PB. The advanced experiments are present in Cameroon, Madagascar, Senegal and Mozambique can also be included, with the recent developments in the city of Maputo and a pioneering experiment in Dondo.

Francophone Africa was very receptive to the PB implementation, and in some countries the increase is exponential. In Cameroon, Madagascar, Senegal and the Democratic Republic of Congo, advanced experiments were carried out. In Senegal, by way of illustration, a national law was proposed for the PB. The *Quotidien d'Information Générale le Matin* published on 28 April, a statement from the Minister of Local Government and Decentralization in Senegal, Aliou Sow, who said that “participatory budgeting is an option of government”.<sup>4</sup> This initiative was contained, since experts suggested that it might be a very big step and that the country was not yet ready to expand the PB and ensure its quality<sup>5</sup>

After the success achieved with a pilot project for the PB implementation in nine municipalities promoted by the World Bank, Madagascar also plans to expand its PB experiments to hundreds of local authorities.<sup>6</sup>

In Lusophone Africa, the PB spreads timidly, with experiments mainly taking place in

<sup>3</sup>Two studies carried out by GTZ and the World Bank, respectively, made a survey and summary of the PB in Africa (Sintomer, Herzberg and Allegretti, 2012; Shall, 2005)

<sup>4</sup> Translation made by the author from the original “le budget participatif est une option de gouvernement”

<sup>5</sup> Interview with an expert, held in Dakar in 2012.

<sup>6</sup> Interventions of the Malagasy delegation at Africités and interviews conducted in Dakar in 2012.

<sup>7</sup> Interviews held in Dakar in 2012. See also World Bank: <http://www.worldbank.org/en/news/2012/09/10/participatory-budgeting-an-experience-in-good-governance>.

<sup>8</sup> Intervention by Hellen Nyawaira Muchunu (Regional Coordinator, NTA) in Africités in Dakar in 2012; interview with Jules Dumas (ASSOAL), held in Dakar, 2012.

<sup>9</sup> Interviews held in Dakar in December 2012.

<sup>10</sup> CGLUA is an association of sub national governments, created with the purpose of acting as a spokesman in defense of African local governments' interests.

<sup>11</sup> Interview conducted in Belem, in January 2009.

<sup>12</sup> Note published by Africités, available at <http://www.africites.org/sites/default/files/docutheque/budget.pdf>

<sup>13</sup> The head table on PB had between 150 and 200 participants.

<sup>14</sup> Had 155 participants from Europe, the United States, Latin America and Africa, source: ODPDA.

<sup>15</sup> As an example, in several of our interviews with specialised staff and politicians from cities in South Africa, Brazil, Ecuador, Madagascar, Mozambique, Portugal and Senegal attended the event.

Mozambique and Cape Verde. In the latter, the Portuguese association In Loco played a role in the technical training of staff and the development of PB models in a small group of municipalities, with support from the United Nations Good Governance Fund (Sintomer, Herzberg and Allegretti, 2012, 49). In Mozambique, there are several municipalities implementing various forms of PB and participatory governance, with certain difficulties, after the pioneering experience of Dondo in the late 90s. According to Nguenha (ls/d], p. 9), in 2001, five municipalities (Cuamba, Montepuez, Metangula, Mocímboa da Praia and Island of Mozambique) started PB experiments with the Swiss Cooperation, but had setbacks once the international support ended.

Africa has also been a stage for innovations associated with the PB. The World Bank, for example, is investing resources and energy in PB pilot projects with the use of Information and Communication Technologies (ICT), as is the case of South Kivu, in the Democratic Republic of Congo, one of the most significant cases.<sup>7</sup> The combination of technology and participatory governance also occurs in Cameroon and Kenya and created an internal transfer circuit, especially between Yaoundé and Nairobi. It was implemented in the Kenyan capital, through the National Taxpayers Association, and was inspired by the Cameroonian experience, in addition to having the technical support of ASSOAL Pour le Développement Local.<sup>8</sup> It is a movement with internal transfers and circulation of consultants. There are also World Bank pilot projects that are guided by the PB development as a way of modernising the local governance structure in municipalities, such as Maputo, and in rural communities with the recent discovery of mineral resources, as in various areas in Madagascar.<sup>9</sup>

The experiments in English-speaking Africa are very specific, according to their historical legacy and the political and administrative structures. With the exception of a few cases, such as Makhado in South Africa, which has adapted the Porto Alegre model to its local reality, Anglophone countries have implemented participatory planning processes and participation in the budget discussion, which are in part, hybrid experiments (Sintomer, Herzberg and Allegretti, 2012; Shall, 2005).

### *Events and networks*

The Africités meeting was an important place for the PB dissemination, among other public policies in the region. The summit, which has taken place every three years since 1997, is the largest gathering of local authorities on the African continent. The meeting held in Yaoundé in 2003, was the initial reference point for the PB diffusion process, because as Jean Pierre Elong M'Bassi, secretary general of CGLUA, said,<sup>10</sup> it was on this occasion that young African mayors, aspiring to create bonds closer to society, decided to adopt the PB.<sup>11</sup> In the 2003 edition there were several sessions on the PB. As special guests from Latin America, members of a delegation of Caxias do Sul, Brazil, and Montevideo, Uruguay, attended the meeting and presented their PB experiences. Representatives of Saint-Denis, France and Neguediana, Senegal also joined with their experiments.<sup>12</sup>

At this time, there were already some participation experiments in sub-Saharan Africa developed in territorial communities such as Fissel, in Senegal, and Dondo in Mozambique. The latter municipality implemented a model of participatory planning in 1999, with the support of the Austrian Cooperation, which came to be a national and international reference (Nguenha, 2009). These are, to some extent, autonomous processes of participation, which do not have much contact with other experiments in the world, but only with local NGOs.

The Africités' summits, as in other such gatherings, as the Forum of Local Authorities for Social Inclusion (FLA), became spaces where transnational articulations are organised, where agendas are built, and political pressures are made to legitimise practices, ideas and solutions for public action (Porto de Oliveira, 2011). In these spaces, the cities' international relations tighten and the course of public transnational action is defined.

If the meeting in Yaoundé had established itself as a first milestone in the process of the PB diffusion in Africa, another milestone was placed about ten years later in Dakar, Senegal, with the 6th Africités Summit, held in 2012, where there were already more than one hundred experiments, and the objective to increase to 300 local authorities in 40 African countries over the next three years was set at the event (Africités, 2012, 10).

ITEMS ON THE EVOLUTION OF PB AT AFRICITÉS	CITY/COUNTRY	EDITION & DATE
Victoria Falls Declaration: signing and commitment	Windhoek/Namibia	2000
1. Session organised by the UMP-LAC, with Assoal and MDP 2. Presence of experiments of Brazil, Uruguay, France and Senegal	Yaoundé/Camaroon	2003
1. Participation of more than 100 people in the PB sessions 2. Presence of Mayors of Dondo (Mozambique), Matam (Senegal), Batcham (Cameroon), Mutokol (Zimbabwe)	Nairobi/Kenya	2006
1. Session on PB 2. Awards: Antananarivo – 6 (Madagascar)	Marrakesh/Morocco	2009
1. Various tables <sup>13</sup> 2. Launch of the International Observatory of Participatory Democracy in Africa <sup>14</sup> 3. Session on ICT promoted by the World Bank 4. Launch of the African Charter of Democracy, Elections and Governance 5. Agreement for cooperation in PB matters between a Latin American and an African city (Porto Alegre and Yaoundé-5) 6. Awards: Ampassy Nahampoana (Madagascar)	Dakar/Senegal	2012

*Table 1* Development of activities related to the PB at Africités

*Source* Information gathered through fieldwork, analysis of documents and complemented with data from Sintomer, Allegretti and Herzberg (2012).

Interregional events have also contributed to the rapid diffusion process. A large meeting was organised by the Municipal Development Partnership in Durban, with support from the World Bank and other funding institutions, in 2008. The event was a milestone for the PB dissemination in Africa and brought together both experiences and experts from different regions of the world, such as Latin America, Europe and Asia.<sup>15</sup> Participation at the event resulted in cooperation projects, such as an agreement between the city of Belo Horizonte, Brazil and the municipality of Maputo in Mozambique, for the transfer of knowledge on the PB theme.

### *Paradiplomacy and catalysts of diffusion*

The action of a number of individuals and institutions was important for the spreading of PB in sub-Saharan Africa. They act as catalysts or diffusion accelerators. If events are separate episodes in time, the actions of the transfer operators remain constant throughout the process. Experts, specialised staff from local governments, international organisations, non-governmental organisations, universities, and other institutions, helped to spread the PB in the region. Individual action can be regarded as a form of ‘paradiplomacy’,<sup>16</sup> since it does not act at the level of ministries of foreign affairs, but rather develops international relations by promoting the PB via various institutions and acting as ‘ambassadors of the Participatory Budget’ (Porto de Oliveira, 2012).

Besides these players, there are a number of organisations specialised in PB that mobilise resources, act on the transfer of knowledge and stimulate its adoption. Based on fieldwork conducted in 2012, it was possible to identify three organisations, which are as follows: ASSOAL, in Cameroon, Environnement et Développement du Tiers-Monde (ENDA / Ecopop), in Senegal and Municipal Development Partnership for Eastern and Southern Africa (MDP-ESA), in Zimbabwe. The role played by each of these regional organisations was essentially to provide technical and practical assistance to new experiments, creating PB implementation manuals, conducting internal political pressures to foster national dissemination in their countries of origin, to organise meetings and workshops at international events and to create transnational networks. In each of these institutions there are specific people who are responsible for the PB, major regional experts. They are circulating, offering training courses, assessing and promoting the PB on the continent, a job that requires continuous travelling.

Individuals and institutions mix, as in a nebula, exercising roles that are difficult to define – often imprecise and overlapping – in the PB’s spread. The action of regional NGOs often coincides with the action of a protagonist. Individuals are those that mobilise forces, prepare sessions in the events, bring people and organisations together, seek funds to support projects and ensure the future of the experiments. This element clearly emerges from the participant observation at events, interviews and reading various documents. By offering technical training, they transmit experiments (Bunce, 2009). One of our respondents said that much of her work consists of lobbying on policy decisions in states and international organisations.

Travelling for training has allowed several municipalities to contact or deepen their PB experiments and to progressively earn greater autonomy. The Malagasy experiments, for example, were trained by

the local organisation Programme d’Appui au développement rural SAHA and by the Enda Ecopop Organisation that sent one of their top experts, Bachir Kanoute, to offer training. He stated that 60% of his work consists in training activities and tells us that he already provided training in thirteen countries, training the equivalent to 234 PB counsellors in francophone Africa.<sup>17</sup> Mozambican experiments received support from MDP-ESA, a catalyst organisation in the region. In the same way, the model adopted in Nairobi, Kenya, was inspired by the Cameroon experiment.<sup>18</sup>

The actions of international organisations are of another nature. They adapt to broader institutional agendas, often linked to the promotion of transparency, good governance and strengthening civil society. The UN action in Africa occurs sporadically, collaborating with the production of technical and financial support for specific PB experiments and encourages them within their priorities. UN-Habitat is among the agencies most involved in the PB.

In Africa, specialized books were important in disseminating the PBs, though intellectual production was limited.<sup>19</sup> With UN-Habitat’s support, the two manuals that were elaborated with the same purpose and for two different contexts (Francophone Africa on the one hand, and southern and eastern Africa, on the other) became the benchmark for the PB’s implementation. Entitled respectively “Le Budget Participatif en Afrique: Guide pour la formation en pays francophones” and “Participatory Budgeting in Africa: A Training Companion with cases from eastern and southern Africa”, the first was put together by ENDA-TM and the second by MDP-ESA.<sup>20</sup> They are two distinct guides that take into account the specificities of each context of decentralisation in Africa.

The actions of the World Bank in sub-Saharan Africa also follow guidelines from broader agendas and use regional offices as supporting institutions.<sup>21</sup> Part of the action of this institution in promoting the PB is carried out in regions where there are already projects underway. The politics of participatory governance is, in these cases, an additional instrument to ensure the best local development within the World Bank guidelines. In Mozambique, as discussed in the next section, in Madagascar and the Democratic Republic of Congo, the projects follow this structure.

### *2. The transfer process*

Once the dynamics of regional diffusion have been presented, it is important to understand the micro dynamics of the phenomenon of the PB’s international circulation, the transfers. The objective of the second part of this article is to identify the similarities and differences between a small set of case studies. The analysis was made

from observations made through a number of questions: What is being transferred? What are the reasons for this transfer? Which players are involved in the transfer? What are the mechanisms that promote or constrain the transfer? Furthermore, once the PB is transferred, what happens at its final destination? The three cases represent a part of the reality of the PBs in Africa. All these have only been marginally addressed in the literature. The information summarises a monographic study in each case. The local authorities are, respectively, the capital of Mozambique, Maputo, and the predominantly rural municipality with urban features (or semi-rural) of Makhado, in South Africa and the Rural Community of Fissel, in Senegal.

### Maputo

The city of Maputo, being the capital of Mozambique, is a specific case in the process of PB transfer. There are a limited number of capital cities in Africa that implemented the PB. Some examples are a number of districts of Yaoundé in Cameroon and Antananarivo, in Madagascar. Mozambique is a country where extreme poverty is striking. Despite this, the country recorded an average economic growth rate of eight per cent<sup>22</sup> from 1994 to 2007. Mozambican municipalities were created in 1997 and the following year the first elections took place. Cities have an important role in the consolidation of democracy, as they are the only elected local governments.

According to the World Bank, the colonial legacy left institutions with little functioning ability, a weak organisational structure and little infrastructure. This framework had some relative improvements over a period of ten years in terms of the quality of local governance (World Bank, 2009). Mozambique is one of the African countries with the largest urban population, with 36% living in cities and with a predicted growth of 60% by 2030 (United Nations, cited in World Bank, 2009). The budget of the municipalities is also limited and is not sufficient to provide services and activities that are a municipal responsibility and are equivalent on average to about US\$12 per capita.

The PB entered Mozambique with experiments north of Maputo, including the city of Dondo, in the Beira region. International cooperation has created mechanisms to encourage the expansion of the PB in the country. Swiss and German Cooperation, for example, made extensive efforts in this direction.<sup>23</sup> It is worth mentioning that the German Cooperation does not operate evenly in all countries, but gives priority to projects according to regions and interests, so that if its action for the PB was strong in Mozambique, it was not necessarily a priority for South Africa, but a one-off case.

Enéas Comiche, an economist and representative of the Liberation Front of Mozambique (Frelimo), who was elected president of the city council in 2003, introduced the PB in Maputo. There are two dominant parties in Mozambique, whose origins derive from the Mozambican civil war, which took place between 1976 and 1992. One of them is Frelimo, which holds the presidency of the country and the other one, the Mozambican National Resistance (Renamo). Comiche was Minister of Finance in the early 90s, and formerly, Chairman of the Board of Directors of the International Bank of Mozambique. When Comiche took office in the city of Maputo, he had it in his government plan a broader participatory project: the PROMAPUTO. The PB was in the Municipality's strategy, and in 2008 it was implemented, highly influenced by the Porto Alegre model.<sup>24</sup>

<sup>16</sup> I borrow the term from Aldecoa and Keating (1999).

<sup>17, 18, 21</sup> Interview held in Dakar in December 2012.

<sup>19</sup> Contrary to Latin America and Europe that produced extensive work in the field of intellectual literature, Africa has little bibliography. The engagement between research centres and universities in the PB in the African region is also limited.

<sup>20</sup> In several interviews the respondents quoted the manual as a reference or guide in the PB's implementation.

<sup>22</sup> World Bank, website consulted on the 11th April, 2013: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT>

<sup>23 - 24</sup> Several interviews in Maputo, November 2012.

The mayor aspired since 2004, to expand the dialogue with society through various channels. At the time meetings and visits already occurred between the mayor and residents, meetings with different social groups (economic, political and social) as well as mass rallies and 'listening sessions' with citizens (the office of the ombudsman). The introduction of participation channels has its culmination with PROMAPUTO in 2008. The PB implementation was made with a highly motivated core team of about five to seven people, but without much expertise in participatory governance. This fact hindered the planning of the construction of the participatory model in the long term.

Implementation is made from top to bottom, i.e. it starts as a municipal policy initiative, which keeps considerable power in the PB, leading the process. In its preparatory phase, Maputo delegations travelled to receive training on Participatory Budgeting. A first trip was to Porto Alegre in Brazil. The training abroad helped develop the first version of the Maputo PB. The PB model of Maputo was, in the words of one of its elements, "very ambitious" at the beginning.<sup>25</sup> Then with the political change at municipal level, the PB was stopped in Maputo, not even completing the works that had been approved (Nguenha, [s/d], 9).<sup>26</sup> From the difficulties that emerged with the PB and the stalemate in the municipality, the World Bank started a project to continue the process. The PB model in Maputo was revised from 2010 with the help of external consultants and has currently resumed its activities.

### *Makhado*

In South Africa, the first democratic elections in local governments occurred in 1994. Marked by the Apartheid regime, social participation was limited. A new system of budgeting and planning at the local level was implemented from the year 2000, uniform and representative, called 'Integrated Development Planning' through the 'Municipal Systems Act' (MSA). The progressive evolution of the legislative provisions produced years later the introduction of a system that defined both budgeting and planning in annual cycles (Smith, 2004).

When legislating for local governments in post-apartheid South Africa, a set of devices such as the Constitution of 1996, the MSA and the Municipal Finance Act (2003), considered the participation of communities in matters of public interest in general, specifically making them mandatory in the budget (Smith, 2004, p.17). However, municipalities encouraged participation in the budget in very different ways. Furthermore, and according to Terence Smith (2004), there were several problems in participation, for example

the difficulty of access and understanding of the technical aspects of the budget by citizens.

Despite the limitations of social participation in budget debates in South Africa, a set of emblematic and internationally renowned cases developed, such as the municipalities of Ekurhuleni in the region of Johannesburg and eThekweni (Durban).<sup>27</sup> The city of eThekweni is the second largest in South Africa, with about three million inhabitants. It is a city with a high level of resources in the South African context. The seminar previously mentioned on PBs took place in the city of Durban, organised by MDP-ESA in 2008, along with several other partners. This was a factor which contributed to the internationalisation of the PB of this municipality in particular.

The PB experiment of Makhado was not a case of participatory planning and budgeting, but one that followed the Porto Alegre model. It is the first case of this nature, and probably the most intense record of PB in the country. The PB in Makhado started with the joint initiative of three institutions, whose action was strongly marked by the individual action of those who worked in the transfer process: the NGO Planact, the German Cooperation Agency (GTZ) and the Municipality of Makhado. The idea of making a denser and deeper experiment in South Africa arose in the World Urban Forum in 2010, held in Rio de Janeiro, when two experts attended the PB sessions organised at the event.<sup>28</sup>

Makhado is a small, predominantly rural municipality, with about five hundred thousand inhabitants, and is located in the district of Vhembe in the Limpopo Province (about 400 km from Johannesburg towards Zimbabwe). A report published by the NGO IDASA had indicated Makhado as one of the cities already involved in participatory processes, in consultation with community leaders and organisations to improve the formulation of public policy. The city was therefore considered appropriate to become a PB pilot project for two reasons, on the one hand, "the municipality had already embarked on a process of attempting to significantly improve its performance in terms of public participation and budget allocation," and on the other, "the municipality had been actively engaged in a project to determine the perceptions of its constituents in order to identify specific priorities for improvement." (Good Governance Learning Network, 89).<sup>29</sup>

The transfer process to Makhado was technically organised by Planact, with support from GIZ and political support from the municipality. The project took place in three phases, the first was preparatory, the second implementation and the third, assessment. The first phase consisted mainly in designing the PB model, which became a simplified model of Porto Alegre. Besides planning, PB leadership training was also carried out, which included the drafting of

a manual, The Implementation Handbook and the Facilitator Guide (Good Governance Learning Network, 90).

The PB did not persist in Makhado, there was a political change in the city and the experiment stagnated and its future is still uncertain.<sup>30</sup> Despite the suspension of the PB, the interviews conducted in South Africa and the documents examined show that the experiment was going very well. The case of Makhado reveals that political will was a determining factor towards the impasse of the experiment.

### *Fissel*

The decentralisation process in Senegal is a crucial factor for the emergence of the PB in the country. Unlike most African countries that developed legal frameworks for decentralisation in recent years, Senegal initiated proceedings since 1972 in this direction becoming an exception on the continent. The creation of rural communities dates back to the 70s and was done over a period of about ten years. The decentralisation policy creates an opening for citizen participation (Gaye, 2001). The rural community of Fissel was one of the first settled in the country.

In 2003, two PB experiments were launched in Senegal: Fissel and Ndiaganiao. Fissel is located in the region of Thiès, about 100 km from Dakar. The rural community is comprised of twenty-eight villages and about 34,000 inhabitants. A particularity in the Senegalese context concerns Fissel having a long tradition of social mobilisation, where the first community radio was launched in 1996 (Sintomer, Allegretti and Herzberg, 2012, p.48) developed by grassroots organisations.<sup>31</sup> Before the implementation of the PB, a programme for strengthening citizen participation had already started in 2001 (Gaye, 2005, p.1). The PB was introduced through the local NGO Innovation Environnement Développement Afrique (IED) as part of a partnership between the Institut International pour l'Environnement et Développement (IIED), the programme 'Réussir décentralization,' for a set of countries in the arid region of Western Africa.

The initiative came from the local civil society through an organisation called Regroupement Communautaire pour le Développement (Recodef), which calls for an evaluation of citizen participation in the process of decentralisation and local development (Gaye, 2008, p.10). The technical part was developed by IED that operated the implementation of the PB (between 2003 and 2004). The transfer takes place independently. The Fissel experiment gained importance in the Senegalese context, beyond being pioneering it is a case where the PB is successfully implemented in a rural community.

<sup>25 - 26</sup> Interviews held in Maputo in November 2012.

<sup>27</sup> See World Bank (2005) or Sintomer, Herzberg and Allegretti (2012).

<sup>28, 30</sup> Interviews held in Johannesburg in November 2012.

<sup>29</sup> In the Portuguese version (TN) translation by the author of the two quotes, respectively “the municipality had already embarked on a process of attempting to significantly improve its performance in terms of public participation and budget allocation” and “the municipality had been actively engaged in a project to determine the perceptions of its constituents in order to identify specific priorities for improvement.”

<sup>31</sup> Interviews held in Johannesburg in November 2012.

### *Conclusion*

The international circulation of public policies is a complex phenomenon that is embedded into different dynamic levels: global, regional and local. There are determining factors in the regional diffusion of the PB. This paper aimed to show the importance of individuals in diffusion processes, as well as regional networks, events and catalysts. The transfer processes are more sporadic and require action of a different nature.

Political will was a condition for transfers to happen in the cases analysed. Technical support from NGOs also contributed, in the case of Fissel and Makhado. However, they were not sufficient to ensure the continuation of that experiment. In Fissel, a traditionally active civil society, it was important to provide a focus to the process. In the case of Maputo, the political impasse seems to be a weakness. The presence of international institutions, in this case, as the World Bank, reveals to be crucial to resuming the PB.

Africa has built a solid group of experiments and is planning to rapidly increase the number of PBs in the coming years. Taking into account the dynamics of regional diffusion is an element that can help guide the new scenario that is opening up on the continent regarding PBs. The lessons that the transfers offer, in their success or their weaknesses, serve as a beacon to build sustainable practices in the future.



AFRICA

CAMEROON

JULES DUMAS NGUEBOU & ACHILLE NOUPEOU

# PARTICIPATORY BUDGETING EXPERIENCE IN CAMEROON

## *Introduction*

In Cameroon, the constitutional law of the 18th of January 1996 marks a milestone in the decentralization process. Two major innovations are remarkable here: on one hand, the institutionalization of a body, the Senate, not yet implemented, which “represents the decentralized territorial communities” (Art 20) and on the other hand, the constitutional provisions on “Communities Decentralized Territorial” (Title X). It was followed in July 2004 by an enactment of the Head of State of a number of laws on decentralization. That are, Act No. 017/2004 of the orientation of decentralization, Law No. 018/2004 laying down common rules and law n ° 019/2004 laying down rules for regions.

In 2005, following the Decree No. 2005/104 of 13 April 2005 on the organization of the Prime Minister MINATD, technical leadership in charge of issues related to decentralization, namely the Department of Regional and Local Authorities (DTCD) was created. In 2008, thanks to the Decree No. 2004/320 of the President of the Republic on the government organization, “the Ministry of Territorial Administration” became the “Ministry of Territorial Administration and Decentralization” (MINATD), with a Minister Delegate in charge of decentralization issues. In 2009, a law on the functioning of DTC was enacted to make municipalities join the budgeting program approach; this follows the adoption of the new financial regime which establishes the State Budget Program. This Act comes into force in 2013 with an innovation based on results oriented budgeting. In 2012, the preparation of programmed budget at the national level incorporates priorities sometimes issues from Communal Development Plans (CDP).

The evolution of these normative arsenals and institutional give an account of a “new governance based on local dynamics” by involving people in the development and implementation of public policies. However on the social plan, 40% of Cameroonians live below the poverty line. This is caused by bad governance, corruption, lack of community involvement in the management of public policies and poor people’s access to basic social services. It is in this wake that the Participatory Budgeting is positioned to facilitate this involvement.

### *History of Participatory Budgeting in Cameroon*

Participatory Budgeting (PB) is seen as a tool that can contribute to a better implementation of decentralization. It was implemented for the first time in 1989 in Porto Alegre in Brazil. It made its entrance into Africa and particularly in Cameroon in 2003, with the Yaoundé Africities summit. On that occasion, a letter of intent for the Participatory Budgeting was signed December 4, 2003 in the presence of the Mayor of the Municipality of Guediawaye Senegal, the representative of the International Alliance of Inhabitants - Africa and the Executive Director of UN-habitat for Africa. That letter came as result of a series of discussions and consultations between 5 municipalities of Cameroon Cooperation Agency Brazilian Municipalities, represented by the city of Caxias do Sul, the Municipality of Montevideo, Coordination for Latin America and Caribbean Urban Management Programme, UN Habitat, the Partnership for Municipal Development ASSOAL for Local Development and the National Network of People of Cameroon (RNHC).

Since the signing of the letter of intent in December 2003, nearly 57 municipalities have committed to use this mode of programming and fiscal management in different regions of Cameroon. The results of these experiments have been capitalized and restitution made during several national and international meetings (Africities 2006, 2009, 2012, the Global Forum for Democracy in 2007, Residents Triennial ,Urban Social Forum, World Urban Forum, etc.)..

Preliminary results of this experimental phase had a major impact in the field of improving citizen participation, promoting PB, improving governance and access to basic social services.

### *Cameroon experience of Participatory Budgeting*

The BP is an easy and adaptable device for realities in the sense that since its first launching experiment in Edzandouan and Batcham under the guidance of ASSOAL, Cameroon, the PB has undergone changes, including the use of Technologies information and Communication ([www.ecoledelagouvernance-cm.org](http://www.ecoledelagouvernance-cm.org)), the gender budget, the territorial budget, budget monitoring, local budget transparency index, simplified budget, visualization budgeting ([www.cameroon.openspending.org](http://www.cameroon.openspending.org)), citizen notebooks assessment, etc..

Facilitating and supporting programs for the implementation of decentralization are currently on, we can mention: The Support Programme Decentralization and Local Development (PADDL) German Cooperation service (GIZ), the National Participatory Development Programme implemented with financial support from the World Bank and the French Development Agency, etc..

The European Union supports this process by providing resources that are mobilized by the municipalities and CSOs to improve their participation in local governance. Despite all these initiatives, the progress achieved in terms of local empowerment is mixed. It is therefore necessary to deepen the process begun by placing an approach for implementing controlled, ensuring capacity building of stakeholders, to strengthen citizen participation, the social accountability of the elected corporate social responsibility, improving planning and programming of local public policies and putting in place mechanisms for monitoring and evaluation.

### *Results*

In the framework of Cameroon experience, tangible results can be noted:

- 1) The concept of BP is owned by development actors;
- 2) Citizen participation and fiscal transparency of PB are improved in the municipalities;
- 3) Municipalities are structured into space for dialogue in the neighbourhoods;
- 4) The use of ICT is adopted in the municipalities using PB;
- 5) Tax revenues are improved in the municipalities using PB
- 6) Cameroon Alliance for Participatory Budgeting and Local Finance was set up;
- 7) The population's access to basic social services is improved;

### *Advocacy for the institutionalization of Participatory Budgeting*

Considering the excitement created by the PB in Cameroon, the Cameroon Alliance Participatory Budgeting and Local Finance was created in 2007 in order to promote and create a space for exchange. The vision of this platform is that all municipalities of Cameroon implement the PB. This advocacy has been committed since 2010 for the State of Cameroon to institutionalize this device and make it taxable for all, like in Brazil and the Dominican Republic.

To this end, the Association of Mayors of Cameroon CUCV became committed to meet this challenge. A multi-stakeholder dialogue was established, government, technical and financial partners, diplomatic representations (Brazil, France etc.) are members. It is expected to finalize and propose the legislation to Cameroon government so to institutionalize PB through a national strategy, for its enforceability to all in the context of decentralization.

In the light of this analysis of the benefits and challenges, these are the reasons why PB should be institutionalized in Cameroon:

- The PB to reduce poverty
- The PB for citizen participation in the implementation of public policies
- The PB for better orientation of the transferred resources
- The PB to improve coordination between the actors
- The PB accountability (accountability)
- The PB to improve local revenue
- The PB for better access to basic services
- The PB for better consideration of social actors
- The PB to bring the administration of administered
- The PB for transparency in the management of local public policies
- The PB for the building and use of ICT.

*Difficulties encountered by the participative budget*

In Cameroon some difficulties hinder the development of this device, among which are:

**At the level of the government**

Despite Decentralization in Cameroon and the important role of civil society, there is a lack of coordination between the different actors (government, private sector and civil society), observed with suspicion by the authorities vis-à-vis the participation of civil society and government lack of enthusiasm for this device. We also note a small ownership of this device.

**At the level of municipalities**

The absence of a legal framework opposable to the application of strict PB is noticed for municipal executives, adoption is thus linked to their political will. The absence of appropriate mechanisms and tools to ensure data and reports transparency to the elected, as well as citizens to follow and monitor the work of elected or to the latter to be democratically accountable for their decisions. Some believe it is a tool for mobilizing voters.

**At the level of civil society organisations**

Organizations are often criticized; this is due to their organizational weakness and confusion of roles. There are also opportunistic OSC that make the work of this group of actors unclear. The phenomenon of corruption corrupts processes and destroys development initiatives with a severe psychological impact; laziness has become a “virtue” as well for a number of youth as for some adults in charge of certain public and private structures...

**At the level of populations**

However, despite some progress, people’s participation in the decision-making process is still low. Several factors can be cited to explain this fact. First there is a lack of training and information to citizens so enabling them to know their rights and duties.

There is currently a peaceful coexistence between different ethnic groups, even if the current debate between “alien” and “native” is dangerous for peace. This climate helps to reduce the participation of certain segments of the population in the development of their living space.

Moreover, the participation of some social groups such as slum dwellers, women and youth in consultation bodies and local management remains very low. Unfortunately, this has often resulted in inadequate consideration of their needs and aspirations in the plans, programs, projects and budgets that accompany them.

### *Conclusion*

After this presentation of PB's experience in Cameroon, assessments made recently highlight a number of challenges to the sustainability of this tool. These challenges relate to the different sides of the PB:

#### **Qualitative and normative improvement of citizen mobilization**

One of the major findings is the low participation of women and youth. The involvement of these groups in relation to their demographic number remains low. Greater participation of women and youth remains a major challenge inherent in the operational component of a participatory process like the Participatory Budgeting.

#### **Ownership challenge**

The Cameroon PB deserves to be widely disseminated and owned. This need for appropriation by the actors (CSOs and other institutional actors such as municipalities) requires at least two prerequisites: (i) institutional communication about intense PB experiences. (ii) Transfer of knowledge, skills and technologies needed to deploy initiatives promoting greater citizen participation.

#### **The scaling**

The scaling that follows the challenge of ownership is also based on the inclusion and / or sharing of a greater number of actors to PB that is a citizen's process. This scaling should be based on the strategic actors such as local governments / municipalities, civil society organizations and entities linked to the central government.

#### **Institutionalization of the Participative Budget**

The institutionalization of BP is a fundamental challenge. It is a response to local demand for greater responsibility and greater accountability of governments but also of greater involvement of citizens in decision-making processes involved beyond the information alone. Such a process is made favourable by the context of the ongoing decentralization and could lean on actions for the adoption of a Law on Participatory Budgeting and hence the definition of a true national strategy in the field coupled with law on Participatory Budgeting. However, this requires a real advocacy work.

AFRICA

DEMOCRATIC  
REPUBLIC OF  
CONGO

EMMY MBERA & GIOVANNI ALLEGRETTI

# PARTICIPATORY BUDGETING AND THE BUDGET PROCESS IN THE SOUTH KIVU PROVINCE

## *Abstract*

Very often, Participatory Budgeting (PB) is examined as a separate process from regular budget processes, being read as a sort of “sectorial policy” which provides, at the same time, dynamization of local institutions and the social fabric, but has a limited impact on the general budget process. In this respect, the experience which started in 2011 in the South Kivu Province of the Democratic Republic of Congo represents a rare case. This is because since the beginning PB was set imagining that it could have a meaningful impact on the local budget of involved municipalities, and in relation to the transfer of resources granted to them by the Provincial Government. For this reason, this article examines the Participatory Budgeting process of South Kivu from the perspective of the general budgeting process. It tries to highlight a number of activities and decisions in relationship with the PB process that were able to go further than the mere promotion of more democratic decision-making and budget transparency. The PB hierarchy structure and its backup structure, as well as political commitment, contributed to facilitate the success of the process. Decentralized entities have been trained on how to associate citizens during the preparation of budget estimates and key stakeholders have been involved to facilitate the process. Revenue collections have registered improvements as well as intergovernmental transfers to be received by decentralized entities from the provincial government, while local authorities became more realistic in doing their estimates about the future revenues and expenditures. Up to now, citizens have been associated with the determination of investment priorities for the fiscal year 2012 & 2013. This has disclosed some new interesting challenges for the future improvements and scaling-up of the experiment.

## *Introduction*

Public budget refers to the document that contains a forecast of governmental expenditures and revenues for the ensuing fiscal year, which in many countries does not correspond to the calendar year. It constitutes the key instrument for the expression and execution of all government policies in the sense that it enables the guidance of economic, social, political and other activities of a community in a certain direction, in order to realise predetermined goals and objectives. It is also supposed to be a central tool for making executive governments accountable through the control of assemblies (which also include members of the oppositions) and to inform citizens about how their taxes are being used. So, it is a “core” political tool, despite having been gaining a progressively high level of technical complexity that has distorted its public perception, so that many people think it is mainly a “technical tool of gover-

## *Keywords*

Participation,  
Budget process,  
Participatory,  
Budgeting,  
Budget .

<sup>1</sup> Jack R. Huddleston: *An introduction to local government budgets: A guide for planners*, Madison, Wisconsin, 2005, pág. 2

<sup>2</sup> Mihály Hôgye: *Theoretical approaches to public budgeting*, Budapest, 2002, pág.

<sup>3</sup> Anwar SHAH: *Public sector governance and accountability series, local budgeting*, Washington, 2007, pág. 27

<sup>4</sup> DRC: *Law No 11/011 of 13 July 2011 on Public Finances*, Bukavu, article 3 (4) & (5)

<sup>5</sup> Ugandan Local government budget committee: *General Guide to the Local Government Budget Process for District & LLG Councillors, NGOs, CBOs & Civil Society*, online accessed: [www.lgfc.go.ug/archives.php](http://www.lgfc.go.ug/archives.php), p. 13

<sup>6</sup> Mihály Hôgye: *Idem*, p. 6

ment”. As has happened in other continents, during the African decentralization and democratisation processes, many countries have transferred central government responsibilities to local, provincial and/or regional governments. One of the advantages recognized for local governments is that they are keener to relate their fiscal and budgetary tasks with principles of responsiveness, citizen participation, accountability and improved revenue mobilisation. Being that it is the local government’s budget that usually determines which public priorities will be addressed each year and how public funds will be generated and who will pay local taxes, it is possible to imagine that local governments’ budget tends to reflect the overall health of the local economy, and so becomes the place where public scrutiny is focused<sup>1</sup>

The Government of the Democratic Republic of Congo (DRC) is a late-comer to the process of decentralization, which started in 2006 as a new mode of management of public affairs. Through its activities program for five years, from 2007 to 2011, the DRC government has raised a number of options related to the principle of good governance, decentralizing some functions to the Provincial level, and others to Cities, Districts, Sectors and Chiefdoms. The South Kivu Province, which is one of the 10 provinces of the DRC, is in a difficult zone plagued by several years of ethnic and political tensions (and so hosting a very large number of international aid institutions), decided to experiment with the Participatory Budgeting process (PB) in April 2010 as an option for enhancing the transparency in both the budget process and improving the budget itself.

This paper intends to describe how PB is working within the budget process of the South Kivu Province and to figure out its possible contribution to the transparency and improvement of the budget. Therefore, it is structured in three parts. The first summarizes the local budget process and its major steps; the second is devoted to understand the participatory budgeting process in South Kivu province; and the third tries to depict the trend of some activities carried out in relationship with the process, mainly in the administrative and financial domains.

### ***1. Public budget and local budget process***

Public budget, according to Mihály Hôgye<sup>2</sup>, can be regarded as the key instrument for the expression and execution of governments’ economic policies, being the “core<sup>3</sup>” of the system of fiscal administration and a sort of “filter” between political promises and the measures that an administration concretely implements. Its functions include coordination and control of public spending to reach predetermined goals which constitute the spine of political/administrative programmes of public institutions. By definition, public budget is the process of planning, adopting, executing, monitoring and auditing the fiscal program for the government for one or more future years. An important aspect that is worth underlining – because it is often the object of a spread of misunderstandings, even among members of public institutions – is that a provisional budget does not immediately constitute an amount of resources in a safe-box which could be immediately spent. It is just a “forecast” of governmental expenditures and revenues for the ensuing fiscal year. These may not correspond to the real amount which will enter in the institutional accounts, depending on how much tax collection, cost-recovery of service providing, transfers of resources and

other processes will perform. On the side of expenditures, a provisional budget can also be under- or over-estimated in relation to the “consolidated budget” which will be calculated only at the end of the referred fiscal year.

In the case of the Democratic Republic of Congo, the State budget is a document containing revenues and expenditures estimates of the central government which include those of the 10 provinces, whose budgets also contain revenues and expenditures of decentralized local entities<sup>4</sup>. The latter often act as national laboratories for governmental experimentation, testing innovations through success and failures.

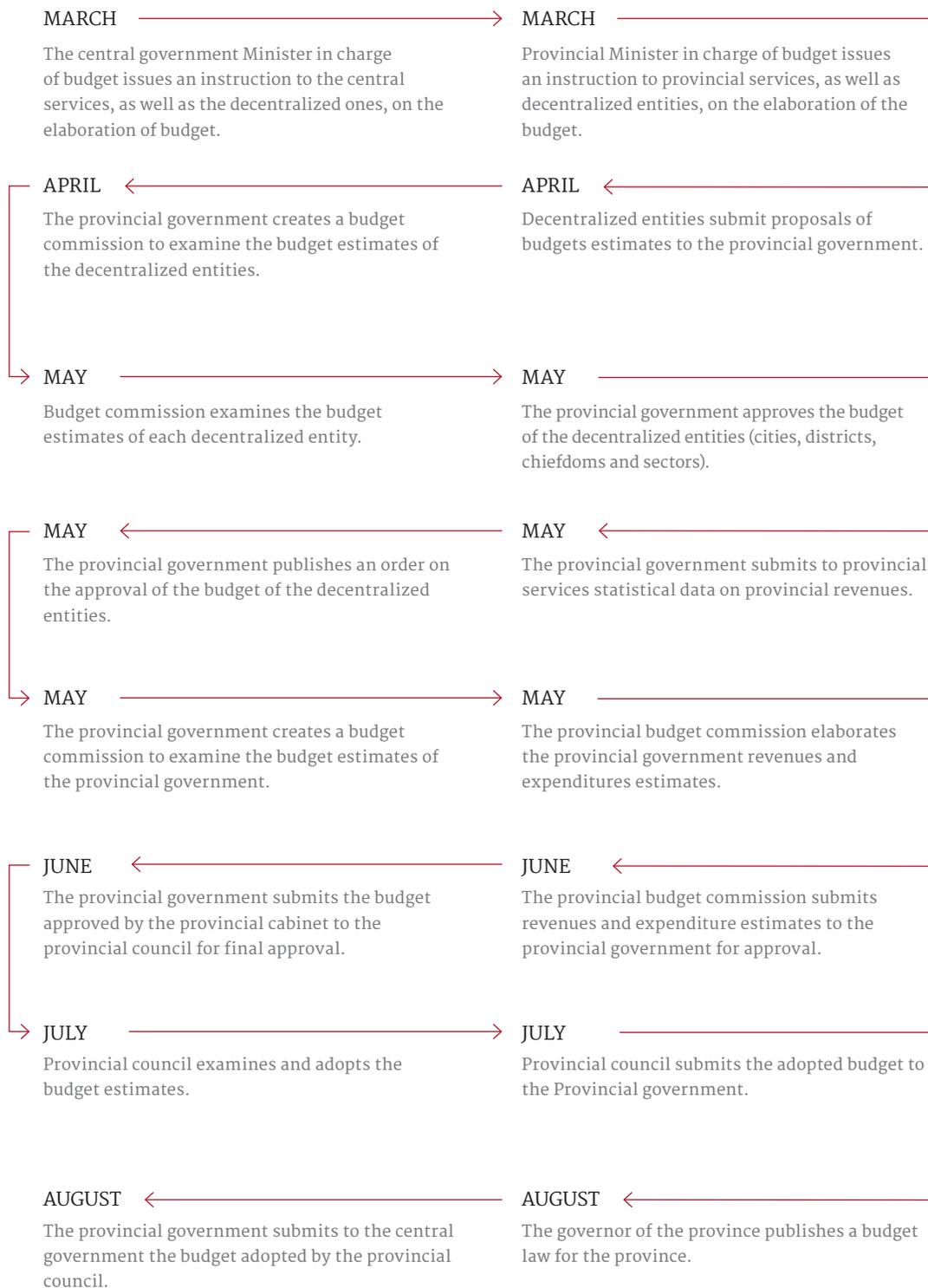
Although budget approval is far from being the only task of local and provincial authorities, it is undoubtedly one of the most important Political activities undertaken each year. It usually involves consultations and negotiations between the council and various relevant parties, compilation of planning and budgeting inputs from lower levels of local and sub-local government, public hearings, and so on... If formal obligations in terms of final deliverables exist, the budget process can be organized in many ways and may vary slightly from one local authority to another and from one year to another. Notwithstanding these variations, which are often due to different financial and political local conditions, would require a democratic, participatory and transparent budgeting process<sup>5</sup>, In many Congolese administrative institutions this is far from happening. Although the process of preparing and discussing a public budget has progressed considerably during the last decades, the quality of both the process and the final documents is still far from what it would supposed to be in order to fulfil the requirements of the legal framework. Especially, forecasts of the revenues and expenditures are often widely at variance with reality, changes to accountability documents reflect the use of cosmetic political practices, and certain distinctions (such as those between capital and current expenditures) are frequently blurred deliberately.<sup>6</sup> So, expenditure allocations in the annual work plan and budget are often not realistic or achievable.

In DRC, the annual provisional financial budget of provincial and local governments is approved by the legislative body and is, thus, most often, a combination of many different elected officials’ views of how public money should be raised and spent for the upcoming year. The diagram below summarizes the budget process in the South Kivu province which is divided into two parts. In the first part, that takes place from March to May, the budgets of the decentralized entities are elaborated and approved by the provincial government while the budgets of provincial services start to be elaborated in May and are approved in August, whereby the governor of the province publishes a budget law, after approval by the provincial council.

**Diagram 1** Standard budget process in the South Kivu province

<sup>7</sup> In Emmy MBERA : Feasibility study of the Participatory Budgeting in the South Kivu province of the DRC, Bukavu, 2009, p. 37

<sup>8</sup> Presentation delivered on 26th August 2009.



It must be underlined that such a tight schedule is determined by the complex multi-level interdependency which a still centralized country has established among different entities' budgets. So obliging local authorities to receive and send continuous feedback to the provincial government, from whose transfers of their revenues strongly depend. In this framework, participatory budgeting can be seen as a decision-making process through which citizens, either as individuals or through civic associations, may voluntarily contribute to decision-making over a part of local authorities annual budget, during a series of public meetings scheduled with government officials within the first period of the year. It must be clarified that only members of provincial councils are elected in DRC, while the other authorities are still appointed by the central government (as in the case of the mayors of municipalities) or belong to traditional customary authorities. These usually run public budgets in countryside territories and have a very small degree of accountability during their action. Thus, their mandate is not submitted to discretionary nor electoral confirmation.

South Kivu, which is one of the 10 provinces of the DRC (to which it has to be added the Kinshasa City, that also has the status of a province), is marked by very poor living conditions of households, being the third province in DRC with the highest poverty incidence (84%) after Equateur (93%) and Bandundu (89%) provinces<sup>7</sup>. In its pluriannual activities program 2007/2011, the government of the Democratic Republic of Congo recognized the weaknesses of its public administration as materialized by the low performance on both the quality and quantity of services expected by citizens and the poor management of available resources. The solution indicated in the government document included the implementation – at different levels of intervention – of a series of mechanisms to ensure more traceability, visibility and control of activities and investments. This indicated that they could be achieved through a participatory approach, valuing the role of media, public reports on the state of funding programs to eradicate poverty, as well as the role of parliament and beneficiaries in the monitoring of public spending. Taking into account this commitment of the DRC government, the South Kivu Province decided to introduce the Participatory Budgeting as an opportunity to make such measures more concrete and remediate to some of its administration weaknesses mentioned above.

In 2009, the Governor of South Kivu – during the presentation of budget estimates for 2010<sup>8</sup> to council members – summarized some structural constraints that the Province faced: a very low tax compliance; systemic corruption affecting both civil servants and

state officials; the archaic way of delivering public services; the huge informal sector development; the low capacity of industries and the deficit of policy incentives, and so on. He gave evidence of the consequences that such a situation determines on the budget structure, highlighting how the leaks in tax collection, together with evasion, tax fraud and embezzlement of public funds happen at several levels, so inducing a “vicious circle” because of the tight interrelation existing between provincial and local budgetary systems. Taking this framework into account, he proposed to test an experiment of participatory budgeting in 8 out of 27 decentralized entities with the idea of strengthening at the same time both the local budgets and – consequently – the provincial one. He said that – in the previous years – the province had barely transferred the due amounts to decentralized entities because it was sceptical on their capacity to manage the budget and delivery services and to implement public works.

The idea of experimenting with PB took strength and a concrete form during a seminar held in April 2010 in the framework of the Project for Capacity Building in Governance (PCBG) which the Provincial Government of South Kivu ran in collaboration with the World Bank Institute (WBI). Such a project commissioned a feasibility study of participatory budgeting in this province. It identified a wide number of challenges and opportunities. The 8 officials that volunteered for joining the experiment supported by the province were the customary authorities running five rural areas (Luhwindja, 64,300 inhabitants spread around 26 villages; Kabare, 618,452 inhabitants distributed in 67 villages; Wamuzimu, 552,997 inhabitants in 184 villages; Bafuliro, 440,000 inhabitants spread around 152 villages; Ngweshe, 617,034 inhabitants distributed in 656 villages) and three urban municipalities that together compose Bukavu, the capital of South Kivu (Ibanda, 249,793 inhabitants; Kadutu, 268,991; Bagira, 199,357 inhabitants).

*How was PB imagined and does it work in the South Kivu province?*

Participatory Budgeting in the South Kivu Province was defined in Article 2 of the Provincial Order no 12/03/GP/SK of October 5, 2012 on the Institutionalisation of PB in the Decentralized Entities of the Province as the “grassroots investment process which proceeds with the collaboration of citizen and the state and non state actors in the decentralised entities”. The process that has been built since 2011 consists of opening spaces to citizens to debate and (in some decentralized entities) vote for part of the investment component of the provisional budget. It has two main sub-cycles. The first cycle consists of the elaboration of the budget proposal, taking into account priorities chosen by citizens in collaboration with political and technical actors. The second is more related to the implementation of co-decided priorities, which is imagined as indispensable for creating trust in the local authority on its capacity for producing concrete results and management of citizens’ tax payments. The first step is usually concluded by a budget voting session during a general meeting of population in the different decentralized entities; nevertheless, in some chiefdoms this voting has not been done and the PB process was closer to a “selective listening” than to a real co-decisional space.

The diagram below, gives the summary of the main common moments that characterized the PB process in the different administrative entities (from budget orientation to the priorities’ voting for the 2013 fiscal year). The figures show some mismatching between the real budgetary process which happened in 2011, and the standard time-lines which usually govern the budgetary cycle in the South Kivu Province.

**Diagram 2** First sub-cycle of the Participatory Budgeting 2013<sup>9</sup>  
**Source** Workshop report on capacity building of PB actors and stakeholders (28th February/1st March 2011). Report elaborated by the Project for Capacity Building in Governance, authors’ design.

<sup>9</sup>The diagram has been designed using information provided in the Workshop report on capacity building of PB actors and stakeholders which took place from 28 February to 1st March 2011, report elaborated by the Project for Capacity Building in Governance. Participants elaborated and agreed on the activities plan of PB for 2012 as well as 2013 fiscal years.



Compared to diagram 1, which describes the normal budget cycle in South Kivu, diagram 2 shows that the PB moves forward the normal process and the investment priorities as voted can be integrated into the standard process. Somehow, PB enroots in the traditional budgetary process so enriching the preparation of the decentralized entity's draft that is then presented to the province. This enables the provincial government's transfer of the due amounts of resources to the local levels, after having received the central government inputs.

As far as it regards the second sub-cycle, which is devoted to the monitoring of the execution of the budget of the decentralized entities and the realisation of the participatory projects, its functioning can be summarized in Diagram 3. The diagram represents the action plan established during the Capacity Building workshop that was organized from 28th February to 1st March 2011 by the World Bank Institute with the presence of a PB specialist from the Assoal association in Cameroon, an NGO that since 2003 has been working in that country on experiments of Participatory Budgeting. The interesting aspect of such a training event was that it enlarged the scope of the first PB experiment. In fact, in the April 2010 event, only 6 decentralized territories had volunteered to experience PB in 2011, but – provided that the February 2011 workshop was open to more local authorities – two new chiefdoms decided to join the experiment and were convinced by the explanation given during the training. It must be also underlined that

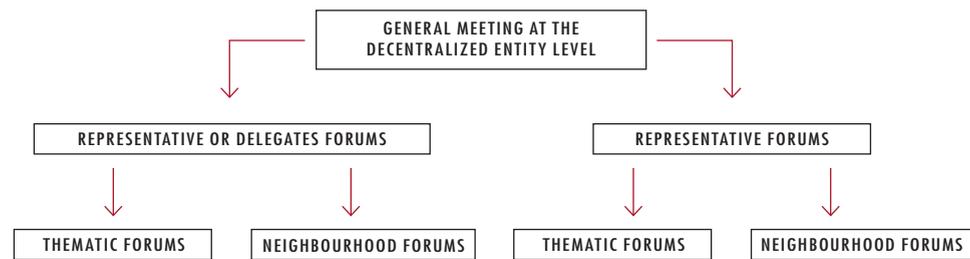
several of the local authorities who joined the training course in 2011 (including the three mayors of Bukavu municipalities) were not the same officials who had committed to PB in 2010, due to a round of management shift in government; but the new officials confirmed the commitment of their predecessors, convinced by the Provincial Governor who was imagining PB as a structural reform to enable a new trust-based relationship between the provincial and the local level of the administrative structure.

Diagram 3 represents a common action plan for all the decentralized territorial entities of South Kivu, but it doesn't reflect the delays which concretely happened (in different manners) in the territories experimenting PB for the first time during 2011. As it is possible to see, the original ideas were to send some monitoring commissions to on-going public works that could start operating in 2011, while the first PB experiment was taking place. This idea originated from the will to imagine PB as an “enabling environment” that (since its birth) could promote a major transparency on budgetary management and so make local authorities more accountable; also that (even before the first participatory cycle was completed) citizens could gradually gain trust in their political administrators.



*Diagram 3* Second sub-cycle of Participatory Budgeting, for fiscal year 2011  
*Source* Workshop report on capacity building of PB actors and stakeholders which took place from 28 February to 1st March 2011, report elaborated by the Project for Capacity Building in Governance, authors' design

Below, in Diagram 4, the general standard structure of the participatory budgeting experiment in South Kivu Province is represented. The chart represents a graphic translation of the Provincial Order that – in October 2012 – consolidated an average model for all the decentralized entities, based on the first year functioning. It represents a sort of “minimum common denominator” that can introduce some differences in the local territories, depending on the specificities of both village/sectors structure and the hierarchy in powers and responsibilities/task, which may differ a bit in the different typology of decentralized authorities (municipalities, chiefdoms, sectors and so on...). During the PB annual cycle, needs and proposals launched by citizens in the general meeting of each decentralized authority are usually discussed and detailed in neighbourhoods’ forum, and then voted on at the general citizen assembly depending on their urgency, relevance and the available resources. After, fixed priorities are approved by the deliberative official council of each entity in conformity with laws on budgets.



**Diagram 4** PB in the South Kivu Province  
**Source** Graphic translation of Provincial Order no 12/03/GP/SK of 05th 2012, Emmy M’Bera’s design

<sup>10</sup> According to the legal provision on PB in South Kivu, citizens can enter everywhere, but responsibilities of delegates which belong to “representative forums” (in French “forum des délégués”) shape the priorities emerged during other forums in order to turn them into eligible proposals.

<sup>11</sup> See, for example, the Provincial Order no 12/03/GP/SK of 05th October 2012.

The discussion structure of PB in South Kivu is pyramidal. At its top there is the general meeting, which is a sort of mixed assembly made up of members of parliaments originating in a given decentralized entity, together with its Executive Board, members of the “Representative Forums,” development partners of a given decentralized entity and other individuals invited by the decentralized entity official authority. So, it’s a structure composed “by invitation”. In its composition the “open part” – where citizens can enter<sup>10</sup> – is that called “Representative Forums,” which have the task to debate on priorities coming from other sub-local forums (neighbourhood and thematic forums), synchronise proposals according to thematic fields and fix priorities subject to a deep evaluation from experts. In fact, the “Representative Forums” are composed of delegates from these other forums (neighbourhood and thematic ones). The latter, constitute the “base” of the participatory domain. Specifically, the thematic forum is made up of social actors living in a specific given area, and of people having experienced particular problems in some sector of activity of the decentralized entity; they mobilise other actors such as economic stakeholders, the youth, women, and people with disabilities, religious representatives and local development committees. On their side, the neighbourhood forums are composed of associations working in each neighbourhood, religious institutions, household representatives and development committees: they mobilise citizens in order to debate on neighbourhood problems, defining priorities to be submitted to municipal authority and choosing their representatives in the “Representative Forums”. Not all of the local authorities rules

show clearly how to indicate members of these different spaces so that it is possible to say that they minimize problems of co-optation. But, undoubtedly, such a complex structure activated a tide of citizens' mobilization that did definitely not exist before 2011, especially in the chiefdom which has a high number of isolated villages, where it would not be possible the transmission of sub-local priorities without the existence of a sort of "representative structure" included in the PB process.

Finally, it is important to underline the existence of a "back-up structure" that supports in every decentralized entity the implementation of PB. It comprises two important features: (1) the steering committee (in charge of overseeing the whole process, giving new orientation to the process annually, and regularly carrying out an impact study of the process in order to come up with recommendations to the entities and to the provincial government, too); (2) the coordination of PB. Since 2011 (as provided by the official PB rules issued by the Province<sup>44</sup>), the latter is composed by the budget overseer, the credits manager, and the tax collector, and it is responsible for giving budget orientations, defining budget components that can be subject to debates in specific workshops or participatory forums.

#### *Trends and the ambiguities of the experiment in the administrative and financial domains*

As already mentioned, the pilot phase of the participatory budgeting experiment in South Kivu started in April 2010, but only became concrete in February 2011, when the new local authorities took part in a training course aimed at imagining the start-up of the PB process in 8 decentralized entities. It must be highlighted that the selection of administrative entities was not as easy as one can imagine. In fact, at the training course, almost the majority of the top-leaders of the first-level decentralized entities (the mayor of Bukavu city, the mayors of its three municipalities, the heads of chiefdoms and heads of sectors) participated; and many of them wanted their entity to be considered for the pilot phase. Unanimously, in the first workshop, participants agreed to start, first, with a small number of local administrations. During the workshop held in April 2010, other resolutions (concerning the establishment of a provincial Steering Committee, the schedule of activities related to the PB process, the capacity building of stakeholders, the wide dissemination of the feasibility study's results and the principles of participatory budgeting, to name a few) were taken. As far as it concerns the capacity building, the training seminar held from 28th February to 1st March 2011 was important for establishing the activities of the pilot-PB project for years 2011, 2012 and 2013. They included the identification and awareness-raising of stakeholders and the public, the capacity building for creating multipliers which could help to enroot PB in the 8 local territories, the creation of alliances and networks among actors, budget orientation meetings, neighbourhood and thematic forums, etc. From 25th to 29th April 2011 another workshop on public finances and participatory budgeting in South Kivu province was held, it was attended by three trainers from the World Bank Institute. Ambiguously, a lot of freedom was left to the local authorities to establish both the method of PB (consultative or co-decisional) as well as the criteria for communication and involvement of citizens. The choice itself of the members of the provincial Steering Committee of PB was not the focus of a deep discussion: later on some problems arose. They were

<sup>12</sup> The great majority of actors interviewed during the collective evaluation promoted by the WBI in October 2011 agreed that insisting on setting a more organized and properly monitored start-up would have only led to a “lost year” (as defined by one Mayor), i.e. an impossibility of starting a concrete experiment for 2011.

<sup>13</sup> See: World Bank Institute Evaluation Report, 2012.

mainly related to the presence of some people that were not strictly linked to the organized social fabric (as in the case of an ICT entrepreneur) or others that made the “rotation of members” difficult, because they intended their mandate as a “personal task” rather than as a representative role for some social stakeholders. When they stopped belonging to the organization they supposedly represented in the moment the Steering Committee was elected, they struggled for remaining in the Steering Committee, instead of stepping back and making room for other colleagues that still belonged to that social institution. Other weaknesses were determined by the short time which lapsed between the training course and the beginning of public assemblies. These were related to the absence of a proper monitoring structure in charge of following the 8 pilot-projects and the provision of a comparative evaluation through direct observation of public meetings and distribution of questionnaires to participants. As specific funds were not provided for this monitoring task (or a pot for reimbursements for the Steering Committee members to travel to the furthest villages of all the decentralized entities involved in the project) it became difficult to systematize the difference in the organization and consequent results of the eight different PB processes which developed that year. The only gathered data which supported the general evaluation done by the World Bank Institute in the end of 2011 had to rely on those provided by each local administration. This data could not be considered as neutral, so a collective “evaluation seminar” (held on 26th/27th October 2011) had to be organised, where more than 80 actors of the 8 administrations and stakeholders of civil society involved in the pilot-project had the opportunity to present in working groups (and in some detailed questionnaires) their views on the first year of experimentation. Undoubtedly, it was the hurry of starting public meetings in April 2011 without losing the opportunity of a concrete experiment already in 2011 that made this “imperfect start” acceptable to the Provincial Government of South Kivu and the World Bank Institute which co-funded the training space and some other facilities to support to the incoming experiment. In fact, they knew that starting soon was the only way for not losing the enthusiasm created in local authorities for PB during the training events. On the other hand, the legal framework of the Congolese budget approval timeline did not allow for a push to the public discussion on investments further than May of that year. This was because of the need to present the local budgetary estimates to the Provincial Government and then to the National one. Under this perspective, the acceptance of the compromise to quickly start a series of public meetings, even without having the time to make the 8 experiments more perfect and properly monitored, was an understandable one. This taken from the point of view of the need for starting an immediate reformist action on budget approval procedures without losing the only real opportunity as it appeared for 2011.<sup>12</sup> Nevertheless, such a rush seemed to disperse with some potential benefits of the process. This was true especially for the investment done in the three urban municipalities (Bagira, Ibanda and Kadutu), where an added experiment was done through the “ICT4Government” project of the World Bank Institute. It mainly consisted of providing an agreement with the major mobile phone company active in the area in order to inform the citizens about public meetings with SMS messages sent to all the telephone numbers active within the range of the local aeriels; and in one case a “beta test” was also done to experience

priority voting by citizens through mobile phones. Despite during the October 2011 evaluation, some anecdotal evidence was gathered that several participants were attracted to the PB meeting thanks to these SMS, the fast setting of this experiment of ICT support did not allow the gathering of reliable statistical data on the added value represented by such a facility for the entire process.

What is important to underline is that, despite these imperfections, which appeared clear to the majority of actors involved, the start-up of the 8 experiments in April 2011 was considered by the province and the 8 decentralized entities as a major challenge to their traditional procedure of budget approval, and an opportunity to renew the relationship with civil society<sup>13</sup>. In fact, participatory budgeting was read at the same time as a “learning environment” for all the actors involved (i.e. a space in progressive and incremental transformation whose quality could increase observing each year the weaknesses and strengths of the previous year experiment), but also as an “enabling environment” for local authorities. In fact, as shown by the October 2011 evaluation workshop, several of the top-authorities in the 8 administrative experimenting areas interpreted PB not as a simple mechanism of discussion and co-decision with civil society on the public investments, but also as an opportunity to renew some internal bureaucratic procedures of their local administrations, in order to make results more suitable and effective, and their commitment in the PB experiment more efficient. Just as an example, in two of the municipalities of Bukavu, the will of increasing the positive performance of PB helped an important reform to be approved: they did not allow anymore tax-payments in cash, so introducing bank-transfers as an important measure to grant accountability through the traceability of money transfers. In this perspective, it is possible to say that participatory budgeting acted as a very positive “enabling environment” for other reforms that – on their side – could retroact on the participatory process, making it more effective and attractive for citizens. In less virtuous local governments (as some of the five guided by traditional customary authorities), the first year outputs of PB were public works which could create a “good precondition” for the better management of the second year process: as – for example – construction of roads and bridges between rural villages, purchase of transportation vehicles for allowing public officials to be more capillarly present in villages, and the construction of spaces for hosting decentralized branches of local government offices. Somehow, such measures tried to consolidate pre-conditions for a more effective second year of participatory budgeting in 2012. This exploited a moment of enthusiasm that not only affected the experimenting by local authorities, but also the commitment of the Province to offer a more solid collaboration for them to gradually reform the entire process of budget approval and finance management.

Such a “virtuous collaboration” between local and provincial institutions in South Kivu, could be exemplified as presenting some examples in four specific fields of activity, as can be seen in the following.

### 1. Stimulating presence in the Province

The capacity of the provincial government was represented in each of the building and evaluation workshops by the visible presence of the Governor or the Deputy Governor (always accompanied by a large number of provincial Ministers and top-level technical officers). A number of decisions vis-à-vis the participatory budgeting process were taken which appeared as fundamental in order to strengthen and consolidate the political will supporting the experiment. In circular N° 2/2011 issued by the Minister of Planning and Budget (also the Government spokesperson for the PB experiment) stated that: “the budget estimates of the decentralized entities for 2012 fiscal year will be developed with reference to the principles of the PB, which require that the base is associated in the preparation of the budget estimates”. Also, as part of public participation in the process of budget preparation and monitoring during the execution of the budget, the provincial government negotiated a green number with the Bukavu agency of the mobile-phone company Airtel This made possible the sending and receiving of SMS as a contribution not only to the phase of invitation of people to the public meetings, but also (for the future) to the monitoring phase of implementation of public investments for 2012. In the explanation letter to the company we can read an interesting synthesis of the project goals: “... *this process involves a strong participation of the population in the preparation of the budget for the Chiefdom/Municipality and monitoring during the execution of the budget. We hope to increase our transparency in the management of public affairs and thus rekindle the flame of tax compliance in the population in a burst of patriotism and development. Thus, the Information and Communication Technology (ICT) as the mobile phone with its various applications, seems to be an essential tool to reach as many as possible and regularly interact with people*”

The presence of the Governor or his Deputy Governor in the general citizen’s meeting held in the three municipalities of Bukavu between April and May 2011 – aiming at discussing and voting priorities for investment for 2012 fiscal year – undoubtedly testified a political commitment to the process.

Apart from that visible presence during the process, in 2011 the provincial government (unlike in the previous years) committed to quickly transfer to the 8 municipalities and chiefdoms involved in the process the resources for investments due to them in accordance with their size, number of inhabitants and contributions to the provincial budget, as provided by law.

Furthermore, following the results of the evaluation workshop held in October 2011 (where an important discussion group was dedicated to the issue of which measure could be taken in order

to make the general budgetary process more friendly to the insertion of the public discussions on investments), the Provincial Government decided to introduce some variation in the time-line of budget approval. This was to relax some tight rules and flexibilize deadlines in order to allow some months more for the decentralized authorities to undertake their participatory activities before detailing their budgetary proposals.

As a final result of the Provincial Government’s commitment to help consolidate PB as a constitutive part of budget elaboration methodology, the Provincial Governor’s Order 12/03/GP/SK was issued on the 5th October 2012. This new legal measure not only institutionalized participatory budgeting in the South Kivu province, providing a progressive extension to all the 27 decentralized authorities, but also consolidated the vision of PB as an important feature for the Province, and not only to its lower-level administrations. In 2013 it will be important to see how such a challenge will be translated into the general budgetary process.

### 2. Invitation and investment priorities

In April 2011, the procedures aimed at inviting citizens to public assemblies, and communicating and informing the entire territories about the process, counted on several different channels: beyond the SMS experiment (limited to the three urban municipalities), radio announcements were used, posters displayed in public areas (such as churches, markets, schools, streets, local administration offices) and even street-theatre – in places as the chiefdom of Luhwindja – tried to attract citizens, in continuity with more traditional tools already used in the past for other processes of social dialogue. The announcements on PB meetings (except those sent by SMS) were usually written both in French and Kiswahili, languages that are largely spoken in the province, especially in Bukavu city. The time that elapsed between the release of announcements and the meeting was relatively acceptable to facilitate attendance (five days on average). It is interesting that the concept of “participatory budgeting” was never mentioned in public announcements, in order to not confuse people about a *new word* that could be misleading due to its technicality. Invitations to neighbourhood and thematic meetings released did not indicate any special selection of actors, the message only said that “all citizens are invited to attend”. Some individualized invitations were issued by local administrations, depending on the recognized social centrality of some people (pastors, priests, sheikh, technical experts, community leaders, etc.). The creation of mobilizing commissions composed of managers of chiefdoms, religious leaders, schools leaders and civil society representatives (including

young students) were aimed at a large scale sensitization of inhabitants.

Several meetings were scheduled to take place during weekends to allow for higher numbers of attendants. As regards the places for public meetings, they were chosen in order to be big enough to accommodate large numbers of people, and often were open-air spaces (stadiums, football fields, school compounds, etc.). Invitations usually used words to encourage meeting attendance and remark on the uniqueness of the opportunity: for example, some announcements underlined “*absents will regret*”; others “*let us together build our entity*” or “*let us discuss our future as community*” etc.

The announcement provided an encouraging agenda for the meeting (“*selection and validation of priorities*”). The voting procedure was usually by raising hands, and the three urban municipalities adopted the criteria to allow for the selection of two main priorities for each neighbourhood in order to equalize chances and the distribution of public resources in the territory. The same was not possible in the rural chiefdoms, where too many villages existed (up to 600 in some cases).

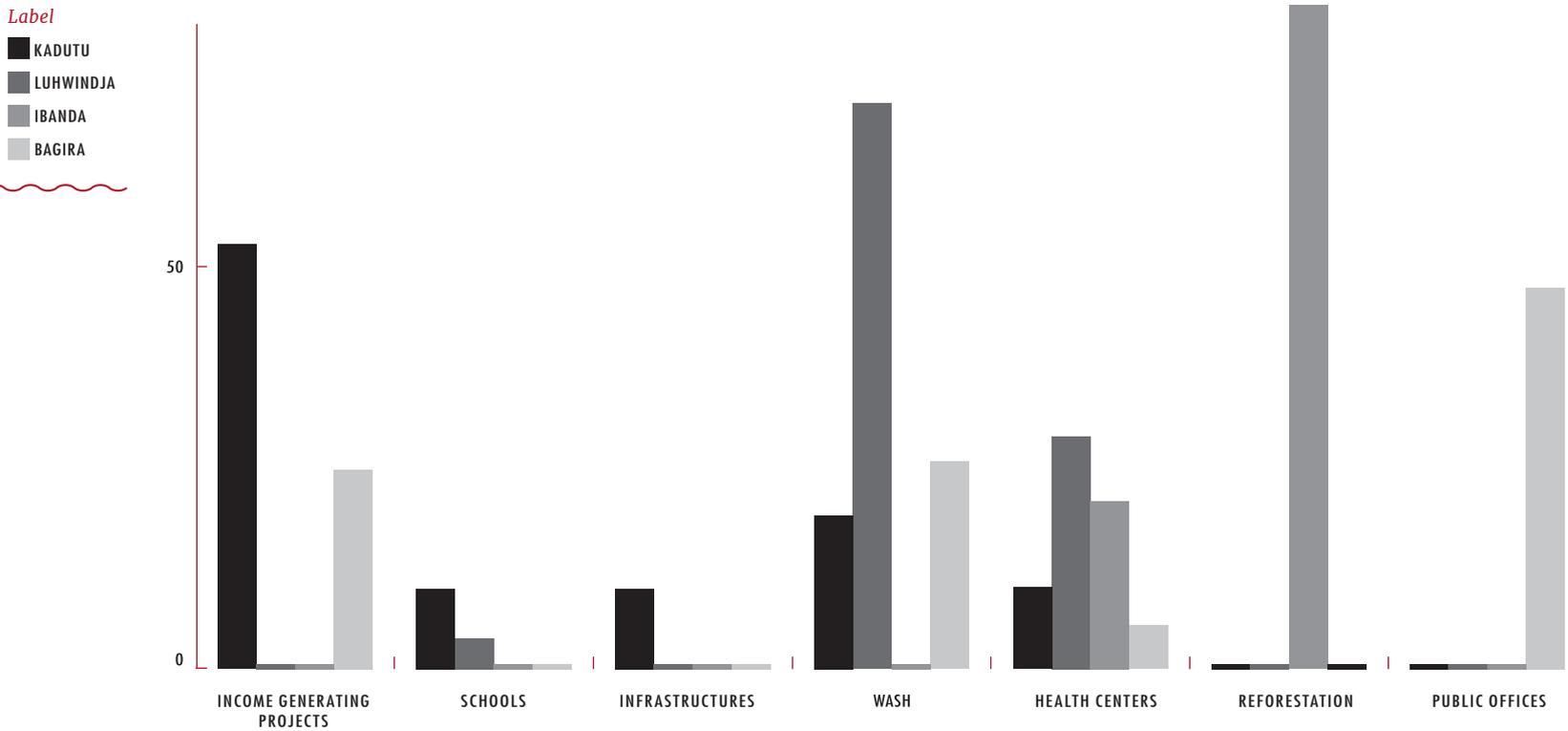
Minutes and proceedings of the meetings were always signed by a high official of the decentralized entity and countersigned by the so-called “President of civil society” of each decentralized entity (this person could be a representative of all the civil society organizations voted annually in each municipality, according to the use of South Kivu’s umbrella-network of NGOs and CBOs which could represent them at provincial level). Unfortunately, many of these documents were lost in a fire which destroyed the WBI offices in the first semester of 2011, so that today it is not possible to provide an advanced comparative study of the different methods and results of public assemblies in each of the 8 experimenting local authorities.

In any case, it is possible to say that some effects of this diversification strategy used for expanding participation in PB public meetings were clearly visible. Finally these priorities emerged as the most important. If we take as an example the 4 decentralized entities whose data are more easily available and organised, these priorities can be grouped into six main categories: water, sanitation and hygiene (WASH), education, health, reforestation, rehabilitation of small infrastructures and construction of decentralized public offices.

From the graph n° 1 (above), it appears that in the urban area of Bagira, participants focused on the construction and rehabilitation of public offices (over 50% of its investment), followed by the WASH (20%) and the rest is shared between the infrastructures, health and reforestation. Instead, Ibanda’s participants decided to allocate over 60% on WASH, followed by infrastructures and reforestation, while in Luhwindja more investments were allocated to the construction and rehabilitation of schools (80%), the rest being devoted to basic infrastructures (20%). Kadutu’s participants have, for their part, decided to invest in income generating projects by rehabilitating an attractive park for children and volleyball and a basketball stadium; such a decision was followed by the decision to build decentralized public offices

**Graph 1** Investment priorities emerged and voted for 2012 in general citizen meetings

**Source** Provincial Finance Office; elaboration by Emmy Mbera



and some basic infrastructures. From the analysis of these choices, one can easily imagine that the construction of public offices cannot be the number one choice for the population that has limited access to basic public services such as education, health and others, but this can be a significant strategic choice for managers who want to offer other services that people may need for the future. Also, investing in income-generating projects can also be seen as a strategic choice to invest – in a mid-term perspective – on activities which can continuously generate resources for the decentralized entity. In this perspective, the cases of Bagira and Kadutu raise doubts about the possibility that public officers that conducted the public meetings in the areas could have had a strong influence on the final voting for priorities. Although they corresponded to a strategic vision of the territory, they possibly did not exactly reflect on the basic-needs of the participants. It is only a doubt, but it indicates that for the future it will be important to guarantee that the methodologies used for gathering citizens' priorities during public meetings should guarantee the real autonomy of participants. Although it is very important that the adminis-

tration could give information about its plans and vision, in order to add quality and complexity to the debate. In this perspective, it is interesting to point out that in Ibanda district the SMS voting results for 2013 fiscal year (which guarantee more secrecy of the voters) gave completely different priorities (as visible in the graph n° 2, below). In fact, out of 533 voices, almost 40% of participants voted for construction of public toilets, followed by drinking water facilities (29%), reforestation and bridges (accounted respectively for 17% and 13%).

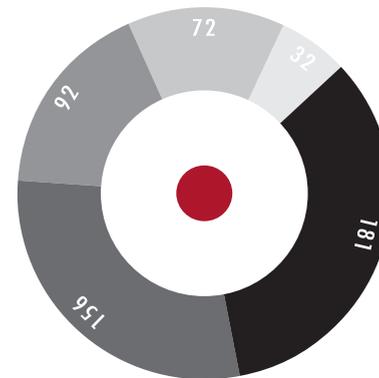
**3. Budget estimates and implementation**

Subsequent to the results of the feasibility study of the PB in the South Kivu province, in 2011 it was agreed to introduce this process in only 8 decentralized entities before expanding to others in the province. The idea was to test if the process can open a virtuous circle in the management of local authorities. Among the weaknesses identified by the feasibility study, in fact, there were: the still low level of revenue collected against the annual estimates, the low amount of the investment budget (which could made the PB process a bit unattractive for people), the past accumulation of projects approved but still not implemented, and mainly the low level (or in certain circumstances the total inexistence) of inter-governmental resource transfers. As matter of fact, the 2010 feasibility study about PB in South Kivu indicated that, out of the 8.9 billion Congolese Francs which were to be transferred to the 27 decentralized entities in 2009; only 20 million had been really transferred from January to June 2009.

The study also revealed that the revenues estimated for the Province were achieved at 30 % and 16% respectively during 2008 and 2009, which means that the budget estimates were following a track marked by a visible lack of realism<sup>14</sup>

The graph n° 3 helps to formulate an hypothesis on the weight that PB could have had on the municipal revenues, showing how tax collection in the Kadutu municipality changed in the first five months of 2012 fiscal year, compared to 2011 while the graph n° 4, related to the Ibanda municipality, shows how much the intergovernmental financial resource transfers from the Province changed between the first five months of 2011 and 2012. In fact, in 2012, it constantly received 7.5 million Congolese Francs each month, while in 2011 it only received 4.5 million Congolese Francs both in January and February.

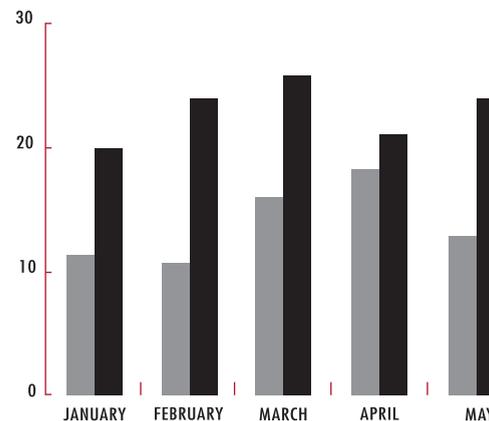
As underlined by several actors during the evaluation process, the participatory budgeting experiment was an important engine for the Province to entrust investments' resources to the Ibanda local government (which at the beginning of 2012 started to implement the PB priorities co-decided in the previous cycle), but also the municipality financial team, learning from the experience, reviewed downward its budget estimates. In 2010 (and previously) the achievements of transfers had not surpassed 4% of the estimated transfers. Instead, in 2012, the financial resources transferred by the Province in the first five months had already covered 15% of the expected transfers<sup>15</sup>



**Graph 2** IBANDA 2013 SMS voting results

Source Provincial Finance Office; elaboration by Emmy Mbera

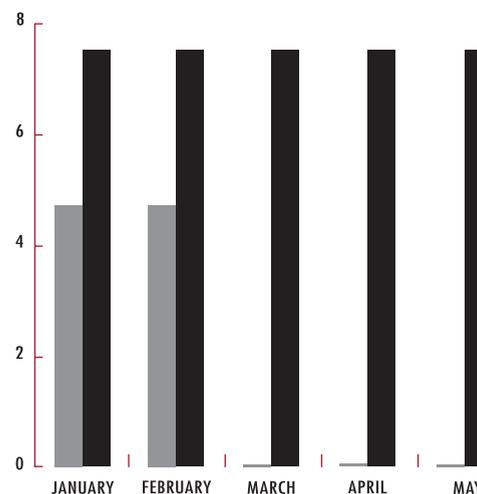
- Label**
- CONSTRUCTION OF 3 PUBLIC TOILETS
  - 4 DRINKING WATER SPRING
  - RELORESTATION OF ELAKATE SITE
  - CONSTRUCTION OF 12 SMALL BRIDGES



**Graph 3** Comparisons of Kadutu collections from Jan to May 2011 and 2012 (million)

Source Provincial Finance Office; elaboration by Emmy Mbera

- Label**
- 2011
  - 2012



**Graph 4** Comparison of financial resources received by Kadutu Municipality from Jan to May 2011 and 2012 (million)

Source Provincial Finance Office; elaboration by Emmy Mbera.

- Label**
- 2011
  - 2012

<sup>14</sup> Emmy MBERA : Feasibility study of the PB in the South Kivu Province, Bukavu, 2009, p. 30.

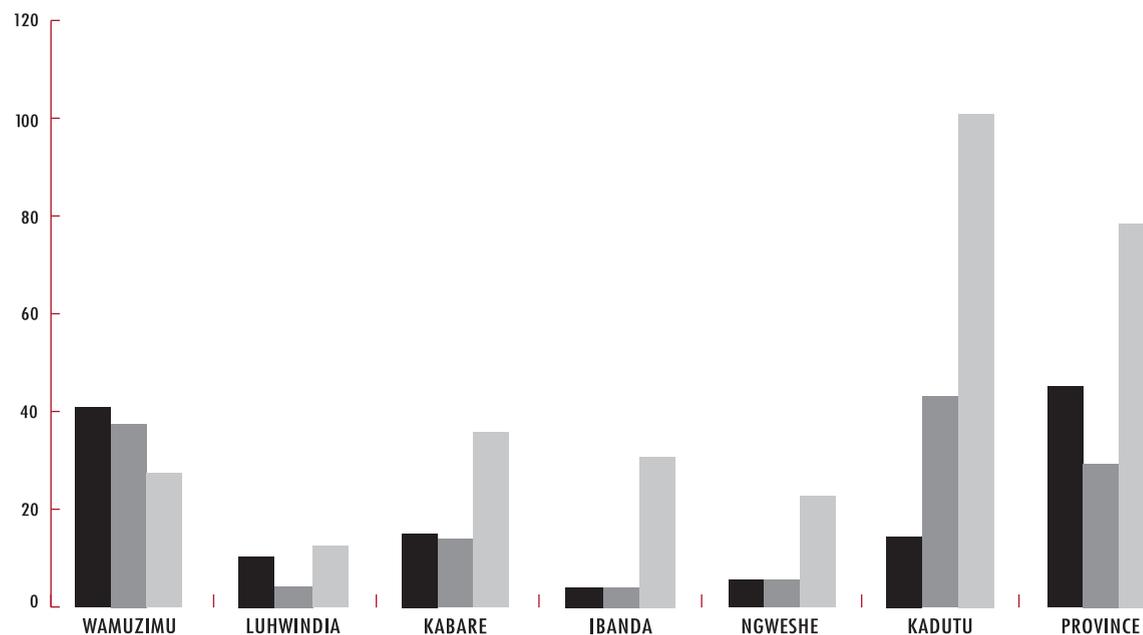
<sup>15</sup> Ibanda District Budgets from 2009 to 2012, authors' computation.

**Graph 5** Percentage of taxes collected from 2009 to 2011 (with extrapolation of 2011 data Jan to March multiplied by four)  
**Source** Provincial Finance Office; elaboration by Emmy Mbera.

**Label**

- 2009
- 2010
- 2011

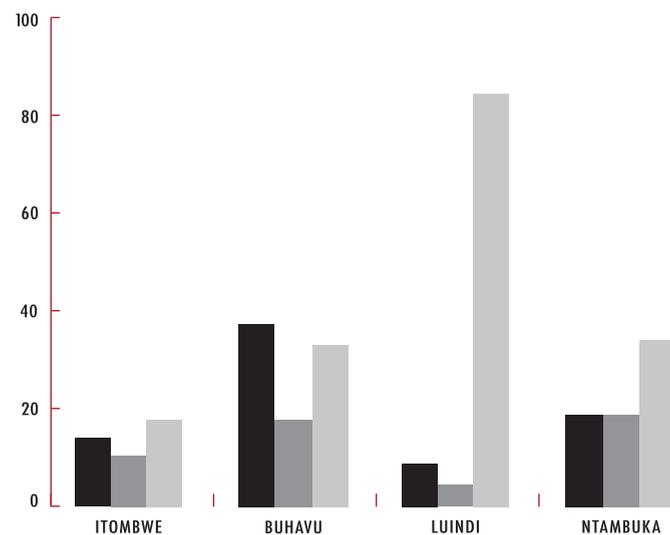
<sup>16</sup>Data on taxes collected in 2011 were extrapolated multiplying those from the first trimester, being that the distribution usually tends to be more or less regularly fractioned among the 12 months.



**Graph 2** Percentages of revenues effectively collected in 4 decentralized entities of South Kivu Province on the whole annual estimates for 2009-2011  
**Source** Provincial Finance Office; elaboration by Emmy Mbera.

**Label**

- 2009
- 2010
- 2011



#### 4. *PB as an added value for the development of experimenting territories?*

One of the important questions to be answered while the South Kivu legal system worked to expand the 8 PB experiments to all the 27 decentralized entities of the province is which kind of added value did participatory budgeting provide to these administrations (if any), including in fiscal/financial terms. In order to understand the incidence of the PB on the improvement of the budget, a comparison of budget data between some of the decentralized entities with and without PB could be useful. As shown in the graph n° 5 (below), the comparison between the resources collected by six of the eight pilot administrations from 2009 to 2011<sup>16</sup> reveals a meaningful growth, except in one case (Wamuzimu chiefdom).

Improvements could be interpreted as the convergent result of different intertwined factors, which can be related to PB if it is regarded as an “enabling environment” which attracted major transfers by the Province but also stimulated the local authorities to build a more effective tax collection. By the way, the comparison of the percentages of revenues collected during the period 2009–2011 (on the whole amount estimated in the previous year) in Bukavu – whose three municipalities piloted PB – and in a control group of other decentralized entities which did not experience participatory budgeting show a not dissimilar trend (see graph n° 6 below).

It could be imagined at a first sight, these results do not support a simplistic conclusion that PB has not been significant in revenue collection. Indeed, they require further analysis, and the disaggregated data on revenues collection of 2012 (which have still not been made public) could be very helpful in this deduction. Anyway, the provincial financial officials and local authorities involved in the 2011 collective evaluation workshop provided their own interesting interpretation of such data, which is linked to the general benefit produced by PB on the entire budgetary cycle in the province, and on the capacity of decentralized entities to formulate their budgets in a more realistic and grounded way than in the past. This vision is supported by the fact that – since 2010 – almost all the 27 decentralized entities have been involved in a profitable dialogue with the Province for the gradually expanding the pilot phase of participatory budgeting. So many of the issues related to the modernization of the budgetary process have been shared among all South Kivu local administration, even though only eight municipalities and chiefdoms received specific training on how to involve citizens in the public discussions on public investments in order to contribute to shape local budget drafts. It must be recalled that – in the April 2010 workshop that opened the way to the first 8 pilot-projects of participatory budgeting – the decentralized entities not directly involved in the pilot phase were given the opportunity, after huge debates, to begin their PB process according to their own pace; but – at the same time – the Circular note no 02/MINIPLAN&BUDGET/2011 of 04/04/2011 (issued by the Provincial Minister of Planning and Budget) partially reformed the budget estimation procedures for the entire provincial territory. In fact, if on one side it clearly stated that “...all decentralized entities should follow the principles set by participatory budgeting, which require that the population is involved in the preparation of budget estimates”, on the other, it also launched a new cooperative relationship with provincial offices, committing the supra-local institutional level to a more careful and punctual distribution of transfers than in the past, but also to favour a dialogue with local authorities which could lead to the presentation of

<sup>17</sup> Other RDC Provinces, and the same capital Kinshasa, started in 2012 to forge proposals inspired to the South Kivu experience.

more realistic annual estimates and budget drafts. Indeed, if in many places (independently from having or not experienced the pilot-PB) the budget estimates for 2012 were reviewed accordingly to a more realistic vision which could learn from the trends of the past, such a transformation would become more visible in the 8 local authorities with PB. This is possibly due to the fact that management of citizens' expectations is felt as a central feature for the success of any participatory experiment. As publicly explained by the Mayor of Ibanda during the October 2011 evaluation workshop: *“For estimating the budget for 2012 we evaluated the realization of budget estimates during the first three months of 2011 and then we extrapolated data, projecting them on the entire year. This was to avoid unrealistic estimates which could create high expectations in PB participants, and then obvious frustration. It has no meaning to create a voluntary participatory process that then risk to act like a boomerang for its creators...”*

#### *Looking to the future*

Taking into account the conditions in which the Participatory Budgeting has been introduced in the South Kivu Province, some of the activities carried out so far and its first achievements give hope for the future.

The hierarchical structure composed of neighbourhood, thematic, representative forums and the general citizen assemblies in charge of identifying, discussing and voting the investment priorities of the decentralized entities can be undoubtedly bettered, and the qualitative level of public debates must be increased – for example producing more printed and online material for supporting public discussion on investments. The same “back-office structure” that supports the PB experiment (including the general Steering Committee at provincial level and the PB coordination boards in each decentralized entity) needs to be strengthened and supported more by a capacity building effort which then becomes indispensable especially for the 19 local authorities which must sum-up the scaling-up of PB experiment. This is provided for by the South Kivu Regulations which gradually institutionalized the experiment done in 2011, and especially the Governor Order no 12/03/GP/SK of 05th October 2012. The World Bank Institute and other international partners could do a lot to help the Congolese experiment evolve, especially through transnational networking and supporting peer-to-peer learning<sup>17</sup> This will be an easier task, if we take into account the new pan-African framework of support to the multiplication and qualitative growth of PB opened by the commitment of UCLGA (the African section of the world association called United Cities and Local Governments) during the “Africities” meeting held in Dakar in December 2012.

Nevertheless, it has to be underlined that the experience, despite its contingent fragilities in the first moment, seem to contain important elements of strength that can help it to enroot, scale up and spread in other contexts. The first is, certainly, the visible commitment of the provincial government, shown by the presence of the Governor (or the Deputy Governor accompanied

by a large number of Ministers) during many of the training activities and public discussions on the budget. The second is the political will shown by local authorities of the experimenting administrative entities, which not only confirmed the commitment of their predecessors, but also engaged in “evolutionary” processes and in re-setting some administrative procedures in order to make PB more effective. So enabling immediate practical results that could attract more sceptical citizens and stakeholders for the future. Being that the 2012 fiscal year revenue collection in many of the experimenting cities seemed to confirm the improvement register in 2011, we could say that the goal of “fiscal civism” (for many local authorities a central one when deciding to adhere PB) started to prove its feasibility, and could be pursued with more innovative measures and methodologies in the next years. Until now, the PB experiment in South Kivu proved not only that – through an ambitious project of participation – it is possible to rationalize public investments and raise the accountability of public spending procedure (especially in customary-driven chiefdoms, which are very seldom politically accountable by definition), but also that it is possible to activate a “virtuous circle” between administrative reforms and participatory control of the decision-making in delivery of public services and in the planning of territorial transformations. In this perspective, the more realistic budgetary planning proved by the 2012 and 2013 budget drafts of both the Province and several of its decentralized entities represents a good start indeed, being that it can reduce the scepticism that “inflated” estimates generated in the last decade.

In South Kivu, the growing effectiveness of participatory budgeting between 2011 and 2012 depicts well the possibility of a positive “mutual influence” of structural reforms of government and participatory reforms of governance. If the few existing studies done in Brazil in the last decade (mostly by the World Bank) did not prove a specific impact of participatory budgeting on revenue collection and financial autonomy of local authorities, the South Kivu case allows us to imagine that improvements in this field are possible. PB could be envisioned as an “enabling environment” for promoting richer reforms. This could be seen in both the acceptance in the increase of the role of citizens in the setting of public policies and in working on the ground of a new inter-institutional relationship based on “mutual trust” among different governmental levels.

AFRICA

MOZAMBIQUE

EDUARDO JOSSIAS NGUENHA

# THE MOZAMBIKAN EXPERIMENT OF PARTICIPATORY BUDGETING

## *Introduction*

This paper seeks to illustrate in a single image characteristic elements of recent emerging practices in Mozambique on municipal participatory governance in the form of Participatory Planning or Participatory Budgeting. The individual methodologies of experiments are not looked into detail but the general and common elements of the experiments are characterised, as a whole, highlighting as required one or another experiment that differs in its common practices.

The structure of the text originates in the theoretical basis of the Budget, in order to get to the Participatory Budget and bridge it with recent experiments of participatory governance. The text is structured in three parts, in addition to this introduction. In the first part, the Participatory Budget is conceptualised. The clear understanding of the concept of the Participatory Budget is important to grasp in order to “sell” its potential in the strengthening of governance and of municipal governments in Mozambique. In the second part of the text, elements that triggered the introduction of the practice of Participatory Planning and of the Participatory Budget in Mozambique are presented. It is followed by the legal framework that favours the implementation of experiments and finally the common features present in the Mozambican experiments of Participatory Budget. In the third part, we present the final notes on the underlying idea for this text.

## *From the (Public) Budget to the Participatory Budget*

The Public Budget can be considered a victory of democracies (Giacomoni, 2005; Fedozzi, 2001, Pereira et al, 2005). The story of its emergence in England<sup>4</sup> was not only associated with the need for predictability of contributions to feudal lords who were part of the Common Council (representative body at the time in England) but also the need to limit the discretionary power of the King in the financial domain, as well as the predestination of resources (the previous definition of expenditure). In France, with the French Revolution of 1789, absolute monarchy ended and democracy started the path towards the separation of powers, establishing the Public Budget as an instrument for monitoring the financial activity of the State, setting budgetary principles that limited the state’s action. Thus, legislative power, by representing the people, would defend their interests in the financial field, scrutinizing the nature and magnitude of taxes, on the one hand, and their application in public interest on the other. On these facts, we can say that the Public Budget is a victory won by parliamentary democracies, more specifically from the liberal economic thought of the 18th century (Giacomoni, 2005).

In an economic perspective, the literature grants Public Budget the instrumental function of public policies for the redistribution of income and wealth, the promotion of efficiency in the allocation of public resources and facilitating the operation of markets for goods and services

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<sup>4</sup>Writings that deal with the history of the Public Budget indicate England as its birthplace, pointing out two likely dates: the year 1215 which coincides with the year of approval of the Magna Carta (GIACOMONI, 2005; FEDOZZI, 2001) and the year 1217 (GIACOMONI, apud BURKHEAD, 2005).

and factors for production (Musgrave, Musgrave, 1989; Bailey, 1999; Samuelson, Nordhaus, 1993). This primary function of the Public Budget took various shapes and sizes throughout global economic and social history, as the functions of the State became circumscribed to the primacy of the market, or of the State reduced to minimum functions, up to the protective State (welfare state) or the State with mixed functions (Pereira et al, 2005: 21-32).

At the same time, the debate of the functions of the Public Budget was growing with the State reforms. With the democratisation of states, the importance of the Budget in the representation of public interests or of the community through parliamentary or legislative power was reinforced. However, representative democracies rushed, during the 90s, into a step that preceded their replacement by more participative democracies by those suffering from the “pathology of participation, especially in view of the dramatic increase in absenteeism, and the pathology of representativeness, the fact that citizens felt less and less represented by those they elected” (Santos; Avritzer, 2002:42).

Thus several signs of popular participation in local public administration began to take place, with different degrees of participation in decisions on public policy (Fedozzi, 2001; Santos, Avritzer, 2002; Yves, 2004; Wampler, 2007; Nguenha, 2008; Cambraia, Nguenha, 2008).

Latin America, with the largest representation from Brazil, stands out as a pioneer of the experiment creating the main institution for participation in local management, the Participatory Budget. With the Participatory Budget, Brazilian cities of Porto Alegre and Belo Horizonte, developed a form of public management right from the start that was rooted in the community for the development and execution of the public budget, particularly the municipal budget for investment (Azevedo, Nabuco, 2009; Fedozzi, 2001).

The experiment has been spreading all over the world, and the political parties have quickly realised the political potential of the Participatory Budget and use it as their flagship. From the small number of cities that implemented the Participatory Budget in Brazil, from 1989 to 1997, it quickly rose to over 130 cities in Latin America alone and today it is estimated that there are more than ten thousand experiments around the world with new cases in Europe, Asia and Africa (Yves, 2004; Nguenha and Cambraia, 2008).

The transition from the public budget (technocrat) to the Participatory Budget is understood as a break away from a patrimonial governance to one based on citizenship characterised by “(i) the systematic consultation of the population, meaning the second party of the contract, with whom it shares the power of decision on the use of public funds through the direct participation of the

population in the various stages that make up the public budget, to whom the rulers are accountable to in a direct, predictable and systematic manner, and (ii) an institutional dynamic mediated by permanent bodies of community participation in the allocation of public resources for investments, which run through objective, impersonal and universal criteria and rules” (Fedozzi, 2001: 95).

### *The mozambican experience of Participatory Budgeting: The Beginning*

The Participatory Budget began in Mozambique in a minimalist form in which the participation of citizens in decision-making was limited to presenting problems or needs without knowing or being able to influence the decision on the resources available.<sup>2</sup> For this reason, the first signs of public management, which today would be named Participatory Budgeting, adopted the name of participatory planning or decentralised planning from which can be understood that that participation is limited to the plan itself without discussion of financial resources.

In this format, the first experiment happened in the Sofala Province in a programme to support the development of the district that benefited Buzi and Dondo, among others. Meanwhile, the urban area of Dondo became a municipality, under the municipalisation framework that started in 1997, which gave the Municipality of Dondo more flexibility, with the political will of its leaders, to autonomously advance and evolve rapidly with the practice, reason why Dondo is regarded today as the birthplace of participatory municipal governance in Mozambique.

Indeed, this first experiment of participatory planning in the Sofala Province may have served as a source that fed and strengthened the design and implementation of participatory governance in districts and municipalities. In the districts, in a process of decentralisation of power, the experiment took shape in the northern province of Nampula<sup>3</sup> under the Programme of Decentralised Planning and Finance that has now become a national programme. After Dondo, different experiments of participatory planning and budgeting followed in municipalities which also approached matters differently and whose origin we highlight here. In Mozambique, the concept of Participatory Budgeting is commonly applied to municipalities, whereas in districts, it is the concept of participatory or decentralised planning. Accordingly, all analysis presented in this paper is oriented towards experiments developed at the municipal level.

As mentioned, two years after becoming a municipality in 1997, Dondo deploys and implements in a continuous manner, the practice of participatory planning with the financial support from the Austrian Agency for Development and Brazilian technical advice.

This experiment fostered other municipalities that maintained a partnership with the Austrian cooperation, nevertheless not as strong as Dondo's partnership, where the political commitment was strong and the future political gains were in the same proportion for the Mayor and his political party. In 2001, the Swiss Agency for Development and Cooperation began the implementation of the Support Programme for Municipal Democracy (PADEM) in five small municipalities of northern Mozambique (Cuamba, Metangula, Mocímboa da Praia, Montepuez and the Island of Mozambique), including elements of participation in its approach. In 2004, during the second term of the municipalities, the Municipality of Maputo introduced in its programme elements of participatory governance, which resulted in the introduction of the Participatory Budget in 2008.

### *Legal and Institutional Framework*

The foundations for democratic local governance were created by the Constitution of the Republic of 1994 by introducing the principles of decentralisation and deconcentration of power. Based on the principle of decentralisation in 1997 the first 33 municipalities<sup>4</sup> (which increased to 43 in 2008) were created with the noble intention of “organising citizen participation in solving the problems of their community and promote local development, to deepen and consolidate democracy...” (Mozambique, 2004).

By reading the constitutional objective of creating municipalities in Mozambique, three important elements were identified: (a) the organisation of citizens to facilitate dialogue with the State or Government, its main partner, (b) the deepening and consolidation of democracy as the main means of achieving (c) the local development, being this an objective.

From the perspective of the first element, Mozambican society is, as far as its capability for self-organisation is concerned, understood as being weak, which makes it difficult to interact and dialogue with the State, the latter being responsible for organising its citizens through its municipalities. Indeed, the Law 2/97, that establishes the legal framework for the implementation of municipalities, empowers the minister who oversees the Local State Administration – in other words, the Minister of State Administration – to coordinate framework policies of traditional authorities and forms of community organisation which local authorities can listen to for opinions and suggestions on the implementation of activities to meet specific needs of the communities. In 2004, the Minister of State Administration issued the Diploma 80/2004, of 14 May, approving the Regulation of articulation of municipal bodies with the Community authorities (traditional chiefs, neighbourhood secretaries and other leaders legitimised by their community). The Law 2/97 and the Diploma 80/2004 evoke auscultation as optional (not mandatory, at least by law) for the government interaction with local communities.<sup>5</sup>

Therefore, local platforms for participation were developed in municipalities, designated by advisory councils according to the administrative organisation of each municipality and to the category they belong to (A, B, C or D). Advisory councils are institutions of representation of the population starting at the neighbourhood level up to the municipality. Their constitution is defined by law as being as inclusive as possible to reflect different sectors of civil society, the business sector, young people, gender, religious, among others.

<sup>2</sup> The Participatory Budget is defined as a shared decision-making process between local communities and local governments on public investments based on the identification of needs, the decision on collective preferences depending on available resources as well as on implementation, monitoring and evaluation of budgets (MDP, 2007; UN-Habitat and MPD, 2008). For the World Bank (2008, p.11), the Participatory Budget is “the process through which citizens and/or organisations from civil society are directly involved in different stages of the preparation and monitoring of public budgets.”

<sup>3</sup> The Province of Nampula claims the start or “paternity” of Decentralised Planning. With the experiment in Nampula, the Decentralised Planning and Finance Programme was implemented throughout the country but divided by three regions in accordance with the intervention of the funding partners (World Bank, UNCDF, GIZ, to name a few). Later, the Government developed the National Decentralised Planning and Finance Programme with a standardized approach.

<sup>4</sup> Law 10/97, of 31 May, and Law 3/2008, of 2 May, created, 43 municipalities, 23 of which are in the city category (A to D) and 20 in the town category, covering a population of about 6 million inhabitants.

<sup>5</sup> Listening to opinions is far from being an effective form of citizen participation in governance, so that it does not, in any manner, bind public managers to link such opinions to their decisions.

<sup>6</sup> Law No. 8/2003, of 19 May, and Decree 11/2005, of 10 June.

<sup>7</sup> Communal village is a concept created in Mozambique right after national independence by FRELIMO and has been largely confused with a feature of its political guideline, socialism.

### *Frequent Formats and Characteristics of the Participatory Budget in Mozambique*

In Mozambique the ‘advisory council’ institution was established in 2008, and is now in the process of consolidation. This is an institution for community participation and consultation established by law<sup>6</sup> in the spirit of participatory and inclusive governance at the level of local state bodies, including districts, administrative posts, towns and villages. However, this same legislation is adopted for the establishment of advisory councils in these municipalities, for the dialogue with local communities, respecting the levels of the municipal administrative structure (district, town and neighbourhood).

Advisory Councils include local authorities (traditional chiefs, neighbourhood secretaries and other district leaders legitimised by their communities) and representatives of groups with economic, social and cultural objectives. Being platforms for participation and consultation they should mainly influence the decisions made within the creation and implementation of public policies and should be guided by the following principles:

- Participation, according to which people who are part of the local consultative councils, especially the underprivileged, should influence the decisions that affect their lives;
- Representativeness to ensure the effective presence of specific segments of the local community, either on geographical, socio-economic or cultural basis of the various population groups and interests;
- Diversity, respecting gender issues, culture, religion, occupation, age, social class, etc.;
- Independence for Advisory Councils to define their own agendas and priorities without impositions of institutions from other domains;
- Ability to mobilise the best human resources available in the community;
- Operability, and should therefore have a simple, transparent, efficient and sustainable structure to facilitate its operation and flexibility of response;
- Responsibility to ensure that the plans proposed by local governments adequately reflect the desires and preferences of the community, thus faithfully representing community’s concerns;
- Integration and coordination serving as a basis for coordination between the various players in local development coalescing efforts to promote synergy in their actions.

In general, municipalities according to their administrative organisation replicate the structure of the advisory councils set by the law on local state bodies. Thus, the practice of Participatory Planning and Participatory Budgeting in Mozambique favours existing administrative structure as channels for participation. At the municipal level, the processes start at the neighbourhood level, followed by villages through to municipal districts (in the case of Maputo where the administrative division goes up to the districts). Each level of the administrative structure has a channel for participation with the respective creation of a council for local participation. This structure should ensure a smooth process in a simple fashion within the formal structures and mechanisms that already exist, without the need to establish new local structures in the implementation of the Participatory Budget. Upon reading the experiences of participatory planning and of the participatory budget that develop at a municipal level in Mozambique (Municipality of Maputo, 2012; Nguenha, 2011; Vedor & Cardoso, 2010; Nguenha, 2008; Municipality of Maputo 2008a) and 2008b); Tengler, 2007; Nguenha, 2004) the following dominant features can be identified:

### *1. Levels and forms of citizen participation*

In general, citizens participate in governance through advisory councils, which are created at the lowest administrative structure, that is the neighbourhood (there are some municipalities that still go to a lower level, for example, the block). The Municipality of Dondo has adopted, as an example, the communal village<sup>7</sup>) to the highest municipal level, which varies in designation according to the category of the Municipality (municipal district, in the case of Maputo; municipalities in the case of the cities at levels B, C and D; neighbourhoods in the case of towns). The use of existing administrative structures is associated, firstly on the assumption that residents of an administrative area have homogeneous needs. Indeed, within the same neighbourhood or city there are people with different socio-economic profiles (and sometimes disparate) and therefore it does not make sense to put them together to discuss their needs, because they are different. On the other hand, it is difficult to discuss needs within 'watertight' administrative areas whose final product will be infrastructures that, due to their characteristics, will extend their benefits beyond their borders. Consequently, the Municipality of Dondo is now running trials of sectoral or thematic approaches of participatory budgeting (for example, in education, health and youth).

This participation based on advisory councils per administrative structure allows citizens to participate in the processes of planning and participatory budgeting through representation. However, in the case of the Municipality of Maputo's methodology, participation is direct, starting from the neighbourhood which is the basic unit for the budget in this exercise. This means that in the Municipality of Maputo, the advisory council is not a platform for participation in the Participatory Budget, and that the members of these advisory councils participate individually in their respective neighbourhoods to set priorities which are then transformed into projects.

In the case of the experiments in other municipalities (Cuamba, Island of Mozambique, Mocímboa da Praia, Montepuez, Metangula, Vilankulo, Manica, Gurúe, Nacala and Monapo), the participatory planning process encompasses in the same meeting members of advisory councils to choose priorities for the whole municipality, in the same line of action, and not only for their neighbourhoods. In other words, by defining priorities they must consider the general population and not the population of their respective neighbourhood. Certainly, in the end, the project with the defined priority will be implemented in a given neighbourhood.

### *2. Organisation and institutional layout*

Contrary to the Participatory Budget mature experiments that have created at the municipal level areas of responsibility for participatory planning and budgeting, the Participatory Budget in Mozambique is an activity undertaken by a multisectoral group established for this purpose (Maputo and Dondo), or an activity associated to the financial sector (e.g. experiments started in 2005 in Vilankulo, Nacala, Manica, Gurúe and Monapo).

### *3. Cycle and implementation coverage*

The implementation cycles of the Participatory Budgets are annual, which means that every year the municipalities go to the neighbourhoods and moderate the process of setting annual priorities within a framework of powers and responsibilities of the municipality. It

is important to highlight the issue of competences and responsibilities. Citizens should in principle set out priorities within areas that, by definition of the law, are the responsibility of municipalities, excluding what is not within their competence. This limitation makes sense provided that it is the municipality that reaches out to residents to discuss priorities, and a priority set outside the municipalities' competence, would be of uncertain or difficult implementation by requiring a subsequent negotiation with the government.

Regarding coverage, municipalities seek to work annually with all municipal neighbourhoods. This practice has created problems in the financing of many projects defined in various neighbourhoods, thereby creating some discredit or at least reduced confidence in the ability of the Participatory Budget to generate results up to the citizens' expectations. When, in 2008, the Municipality of Maputo started the Participatory Budget, it covered the 64 neighbourhoods and from the projects that emerged, some were not implemented in the end, or were only implemented with great difficulty for financial reasons. This reality was the basis for the review of the methodology in 2011/12 where the 44 neighbourhoods most in need were selected, dividing them into three groups. Hence, 16 neighbourhoods were covered in 2012, in the preparation of projects that are being implemented in 2013, and during this year, the preparation for projects in a further 16 neighbourhoods is being done to be implemented in 2014, and finally in 2014, to plan projects for the remaining 12 neighbourhoods.

#### *4. Distribution of budgetary resources*

Here the weaknesses in the experiment of the Participatory Budget in Mozambique are evident. With the exception of the Municipality of Maputo, communities define priorities without knowledge of the resources available for funding. This means that citizens do not discuss how to allocate resources, but just set priorities that are (or can) later be implemented by municipalities. For example, in most of the experiments, highlighting that of Dondo, after the definition of priorities for neighbourhoods, the Municipality gradually implements the list of projects according to its financial capacity. In practice, in Dondo, at the beginning of each term lists of priorities are produced per neighbourhood that are annually revisited and redefined, also by neighbourhood. This procedure leads to the budget amount due to each neighbourhood depending on the cost of the project, and there is no uniform criterion for the definition of financial resources to each district.

In the Municipality of Maputo, the situation is different. The first methodology defined between 10% and 15% of the investment budget of the municipality that would later be distributed to each district according to the area, population size, poverty rate and fiscal performance by municipal district. In the current methodology, the value of 1.5 million Meticaís (corresponding to almost US\$5,000) is set per neighbourhood.

### *5. Supervision of the Implementation*

The supervision of project implementation of the Participatory Budget is a crucial aspect and the more the local community is involved the better the results. Though the current Mozambican experiment of participatory budgeting advocates the need for supervision and monitoring by the communities, through advisory councils, their current involvement is still very insignificant. Communities are informed of the projects to be implemented in their neighbourhood, but are excluded from the procurement process (which is purely administrative and technocratic) and dialogue is almost nonexistent between project contractors and the community.

The communities themselves through advisory councils should supervise the projects. In the experiment of Maputo, the monitoring of project implementation is to be made by a group of two citizens chosen by the population at the session of prioritisation. The elements of supervision and monitoring group should not be part of the administrative team of the neighbourhood or the municipality for greater transparency and objectivity in the process.

### *Final note*

The Participatory Budget is a very recent process in Mozambique and, therefore, with many aspects to introduce and improve. The first point that should be emphasised is that many politicians seek to include participatory governance in their agendas, which in itself, makes room for the implementation of the Participatory Budget. However, most of the experiments called Participatory Budgeting are actually participatory planning practices because the criteria for discussion and distribution of resources is not clear, nor is it made with the communities. In this case, the Municipality of Maputo is an exception.

The sustainability of the implementation of the Participatory Budget in Mozambique is dependent on the financial capacity of municipalities, which is low. External financing or Government resources finance many of municipal budgets, which restrict efforts to implement the Participatory Budget. However, greater creativity is required from municipalities to allow no interruption of this good practice, because it is worse to start, fail and give up than not starting at all. Therefore, creativity, persistence and commitment is expected for the continued implementation of participatory municipal governance, either through joint participatory planning, or through the Participatory Budget that has started to gain strength.

The last point, but not least important, is the supervision or monitoring of social projects through already existing participatory institutions, advisory councils or supervision groups of the Participatory Budget, wherever they were designed and appointed.

LATIN  
AMERICA

ARGENTINA

CRISTINA E. BLOJ

# PARTICIPATORY BUDGETS IN ARGENTINA EVALUATION OF A PROCESS IN EXPANSION

## *Introduction*

After over a decade since the implementation of the first Participatory Budget experiments in Argentina, there has been considerable growth, and from 2008, with renewed impetus bringing the count today to more than fifty local governments that have adopted it. We propose then to evaluate the development of these initiatives, focusing our attention on the specificities that they take in each local area and their common features, and taking into account the conditions at the outset, the dynamics and participatory methodologies used, the distributive criteria and their regulatory frameworks. Finally, we present a systematisation of the successes and difficulties encountered, as well as the challenges in the short and medium term to encourage continuity and quality of ongoing processes and the emergence of new experiences.

## *Brief contextual overview*

In recent decades we have witnessed major changes at a global level, within politics, economically and institutionally, and Latin America has not been oblivious to some of these emblematic changes. In the **eighties**, along with the wave of democratisation, the practice of decentralisation became a significant variable in setting new territorialities and the design of new strategies for the management of collective interests. In the **nineties**, under the effect of the paradoxes deepened by globalisation, the ‘policies of state reform’ redefined the place of national States, limiting their decision-making power and making the scale tip towards local and regional levels. In this setting, local governments gained prominence, widening their scope of action, strengthening governance, redefining the relationship between the State and society, adapting the administrative apparatus and implementing innovative strategies for citizen participation. Over time, the focus on participation, a sort of ‘democratisation of democracy’ (Sousa Santos, 2004) started giving them greater legitimacy among citizens.

In the **Argentine case**, where there was a progressive deterioration of citizens’ living conditions, policies for decentralisation were a key part in the assignment of responsibilities to sub-national bodies, although there has not always been a corresponding transfer of resources. And, despite the existence of traditional municipal management models, the local authorities started having greater decisive power when dealing with social fragmentation, the political crisis and the citizen inquiries directed to governance.

[...] In its purpose – the public budget – and in its form – through a cycle of neighbourhood assemblies, regional and/or thematic, open to all citizens – PB is an instrument of direct citizen action on public policy, with great transformative and progressive importance, pursuing the construction of a strong and protagonist State, a democracy with great intensity and a fairer redistribution of public resources.

(Caruso, in RAPP, 2012:3)

### *I. Public and Participatory Budgets*

Budgets, far from being neutral technical instruments, are political documents that provide a glimpse into the distributive orientation of a government (Bloj, 2009). And participatory budgets (hereinafter PB) introduce a change in the classic form of deciding the destination to give to the different allocations [resources, competencies...]. It is accepted that, in the origin and expansion that took place in this part of the world, Latin America is the undisputed PB benchmark (Arenilla, 2008). Instrumentally, it is seen as a tool through which a portion of the budget is reserved so that the population, together with local or regional authorities, decides on the distribution of resources (Bloj, 2012). Although over time its weaknesses and [low] impact have been emphasised, its procedural nature should be underlined, which shows and combines representative democracy with direct participation.

Local governments represent the political power that is closest to citizens (Link, 2011), and this proximity is a differential quality and an axis around which the PB's reasoning and practice are woven. In this sense, we share the vision of Annunziata, when she defines 'proximity' as [...] a form of authority, promoter of a political link (between representatives and represented, rulers and ruled) that denies its own instituting character (2011:58), and develops within the representative framework. The participatory mechanisms, among which the PB is included, institutionalise this principle, although in practice it does not always materialise as expected. For this to happen, it is necessary to establish a new contract that involves the political and technical commitment of the State and sustained participation, direct and universal, from a broad spectrum of social players. As it is known, the pioneer experiment was in Porto Alegre (Brazil), and it had a decisive influence worldwide. From there, local governments started adopting different operating schemes in accordance with their realities, although it is possible to identify common motivations. For example, improving the distribution of resources, broaden citizen participation, strengthen the process of decision-making, regain political credibility, stimulate learning from the bottom up and supervise public administration (Bloj, 2011).

### *II. The PB in Argentina: origin, expansion and challenges*

According to the last Population Census in 2010, the country has 40,117,096 inhabitants (INDEC, 2012a) spread over 23 provinces of the Autonomous City of Buenos Aires (hereinafter CABA), capital of the Republic. The province of Buenos Aires now has the largest population concentration (39% of the national total), followed by Córdoba (8.2%), Santa Fé (8%) and the CABA (7.2%). The remaining provinces are below 4% (INDEC, 2012). Argentina is a Federal State, with two recognised levels of territorial government: Nation and Province. The provinces have a relatively autonomous status and their territories are divided into departments, with the exception of the province of Buenos Aires, where parties make this division. With regard to the municipal system, the provinces that have different systems and levels of autonomy set it. The last constitutional reform of 1994 encouraged municipal autonomy, but did not advance very much in that direction. According to data referring to 2009, there are 2,259 local governments of different types registered, of which 1,159 have the status of municipality (Schejtman and Irurita, 2012).

### III. The geography of the PB: starting point and experienced dynamics

The PB appears in Argentina in 2002, in a setting of deep crisis in which local governments glimpsed an opportunity to respond to the demands of the time. This was one of the starting points, along with other individual circumstances of each municipality that conditioned in part the origin and development of the experiments (Chavez, 2011); among them we highlight the following:

- The widespread protests of late 2001 brought to the public eye the critique of political power and the traditional forms of representation and power;
- Deliberative practices carried out in counter-hegemonic spaces, and particularly the ‘citizen and neighbourhood assemblies’ emergent of the December 2001 process;
- The presence of a pre-existing associative network and a solid “neighbourhood fabric”;
- Advances in shift of paradigm in the relations between the Municipal state and citizens;
- The start of public policies, programmes and participatory mechanisms, Strategic Plans, Participation Boards and Resident Committees, Networks, Forums, Youth Parliaments, Public Courts, among others (Martínez & Arena, 2011);
- Decentralisation that facilitated the PB’s coordination within the territory;
- Change of the budget system favouring the “Budget by Programme”.

In some municipalities, such as Rosário, all these variables were present, while in others only a few, which is also a result of when the process was launched in each city. It has been common practice to identify decentralisation as the determining factor, although in Argentina, this trend is not so evident. The study of Martínez & Arena (2011) gives an important contribution to the analysis of the Participatory Budget in the country.<sup>1</sup> From the municipalities consulted in this investigation, it appears that only 46% of the PB is a direct result of decentralisation. Among other equally decisive factors, we can mention the previously introduced participatory policies and, above all, the political will of the governments at the time.

Rosário and the Autonomous City of Buenos Aires (CABA) were the first municipalities in which the PB was implemented in 2002. The CABA had legislative precedents since 1996 (though without practical application); at that date the Constitution of the City was written, which includes in its Article 52 and among other things, the participatory nature of the entire budget. But unlike Rosário, it failed to obtain an uninterrupted continuity for more than a decade. There was a more or less regular succession of local governments in the province of Buenos Aires, and elsewhere in the country, but it is important to point out that as of 2008, a time of great expansion took place, as well as in 2012, the year in which nine processes were started.<sup>2</sup>

<sup>1</sup>In this framework, surveys were made at a national level: in the first in 2008, 19 municipalities responded, in the second, between 2010 and 2011, 35 participated. Both integrated surveys showed that fourteen municipalities participated in the two stages.

<sup>2</sup>See Table 3 in the attachment.

**Table 1** Local Governments and Parties with PB by Province, Year 2013

**Source** Author's calculations based on data provided by RAPP (Argentinean Network of Participatory Budgets) and local governments.

**Figure 1** The geography of Participatory Budgets in Argentina

**Source** GBSite

**Label**

- PARTIES, MUNICIPALITIES AND PP COMMUNES
- PILOT EXPERIMENT 2013



PROVINCE	LOCAL GOVERNMENTS, DEPARTMENTS, DISTRICTS	TOTAL
Buenos Aires	Avellaneda, Bahía Blanca, Gral. Madariaga, Gral. Pueyrredón, La Matanza, La Plata, Lanús, Morón, Necochea, Partido de la Costa, Quilmes, Rivadavia, Salto, San Martín, San Miguel, San Nicolás, San Pedro, Tandil, Trenque Lauquen, Pehuajó, Zárate. General Rojo (experiencia piloto 2013)	22
Catamarca	San Fernando del Valle de Catamarca	1
Chaco	Resistencia	1
Córdoba	Ciudad de Córdoba, Unquillo, Villa Carlos Paz, Villa María	4
Corrientes	Bella Vista, Corrientes	2
Entre Ríos	Concepción del Uruguay, Concordia, Gualeguaychú, Paraná	4
Jujuy	San Salvador de Jujuy	1
Mendoza	Godoy Cruz, Junín, Las Heras, Maipú, Ciudad de Mendoza	5
Neuquén	Ciudad de Neuquén, Zapala	2
Río Negro	Viedma	1
San Juan	Rawson	1
San Luis	Juana Koslay	1
Santa Fe	Cañada de Gómez, Rafaela, Reconquista, Rosario, Santa Fe, Santo Tomé, Sunchales, Venado Tuerto	8
Santa Cruz	Caleta Olivia	1
Tierra del Fuego, Antártida e Islas del Atlántico Sur	Río Grande, Ushuaia	2
	<b>TOTAL</b>	<b>56</b>

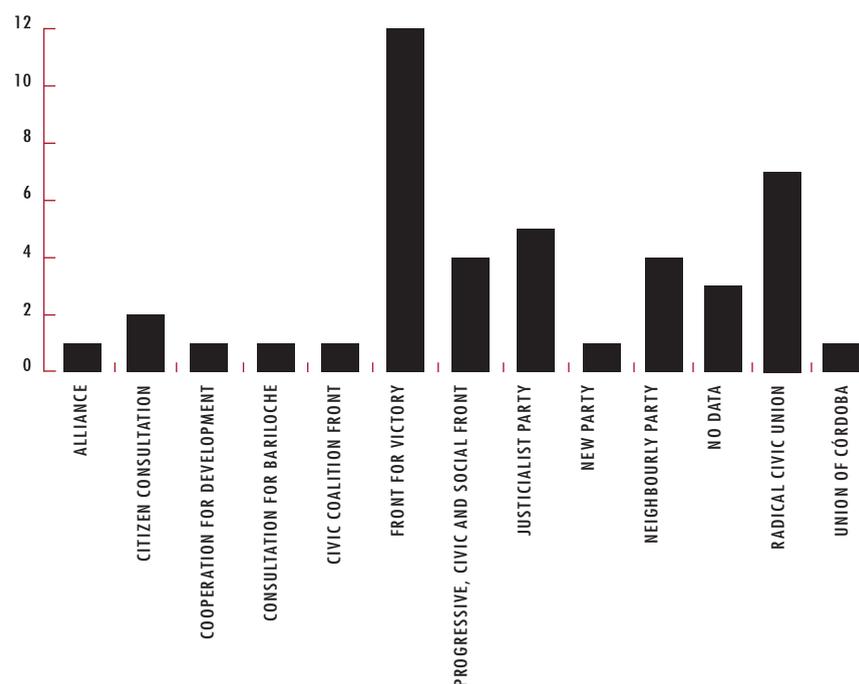
According to the information we have to date, there are 56 local governments with PB spread over 15 provinces, of which a considerable number are in the provincial capitals. Although the numbers are not particularly significant in relation to total local governments, there is a tendency for relative growth.<sup>3</sup>

As one can see, most of the experiments are located in the provinces of Buenos Aires, Santa Fé, Córdoba and Mendoza, those with the highest levels of population concentration, and in cities of intermediate size. About a third of municipalities with more than 100,000 inhabitants have PB, while only a dozen were implemented in towns with less than 50,000 inhabitants (Martínez and Arena, 2011). Another aspect to note is the growth that experiments had in the Central Region and Patagonia, which contrasts with the situation of the poorest regions of the country. A curious fact is that the Province of Tierra del Fuego (with the lowest population percentage), is where two of the three municipalities that comprise it and constitute the core of almost 99% of the provincial population, implemented the PB (López Accotto, Martínez and Adaro, 2010).

As far as the motivations that circulate in the institutional/state discourse, and even among citizens, to adopt the mechanism, these are not too far from those mentioned previously; in any case, it is worth mentioning some topics that intersect with the primary objectives:

- The wish that they identify, resulting from their proximity, the problems (economic, social, environmental and cultural) that affect their daily lives, as well as to create neighbourhood-scale projects to respond to these issues;
- The commitment to the development of conciliatory projects that not only legitimise the municipalities, but also reinforce a sense of identity and belonging, as well as the social fabric;
- Keeping a space, within the traditional representative state dynamics, for the exercise of democracy, direct or semi-direct, capable of renewing the contract between local power and citizens;
- The programme's institutionalisation, from which underlies the conception of inclusive public policy;
- The establishment of reliable circuits that, in some cases, contribute to improving the tax culture and revenue.

It is curious to note that if governments with progressive characteristics gave the first push, today processes are led by a diversity of political forces. However, recent experiments are associated with municipalities close to the ruling party (Front for Victory), as can be seen in the following graph:



<sup>3</sup>On average, 33 municipalities implemented PB in 2010 (López Accotto, Adaro and Martínez, 2010), and in 2011 about 50 were registered, covering less than 5% of the municipalities; however, the population distribution was, and is still, 3 out of every 10 people living in districts with PB (López Accotto, Carmona and Martínez, 2012).

*Figure 2* Municipalities with PB and their political forces

*Source* Participatory Budgeting Programme, according to data from the Department of Municipal Affairs of the Ministry of the Interior.

<sup>4</sup> See Table 1 in attachment.

<sup>5</sup> Córdoba City is one example; Law no. 11499 establishes that the value allocated to the PB can in no case be less than 10% of the total resources of the General Budget for public works. The value in Bariloche was established to be no less than 7%.

<sup>6</sup> There are some distributive criteria used in Córdoba, La Plata, Las Heras, San Salvador de Jujuy, Rafaela, Sunchales, General Pueyrredón, Partido de la Costa, Morón, San Fernando, La Matanza, Zárate, San Carlos de Bariloche, San Miguel, Quilmes, Rosario, Río Grande, Villa María and San Pedro (Martínez and Arena, 2011).

<sup>7</sup> The expression “one resident one vote” summarises this principle.

Regarding the proportion of the allocation [of resources], an essential factor for measuring the weight of the experiments, it is important to know the percentage of funds that are actually discussed in the PB – relative to the overall budget.<sup>4</sup> In Argentina this percentage ranges between 0.05 and 8%, even though by law, when in some cities a maximum is established and it is high, this is usually not reached.<sup>5</sup> The methodology used is for the local authorities to unilaterally determine an annual fixed amount for the PB (Bloj, 2012). The norm, in Rosário, for example, states that the annual amount should be equal to or greater in percentage than the previous year. But in cases like Mendoza and General San Martín, citizens give priority to certain proposals that are rapidly implemented, according to their feasibility, without there having been a previous allocation [of resources] (Martínez and Arena, 2011). Another aspect to highlight has to do with the fact that territorial distribution of resources is governed by different criteria, which reflect, to a greater or lesser extent, concern for distributive justice which aims to reduce the inequality gap between the inland territories.<sup>6</sup> We have thus found equity criteria, distribution differentiated by zones and mixed strategies. For example, the city of Gualeguaychú, which started the process in 2012, opted for an even distribution in the nine areas into which it is divided. Rosário followed this criterion until 2010, when it began using an Index of Deprivation, whereby 50% of the funds are distributed in equal shares and the remaining 50% according to the results provided by this indicator (Bloj, 2012). San Carlos de Bariloche, San Miguel and the territorial component of Río Grande follow a similar logic. In Partido de la Costa more than one indicator is being considered in relation to the specific situation of that region: [...] Stable population, non-resident owners, NBI (Index for Unsatisfied Basic Needs) and Collectability of Municipal Charges (Martínez and Arena, 2011:38). In the Morón experiment the entire population is considered and the NBI detected in each forum, with the aim of strengthening the presence of public action in disadvantaged areas. In La Matanza there is a sequential distribution in two phases. A singular case is the Municipality of San Pedro, where part of what is allocated is directed to rural areas, according to equity criteria and a smaller amount is for urban areas. Given these different forms of operating, it can be deduced that the way resources are distributed is a topic of current discussion, conceding that the adoption of a specific form of distribution can help overcome situations of inequality at the outset (Caruso, Argentine Network of PB, 2012).

Regarding the methodology of participation, and in accordance with the founding principles, direct participation is promoted, although there are cities in which the system of delegation is used, through representatives of organisations of civil society, associative structures and institutions. The city of Rosário is an example of the first situation, promoting individual participation since the beginning of the process. ‘Representation’ made through the election of councillors, who are responsible for all the work in Participatory Councils throughout the process (Bloj, 2012).<sup>7</sup> However, Neuquén, Las Heras and La Matanza, are cases in which participation is restricted to delegates of certain types of resident or social organisations, or accredited institutions.

As for the functioning and organisation mechanisms, we find common traits in all Argentine cities, as well as a development in stages or phases. During the process,

needs and problems are identified related to delimited territorial spaces, where priorities are established in assemblies. Projects, ranked in order of their priority, are then subject to a technical assessment and are put to a vote. Finally, the destination of the funds is approved by the Deliberative Councils (Bloj, 2008). The annual steps (phases) range between three and five, but take four on average, and we can schematise the dynamics as follows: the first stage/assembly is informational, for creating awareness, to diagnose and to identify requests. In the second stage/assembly, citizens and social organisations develop the deliberation work in view to formulating ideas and projects. In a third stage, the proposals are technically evaluated as to their feasibility and costs. In the fourth stage/assembly the ‘projects’ fair’ is organised, proceed to voting and [the projects] are sent to the legislative section for approval.

PROVINCE	LOCAL GOVERNMENTS, DEPARTMENTS, DISTRICTS
1st Stage/Assembly	Convocation by municipality Information Diagnosis Identification of requests Election of delegates (as required)
2nd Stage/Assembly	Deliberation in Participatory Citizens’ Boards Identification of Issues Formulating of Ideas and/or Projects Consensus Establishing priorities of proposals
3rd Stage	Technical Consultation Round Feasibility Cost verification Budgeting (according to project)
4th Stage/Assembly	Projects’ Fair/Ideas Voting Submission of proposals for approval in Deliberative or Municipal Councils Closure of the annual cycle

*Table 2* Annual Cycle for the PB  
Implementation in Argentina

This general scheme has nuances, according to each municipality, but the phases have a linear dynamic procedure, whilst simultaneously allowing for appeal. A distinguishing feature of the experiment in Rosário is the use of a logic in the projects that is not limited to the production of ideas, but that goes ahead with detailed cost analysis and feasibility conditions (Bloj, 2012). As to how projects are selected, either a consensual decision is sought at the meetings, or are put to a vote, or still, to a mixed form. However, in recent years the use of digital tools has increased, diversifying the ways of voting: Rosário, Reconquista and Rafaela use electronic voting, while the city of La Plaza allows the use of messages and texts (López Accotto, Carmona and Martínez, 2012).<sup>8</sup>

It becomes tedious to evaluate, in general, what is the quantitative weight of participation in Argentina without taking into account the situation of each city and the percentage of the total population represented in each case and in time, besides the variation of that participation at each stage of the process. It is important to note that what a municipality considers as active “participants” is directly associated with the meaning of participation in each context and even in the conception of the PB. It is possible to assume from the investigations analysed that participation levels have a direct connection to the fulfilment of the expectations of the population regarding the quality of the experiment and the execution of works for which priorities were established. López Accotto, Martínez and Adaro (2010) report a decreasing trend over time, which can be caused by lack of communication and even unawareness of the existence of the PB, but also by the quality put into the works. In any way, the national balance is relatively encouraging, since so far, about 11.5 million inhabitants participated at some point in the process (RAOP, 2012).

As for the participants’ profile, it is possible to identify their provenance, trajectories and the existence of heterogeneous segments. From investigations and interviewees, it is concluded that there are few people who start their participation experience in the PB, as the majority has done either social, political or community work before. The population segments that are most represented corresponds to middle-aged (35–50 years) and adults above 60 years. The percentage of men and women has been historically even, although there has been an increase in the presence of women.

In some cities problems related to specific population segments were addressed, as is the case with the Youth Participatory Budget. The number of municipalities with Youth PB is much lower than that of adults, but the Unquillo experiment (Córdoba Province) is worth mentioning, which implements this method exclusively.<sup>9</sup> Regarding the inclusion of a gender perspective, Rosário is a municipality that showed the concern to promote the presence of women

in different stages of the process, as well as the inclusion of this aspect in the development of projects.

It should be noted that participation, in the Argentine model is based primarily on territorial logic. We found an exception to this rule in Río Grande (Province of Tierra del Fuego), where 10% of the amount reserved for the PB is decided at the City’s Forum, benefiting the whole as opposed to a part of the territory (Accotto, Carmona and Martínez, 2012). There are also alternative forms in Bella Vista, where the territorial criterion is articulated with the thematic one, in Reconquista, which includes inter-district projects, in San Salvador de Jujuy, where projects are designed for the entire municipality, and Pehuajó, where there is only one thematic PB limited to culture (Martínez & Arena, 2011) and that started in 2011 with 2.5% of the Department of Culture’s budget.

Regarding the type of investments to which priority is given, there is predominance of projects for equipment, infrastructure and urban improvements (relatively low cost), as well as cultural, educational or for health. A problematic aspect has to do with monitoring and control of project implementation, which generates more conflict the further away the deadlines are from the initially planned dates.

#### *Legal framework and institutional policies for promotion*

The country lacks a national standard, a framework law to promote, regulate or compel the implementation of the Participatory Budget. At sub-national level, the picture is slightly different and there are legal mechanisms in different jurisdictions; examples of this are:

- a) In the municipal charter of the Province of Entre Ríos, Provincial Law no.3001, updated in 2006, that in its article no. 120 enables municipalities to adopt PB, underlining, among other things, on the role of citizen control in governance. This law creates a valuable precedent, although in the province there are few municipalities that have the programme in place;
- b) The Constitution of the Province of Corrientes, in its article no.225 Inc. 6)q), establishes that the “participatory budget” is a specific municipal assignment;
- c) The Province of Buenos Aires, through Decree No. 3.333/05, creates the Provincial Programme for the Progressive Implementation of the Participatory Budget, through which encourages municipalities to adopt this instrument within its jurisdiction;
- d) The Autonomous City of Buenos Aires is a special case because it has duties similar to those of a province, as mentioned in article 52 in the Constitution of CABA.

The legislative framework is completed by Law No. 1.777/2005, Structure of Communes, which boosted the consolidation of a participative democratic culture and the establishment of participatory mechanisms at a neighbourhood scale, as well as a control of budgets (López Accotto, Carmona and Martínez, 2012); and with law no. 70/1998 for Management Systems, Financial Management and Control of the Public Sector.

The Municipal Charter governs the overall operation of municipalities, another tool through which the PB is part of the normative body. Among the cities that used it as an instrument are San Carlos de Bariloche, Ushuaia, Viedma, Córdoba and Resistência. We should also mention that the broader standard is the Municipal Ordinances package, whose contents include basic guidelines, values and distribution criteria, among others, and according to each case. An additional legal resource are the Decrees coming from the Municipal/Provincial's Executive Power, as in Avellaneda, General Madariaga, Rivadavia and San Fernando, among other cities.<sup>10</sup> In general terms, the legislative frameworks are not overly meticulous, they are a result of flexible designs that do not create models that are far from their realities and potentialities, and their promulgation does not always coincide with the launch of the processes. In this sense, and far from denying their importance in the process of institutionalisation, they do not ensure per se effective implementation, and even less the quality and continuity of experiments.

Regarding institutional support, in recent years there has been greater political support from the National State, a fact that favoured the creation of the Participatory Budget Programme, at the level of the Secretariat for Parliamentary Relations of the Head of the Cabinet of Ministers. Supported by these circumstances, the Argentinean Network of Participatory Budgets (RAPP) gains strength at the end of 2008, which promotes the exchange of experiments, training, intergovernmental articulation and international connections. In this setting, five National Meetings for Participatory Budgeting and a first Regional Meeting were already organised in 2012. It is important to stress the importance of this initiative, in addition to the above, in the intra and inter-municipal coordination and in the updating of the debate around the challenges faced by the PB.

### *A qualitative summary*

We identify PBs as political spaces and for dialogue that allow citizens to have decision-making tools (Ramírez and Welp, 2011). They are dynamic scenarios, for discussion and consensus, whereby each experiment shows its qualities, implementation levels and singularities. In addition to the heterogeneity of Argentine processes (regarding dynamics, institutionalisation, continuity), they all assume a decisive nature, which gives them additional political power. The review after just over a decade since its appearance on the national scene shows we are faced with successes and difficulties. The aspects that contributed to a more active social and political 'citizenship' include:

- a) Proximity of citizens to the management of public governance;
- b) Greater awareness of requests and rights from the perspective of territorial links;
- c) Ability to negotiate with local power;
- d) Revaluation of the idea of resident and territorial/neighbourhood sense of belonging;

<sup>8</sup> Among the municipalities that have adopted consensus in assemblies are La Matanza, Las Heras, Zárate, General San Martín, Corrientes, San Salvador de Jujuy, Río Grande, Pehuajó, Cañada de Gómez and Quilmes. Santa Fé, San Miguel and Unquillo use a mixed format.

<sup>9</sup> To have an idea of the cities that implemented Youth PBs, see Table 1 in attachment.

<sup>10</sup> Amongst the PBs regulated by Ordinance are [...] Zárate, Rafaela, Rosário, Río Grande, San Miguel, Cañada de Gómez, Córdoba, Resistencia, Las Heras, Concepción del Uruguay, Crespo, San Carlos de Bariloche, Morón, Maipú, La Matanza, Berisso, San Salvador de Jujuy, Neuquén, Sunchales and Villa María (Martínez and Arena, 2011: 24).

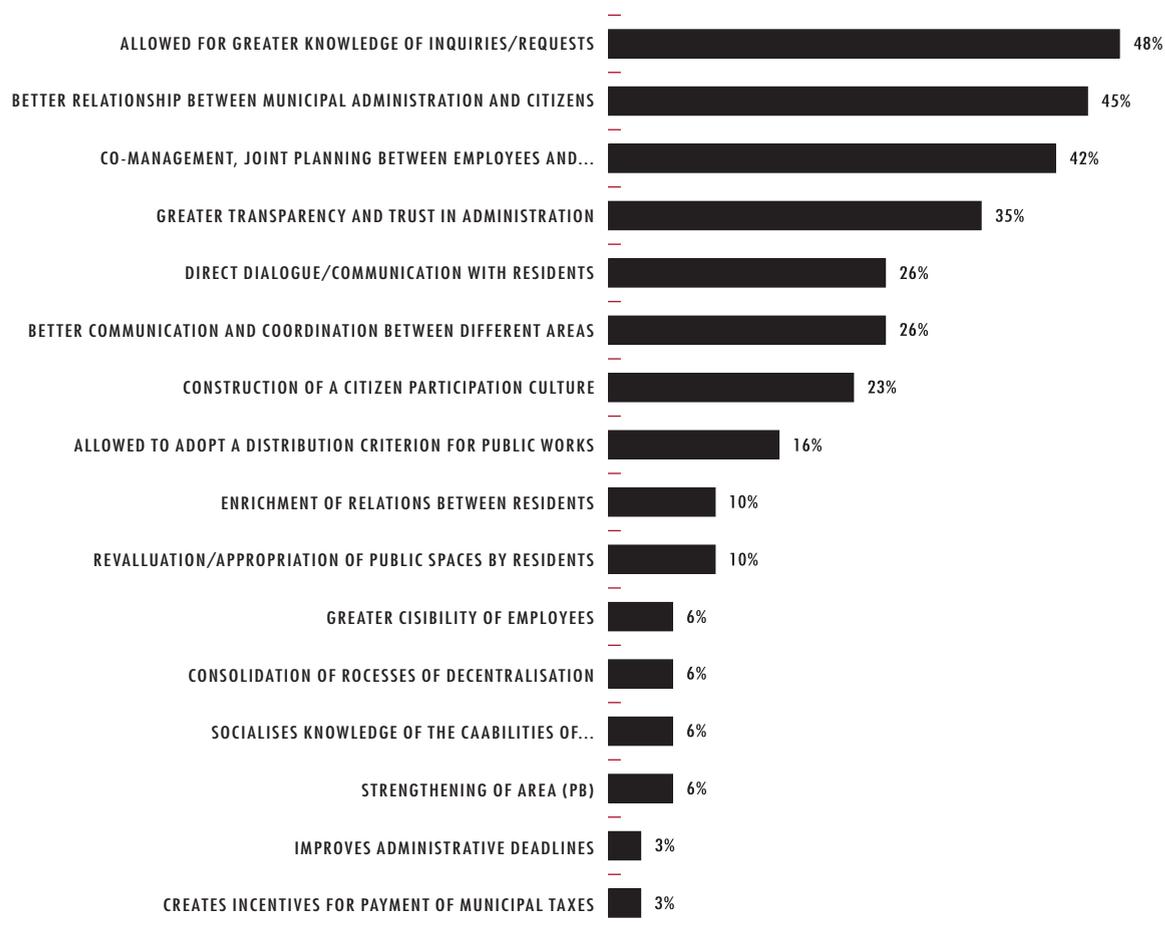
**Graph 3** Aspects that contributed to improving governance (Multiple-choice answers)

Source Martínez e Arena (2011:66)

e) Democratisation of information and knowledge of municipal administration, the logics of budgeting, of project formulation and legislation in force;

f) Limitation of patronage practices and governance control, creating a public sphere within the state’s boundaries.

Specifically, and in line with what we have just noted, the study of Martínez and Arena (2011) highlights the following areas:



It is also possible to glimpse a number of difficulties common to all the experiments, among them are:

- a)* Instability of citizen participation and lack of sustained commitment;
- b)* Difficulties in capturing the interest of the middle and middle-high classes, due to the belief that the PB was designed exclusively for the underprivileged;
- c)* Poor dissemination of the mechanism and its success on behalf of local governments;
- d)* Obstacles to communication between citizens and those responsible for the executive and legislative areas;
- e)* Restrictions in prioritising ideas and projects, which limits the decision scope of citizens. Impositions “from above” to rekindle the debate about whether or not to bind the PB to strategic planning, as a driving force for public policy;
- f)* Political patronage and cooptation of the PBs by the ruling party or parties in general;
- g)* Systems of accountability and evaluation not yet sufficiently developed;
- h)* Lack of coordination between planning and operating areas. There is, in most cases, a certain isolation of the area where the PB works in relation to other administrative areas, hindering intra-institutional communication. There are concrete difficulties in putting the programme through to offices, in terms of the municipality’s internal coordination;
- i)* Resistance to changing to a greater horizontality of decisions resulting from bureaucracy;
- j)* Little political will from legislators and staff to collaborate in the process, both technically and politically;
- k)* Delays in project implementation for which there is a consensus and that were voted for, which reveals the weakening of political support from the authorities to the programme.

Below is a figure summarising the most frequent difficulties mentioned by the study of Martinez and Arena (2011), in which it is possible to recognise some topics that we just mentioned and the importance of the absence of intra-governmental coordination, one of the most acute problems.

Among other controversial aspects, we found delays in the execution of works, which undermines the credibility of the experiments, the relatively small impact that PB has on people’s lives, and how, in practice, the founding idea of ‘proximity’ reveals real limits that show a break from the traditional political logic.<sup>11</sup> Furthermore, although there were expectations on improving the tax culture, there has been a reduced impact in Argentine experiments.

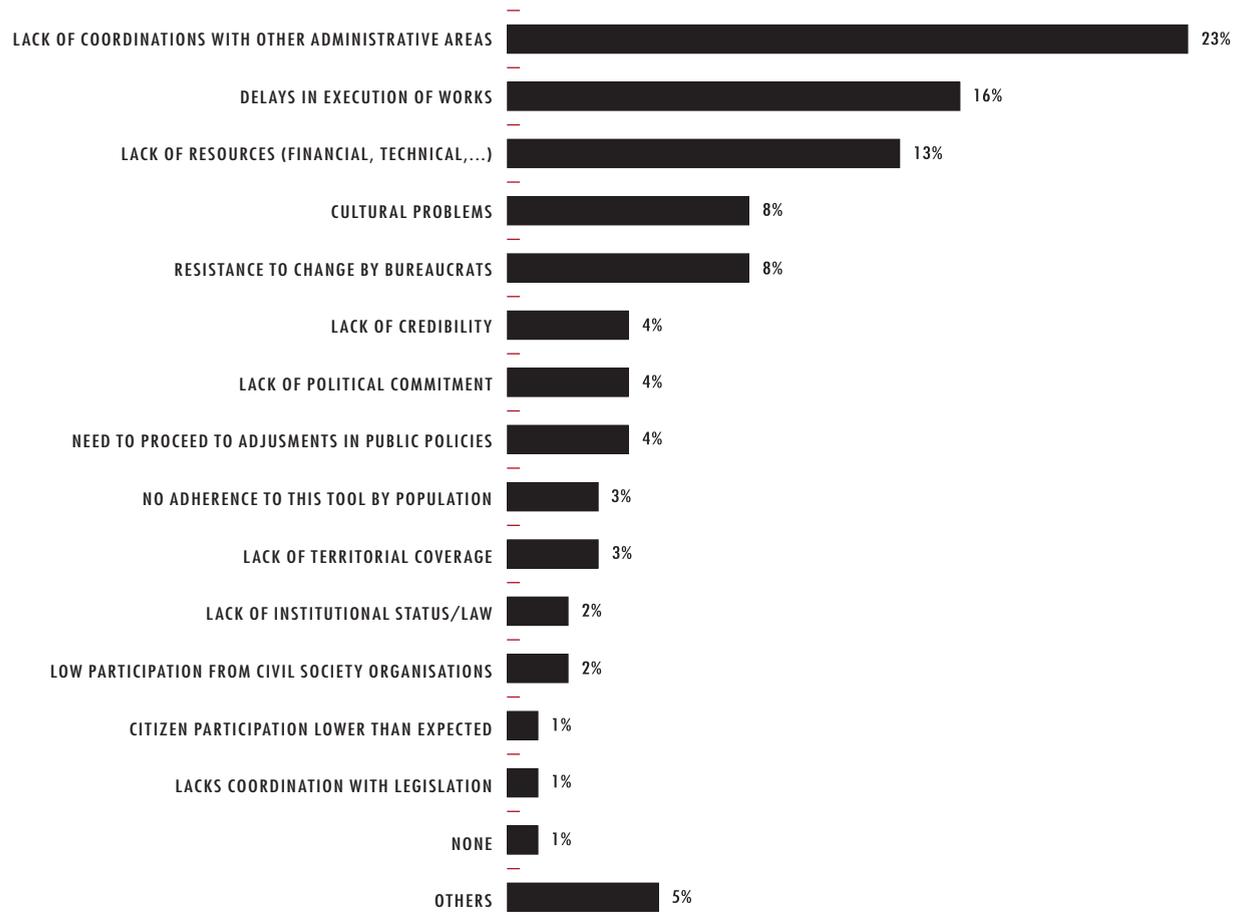
A decisive factor for the start and continuity of experiments is the authorities’ political will to submit a part of its resources for public discussion, and undergo citizen control and interpellation. In the same way, an additional obstacle is the dispute between the different political forces on the PB’s value, as well as the changes in political colour that occur in local leadership.<sup>12</sup>

<sup>11</sup> See the study by Oraisón (2011) on the experiment in the city of Corrientes.

<sup>12</sup> The process in the city of Rosário, with over a decade, shows that the continuity of political colour favoured the continuity and consolidation of the experiment.

*Graph 4* Aspects that hinder further implementation of PB (multiple answers)

*Source* Martínez and Arena (2011:65)



#### *IV. Challenges in the short and medium term*

Although the Argentine PB has denoted sustained growth in recent years, its development depends to a large extent on meeting the challenges responsibly, based on the difficulties identified. Accordingly, it is necessary to:

- a)* Develop strategies to ensure the continuity of the current experiments, the reactivation of those which were interrupted and support new ones – in different provinces of the country and not just those that show significant population concentration;
- b)* Increase citizen participation and improve its quality, taking into account the expectations of citizens;
- c)* Widen participation to sectors that until now have not found motivation to do so;
- d)* Improve channels for promoting the programme so that it has greater visibility;
- e)* Further discussion on the criteria of distributive justice in the allocation of resources;
- f)* Promote discussion on the possibility of increasing the percentage of the PB's budget;
- g)* Encourage compliance of the constitutional principles so that the entire budget should become participatory;
- h)* Address institutional resistance, reversing the vertical nature of local political culture;
- i)* Mediate strategies to improve communication between citizens and the local government officials in charge;
- j)* Deepen the inter-municipal dialogue, raising awareness and empowering employees and clearly establishing the criteria and procedures for citizen consultation in the areas of governance. Widespread adoption of criteria is central to democratising the bureaucratic structures of government; this need is present in all the experiments (RAOP, 2012);
- k)* Increase the proportion of completed works and keep to deadlines as a way to regenerate credibility in the mechanism and action of the state (Bloj, 2012);
- l)* Document ongoing experiments, emphasising rhetoric and actual practice. It is essential to keep a critical eye on these cases and investigate them internally, avoiding a stagnation in 'fictitious ideals of participation.' To ensure this it is necessary to produce audiovisual and written materials, to guarantee training and external diffusion of specific content;
- m)* Stimulate the exchange of experiments and socialisation of knowledge that can help citizens develop their decision-making capacity;
- n)* Support the work of the Argentinean Network of Participatory Budgets.

These short and medium term goals no longer appear isolated, becoming necessary to complement the process of participatory democracy with other initiatives that hold citizens as protagonists and that, together, are geared towards strengthening a more inclusive management of governance. This is how the PB acquires a new meaning, surpassing the connotation as a tool for programming and executing works, and assuming the nature of a public policy.

#### *Check*

Chart attached on pages 148 to 150

**Table 3** Municipalities and Parties with Participatory Budget (and Youth PB): general data  
**Source** Prepared by the author, based on information provided by RAPP, 2nd National Survey to municipalities with PB and Local Governments.

PROVINCE	MUNICIPALITY	INHABITANTS	START OF PB	INTERRUPTION OF PB	PARTICIPATION 2012	PROJECTS	% PB 2013 APPROXIMATE	REGULATION	DELIBERATIVE/CONSULTATIVE	YOUTH PB
	Avellaneda	342.677	2010		10.000	40	3%	Provincial Decree No. 3333/05	Deliberative	
	Bahía Blanca	301.531	2006					Ordinance N°12031/2002	Deliberative	
	Berisso	88.470	2010	2012				Ordinance No.3 002 & Participatory Budget Regulation 2010	Deliberative	
	Cidade Autónoma de Buenos Aires	2.891.082	2002	2011				Article 52 Constitution of the City/1996; Art. 9 and 29 Law No. 70 /1998 Management Systems, Financial Management & Public Sector Control; Law No. 1.777/2005, Structure of Communes.	Deliberative	
	General Madariaga	19.747	2012		118	34	1,3%	Decree No. 1593/12, Int. 6389	Deliberative	
Buenos Aires	General Pueyrredón	618.989	2008		10.900	276	0,75%	Provincial Decree No. 3333/05 and Art. 60 Municipal Organic Law	Deliberative	
	General. Rojo-Partido San Nicolás	2.416	2013					Ordinance No.8341/2012	Deliberative	
	La Matanza	1.775.816	2009		16		0,3%		Deliberative	Yes
	La Plata	654.324	2008		51.104	40	8,6%		Deliberative	
	Lanús	453.500	2012		7.552	28	0,5%		Deliberative	
	Morón	319.934	2006		31.000	44	0,5%	Ordinance No. 7033/05	Deliberative	
	Necochea	91.836	2008					Ordinances No. 6545/08 - No.6454/08 - No.7110/10	Deliberative	
	Partido da Costa	70.214	2009		8.059	13	4%		Deliberative	
	Pehuajó	39.776	2011				2,5% PB for culture		Deliberative/Limited to Culture	
	Quilmes	580.829	2010					Does not have ordinance	Deliberative	
	Rivadavia	17.169	2011		1.646	8	3,4%	Municipal Decree No.563/12	Deliberative	
	Salto	32.628	2012			16	0,75%		Deliberative	
	San Fernando	163.462	2008	2012				Provincial Decree No. 3333/05, Decree No. 1253/08; Res. No. 661/08 and 773/09	Deliberative	Yes
	San Martín	422.830	2005		8.236	2	0,006%		Deliberative	
	San Miguel	281.120	2008		15.963	96		Ordinance No. 35/2006	Deliberative	Yes
	San Pedro	59.247	2011					Ordinance N° 5.967	Deliberative	
	Tandil	123.343	2009				0,05%		Deliberative	
	Trenque Lauquen	42.806	2012		1.972	6			Deliberative	

	Zárate	111.597	2010		650	57	0,7%		Deliberative	
Catamarca	San Fernando del Valle de Catamarca	160.058	2005					Ordinance N° 3952/05, Modified 2012	Deliberative	
Chaco	Resistencia	274.490	2009		20.000	5		Ordinance N° 9492/2009	Deliberative	
Chubut	Comodoro Rivadavia	173.266	2008		63				Deliberative	
	Ciudad de Córdoba	1.330.023	2008				1%	Ordinance N° 11.499 /2008	Deliberative	
Córdoba	Unquillo	17.183	2010					Youth PB	Deliberative	Yes
	Villa Carlos Paz	80.559	2009				0,5%	Ordinance N° 4950 / Regulated 2013	Deliberative	
	Villa María	127.454	2008				1,3%		Deliberative	
Corrientes	Bella Vista	37.181	2006		1.814	5	0,6%	Constitution of the Province of Corrientes, Art. 225 Inc. 6) q)	Deliberative	
	Corrientes	358.223	2010	2013	1.243	80	2%		Deliberative	
Entre Ríos	Concepción del Uruguay	100.728	2009		2.729	24	1,4%	Ordinance N°8643/09	Deliberative	
	Concordia	170.033	2011		9		0,1%	Ordinance N° Regulated 2007	Deliberative	
	Crespo	339.930	2007					Has no Ordinance	Deliberative	Yes
	Galeguaychú	51.883	2012			65	0,8%	Ordinance N° 11654/2011	Deliberative	
	La Paz	66.903	2012					Has no Ordinance	Deliberative	
	Paraná	340.861	2012				0,8%	Ordinance N° 8.939/2003 (Was not applied)	Deliberative	
Jujuy	San Salvador de Jujuy	265249	2009						Deliberative	
Mendoza	Godoy Cruz	189578	2003			50		Ordinance N° 4822 /02	Deliberative	
	Junín	37807	2004				0,8%		Deliberative	
	Las Heras	203507	2010			68	7%		Deliberative	Yes
	Maipú	172861	2007		10.426	58	2%		Deliberative	Yes
	Mendoza	114822	2009			35	2,5%	Annual ordinances for budget allocation	Deliberative	
	Luján de Cuyo		2012					The Deliberative Council approved in October 2012 its implementation, but has not yet been validated by the Executive Council.	Deliberative	
Neuquén	Ciudad de Neuquén	233000	2009					Ordinance No. 11337 And Regulatory Decree No. 0900/2010	Deliberative	
	Zapala	36791	2012						Deliberative	
Río Negro	San Carlos de Bariloche	93192	2005	2009				Municipal Organic Charter (Art. 118) and Ordinance 1172, Art. 14.	Deliberative	Yes
	Viedma	52704	2007				4,5%	Organic Charter 2012, art 134	Deliberative	

PARTICIPATORY BUDGETS IN ARGENTINA: EVALUATION OF A PROCESS IN EXPANSION

San Juan	Rawson	114368	2009				1%		Deliberative	
San Luis	Juana Koslay	204019	2010						Deliberative	
Santa Fe	Cañada de Gómez	66675	2010				0,6%	Ordinances No. 7153 and 7254	Deliberative	
	Rafaela	99.150	2008				0,2%	Ordinance No. 726/2002 No. 7869/2005 No. 8027/2006 No. 8557/2010 Municipal Decree No. 34795/2010	Deliberative	
	Reconquista	176.410	2009				3%		Deliberative	Sim
	Rosario	1.198.528	2002				1,5%	Ordinance N° 7326/2002 N° 7869/2005 N° 8027/2006 N° 8557/2010 Decreto Municipal N° 34795/2010	Deliberative	Sim
	Santa Fe	415.345	2008				0,5%		Deliberative	Sim
	Santo Tomé	525.093	2012				0,5%		Deliberative	
	Sunchales	178.092	2010				1%	Ordinance No. 2008/10 Modified by Ordinance No. 2267/2012	Deliberative	
	Venado Tuerto	191.024	2011					Ordinance N° 3942/11	Deliberative	
	San Lorenzo	47.500	2010				Não se implementou	Ordinance N° 2795	Deliberative	
Santa Cruz	Caleta Olivia	107.630	2010						Deliberative	
	Río Grande	70.042	2003				0,8%		Deliberative	
Tierra del Fuego, Antártida e Islas del Atlántico Sur	Ushuaia	56.956	2009					Municipal Organic Charter Art. 238, Ordinance No. 3352/2008	Deliberative	

□ PB YEAR 2013 ■ PB - NOT IN FORCE



LATIN  
AMERICA

BRAZIL

# PARTICIPATORY BUDGETS IN BRAZIL

## *Introduction*

The socio-political context of Brazil's re-democratisation – in the midst of profound structural changes experienced in the country since the 1960s – gave way to a process of unprecedented participatory experiments within national territory. Emerging from a set of specific historic conditions, innovations that had been built began to connect, theoretically and empirically, with the challenges and dilemmas of the democratic issue at an international level. The issues of the political representation crisis, the emergence of new theories questioning hegemonic theories (elitist/pluralist or realistic), particularly the deliberative theory, the possible role of participatory democracy revisited after the 1960s, the debate on the concept and the role of civil society, new forms of collective action, the influence of information technologies, are elements, among others, that have guided the discussion on participatory innovation and accountability in the relations between the State, civil society and the market.

The emergence and expansion, particularly at the local level but also in other jurisdictions of the Brazilian Federation, of new spaces of institutionalised participation for public policies discussion, came to be known in the literature as new Participatory Institutions (PI) (Avritzer, 2008; Pires and Vaz, 2010). It is a process of democratic innovation, understood as the “institutional creation that goes beyond the enactment of forms of direct citizen participation, such as the plebiscite, the referendum and popular initiative (provided for in the Constitution), where there are continuous articulated procedures – not extraordinary – of social impact on the political power and its administrative apparatus, including the political system itself” (Gurza Lavalle, Isunza Vera, 2011). Among the plurality of emerging PIs, the Participatory Budget (hereinafter PB) stands out as the best known and most influential innovation in the world, to the point that some authors from countries of the northern hemisphere speak allegorically of the “return of the caravels” (Allegritti and Herzberg, 2004).

The forms of participatory democracy show significant differences in the actual co-responsibility between state administration and civil society players on decisions in public policy. It is known that the place occupied by participation in the social-state management system can be nuclear or peripheral. The emergence of PBs has become particularly important because it allowed for popular intervention on the main management tool of modern state, the public budget. The budget largely summarises the actual and legal regulation of the concept of citizenship, as it states rights and duties arising from the reciprocity between rulers and the ruled (*res pública*) and of the relations between the powers of the State itself. The budget represents, to a great extent, how production policies on social income (revenue)

<sup>1</sup> Fedozzi (2012). Suggested access to information: (<http://www.ufrgs.br/democraciaparticipativa>).

<sup>2</sup> Urban spoliation refers to the “sum of extortion that operates through the lack or insufficiency of services of collective consumption that – together with access to land and housing – present themselves as socially necessary to the subsistence of the working classes” (Kowarick, 1979, p.59).

<sup>3</sup> The term citizenship has gained ground never seen before in Brazilian society. But its appropriation by ideologically antagonistic discourses denotes the many meanings of the term and determines the historical dispute by fixing its meaning (Telles, 1994).

<sup>4</sup> Among the vast literature on new social movements, Sadler’s (1988), (Telles, 1994) and Dagnino (1994) studies stand out.

<sup>5</sup> The National Movement for Urban Reform and its organised form, the National Forum for Urban Reform (FNUR), emerged in this context of exclusionary urbanisation. Resulting from the relationship between urban planning professionals and housing movements, it was created in order to politicise the debate on the city and serve as a political platform for social movements in order to provide a broader horizon other than local and specific issues. It is responsible for formulating the so-called ideology of urban reform that is based on the critique of commercialisation of the city, and the defence of democratic decision-making processes in urban management (Ribeiro and Santos Junior, 1994).

come about, and its distribution in society (expenses). Accordingly, the budget is one of the results of the modern social contract and therefore is considered the core of fundamental policy decisions, although it does not exhaust the range of decisions that affect social organisation (Fedozzi, 1997).

Considering the Brazilian case, the promotion of the access to public budget decisions, particularly for classes and social strata historically excluded from socio-urban development, gains even more democratic relevance when confronted with the authoritarian and patrimonial tradition of the capitalist training model of Brazilian society, whose other side is the deep social inequality (Holanda, 1993; Faoro, 1958; Fernandes, 1976). Historically, the budget has been handled either as ‘fiction’ (dualism between ‘real’ and ‘legal’) or as a bargaining tool, in the cycle of personal or private appropriation of public resources and the repetition of the patronage political culture.

In a previous study, it was attempted to address Participatory Budgets in Brazil from variables that condition the possibilities of their creation and sustainability, as well as elements drawn from the practices of this form of participatory democracy relative to their potential, limitations, challenges and tensions<sup>4</sup> This article presents objectively and analyses data relating to the spread of Participatory Budgets in Brazil taking as a main source the latest survey conducted by the Brazilian Network of Participatory Budgets (RBOP, 2012), supplemented by surveys conducted earlier in the country. Besides this introduction, the chapters presented and discussed in this paper are the following: a) the historical context that gave rise to the emergence of this innovative participatory institution in the country, b) the stages of the evolution and spread of the PB in the country and the world c) matters concerning the regional distribution of state and local self-appointed PBs in Brazil d) the relationship between the PB and the political-partisan and ideological spectrum that adopted it; and finally e) possible relationships between economic, social and human development of municipalities are explored, and the adoption of PB as a form of public management.

### *The emergence of Participatory Budgets in Brazil: historical context of their beginning and expansion*

The rise of Participatory Budgets as new democratic institutions in Brazil occurred in a historical setting marked by profound socio-economic, demographic, political and cultural transformations that took place in Brazilian society between the 1960s and 1980s. Synthetically, we can highlight the following changes in the Brazilian scenario that allowed – not in a deterministic way – the possibility of innovative participatory experiments that led to the so-called Participatory Budget.

As it is known, Brazil constituted itself historically as one of the most inequitable countries in the world. The social construction of inequality, as a Brazilian brand, also characterised the period of ‘conservative modernisation,’ developed in the nationalist-developmental cycle of 1930–50, intensified during the years of civil-military dictatorship (1964–1988). The changes that have transformed the country from exporting agrarian to urban-industrial (reaching, at the time, eighth place in world GDP) added more than 60 million people to cities, 29 million migrants during the 80s alone, concentrating more than 80% of the population in urban areas, this indicator reaching 84.4% today from over 190 million inhabitants (IBGE, 2010). Despite the improvement of some social indicators in that period (decrease in child mortality, increase in life expectancy and school enrolment), this ‘modernisation’ occurred in the form of a high concentration of wealth and land, selective access to urban facilities, housing and public services, making the poles

of capitalist development, especially in state capitals and their metropolitan areas, emblematic scenes of the process of urban spoliation (Kowarick, 1979). The notion of ‘urban spoliation’<sup>2</sup> arises from the fact that the industrialisation and urbanisation that result from advanced capitalism, bring about extensive collective needs of propagation, but the intervention of the State is limited in meeting them. Public funds are mainly intended for immediate funding of capital accumulation and, when directed to collective consumption, favour the strata with higher income” (Ribeiro, 1994, p.273-4 In: Ribeiro and Santos Júnior, 1994; Kowarick, 1979, p.59). The rapid and intense urbanisation occurred in order to concentrate the population around large cities and their suburbs. The 15 Metropolitan Areas, home to 71 million people, are equivalent to nearly 38% of the country’s population (IBGE, 2010). As a consequence, a dual and exclusionary urban fabric was formed (regular, formal and legal city versus irregular, informal and illegal city), whose slumming process is the most visible, consigning a reality of social fragmentation and segregation, especially in large and medium-sized cities.

Profound changes in the socio-economic and demographic structure of the country were accompanied by the emergence, in the late 70s and early 80s, of new social players and new political and cultural practices in the context of the expansion of civil society and the public sphere. The emergence of popular urban movements resulted from the struggle for equal rights in the city (Lefebvre, 1969), within the broader picture of social forces in the struggle for re-democratisation. A part of these players, representative of the lower classes, plural and diverse in nature, started to express in an unprecedented way through social confrontation with the State based on a citizenship rights<sup>3</sup>, discourse, replacing in part, the relations of patronising submission (the culture of giving and of favour), the patronage exchange and protection, even though these practices still exist in the relationship between state players and civil society.<sup>4</sup>

Another aspect that set the background from which PB experiments started, relates to the new institutional framework favourable to municipalities resulting from the country’s democratisation. The new Constitution of 1988 established a new federal pact, which was characterized by the reversal of tax, fiscal and political centralisation from the dictatorship period. With the Democratic Constitutional State, municipalities were considered members of the Federation in an unprecedented way, together with the States and the Union, enjoying legislative, administrative, political and financial autonomy. This new democratic context increased the importance of local political dispute at regional and national levels. The division of taxes evolved at that stage favouring municipalities, as shown in Figure 1.

Nevertheless, since the fiscal adjustment in the 1990s, there was a re-concentration of resources by the Union, through forms of revenue (taxes and contributions) that did not require sharing with other federal entities. In 2006, on revenue collected by the Union alone, the contributions accounted for 68% and taxes accounted for only 29% (the balance is made up by fees and through active debt collection). Adding to the new powers and competences of services transferred to municipalities, a new setting that challenged the municipal financial autonomy was created (Santos, 2011; Afonso, 2012). As will be seen below, the retreat in financial governance of municipalities became a major obstacle to the construction of Participatory Budgets.

This new context increased the importance of local political dispute at regional and national levels. At the same time, the Constitution of 1988 incorporated the principles defended by the national movement for Urban Reform, in that it recognised the social function of the city and property and participatory management of urban policy. The regulation of the Chapter on Urban Policy of the new Constitution took place 13 years after, through the Statute of the Cities (2001)<sup>5</sup>

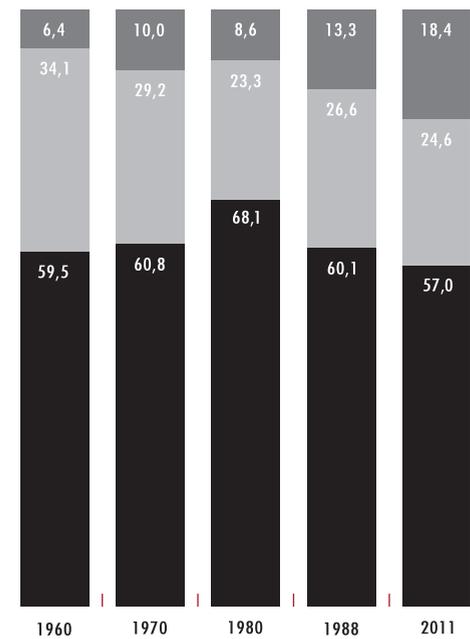
**Graph 1** Evolution of the division of federal tax revenue by government level (national accounts)\*

**Source** Afonso, J. R. (2012). From STN, SRF, IBGE, Ministry of Welfare, CEF, Confaz and Municipal Balance sheets.

\* National accounts include taxes, fees and contributions, including CPMF, FGTS and royalties, as well as active debt.

**Label**

■ UNION  
■ STATE  
■ MUNICIPAL



<sup>6</sup>The City Statute sets out the mandatory preparation of Master Plans for cities with over 20,000 inhabitants. See the analysis of the Participatory Master Plans after the City Statute in Santos Júnior and Montandon (2011).

<sup>7</sup>On the process of formation of the PT see Meneguello (1989).

<sup>8</sup>The Popular Front was a coalition between the PT and the Brazilian Communist Party (PCB) at the time.

<sup>9</sup>For detailed analysis of the start and the undetermined process of creation of the PB in Porto Alegre, see Fedozzi (2000).

<sup>10</sup>Despite the power alternation in 2005, the PB is still functioning. It is beyond the scope of this article to analyse this new stage of the PB's weakening. One can only say that limitations found in the PT administrations, as a result of the dogmatic stagnation of the experiment, low commitment to the model of co-management by the new coalition government deepened the crisis of the process. The ongoing investigation into this new reality indicates an elitism process in the relationship between representatives and the represented (Fedozzi and Martins, 2012).

The creation of the Ministry of Cities during President Lula's first term (2003) represents the culmination of this institutional change favourable to municipalities.

In this context, the emergence of PBs was in the midst of the rapid expansion of institutional spaces for participation linked to urban contradictions and fight for fairer cities (Harvey, 1973). It is also the case for Management Councils for public policy, some linked to participatory Conferences at a local, state and national level. The Municipal Management Councils totalled 27,000 in 1999 (IBGE, 2000), averaging around five per municipality, and involved the participation of more than two hundred thousand individuals (ABONG, 2004). A part of the Councils arise from legislative initiative, but most result from the influence of civil society movements for citizenship rights, since the late 1980s, examples of which are the Councils for Health, Children and Teenagers, Housing, Environment and recently, Participatory Master Plans, as a result of the Statute of the City<sup>6</sup>

Finally, we highlight the new way in which parties are organised in the transition to democracy. Bipartisanship imposed by the dictatorship gave way to multi-party political systems, even before the new Constitution of 1988, although conditioned by the authoritarian and conservative forces that continued to influence in the change to negotiated democracy 'from above'. Besides the Marxist and leftist parties already in place, the Workers' Party<sup>7</sup>, appeared in 1979, enabling organisations of socialist inclination to occupy spaces of state power in an unparalleled way from the mid 1980s.

### *The Construction Process of the Pb*

One can identify three phases in the emergence and expansion of PBs in Brazil, and later, in other countries.

The first refers to the construction and consolidation of this new participatory institution after democratisation. Among the ten cases that arose in this period (1989–1992), all led by the PT, Porto Alegre stood out from the rest. With the remarkable victory of the Popular Front in the capital of Rio Grande do Sul (1989–1992)<sup>8</sup> and its re-election for four terms (a total of 16 years), the PB was consolidated as a new Participatory Institution. The creation of the PB was the result of a winding and uncertain path where the synergistic encounter between at least five variables prevailed:

- 1) the political will of the new rulers to democratise public administration;
- 2) the prior existence of a critical social fabric, an essential condition to exert the necessary pressure "from outside to inside the State";
- 3) the effectiveness of shared decisions, giving credibility to participation;
- 4) an efficient political and administrative management of demands in general;
- 5) financial governance to meet the demands and enable a virtuous cycle of 'participation–decision–implementation–participation' (Fedozzi, 1997).<sup>9</sup> The prime example of the PB in Porto Alegre became both a national and international benchmark when the UN selected it as one of the 40 best experiments of local management for the Habitat II conference (Istanbul, 1995), and later, when the city was chosen to host the 1st World Social Forum in 2001.<sup>10</sup>

The second phase corresponds to the national expansion of the PB. There was an increase from 10 to 30 cases between 1993 and 1996, and 140 during the 1997–2000 terms (Ribeiro and Grazia; FNPP, 2003, p.88–94). Thereafter, the demonstration effect from capital cities and relevant cities, such as Belo Horizonte (MG), Recife (PE), Goiânia (GO), Santo André (SP) and Vitória (ES), as well as the value given to the participatory discourse during municipal elections, resulted in other parties also adopting the PB, albeit sometimes as a mechanical replication of the ‘Porto Alegre model,’ or a resemblance of participation in budget decisions. Between 1989 and 2004, it reached 261 cities in 23 states (Pólis, 2006).<sup>11</sup> According to recent research by the Brazilian Network of Participatory Budgets (RBOP)<sup>12</sup>, the number reached 355 during the 2008–2012 terms (RBOP, 2012). Since its advent, growth was approximately 3.450%. It must be emphasised that these are self-denominated cases, as their qualitative nature, the structure and operation process (rules, criteria, players, decision-making power), as well as the place that participation actually occupies in Municipal Administrations’ politics, is very diverse from each other, and hence these data must be analysed carefully.

The third phase includes the globalisation phenomenon of PB initiatives. Since the 1990s, in the midst of a legitimacy crisis of political representation in democracies, the expansion of the self-denominated PBs first occurred in South American and Central American countries. This expansion caught the attention of major multilateral agencies for financing or for cooperation, which now encourage PBs as ‘good practice in the control of public spending,’ such as the Inter-American Development Bank (IDB) and the World Bank (IBRD). At the turn of the millennium, due to the network effect of the Social Forum and other networks and agencies (OIDP, URBAL)<sup>13</sup>, the PB reached the Old Continent, and then spread to almost all other continents and regions (Sintomer, Herzberg, Allegretti, 2012). Evidently, these are very different models and practices.

### *Some facts and thoughts on PBs in Brazil*

In order to present and analyse information on PBs in Brazil, data from the survey conducted by the Brazilian Network of PBs, between 2011 and 2012, will be used. In a complementary and comparative manner, the first national survey conducted by the National Forum for Popular Participation (1997–2000 terms) will also be taken into account (Ribeiro and Grazia de Grazia, FNPP, 2003).

The Brazilian Network<sup>14</sup> research is based on a directed methodology. Considering the high number of municipalities in the country, a qualitative depth became infeasible, and it will be held in a second stage. Data was collected in 2,657 cities from all regions of the country, which is equivalent to 48% of all municipalities. For this, a variety of sources were used, such as PB Networks in some States, a survey of the more committed to participation leftist Municipalities, as well as the Municipalities governed by the major parties, as per consultation of the websites of the respective Municipalities. After confirming the existence of the PB, data was collected on the municipality (Technical Report, Guarulhos: RBOP, 2012).<sup>15</sup>

<sup>11</sup> There is no national data for the period 2005–2008.

<sup>12</sup> Founded in 2007 as an initiative of the Municipality of Belo Horizonte, the network was initially coordinated by this city. Currently, coordination is done by the Municipality of Guarulhos (SP), an important city of Greater São Paulo with over a million inhabitants. <http://www.anfermed.com.br/redeop/newop/>.

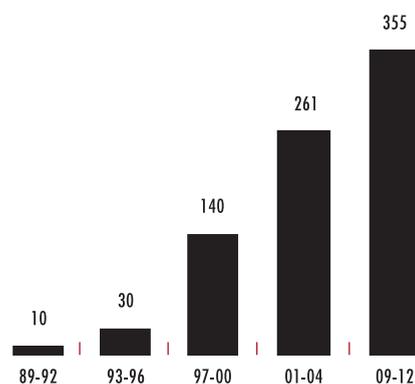
<sup>13</sup> The URB-AL programme was created by the European Union to promote horizontal cooperation between European and Latin American cities. <http://www2.portoalegre.rs.gov.br/urbal9/>. Among other city networks, the URB-AL programme created a specific network on the PB, the Network 9 – Local Finance and Participatory Budget, coordinated by Porto Alegre and bringing together 255 cities.

<sup>14</sup> The Municipality of Guarulhos (SP) and the Paulo Freire Institute supported the research.

<sup>15</sup> According to the RBOP Technical Report, and once confirmed the existence of PBs in municipalities, the following information was sought: Urban and rural population, Gross Domestic Product (GDP); Value of Municipal Public Budget; FIRJAN Municipal Development Index – IFDM; Governing party in the municipality; Telephone of PB department; Website.

**Graph 2** Evolution of PB in Brazil

Source Ribeiro and Grazia, FNPP(2003); Pólis (2006); RBOP (2012)

**Table 1** Distribution of PBs in the Regions of Brazil (absolute and relative).

1997–2000 and 2009–2012 Terms

Source Ribeiro and Grazia, FNPP(2003); RBOP (2012); IBGE (2010)

### Distribution of PBs in Brazil

As previously mentioned (Chart 2), there is a gradual increase in the number of municipalities declaring the practice of PB in the country. The percentage of 2.5% of all municipalities in the country between 1997–2000, increased to 6.3% during the 1999–2012 terms. The State of Rio Grande do Sul also resumed the practice of participation at a regional level in 2010.<sup>16</sup> The cases are distributed in almost all 26 states of the federation, with only two cities not having PBs (Maranhão and Roraima). The regions of the Southeast and South (the most socially and economically developed of the country) still have the largest concentration of cases. But unlike previous research (Ribeiro and Grazia de Grazia, FNPP, 2003) there are significant changes: firstly, the existence of PBs in all five regions of the country, which may indicate a trend towards greater nationalisation of this type of participation, though still strongly unequal, and secondly, the Northeast Region (one of the poorest in the country), has the highest growth in the number of PBs, whilst there has been a relative decrease in the South (Table 1). This phenomenon probably shows the positive changes that occurred in the Northeast in the last decade of economic and social growth promoted by the Lula administration.

<sup>16</sup> This is a long and complex process of regional participation. In 1999–2002, with the unprecedented victory of PT to the State Government, the PB was implemented based on the Porto Alegre model. Discontinued and replaced by a model of Popular Consultation in the following governments, under PMDB and PSDB, the PB was undertaken again since PT's re-election for the 2000–2014 term. Currently, it has a new institutional design with a broader participation system.

<sup>17</sup> These are the capitals: Porto Alegre, Belo Horizonte, Recife, Manaus, Fortaleza, and the cities of Campinas and Guarulhos (SP).

<sup>18</sup> On PB cases in rural contexts in Brazil see Teixeira (2003) and Rover (2003).

<sup>19</sup> The minimum criteria suggested by SINTOMER, Y., HERZBERG, C. RÖCKE, A. (2008) are accepted by the authors.

<sup>20</sup> For Belo Horizonte's Digital PB, consult <http://opdigital.pbh.gov.br/>

REGIONS	N. PBS 97-00	%	N. PBS 09-12	%	N. MUNICIPALITIES (IBGE, 2010)
SOUTHEAST	47	45,6	152	42,8	1668
SOUTH	39	37,9	101	28,5	1188
NORTHEAST	14	13,6	80	22,5	1794
NORTH	3	2,9	13	3,7	449
CENTRE-WEST	0	-	9	2,5	466
BRAZIL	140	100	355	100	5565

Regarding the distribution of so-called PBs, in relation to the demographic scale of municipalities, current data indicates that more than half of the 355 cases occur in small municipalities with up to 50,000 inhabitants, precisely 59.43%. This figure is concurrent – despite bigger – with that seen in a previous study, that for the same socio-demographic size indicated 43.68% of cases (ibidem, p.31). Following that, there is a second concentration in so-called medium-sized municipalities (between 100 to 500 thousand inhabitants), with 22.52% in the current research, against 31.06% in the previous one. Finally, there is a decrease in percentage in cities with over a million inhabitants, 4.85%, observed from 1997 to 2000, to 1.97% in the last period<sup>17</sup> (chart 3).

On the other hand, this relationship is reversed if one considers the relative weight of self-denominated PBs against the absolute number of municipalities of each demographics. As shown in Figure 4 below, the larger the range of municipalities' population, the higher the PB percentage. For example, among the total number of municipalities with up to 10,000 inhabitants, 3.5% have PB. In contrast, among the 15 cities with over one million inhabitants in the country, seven have PBs, representing 46.7% of large municipalities.

The highest percentage of PB incidence occurs in municipalities with a population between 250–500 thousand inhabitants (47.5%), closely followed by those that have more than one million (46.7%) and between 500,000 and a million (34.8%). This trend confirms the results of the first national PB survey (1997–2000 terms) (Ribeiro and Grazia de Grazia, FNPP, 2003, p.30, note 23). Further considering that the vast majority of municipalities in Brazil (70.3%) has a population of up to 20,000 inhabitants (see Table 2 below), data on the relative PB distribution by demographic scale reinforces the hypothesis that this new participatory institution has been adopted with higher relative incidence in Brazilian municipalities with ranges of higher population concentration. The total population of the municipalities with self-denominated PBs was 42.4 million inhabitants in 2010 (IBGE).

As for the socio-economic and demographic characteristics of municipalities with PB, the vast majority occurs in urban areas, as is expected (83% against 17% in rural areas), with indexes that were practically the same as in the urban part of the country (IBGE, 2010). It is still relevant that forms of social participation in public budgets are also developed in rural areas, more specifically in 60 locations.<sup>18</sup>

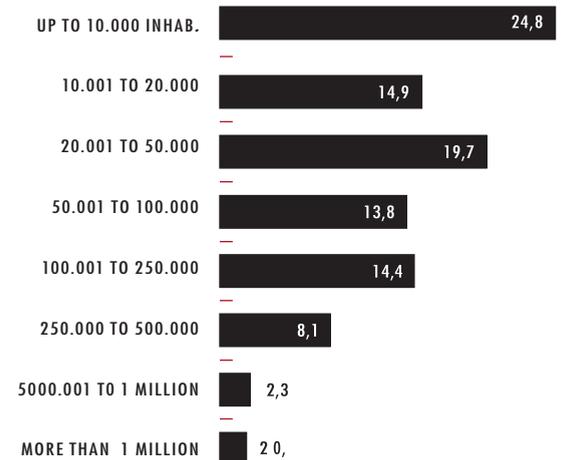
The data above reveals the diversity of socio-demographic and regional contexts in which participation practices are developed for the budget. This leads to two important questions. The first relates to the different PB configurations, which deviate from the ‘single model’ hypothesis. But it is worth mentioning that this adaptation to reality does not exempt crucial elements that must be present in the practices that call themselves Participatory Budget, even if they seem qualitatively different from each other.<sup>19</sup>

Secondly, the high percentage and permanence of PBs in large cities (more than one million inhabitants) challenges the supposed democratic elitist theories, supporting the restriction of political participation on behalf of the technical complexity and rationality that modern management requires (Schumpeter, 1961; Weber, 1994). In this sense, by focusing on a central instrument for the social and State management, PBs seem to provide important empirical information for the debate on current possibilities of the democratisation of democracy, despite the limitations and dilemmas they experience. The use of new information technologies, as is the case of the PB of Belo Horizonte,<sup>20</sup> extends the democratising potential of participation.

DEMOGRAPHIC SCALE (THOUSANDS)	NUMBER OF MUNICIPALITIES	PERCENTAGE OF MUNICIPALITIES	TOTAL POPULATION MUNICIPALITIES	PERCENTAGE OF POPULATION BRAZIL	NO. PB PER RANGE	% MUNIC. WITH PB PER RANGE
UP TO 10	2.515	45,2	12.939.483	6,8	88	3,5
10+ TO 20	1.400	25,2	19.744.382	10,3	53	2,6
20+ TO 50	1.043	18,7	31.379.266	16,4	70	6,7
50+ TO 100	324	5,8	22.263.598	11,7	49	15,1
100+ TO 250+	184	3,3	27.605.737	14,5	51	27,7
250+ TO 500	61	1,1	20.961.752	11	29	47,5
500 TO 1X10 <sup>6</sup>	23	0,4	15.703.132	8,2	8	34,8
+ THAN 1 MILLION	15	0,3	40.135.344	21,1	7	46,7
TOTAL	5.565	100	190.732.694	100,00	355	-

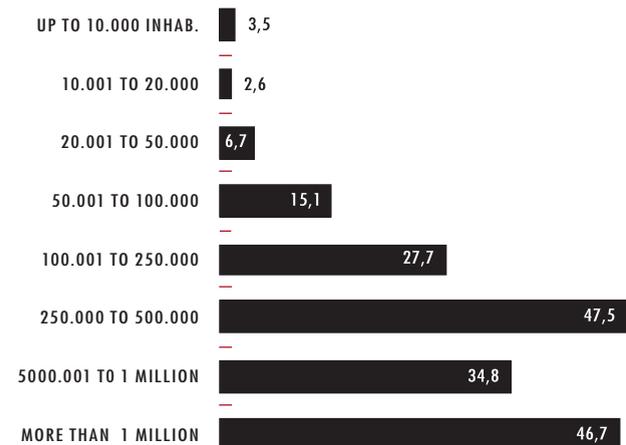
**Graph 3** Total PB Distribution according to municipal demographic scale – Brazil

Source RBOP (2012); IBGE (2010)



**Graph 4** Percentage of municipalities with PB according to demographics – Brazil

Source RBOP (2012); IBGE (2010)



**Table 2** Demographic scale, number of municipalities and percentages by range, number and percentage of PB per range – Brazil 2009–2012

Source RBOP (2012); IBGE (2010)

<sup>21</sup> In Brazil there are 30 registered political parties (TSE, 2012).

<sup>22</sup> Democratic Budget, Popular Budget, Community Budget, among other names.

<sup>23</sup> On the politics of city marketing in urban planning, see Vainer (2000).

<sup>24</sup> It occurs with other left wing parties in the same way. In the case of PCdoB, the percentage of PB in municipalities managed by the party in the period was 14.6% (6 of 41). As for PSB, the percentage is even lower, 8.4% (26 of 308).

**Table 3** Political Parties, Number and Percentage of PBs by party

Source RBOP (2012)

PARTIES	NO. OF PBS	%
PT	150	45%
PMDB	92	26%
PSB	26	7,5%
PSDB	15	4%
PDT	10	3,5%
PTB	9	2,5%
DEM	8	2%
PR	8	2%
PP	7	1,9%
PCdoB	6	1,6%
PV	5	1,4%
PPS	4	1,1%
PSD	3	0,8%
PL	2	0,5%
PRB	1	0,2%
<b>TOTAL</b>	<b>355</b>	<b>100%</b>

### *PBs and the party political spectrum*

Compared to the previous research, the number of parties that govern with self-denominated PBs has grown, from nine to fifteen parties.<sup>21</sup> As stated, the demonstration effect of PBs in the early 1990s and the support raised by these practices considered as ‘good governance’ by national and international players, as well as the pressure of social movements for universal right to the city, influenced the electoral competition. The party spectrum expanded and started adopting forms of participation in the public budget, even if sometimes under another denomination<sup>22</sup> and above all, with great variations in their institutional design, effectiveness and quality. It is not surprising that in the survey conducted by the Brazilian Network of PBs, more than half, that is, 55% of self-denominated PB cases have occurred in Administrations led by Mayors of parties other than PT. The presence of PT, considering only the position of Mayor, decreased from 50% in 1997–2000 to 45% in 2009–2012. However, the survey considers only the party of the mayor, and not local party coalitions.

As can be seen in Table 3, there was a change in the position occupied by the parties regarding the number of municipalities with PBs. In the previous research, PSDB was the second party in the distribution of cases, followed by PSB and PMDB, each holding about 10% of the total existing PBs (Ribeiro and Grazia de Grazia; FNPP, 2003, p.38). In the last period there was an exchange of positions between PMDB and PSDB. The PMDB rose to second place (26% of PBs) and PSDB dropped to fourth (4% of cases). PSB and PDT continued in the same position of the ranking. One hypothesis to better understand this change perhaps arises from the national policy of alliances that brought PT and PMDB closer in support of the governments of Presidents Lula and Dilma, in the last decade, with PSDB leading the opposition. It is likely that local alliances between PT and PMDB (in the positions of Mayor and Deputy Mayor) are influencing the adoption of participatory programmes by mayors of the PMDB, as well as other parties, in situations where PT occupies the position of deputy mayor or is part of the municipal administration by departments. The trajectory of PSDB is more bound to the concept of social participation within the framework of management policies based on public-private partnerships, volunteerism and urban entrepreneurship, and it may explain the decrease in the importance given to popular participation by the party and its neoliberal allies.<sup>23</sup>

Secondly, it is important to highlight that PT is still the party that most adopts this kind of participatory institution, with 150 municipalities or 45% of cases. It so reiterates that the strongest examples of participatory platforms and popular demands have historically linked PT to the emergence of the PB. On the other hand, the form of governing decisions centred on the public budget does not apply to all PT local administrations. Only 27.5% of municipalities managed by PT have adopted the PB during the latest period (150 of the 544 municipalities).<sup>24</sup> It is known that PB construction derives not only from political will, but also from objective and subjective conditions of local historical contexts. However, the centre of the original anti-hegemonic PT project, based on participative democracy, seems to have lost its initial impetus from the 1980/90s. This phenomenon may be linked to changes that the party suffered in the last decade when it reached the presidency of the country.<sup>25</sup>

Despite the expansion of the party spectrum in the PB adoption and the small loss in relative weight of the PT, it appears that progressive or centre-left political forces sponsored the vast majority of cases. Even knowing that at the local or regional level the historical ideological incoherence that characterizes the Brazilian party system<sup>26</sup>, is exacerbated, the attempt at putting together the PB cases by ideological positioning indicates that 53.8% are managed by left or centre-left parties, 33.2% by centrist parties, another 6.2% and 6.8% by centre-right and right associations, respectively. The centre-left bloc has the majority in almost all ranges of population size in municipalities with PB, with the exception of the smaller ones, with up to 10,000 inhabitants, most of which are managed by centre parties. The cities with more than one million inhabitants with PBs are run by centre-left or centre parties (Table 4). There are no significant differences between the ideological spectrum of parties and urban or rural contexts where the self-denominated PBs are implemented. The centre-left bloc has the majority in both socio-demographic contexts.

In general, the data reiterates the trend (also found in the previous national survey) of greater commitment to participatory practices in the budget process by political parties with a progressive nature and of the left. As can be seen, however, the platform for the ‘radicalisation of democracy’ advocated by these party organisations, does not seem to find strong empirical evidence, if one considers the ratio between the number of municipalities governed by these parties (PT, PCdoB and PSB) and the number of cases of participation in budget decisions – a centrepiece to power relations between the State, civil society and the market.

#### *The PB and the different economic, financial and social contexts of municipalities*

The collected data was crossed with municipal variables in order to verify the relationship between PB cases and the characteristics of the municipalities where they occur. Several variables were considered: the wealth produced, the revenue budget and municipal development, respectively, GDP per capita, fiscal revenue per capita, and the IFDM ranking (index of the Federation of Industries of the State of Rio de Janeiro for Municipal Development – FIRJAN)<sup>27</sup> (RBOP, Technical Report, 2012).

In the first case, the objective was to identify the existence of a relationship between the level of wealth in cities and PB adoption. As for revenue per capita, the objective is to explore a possible relationship between concrete conditions favouring participation and the existence of PBs. However, the relationship between municipalities with PB and the IFDM aims to explore the different contexts of economic and social development where these participatory practices occur. It should be stressed again that the aim is not to measure the effects of participation but to hypothetically explore relationships between PB adoption and the local development context.

The results show the existence of self-denominated PBs in all GDP ranges per capita (Table 5). However, the majority of cases (60.6%) occur in locations with high GDP per capita (over R\$ 10,000) (R\$1.0 = \$E2.6). The data suggests that the level of economic development of municipalities favours the construction of PBs.

**Table 4** Socio-demographic ranges of municipalities with PB and their ideological spectrum

Source RBOP (2012)

POPULATION	LEFT AND CENTRE-LEFT	CENTRE	CENTRE-RIGHT	RIGHT	TOTAL
up to 10	33,0	53,4	3,4	10,2	100,0
from 10 to 50	56,1	30,1	7,3	6,5	100,0
from 50 to 10	63,3	22,4	6,1	8,2	100,0
from 10 to 250	68,6	19,6	5,9	5,9	14,0
from 250 to 500	58,6	31,0	10,3	0,0	100,0
from 500 to 1 milhão	75,0	12,5	12,5	0,0	100,0
+ 1 million	57,1	42,9	0,0	0,0	100,0
<b>TOTAL</b>	53,8	33,2	6,2	6,8	100,0

<sup>25</sup>On the changes in ‘spirit’ in PT’s programme, see Singer (2012). On the transformations that the theme of participation has suffered in national and international agendas, see Revista New Moon, no.84 (2011) and Gurza Lavalle (2011).

<sup>26</sup>The following classification of parties by ideology was adopted: left or centre-left: PT, PSB, PCdoB; centre: PMDB, PDT, PV, PL, PR, PRB; centre-right: PSDB, PPS, PSD; right: PP, DEM, PTB. This classification is arbitrary considering their positions on public policies and political alliances at a national level. As previously mentioned, a tradition of great ideological dissociation and practices within the parties themselves and in coalitions signed on different occasions in the federation, with variations in each particular electoral case, has been longstanding in Brazil.

<sup>27</sup>The choice of IFDM is due to the fact that not all municipalities had information on the HDI after 2005, during which many cities suffered impacts on their economic and social development, particularly in the Northeast, which could create comparative distortions. The HDI comes from the following criteria: a) life expectancy at birth b) education, c) income. The IFDM, besides the education and health indexes, already includes economic criteria, such as employment and income. The IFDM is measured on a scale from 0 to 1. The closer to 1, the higher the level of development (Technical Report, RBOP, 2012).

**Table 5** GDP per capita and percentage of cases of PB

Source RBOP (2012)

GDP PER CAPITA R\$	CASES	%
up to 5.000	53	16,4
from 5.000 to 10.000	74	23,0
from 10.000 to 20.000	123	38,2
above 20.000	72	22,4
<b>TOTAL</b>	322*	100

**Table 6** Budget revenue per capita and the PB

Source RBOP (2012)

BUDGET REVENUE PER CAPITA R\$	CASES	%
up to 1.000	74	21,0
from 1.000 to 2.000	216	61,2
from 2.000 to 3.000	43	12,2
above de 3.000	20	5,7
<b>TOTAL</b>	353*	100,0

<sup>28</sup> “PBs have had an impact on the reduction of poverty indexes in municipalities where it has been implemented for over a decade. This impact occurred despite a reduction in GDP per capita in these municipal governments, suggesting that the PB may have contributed to a long-term redistribution. Moreover, the impact on access to clean water and sanitation is positive for all municipal governments that have adopted the PB” (IBRD, 2008, p.10).

The value of income per capita provides a general indication of the potential that the government has to meet the demands of its population. The higher this value, the greater the capacity of the municipal administration to invest and maintain public services (Multi Cidades, FNP, 2012). The results show similarities and differences in GDP per capita. The PBs are present in all classifications, where 21% (74 cases) occur in situations with limited revenue, that is, up to R\$1,000 per capita. However, most cases (61.2%) are in an intermediate position (between R\$1,000–2,000 per capita), a range that includes the average of the income per capita in 2011 of the country’s municipalities (R\$1,884.96) (Multi Cidades, FNP, 2012). A further 17.9% occurred in cities with income per capita above the national average (over R\$2,000), of which 5.7% (20 cases) were in regions with income per capita above R\$3,000. In summary, the greatest percentage of PBs (79.1%) developed within local contexts where the revenue per capita is close to or higher than the municipal national average. In principle, the data supports the crucial importance of financial governance as a condition for the construction and sustainability of PBs.

Finally, crossing between the PB cases and the national ranking of municipalities by the IFDM shows once again that the self-denominated PBs are present in the broad spectrum of development levels of the country’s municipalities. The data suggests the variety of contexts where this democratic innovation develops (Table 7). But, as will be seen next, the national PB distribution, as far as local development levels, is not homogeneous.

Most cases (67.1%) are found up to the intermediate position in the development ranking (2,500 of the 5,565 country’s municipalities). Furthermore, among the 355 existing PBs, only eight are classified with an index equal to or less than 0.5 (IFDM = from 0 to 1). Considering the relationship between the number of PB cases (Table 7, second column) and the number of municipalities in each position of the IFDM ranking, there is a trend towards greater democratic budgetary practices in the best positions of the IFDM ranking (% last column of the same table). In other words, more developed municipalities in economic and social terms have stronger PBs. It is not possible to determine the significance of this relationship, i.e., whether it represents the effects of participation or whether, on the contrary, it shows a facilitator context for its development. In the latter case, it is assumed that the more developed contexts contain higher volume and types of capital available from players (Bourdieu, 1980), although marked by an unequal position in the social structure of cities.

It is not possible to determine the significance of this relationship, i.e., whether it represents the effects of participation or whether, on the contrary, it shows a facilitator context for its development. Without underestimating the possible effects of PBs on the social development of municipalities, as stated in the research by the World Bank on PBs in Brazil<sup>28</sup>, it is much more likely that this relationship indicates conditions (economic, financial and social) that favour participation in the public budget. This assumption makes it more difficult to create a universal Participatory Budget as part of the planned decentralisation provided since the Constitution of 1988, and as a way to promote the right to the city and the access to public policies.

\*Inexistent data for the 355 municipalities

### Final considerations

This article focused the historical context that brought about the start and subsequent expansion of Participatory Budgets in Brazil, and how it is related to characteristics that make up the reality of the municipalities where they take place. As seen, since the emergence of this democratic innovation, it has spread to a number of municipalities, regions in the country, demographic contexts and party spectrum. This trend of expansion of self-denominated PBs seems to be related to the local contexts of greater economic development, higher income per capita and better social indicators. The data reinforces the possibilities and the importance of participatory democracy in the Brazilian development model which is historically exclusionary and authoritarian. On the other hand, the results indicate serious limitations to the possibilities of participation – as a means to democratise the application of public resources – in local contexts and underprivileged regions of the country. The general analysis of local characteristics where PBs take place in Brazil may suggest the replication of inequality of opportunities in the expansion of political participation focused on the democratisation of the public budget.

Finally, it is important to say that over the past two decades since the emergence of the PB in the country, there have been a variety of experiments – in terms of institutional design and sustainability – that reflect different degrees of quality and depth. Therefore, they need to be analysed according to the real empowerment of citizens, the rules of the game adopted and how they are applied, the social players that are included, the effectiveness of these processes and relationships with other participatory bodies that regulate the possibilities of access to cities. These are issues to be analysed in the second stage of the research presented.

**Table 7** IFDM classes and PB distribution

percentage

Source RBOP (2012)

CLASSES IFDM RANKING	CASES	% PB DISTRIBUTION	% PB BY NUMBER OF MUNICIPALITIES IN IFDM RANGES
1 to 50	10	2,8	20,0
51 to 500	85	24,1	18,8
501 to 1000	39	11,0	7,8
1001 to 2500	103	29,2	6,8
2501 to 4000	79	22,4	5,3
above 4000	37	10,5	2,3
<b>TOTAL</b>	353*	100,0	-



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# THE EMERGENCE OF THE PARTICIPATORY BUDGET AND ITS EXPANSION IN BRAZIL: ANALYSING THE POTENTIAL AND LIMITATIONS

## *Introduction*

The emergence of participatory institutions in Latin America is currently a consistent phenomenon that has given rise to a wide range of publications (Santos, 1998; Abers, 2002; Dagnino, 2002; Avritzer, 2002; Fung and Wright, 2003; Wampler and Avritzer, 2004; Baiochi, 2000; Villar, 2006; Bebbington, 2006; Ziccardi, 2004; Seele and Peruzzotti, 2006). The establishment of democratic regimes in the region has opened doors to explore new means of civic participation that widen and reinforce the role and voice of citizens in the political decision-making process. Participatory mechanisms have the role of complementing electoral mechanisms with new channels of communication between public authorities and civil society in order to deepen democracy, going beyond a basic understanding of democratic participation that characterised realist or elitist views on the political process. In this sense, the continent has become a rich field of institutional experimentation in which different types of participatory designs are developed and implemented.

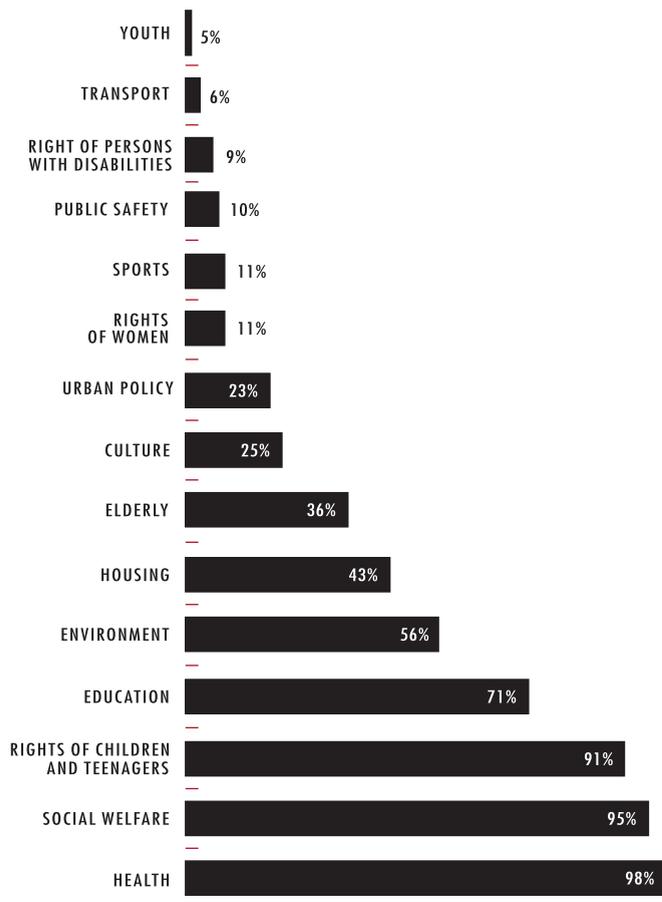
In fact, it is not difficult to mention examples of institutionalised forms of participation that exist in Latin America today: Policy Councils in the areas of health and social welfare (Schattan, 2004), participatory planning (Caldeira, 2004), civic monitoring and participation on environmental issues (Abers, 2004; Paré y Robles, 2003) and social policies (Ziccardi, 2004), the emergence of social accountability mechanisms (Peruzzotti and Smulovitz, 2003, 2006; Isunza, Vera, Olvera, 2003), the approval of national laws for participation, are some examples of the variety and diversity of mechanisms directed at promoting the participation of previously demobilised sectors of society. Nonetheless, among all formats that were developed over time, it can be said that the Participatory Budget is the one that attracted most attention from governments, bureaucracies and even Institutions and International Organisations such as the World Bank and the UNDP/UN.

## *Keywords*

Participation  
Budgetary procedure  
Participative  
Budgetary  
Budget

**Graph 1** Percentage of Municipal Councils in Brazil

Source Search for Basic Municipal Information  
– IBGE, 2001



<sup>1</sup> The Participatory Budget was exported to Western democracies as a manner of dealing with the lack of civic engagement in public life. However, what was actually introduced were some aspects of the Participatory Budget experiment, especially the opening of local governments to still very limited and occasional forms of responding to citizens. What seems to be lacking in most cases, are the ‘bottom-up’ elements, which constitute the most important part of the programme, and generate more contributions towards civic engagement and democratic life (Baquet and Sintomer, 2005; Chavez, 2006).

The Participatory Budget (PB) is a local participatory policy that responds to the demands of the underprivileged sectors of the population for a fairer distribution of public goods in Brazilian cities (Avritzer, 2002a; Wampler, 2003; Sintomer, 2005; Vaz, 2011). It includes social players, members of neighbourhood associations, and ordinary citizens in a process of negotiation and deliberation divided into two stages: the first stage where participation by the interested parties is direct and occurs within regional assemblies, and a second stage in which participation is done through the constitution of a council or delegate forum.

Since it was introduced in Porto Alegre in 1990, the PB became known worldwide and has spread successfully to other parts of Brazil (Avritzer and Navarro 2003) and Latin America (Echevaria 2004; Peruzzotti 2005). Since the year 2000, the PB became one of the most important experiments of participation in democratic Brazil, if we consider its political impact in Brazil and abroad. Though it was initially associated to the administrations of the Workers’ Party (PT), the programme spread to several important administrations and, since 1997, the number of experiments linked directly to PT dropped to 43% of all initiatives, which are now linked to a more general left wing group. In 2008, Brazil had 192 PB experiments linked to various parties. We can say that the PB has been a distribution policy with an extensive penetrating power in Brazilian, Latin American and even European municipalities<sup>1</sup> (Allegretti, 2007).

The aim of this work is precisely to make an analysis of the potential and limitations of the PB’s ability to spread and penetrate within the intricacies of public administration in Brazil. If it is true that the experiment has spread in numbers and different locations and economic and socio-political contexts, is it possible to say that it did so keeping the same homogenous institutional engineering, or has that structure tended to adapt to the setting of implementation? What changes can be identified? In order to do this analysis, data was used from research conducted in 2008 by the Participatory Democracy Project, centre of studies at the Federal University of Minas Gerais (UFMG), funded by the World Bank, whose aim was to survey the PB experiments in Brazil at the time.

The next section focuses on an analysis of the spread of the experiment in Brazil, especially its distribution on national territory and municipalities with relatively different characteristics in socio-political and economic terms. In the second section, a comparative analysis of the main institutional features of the PB was performed, based on the different experiments analysed. The last section is devoted to final considerations.

### 1. The Participatory Budget within State-Society relations in Brazil

Latin America has always had a high degree of social mobilisation, civic activism and protest (Dagnino et al, 2006). There is an extensive number of publications on containment policies and social movements to explain the various forms of collective action taken over the years (Eckstein, 1989; Germani, Roberts, 1998; Stokes, 1995): national popular movements, urban and rural guerrilla, patronage networks, demonstrations, street protests and strikes, are some examples of different channels through which civic engagement is expressed in different national contexts

and periods. Many of these forms of collective action developed outside existing institutional structures: some openly defied democratic institutions such as forms of armed demonstrations, some contributed to destabilise democratic governments, such as the recent street protests in Argentina, Bolivia and Ecuador, while others are conducted alongside democracy ambiguously, such as the duration and strength of patronage forms of articulation seen in the region.

The consolidation of democracy made possible a new path to democratic participation that, at least in principle, expects to increase and strengthen democratic representation. The addition of arenas and innovative mechanisms for civic engagement in recent years has been largely driven by consensus for developing more fluid and close links between civil society and the political system. Since the early 90s there was a strong proliferation of institutionalised forms of local participation in Brazil. These institutions constitute one of the main results to be seen of the action of specific social movements of the late 70s and early 80s, the final period of the dictatorship (Avritzer, 2006; Coelho, 2004; Abers and Keck, 2007; Doimo, 1995). There was a strong demand for participation and socio-political inclusion at the time in the country, very much as a result of the relationship between the State and civil society, and typical of the dictatorship (Kowarick and Bonduki, 1988). This demand was directed precisely towards the inclusion of civil society in deliberations on issues relating to the formulation of public policies in specific areas<sup>2</sup> (Abers & Keck, 2007; Doimo, 1995; Habert, 1994).

Current data reveals that today in the country, there are, for example, more advisors than councillors and that, in some cases, such as the PB, the number of participants reached 180,000 people (Avritzer, 2007). IBGE data indicates that over 90% of the country's cities already have Public Policy Management Councils whose existence is mandatory for the transfer of funds from the Federal Government, in relation to the specific subject area where they are to be applied<sup>3</sup> (Chart 1). Furthermore, and according to Cunha (2004), by adding all existing councils one can estimate that there are 1.5 million people acting in these spaces, a number that, as pointed out by Avitzer (2007), exceeds the amount of current councillors.

A result of political and ideological conceptions of a particular political party, notably the Workers Party (PT), was that the PB started acquiring great relevance as a participatory experiment in the late 80s through the potential it had of citizen inclusion in matters of public nature (Vitale, 2004; Keck, 1992; Avritzer and Navarro, 2003; Avritzer, 2002). The kind of institutional framing brought about by this experiment, with a 'bottom up' participatory design (Fung and Wright, 2003; Avritzer, 2009), led many theorists of democracy, both from the North and South, to devote greater attention to Brazil as a relevant empirical case of actual introduction of 'social control' in public management (Santos, 1998).

The experiment has spread significantly in Brazil over time if we consider that it was through institutional engineering which implied, among other factors, not only the political will to implement it, but adaptability of bureaucracies for its execution (Vaz, 2011). In numbers, the PB went from 13 experiments in the year of its creation to 201 cases in 2008 – Table 1.

The relevance of the numerical expansion of the experiment is not trivial, as has

**Table 1** Number of Participatory Budget experiments in Brazil, as a PT initiative or not – Brazil, 1989–2008

Source Avritzer et al, 2008

POLITICAL TERM	PB	%PT	%PMDB	%PSDB	%OTHERS RIGHT	%OTHERS LEFT
1989–1992	13	92%	3,4%	–	–	–
1993–1996	53	62%	–	–	–	–
1997–2000	120	43%	11,7%	15,9%	9,1%	20,3%
2000–2004	190	59%	17,5%	11,6%	2,7%	9,2%
2005–2008	201	65%	18,5%	10,5%	1%	5%

<sup>2</sup> Particularly in the mid 70s, specific social movements began to acquire certain importance in the national political scene. These movements were fighting and protesting against the centralisation of power in the military in favour of a system in which decisions were given back to citizens (Boschi, 1987; Avritzer, 2006; Coelho, 2004; Abers and Keck, 2007; Doimo 1995). These decisions relate to various subjects, aspects and issues pertaining to the regulation of social life and whose centre resides ultimately in government spheres (Coelho, 2004; Avritzer, 2006). An example of this was the action of the Sanitary Movement, composed of health professionals and experts, demanding the extension of the right to healthcare to the entire Brazilian population, beyond the instances where there was public participation in defining policies for the sector (Coelho, 2004).

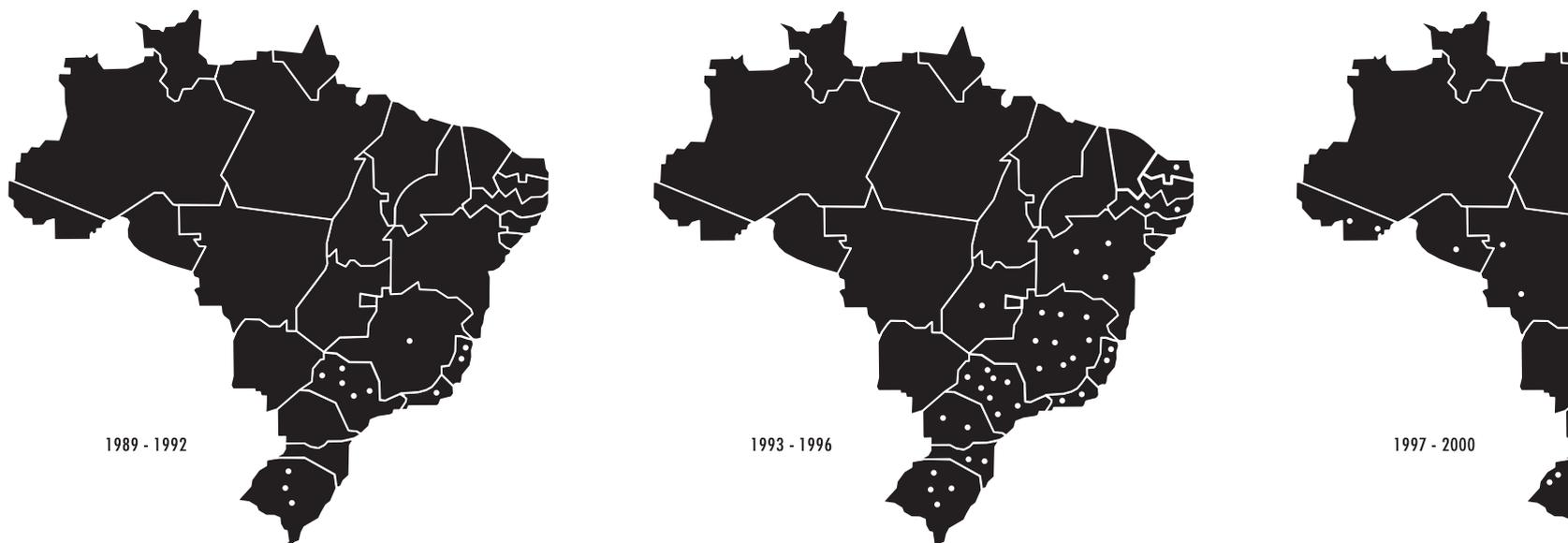
<sup>3</sup> There are three specific Management Councils whose presence is required for the transfer of funds from the Federal Government regarding the policy to which they are bound. These are the councils for Health, Social Welfare and the Rights of Children and Teenagers (Gohn, 2001).

been said. After all, the programme's adoption and implementation implies significant transformation and commitment from local bureaucracies. There is a need for all sorts of resources to be directed at the programme, whether financial or material, specialised human resources, composed of a technical-bureaucratic body not only willing but also able to undertake relationships with society as far as planning policies and programmes are concerned. Among the Brazilian cities with PBs that were analysed, the first point is that they all focus its implementation in administrative bodies that have high importance in public management, which is the Planning Office in 36.4% cases, and even the Head of the Executive in 63.6% of cases. Both the allocation of funds and of staff to the project, are procedures that receive great support at this level. However, in most cases (more than 60%), the operation is directly subordinate to the municipal authority, which mainly implies more independence to make up such a process. Even so, it is worth noting that important cases such as Porto Alegre, Belo Horizonte, Vitória and Fortaleza are those in which the PB is connected to the Planning Office, which involves its implementation in line with the general public city planning through the action of technicians and skilled personnel that make up teams and operate the programme.

At the same time that it demands commitment and bureaucratic-institutional engineering for its functioning, the programme is characterised by not being mandatory, especially considering the lack of specific regulatory and legal provisions to regulate it, as is the case in the Managing Councils for Public Policy (Vaz, 2009). In most of the analysed cases (54.5%) there is a formal instrument that governs the PB's operation, the Rules of Procedure. However, this document does not say anything about the creation and continued existence of the programme. In any case, cities that have rules of procedure for the PB are better organised than cities that do not have any formal document for the programme's organisation, including its operation. A different situation, however, can be found in a significant percentage of cases (36.4%) in which there are specific laws that already regulate the programme's operation.

*Map 1* Country distribution of the Participatory Budget experiments in Brazilian municipalities, according to political terms - Brazil, 1989-2008

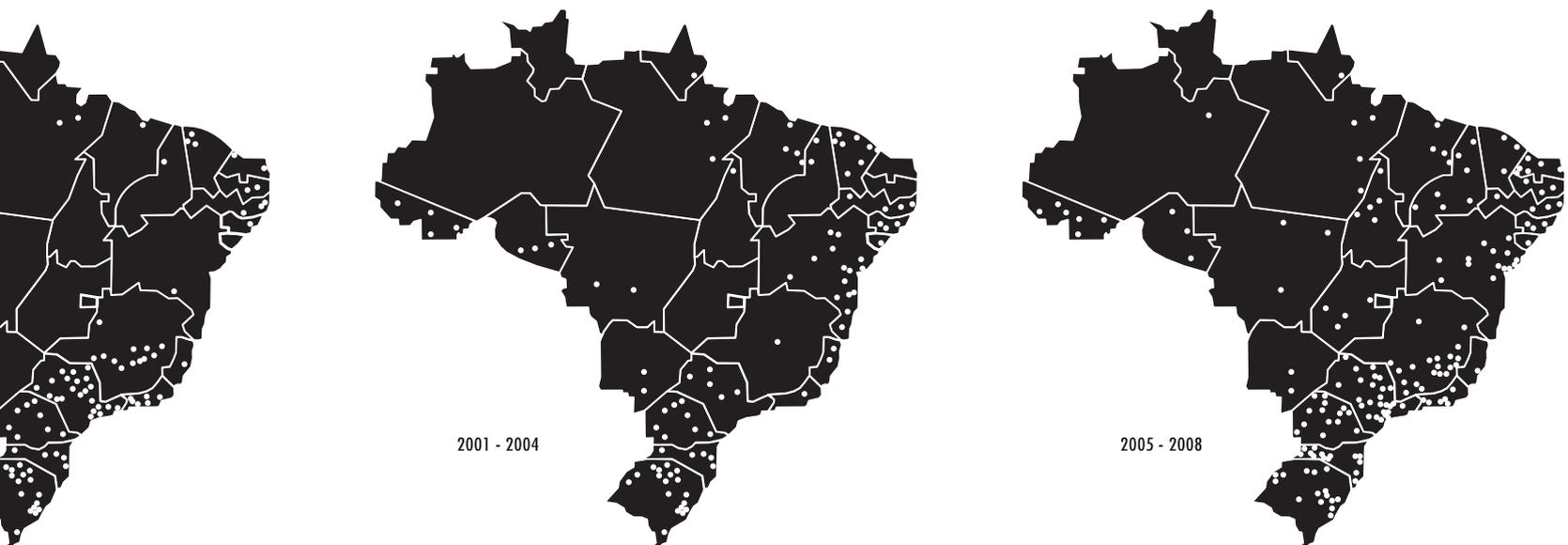
Source Avritzer et al, 2008



Considering these two important features of the PB, on the one hand, that it requires a significant institutional apparatus and, on the other, that it depends mainly on the government's choice to do it, the finding that over time the PB has been increasingly implemented by different political parties other than the one that instituted it as government policy, is worth mentioning. If we consider the 1997–2000 administration, for example, we note that almost 16% of PB experiments at the time were adopted in municipalities where the mayor's political party was the PSDB, which is a centre-right acronym, in opposition to PT. Furthermore, one can't help but notice that in this same legislature more than 9% of experiments were structured by other right-wing parties. It seems that this configuration did not result from mere political-institutional chance, since when we analyse the last term available (2005–2008), a relatively high percentage of PB experiments structured by PSDB (10.5%) can still be identified, as well as almost 20% by PMDB, another Brazilian centre-right party.

Besides the numerical expansion and what we call 'political diversification' of the Participatory Budget (as seen above), it also is interesting to analyse the experiment in terms of its geographic and territorial expansion.

Over the past 20 years since its inception, the Participatory Budget has expanded not only numerically, but also in a unique pattern of territorial distribution. At the beginning of its implementation, during the 1989–1992 term, there is a clear concentration in the southern region of the country – Map 1. This concentration is not surprising, as the programme first started exactly in this region. Over time, however, we observe the exact opposite distribution pattern of the programme, based on the dispersal of experiments from the South to the rest of the country. In the period between 2005 and 2008, the spread of experiments was clearly observed not only to the Southeast region of Brazil, known as the most populous and urbanised in the country, but also to the poorest and most deprived areas, such as the Northeast and the North.



In fact, the Participatory Budget is a programme designed for the poorest sectors of the population to have access to decisions on urban public policies, and it appears that its expansion has been outlined by responding to the relatively poorest municipalities of the country. Initially, the PB adoption occurred in municipalities with high quality of life, if we take into account as a parameter the Human Development Index (HDI). This index measures quality of life through specific indicators such as longevity, education and health of a given population, using a scale ranging from 0 to 1, where 0 is no quality of life and 1 is optimal quality of life. An HDI value above 0.8 indicates a high level of human development, where values below this threshold to 0.6 indicate medium level of human development.

In Brazil, only 10% of municipalities have HDI above 0.8, according to the Human Development Report of UNDP/UN 2005. It is interesting to note that in 1997–2000, 42% of PB experiments were concentrated in municipalities with high HDI and that this percentage has declined over time, reaching 34% in the 2001–2004 term, and 29% in the 2005–2008 term. This dispersal of cases of municipalities with PB and a high HDI, and therefore the increasing adoption by municipalities with medium HDI, can be explained by the pattern of territorial expansion of the programme that, as shown above, is emerging in regions known as the poorest and most underprivileged in Brazil, especially the North and Northeast. It is worth mentioning that at the same time, the pattern of PB adoption seems to converge in the same direction as the original foundations and bases in the creation of the programme, to enable the poorest of the population access to certain public goods and services.

Based on the questions submitted for the programme, it is possible to make some important considerations regarding its creation and expansion. Brazilian municipalities are increasingly adopting the Participatory Budget and its numerical growth is relevant from the point of view of the institutional management and investment that its implementation involves. Another factor that seems to attest the importance of the programme is that its adoption appears to be increasingly independent of acronyms and/or political orientation, which is verified by its implementation by opposing parties from the one that originally conceived and established it, as in the case between PSDB and PT. Finally, the PB has been adopted by cities in all regions of Brazil and it is interesting to note that there is a tendency for this to be done by municipalities with relatively low HDI within the Brazilian scope. Based on these findings, it would be interesting to also analyse how the programme has been organised institutionally in these new territories.

## *2. Prospection of characteristics of successful PB cases*

The perspective of the analysis and implementation of the Participatory Budget can be achieved, at first, through the systematisation of the characteristics of Brazilian cities that factually work with the programme. This section is specifically dedicated to this task, based on the study and analysis of some variables that underpin the programme. These variables were divided into two specific scopes. Firstly, the ‘dynamics of the PB’ which includes a discussion of specific factors of the programme that contribute to its success, and secondly, the ‘PB’s supervision and evaluation,’ in which the actual impact of the programme in the municipalities where it is adopted is debated.

### 2.1 Dynamics of the PB

One way to analyse the Participatory Budget refers to the execution cycle of the programme. The PB's execution cycle is the number of meetings that define the final list of priorities for the implementation of the budget. In annual cycles, for example, the process of regional demands and the final decision in meetings between regional representatives and municipal staff occurs within one year. Therefore, a list of projects to be executed is approved annually. Most cities that implemented the PB to date opted to do it on an annual basis; among these are Porto Alegre, Belo Horizonte, Recife and Fortaleza.

The coordination of cycles depends on the management capacity of those in charge, whether for planning schedules, or for a final stage of implementation of the approved projects. Among the cases analysed, the cycles are distributed as shown in the table 2.

As can be observed, the majority of cases adopt an annual cycle as a planning element in the implementation of the programme. The annual cycle adds, on the one hand, greater dynamics to the programme, allowing for the approval of various works during one term, for example. However, on the other hand, it requires greater commitment and administrative organisation, as the schedules must be strictly followed, both in the discussion stage, as well as in the implementation phase of projects. The risk of implementing an annual cycle is the eventual overlapping of works from one cycle to another, for example, approving works in a given year without even having begun the works from the previous one.

In this sense, it is possible to observe that some cities have opted for a larger cycle for the programme's implementation, with a significant percentage (36.4%) running it biannually. Here we find important cities like Belo Horizonte, Guarulhos and Victoria that attach a larger timeline for conducting discussions, and especially, the real capacity for meeting demands. The fact that Belo Horizonte and Vitória had adopted an annual cycle for a time but decided to change it, is an example that reinforces this argument. Thus we see that although the annual cycle is chosen by most cases, cities where the PB is successful in the long-term are trying to adopt the biennial cycle, reinforcing the importance not only of the discussion stage and investment prioritisation, but mostly the implementation stage of these priorities, recognising the need for a greater diligence in this step.

A final factor that contributes to the PB's organisational and administrative capacity is related to the decentralisation of the programme's implementation. Its main aim is to democratise the population's access to specific public projects, especially in the case of those regions that have little urban infrastructure. Therefore, by adopting a participative methodology to the prioritisation of investments, the need to "give voice" to citizens arose, ensuring the possibility of the participation of all in the process.

Cities that implemented the PB according to this need, developed strategies for decentralisation of decision-makers, especially in the case of those with larger populations. Porto Alegre and Belo Horizonte, since the beginning of the experiment, adopted a sub-regional implementation of the programme, dividing the city in planning regions (Avritzer, 2002). The methodology for the PB's implementation was formulated based on this sub-regional division, which in the case of Porto Alegre, had 16 planning regions (Marquetti, 2004), and Belo Horizonte had 9 regions (Belo Horizonte, 2000). In the latter, the city's Master Plan (1995) defined 81 spatial units called Planning Units<sup>4</sup>

**Table 2** Number of PB experiments and duration of execution cycles – Brazil, 2008

Source Avritzer et al, 2008

	PERCENTAGE
ANNUAL	54,5
BIENNIAL	36,4
QUADRENNIAL	9,1
TOTAL	100,0

<sup>4</sup> The criteria for defining these spatial units were: a) the homogeneity of the pattern of land use, b) continuity of occupation c) boundaries of administrative regions of the municipality d) limits of major physical or natural barriers (Belo Horizonte, 2000).

**Table 3** Number of PB experiments according to sub-regional execution or not – Brazil, 2008

Source Avritzer *et al*, 2008

	PERCENTAGE
NO	9,1
YES	90,9
TOTAL	100,0

(PU). Each PU was responsible for a certain area of the city with regard to planning meetings and setting priorities to be voted within the programme (Pires, 2003; Avritzer, 2002).

Decentralising the programme allowed it to be open and to be taken to almost all areas of the cities. In the cases analysed, it was possible to identify a similar movement, as seen in the table 3. In virtually all cases, the PB is executed in a decentralised manner. Note that only in one case, Maragogipe, there has been no decentralisation and that precisely this case has a smaller population, with approximately 21,000 inhabitants. In this sense, one can say that, though decentralisation is important, it is not necessary and/or required, as far as the population size of municipalities is concerned, since Maragogipe is a success story in which this factor is not present.

Regarding the scope of the ‘Existence and organisation of PB’ it is therefore possible to make some observations about the characteristics and patterns of successful cases analysed here. Firstly, although the existence of a law that determines the programme’s implementation is important to confer stability and formalism, it does not necessarily guarantee the success and/or operation of the process.

Actually, it is still subject to the manager’s political will, as the financial and human resources allocated to the programme are crucial to its implementation. Therefore, cases where there are laws of formalisation but no allocation of resources will tend to fail, because the PB requires real resources and personnel in order to be implemented. Secondly, the distributive capacity of the programme is closely related to its administrative capacity, especially in meeting established goals and objectives.

On the one hand, cities that adopt annual cycles tend to approve larger number of projects, but on the other, tend to be those with a larger risk of not implementing these works and overlapping them with works from a previous year. In this sense, biennial cycles tend to have a greater degree of assurance of effective implementation/completion of works approved on paper and this has been the choice for a growing number of PB managers. Thirdly and lastly, administrative decentralisation is a useful strategy to help discussions actually reaching all citizens in a given territory. However, it is not mandatory because, as seen before, smaller cities like Maragogipe eventually execute the programme successfully without this step.

Based on the access to public goods, the PB has usually directed its focus towards the prioritisation of urban infrastructure works. The demand for this type of work in Brazil is not only remarkable, but can be said to be of extreme relevance, a result of the increase in unplanned urbanisation of the last decades. It is correct to say, however, that this is not a ‘privilege’ of the country. In the report ‘State of World Population 2007,’ the United Nations Population Fund (UNFPA, 2007) warned that, on the one hand, estimates predicted that in 2009 the world’s urban population would surpass for the first time the rural population, and on the other hand, urban planning policies were virtually nonexistent, against this percentage of growth. The result would be urban agglomerations with an increasing number of citizens without access to basic public services such as sanitation, electricity, among others. This warning had already been given, vehemently, in another report four years earlier (2003) regarding the growth of slums, where, based on data collected, a third of the world population lived (UNFPA, 2003).

As a way of dealing with this problem of unplanned growth of urban centres and exclusion of a large part of the population from basic services and public goods, the PB’s methodology is introduced based on two specific pillars. First, using objective criteria for the allocation of public

investment in these areas. Belo Horizonte, in the last two decades, has made efforts to create and refine a specific index of public investment that became known as IQVU, Index of Quality of Urban Life. It is composed by variables and indicators of various dimensions, from housing to citizen purchasing power, and through weighting techniques, can effectively map the locations within the city that should be prioritised for a particular type of resource.

In addition to this index, another one has also come about, which is called the IVS, Social Vulnerability Index. Through it, one can ‘measure’ the degree of vulnerability of individuals and families in the territory, facilitating decision-making with regard to directing public investments (Avritzer and Pires, 2004). In Table 3, we can see that for smaller intervals of the IQVU, that is, for places where the index showed a larger exclusion regarding access to basic services, the level of investment over time increased in Belo Horizonte (Pires, 2003). Clearly it is possible to observe a correlation between the ‘decrease’ of the index and the increase in investment.

esides the use of objective criteria for directing public investment, the PB is run by the prioritisation of another criterion of great importance to the democratisation of access to basic services: the direct participation of the poorest sector of society in the decision-making process. The possibility of participation in prioritising investment is an improvement over other policies in public investment, since it ‘gives voice’ to those that are really the most underprivileged.

Therefore, the PB operates not only with the objective use of the aforementioned indexes, but also directs this objectivity to the poorest sectors, democratising budgetary decisions in force. It is interesting to observe that the combination of these two criteria not only gives greater legitimacy to the process, but also presents actual results from a practical standpoint. In the city of Porto Alegre, Marquetti (2003; 2005) showed that the percentage of public investment tends to increase as a greater degree of poverty in the city’s regions is observed.

In order to achieve a perspective on the implementation of the PB, it is therefore important to note the use of these two criteria for targeting and planning public investment. Success stories of PBs are exactly those in which this movement is clear. The table below shows the criteria for resource distribution of the cases analysed in table 5.

The use of an objective criterion for the distribution of resources is the priority for most cases, as shown. In particular, it is worth emphasising the use of IQVU as a base index for this process, that can identify the ‘needs’ of regions as far as access to public goods is concerned. Right after this, the most used criteria are participation and social policy. It is worth noting that they are just as important for the realisation of the programme, and act as pillars of support and of democratisation in what regards this index. This data only reinforces the statement that the PB implementation tends to be based on these two elements: the objective criterion for directing resources and the criterion of participation, towards the democratisation of investments.

## 2.2. PB Supervision and Evaluation

PB is a programme for the distribution of public resources aimed at democratising budgetary decisions, mainly because of the so-called underprivileged, or the poorer class. In this sense, its main purpose, as has already been stated, is to provide access to basic goods and services to those citizens that are territorially excluded (Avritzer and Pires, 2004). The possible impacts

**Table 4** Distribution of Participatory Budget investments according to the degree of vulnerability of regions in the city of Belo Horizonte/MG - 2003

Source Pires, 2003

IQVU INTERVAL	INVESTIMENTO AVERAGE RATE MÉDIO (RS)	PUBLIC WORKS AVERAGE RATE
0.570-0.645	93374,2	0.50
0.491-0.550	307255,16	0.84
0.463-0.488	1185151,45	2.08
0.423-0.456	1075192,25	2.44
0.384-0.415	1149208,65	1.73
0.328-0.368	1221302,76	1.82

**Table 5** Criteria for distribution of resources

Source Avritzer et al, 2008

	PERCENTAGE
REGIONS SCARCITY / ULQI	63,6
SOCIAL POLITICS	18,2
PARTICIPATION	18,2
TOTAL	100,0

**Table 6** Percentage of PB experiments with supervising bodies – Brazil 2008

Source Avritzer et al, 2008

	PERCENTAGE
NO	27,3
YES	72,7
TOTAL	100,0

**Table 7** Number of PB experiments that have assessment mechanisms on the impact of their activities – Brazil 2008

Source Avritzer et al, 2008

	PERCENTAGE
NO	54,5
YES	45,5
TOTAL	100,0

on the population are therefore significant. Also, the whole execution of the programme is linked to the participation of the underprivileged, not only in the phase of definition of works and investment priorities, but also in the monitoring and real supervision of the achievement of its mission.

The inspection of public actions is potentiated in the PB due to the possibility of direct citizen participation in its meanderings. This is generally referred to in publications as ‘accountability,’ attributing it to a necessary ‘rendering of accounts’ that governments owe society with regard to their actions as administrators/managers of public resources and therefore directly responsible for decision-making processes in specific public policies (Peruzzotti, 2004). One could say that the programme’s success is very much linked to the supervision exercised by individuals of the actual implementation of the demands approved on paper. Therefore, success stories tend to be those that have specific supervising bodies, able to play this role, as seen in the table 6.

As can be seen, a significant percentage (72.7%) of cases have supervising bodies specifically for PB actions. In these cases, there is an effective supervision of the implementation of the demands presented and approved at the meetings, which tends to avoid overlapping of works between cycles. Belo Horizonte has a section called COMFORÇA, Committee for the Monitoring and Supervision of the Participatory Budget, responsible for monitoring approved projects within the programme, which meets regularly in various regional meetings, preparing and presenting reports on the state of the works.

Moreover, major cities like Porto Alegre, Recife, Guarulhos, Fortaleza and Osasco also have institutional monitoring bodies, each linked to the Council for the Participatory Budget. The chances that all the projects actually go beyond the planning stage increase as long as there is this supervision by participants in the PB. Nevertheless, it has been recently mentioned that a self-assessment programme is also a relevant variable for its proper operation, and can enable eventual ‘corrections’ in its operation. As a result, more and more cities are creating, besides the supervising bodies, assessment mechanisms for the impact of the PB in their respective territories.

The evaluation of public policies is a planning area that is still growing in Brazil (Marquetti, Field and Smith, 2008). However, in the case of the PB, it is increasingly important, besides the constant supervision of works. To assess the impact that the programme has on the city allows to direct actions and priorities for future investments, and enables the correction of some elements at an institutional level, concerning its own internal dynamics. The table 7 gives an idea of this indicator in the operation of the programme.

Although most of the cases analysed do not have assessment mechanisms for the impact of the PB, a significant percentage (45.5%) of cities have already created this mechanism. This is a recent movement that is gaining strength, as mentioned, including major cities such as Porto Alegre and Recife, which are pioneers in the programme’s implementation.

### *3. 1. Final considerations*

From the analysis of the Participatory Budget experiments in comparative terms, and based on 201 cases found in 2008, it is possible to draw at least four conclusions.

With respect to regional distribution, it is possible to observe two phenomena. The first is a relative decentralisation of the PB experiments in relation to the South and Southeast regions. These have continued to have a lot of experiments after 2004, but the spread of the PB occurs in other regions especially in the Northeast. Secondly, the PB no longer has such a significant presence in the major capitals of Brazil and is replaced by a strong presence in large cities that are not capitals. Probably the most important reason for this change is the excessive politicisation of political disputes in capitals that ended up transferring the PB to big cities that are not capitals.

There are more PB experiments in Brazilian cities with a high HDI. This seems to be a circular process. On one hand, it is not possible to argue that PB produces this increase in HDI. What is more likely is that the cities that are implementing PB are more politicised, and on the other, it contributes to maintaining high HDIs.

Thirdly, it is worth mentioning that the PB has kept its nature over time, with an adaptable and flexible institutional design. The fact that various experiments became biennial, or that the PB's administrative location varies from city to city, is a positive lesson that the PB experiment gained from Porto Alegre and was able to maintain. So in conclusion we can say that despite the PB having decreased its centrality in Brazilian politics, it remains a relevant experiment that guides public policy and local democracy. It is also the main inspiration for the discussions on the national system of participation that is ongoing in the country at this time. In this sense, it is still a new manner of linking institutional innovation and local democracy.

LATIN  
AMERICA

CHILE

PABLO PAÑO YÁÑEZ

# ANALYSIS OF PARTICIPATORY BUDGETING IN CHILE A REFLECTION OF THE NATIONAL PUBLIC POLICY EVOLUTION?

## *Introduction*

### *The process of PB in Chile as a micro-reflection on the contemporary socio-political evolution of the country*

Talking about the trajectory and the evolution of participatory budgeting in Chile during the last twelve years, since they first appeared, and even considering that these are experiments with a poor impact in national policy, is talking about the general trajectory in political terms, particularly the definition and role of the State. The particular Chilean context, nowadays marked by the return to formal democracy, has greatly determined the characteristics and conditions in which the participatory budgets have emerged and were implemented by some local administrations. If the country has endured a slow transition from the strong Pinochet dictatorship, and still presents remarkable weaknesses regarding its democratization, the implemented participatory budgets have abundantly reflected those constraints and were merely fragile local initiatives with poor socio-political impact, however much one may consider them as one of the programmes – if not the programme – that has introduced the greatest level of innovation and logical shift regarding the traditional way of doing in national politics, at a local level, in recent years.

Our thesis to associate the general background of national evolution, in political, economic, social and cultural terms, to a fragile, incipient and partial phenomenon as participatory budgeting is, is based on the consideration that the normative-legal frameworks, especially the economic, institutional and political-party systems, as well as socio-cultural framings have deeply marked the conditions that allowed a policy with this potential of democratization and social justice to be appropriated by local administrations. Even so, and despite these scenarios that have seriously restrained its impact, there are several signs, especially at the social movements level and, in a lesser extent, institutionally, of looking for a visible social transformation; among those signs, participatory budgets are the main practice of participatory democracy, which, institutionally, is one of the most important manifestations at a local level. In spite of the narrow structural framework determined by institutions, the potential of this tool, with the innovating approaches that characterize it, also causes changes that go beyond that traditional structure.

Although we will address the weaknesses over the strengths [of the process], this article is not a pessimistic one. It aims, rather, to contribute with a critical vision, realistic and constructive for the improvement of the processes, at the light of good practices that are perceived in the new arising initiatives, and that in a new cycle of local administrations, are beginning to emerge.

<sup>1</sup> Naomi Klein, Canadian reporter, writer and activist, author of the book “Doctrine of Shock”, in which she criticises the homonymous work of Milton Friedman (Chicago School) and the consequences that this doctrines have had in the modern world, namely, the 80’s and the consulates of Ronald Reagan and Margaret Thatcher, whose policies (of deregulation) have led to an extraordinary concentration of wealth, as well as their complicity with the dictator Augusto Pinochet. (Translator Note)

<sup>2</sup> Alberto Mayol, Carlos Azócar and Carla Azócar, “Deep Chile: culture of inequality in contemporary Chile”. Investigation performed for the Centre of Investigation in Social Structure (CIES), centre of Millennium Scientific Initiative of the Faculty of Social Sciences of the University of Chile. (Translator Note)

<sup>3</sup> An ancient fight from the member of the Mapuche ethnicity, also known as Araucana, that includes about 15 million people (in Chile) that dwell in the centre-south area of the country (and southwest of Argentina). They fought the Spanish conquerors that have recognized them the right to autonomy and territories (1641). After the dismantling of their communities, they presently live in reservations, and mainly, in cities. They claim the right to their former territories and the institutional acknowledgement of their rights. (Translator Note)

<sup>4</sup> Since June 2011, the university and secondary education students from Chile have led massive and creative mobilizations, claiming the right to a free, quality and non-profit public education. (Translator Note)

### **1. Chile as the main exception in the Latin America political-economical framework. Neoliberal dictatorship and its heavy legacy as explanatory background**

Although it has been over twenty years since Chile recovered formal democracy, after Pinochet dictatorship, it has been in the last five years that we have seen more clear signs aiming to transform the political heritage that seventeen years of dictatorship left to the political and economical, social and cultural practices, significantly patent in the minds and the imaginary of the population.

The deep marks are visible, in different domains, of the dictatorial regime in the national dynamics. It is not possible to consider that the repression and the human rights violation have not been one of the most regrettable marks of that antidemocratic mandate, a phenomena that, directly and indirectly has caused a strong impact in a major percentage of Chileans and that, therefore, has highly determined their social dynamics, inclusive after the formal departure of the dictator and the institutional apparatus that has ensured his mandate. Explicitly, the systematic and selective practice of terror, by means of the absence of rights and democratic mechanisms of that authoritarian government, was a key element to impose models contrary to the interests of the majorities; besides, it has left very obvious signs in the collective imagination as for the future performance of the county.

There are four features that can synthesize the pillars of the dictatorial regime that, significantly, are still present today: an extreme neoliberal economic model, a constitutional framework that guarantees the model, a restrict model of representative democracy in the transition from the dictatorship and, finally, although this is the feature that shows the greatest signs of change in the last decade, a significant social demobilization. As it was proven in practically all similar experiences of military dictatorships, this prolonged in time and with such strong intervention mechanisms, national life is deeply marked, not only during the years of its term, but also in the following years, determining the posterior stages of apparent return to a democracy.

In what concerns the political aspect, in short, in the interval of the last twenty five years, Chile has changed from a military government, that had taken power through a coup d’état that included the disappearance, among thousand of citizens, of the democratically elected president, and that has based its operation in an authoritarian mandate with the suppression of multiple acquired and natural civil rights in the history of the country in the last century, to the formal recuperation of representative democracy, with the return of political parties as main players of the political scene. From 1992, by means of two major coalition blocks – one right wing and the other centre-left wing – in a Framework that prevents the emergence of new minority political groups and independent sectors, two groups have governed with no relevant signs of change of the logic that the dictatorship had imposed. Relevant features, such as persistence, with no real attempts from this coalitions to change it, a perverse binomial electoral system, which reflects rather indirectly the opinion of the majority at the polls regarding elected representatives, show that not even formally was there a strong will from those coalitions to change the previous status quo and promote significant changes to democratize the political system. As for participation, as Guerra (1997) analyzes in detail, progressively and with a low profile and few resources, a model of citizen participation was set in motion, still in accordance to the political, institutional and economical model, through initiatives with a minimum impact in social transformations and with a clear vertical character; the title of his work is, in that sense, eloquent: *New neoliberal strategy: citizen participation in Chile*.

The armed forces' coup d'état, led by Pinochet had a purpose that went beyond the political aspects and aimed the economic field: the elimination of initiatives of productive transformation and the redistribution of property, deepened by the last president Allende, gave way to a neoliberal capitalist model, in the most powerful experiment ever tried in the planet. As described, among others, by N. Klein (2008)<sup>1</sup>, Chile was the “neoliberal laboratory” where the doctrines of the Chicago School, in an extremely repressive environment with liberty deprivation (“the shock or disaster doctrine”), with the implementation of a model with no social opposition that radically adopted the regulatory (1980 Constitution) and political framework (absence of Parliament, Senate and free elections) to those requirements. Other key strategy for its concretization was the radical reduction of the Welfare State through the massive privatization of public entities (health, education and public companies), which determined a highly technocratic State, focused in assuring the good operation of the private sector, national and international, organized in powerful corporations. Highly productive sectors, such as mining – major national production – and others, were then transferred to the hand of private institutions, with the consequent weakening of the State and the neglect of social policies. Public sector remains with no significant investments, and its services are the only option for the most needed, which do not have the possibility to pay for private alternatives. In these, the state support assures the quality of their services; as an example, the State has been, for decades, requiring that the workers contribute to a private health system, even if they do not necessarily require its services. Somehow, in the last few years, there have been government attempts to recuperate the forgotten public system, but this has been done in a limited and partial manner, and has not questioned the partition that the private intervention benefits from, and consequent profit obtaining in these areas. In spite of significant analysis performed recently (Mayol, 2012)<sup>2</sup> appointing to the fall of this model – due to its social infeasibility, the inequalities it originates and the unbalances caused by the shameless search of profits, with the State at the service of these ends of the private sector – its moorings are kept apparently solid and the country exhibits the stability of the macroeconomic financial references.

Viewing this radical macroeconomic model, of suppression of democratic freedoms and a regulatory framework (still in force, more than twenty years after the return of democracy) supporting it, the social conditions during dictatorship have deeply sharpened, increasing the socio-economic inequalities. Together with the tradition of inequality which marks the whole of the subcontinent, a result of its colonial history and which has been kept since the

independence in the last decades, and as a direct result from the neoliberal model, the country is systematically among the five in which the gap between extreme wealth and extreme poverty it deeper. As such, and together with the successful macroeconomic figures, we have to face extreme wealth and extreme poverty as the other side of the same coin, since the government practices do not presuppose in any way the task of redistribution.

Another remarkable aspect and also directly related to the subject of this article is the significant social demobilization, result of the suppression of public freedoms (freedom of association, expression and others) and the systematic and selective practice of terror against dissidence, from the State. The latter was suppressed, obviously, after the return of formal democracy, but a high degree of demobilization remains; lost habits due to the impossibility and the risks of putting them into practice are translated in the fact that we can count the social movements that have risen and even for those more radical mechanisms of mobilization were used (being the Mapuche<sup>3</sup> and students<sup>4</sup> movements of 2011 the most important expressions).

Chile entered in the new century with very significant obstacles to the development of experiments of participatory democracy. There is, also, another fact that explains and corroborates this feature: the fact that the country was, in last decade, the main exception in what concerns the progressive tendencies of the sub-continent. As such, as in almost every country, measures have been implemented to establish the neoliberal movement, it is also true that, due to the serious results of indebtedness, impoverishment, inflation, etc., practically all of them (right wing sectors included) have dismissed it as its implementation was not considered viable in realities such as the Latin American countries (the assessment performed in most cases has reflected the idea of “lost decade”) and have tried mixed alternatives that left behind their legacies. Chile, due to its strict implementation of the model, thanks to the already mentioned instruments, created by the military dictatorship (constitutional and legal background, weakened State, restricted democratic system), and the macroeconomic acceptable figures (not at a microeconomic level or at the level of domestic economy of its population), is the country that preserves the most the model that has higher costs in terms of social inequality, less support granted by the State to the weaker strata of the population, as well as in the extraction industry and the export sector, that bring compared benefits; as such, there are multiple squeals in the social and environmental fields. Far from the subcontinent tendencies of markets' integration, changes in the constitution of some states, with benefits for the majority of its inhabitants and some historically disadvantaged minorities (Sousa Santos, 2005),

the tendencies for redistribution, etc., Chile is still poorly connected to the other countries – when compared to the links, in a clear strengthening process, established among other States (Mercosul, ALBA, Mercocidades, ALCA, CELAC and others in different areas).

A fact directly related to what we have just said is that the country did not follow the political innovations related to the social democratization, in particular, participatory democracy, that have arisen and mainly developed in the very own subcontinent (in Brazil and mostly in all Latin American countries) (Sousa Santos, 2004). As such, and although nowadays there are about twenty experiments of participatory budgeting, in different municipalities, the truth is that, as we will see, none of them presents significant innovations nor any tendency to wage, locally and in an evident manner, in the deepening of democracy. Even that, by the simple fact that some barriers have been surpassed and nowadays things are allowed that previously were impossible, as the right to the opinion and the possibility of the citizens making decisions in certain areas, it is important to underline that this is more closely related to instrumental ends (electoral, advertising, patronage, etc.) or, in a lesser degree, with the modernization of the institutional apparatus, than with effective social transformations relating to the traditional framework that was inherited. Even so, as we shall see below, it is possible to find some openings that their practice [of PB experiments] has promoted, as well as new initiatives that can break up the current tendency.

## *2. A local and democratic restricted framework as an explanation for the poor development of participatory budgeting in Chile*

### *A weakened local background*

The particularly slow process to democratization in the country, twenty years after the formal recovery of the representative democratic system, has many features, which have delayed, together with other factors, a greater development and experimentation around participatory democracy.

The active heritage in formal terms that comes from the dictatorship, and is translated in the Constitution in force until today, strongly marks a frame of extreme weakness for the advances of political and social democratization or the local associative world. These are intimately related areas that are seriously affected following the dictatorship and in the last twenty years the State has not developed any initiative able to recover or reinforce them. Hence, generically, we have a local space with a minimum recognition by the institutions, with poor results in the sense of its democratization, from the institutions, and as a reflection of the

social reality, with a high degree of demobilizations regarding the associative field, either formal or informal. We have to say that there are some exceptions to this tendency, but they are few and cannot promote more global changes at a higher level, such as at regional and national levels.

As such, in the institutional structures and the legal and operating frameworks, the local dimension is considered non-relevant and only in a paternalistic logic with the population; besides, it seems that its job is to act as the forefront, viewing the problems the later may present. For this end, in Chile, only 8% of national public resources are attributed to local administration (Montecinos, 2011), mostly very impoverished and indebted institutions and therefore with a minimum level of autonomy before the superior administrative levels. All this is even further characterized by a highly hierarchical and bureaucratic operation that, although considering the formal denominations, still presents high levels of centralization relating to the substantive areas of community development.

As for the associative tissue, its problems are explained, not so much by the formal frames, but rather by the practices installed in the last decades. As such, when after the dictatorship, in which the association and social initiative were persecuted, we have a low profile democratic setting, that also does not foster active and autonomous incorporation of organized sectors in the social world, and the resulting association is basically converted in a reproducer of an institutional dynamics that does not aim to seek social transformation to substantially improve the quality of life of the population; it is merely about solving or attenuating basic needs, but rarely are foreseen or have caused significant changes in those same needs.

From the set of these two dynamics, institutional and associative, the result is mostly relationships marked by patronage of the territorial associations regarding the present administrations; with poor dynamics and citizens' adherence, we find fundamentally entities that assume bureaucratic tasks of minor management in the municipality micro-territories. On the other hand, the functional associations in activity are comparatively few, and only rarely do their initiatives focus on the change of the population's life conditions; These are only visible with social movements, normally as a reaction to national policies on the impact caused by the private and corporative sectors in social life: the Indian Mapuche movement for the defence of their culture and territories, the students movement against the profits in education, the environmental movement caused by disasters such as Aysén, Freirinas, etc., the movement to defend the urban heritage in view of the constant threat of real estate companies and others.

### *Models of the experiments of participatory budgeting in Chile*

In this national and local socio-political context, participatory budgets appear for the first time in 2001, in the municipality of Cerro Navia, Santiago do Chile. This was the beginning of a series of experiments, over thirty, although none has lasted for a significant number of years. With participatory budgets already present in all five continents (Allegretti, García and Paño, 2011), in Chile they only start, in some municipalities, with the shift of the millennium. However, it is important to underline that in spite of the uncertain circumstances of their beginning, they do not seem to correspond to the direct influence of the nearby Latin-American experiments, where they began and attained a higher development degree, since that, as aforementioned, Chile remained particularly oblivious to subcontinent dynamics in what regards political social innovations in the last twenty years.

In an attempt to synthesise the main features of the models in force, we can summarize the following: they range between consulting processes and the low importance decision-making, between restricted and universal participation, they did not include regulations prepared by the citizens or in whose preparation they were included, and the set of areas in which the citizens could present proposals was usually narrowed to public works of small and medium dimension.

In terms of established participation, it ranges between some experiments of associative character, restrained to associations and neighbourhood associations, and others in which the voting is universal, and all citizens are allowed to participate. The first model, more restrictive, allowed a higher degree of deliberation, which is lost in the ones of universal character, in which the proposal's choice is made through voting (Montecinos, 2011).

Regarding the level of participation, there is also a range between the models of advisory nature and the ones of binding nature. The greatest depth of the second ones relating to the first ones is clear, but even in the binding character experiments, in no case the decision degree can be considered as relevant decision-making (due to the low amounts, what is attributed to each area for the assemblies, etc.).

As a final generic characteristic, usually there is no kind of focus whatsoever. Usually the same amount of resources is attributed to all territories, alike; on the other hand, in terms of social inclusion, there are no priorities or positive discrimination relating to the underprivileged territories (poverty sectors or others).

At last, it is worth to stress out that the municipal Chilean legal background requires that the decisions related to the municipal budgets have to be necessarily approved by the City Council. As such, unlike other countries, this organ has the power to authorize or reject approved proposals within the participatory budget process, and this feature can difficult even further PB's operation.

### *Fragility of the participatory budget experiments*

In a first approach, and already in an assessment perspective, we find a significant number of frailties, even before valuing features such as its impact, the degree of social justice, and others. Therefore, and as Montecinos (Mascareño and Montecinos, 2011), describes, there are data confirming that participatory budgeting is not part of a policy that has acquired some solidity or is innovating in Chile; these are some examples:

<sup>5</sup> Coming from the Mayor; in the original, “alcaldista”. The word “alcalde” corresponds approximately to the “Mayor”. (Translator Note)

- a) only thirteen municipalities were able to maintain projects for longer than three years;
- b) the investment average is 2% of local budgets;
- c) in all cases, its launching depended exclusively on the will of the Mayor;
- d) in all municipalities where they exist, there are few experiments in which the projects are not physical works;
- e) a considerable number of experiments were only advisory in nature..

Without the existence of a national or regional law to support and foster them, in normative terms, the Chilean experiments of participatory budgeting have emerged only from the will of Mayors that have implemented them with various intentions; as such, the totality of these experiments encompasses, in its origin, a spontaneous, voluntary and “presidential” character.<sup>5</sup>

Even that in some occasions these experiments have implied significant advances, even if due to the change in posture regarding traditional practices of local institutions, or if they allowed the emergence of different practices to the participants and show great democratizing potential – that we will analyse in the next chapter –, it is still true that, in comparative terms, their impact has been little relevant. Although the evaluation margin is small – no more than eleven years –, the tendency is not flattering and, in general terms, they have had a poor transforming impact, whether in the achieved local empowerment, or the democratization of the local framing, or even the institutional modernization or the structural improvement that the approved proposals could have brought to each territory.

It is significant the proofing that virtually all the difficulties and obstacles that participatory budgets have faced in the experiments implemented all over the world, and that determined their failure or weakening (Paño, 2012), are manifested, although in different degrees and manners, in the several Chilean experiments brought to life. We shall mention, in summary, some of them:

- a) usually the available resources are insufficient, and therefore their impact is reduced;
- b) the previous planning is also insufficient; they are disconnected from major planning municipal policies (Regulatory Plans, Local Council Plans, etc.);
- c) without good planning there are too many expectations from the population;
- d) Situations of abuse of power and patronage are reproduced in participatory budgeting processes by the citizens who run them;
- e) there is an excessive dependency on the will of the Mayors, which, in many occasions, is not kept over time; among others, these are some of the practices we consider “insufficient practices”; that are mined and therefore struggle with great difficulties to progressing.

Besides, their own trajectory is demonstrative, since that, besides the non-continuity motivated by political changes, there are several experiments in Chile that have failed or did not even reach three years of life.

This low profile was evident, even in atypical dynamics in this policy and that rarely have been seen in other countries; hence we interpret this phenomenon as an ostensible removal from what we would call a good practice. For example: the exclusive establishment of one year duration, or that the presented proposals should be valued by a certain number of support signatures; in a considerable number of cases, who presents the proposals (many times with the

requirement of being already in the shape of prepared projects) are only the Board of Residents; although not in a systematic manner, there were experiments in which economic incentives were provided to the citizens for their participation in some of the assemblies during the election time (San Antonio).

Bad practices and weaknesses that seem to match the conclusions of other studies and that, by a conjugation of factors, classify the participatory budget experiments in Chile as “essentially needy of a public space” (Ochsenius and Delamaza, 2010), and therefore seriously diminished to be able to access the stature of a practice able to cause an appreciable social transformation.

Everything we have just described, not forgetting the many usual difficulties in establishing logical and mechanisms of participatory democracy, has found opposition all over the world; this opposition is manifested not only from the very own institutional, political and technical fields but also, although in a lesser degree, from civil society, particularly from the more traditional associative sector.

Although everything that leads to a not very positive balance of the participatory budgeting practice and participatory democracy in Chile, we have, nevertheless, to stress out that the fact that these experiments were held in spite of the structural limitation and as we start to perceive right now, they pioneered for their own deepening. The structural elements of national organization, very restrained by the Chilean economic, legal and political frameworks, do not determine everything and participatory democracy, in its communitarian logic and defence of the public space at a local level, silently, through those few experiments, has been pioneering; at the same time, at a national level and in a general manner, the signs are emerging in different areas – institutional and particularly social and citizen – for a substantive democratization of the [Chilean] society.

### *3. Reflection on the positive impacts and expectations on the PB deepening*

Although, as we have already mentioned, the balance of Chilean experiments of participatory budgeting has not been very positive, and there are several features to improve and reinforce, we have also underlined the fact that in these processes the attempts of overcoming the traditional framework are visible. On the other hand, the elected local administrations that have announced the inclusion of these practices in their programmes increase the expectation on new experiments that will improve them and include a more substantive participation. We will analyse all of them: what we may consider as sediments of good practices up until now left by the experiments already implemented, as well as the postures

that, at least in discursive terms and in the first instance, the new experiments in new territories, have shown the existence of great expectations on their improvement and deepening.

The careful combination of the two, based on a political conviction, could raise participatory budgets to a level of relevance in the substantive improvement of social democratizations, able to involve the citizens in the complex management of a social transformation that includes redistribution elements, inclusion and the good operation of local public institutions oriented for those purposes.

### *The open spaces to deepen*

We shall approach in this section, by themes, some of the features that, at a first glance, are closer to the idea of participatory democracy. These are related to high participation, co-management, citizen monitoring and implementation – within concrete public institutions.

As it happens in most experiments implemented in different countries, usually the citizens are not the ones who fail at the time of implementing these policies. We mean that there are not many times when citizens' groups to whom a tool is provided with real possibilities to improve communitarian life do not respond through their presence and will to participate, provided that they are properly informed on its operation and the institutions enforce their commitments. The case of Chile is clearly demonstrative, even that in some cases some of these assumptions were only present at the initial stage, or that there was only a glimpse of what may have happened (adequate information or enforcement from the institutions). As such, the citizens' participation was remarkable in virtually every participatory budget experiments, implemented or in operation. There were moments when the final perception of the participants may not have been the best, but it is significant that, from the very beginning, the simple possibility of improvement offered by this institutional mechanism has been enough to congregate a significant number of people who provided opinions and presented proposals to the institution. The conclusion of some comparative studies is confirmed: participatory budgets may have faults as to their conception and the manner in which they are implemented in the field – and the Chilean case is a very good example – but, per se, as an instrument, the participants do not acknowledge them as “negative effects” (Allegretti (coord.), 2011); in all the cases they only acknowledge their potential. That allows predicting that, in spite of Chile showing clear signs of detachment from traditional political practices (for example, it has high levels of abstention in the elections), as these processes surpass what we have signalled as weaknesses, it will be possible

<sup>6</sup> Verónica Michelle Bachelet Jeria is the daughter of the Air Force general, Alberto Bachelet, tortured and murdered during Pinochet regime. She was born in Santiago, on 29 September 1951. In spite of persecutions, prison and torture, which she also had to endure, she graduated in Medical School (paediatric surgery) and is a member of the Chilean Socialist Party. She was Minister of Health in the government of Ricardo Lagos (2000–2002) and, then minister of Defence, being the first woman to held this position in Latin America. She was President of the Chilean Republic from 2006 to 2010. (Translator Note)

to anticipate a significant social response, willing to really integrate procedures that are surely truly democratizing.

And still regarding social aspects, the ones that presented the strongest results and points from participatory budgeting so far in Chile, we should stress out that a significant number of citizens (at least a part of them) has executive tasks on the approved proposals; in that, the municipalities of Lautaro and Buin were the major examples. Citizens willing to assume this type of obligations, contributing with their work and management, should be considered as a potential that the institutions should consider to utilize: from the possibilities of co-management of functions in the public space to the reinforcement of a pro-active citizenship, centred on the common good, there is a vast set of possibilities to which the institutions should adequately respond to.

Regarding citizens and their positive response (a fact that seems to confirm the institutional frailness of the processes that cannot channel citizen response, although sometimes there is not sufficient initiative from this sector to demand the implementation, improvement and preservation of these policies), it is possible to verify the existence of good practices relating to the monitoring and follow-up of the proposal execution; San Joaquín, a municipality from Santiago do Chile, was the best example regarding this issue, with a broad device to ensure that the municipality enforces the implementation of the proposals.

Another relevant feature is the emergence of more specific initiatives regarding the manner to make the participatory budget, how to direct it to specific areas of population or sectors. For example, La Serena organized a school participatory budget, which ended up being an excellent manner to promote democratic practices in children's groups (Municipality of La Serena, 2011). Mean while, in a previous term, during the mandate of Michelle Bachelet<sup>6</sup>, the Ministry of Health has promoted, at a national level and in different areas of the country, the so-called participatory budget in Health. Its action did not reach the central aspects of medical practice in public healthcare (as already mentioned, this has less resources than the private sector), but it was a significant experiment while a learning opportunity for the users and democratization and optimization of the scarce resources available in the most basic levels of contact with the users (Ramos and Fontalba, 2006).

Finally, it matters to highlight the relatively significant degree of deliberation on the construction of proposals in several processes, in spite this being a usually fragile field in the vast majority of experiments of participatory budgets in the whole world. We should nevertheless stress out that in some cases the only participants in the deliberative process were neighbourhood associations and councils of residents and that therefore the participation was not broad enough for them to be considered as universal procedures. Meanwhile, the existence of deliberations, which seem to be one of the main objectives to be fulfilled by this policy [of participatory budgeting] and always achieved in a reduced manner is, per se, a positive experience, that should be investigated in order to achieve a deeper knowledge, and that cases such as Negrte, Lautaro or San Joaquín led far.

#### *Expectations and assumptions for the future*

Therefore, associated to a poor impact model – for several reasons, such as the reduced amounts allocated to it and the excessive dependency from the political will of the mayor in order to implement it –, there is a lot of potential that seems to show that, whenever there are

clear institutional decisions regarding its implementation and to bind it to the creation of conditions that favour social transformations, there is a broad social response.

As such, together with what we call good practices, this article aims to explain some of the paths and main mechanisms that in certain cases appear to meet the proposals of the programmes of new local administrations, that have arose in the end of 2012, regarding participatory budgets in their territories (Recoleta, Santiago Centro, Providencia, Concepción and others). In short, and besides the generic recommendations for any participatory budgeting process, but related to the failure of the experiments and considering the Chilean context, they correspond to the assumptions we describe below:

***Increasing the available resources, its fields of action and its connection to big planning municipal policies.*** If a policy aiming a direct action is poorly budgeted, it will necessarily be little relevant. Therefore, a determining factor is a larger financial endowment of this instrument. It is a sign of good social health that institutions should foster that progressively all trained and informed citizens can collectively intervene in decisions relating to the use of public resources. This is directly related to the need to solve two existing flaws in the Chilean model: to expand besides public works the areas on which the residents can present proposals and make decisions; on the other hand, and in an institutional manner, participatory budgets should arise in articulation with the most important policies of the municipality, as the Municipal Development Plan and the Regulatory Plan. We can call it horizontal participatory budgeting, in which a part of the amount aimed to each department is decided by the citizens. Regarding its implications in terms of citizens' democratization, this would be the goal to attain by the processes that really present themselves as a central policy of the municipality.

***Trainers and trained institutional agent in participatory democracy.*** A great number of the failures reported in participatory budgeting processes, in Chile as well as the rest of the world, is related to the ignorance of the instrument, its reach and mainly its final democratizing sense, manifested by political agents and technicians of the correspondent local institutions. Knowing that this instrument will "approach the municipality and the street," the PB should be implemented, obviously, with full knowledge from the municipal agents. Capacitate, commit and seduce city hall employees and politicians to be the promoters and the people who, believing it is a useful instrument, disclose and show citizens all the implicit potentialities of participatory budgeting, is therefore a fundamental assumption in order to assure its correct implementation and development, in a dialogue between the institution and the citizens.

***Create deliberating spaces in different moments of the process.*** Although we have mentioned some incipient practices, it is crucial that the proposals preparation, regulation, criteria, assessment or initial diagnostics, as well as other moments and elements of the processes, go through a higher degree of deliberation. This is associated to the informative and formative element that the instrument, in its maximum expression, should include and that on the other hand the institution should grant its citizens. The betting on its reinforcement is fertile in the search of training for dialogue, the plurality quest and the collective construction of the public space, and therefore, is related to the central aspects of a better social life, for which participatory budgets can provide considerable contributions.

***Self-regulation preparation.*** In most advanced processes and between the analysts and investigators of participatory budgeting there is no doubt on this matter: it is crucial that the

processes are regulated, clarifying the rights and responsibilities of the institution and the citizens in the process. From there, it should be the citizens' component, particularly its organ responsible for the monitoring of the process, together with the institution and according to the legislation in force, to prepare that self-regulation; It should also review and adapt it to the dynamics of the process on an annual basis, which is another practice revealing the maturity and the deepness that can be attributed to participatory budgets.

*Focus on sectors that seek full inclusion.* Usually, one of the indicators of process maturity is the plurality of players. Directly related to that, seeking to include the most underprivileged sectors has been another sign of maturity. The use of mechanisms that promote the possibility of different social sectors, especially the most needed ones (disabled, elderly, children, youngsters, indigenous, immigrants, women, etc., according to the social characteristics of the territory), having a voice and presenting proposals to improve their situation, being even targets of positive discrimination in the process, is a practice that should proliferate creatively, in order to be able to associate them to a policy that, together with their voices, evolves and meets the requests of the most in need of institutional care.

*Towards priority investment within the territories.* Following the logic of the previous assumption, the focalization of the resources at a territorial level should also be done. Curiously what none of the experiments after Porto Alegre was able to equal in the first phase (Baierle, 2010) was this logic, quantitatively demonstrated, to invest the largest part of the budget amounts, decided in a participatory manner, in the periphery of the territory (undoubtedly the most needed). If in Chile, with so many territorially underprivileged areas in all municipalities, the participatory budgeting pursued that same logic, it would be a qualitative change with a high degree of social transformation relating to what has been experimented until now, and clearly increasing its impact.

*Searching for empowerment and citizen co-management.* A participatory budget aiming to achieve something significant should promote the achievement of that goal. The balance between the three main players in the process (citizens, politicians and technicians), all with an active part and therefore among them the citizens that propose, deliberate, monitor and even co-manage some of the presented proposals, links them to purely social projects, making them as their own instrument over which they decide on par with the institution; that balance is transformed, in the medium term, in the main goal of the whole process. Evidently this conquest is not solely – and not even mainly – based on the efforts made by the institution in that sense, although the institution should also make those efforts, but in the citizens themselves, that should understand its potentialities and make a constructive use of its practice, viewing the transformation of the conditions of their local realities.

*Using participatory action methodologies in its execution.* Finally, and as a matter of form and sense, it is important to include this element. It is significant that comparative studies (Allegretti (coord.), 2011) corroborate the fact that more democratization indicators have been achieved, as well as a better perception from citizens, in cases where local institutions have used technicians that adequately and explicitly use the participatory methodologies and techniques. Just like several analysis have shown (Ganuza, Olivari and Paño, 2010), there is a clear manner to explicitly use these methodologies in participatory budgets, with all that this includes in terms of favouring the collective construction logics, of positive implication in the process, recognition of the knowledge of the citizens, working in social networks or seeking

a plurality of voices, in order to achieve improvements of the community. These methodologies are part of an efficient approach of conception and development of an adequate setting for these processes, and are also able to avoid, from the beginning, the usual logics of power appropriation – patriarchal, patronage, vertical, corporative, with hindered dialogue – that, being deeply rooted in the collective imagination, tend to reproduce in each space of social group if there is not an initial action to stop them.

In spite of the atypical political transformation and positioning of Chile in the manifested tendencies in the subcontinent regarding democratic development, through the promotion of participatory budgeting it would be possible to undertake a fundamental task for its society: to consolidate the citizens' trust in their rules and political institutions, as well as to reinforce direct channels of citizens' decision regarding public issues, as a mechanism to strengthen a highly weakened political and public system. The implementation of participatory budgeting with goals to attain regarding social transformation at a local level could have a significant multiplying effect, able to withdraw the country from a low profile democracy inertia, to leap forward qualitatively for participatory democracy practices that open new experiences in social life. Like Ganuza and Francés (2012) refer, participatory budgets contain what the authors call a "virtuous circle of democracy" so pursued and debated by the political and sociological theories; in that its best practices articulate citizen participation in decision-making, institutional efficiency and equitable redistribution of resources, there are no doubts on its relevancy. The great challenge for participatory budgeting, as an instrument that deeply contributes for social and economic democratization of the societies, is that Chile is able to incorporate, in its practices, experiments pointing towards conjugating those three elements.

LATIN  
AMERICA

COLOMBIA

CAROLINA LARA

## DEMOCRATIC PARTICIPATION IN COLOMBIA

Participatory budgeting arises in Colombia with the new constitutional framework, from 1991, that established the competencies of the different arms of public power: executive, legislative and judiciary power. This was the Constitutional framework in which the rules aimed at politically organizing the State were applied and in which the position of the National Constituent Assembly regarding the new State was attempted to clarify, relating to the manner of meeting the inhabitants' needs, building as such a full democracy, acknowledging all people as Subjects with rights.

In this sense the State was regarded as follows:

*“Colombia is a Social State Under the Rule of Law, organized as an Unitarian and decentralized Republic, with autonomy of its territorial entities, democratic, participatory and plural, based on the respect of the human dignity, work and solidarity between people that form it and in the prevalence of the general interest”<sup>1</sup>*

*“Sovereignty resides exclusively in the people, from with the public power arises. The people exercise it directly or through its representatives, pursuant to the terms set out in the Constitution”<sup>2</sup>*

Only in this new State was it possible for Participatory Budgeting to emerge, which hardly could exist in the scope of the 1886 Constitution, which considered that “the Colombian nation reconstitutes itself in the form of an Unitary Republic”<sup>1</sup>. It was through this Constitution that the centralization of the State was pursued, given the need to preserve the power and ensure order, necessary at that moment, empowering the government, ignoring decentralization, territorial autonomy and, clearly, citizenship and citizens' participation.

Regarding citizenship, the former Charter set forth on Article 2, that sovereignty “lays essentially and exclusively in the Nation, emanating from it the public powers, that will be exerted according to the dispositions set out in this Constitution.” And, in fact, the regional public authorities were appointed by the President, who had unlimited power to define the Administration jobs and their duration, totally ignoring the popular will. Fortunately, thanks to the citizens' mobilization, mainly from students, in May 1990 the “Séptima Papeleta<sup>4</sup>” was approved, which corresponded to the voting of the Colombians, for presidential elections, to approve the convening of 70 delegates that formed the Constituent National Assembly, that would reform the Political Constitution.

And this was how, in December 1990, the House was elected and in July 1991 a final document was submitted to include a fundamental change in the State and the sovereignty, that, until then, was limited to the Nation, and afterwards started to be based on the People. Sovereignty started to be perceived in a broader sense, according to a Rousseau concept, that is, the acknowledgement that the people or the

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<sup>1</sup> Political Constitution of Colombia, 1991, Article 1

<sup>2</sup> Political Constitution of Colombia, 1991, Article 3

<sup>3</sup> Political Constitution of Colombia, 1986, Article 1

<sup>4</sup> “Séptima papeleta” was a proposal coming for the Students' Movement in the elections of 11 March 1990, in Colombia, in which the Senate, the Chamber of Representatives, the Departmental Assembly, the Local Administration Councils, the Municipal Council and the Mayors were elected (the elections for Governor only began after the approval of the 1991 Constitution). The Students' Movement proposed to include a seventh vote to request a constitutional reform through the convening of the Constituent Assembly. Although the Papeleta was not legally accepted, it was accepted in an extra-constitutional manner, and, finally, the Supreme Court, acknowledging the majority popular will, validated the vote. This movement was the foundation of the 1991 Constitution. (Translator Note)

<sup>5</sup> Colombian Constitutional Court, Ruling no. C-180 of 1994

<sup>6</sup> Colombian Constitutional Court, Ruling no. C-180 of 1994

<sup>7</sup> In these conditions, up until 1853 only 5% of men could exercise the right to vote. Women were neither included nor 95% of men, as they lack those conditions.

<sup>8</sup> Colombian Political Constitution, 1991, Article 98

<sup>9</sup> Colombian Constitutional Court, Ruling C-089 of 1994

<sup>10</sup> Colombian Constitutional Court, Ruling C-089 of 1994

<sup>11</sup> Law 134 of 1994, Article 1

<sup>12</sup> Colombian Constitutional Court, Ruling no. C-180 of 1994

<sup>13</sup> Law 152 of 1994, Article 1

community are sovereign and they are the true source of power. As such, the new notion of State implied a change in its liberal conception, evolving to a conception of the Social State of Law, in which the citizen would cease to be an idealization to become a subject of rights, real, necessary and active in the Government. In this new scenario, the citizen was considered as a subject with fundamental rights, among which we find, for the very first time, the right to citizen participation, understood not only as one of the *Principles of the Colombian State* and as constitutional right of all Colombian citizens, but also as a *scenario and mechanism guided according to the effective exercise of rights*, has implied, according to the Colombian Constitutional Court, that is responsible for ensuring compliance with the Constitution, refocusing in the notion of citizen, that was the subject of “state charity”, to become a “right possessing subject”.<sup>5</sup>

In that sense, on the contrary to what was set forth in 1886, the response to the citizens needs is totally different and is made by strengthening decentralization and territorial autonomy, having as a reference the “indisputable fact that local authorities are the ones who know better what needs to meet, the ones that have an intimate contact with the population and the most interested ones in solving local problems. It is self-interest at its best, with as much efficiency as can be expected from any economic player in a market economy. Each Department or Municipality shall be the most qualified agent to respond to the problems and needs of its respective level”<sup>6</sup> This is the reason why the municipality is considered as the cornerstone of the territorial building of the State.

The concept of “citizen” has also undergone some substantial changes since 1830, when Colombia was established as an Independent republic; these changes are related to the identification of who are citizens and the determination of their right to participate, among the different constitutional changes (1832, 1843, 1853). As such, we went from the acknowledgment that the citizen was exclusively the “free male, aged over 21, married and with assets or incomes of a certain amount”<sup>7</sup>, to the “male aged over 21, exercising or pursuing a profession, art or craftsmanship, or having a lawful occupation or a legitimate and known means of living”, besides being able to read and write, as the Constitution of 1886 sets forth.

Since 1910 that those citizens could directly elect the President, and in 1936 all men had the right to vote. The plebiscite held in 1957 granted women, for the first time in Colombia, the right to vote.

During the period between 1958 and 1974, of the National Front, both majority parties of the country, the Liberal Party and the Conservative Party, have decided to alternately take over the Government. There were no elections until 1974, when the presidential election by vote was once again held. In 1975, by means of a Constitution reform, adulthood began to be considered at the age of 18 and, in 1986, there was the popular election of the mayors and governors. It is only with the enactment of the 1991 Constitution, that men and women are considered equal and citizens from the age of 18.<sup>8</sup>

In order to enable the PB, a Social State Under the Rule of Law that acknowledges equality between men and women and an active and sovereign citizenship that has the right, not only to elect representatives, but also to participate in public life are required.

In this setting citizen participation led to the transfer of power to the community, allowing it to decide or at least intervene in the decisions on some issues affecting its life. As such, the conception of participation broadens its scope and is able to democratize and legitimize the Administration decisions, giving way to a shared responsibility over the performed tasks; the Charter has set forth the expansion of participation<sup>9</sup> besides the possibility of participation at the elec-

toral field, transferred faculties for the individuals and social groups by acknowledging their right to be elected, the right to equality, the right of petition, the right of meeting, the right to information and the right of access to public documents, among others, as well as the mechanism of protection of the fundamental rights for the entire population, the right to join political parties, the effective participation of the woman and citizen participation in monitoring the government entities in order to help consolidating a participatory democracy.

Participation, besides the political field, therefore enters the social, environmental and cultural fields, acknowledging the right to health, education and public services; citizens can participate in the administration of justice to become equitable conciliators, in the right to work and as workers, in the management of the companies.

The constitutional court has mentioned the respect for the democratic right which is “universal, as it pervades all public and private life sectors and fields; and expansive, since its dynamics, far from ignoring social conflict, questions it from the respect and constant vindication for a minimum of political and social democracy which, according to its ideas, should be progressively extended, conquering new fields and permanently deepening its force, what requires from public and private players a constant effort for its effective construction.”<sup>10</sup>

Nevertheless, in spite of this faculties ensured by the Charter, the participation, in practice, is usually associated to the consultation and in most cases, who decides is the ruler.

Consequently, in Colombia, in spite participation is set forth as an essential principle of the Social State Under the Rule of Law, the empowerment has not significantly advanced from the community and the rulers part, towards the arising and the development of a critical and autonomous conscience able to vindicate the participation in its universal and expansive nature, promoting social mobilizations for the common good. In spite of this, there have been many advances, in theory as well as in some practical cases.

In 1994 the Law 134 was published, or Statutory Law of the mechanism of citizen participation, that regulates the legislative and normative popular initiative, the referendum, the popular consultation of the national, departmental, district, municipal and local planning, the mandate revocation, plebiscite and open house; It has established as such the fundamental rules by which the democratic participation of civil organization is ruled. As its purpose, the Law mentions that “the regulation of those mechanisms shall not prevent the development of any other forms of citizen participation in the political, economic, social, university, union or corporate life of the country, nor the exercise of other political rights not mentioned in this Law”.<sup>11</sup> In the revision of the law, due to its statutory nature, that is, higher normative category, the Constitutional Court has once again acknowledged the spirit of the Political Constitution.<sup>12</sup> As such, “The redefinition of the concept of sovereignty, the revaluation of the citizen’s role and the deepening of the model of participatory democracy reflected in the 1991 Constitution are the genuine expression of the mandate the people have granted to the National Constituent Assembly to defend the strengthening of participatory democracy.”

In 1994 the planning law was published, or the Organic Law of the Development Plan, identified with the number 152, which purpose was “establishing the procedures and mechanisms for the preparation, approval, execution, follow-up, monitoring and control of the development plans (...)”<sup>13</sup>, being the development plan defined as a technical and guiding instrument of administrative management.<sup>14</sup> Among others, the Laws 38 of 1989, 179 of 1994 and 225 of 1995 were compiled in Decree 111 of 1996, that conforms the Organic Statute of the Budget, and whose purpose was to regulate the programming preparation, presentation, approval, modification and

execution of the budget, as well as the hiring capability and the definition of social public expenditure.

The participation in these scenarios of planning and budgeting is reflected only in an incipient manner; only the Law 152, of 1994, has set forth in Article 3, citizen participation as the principle of planning, while Decree 111 of 1996 on budgeting refers in article 12, that the principles of the budgeting system are the following: planning, the annual and universal nature, the cash unity, integral programming, specialization, impossible to embargo, macroeconomic coherence and homeostasis. Not mentioning citizen participation. Regarding planning, it states that the General Budget of the Nation should be in accordance to the content of the National Development Plan, the National Investment Plan, the Financial Plan and the annual Operating Investments Plan.

As such, the possibility of citizens' interventions in the definition of the budget is narrowed, except by the coherence that it has to have with each unit Development Plan, a process in which citizens are allowed to participate.

#### *How does the PB arise in Colombia?*

In this context, the Participatory Budget is organized for the first time in Colombia in 1996, at Pasto Municipality, under the name of Open House, which was defined as a mechanism of citizen participation in the Constitution of 1991<sup>15</sup>, being regulated as “public meeting of district, municipal or local administrative parish Councils, in which the inhabitants are able to directly participate aiming to discuss issues of interest for the community”.<sup>16</sup> Pasto uses the constitutional definition to broaden its content, therefore becoming an instrument of participation and direct democracy that the community uses to reserve a part of the budget, previously acknowledged by the inhabitants as heritage of the city.<sup>17</sup>

Until now, Pasto promotes the Open House of the Participatory Budget as an effective instrument to strengthen democracy and the community participation in subjects that were circumscribed to the relationship of the Mayor with the city councilmen and traditional politicians; the decisions, that were usually taken behind closed doors, began to be discussed by the community, recognizing an idiosyncrasy, a unique, harmonic and supportive political culture.

The first Open House<sup>18</sup> as a citizen exercise, was held during the municipal government of António Navarro<sup>19</sup>, between 1995 and 1997, within the development plan “Everything for Pasto”.<sup>20</sup> The Participatory Budget of that government was only held in the rural area of the municipality. Then, within 2001 and 2003, Eduardo Alvarado Santander was elected Mayor of Pasto, and he carried on the Open House, extending it to the urban area. Between 2004 and 2007, with the President Raúl Delgado, acknowledged as one of the best Colombian presidents thanks to the experience of Participatory Budgeting, there was a significant advance in the qualification of the participation and its articulation with local planning. Eduardo Alvarado was re-elected for the term 2008–2011 and methodologies were tuned to be able to include several players that traditionally had been excluded, significantly raising the participation.<sup>21</sup> In 2012 the citizen mobilization managed Pasto Open Houses to be included in the Development Plan and the citizen debate promoted by the Local Participation Table, within the City Hall premises, and were able to reach several agreements on the subject with the executive. In 2013 the citizen exercise continues.

### *The PB experiment spreads throughout Colombia*

In a quick look around the country, we can see that the PB expansion in the national territory was progressive, mixing with local participation exercises in different regions. Therefore there are over fifty Municipalities and Departments with experiments related or associated to Participatory Budgeting.

In Medellín, during the term 2004 to 2007, in a scenario of violence and with the presence of armed groups outside the law, of hired killers, drug trafficking and urban militias, a PB was implemented as a manner to effectively implement citizen participation, and as such regain trust in Government institutions. This Municipality has regulated PB through the Municipal Agreement no. 43 of 2007 and the Regulatory Decree 1073, of 2009, on Local Planning and Participatory Budgeting.

The case of Risaralda, as a Department that has implemented the PB for more than ten years, stresses out the importance of including several players in the process, either social, academic, and corporate, aiming to continue the procedures, in spite of government changes; in Risaralda, there are also some municipalities, such as Marselha, that have implemented the PB very early, between 2002 and 2003.

A case that is related to the communities' empowerment, can be seen, since 2004, in the dynamism of the Social Ministry of the Diocese of Barrancabermeja, with an important mobilization in the Department of Bolívar, that brought the PB to the municipalities of San Pablo and Cantagallo; in the Department of Antioquia, the municipalities of Yondó, Puerto Berrio and Puerto Nare; in the Department of César, the municipality of Aguachica; and in the Department of Santander, the Municipalities of Sabana de Torres, San Vicente, Puerto Parra, El Carmen, Betulia, Cimitarra and Puerto Wilches. In Barrancabermeja the PB started in 2008, just like in Ocaña, a municipality belonging to the North Department of Santander; in a context of armed conflict, these are exemplary experiments of recovering State Entities for the people. We should also stress the importance of the decentralization wage, in the Department of Santander, and, in 2012, the regulation that introduced the Department of Quindío, by means of the Ordinance no. 014 of 27, that set forth, as a public policy, a Participatory Budgeting system for the Department.

In Colombia central area, we should underline the participatory experiment implemented in Bogotá with schooling institutions, that have managed to provide PB examples to children and young people from the rest of the country, besides training new citizens and seeking to the effective enjoyment of their rights; the participatory budget was already implemented in different areas of the District.

In Huila the budgetary participatory experiments started in 2012-2013, and they were followed with great interest by the community with an active participation in national events; in the Ibagué municipality, capital of the Department of Tolima, the Agreement 018, of August 2011, that created the Municipal system of Planning and Participatory Budgeting was published.

In Departments such as Boyacá and its capital, Tunja, in spite the PB not being implemented, in 2011 a single initiative was presented to configure the Citizen Network for Participatory Budgeting in its territory; this and the social mobilization have caused the implementation of the first experiments of PB in the city in 2013. In the eastern part of the county, there are experiments in the Departments of Arauca, Casanare, Caquetá and Meta.

<sup>14</sup> Colombian Constitutional Court, Ruling no. C-538 of 1995.

<sup>15</sup> Colombian Political Constitution, 1991, Article 103 “The mechanisms of the people’s participation in the exercise of their sovereignty are the following: the vote, plebiscite, referendum, popular consultation, open house, legislative initiative and revocation of the mandate. The law will regulate them”.

<sup>16</sup> Law 136 of 1994, Article 9.

<sup>17</sup> Pasto City Council, 2008-2011 “Systematization of Experiments of Citizen Participation: Open Houses”.

<sup>18</sup> The concept of Open House, during the 1995-1997 ruling was an “effective instrument of consultation in the concretization of a democracy, participation, equitable distribution of the investment budget and a major step for the process”. Excerpt from: Alcaldía Municipal de Pasto, Concejo Municipal “Cabildo Abierto un paso hacia el desarrollo de nuestras comunidades”. Promotion of democracy and citizen participation, San Juan de Pasto, 1997.

<sup>19</sup> Antónío Navarro was one of the Presidents of the National Constituent Assembly in 1991, Mayor of Pasto between 1995 and 1997 and Governor of Nariño between 2008 and 2011.

<sup>20</sup> Pasto City Hall, Municipal Council “Open House, a step for the development of our communities” – Promotion for democracy and citizen participation. The Open House arises in accordance to the principles that rules administrative exercise: Zero Corruption, Civil Society Role, Opening of expression and consultation spaces, Ethics of coexistence and peace, among others. San Juan de Pasto, 1997, Pages 14-15.

<sup>21</sup> The citizen participation in 2005 open houses was about 4.000 people. In 2010, over 17 thousand people were part of the operative participation.

On its turn, in southern Colombia there are also some PB experiments, from the pioneering municipality of Pasto, capital of the Department of Nariño, borderline of Ecuador and that, in spite not having specific PB regulation, was in force during 17 years and six different governments, thanks to the citizen empowerment and the legitimacy of the processes. The Department of Nariño also has PB experience, started in 2008, and that has created the opportunity for the 64 municipalities of the Department to get to know the procedure. In Samaniego, the experiment started in 2004 and was awarded a Peace prize for the contribution to the citizens' consultation in a full scenario of armed conflict.

In the Department of Cauca, the PB processes implementation has an important feature, since the adopted model corresponds, in some cases, to its indigenous communitarian organization, as in Caldonó, Jambaló and Silvia. There are also references to the citizens' exercise in Bolívar and the capital of the Department, Popayán.

To complete this quick journey through the country, the Department of Amazonas also implements the PB in the capital, Leticia.

#### *Constitution of the National Network of Local Planning and Participatory Budgeting*

In the last five years, Colombia has fostered the construction and strengthening of the National Network of Participatory Budgeting, with the purpose of defending territorial autonomies and administrative and fiscal autonomies, viewing the democratization of all aspects of public management and the local organization in order to pressure central government to implementing good governance strategies.

The Colombian Network of Local Planning and Participatory Budgeting was created within the scope of the first national meeting of experiments of Planning and Participatory Budgeting, held in Barrancabermeja, in November 2008, reinforcing itself in subsequent meetings: Yumbo (Valle), in 2009, Medellín (Antioquia), in 2010, Bogotá, in 2011, and Pereira (Risaralda), in 2012. Its aim was to increase awareness for participatory democracy experiments, articulate initiatives, exercises and democratic practices at a national level, as well as to reinforce decentralization and local autonomy.

Within the Bogotá meeting, the III Assembly of the International Platform of Participatory Budgeting was held, an event that included the participation of countries such as Portugal, France, Cape Verde, Mexico, Ecuador, Argentina and Brazil, to review and update the agreement on participatory democracy achieved through the Malaga Statement, which was replaced by the Bogotá Statement and to consolidate strategies that allow higher South-South and North-South integration.

The National Network has configured an open, inclusive, transverse, plural, participatory and collective workspace, in order to ensure a higher efficiency and efficacy in the strengthening of these processes and to attain the proposed common goals. The members joined the network in a voluntary basis. The Network operates through geographic bricks distributed throughout the national territory, and the creation of thematic clusters, around which are articulated several regions, according to their interest in each one. Besides, a technical secretary was created with local and regional authorities, academies and social organizations, which meet regularly to propose local and regional strategies that can contribute to the construction of the region-nation.

In 2011, the National Network promoted the I National Meeting of Clusters of the Colombian Network of Local Planning and Participatory Budgeting, at Pasto city, which gathered over 300

people from all over the country, representing the different regional clusters; the purpose was to discuss clear sustainability strategies of the processes of Local Planning and Participatory Budgeting, considering the elections held that same year.

### *Sustainability proposals of citizen participation processes*

During the meeting six strategies were proposed for discussion, able to promote the sustainability of participatory processes viewing an electoral conjuncture:

1. Cultural and Ethno cultural Identity, conceived from the different perspectives inherent to the communitarian life project, in which habits have been acquired and/or inherited, costumes, and traditions, which generate a sense of belonging viewing the different participatory processes existing in each region.
2. Empowerment and Social Cohesion, understood as an appropriation of the different social and institutional spaces viewing the prosecution of a common goal and considering the principles of equity, respect, tolerance, solidarity and inclusion, and acknowledging the people as subjects with rights, that can influence public decisions.
3. Allies and Social Co-responsibility, understood from the interrelation between responsible players and sectors, entailed to the creation of knowledge, feedback of experiments and resources management for the strengthening of communitarian and /or institutional participatory processes able to lobbying to keep those processes alive.
4. Influence in Public Policies, in the perspective of a process of permanent construction, in which the roles of the State and the Administration set at a local, regional and national level are established, determining the influence of plans, programmes and projects build directly by social players and finally the legitimacy of social and communitarian organizations of the processes, seen as the underlining of the rights of the civil society.
5. Parties, Movements and Social Organizations, conceived from different ideologies or manners of thinking, built by the country's political structures, and that are present in local planning and participatory budgeting processes.
6. Organic Structure of the National Network and Regional Clusters, understanding that the Network structure has an open character, in which the social subjects participation is a fundamental part of the stability of the same; It operates in differentiated fields, in a framework of interaction and feedback, considering the cognitive and normative aspects with the purpose of rendering the process sustainable.

Here were important debates in each Table, which lead to the reflection of the participants and the consequent mobilization in the regions.

The Cultural Identity Table underlined the need to implement a policy to strengthen the cultural and ancestral identity, besides the implementation of processes towards the redemption of territoriality and sovereignty, considering that all participation levels are different and depend on the region and history influencing them and for that reason, each participatory process transports a manner of expression of political culture, reinforcing the decision-making processes.

This Table highlighted the importance to articulate community life plans, or the plan for life (from the conception of the indigenous and afro populations communitarian assemblies) with the government programmes and, later on, with the development plans, as one of the clear stra-

tegies to build local planning and participatory budgeting processes. In this reflection, there was a consensus between participants on the continuity of participatory budgeting in each of the locations thanks to the sense of belonging that each one manifested from their experiments and the probation of the community.

Another reflection stresses out the importance of using the same language towards the shared vision of the territory and its communitarian life, reinforcing democracy and planning for the local people, leading administration to “build upon the already built”.

It is important to consider that, due to the cultural diversity of a country such as Colombia, there are several practices related to participation, and that all should be considered in a study on the cultural identity and the construction of a common vision; the particular cultural traits do not prevent the establishment of agreements and decision-making, at a local level, for the bottom up construction. The key lays in the construction of a citizenship concept that includes a political culture, beyond the strictly electoral processes, but that advances the recognition of identity processes and the history of each groups.

The Empowerment and Social Cohesion Table redeemed the importance of “co-building” a social subject for the first levels of education, with a pedagogic education able to foster participatory, social, communitarian, civic and citizen spirit, supporting the political leader, either rural or urban, intervening in decision-making in its small groups of relationship, such as home, friends, peers and school. To teach and use an inclusive language that acknowledges and respects the differences as “complementary”.

The participants have stressed out that the reference to the social subject implies the understanding that the human being is in a constant interaction with the surrounding world, which allows it to socialise and make proposals to improve the conditions of life together.

One of the major conclusions presented by this assembly was the need to strengthen communitarian organization, considering solidarity leadership with a shared vision that seeks to improve the living conditions of the communities.

The organization of processes of accountability to consolidate a follow up and monitoring initiative is crucial for this reinforcement of the community members, though they may know the governmental management and, especially, to participate in the same.

The Allies and Social Co-responsibility Table highlighted the need to have communication strategies, with the commitment of sharing information from all territorial poles as an exercise of the Network co-responsibility.

It was also underlined that is it fundamental to create bonds of trust between administration and private sector, through the transparency of the processes and the correct attribution of resources. This was defined as a construction of the public sector that allows potentiating the support of local initiatives, from the consolidation of the trust and legitimacy mechanisms between public players and the private and social sectors.

Several players were identified that were involved or should be involved in participatory processes; divided in four major groups, they were the knowledge players, the production players, the community players and the power players.

The first should be part of the academic world; investigation and teaching, in which the foundations and organizations related to education, training and knowledge management, are also included.

The second ones are the ones involved in production sectors, such as private companies, chambers of commerce or regional commissions on competitiveness. The challenge, in this case, is to articulate different entities interested in the participatory process, based on strategic alliances for the integral and sustainable human development.

The community players would be represented in all social and communitarian organizations, as well as leaders and cities interested in conceiving, managing and executing collective projects.

As for the power players, all the aforementioned ones should be included, although during the discussion there was a discrepancy over the power that each player may have in a participatory process. If, in many occasions, we say that it is the government and the administration that make the decisions, the population, with its beliefs, can win power whenever and when interacting with those, generating processes of trust, through transparency in the treatment and the distribution of resources, information disclosure and accountability. There are, nevertheless, other power players, such as the agents of international cooperation that, through a specific approach and demand, invest their own resources in the initiatives of a given region.

The Public Policy Influence Table underlined the importance of territorial planning through instruments such as the Local Development Plans, which are the foundation of the social policy and territorial projections. Nevertheless, the need to promote monitoring instruments and mechanisms of Planning and Participatory Budgeting processes was stressed out, to change the manner to estimate the impacts, to implement specific systems for each public policy, to look for transverse axis, such as knowledge management and to enlarge the vision, not only on municipal issues, but also on national issues; on the other hand, it would be important to intervene in the national system of planning, in order to present proposals that allow including the Participatory Budget in Local Planning.

In this Table there was an interesting debate around the mechanisms of participation and the creation of initiatives or good practices, as well as the true possibility of intervening in public affairs.

Rightfully, the Local Administrative Councils should present investment proposals to the authorities, and to distribute global payments from the municipal budget, in their municipalities or territories under their jurisdiction. But the group questioned the degree of citizen participation regarding the ones that are not members of those councils.

One of the manners to widely intervene in the public policies presented, was the programmatic vote to evaluate, more than the people or the alliances they politically represent, the proposals that improve municipalities' conditions, the Department and the Nation ones.

The participants of this Table also mentioned the importance of citizen mobilization viewing the construction and/or the reinforcement of the public policy of Participatory Budgeting within the regions, given that in some cities there were positions that could have been discussed in the community, including all its players, aiming to organize and regulate the participatory policy.

The concern with the fact that there are few intervention possibilities in the national system of planning, as it should include reforms that will allow to include the Participatory Budget in Local Planning; one of the alternatives would be the Statutory Law of Participation and at a local level, the territorial and departmental planning councils. In short, the intervention in public policy seeks to consolidate the position to conceive public policies that the departments and municipalities, with the cooperation of social players committed to the territory development, need.

On the other hand, the Parties, Movements and Organization Table debated the political crisis in the territories, whether locally, regionally or nation wide. It directly affects the structuring of a political culture, making partisan efforts to be centred in attracting voters or supporters for their movements, therefore making an instrument of policy making and reducing it only to the electoral exercise.

As such, it was determined that the political parties and candidates should guide their actions towards the building and/or strengthening of social movements and organizations, with the purpose of fostering the construction of a political culture from its different manifestations; this would set aside patronage practices within the Participatory Budgeting processes.

This Table underlined that it is necessary to include the promotion of Local Planning and Participatory Budget in the ideological platform of political parties allowing participation to be understood as an instrument for the development as well as a civic achievement, as this is not the present reality. Among the debate conclusions, we can highlight that the citizen construction of governance programmes for four years (which is the period reserved for local, departmental and national governments) should be made in a territorial basis, in which the axis of Planning and Participatory Budgeting is included as citizen mandate.

The creation of citizen mandates by municipalities and parishes was also proposed, predicting the quantitative and qualitative indicators for the impact evaluation. Transparency, participation and the consultation in the distribution of public resources, as well as its administrations to all the levels of powers, should be the basis to generate credibility and coherence between planning and budgeting, the different participants stated.

The importance to develop alliances between the parties, political and social organizations and movements, was also underlined, as a means to increment and improve governability, regardless of the candidate or the party in power at the time.

One of the objectives and accomplishments acknowledged at the Table was the advance of the plan of action by territorial poles, as well as the debate on a position viewing the electoral conjuncture, which was to wage in the continuity of the processes in each region, fostering strategies of training and political intervention.

From the reflection, we stress out the appeal to reinforce the movements and organizations of civil society, since this is a manner of promoting social mobilization, a significant component in the participatory democracy processes.

It should be noted that the population is not mobilized only through political parties, although these are the ones that can gather more people; but that is not the only way, since the explosion of communitarian organizations in the last few years has incremented the presented proposals and the implementation of initiatives that benefit the different strata of the population; on the other hand, they are more constant than the parties in each sector. It is also important to involve children, teenagers and youngsters, so that they identify themselves within participation processes, planning and participatory budgeting, and thereby achieving leadership renewal and generation changes more in line with local realities. In order to achieve this purpose, the union, capacity, preparation, knowledge and the decision of participant sectors are necessary, to achieve a paradigm shift in the governance structures – which have determined the current administrative cycles.

Finally, the Organic Structure of National Network and Regional Poles Table acknowledged the need for education and training in political culture as one of the significant elements for the

implementation of the network of regional poles.

For the Table participants, it is crucial to acknowledge the necessity of having a strong structure, able to conceive, formulate, implement and manage projects to support the participation processes in different cities, with a level of autonomy that ensures its operation and duplicates the learning of the National Network, not depending on the dominant political will in each territory.

For the consolidation of the Network, it is very important to widen the coverage of each Pole, by means of including the majority of the population, keeping it informed on local planning and participatory budgeting.

The regional poles were seen, at the Meeting, as an opportunity to build strong bonds between the territories that wage on local planning and participatory budgeting. This is the opportunity for the Network to be united around the protection and continuity of the processes that have already been implemented, not depending on the electoral conjuncture to substantially change the construction of Participatory Democracy in Colombia.<sup>22</sup>

In short, the debate on sustainability is broadened, from the dimension it had to regulate the processes, to discuss, in scenarios that are not merely political, with the movements and political parties the inclusion of the PB in their ideological platforms or in local and departmental executive and legislative bodies, as a claim of the right to participate and, on the other hand, as a form of social mobilization and empowerment of the communities, recognizing their status as subjects with rights who claim sovereignty resting in the people.

### *Then, isn't regulation necessary? Debate on the Statutory Law on Participation*

In the same year that the Poles Meeting was held, a debate on the Statutory Law on Participation was initiated in Colombia, which implied the revision of documents such as the aforementioned Organic Law of Budgets and the Planning Law.

Regulation is not, per se, a threat to the participatory processes, since it may ensure the minimum facilitating conditions for participation. Nevertheless, from the non-regulation defenders point of view, and when one believes in the processes' legitimacy, it is stressed that regulation can become a real threat, whether when it is transformed in an instrument of political proselytise, or when the legislator aims to embrace the whole process with the rule, in such a way that it even exploits the PB itself, removing the dynamics of participation and the ability to adjust, or, as it already has happened, turning it into a simple compliance with the standard process, and forgetting its potentialities to build citizenship. Implementing PB for obligation may even transform it in an end and not a mean, as it should.

When the Ministry of Interior proposed the revision of the Statutory Law, opening debate spaces in several Colombian regions, there was a unique opportunity for the participation of the Colombian populations in the discussion of an issue of vital importance for the citizens, recognizing participation as a fundamental pillar of the Constitution. In each location, the respective Tables were supported by social organizations, experts on the subject.

The tables were divided in five thematic committees:

- 1) Direct participation mechanisms;
- 2) Planning and participatory budgeting;
- 3) Sector and population spaces;

<sup>22</sup> The proposal for creating centres and the full conclusions of the Meeting are included in the systematization of the I National Meeting of Centres, organized by Pasto City Hall, in 2011.

<sup>23</sup> Congress of the Republic of Colombia, text included in the draft Statutory Law no. 227 of 2012, Senate 134 of 2011, Accumulated Chamber Pl 133/11 “By which are presented dispositions in matter of Promotion and Protection of the Right to Democratic Participation,” Article 1

<sup>24</sup> (Ibidem) Article 88

<sup>25</sup> (Ibidem) Article 89 Lit K

<sup>26</sup> (Ibidem) Article 101, Lit f

<sup>27</sup> (Ibidem) Article 90

<sup>28</sup> (Ibidem) Article 90

4) Social monitoring and accountability;

5) Institutional projects.

The citizen debate held in 13 regions and the National Table, was very rich, ending with the preparation of a draft proposal of amendment of the law that, through the filters of the Ministry of the Interior, and afterwards with the debates held at the House of Representatives and the Senate, has undergone some changes relating to what had been decided in the debates with the communities.

The purpose of the law is “the promotion, protection and assurance of modalities of the right to participate in political administrative, economic, social and cultural life, as well as the monitoring of political power. (...) It regulates popular and normative initiatives towards public corporations, referendum, popular consultations, revocation of mandates, plebiscites and open houses; it establishes the fundamental rules by which the democratic participation of civil organizations should be governed.” It also states that “the regulation of these mechanisms shall not prevent the development of the democratic participation in political, economic, social and cultural life, nor the exercise of other political rights not mentioned in this law.”<sup>23</sup>

In the dispositions set forth in the rule, there is the inclusion of PB, encouraging and providing the authorities with the organization of the PB in their territories: “The promotion of the right of citizen participation in territorial units will depend on the Secretaries designated for this purpose, which can nominate personal with exclusive dedication (...)”<sup>24</sup>, that have as options: “To stimulate exercises of participatory budgeting through deliberative decision on the destination of the resources from public investment.”<sup>25</sup>

Article 101 establishes as a symbolic incentive to participation that “The municipalities that promote citizen participation and exercises of participatory budgeting shall have an additional score in the integral performance analysis of the municipalities, according to the parameters to be established by the National Department for Planning”<sup>26</sup>; at the same article, subparagraph C refers that “The National Prize for Government Support of Citizen Participation shall be awarded annually, an event broadcasted by the Institutional Channel, to the Mayor and Governor of the country which stands out the most for the practices and support given to experiments of citizen participation and the successful development of exercises of participatory budgeting.”

Nonetheless, there is a reductive definition of the PB, noting that it is a mere instrument for the distribution of resources, as follows: “is a mechanism of equitable, rational, efficient, effective and transparent distribution of public resources, which favours the relationship State – Civil Society. For that purpose, the regional and local governments promote the development of mechanisms and strategies of participation in the programming of its budgets as well as the surveillance and monitoring of the public resources management.”<sup>27</sup>

In this rule, the inclusion of financing to promote participation is protected, and Article 98 (b) sets forth “The budgetary resources associated to the promotion of citizen participation should be invested primarily in (...) support to initiatives towards the implementation of exercise of participatory budgeting in the different levels of territorial organization of the country.”

It is positive that the rule enlarges the responsibility of officials who are accountable, to legislative bodies, such as Local Administrative Councils, Municipal Councils and Department Assemblies, because previously only the Executive was accountable. Nevertheless, the Congress is not included in this group.

Obligations are created for the authorities with the purpose to effectively assure citizen participation; the requirements that make possible the mechanisms of direct participation are reduced, such as for example, in the case of revocation of mandate, although this is still in force for the Executive sector and not the Legislative one, which is also the result of popular election.

There is a new participation instance, the National Council for Participation with its delegations in each territorial level; this organ “provides advice to the national government on the definition, promotion, conception, follow up and evaluation of the public policy of citizen participation in Colombia”.<sup>28</sup>

In short, through the ruling, the citizen exercise is promoted and the participation is reinvigorated; it tries to coordinate the different instances of participation, facilitate the participation through achievable mechanisms and acknowledge the right of all Colombian people to participate.

### *Challenges*

Colombia has, nonetheless, a long way to go towards democracy democratization, in public management and the assurance of the right to citizen participation; it is not enough that the constitutional court approves the new Statutory Law of Participation; the authorities have to know, promote and respect it, in the very least. It is also necessary to strengthen communitarian groups, whether organized or not, through citizen education that aims to create competencies in the citizens and also to enlarge the vision of the community and the city, and is able to advance in the construction of the country from bottom up, that truly respects ethnic plurality, cultural identity and social and political diversity.

The National Network of Local Planning and Participatory Budgeting should be consolidated in more regions and become the flagship of the rule, reinforced through territorial and thematic poles, as well as promoting education, investigation and experiment exchange spaces in several environments, other than the National Meeting. It will have to find financial autonomy in order not to depend on local authorities, and therefore create support projects for the territorial and national entities.

Citizens should understand participation as their own right and use the specific existent spaces, and if they don't exist they should also require the spaces they are entitled to; They should learn that the citizenship exercise is part of the claim for the sovereignty of the people, and at the same time is a tool to ensure the effective enjoyments of the other fundamental rights in the construction of the Social State Under the Rule of Law. Through the experiments and life, wisdom and communitarian traditions, participation can become one of the main sources of knowledge.

LATIN  
AMERICA

PERU

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# MANDATING PARTICIPATION: EXPLORING PERU'S NATIONAL PARTICIPATORY BUDGET LAW

## *Abstract*

In 2003, national politicians in Peru passed a law mandating that all subnational governments undertake a participatory budgeting process to allocate their investment budget. This chapter describes the national legislative framework that governs this process as well as some of the strengths and weaknesses that have emerged. The Peru case demonstrates that it is possible to mandate widespread participation in subnational budget decisions. It is also possible for this process to be successful in many ways. At the same time, the case offers several lessons for those who are interested in reproducing similar programs. Countries that are committed to participatory practices, like Peru, will need to constantly work to improve the process in order to achieve desired results after a national law is passed.

## *Introduction*

When Workers' Party officials decided to launch the infamous participatory budgeting (PB) process in Porto Alegre, did they imagine how far and wide this model would travel? Did they foresee politicians in a neighboring country institutionalizing a similar process in over 2000 villages, cities, and regional capitals? This is exactly what happened in Peru fifteen years after the PB process began in Porto Alegre. In 2003, national politicians passed a law mandating that all subnational governments undertake a participatory budgeting process to allocate their investment budget. The World Bank (2010) has estimated that 150,000 people convene annually to discuss their budget priorities. Because of this, Peru is now considered one of the most participatory places in the world.

I have studied Peru's PB experiment for almost ten years. This chapter outlines Peru's experiences with the PB based on this research. The chapter first describes the political context that allowed this reform to emerge. Then, it describes the national legal framework, including the annual process as currently envisioned by the national government. Because Peruvians have been voting on how to spend their local budgets for over ten years, the case provides insight into the strengths and weaknesses of this bold experiment. Next, the chapter offers several recommendations for reformers contemplating this top-down design choice. The chapter concludes with a call to continue working to improve the process in Peru in order for this country to remain an example of a successful top-down participatory budget process.

<sup>1</sup>For more on the Fujimori years, see Conaghan 2005, Kenney 2004, and McClintock 1993. Fujimori eventually moved to Chile where he was extradited to Peru for trial. He is currently serving time in jail in Peru for several crimes committed during his administration.

<sup>2</sup>For more on the pilot program, see MEF 2004 and Zas Friz Burga 2004.

<sup>3</sup>The discussion of Laws 27680, 27783, and 27867 are reprinted from McNulty 2011 with permission from Stanford University Press. For more on the legal framework see Defensoría del Pueblo 2003 and Zas Friz Burga 2004.

<sup>4</sup>Originally, the macro-regions would have been formed through a referendum, however that process stalled in 2005.

<sup>5</sup>This section is adapted and reprinted from McNulty 2012 with permission from the Journal of Public Deliberation.

### *Peru's Top-Down PB Process*

Peru's mandated participatory budget process emerged as part of a sweeping decentralization reform passed by Congress in 2002. This reform is participatory in nature and it includes several institutions that engage civil society in policy-making, such as the PB process, local health and education councils, and regional and local coordination councils (McNulty 2011, Remy 2005). Before describing the legislation that governs the PB specifically, it is useful to briefly discuss why this reform emerged when it did.

To fully understand the reform we need look back to the Alberto Fujimori's administration. Fujimori governed the country from 1990 to 2000 in a regime typified by the gradual concentration of power in the executive, extreme corruption, and the lack of transparency. After national scandals came to light, involving high-level corruption and links to drug trafficking, Fujimori fled the country to live in exile in Japan.<sup>1</sup> He left a highly corrupt, centralized, and inefficient government in his wake. After he fled, reformers were faced with the difficult task of reconstructing a more democratic and transparent state.

In 2000 Peruvians found themselves in a unique position. The public clamored for ways to hold authorities accountable and increase transparency in public management. Many of the leftist and center-left politicians and activists had risen to nationally elected and appointed positions in Congress and the executive branch. Some of them had implemented participatory processes as mayors, such as Luis Guerrero, former mayor of Cajamarca, who led Congress's Decentralization Committee while drafting the constitutional reform and Ernesto Herrero, former mayor of Ilo, who eventually presided over the Decentralization Committee as well. Others had worked in non-profit organizations that had provided technical assistance in participatory planning from Lima. They all supported scaling up these experiences to the national level after Fujimori fled the country.

However, much of the force behind the mandated participatory budgeting law came from an unlikely source – the Ministry of Economics and Finance (MEF). Like most developing countries in Latin America, this ministry is extremely powerful and tends to successfully promote its initiatives in congressional committees. At this particular moment a young lawyer, Nelson Shak, led the national budget office and admired the participatory budgeting experiences that had taken place in Ilo, Cajamarca and a few other cities around Peru in the 1990s. Shak's interest stemmed from his frustration with the national budget making process. He worried that Congress was not representing the people's needs in this process and its members were not being held accountable for their spending decisions. For this reason, he advocated a pilot participatory budgeting process at the regional level in 2002.

The pilot program involved designing regional development plans in a participatory and consultative manner, which would then serve to guide that year's budget-making process. Twenty-two regions undertook the first step, designing development plans and budgets by convening and consulting civil society actors, and nine regions eventually qualified for regional funds for development projects.<sup>2</sup> The pilot program was viewed as a success, and Congress' Budget and General Accounts Committee worked closely with the MEF to develop the legislation that would institutionalize the process at all subnational levels of government on an annual basis.

### *Legislative Framework*

While there are numerous laws, decrees, and ordinances that govern the PB process, this sec-

tion describes the five most important pieces of national legislation.<sup>3</sup>

### *Constitutional Reform (March 2002)*

The first step in Peru's participatory decentralization reform lay in reforming the 1993 constitution through eleven articles. The constitutional reform (Law 27680), ratified in March 2002, creates a regional, unitary state with several levels of subnational government: macro-regions<sup>4</sup> (which combine several regions to make a larger political unit), regions, provinces, districts, and centros poblados (very small towns). It grants all of these levels new powers and resources and allows for the direct elections of new authorities. The reform is designed to gradually take place in four ongoing, and often overlapping, phases.

The constitution also states that regional and local governments need to set up additional mechanisms to increase citizen participation in politics and increase citizen oversight. First, each region and municipality must develop a strategic plan, or *planes concertados de desarrollo*. The regional government shall “formulate and approve the regional development plan with municipalities and civil society” (Article 192) and municipal governments will “approve a local development plan with civil society” (Article 194). Second, local and regional governments need to develop their budgets with citizens' participation and hold periodic open meetings (*audiencias públicas*) twice a year to provide information about the execution of the budget. Specifically the constitution states in Article 199 that “the aforementioned governments formulate their budgets with the participation of the population and publicly disclose their execution annually according to the law.” Because the reform fails to include specifics about these particular initiatives, additional legislation details the participatory processes.

### *General Decentralization Law (July 2002)*

The General Decentralization Law (Law 27783), which is longer (with fifty-three articles) and more comprehensive than the constitutional reform. The law explicitly states the principles of decentralization, including the ideas that decentralization is permanent, dynamic, irreversible, democratic, and gradual (Article 4). The law's objectives (Chapter Three) mention the importance of participation in subnational planning and decision-making four times. For example, one objective is to increase citizen participation in the management of public affairs and oversee the fiscal responsibilities of each region and locality.

Chapter 5 (Articles 19 and 20) deals with the annual budget, which

is meant to be “participatory and decentralized.” This chapter states that the annual participatory budget serves as an administrative and management instrument and budgets should be based on the corresponding development plan. The law states that “the Ministry of Economy and Finance (MEF) will emit annual instructions that regulate the participatory budget process, and the budgets must meet the requirements of the National Public Investment System. Only public (or capital) investment costs are subject to public debate; operational/fixed costs are not.”

After this law passed, the Organic Regional Government Law and the Organic Municipality Law needed to expand on several aspects of regional and local governments. They also briefly mention the PB process as part of subnational governance.

### *Organic Regional Government Law (November 2002) and Organic Municipality Law (May 2003)*

The Organic Regional Government Law (Law 27867) fleshes out even more details of the guiding principles behind regional government, one of which is participation (Article 8). Beyond that, the law only mentions the regional participatory budget process briefly, stating that the “regional government's management is ruled by the development plans and the participatory budget” (Article 32). The Organic Municipality Law (Law 27972) also briefly mentions the participatory budget process at the local level. It states that “[m]unicipalities are governed by annual participatory budgets as an instrument of administration and management ...It forms part of the planning system. Municipalities...regulate the participation of neighbors in the formulation of participatory budgets” (Article 53). While these two laws are important to the overall framework, the national PB law would prove to be the defining piece of legislation in terms of the PB process.

### *Participatory Budget Laws (2003 and 2008)<sup>5</sup>*

The most important step towards institutionalizing PB around the country lay in the Participatory Budget Law (Law 28056), passed by Congress in 2003. This law dictates that the capital investment costs of each regional, provincial, and local budget must be developed with civil society input. Following a series of steps—developed by the Ministry of Economy and Finance (MEF)—subnational governments must demonstrate that they have complied with this process in order to receive their annual budgets.

The original participatory budget law, further detailed in Supreme Decree 171-2003-EF, outlined eight phases that occurred over the

course of the year, including a call for participation, registration of participants, a training period for participants—called “participatory agents” or PAs—the formation of a technical team, and several meetings during which participating agents prioritize and vote on investment projects. The final phase consisted of setting up an oversight committee, made up of representatives from civil society organizations which register as also participating agents, to monitor spending and progress on prioritized projects.

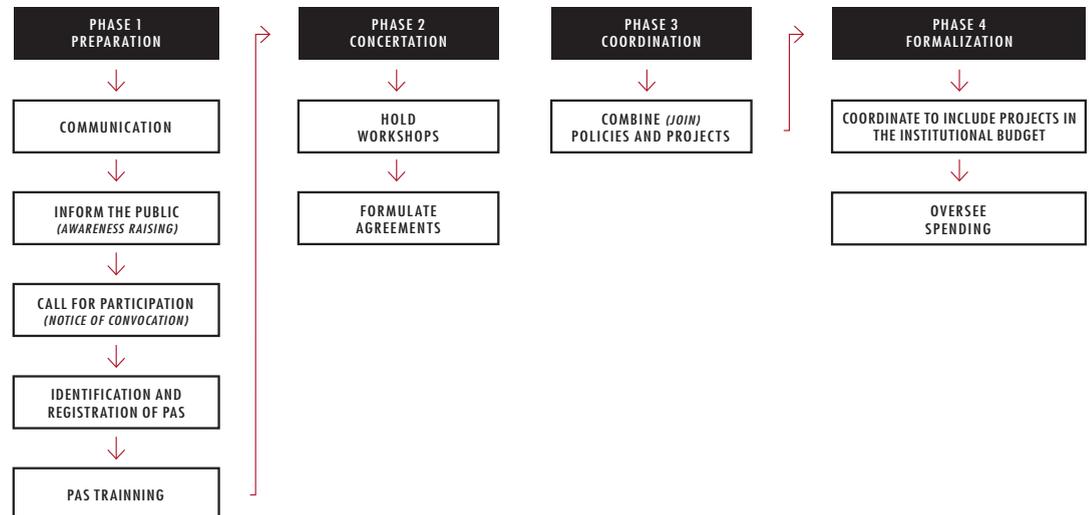
In 2008, the Peruvian government reformed the original Participatory Budget Law to reduce these eight steps to four.<sup>6</sup> Law 29298, paraphrased below, outlines the phases for the regional level; these phases also take place at the district and provincial levels:

- 1) Preparation, or identifying, registering, and training participating agents.
- 2) “Concertation”: During this phase the participating agents meet to discuss the region’s development plan<sup>1</sup> and prioritize the “themes” of projects that should be funded in the new budget. This discussion should be based on the development plan. A technical team then evaluates each proposed project and, based on the agreed upon priorities, recommends the projects that should be funded.
- 3) Coordination among the different levels of government, which consists of meetings between the regional president and the local mayors to make sure that spending is coordinated, sustainable, and has regional impact.
- 4) Formalization of investment projects. This takes place during a regional meeting where all participating agents are given a vote in the final project list. This final list is sent to two regional governmental bodies, the Regional Coordination Council and the Regional Council, for approval.

The MEF’s instructions illustrate the four phases in Graph 1.

One important aspect of Peru’s PB is the concept of a participating agent. Participating agents are defined as representatives from civil society organizations, members of the Regional or Local Coordination Councils,<sup>8</sup> and government officials. This is an important distinction from many PB experiences, where only individuals or representatives from neighborhood organi-

Graph 1 The Peruvian PB Process<sup>10</sup>



zations are invited. Civil society organizations (CSOs) should register for the process in advance, assuming that they meet certain criteria. The national law allows each regional, provincial, or district government to determine the registration process for CSOs and codify it in a local ordinance. As such, registration criteria vary around the country. Generally, it is common to mandate that an agent representing a CSO should have legal status<sup>9</sup> and work in the entire region/province/district, not merely representing one neighborhood or city. Some governments are more flexible about the criteria in order to allow more informal groups to participate.

The technical team—with members from the government and civil society who are invited to participate by the government officials—also plays several important roles in the PB process, especially since the national government revised the process in 2010. First, the team receives the initial project proposals and reviews them to ensure that they meet the MEF’s criteria (discussed below). Second, the technical team develops a preliminary list of projects to recommend for approval. This list of projects is then debated and approved in a larger PB meeting with all participating agents. Third, in some regions and municipalities, the technical team might also serve as a resource as participating agents debate the projects. This is not a formal role; however, when observing PB debates in one region, I witnessed the technical team helping participating agents understand project proposals when there were questions.

<sup>6</sup> See Instructivo 001-2010-EF-76.01 for a more detailed explication of the new process ([www.mef.gob.pe/NORLEGAL/.../2010/RD007\\_2010EF7601.pdf](http://www.mef.gob.pe/NORLEGAL/.../2010/RD007_2010EF7601.pdf)). Accessed September 13, 2010). Three additional decrees (Supreme Decree 097-2009-EF, 142-2009-EF, and 131-2010-EF) also relate to and clarify aspects of the process. See Grupo Propuesta Ciudadana 2009 for an overview of the new process.

<sup>7</sup> The regional development plan (called *plan de desarrollo concertado* in Spanish) is also an important part of the participatory decentralization framework. Every five years each level of government has to convene actors to discuss regional development priorities and document them in the plan. To view actual plans, go to the Mesa de Concertación de la Lucha Contra la Pobreza’s website at <http://www.mesadeconcertacion.org.pe>.

<sup>8</sup> These councils are a part of the regional and local governance structure and are made up of mayors and elected representatives from CSOs in the city or region. For more on these councils see McNulty 2011.

<sup>9</sup> While regulations vary, to become legal most CSOs must demonstrate that they have a governing board, a constitution, a list of members, and some sort of legal representative. There is usually a fee associated with becoming legal as well. For more on these regulations, see for example Ramírez Huaroto 2009.

<sup>10</sup> Adapted from MEF Instructivo 001-2010-EF-76.01, p. 8.

What information or criteria guides the technical team as the members make decisions about project viability? The MEF provides templates for project proposals to any official or CSO that wants to propose a project. The proposal should include information about how much the project will cost and who will benefit. In theory, the project must meet the MEF's National Public Investment System's (SNIP) requirements. The MEF installed the SNIP system in 2000 to verify and approve investment projects. To meet SNIP requirements a project profile has to include reliable statistics about its impact, have information about cost-share, and be ready for a feasibility study (if that had not already been done). One problem is that these criteria are hard to meet for many governments in poor and rural areas.

Since 2010 the MEF has also developed criteria about the cost and impact of projects. For the most part, there is no stated rule about how much a project should cost, nor are there fixed cost ceilings for most projects. Each regional or local government has an estimated budget within which to work during the PB discussions. In the 2010 instructions, the MEF does state that regional projects should cost at least 3 million nuevos soles (more than 1 million USD) and benefit at least two provinces and 5% of the population. Provincial projects should cost at least 1.2 million nuevos soles and benefit at least two districts and 5% of the population. Further, investment projects should be linked to the overall development plans. These stipulations are meant to prevent participating agents from approving small projects with limited impact. It is possible, however, to get around these stipulations.

Over time, more and more subnational governments are paying attention to these suggestions. For example, 60.1% of the regional projects that were financed in 2008 cost more than 8 million nuevos soles (MCLCP 2011). In 2009, the percentage of funded projects at that same amount increased slightly to 63.2% (MCLCP 2011). Almost 13% of the projects cost between 3.5 and 8 million nuevos soles in 2008 and, again, that percentage increased to 15.1% in 2009 (MCLCP 2011). Thus, regions seem to be approving larger projects with greater impact. In theory, it is up to the technical team to assess these issues.

Once a list of projects is approved in the final participatory budget meeting, the subnational executive (the regional president or local mayor) sends the list of projects to his or her Regional (or Local) Council to approve. The final list is then sent to the Ministry of Economy and Finance, which evaluates technical viability. The MEF sends a final budget to Congress to approve as part of the national budget process.<sup>11</sup> Governments are also responsible for posting all information about investment projects on a website as part of additional transparency efforts. While civil society participation is an important part of the process, it is only one part of a long and complicated budget process that involves elected regional authorities and central government officials, all of whom can legally change the final list of projects that leaves the final participatory budget meeting.

A recent change in the national budget-making process is closely related to the PB. The Peruvian government overhauled the national budget process in 2007 through a reform called "Result-based Budgeting" (Presupuesto por Resultados, or PpR).<sup>12</sup> According to the MEF, the PpR is "a public policy strategy that links resource allocation to measurable results" (MEF n.d.). In a mostly top-down process, the national government developed eight results that all parts of the budget should work toward addressing: improved nutrition, prenatal maternal health, access to education, access to basic social services and the market, access to formal identity papers, improved water and sanitation, access to telephone and Internet in rural areas, and access to energy in rural areas (MEF 2009). The MEF, working with some local NGOs, has de-

veloped a guide for ensuring that the investment projects approved by participating agents work towards these results (GPC 2011, PRODES 2010a).<sup>13</sup> Thus, the two processes are being combined slowly.

### *Strengths and Weaknesses of the Top-Down Approach*

Of all the participatory aspects of Peru's decentralization reform, the PB is considered the most successful and most institutionalized (PRODES 2012, Remy 2005, Secretaría de la Descentralización 2012). Of course, there is a lot of variation in its implementation at both the regional and local levels<sup>14</sup>. However, in very general terms most agree that the PB has taken hold and engages many new civil society actors in political decision-making. In a 2010 rapid evaluation, a USAID-funded project that works to strengthen subnational governments, called PRODES, cites interviewees as saying “without participation, there is no decentralization” (2010b: 50). In my own interviews, experts on decentralization often referred to the PIs as “institutionalized” and one that they fully expect to continue.

One indicator of success is the number of participating agents that the process has attracted over time. While it is impossible to know exactly how many agents attend municipal processes, due to data collection limitations, the Peruvian government does offer reliable data regarding the number of participating agents in regional processes.<sup>15</sup> For the 2008<sup>16</sup> process, 2592 PAs attended meetings in twenty-four<sup>17</sup> of the twenty-five regions. This number increased to 3596 in the 2009 process. Participation then declined to 3129 in 2010 and 2818 during the 2011 process. Most recently, it increased again to 3213. Thus, a substantial number of organizations and officials find that this process is worth their valuable time.

Further, in an evaluation of the process, the World Bank found that at least in the short term, participants are approving projects that are directed toward meeting citizens' most basic needs. They determined this by documenting the projects that were directed to improved access to water, electricity, and sanitation. The World Bank concludes that “*participating agents in the participatory budget prioritize investment projects in social infrastructure and those that are oriented to serve the needs of the poorest*” (World Bank 2010, 8). The Mesa de Concertación de la Lucha Contra la Pobreza's (Roundtable for the Fight Against Poverty, or MCLCP in Spanish) 2011 report also includes an interesting analysis of the many kinds of projects that were prioritized by participating agents in each regional government during PB meetings in 2008. Although the kinds of projects vary drastically—some participating agents vote for several education-related projects while others tend to favor road and irrigation systems. They argue that “there is evidence that there is a relationship between the needs of each region” and the prioritized projects (MCLCP 2011, 24). In other words, PAs are prioritizing pro-poor spending.

In many ways, the success of the project is linked to the very fact that it is a mandated process that regions must undertake to get their annual funds. Officials often note that having these laws on the books helps engage new actors in local decision-making processes. Another important aspect of its success is the fact that the process has remained somewhat flexible over time. The MEF occasionally seeks out feedback and

<sup>11</sup> See Shack 2006 for a detailed description of Peru's national budget process.

<sup>12</sup> See Chapter IV of Law 28411 (Ley General del Sistema Nacional de Presupuesto) for the actual text of the reform.

<sup>13</sup> See also MEF's Instructions 007-2010-EF-76.01.

<sup>14</sup> It is not possible to explore the heterogeneous nature of the PB process in this short chapter. Having said that, this variation is important and merits additional attention.

<sup>15</sup> See the MEF's database at [http://presupuesto-participativo.mef.gob.pe/app\\_pp/db\\_distedit.php](http://presupuesto-participativo.mef.gob.pe/app_pp/db_distedit.php).

<sup>16</sup> The MEF reports data based on the budget year, not the year that it is debated (e.g., 2008 data presented above pertain to the process that unfolded around the country in 2007).

<sup>17</sup> One region, Callao, is given special status in the Constitution and is not a typical region (rather, it is an urban area that borders the city of Lima). As such, I do not include data from Callao in the regional analysis.

<sup>18</sup> See PRODES 2011 for more on how the MEF instructions have changed over the years to respond to problems in the process.

<sup>19</sup> For more on the problems facing the PIs in Peru, see Arroyo and Irigoyan 2005, McNulty 2011, and PRODES 2010b.

changes its instructions to improve the process. For example, the MEF realized that subnational governments needed guidance on the territorial reach of projects and budgetary guidelines.<sup>18</sup> Thus small changes are sometimes made to the instructions to respond to needs.

However, even with a flexible national legislative framework, there are also many problems facing the PB in Peru.<sup>19</sup> While PAs are prioritizing pro-poor projects, governmental authorities are not necessarily following through with these recommendations. As noted above, there are several points at which the investment budget can change after leaving the PB workshops. Most changes take place when the regional president, councils, mayors and city councils approve the final annual budget. Analysts note that in many places, these kinds of budget changes happen on a frequent basis (MCLCP 2011, PRODES 2011). In some cases changes are needed due to technical problems with the approved projects. However, in other cases changes take place due to political maneuvering or populist tendencies (McNulty 2011). This leads to frustration on behalf of the participating agents and can result in “participation fatigue.”

Critics have also argued that the process is too complicated and that PAs are not adequately trained. For example, because the budget tools and workshops are in Spanish, non-Spanish speakers (the estimated five million to six million indigenous who speak Quechua or Aymara and native communities where Amazonian languages are spoken) cannot always fully participate in the process. Often, calls to participate are made in newspapers or through posters, excluding the illiterate. The technical viability of projects, which is necessary for SNIP approval, is an aspect that often demands higher levels of education and training than the average PA has. Thus, in rural areas where literacy and education levels are lower, the process sometimes remains misunderstood and somewhat exclusive. For this reason, some of my interviewees called the PB an “elite” process.

Another problem facing the PB in Peru lies in the nature of the PAs who attend meetings. While a significant number of PAs do attend meetings on an annual basis, when we look at this number more closely, it becomes clear that the process is not effectively engaging women, youth, afro-Peruvians, native communities, and other minority groups. While we do not have good data about all of these actors, the government does track the number of women who participate in the meetings and the number of women’s organizations that formally represent women’s interests. Based on my analysis of the government’s database that tracks participation, at the regional level, 27% of participants were female in the meetings to make the 2008 budget, 28% for 2009, 29% for 2010, and 30% for 2011. This number declined to 22% for the 2012 budget, then increased again for the 2013 budget process to 26%. Women are also not equally represented on the technical teams, making up approximately 25% of the team in the first several years, then increasing their presence slowly to 32% in the most recent year. Even more problematic is the number of women’s organizations that participate. Only 2 to 3% of the PAs that came to meetings officially represented women’s organizations in the meetings. This has remained steady over time.

A final problem stems from the nature of the national leadership in Peru since Alejandro Toledo stepped down in 2006. The two presidents who have succeeded him have not prioritized participatory governance in any way. While they are not actively working against the idea of participatory budgets, they also have done nothing to strengthen the process at the national level. As Maria Remy (2011, 21) wrote during Alan García’s administration (2006–2010), “President García has not shown, during his four and a half years of governing, the slightest interest in participation...or direct democracy.” The current administration under Ollanta Humala has

not prioritized participation either. For example, in the government's proposed National Plan for Decentralization and Regionalization (2012–2016), which is over three hundred pages long, “citizen participation in public management” is discussed on just one page (Secretaría de la Descentralización 2012). These are just some indicators of the lack of attention that the PB has received by recent administrations.

While these problems have not yet threatened the sustainability of the national PB process in Peru, they do reduce the overall quality of the participatory budget. These problems suggest that a national law mandating PB is no magic bullet when it comes to meaningful participation and equitable outcomes. The next section offers recommendations for reformers who are contemplating a top-down PB experiment.

#### *IV. Recommendations*

The Peru case demonstrates that it is possible to mandate widespread participation in subnational budget decisions. It is also possible for this process to be successful in many ways. At the same time, the case offers several lessons for those who are interested in reproducing similar programs.

1. **Flexibility:** Flexibility in the legal framework is imperative for success. The decision to allow the MEF to change the national instructions on an ongoing basis was a wise one in the case of Peru. This allows the process to change over time and adapt to unforeseen problems.
2. **Training:** Dedicate time and resources to training both government officials and participants. Officials need to fully understand the process in order to convene and host the PB annually. Participants need a lot of assistance, especially at first, in understanding complex budget processes. Materials need to be provided in local languages and with simple drawings so non-Spanish speakers and people with less education can also participate effectively. Training and capacity-building resources are extremely well spent—they help ensure sounder processes as well as improved outcomes.
3. **Political Will:** The lack of political will at the local, regional, and national levels of government is probably the biggest threat to the sustainability of Peru's PB. The case demonstrates the importance of engaging political officials at all levels of government in discussions about the benefits of PB. Many elected officials fear devolving power to citizens and organizations. They do not realize that there are many incentives for these kinds of participatory programs, which go beyond budget decisions about spending. For example, several elected officials report increased support by constituents after institutionalizing PBs. Developing incentives that stress politicians' own interests is the best way to convince them to embrace the PB.
4. **Sanctions:** Related to political will, concrete sanctions for politicians who refuse to honor both the letter and the spirit of the law need to be in place. Government officials know that they need to hold meetings to receive their budget. Yet there is no guarantee that the meeting is truly participatory. For example, participants in Ayachuco, a rural area of the Andes, told me about a final PB workshop during which the PAs retired, disgusted by the government, after they had signed in to the meeting. The regional president could still show the MEF that the meeting was held to receive his budget (McNulty 2011). Advocates in Peru are calling for stronger sanctions against officials who manipulate or restrict participation in the budget decision-making process.

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5. Quotas: In the short-run, it appears that quotas may be the best way to ensure widespread participation in top-down processes. The data show that merely calling for participation does not mean that a diverse set of actors in a society can or will come. For example, some regions of Peru would benefit from instituting gender and indigenous quotas for the technical team. To ensure the greatest diversity of participants, reformers should instate quotas for participation (either on teams or in the plenary process).

### *Conclusion*

Peru is one of very few countries that have mandated a participatory budget process in all sub-national governments. This chapter discusses how this became possible and the legal framework that governs the process. It argues that the convergence of several events – the public disgust surrounding Fujimori's extreme corruption, the rise of several leftist voices into political positions during a mostly centrist administration, and the support of the most powerful public finance agency in the country—provided the ideal context for this wide-reaching participatory reform. Congress passed a series of laws that institutionalized PB around the country.

In many ways Peru's experience has surprised observers. It shows that national governments can mandate participation at local levels of government and that this process can “stick.” However, a national law does not to ensure buy-in from national and local officials. Proponents will have to pressure all levels of government to push the process to the top of the political agenda on a continuous basis. Further, like almost all participatory processes, it is hard to engage the most marginalized actors in these processes. Countries that are committed to participatory practices, like Peru, will need to constantly work to improve the process and engage a diverse array of participants if they are to achieve real results after a national law is passed.



LATIN  
AMERICA

DOMINICAN  
REPUBLIC

FRANCIS JORGE GARCÍA

# DOMINICAN REPUBLIC

## 14 YEARS OF PARTICIPATORY LOCAL MANAGEMENT

In the Dominican Republic, the Participatory Budgeting processes began timidly in only a few municipalities; they were implemented by municipal authorities and were rapidly transformed in a massive process, bottom up, what would end up set forth as Law 170-07, which regulates their practice. This diploma was later repealed by Law 176-07, of National District and Municipalities that was transformed in 2010 in constitutional matter.

Villa González, in the year 1999, was the first municipality to implement the Participatory Budget and four years later, in 2003, other four municipalities have initiated the process: La Veja, Jima Abajo, Constanza and Sabana Grande de Boyá. In 2004, another thirty municipalities joined the process; in 2005 there were fifty-nine and in 2006 one hundred and twenty. In 2007, with the adoption of the laws 170/07 and 176/07 mentioned above, the practice became mandatory for all municipalities.

The year 2007 represents the hinge in the history of PB: all municipalities that were implementing the PB since 2003 were acting out of conviction and political will, and after the adoption of the aforementioned laws, the Participatory Budgeting became mandatory in all municipalities.

When these laws were approved many sectors were surprised, as many of them did not know that this participatory process was used in the country. In spite of the effort from a group of technicians, television programmes and printed materials, the process was only known in the municipalities and communities it was implemented on. The process became known at a national level with the approval of the law, and it was worthy of the appreciation of public opinion.

After fourteen years of continuous implementation of this process, and six years after the adoption of the law, we can say beyond doubt that Participatory Budgeting in the Dominican Republic is the process that has gathered more support, integration, sense of commitment and sustained residence. These have been fourteen years of great challenges, successes, setbacks in some cases, and, mainly, a deep learning.

Nowadays, with the technical assistance of the Unit of Participatory Budgeting of the Dominican Federation of Municipalities, FEDOMU, a total of 179 municipalities implement PB processes, therefore planning municipal investment for the year 2013. 105 municipalities and 74 Municipal Districts have allocated approximately RD\$1,285,558,835.14 pesos for works to be executed during 2013. This was decided with the participation of the population, through open meetings, which included the whole or a part of each territory. This amount represents around 28,39% of the 40% the municipalities allocate to capital and investment spending. This amount and the percentage are not definitive data, since, from the 179 municipalities implementing the PB, there are still 39 whose data is not yet included. These 179 municipalities have, according to the population and families' censuses of 2002, a population of 7.335.304 inhabitants.

In the Dominican Republic this process was able to gather the attention and support from different political forces, and there are few initiatives and subjects able to gather the agreement of all parties. The distribution of the political forces in the 179 municipalities that have implemented the process for the year 2013 is the following: 91 of the Dominican Liberation Party, 75 of the Dominican Revolutionary Party, 11 of the Social Christian Reformist Party and 2 of the Dominican Popular Party.

A lot has been achieved over the past few years, and it seems important to underline two successes: the first lies in the fact that two laws and the Constitution have set forth the process. Considering how difficult it is to agree in approving one law, especially if it establishes the mandatory implementation of a process of this kind, this was a major challenge. In fact, the transcription of the methodological guide we have prepared in the Participatory Budgeting Unit into a law was a great achievement, being a guide based on the field experience. The fact is that laws are usually made not bearing in mind the real players or tend to be very sensitive to political and personal interests. In this case, the practice made the law.

The second one is related to the fact that, between 2003 and 2013, the amount allocated by the municipalities to this process has increased every year. If we analyse the value of the national transfer for municipalities, we conclude that half of 40% of the national transfers is invested in Participatory Budgeting. This is of the utmost importance if we consider that the national government does not always comply with the 10% transfer for municipalities and that presently, it only transfers a little over 5%.

Among the most important strong points, we can underline that Participatory Budgeting is an instrument that strengthens participatory democracy. Thanks to its mechanism, there is a true citizen participation in Local Government and solutions for the problems are sought, mainly real life solutions. For the first time, there is a communication route between the authorities and the people, and the agreements are starting to be respected, and what the needs of the population are being heard. Confidence was generated and the population acknowledges the municipal authorities greater legitimacy.

Participatory Budgeting has helped to develop the correct dimension of the image and the role of the municipalities, as the population started to understand what a local government really is, which are its competencies and its budgetary limitations, at last beginning to know this world on the inside. The Participatory Budget has become a space for dialogue, bonding, information sharing, and especially, citizen training and awareness, contributing to the change of centralized and patronage habits that rule the Dominican society, since the process has included the organization of citizen training and awareness workshops, both for the authorities and technicians, as well as citizens.

Another strong point that we can stress out is that Participatory Budgeting is a planning instrument: many times, decision-making by the authorities and municipal technicians was a process made behind closed doors, from inside the offices, and the budgets were prepared based on suppositions. With Participatory Budgeting, this reality is beginning to change, and the citizens have an active and primary role in decision-making and involvement in the municipal budget.

Through the implementation of Participatory Budgeting, the population is aware of the resources the municipalities receive, the cost of works or the cost of doing something, and this awareness of the reality has allowed establishing the investment priorities in a more careful

manner, based in concrete resources and planning over time.

For the first time, before the beginning of the consultation process, municipalities decide the amount allocated to PB, and then it is decided, based on the available budget, the number of works for which to establish priorities, and the population has a role in identifying and establishing those priorities; the works to include in the municipal budget are subject to previous technical studies and a serious cost estimate, an execution schedule is prepared, according to the revenue flow of the municipality, there are training workshops on construction engineering and there is accountability. No doubt, this is a very good start for a planning exercise, translated in more efficacy and efficiency in municipal investment.

Another strong point worth mentioning is that Participatory Budgeting is a clear wage in direct democracy and not representative democracy, in which therefore each person represents itself. As such, and thanks to the implementation of the process, over the years we have sought to motivate at least one person per household to participate; and that people from different age, sex, religious belief and political guidance participate. We have also achieved that all delegates elected in the Participatory Budget open meetings were true community leaders, representing collective interests, and that, above all, there is a constant information flow between the delegates and the community. Besides, in communities where they did not exist, it was possible to encourage the creation of Neighbourhood Associations, mothers' groups and Parents and School Friends Associations, as well as to reactivate the Commissions and Neighbourhoods and the organizations that were not active.

The process undoubtedly has some weaknesses. First, we can underline that the implementation of Participatory Budgeting still depends on the political will of the head of local government<sup>1</sup>. When he/she believes in the process, this is speedily implemented, but if the Board of Aldermen<sup>2</sup> does not approve it and in spite of the citizens' pressure, whatever we do, nothing happens! A process cannot and should not depend on the will of one person nor should it be permeable to the political and the parties' interests. Besides being a weakness of the process, this is one of the greatest challenges it has to face presently.

Another weakness of the process we have to stress out, although this cannot be directly imputed to PB, is the fact that the financial capability of the municipality is not able to respond to the multiple needs of the citizens. The resources available in the municipalities are not, and never will be enough to meet all the requests from the community. A Participatory Budget generates many expectations from citizens as if it would solve their problems, and when these problems are not solved or even prioritized, the people are disappointed – in spite of all workshops, training sessions and explanations provided.

It is important to underline, besides that, that in spite of all the efforts done and that the process is still on going in municipalities in which there was a change of government, it is undeniable that there is no continuity in the manner it is managed by the municipality, since that, every four years, it starts all over again. Some technicians are laid out, which implies new personnel training and starting all over again, as if the municipality had never done it before. On the other hand, the new government in power has the tendency to refuse all the good things implemented by the previous government, and they wish to start anew trying to innovate the manner of implementing the process. Every four years, we begin from scratch, which is wearing for both community delegates and organizations.

Finally, we can stress out as another weakness of the process that still endures, in general, the

<sup>1</sup> Corresponding to the Mayor. (Translator Note)

<sup>2</sup> A kind of councillor. In some Latin American countries, concejal or regidor will be the equivalent to our city councilman. (Translator Note)

little monitoring from citizens. Although after the publication of the above-mentioned Laws there has been an increase in the citizens' empowerment and the quantity and quality of the participation has increased, it is still not enough. Therefore, we need to continue strengthening the organization and increasing the awareness of citizens for their duties and rights as well as the importance of participation and citizen involvement.

Among the challenges we face, we mention some:

- 1) the need to make the process attractive for all the players who have not participated yet, trying to involve key-elements, that all people who live in the municipality participate, also trying that every citizen, the organizations of civil society, entrepreneurs and traders, people from different religious confessions, political parties, the live forces of the territory, all participate and especially and according to the municipal law, that the local branches of the central government participate as well;
- 2) the need to continue to pressure in order that the Ministries and Central Government accept to execute the works that cannot be done by the central administration. We have always defended the need to create a Provincial Consultation Table, in which, after the holding of open houses in each municipality, would include, among other players, the province authorities (local and the government ones), international cooperation institutions and NGOs, to analyse the results; In that table, each one should exercise its powers, according to its possibilities. As such, we would be able to grant the PB a broader sense that should be binding and not one sole act, but a participation process. Participatory Budgeting is not an end in itself, and it has to be included in the Municipal Development Plan, or Municipal Strategic Plan;
- 3) the need to continue efforts so that the implemented projects are real Participatory Budgets and not merely consultations exercises. It is therefore necessary to continue the training and awareness process, to integrate the players, to approve regulations, to encourage compliance with the law, and mainly, that civil society fulfils its role;
- 4) the need to further strengthen the level of citizen conscience regarding rights and duties of citizens, as well as the Monitoring and Transparency System, that is, the social auditing committees, monitoring committees, works execution schedules and the accountability moments. It seems crucial that the law is amended, by means of sanctioning the authorities that do not implement participatory mechanisms and/or do not implement them with the due quality.

Finally, it seems important to underline that the joint efforts have been, undoubtedly, one of the decisive features to be able to boost this process, since, thanks to the strategic alliance between the Dominican Federation of Municipalities (FEDOMU), the National Council for the State Reform (CONARE) and the German Technical Cooperation (GTZ), presently GIZ, the organs that have created in 2005 the National Unit for Participatory Budgeting, it is possible to monitor and provide technical assistance to the municipalities that implement this participation instrument. This Unit presently integrates the FEDOMU.

In each municipality assisted by this Unit there is a particular attention in documenting the whole process: a folder is opened that includes all documentation (minutes, photos, information, etc.) that witnesses the implementation of the Participatory Budget. A copy of each folder of the Unit for Participatory Budgeting is taken and this shall be a part of the archives of the FEDOMU. Thanks to this effort we now have a historical memory of the Participatory Budgeting Process, at a local and national level, since 2003.

Without the commitment of this Unit's technicians, there would be no available information, since that, every time there are municipal elections and changes in power, the information tends to disappear or is damaged when stored. As such, we have to be thankful to this archive created in FEDOMU, as it provides continuity to the processes in the municipalities, without having to start from scratch every four years.

There is still a long way to go and things to be done; this work is not finished yet.

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LATIN  
AMERICA

URUGUAY

ALICIA VENEZIANO & IVÁN SÁNCHEZ

# PARTICIPATORY BUDGETS IN URUGUAY

## A REFLECTION ON THE CASES OF MONTEVIDEO AND PAYSANDÚ

### *Introduction*

When considering local citizen participation, it is important to reflect on the greatest legacy that the twentieth century has left us: Participatory Budgeting (PB). We shall do this through the analysis of the Uruguayan experience, highlighting the cases of Montevideo and Paysandú.

The Montevideo experiment started in 1990 with the left's rise to power, inspired by the idea of a new Latin American left. This implied a state reform towards citizenship, its aim being citizen participation. The second one, initiated in 2005 by the same political force, set in a global context exempt of the PB's ideological weight, did not change the administration's structure, or sought social justice; it intended, rather, to be the main form of relationship between the administration and its citizens, so as to replace the practices of patronage common in national and local Uruguayan politics.

This article is divided into five sections. The first, and in order to contextualize the case studies, will describe the political-territorial decentralisation in Uruguay and the recent legislative changes. The second section aims to give an overview of PB experiments in Uruguay, looking at the nature of their relations with the ruling parties in each region (department). The third section is dedicated to the case of Paysandú, analysing it according to some parameters related to the period of greatest impact, between 2005 and 2009. The case of Montevideo, from the beginning to the present, will be dealt with in the fourth section. And finally, we will present our conclusions, highlighting the common traits of Uruguayan PBs, a brief reference to the relations between them and political parties and a summary of the characteristics of both case studies, in order to contribute to future comparative studies.

### *1. Context of decentralisation and citizen participation in Uruguay*

In Uruguay, PBs have been implemented only at the second political-territorial level of governance, the Department, and are closely linked to processes of decentralisation or devolution. Therefore, it is relevant to describe how this decentralisation has taken place in recent years.



Map 1 Uruguay’s Departments

Table 1 Political-territorial division of the Uruguayan State

1.1. The reforms of decentralisation and citizen participation

Uruguay, within its territorial unit, is divided into nineteen Departments. The Departmental Governments (DG) have legal personality and administrative, budgetary and political autonomy. They consist of an executive (Intendencia) and a legislative branch (Junta Departamental). The executive has one president (Intendente), and the legislature is collective (departmental councillors). Under the Departmental Government, there were Local Juntas of various types, mostly designated by the Intendentes.

In 1997, the last constitutional reform came into effect and it included important aspects of decentralisation. It separated national elections (President, Deputies and Senators) from the departmental level (Intendentes and Councillors); it devoted decentralisation to development and well-being; created a Sectoral Decentralisation Commission, composed of representatives of the Office of Planning and Budget (GPO or OPP - Oficina de Planeamiento y Presupuesto, a technical body dependent on the Presidency), by ministers responsible for related areas, and representatives of the Congress of Intendentes (CI), institutionalising it as a collective body - integrating all heads of departmental executives - with an advisory status. One can say that it was a ‘centralised decentralisation,’ since it was initiated, designed and controlled from the centre (Veneziano, 1999).

1.2. The actual municipal decentralisation

The constitutional reform described above, promoted the emergence of mechanisms that helped the local or municipal decentralisation progress, creating a third level of governance that did not exist in Uruguay, with elective capacity and including the possibility of being formed in urban areas within Departmental capitals. In 2008, an initiative of President Tabaré Vázquez (Progressive Encounter–Broad Front, EP-FA) and designed by the GPO, a draft law on the subject was presented (to the Council of Intendentes and the Committee on Municipal Affairs of the Chamber of Deputies). In 2009, after multiple political negotiations, the Decentralisation and Citizen Par-

POLITICAL-TERRITORIAL DIVISION OF THE URUGUAYAN STATE		
Central Government	Executive Branch or Presidency	President and Ministers
	Legislative Branch	Senators and Member of Parliament
	Judicial Branch, entities for the control of official accounts and electoral authority	
Departmental Government	Departmental Executive or Intendencias	Intendentes and Internal Department Directors
	Departmental Legislative Branch or Departmental Junta	Departmental councillors
Municipal Governments	President	
	Councillors (4)	

ticipation Law 18.567 was published, which established Local Governments (LG) for the first time in Uruguay's history, defining them as a third level of government, with representative political structures that facilitate citizen participation. (table 1 and map 1)

This law was first applied in the 2010 departmental elections, giving rise to eighty-nine Municipal Governments across the country. The elections of Presidents and Councillors – authorities of the newly created MGs – were carried out simultaneously with those of the Departmental Intendentes and Councillors. The MG is composed of five elected members, which include the President, top of the list of the most voted party, with the remaining four members as Councillors apportioned by party.

The guiding principles of this project are: departmental unity; efficient provision of services; gradual transfer of responsibilities and resources; citizen participation; to be elective and with proportional representation; and cooperation between municipalities in services or municipal activities (association).

This law suggests that municipalities should promote the participation of society in matters relating to local governance. However, it leaves to Presidents and Intendentes the implementation of these mechanisms for participation.

With regard to the roles and responsibilities of municipalities, the law specifies that spaces of social participation must be created and requires the presentation of an annual report to citizens, in a public meeting, on the activities undertaken, as well as plans for the future. Thus accountability mechanisms are created, being a case of devolution that emphasises development and participation. Mechanisms for citizen initiative and control are also accounted for: 15% of citizens of a given area will have the right of initiative, with respect to the Departmental Government. In the legal sense, the concept of direct democracy was established, which is simultaneously a form of control and participation.

As far as resources and sources of funding for municipalities, these correspond to those that are assigned by DGs and the National Administration. This is justified through the principle of equity and territorial integration. However, it makes the creation of MGs more a form of devolution rather than decentralisation.

## *2. PBs in Uruguay*

### *2.1. Systematisation of some cases*

There were eight Uruguayan Departments that implemented the Participatory Budget (PB): Montevideo, Paysandú, Rivera, Maldonado, Salto, Florida, Canelones and Cerro Largo. Currently only the cases of Montevideo, Maldonado, Canelones, Florida and Paysandú are active. The last two have operated poorly and show weak development.

The choice of the Montevideo and Paysandú experiments is not random. The first has the longest longevity in the country and is a world reference. The Paysandú experiment is in second place as far as operating properly; it was very intense, since it was annual, was given the largest allocation of resources in all the experiments carried out in the country and was the main form of relationship between citizens and the Intendencia. The first systematisation of PBs in Uruguay was carried out in 2007, at the Congress of Intendentes, and included the cases of Canelones, Florida, Maldonado, Montevideo, Paysandú and Rivera. The following was concluded:

<sup>1</sup> We thank the PARLOCAL Project for sharing the interviews carried out with important people involved in Uruguayan PBs and that were used in their research-publication PARLOCAL (2011). We also thank the specialised staff from Corporate Communication of IDP for having provided us images related to the PB. Equally, we thank Ps. Burjel for allowing us to access the documentation and sharing his synoptic view of the case.

- a) all cases arise from the general context of decentralisation of the national state;
- b) the longest standing experiment is that of Montevideo (1990), the remaining started between 2005 and 2010;
- c) all cases fit in the decentralisation framework of Departmental Governments, in the correlation decentralisation-participation;
- d) all cases have the aim of democratising departmental public management, although in Rivera (Colorado Party), modernisation and efficiency is more sought over, and in Canelones (EP-FA) the component 'participative local development' is also a factor;
- e) all cases are 'elective' experiments, i.e., it is at the polls (secret ballot) that the priority given to initiatives is ultimately decided;
- f) regarding duration, three of the cases are quinquennial (Canelones, Maldonado and Rivera), and others are annual (Florida, Montevideo and Paysandú);

One can add other characteristics to this list from the study of the experiments of Montevideo, Cerro Largo, Florida, Maldonado, Paysandú and Rivera, based on an international comparative research carried out in 2011 (Chavez, 2011). In this study, the general factors mentioned are reaffirmed and others are further identified.

- a) all are initiated by the party in power at the departmental level;
- b) in addition to modernisation and greater efficiency of the Intendencia, all aim at the democratisation of departmental management, including Rivera;
- c) it is predominantly the 'electoral' representative model, i.e., through secret ballot, and not other ways, such as voting by show of hands in an assembly;
- d) in all experiments there is little regulation of the PB, becoming very dependent on the political will of governors. The most extreme example of this is the absence of approved regulation at the Departmental Juntas' level.

## 2.2. Further analysis

The systematisation presented in the previous section does not look closely at the relationship between the PB and the [ideological, political] position of the party in power. However, it is possible to establish a clear quantitative relationship between the number of cases in the country and leftist Departmental Governments. Between 1990 and 2005 there was only one PB in Uruguay, Montevideo, the only Departmental Government controlled by the left. The highest number of PB experiments was recorded between 2005 and 2010 (Montevideo, Maldonado, Salto, Paysandú, Rivera, Cerro Largo, Florida, Rivera and Canelones) which coincides with the highest number of leftist Departmental governments (Montevideo, Salto, Paysandú, Maldonado, Florida, Rocha, Treinta y Tres and Canelones) (table 2).

The left started six experiments (Montevideo, Paysandú, Maldonado, Salto, Florida, Canelones), while the traditional parties just started two: Rivera (Colorado Party) and Cerro Largo (National Party). The only cases abandoned were Cerro Largo and Salto, under right-wing leadership; in the case of Cerro Largo, under the party that had launched it, the National Party, and in Salto, when the Colorado Party regained power. The Paysandú and Florida experiments had continuity with the National Party, though lacking in budget and commitment to implementation.

DEPT	PROMOTING PARTY	GOVERNMENT PARTY	CONTINUITY
Mvdeo	FA (left) 1990–2010	FA (left) 2010–2015	Yes
Canelones	FA (left) 2005–2010	FA (left) 2010–2015	Yes
Cerro Largo	NP (right) 2005–2010	NP (right) 2010–2015	No
Florida	FA (left) 1990–2005	NP (right) 2010–2015	Yes (from annual to biannual)
Maldonado	FA (left) 2005–2010	FA (left) 2010–2015	Yes
Paysandú	FA (right) 2005–2010	NP (right) 2010–2015	Yes (New design no consultation, less money and delays in payments)
Rivera	CP (right) 2005–2010	CP (right) 2005–2010	Yes (from quinquennial to biannual, including social justice as objective)
Salto	FA (right) 2005–2010	CP (right) 2010–2015	No

*Table 2* Participatory budgets by department and party in power

### 3. The PB of Paysandú. A quick goodbye to an innovative departmental policy'

The Paysandú experiment was chosen because it was the second longest, having had until 2009 the largest budget of inland Uruguay, being annual and having been internationally recognised by the FAL Network (Local Authorities Forum for Social Inclusion and Participatory Democracy), FAMSI (Andalusian Fund of Municipalities for International Solidarity), and the Committee on Social Inclusion, Participatory Democracy and Human Rights of UCLG (United Cities and Local Governments), among others.

#### 3.1. Emergence of the PB in Paysandú

It was created in 2005, when the left (EP-FA) took power in the respective Departmental Government (2005–2010). It was the distinctive feature of the leftist administration, and the main form of relationship between the State and citizens (Intendencia–population). It was not created at the population's suggestion, but 'top-down' from the institutional power.

The EP-FA government programme (2005) looked generically at decentralisation and participation. Once the Departmental Government was conquered, the priority areas were as follows: to contribute to social equity as a sign of the concern of the national government, providing instruments to the decentralisation process of departmental management, achieve institutional strengthening of the bureaucratic apparatus and promoting citizen participation in its management (Burjel, 2006). The PB was the only way for the first Departmental Government to obtain citizen participation in Paysandú.

"It was considered possible and necessary to decide to include the PB in the departmental budget to be voted for the five year period of 2006–2010, as well as doing it at the beginning of the term, as a distinctive mark of our governance. There were several basic resolutions, starting with our own political strength, and having popular participation as its main objective." (Heizen, 2006: 62).

#### 3.2. Implementation of the Paysandú PB

As proof of its importance for the new forces in power, the PB was enacted immediately after

<sup>2</sup> Consult: [www.tni.org](http://www.tni.org)

<sup>4</sup> General Secretary to the Intendente (2005–2010), a position immediately below the Intendente.

<sup>5</sup> By ‘working model’ we mean “a set of political, institutional and organisational obligations that define the design and operation of a PB experiment, including institutional architecture, resources allocated and the dimension of spaces of deliberation” (Chavez 2011:52).

they assumed governance, in a process that can be accused of excessive voluntarism, since there was no prior investigation to identify its strengths and weaknesses, or the advantages and disadvantages of socio-cultural aspects, nor were there any known operational models adapted to the reality of Paysandú.

The beginning of the PB was marked by an important event, the International Seminar ‘Towards a Participatory Budget, building citizenship’ held in Paysandú in 2005, and organised by the Departmental Government and the Transnational Institute (TNI), from the Netherlands<sup>2</sup>. Here the cases of Porto Alegre, Montevideo, Buenos Aires and Rosario were presented and discussed. The recommendations made by different experts encouraged the authorities to initiate proceedings in 2005 without further ado, especially those by Dr. Daniel Chavez, from TNI.

*“Within the Intendencia, the Paysandú PB was driven from the highest political level. It was decided in June, July, and the seminar was held in October, where the desire to apply such practices had been expressed. I remember staying behind at the end of the meeting, talking to Helena Heinzen<sup>4</sup> and asking her what was the deadline for the start of the initiative. She replied, «No, no ... we will launch the first meeting next month». Nothing had been planned nor had anything been thought through thoroughly...”*(Departmental Authority 2005–2010 No. 1 – PARLOCAL Interview, 2011).

**Table 3** Paysandú’s Participatory budget.

EDITION	INSTITUTIONAL STRENGTHENING	DEMOCRATISATION OF PROCESS
2005	Creation of the Directorate of Decentralisation Creation of Territorial Assemblies and direct entry of the Intendencia in society	Pilot experiment. City only. 7 projects per district 6 districts Projects implemented by the Intendencia Right to vote from 16 years of age 3 votes per person
2006	Creation of the Participatory Budget Unit (UPP) Forms for submitting projects to the PB Feasibility studies of the projects Training courses and seminars for UPP	Increase to 7 Districts Right to vote from 14 years of age Involvement of the media Implementation is responsibility of tenders
2007	Systematisation of information on previous editions International cooperation. Involvement in networks and programmes on the subject Training of specialised staff, politicians and citizens. CLAEH	Creation of the Monitoring Committee Broadening of the direct elective PB to Quebracho and Tambores
2008	International cooperation; twinning with Malaga and donation of a vehicle and operating materials Visits by Spanish PB experts Training of specialised staff, politicians and citizens. CLAEH	Youth PB. Right to vote from 14 years of age Elective PB is broadened to Guichón
2009	International cooperation. Start of negotiations for provision of tools for training projects and research on PBs, including PARLOCAL	Youth PB in Guichón One project per institution Compensation of each institution in the collective’s benefit

The new administration took office in July 2005, and the first edition of the PB was launched in November. There was only a general programmatic explanation about it, and above all, the resolution of the *Intendente*, Mr. Júlio Pintos, who introduced it as a priority and distinctive mark of his governance. The political weight that was given to this new policy was the deciding factor.

In its first edition, it was only implemented as a trial in Paysandú's capital. It was also this edition that laid the foundations for a *working model*<sup>5</sup>, to which some further adjustments were later introduced. These adjustments were regarding two aspects of the PB as a public policy: *institutional strengthening* and *democratisation of the process*, which resulted in a model whose most relevant aspects are as follows: (table 3):

- a) PB defined by suffrage only in the capital, Paysandú, and in three rural localities (Quebracho, Guichón and Tambores);
- b) applied in seven urban local councils;
- c) youth PB, directed at projects submitted and voted by citizens between 14 and 30 years of age;
- d) all have the right to vote from the age of 14;
- e) each person can vote on a maximum of three projects;
- f) each organisation can only submit one project, and its presentation requires that it has legal personality and is backed by twenty signatures.

### 3.3. Analysis of operation

Some evaluative and comparative parameters will be established for the case of Paysandú, and should be applied to all other PBs.

#### Universality

PBs should be open to participation by all citizens, following the principle of direct democracy, one vote per person, one proposal, irrespective of gender, social class, race, ethnicity or sexual orientation. The requirements for participation must be registered at the place where

*Table 4* Voters, presented projects, applicant and beneficiary institutions and networks

*Source* Own compilation based on official data from the UPP-IDP in Paysandú Martínez publisher; demographic data from IN

EDITION	NO. OF VOTERS	% OF VOTERS IN VOTING AGE POPULATION	NUMBER OF PRESENTED PROJECTS	NUMBER OF APPLICANT INSTITUTIONS AND POPULAR NETWORKS	NUMBER OF BENEFICIARY INSTITUTIONS AND/OR NETWORKS
2006	7321	10	228	71	29
2007	8679	12	161	72	25
2008	11400	15	141	96	36
2009	15000	20	137	127	52

the process takes place, with an age limit (Jon Bou, 2011). The results will have more impact the greater the percentage of the population involved. However, one must also take into account the qualitative aspects of this percentage with regard to diversity, that is, whether the meetings and voting sessions promote the representation of different social groups.

In Paysandú's experiment this was relatively present. On the one hand, each and every vote from the age of 14 is counted, and on the other, it was processed through a more organised civil society, with formal groups such as institutions with a recognised and extended social role. Individual initiatives or from informal groups were not incentivised. The requirements for the submission of proposals were more favourable for groups than for individuals, just as for organised rather than unorganised society – remember that a minimum of twenty signatures and a legal personality is required.

These two aspects make the universality of the process ambiguous. It increased the number of voters, but reduced participation as far as the number and type of organisations. The number of votes increased from 3% [of those who vote] in the first edition to 20% in the last; however, the number of projects submitted decreased, reflecting the 'professionalization' of organisations regarding this mechanism, and the dissatisfaction or defection of others. (table 4)

### *Deliberation*

This implies that PBs provide citizens with opportunities for discussion and promote the sharing of decisions (Barragán, et al: 2011). The appropriateness and suitability of proposals can be discussed in spaces for deliberation. All required information should be collected in order to be aware of the scale of a problem, as well as possible solutions, and making this reach the meetings so that citizens can act with knowledge of all the specificities of the issue under discussion (Joan Bou, 2011).

To know whether or not there was deliberation in the participatory process, it is important to know the duration of each stage of each edition of the Paysandú PB. The operation of the PB in all its stages of decision, municipal administration and management is understood. In the case of Paysandú, two months elapsed between public disclosure and closing date for the submission of proposals, which does not seem enough for a cluster of 100,000 people, with diverse and unequal realities, to deliberate and assign resources according to priorities identified, discussed and substantiated collectively; even more so, if we consider that it is the first PB experiment in a Department with great inequalities and a fragile and state-centric society.

The IDP (Departmental Intendencia of Paysandú) organised the so-called 'regional assemblies' carried out during the dissemination phase and launch, in which officials and employees of the Participatory Budget Unit (UPP – Unidad de Presupuesto Participativo) – at departmental level – explained how the projects should be presented, who and how one could vote, which funds were allocated, what changes had been introduced, how much was being invested, which projects had been approved in previous editions, etc. The following testimony confirms that there was a lack of deliberation in the Paysandú PB and that the 'regional assemblies' did not function as spaces of deliberation:

*“These mechanisms are important and should have been more open (...) to the population. I would*

*like to meet the person that presents the projects, what they are intended for and that there was a committee that would have all this data available to support the PBs.” (Citizen No. 1. PARLOCAL Interview, 2011)*

### **Commitment**

PB should bind citizen resolutions and governmental decisions. Citizens’ projects are effectively included in executive decisions (Barragán, et al: 2011). Citizen proposals are imperative for sub-national governance (Joan Bou, 2011). This gives credibility to the process and real effectiveness.

There would be no arguments that deny the development of this component in the Paysandú PB except that there is no approved regulation from the Departmental Junta to provide a guarantee to the Intendencia and civil society. Nevertheless, the PB was allocated a unique amount of 3% of the Five Year Budget. Furthermore, the proposals go through a feasibility filter, a voting list, a voting session, and the winning proposals are then known and announced, when finally the transfer of funds is formally done. The collective decision through participation was not a mere consultation or demagoguery, there was *effective binding* to what had been decided through participation – in what was done, or has to be done, by the Intendencia.

“I am an advocate of this type of participatory democracy, because even as managers, we were sometimes imposed to do things we did not like doing or thought were not appropriate. But since we stated that the PB was a priority, and it was decided by the citizens, it had to be done... later, when the projects were implemented, we discovered that the people were right.” (Politician in government from 2005 to 2010. PARLOCAL Interview, 2011)

### **Self-regulation**

PBs are based on regulations; self-regulation is the elaboration of these regulations by citizens in assemblies, not as an imposition by the government (Barragán et al, 2011). The possibility of changing regulations should equally be regulated (Bou, 2011). In our case, the PB is launched by the Intendencia, a pattern that prevailed both in its design and in its changes, although some concerns of citizens were taken into account.

### **Social Justice**

Among the PBs’ objectives, the transformation of society and the redistribution of resources, essential conditions for effective equal participation, should be included (Barragán, et al: 2011). Being a shared space for defining priorities for groups that are socially and territorially unequal, PBs should promote social cohesion. Citizen participation gears public action towards meeting the needs of the majority of the population. Social justice is linked to universality since it creates conditions that in reality allow participation to be carried out in an inclusive way. In Paysandú, universality can be seen in formal terms, but not in reality, where the more organised sectors have become more professionalised and taken control. At an institutional level, it is recognised that the most vulnerable social sectors in terms of positive discrimination were not worked on.

*“The poorest and excluded were not included in the voting and discussion of all proposals and requests. They were more beneficiaries than protagonists. We were going to a Territorial Assembly and someone*

would ask for something concrete, a bag of cement, tiles or a zinc sheet. They were hungry and cold and did not want to know anything about development or participatory democracy.” (Official 2005–2010, No.2. Exclusive interview, 2011)

The ability demonstrated by this PB to promote the formation of associations or social capital was not a model that encouraged cooperation between the various social organisations. The lack of spaces for deliberation motivates organisations to attract votes without a holistic view, although the possibility of voting on up to three projects can generate alliances for the exchange of votes, and naturally create agreements that discriminate weaker organisations. A competitive model results from this, in which groups relate in an unstable and one-off manner during each cycle of the PB, and where winning projects are not always of the highest priority, inclusive and supportive.

“At first we did not make alliances, but we made them afterwards, when we dominated the process. We made alliances only to vote, but nothing more. There are no social prospects, we make alliances, we win and goodbye.” (Citizen. Exclusive Interview, 2011)

Once the Departmental Intendencia of Paysandú had provided guidelines for the use to give to allocated resources, and taking into account the concept of the PB, these positions became relative. Citizens prioritised social aspects, putting urban equipment as secondary. 81% of resources were allocated to social development, while the remaining 19% were distributed among other areas. On the other hand, between 25 and 30% of PB resources were allocated to social areas of the central government, mainly education and health. (table 5).

**Table 5** aim and values of paysandu’s participatory budget

AIM OF PROJECTS	ELECTIVE		NON ELECTIVE		TOTAL	
	VALUE \$	TOTAL %	VALUE \$	TOTAL %	VALUE \$	TOTAL %
Institutional Strengthening			1.452.050	9%	1.452.050	2%
Social Promotion	43.076.410	82%	11.765.118	76%	54.841.528	81%
Environmental Management	2.385.000	5%	33.000	0%	2.418.000	4%
Productive	22.000	0%	653.046	4%	675.046	1%
Public Spaces	7.018.750	13%	1.513.457	10%	8.532.207	13%
Total Amount	52.502.160	77%	15.416.671	23%	67.918.831	100%

### 3.4. Results from the players’ perspective

The authorities recognise that only those projects with winning characteristics, and that were submitted to the PB had been contemplated, and that there were no mechanisms to answer non-winners. These were definitely ignored, which led to an auto-exclusion of many requests from the Departmental Intendencia of Paysandú.

“It has never been done and the processing of projects that were not supported by the Participatory Budget were never sent to the respective department, so that from there, they could be organised according to their priority. Neither the Directorate of Decentralisation gave this indication to the related services nor did the latter bother to request this information.” (Official 2005–2010 No.1. Exclusive Interview, 2011).

This meant that citizens developed a dual perception, i.e., projects that were always approved and those that never were. Constant winners have been more benefitted by the participatory model than the traditional representative model, while organisations that had never won have the opposite perception.

### 3.5. Conclusions from the Paysandú case

Nevertheless, this process had noteworthy qualities since there was an obvious response to the guiding principles of universality, binding and relative social justice. However, there is a lack of mechanisms for *self-regulation* and *deliberation*. The operating model showed some critical points:

- a) there were social organisations that took hold of the process;
- b) citizen participation did not result from the integral management of the Departmental Intendencia;

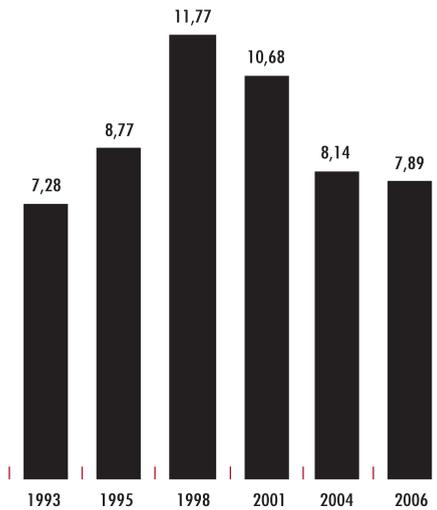
The conclusions reached allow us to put forth a series of recommendations:

- a) the Paysandú model should include the principle of deliberation and replace competition by cooperation in order to attain a stronger sense of community, this will promote the empowerment and welfare of the underprivileged;
- b) it is important that the PB should have mechanisms to forward initiatives related to urban equipment, since this area also contributes to the development and well-being;
- c) For this case, we propose that there may be some attempts at self-regulation and allocation of resources - including communication - based on positive discrimination.

### 4. The Montevideo PB

Montevideo's participatory decentralisation and its PB were pioneers in Latin America, having started in 1990 (together with Porto Alegre), when the left gained power in the capital's Departmental Government. In comparative terms, there is a particularity since it implied an institutional reform of the entire administrative apparatus of the Intendencia. Decentralisation, along with citizen participation, was the flagship of the 1989 election campaign. In the beginning (1990 -1993), and going over internal divisions, the Municipal Intendencia of Montevideo (IMM) created the Commission for Decentralisation that was quickly transformed into a department. The city was divided into eighteen zones, in which the Communal Centres by Zone (CCZ) operated, coordinated by this internal department. Currently, the territorial division is done by the Municipal Government (MG), under which articulate the Advisory Division for Municipal Development and Participation, dependent on the Intendente and is constituted by the Planning and Participation Unit (UPP) and the Management Unit, which support the GM and coordinate horizontally with internal departments, and the Participation Unit, which manages the PB and integrates an IMM (Municipal Intendencia of Montevideo) programme, that establishes agreements with the MGs, ensures links with Residents' Councils (CV - *Concejos Vecinales*) and supports the In-

**Table 6** Local participation in elections for residents' councils  
(percentage of qualified voters in each zone, average per year of elections)



tendente in the relations with these entities.

On the creation of the Communal Centres by Zone (CCZ), there were two positions within the left at the beginning of the process: one that referred to the existence of a political pole (JL - Local Junta, with party representation), an institutional pole (the administrative and governmental apparatus in the area) and a social pole (Residents' Councils - CV - representing residents). This was the proposal made by the more moderate factions of the left. The other, presented by the more radical ones, omitted the Local Juntas (JL) and included a delegate of the Intendente and a Deliberative Assembly with broad representation (NGOs, other organisations, residents, etc.). The Intendente at the time, Dr. Tabaré Vázquez, opted for the second model. The decentralisation decree was one of the first to be presented by the Municipal Intendencia of Montevideo (IMM), and this was done without a prior diagnosis and without reference to previous studies, done with a proactive spirit which assumed there were 'open channels' for participation to which citizens would resort to.

The omission of the presence of a political party was an error in a system that is as dependent on parties as is the case in Uruguay, and the opposition contested the decentralisation decree as being unconstitutional. Thus was created an integrated Joint Committee for departmental councillors of all parties, and from which resulted the model of three poles in 1993. The JL (Local Juntas) were formed, appointed by the Intendente with executive powers, and the CV (Residents' Councils), with an elective and consultative nature and the capacity for initiative and control, but with no jurisdiction over the authorities; members of these councils were proposed by organisations and later by the residents themselves, through the collection of ten signatures.

But while the decree was being discussed between 1990 and 1993, the coordinators of the Communal Centres by Zone, appointed by the Intendente, covered their areas and established relationships with various social organisations. Annual Assemblies started to be organised, which relied on the presence of the Intendente and the Departmental office to collect opinions of social players on resources and policies, whilst simultaneously making an annual balance of the budgetary management and put forth proposals related to this. It was a very informal process, and the decisions made in these meetings were not necessarily taken into account by the internal departments of the Municipal Intendencia of Montevideo (IMM). The proposals not only were not compulsory in nature but also were not processed or looked into exhaustively. The social fabric was being woven, and participation, although high, was mainly from leftist party members.

As an example of a participatory experiment, the '1st Citizen's Forum' was held in 1992, which had a broad dissemination and whose main theme was the decentralised design or mode of operation, to prepare policies and the departmental budget. Local councillors participated in these forums - members of Local Juntas (JL) - councillors, specialised staff and political-institutional players of the main area of decentralisation, as well as residents and organisations. These forums were repeated throughout the process, and we can say that, according to the categories listed previously, there was no self-regulation, but rather a *co-regulation*. Indeed, either as a result of the institutional framework for decentralisation, or due to the PB itself, institutional, political and social players participated in them.

In a second phase of decentralisation (1993-2010), after the resolution of the Joint Committee, the first elections for the Residents' Councils<sup>5</sup>, were convened in 1993. Representatives of social organisations or residents could run for elections, once endorsed by ten signatures; the

office of councillor is renewed every two years and may be re-elected.

The annual assemblies with the Intendente and his cabinet continued, now called by the Residents' Councils; the Intendente presented a balance of the previous year's governance and a plan for the next period, including the distribution of financial resources, where residents could make requests and submit proposals. However, though the consultation of citizens and their opinion had acquired greater political weight, being recorded and sent to department directors of the Municipal Intendencia, their recommendations were still not binding. Seemingly, governance and the budget were 'deliberated on,' but in reality it was not so, since there were no rules of deliberation, i.e., equality among participants.

In 1996 the "2nd Citizen's Forum" was held, more focused on the role of the Residents' Councils and their conflicting relationship with Local Juntas; "Participatory Democracy and Social Organisations vs Representative Democracy and Political Parties" would be the correct terms of the discussion. A few years later, in 2001, "One-Day events on the evaluation of decentralisation" were organised, in which local mayors, councillors, social organisations and residents evaluated the system in general; priority continued to be given to the issue of institutional framework (and hence participation) at the expense of decentralised policies (women, youth, health, social development, municipal services and mandatory bureaucracy), through which it had established co-management agreements with social organisations (NGOs), benefitting the most underprivileged neighbourhoods. What has been stated on co-regulation can be reinforced, adding social justice as an objective, not only because the agreements of co-management and decentralised sectoral policies were oriented towards this goal through greater participation of the popular sectors, but because the Municipal Intendencia guided these same policies (such as services and works) in order to give priority to the most disadvantaged areas. This can be verified through the response of the most underprivileged population, although the influence of national social policies could also be felt, conducted by members of the same party in power in the Municipal Intendencia. Montevideo's decentralisation was carried out through various mechanisms of participation, involving increasingly strategic planning to the PB.

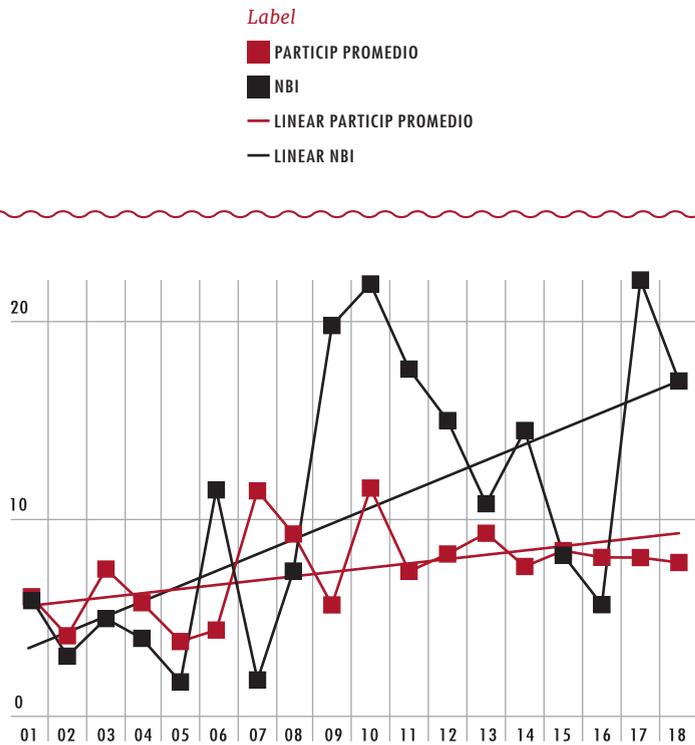
Like this, participation occurred at several levels: during elections and in open meetings of the Residents' Councils, in the committees and plenary sessions on specific topics (Senior citizens, women, health, etc.), in the Strategic Zonal Plans - which contributed to the Montevideo's Strategic Plan - and at the Citizen Forums. These, in addition to the agreements with NGOs, particularly with regard to social policies, but above all, at the meetings of the Residents' Councils with the Intendente and his cabinet to make requests and monitor the implementation of the area's budget.

If we observe, in quantitative terms, the wider participation in the context of decentralisation and the participatory budget, the elections to the Residents' Council must be mentioned: the first took place in 1993, and the 1998 elections recorded the highest percentage to date, 11.2% of eligible voters. (table 6)

In 2005, the Intendencia of Erlich initiated a new phase of the PB, based on negative reviews and proposals of local players presented at the "3rd Citizen's Forum," whose

<sup>5</sup> Here we observed a positive relationship between participation in elections to the Councils and areas where the EP-FA is stronger, that is, it obtained the largest number of qualified votes, by zone, in the national elections. This trend continued until 2004. For more information on the subject, see Veneziano (2005).

**Table 7** Participation in Participatory Budget polls (average results in project voting between 2006 and 2011) and unsatisfied basic needs (nbi)



preparation involved the prior organisation of thirty forums by zone. The participation of institutional and social players broadened and diversified, having created the new ‘PB rules of operation’ implemented since 2006; these defined the operation, co-regulation and participation of different types of players within the institutional framework.

Since that year, the transfer of resources from the Municipal Intendencia to the Communal Centres by Zone was regulated in two ways, just as the participation of residents in decision-making on the allocation of these resources. On the one hand, if we consider “Source 1”, through which the Intendente assigns a given level of resources, the same for all CCZ, and decides based on the number of votes on projects submitted by organisations or – unlike Paysandú – by residents, in their own elections. On the other, “Source 2” assigns resources to works indicated by the Municipal Intendencia’s services, and their implementation is decided by the Residents’ Councils, where participation is indirect. The technical feasibility of the proposals is subject to prior revision, but for the first time, the implementation through the Municipal Intendencia is mandatory.

According to this new methodology, the election of members of the Residents’ Councils in 2006 coincided with the voting on PB proposals; the results obtained are shown in the graph<sup>6</sup>, 7.22% of the total and 5.6% in the PB alone. In 2007 voting was solely on the PB, which had a higher result, but in 2008, with the renewal in Residents’ Councils and voting carried out together with the PB, participation decreased slightly. In 2011, one year before the elections for Municipal Governments, and Residents’ Councils having been grouped according to these, participation dropped slightly. (table 7)

#### 4. 1. Current forms of functioning.

The “New PB rules”<sup>7</sup>, have just been agreed upon by the Departmental PB Committee<sup>8</sup> to be implemented this year. This is renewed annually, based on the evaluation of the rules of the previous year, in preparation for the following year, and in the monitoring and management of works and approved projects. This way one can verify the existence of the *link between government and residents*, and the leading role of the Residents’ Councils. We can also talk about *co-regulation* – more institutionalised – and within a space of *deliberation*, about rules, and not about the projects, which are numerically dominated by members of the Residents’ Councils; but is not yet a deliberation by residents and organisations to set priorities.

In the first instance, the Departmental Junta sets the PB programme and the resources to be allocated to Municipal Governments in the following year. The presentation of projects begins when the Zonal Planning Teams (EPZ) are prepared and installed, linking up with PLAEDÉZ – Strategic Plan for Zonal Development. The Residents’ Councils, Municipal Governments, and Communal Centres by Zone and the Municipal Intendencia Participation Unit intervene in all these steps. Finally, in this preliminary stage, a technical feasibility analysis is made in each of the Residents’ Councils; with the participation of its own members, specialised staff of the Residents’ Councils and a Municipal Government representative, coordinated with

<sup>6</sup> Voting allowed to citizens over 16 years of age.

<sup>7</sup> We thank William Masdeu, from the Participation and Planning Unit, the information on the new PB rules and on the values allocated to Municipal Governments and to Communal Centres by Zone.

<sup>8</sup> As was approved at the 2005 Forum, which was attended by 18 representatives of the Residents’ Councils, the coordinator of the Participation and Planning Unit and an assistant.

eight teams from City Planning. The final feasibility of the project is analysed at a Departmental level, in the Participation and Planning Unit (UPP).

We must highlight the intricate relationship between the development planning of local, area and of the entire Department, with multi-level government units and between the institutional, technical and social players. In this way, the technical evaluation goes beyond the technical staff, which is a form of innovative manage-

*Table 8* methodology of the 2013 participatory budget

PHASES	ACTIVITY	DECIDED BY
1st June previous year	Dispatched from the Intendencia to the Departmental Junta, budget adjustment for the next PB programme and of resources for the following year's cycle (equal values for Municipal Governments)	Departmental Junta
2nd December	Evaluation of the Rules of the previous Cycle, discussion and Approval of the PB Rules for the next cycle. <b>Approval of Rules by the Residents' Council and Intendencia</b>	<b>Departmental PB Commission</b> Made up by 36 representatives of Residents' Councils and 2 from the Intendencia.
3rd March of PB's year	Training, installation of PB teams in zones: Zonal Planning Teams (EPZ). Establishing the relationship between Area Planning and Strategic Planning of Area Development (PLAEDEZ) Receipt of proposals, information, advice and encouragement for the presentation of proposals. Facilitating, promoting and organising projects Presentation of projects (Works and services)	Residents' Council, Municipal Governments, CCZ and Participation Unit of the Municipal Intendencia of Montevideo
4th September	<b>Technical analysis</b> of proposals' feasibility Final <b>definition of feasibility</b> of projects with local information.	<b>Local-municipal level:</b> In each area of Residents' Council, teams are formed composed of members from Residents' Council, CCZ specialised staff and representatives of the Municipal Government. 18 EPZ Working coordinated with <b>municipal planning teams</b> (8 teams – one per Municipal Government) <b>Departmental Level,</b> Planning and Participation Unit, Municipal Intendencia
5th October / December	<b>Voting on proposals</b> Binding to the Intendente: after the vote, selected proposals are integrated in the implementation plan for two following years <b>“Management Commitments”</b> Administrative resolution of the Intendente. Annual assessment of cycle. <b>Departmental PB Committee</b>	<b>Citizens from the zone</b>
6th 2 following years	Implementation of selected works (Departmental and Municipalities' Executive)	
7th 2 following years	Monitoring and social accountability. Annual tour of Intendente and his team of neighbourhood assemblies (18, 1 per Residents' Council). May-August of the following year. Publication on the PB website, the updated state of works	

<sup>9</sup> A book in which the co-author of this chapter collaborated (FERLA et al, 2012), includes a study of some of the Residents' Councils that shows how the most successful ones were those that established better relations with the local community.

<sup>10</sup> We do not consider that the number of projects submitted and approved is an indicator of participation, since they are very different in nature and require different values, and may be submitted by an organisation that represents a large number of residents or by a single person.

ment. (table 8)

As such this we reach the voting on projects, through individual votes, direct and universal for those over sixteen. The 'Management Commitment' is made, with a binding nature, whereby the Intendente confirms the proposals approved under the PB as an administrative resolution. The Departmental PB Committee then evaluates the entire cycle, and the Municipal Intendencia has a period of two years to execute the selected works. Finally, during those two years, the process is monitored and will be accountable in regular meetings that the Intendente and his team have with the eighteen Neighbourhood Assemblies convened by the Residents' Councils.

The main challenge of Montevideo's PB is to increase the quality and quantity of projects submitted, as well as the number of votes<sup>9</sup> It is the phase in which the preferred priorities [of proposals] are defined, which is decisive in the process of collective decision-making<sup>10</sup>

#### *4.2. The values transferred to Communal Centres by Zone (CCZ) and Municipal Governments (MG)*

In 2006, funds were transferred within a particular cycle of the same year, having been decided that the selection of projects and transfers to the Residents' Councils would be made later. The first source [of funding] is Source 1, which supports projects voted in 2006, 2007 and 2008 and with implementation planned for the following years (2007-2010). This value has grown steadily and results in an average of US\$146,250 per zone per year. Regarding Source 2, during the same period of implementation, the value is an average of US\$229,244 per zone per year. To this we add the whole decentralised infrastructure and staff payment funded by the Municipal Intendencia of Montevideo. (Table No. 9)

Between 2011 and 2015, the territory shall be transformed into eight Municipal Governments, and Source 2 is eliminated, since its resources will be transferred and managed by them. We proceed to the selection of projects - Source 1 - to be implemented in 2012 and 2013 (now the PBs are bi-annual. The average per zone (18 Residents' Councils) per year is US\$166,667 (2% of total investment of the Municipal Intendencia), registering a significant positive difference in relation to the same source in previous years. The average expected for the 2013 cycle, to be implemented in 2014 and 2015, is US\$167,667 per zone per year.

Once Source 2 had been eliminated, the budget execution was decentralised, that is, the power to decide on a share of the budget was transferred to the Municipal Governments. In turn, these governments are creating a specific space for citizen participation to decide how to apply the resources they manage. Accordingly, in 2013 investments worth US\$24,790,000 (14.11% of total investments of the Municipal Intendencia of Montevideo) were transferred to the Municipal Governments, in agreement with the Presidents' Junta; in operating costs in the value was US\$17,050,000 (10.24% of the Municipal Intendencia's investments) and personnel costs amounted to US\$31,900,000 (12.39% of the Intendencia's revenue).

The total transfers to Municipal Governments reached US\$73,750,000 (including payments to staff), representing 12.30% of the total expenditure of the Municipal Intendencia in a year. These values are available to Municipal Governments, which provide them a considerable autonomy.

#### *4.3. Conclusions on the Montevideo experiment*

Initially, decentralisation - and the influence it had on initiatives, consultation, budget control

*Tabela 9* funds transferred from municipal intendencia of montevideo to zones or municipal governments

**TERM 2006-2010 - THE BASE FOR THE PB WERE THE 18 ZONES OF MONTEVIDEO**

			TOTAL DOLLARS	PER ZONE	
2006	Special Cycle	Implementation in same year (decided by Res. Councils)	US\$ 2.160.000	US\$ 120.000	
2006-2010	Two sources of funds (Source 1 and Source 2)				
<b>SOURCE 1</b>	<b>DIRECT ELECTORAL PARTICIPATION OF PROPOSALS</b>				
2006 Cycle	Implementation 2007		US\$ 2.362.500	US\$ 131.250	annual
2007 Cycle	Implementation 2008		US\$ 2.700.000	US\$ 150.000	annual
CC 2008 Cycle	Implementation 2009 and 2010		US\$ 2.970.000	US\$ 165.000	biannual
<b>TOTAL FUNDS IN THE 2006-2010 TERM BY DIRECT VOTE</b>			US\$ 11.002.500	US\$ 611.250	
<b>TOTAL FUNDS IN THE 2006-2010 TERM BY DIRECT VOTE + SPECIAL CYCLE</b>			US\$ 13.162.500	US\$ 731.250	
<b>AVERAGE PER YEAR AND PER ZONE SOURCE 1</b>				US\$ 146.250	
<b>SOURCE 2</b>	<b>THROUGH RESIDENTS' COUNCILS AFTER CITIZEN CONSULTATION AND TOGETHER WITH DEPARTMENTS OF THE MUNICIPAL INTENDENCIA OF MONTEVIDEO</b>				
<b>TOTAL FUNDS FOR THE TERM ATTRIBUTED TO WORKS BY DECISION OF THE RESIDENTS' COUNCILS</b>			US\$ 20.650.000		
<b>PER YEAR TOTAL RES. COUNCILS. (2006,2007,2008,2009,2010)</b>			US\$ 4.130.000		
<b>APPROXIMATE TOTAL PER ZONE 2006-2010 TERM (EQUAL VALUES ARE NOT DISTRIBUTED PER ZONE)</b>			US\$ 1.147.222	US\$ 38.000	Per year + per zone
<b>AVERAGE PER YEAR AND PER ZONE SOURCE 2</b>			US\$ 229.444	US\$ 229.444	
<b>AVERAGE PER YEAR AND PER ZONE SOURCE 1 + SOURCE 2 2006 – 2010 TERM</b>				US\$ 375.694	
2011-15	Territorial basis: the new Municipal Governments (8 in total)				

**DIRECT VOTING (Source 2 is eliminated: These funds began to be administered by Municipal Governments increasing their resources and the participation in Res. Councils and CCZ)**

TOTAL TWO YEARS MONTEVIDEO			MONTEVIDEO TOTAL TWO YEARS	PER ZONE	
2011 cycle	Implementation 2012 and 2013	\$U 120.000.000	US\$ 3.000.000	US\$ 187500	Per zone and per year
<b>AVERAGE PER YEAR AND PER ZONE (EQUAL VALUES ARE NOT DISTRIBUTED PER ZONE)</b>				US\$ 166.667	
2013 cycle	Implementation 2014 and 2015	\$U 120.000.000	US\$ 6.000.000	US\$ 333333	Per zone and per year
<b>AVERAGE PER YEAR AND PER ZONE - 2011-2015 TERM</b>				US\$ 167.667	

and management commitments – was defined by extremely ‘leftist’ bodies. The militants of the EP-FA were territorial political-partisan rather than social activists, who imprinted on the process a different logic than that expected of Residents’ Councils, as entities for social and territorial representation. In this way, the Municipal Intendencia, with the intention of capturing social and territorial networks, decided to widen participation to individuals, as long as ten signatures endorsed them. In a society as rooted in parties like ours, this allowed territorial leaders from traditional parties to access the Residents’ Councils, creating patronage ties with citizens. In this sense, although the link between government and residents is very dependent on each Residents’ Council, the truth is that it deteriorated greatly.

A characteristic of Montevideo’s participatory process that must be mentioned is the following: social players not only participate in the budget and decentralised policies, but also in the institutional design of the system, by defining the way it functions through co-regulation, as well as in territorial planning. This occurs in Citizens’ Forums and in Strategic Area Plans, by linking decentralisation to participation and planning – especially with the new rules to be applied this year, 2013.

Another characteristic of decentralisation, and therefore of the Montevideo PB, is the following: the representatives proposed by a given organisation are not obliged to follow their guidelines, since they were elected by the whole population, to whom they owe their election, and may even detach themselves from this organisation. As a result, Residents’ Councils are the entities for social representation – characteristic of participatory democracies – but whose electoral mechanisms are similar to those of party representatives – a feature of representative democracies. This hybrid model is a result of the Uruguayan political culture, based on parties, which does not stop it from being one of its weaknesses when compared to other experiments, and being the cause for conflict with members of Local Juntas.

To understand the Montevideo PB, at least before 2005, it is important to observe how the system of three poles (Local Junta, at the same level as the Residents’ Council, as a social entity, and an institutional pole with bureaucratic functions) started reverting in practice, where the Local Junta, a political-partisan body, had a leading position, which is also consistent with the extremely ‘party-oriented’ Uruguayan political system. But Local Juntas were eliminated with the creation of Municipal Governments in 2010 – although one must not forget that as an elected body, its players are political parties – to which the law transfers a set of important responsibilities and the Municipal Intendencia attributes considerable resources. Though the role of the Residents’ Councils in the decentralisation process is not too clear, and despite the decree referring to them, attributed extended powers (Veneziano, 2005), what there is no doubt about is that they have a fundamental importance in the PB’s design, implementation and control. This refers to the attempt at a greater connection to citizens, which is an objective we are unsure will be achieved, similarly to what happened in 1998.

### *5. General conclusions*

With our study as a starting point, and the systematisation of PB experiments mentioned in

the beginning, we can now make some general reflections.

PBs in Uruguay occur predominantly at a sub-national level, Montevideo having been the pioneering experiment with twenty-two years of leftist governance. The implementation of this participation mechanism became relatively widespread from 2005 to 2010, when the left gained power in various Departments outside the capital.

In the objectives of the various PB processes, albeit with different emphases, there are common elements: citizen participation, strengthening of decentralisation, democratisation of departmental and local institutions, the replacement of patronage relations between government and society, participatory and strategic local development, and territorial equity and social justice. They appear in a mixed form of mechanisms for participatory democracy (social or political-territorial representatives) and representative democracy (universal secret ballot – and no show of hands in assemblies), are associated with politically strategic party projects for departmental governments, and the initiative to implement the PB comes ‘from above’. They may also be linked to modernisation and efficiency, and it may not be by chance that this objective is evident in Rivera, where traditional parties ensure governance. Furthermore, all cases except Montevideo have a low level of institutionalisation.

From our complementary analysis of the systematisation of PBs in Uruguay, we conclude that the fact that the left has been in power in a Department is not a required condition for a PB experiment to be started, since the experiments of Treinta y Tres (2005–2010) and Rocha (2005–2015) have not been developed; even so, it is more likely that they are implemented in places governed by the left.

We can state that in Paysandú the principles of universality and binding are being fulfilled, where those of social justice are relatively present and those of deliberation and self-regulation, absent. The case of Montevideo fulfils the principles of universality, binding (direct or indirect), social justice and co-regulation (Municipal Intendencia, Residents’ Councils or individuals) – not self-regulation; however, deliberative actions are limited to the PB’s operating rules and to institutionalised social representatives.

One can state that in Montevideo’s case, the PB and decentralisation, as well as planning, are closely linked. There was also a democratising State reform, which opposes the second-generation neo-conservative reforms, from the *rational choice*<sup>11</sup>, being the bearer of a political project for the distribution of wealth and – despite its limitations – creating citizenship. It is not insignificant that the people that most participate in elections to the Residents’ Councils and on the PB are from sectors with the highest rates of NBI (unsatisfied basic needs). In this case the principles of universality, of deliberation are met – for the creation of rules and through representatives of the Municipal Intendencia and Residents’ Councils – of co-regulation, which results from the latter, social justice and links to citizens. There are a few problems here since participation in elections for the Residents’ Councils and in the PB itself is not significant relative to the total number of citizens. There is an intense participation at several moments and actions between various sectors, but with the involvement of a minority of social players.

<sup>11</sup>As in original (translator’s note).

NORTH  
AMERICA

CANADA  
& UNITED  
STATES OF  
AMERICA

DONATA SECONDO & PAMELA JENNINGS

# BUILDING SUSTAINABLE EMPOWERMENT PARTICIPATORY BUDGETING IN NORTH AMERICA

## *Abstract*

In this piece, we begin in Canada to track the spread of PB in North America, through brief empirical descriptions of each PB case. Given our US-based expertise, we then focus on PB practice in the United States, examining some of the unique aspects of participatory implementation of the US PB model and its initial impacts. The piece then explores two challenges to PB's continued growth – inclusiveness and sustainability – and outlines opportunities for improvement in these areas. Lastly, we look forward to PB's continued expansion in the US, highlighting the contrasting needs to both maintain its strong grassroots base and increase the institutionalization of the process.

The 2008 presidential election in the United States made history in more ways than one. Barack Obama became the nation's first African-American president and citizens, especially youth and people of color, came out to vote in record-breaking numbers. Political observers rejoiced at 62% vote participation of eligible voters (Barr); however these record-breaking voting rates were meager by international standards. With turnout in other recent presidential elections hovering around 55% and rates in local elections typically even lower than those of presidential elections, something is clearly amiss in American democracy.

Most North Americans – especially those in low-income communities – are disconnected from the political decisions that shape their lives. Many voters choose not to engage in the political process because they lack faith that their participation will meaningfully impact legislative outcomes. What results is a vicious cycle: low electoral participation and political involvement place low-income communities at the bottom of the priority list for most elected officials, and alienate these groups further. Without meaningful ways to engage with government, low-income communities are systemically disadvantaged.

Practitioners of Participatory Budgeting (PB) know that there are myriad reasons why PB appeals to communities around the world. It may be to address corruption, misappropriation, socio-economic inequality or low faith in government. But it is this disenchantment with the democratic system's ability to engage and represent large sectors of the population that finally – two decades after PB's emergence in Brazil – led to its development in the United States. PB provides a vital entry point into the political system for those that do not, or cannot, participate in the traditional representative democratic processes.

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### *1. PB's Origins in North America*

As PB rapidly diffused throughout Latin America and Europe, North America was slow to take notice. It wasn't until 2000 that the first cases in the region emerged in Canada. The idea of civic engagement around government spending is not novel to many North Americans. Town hall consultations are part of America's earliest democratic traditions – but the idea of putting direct decision-making power in the hands of the people has been very slow to catch on. However, early experiences shows that civil society in North America is prepared for deeper engagement and that, slowly, elected officials are warming to the idea of sharing power through PB.

#### *1.1. Guelph - Neighborhood Support Coalition*

Around 10 years after PB began in Porto Alegre, the Canadian city of Guelph, Ontario (population 115,000) became the first North American city to implement PB to allocate funds. PB in Guelph was managed by the Neighborhood Support Coalition (NSC), a coalition of community groups that worked with the city's government to allocate a mix of public and private funds to meet community needs. At first, the NSC distributed this funding equally to each neighborhood group, but was changed when the City's Manager of Community Development suggested that funding would be distributed more equitably if the “neighborhood groups deliberated their needs and priorities together.” In 2000, the NSC members formalized their participatory budgeting process in a written agreement, recognizing for the first time they were implementing an international practice. The Guelph process allocated roughly \$250,000 yearly from 1999 to 2007, to a mix of programmatic and capital projects. The process involved several stages of local and citywide deliberation, and 12 community representatives determined winners by consensus (Pinnington et al. 2009).

#### *1.2. Toronto Community Housing*

Around the same time the NSC began using PB in Guelph, Toronto Community Housing (TCH) also launched a PB process in which public housing tenants allocated funding for capital improvements in their housing developments. With 164,000 residents, TCH serves some of the most vulnerable populations in Toronto, including low-income residents, new immigrants, the elderly and disabled as well as single parent families. Whereas Guelph developed PB somewhat independently of the international PB movement, TCH knowingly adopted a more common PB model to address a growing demand from residents for decision-making power in the face of fiscal austerity. Over time, the amount of funds allocated through PB has grown to \$9 million per year and over 6,000 tenants participated in each budgeting cycle. The first cycle funded 237 local capital projects, such as new stoves, playgrounds, and roof renovations. In addition to these material benefits, the process helped tenants learn

about each other and about the city government (Baiocchi and Lerner 2007).

### *1.3. Montreal - Borough Plateau Mont-Royal*

The inception of PB in Montreal in the mid-2000s was also directly inspired by the growing support for Porto Alegre's PB. The Montreal borough of Plateau Mont-Royal implemented three cycles of PB from 2006 to 2008 for its capital budget. Plateau Mont-Royal is one of Montreal's 19 boroughs, each with their own decentralized budgets. The Groupe de Travail sur la Démocratie Municipale et la Citoyenneté collaborated with other local community organizations to help Plateau-Mont-Royal develop and implement the participatory budgeting process. The process evolved each year, to give the community more decision-making power. Whereas the first year's process was brief and more consultative in nature, later cycles involved deeper deliberation and more direct control of the budget. Up to \$1.5 million was allocated through this process per year (Baiocchi and Lerner 2007).

The momentum for PB in Canada has slowed somewhat in recent years. Like the discontinuation of other PB processes around the world, the fluctuation of PB practice in Canada raises questions about PB's sustainability. As PB processes come and go, we know that PB is endangered when either political will or community support wavers. But what can be done to actively respond to this risk? Once these necessary conditions for PB's beginning are in place, how do we ensure they are maintained? These questions remain unanswered in Canada, yet have come to frame the evolution of PB in the US. To begin engaging with this question, we first take a look at the spread of PB in the US, and describe the US PB model and its initial impacts.

## *2. Early PB Cases in the United States: Chicago and New York*

PB practice in the United States grew out of informal collaboration between PB activists and researchers in the US and Canada who hoped to put PB on the radar in the US. This organizing paid off in 2009, when Chicago Alderman Joe Moore volunteered to become the first elected official in the US to try PB. Alderman Moore learned about the process at the 2007 US Social Forum, at two workshops organized by members of the Participatory Budgeting Project (PBP).

### *2.1. Chicago*

Rather than wait to build political support for a more traditional

city-wide initiative, Alderman Moore chose to move ahead with a more localized PB process in his ward, a community of about 60,000 people in northeastern Chicago. The process, launched in 2009, allows residents to decide how to spend the ward's "menu money," a \$1.3 million pot of capital funds intended for small-scale local infrastructure improvements. With support from PBP and The Institute for Policy Studies, the 49th Ward's first PB cycle involved approximately 2,000 participants.

After three budget cycles of PB in the 49th Ward, PB Chicago expanded to an additional 3 wards (Alderman Arena's 45th Ward, Cappelman's 46th Ward and Hairston's 5th Ward) for the 2012-13 PB cycle. To establish a common PB model city-wide, the aldermen agreed to create a Steering Committee of city and ward-level organizations, importing the model from PB in New York City. In May 2013, 2500 voters allocated approximately \$4 million to 26 projects in Chicago, thanks to the hard work of approximately 150 community representatives across the four wards.

### *2.2. New York City*

In fall 2010, PBP and Community Voices Heard (CVH), a community-building organization based in East Harlem, invited Alderman Moore to New York. There he spoke about the Chicago PB experience at two public events hosted at Brooklyn College and the Pratt Institute. City Council Members Brad Lander, Jumaane D. Williams, and Melissa Mark-Viverito - Democrats who each had prior experience as community organizers - were invited to learn about PB. The council members were intrigued and invited PBP and CVH to serve as project leads in a new PB process. Joined by Republican Council Member Eric Ulrich, the council members committed to allowing the residents of their districts to decide how to spend a minimum of \$1 million of their capital discretionary funds. Though each district would undertake its own PB process, the council members agreed to a common set of rules for the process, determined by a City-Wide Steering Committee.

In the process's first cycle (2011-2012), nearly 8,000 people participated to brainstorm, develop, and vote on capital projects totaling \$5.6 million. In its second cycle (2012-13), 14,000 New York residents participated, allocating nearly \$10 million through PB. Because special attention was made to engage New Yorkers who typically do not participate in the political process, PB mobilized a racially, ethnically, and economically diverse cross-section of New Yorkers, which in some cases was more representative of the districts' populations than those that had voted in the 2009 local elections.

The success of PBNYC's first year inspired four additional council members, Democrats Mark Weprin, Stephen Levin, and David Greenfield, and Republican Dan Halloran, to join the process for 2012-13. Two additional districts, led by Democrats Donovan Richards and Sara Gonzalez joined for the 2013-14 PB cycle. During the 2013 city council primary elections, voters chose 21 Council Members candidates who pledged to use participatory budgeting, and the Democratic candidate for Mayor, Bill de Blasio, has committed to expanding PB city-wide. We look forward to PB becoming a City Council-wide initiative and expanding into new pots of funding in the near future.

### *3. PB Develops: First City-Wide process*

#### *3.1. Vallejo, CA*

Barely more than a year after emerging from bankruptcy, the San Francisco Bay Area City of Vallejo, CA made a new name for itself as the first U.S. city to launch a city-wide PB process. Through the PB process, residents of this highly diverse, mid-sized city of 115,000 are allocating 30% of the revenue from a recent voter-approved general sales tax, equaling approximately \$3.4 million. The process was approved through a City Council resolution in the spring of 2012 with the leadership of progressive Council Member Marti Brown. The City Council also agreed to set aside \$200,000 of this tax revenue to implement the process.

Whereas PB funds in Chicago and New York can only be used to fund capital initiatives, the sales tax revenue of PB Vallejo can be used for a broader scope of projects, including both capital projects and programs and services. Over 500 residents attended assemblies, and around 120 self-selected budget delegates worked in eight committees to carve down an initial list of over 800 ideas. Voting in May 2013 brought together 4,000 community members, and 12 projects received funding.

#### *3.2. Other Cases and Future Prospects*

Across North America, several additional cases of participatory budgeting have sprouted and many other new processes are in development. The examples below are only a selection of those that are occurring - but they illustrate that PB is a growing movement, emerging and developing in new and exciting ways.

During the spring of 2012, Brooklyn College, part of the City University of New York (CUNY), became the first US university to engage students in PB. With guidance from Brooklyn College professor and co-founder of PBP, Mike Menser, students decided how to spend around \$20,000 in student government funds. They voted to revamp a campus lounge that had fallen into disrepair, turning it into a space that could be used for art shows. In an exciting show of support, the President of Brooklyn College contributed matching funds so that an additional project could also be realized.

*Table 1* Comparison of PB in Chicago, New York, Vallejo

	CHICAGO	NEW YORK CITY	VALLEJO, CALIFORNIA
Start Year	2009 (49th Ward) 2012 (multi-ward process)	2011	2012
PB Funds	Discretionary Funds controlled by Aldermen. \$1million minimum per Ward	Capital Discretionary Funds controlled by Council Members \$1million minimum per district	Funds from “Measure B” Sales Tax – approx. \$3.4million
Support funds for process implementation	Foundation grants	Mix foundation grants and Council Member contributions	City funding, some foundation grants
Total population	~60,000 residents per ward, 5 wards participating in 2013-2014	~160,000 residents per district, 9 districts participating in 2013-14	~ 115,000 residents
Peak Participation, to date	~3,000 (PBChicago Year 1, 4 wards)	14,000 (PBNYC Year 2, 8 districts)	~4000 (Year 1)
Minimum number of Assemblies	5 (per district) PB Chicago stipulates at least one assembly must be held in the afternoon	7 (per district) PBNYC stipulates that at least 4 assemblies should target traditionally marginalized populations	9 (including one afternoon, one morning and one Spanish-language)
Requirements to Serve as Budget Delegate	Community Stakeholder (No age requirement)	14 years old and community stakeholder	
Budget Delegate Selection	Self Selection		
Requirements to Vote	Residents, ages 16+ These requirements extend PB voting to non-citizens and others who cannot vote in political elections		
Voting	Voting occurs over 1 week, in many locations and at different times. No online voting.		
Winning Project Selection	Voters are asked to select several favorite projects. Winning projects are those that receive the most votes, until the funds have been distributed. No additional criteria are considered.		
Sample Winners	Public murals, community gardens	Repairs to school bathrooms, security and traffic cameras, technology upgrades in schools, solar-powered greenhouse	Improvements to community gardens, street lighting & repairs, animal spay and neuter clinic

<sup>1</sup> Add back funds are a portion of the previous year's budget surplus, which are divided equally among the city supervisors as discretionary funds.

Ridgewood Elementary public school in West Vancouver Canada engaged in a similar process in 2005, allowing its students to decide on the allocation of \$2000 of Parent Advisory Council funds.

On the heels of PB Vallejo, in 2012, one of San Francisco's seven Supervisors, David Chiu, decided to turn over the allocation of \$100,000 in "add-back" funds<sup>1</sup> to the community in an abbreviated PB process. In this process, residents attend meetings to propose and prioritize programs, activities and capital projects. Chiu's staff then develops these projects further, and brings them to the community for a vote. In the spring of 2013, the first cycle, 500 people voted to fund 8 projects, including homelessness prevention grants and Chinese language books for the local library.

While the United States was slow to get started with PB, observers were quick to take notice once these initial cases began. Advocates are busy mobilizing support among community groups and elected officials around the country - and several elected officials have included PB in their electoral platforms. With significant interest coming from both the grassroots and the elected officials around the country, there are dozens of municipalities where PB may soon become a reality. Successes in the US have also sparked renewed interest in PB in Canada.

Map 1 Participatory budgeting in North America



#### *4. An (Un)Common Model*

Learning from PB experiments around the world, the Participatory Budgeting Project (PBP) has emerged as a leading advocate and technical assistance provider of PB in the United States. Co-founded in 2009 by Gianpaolo Baiocchi, Josh Lerner, and Mike Menser, PBP provides technical support to PB in Chicago, New York and Vallejo. Though each city has tailored PB to its unique circumstances and interests, PBP has proposed a similar model, outlined below, in all three processes.

##### *4.1. Participatory Design*

In most cases of PB around the world, elected officials and city staff typically design and implement the PB process, and citizens are at best invited to help revise the rules from year to year. To make PB participatory from the start, PBP's model begins by bringing together a local Steering Committee to design and help implement the process. Made up of non-profit organizations, advocacy groups and representatives of the local community, the Steering Committee determines the rules and timeline of the PB process through a series of workshops and interactive exercises. These decisions are compiled into a PB Rulebook, which is revised year to year with the input of participants at all levels of the process.

In New York and Chicago, the Steering Committees determine city-wide rules that are then applied separately in each participating district. To help manage this local implementation, each district has a District/Leadership Committee of volunteers and local groups. These Committees partner with the council member or aldermanic offices to implement the PB process, help coordinate events, facilitate meetings and conduct outreach to spread the word about PB. Their crucial role in the PB process, and that of the Steering Committee, will be discussed at length in the next section of this chapter.

##### *4.2. Assemblies*

The public PB process begins with neighborhood assemblies in which community members learn about the city budget and how PB works before splitting into small groups to brainstorm project ideas. Facilitators help lead the discussion of community needs and record ideas. Volunteers are also asked to serve as budget delegates, who will work to further develop these initial ideas. Assemblies are dispersed throughout the city or district, and are sometimes held in community meetings, schools, senior centers to engage the populations least likely to travel. Ideas are also collected online, by mail, and over the phone.

##### *4.3. Volunteer Delegate Process*

Volunteer budget delegates then work to turn initial project ideas into full proposals. Budget delegates are self-selected and there is no limit to the number of delegates. Over the course of several months, they work in thematic or demographic committees (for example: Parks, Streets and Sidewalks, Public Safety, or Youth, Seniors, Spanish-language) to prioritize the neighborhood assembly ideas in their issue area. They are asked to evaluate the ideas based on need, benefit and feasibility criteria, and conduct research at project locations. Delegates meet face-to-face with agency officials and city staff to gain necessary technical information to develop proposals. Agency representatives and city staff help vet projects for feasibility and determine pricing.

#### *4.4. Project Expos*

In Project Expos, budget delegates present their work to the community and gather feedback to make final revisions to their proposals. These festive events serve to celebrate the budget delegates' work, to build community, and re-engage the general public with the PB process in advance of the vote.

#### *4.5. Vote*

The final decision is made through a public vote. In Chicago, New York and Vallejo, voting rights in the PB process have been extended to a larger audience than political elections, including youth over the age of 16 (the age to vote in political elections in the US is 18), non-citizens (and undocumented populations) and those who have lost their right to vote as a result of incarceration.

Voting takes place over the course of several days and many events in public locations. Voters are asked to select their top choices on a private ballot. Residents can also vote in the elected officials' offices or City Hall. No US case has experimented with online voting as of yet.

At the end of the voting period, staff and volunteers count the ballots. The projects that receive the most votes, until all the funds have been allocated, win funding; there are no additional criteria or considerations for allocation. The winning projects are announced at a public event, which serves as a celebration of the PB process and an opportunity to thank volunteers and participants.

Winning projects are then included in the city budget for the following fiscal year, and implemented by the city. Implementation time varies by city and by project type - ranging between several months to several years. As of yet, there have been no legislative mandates that make the PB vote a binding decision. Barring technical or engineering issues, however, elected officials have upheld the results of PB, in an interest to protect their credibility with voters.

### *5. Participatory Implementation*

From 2009–2012, PB in the United States engaged over 10,000 people in deciding how to spend \$10 million in public funds. For the 2012–13 PB cycle, the practice expanded significantly - starting up in Vallejo and San Francisco, doubling in size in New York, and quadrupling in Chicago. By the end of 2013, approximately \$27 million will have been allocated through PB in the United States.

One of the main factors for PB's rapid multiplication in the United States is the unprecedented community engagement that has emerged as a result of PB. This engagement includes not only participating in the process, but also volunteer efforts dedicated to running the PB process. Whereas in most cases around the world, the political decision to undertake PB includes bureaucratic and financial commitment to implement the PB process, this has not always been the case in the US.

Because PB in New York and Chicago started on the sub-municipal level, the processes have been unable to call upon the centralized support and infrastructure of the city government to help implement PB. Aldermen and city council members are rarely able to carve out substantial portions of their limited budgets to pay for outreach, materials, and other amenities. They have small staff with limited experience in community engagement, who often view PB as an additional burden on their overextended schedules. And because PB is so new, their offices

receive little support from the city bureaucracy – indeed, they sometimes meet resistance. As a result, these PB processes often struggle to obtain the resources and capacity necessary to implement a broad, inclusive, and sustainable process.

Expanding the role of civil society in PB to include design and management of the process has allowed PB in the United States to make up for these shortcomings. This fundamental partnership of city staff and civil society in implementing PB has become one of the greatest strengths of PB practice in the United States. It has expanded the empowerment and learning aspects of the initiative by providing an opportunity for leadership development, and increased the legitimacy of the process in the eyes of participants. Most importantly, it has prompted a tremendous community investment in the PB process, which will drive forward support for PB in the long term.

Steering and District Committee members have developed a deep sense of responsibility and commitment to the PB process. As a result, they have contributed a significant amount of additional resources and volunteer effort to the PB process, which has helped compensate for the lack of city funding. In the first year of PBNYC, PBP estimates that hundreds of volunteers donated over 20,000 volunteer hours. These contributions fall into three main activities: advocacy and fundraising; technical support; and mobilization and engagement.

### *5.1. Advocacy and Fundraising*

Steering committee members are crucial in promoting PB to elected officials, as well as developing and carrying out plans for PB's expansion in New York and Chicago. In New York, one Steering Committee member organization has included a political candidate's interest in PB as an aspect of their endorsement criteria. Other groups regularly attended briefings for the City Council and met individually with elected officials to promote PB. These groups have helped raise awareness of PB in their local areas and in the United States, through publications and speaking engagements, and by securing media coverage for PB processes.

Steering Committee members have also been central in fundraising for PB from private foundations. They've served as fiscal sponsors for PB and drafted grant applications. Particularly in Chicago, where the Aldermen are unable to contribute any funds to implementing the PB process, this funding has been key to PB's viability. Giving in-kind donations of all kinds, from full meals at meetings to translation services and staff hours to conduct research, Steering and District committees have fueled PB's progress in each city.

### *5.2. Technical Support*

Steering committee and District committee members contribute their individual expertise to the PB process, often on a pro-bono basis. Base-building community groups have helped create outreach trainings and guided engagement in the PB process. Programmers have designed online tools to submit ideas and keep the public informed on PB's progress. Designers have created publicity materials, ballots and templates for project posters. Good government groups have developed materials to explain the city-budgeting process to participants, and compiled statistics and maps to help inform decision-making. Others have mentored budget delegate committees on work in a specific issue-area, or facilitated PB events and trained other facilitators, to help ensure events are fun and inclusive.

Some Steering committee members have also led top-notch research coalitions to track and evaluate PB. On these committees, local academics, researchers and think tanks develop and administer surveys, conduct interviews, and write the final evaluation reports, which have been key to explaining PB's impacts when advocating for adoption in new settings.

### *5.3. Mobilization and Engagement*

Steering and District committee members are essential in implementing a broadly inclusive PB process. They have designed the PB process with the needs of marginalized groups in mind – such as PB Chicago's requirement that at least one neighborhood assembly be held in the afternoon, to attract youth, seniors and second-shift workers. Their intensive fundraising and in-kind donations of food, childcare and translation help lower some of the key barriers to participation for low-income groups.

Steering and district committee members are also key partners to the elected officials in mounting a widespread, grassroots outreach effort that can draw in diverse participants. They have helped develop outreach plans to target those communities who are least likely to participate in the process, and have tirelessly implemented those plans through phone-banking, door knocking, canvassing and other methods. Recruiting and managing dozens of volunteers to conduct this outreach has multiplied the capacities of elected official's staff, and supplemented staff's often-limited experience with grassroots mobilization tactics.

By engaging in these three activities, the Steering and District committees have strengthened PB processes by bringing in the additional resources and labor to ensure the process is welcoming and engaging for a diverse population. It is largely due to their role in the process, for example, that PBNYC engaged nearly 8,000 participants in its first year, including a large portion of participants who had never before been involved in politics or community processes. PBNYC engaged low-income people and people of color at higher rates than recent local elections; in some districts people of color were even overrepresented compared to the demographics of the districts. Over 20% of PBNYC voters were born outside the USA – many of whom would thus not be able to participate in traditional voting (Community Development Project 2012).

These outcomes indicate that PB can be a powerful response to weak representation of certain groups in the political process. By engaging a variety of stakeholders in PB – as both participants and invested leaders – these processes are creating a community of advocates that will work to improve PB's impacts and fight for its continuity.

### *6. Challenges and Opportunities Going Forward*

Though PB processes in the US have accomplished a great deal with limited resources, there is still room for growth. Reflecting on four years of PB practice in the United States, we see two main areas for improvement that will increase sustainability and encourage its dissemination into new cities. To sustain community support for the process, we must make it more inclusive, not only through more extensive outreach efforts, but also by making it easy for marginalized groups to participate. To increase political will for PB, we must make the process easier to implement and reduce the work required of both staff and volunteers.

### *6.1. Inclusion and Skill Development*

PB in the US responds to the weak representation of marginalized groups in the traditional political process, and hold inclusion as one of its central goals. We hope that PB in the future will not only engage more participants, but go even further to engage populations that are not well represented in traditional politics, such as immigrant communities, people of color and low income groups. Data from PBNYC's first year shows that districts that dedicated resources to targeted outreach and to amenities such as childcare, translation and food had higher rates of participation from marginalized groups (Community Development Project 2012). Allocating more resources to outreach and to reducing barriers to participation (such as providing travel funds to participants) in the future will help us build on our initial successes and make PB even more inclusive.

However, bringing people out to PB events is not enough – PB must do more to make sure that participants remain engaged after their initial contact with the process. We've anecdotally seen participant retention to be an issue during the budget delegate process. Being a budget delegate is the most involved and time-intensive stage of the PB process, and requires research skills and ease interacting with the city bureaucracy. The range of skills with which delegates start the PB process is a good indicator of their comfort during the process and their likelihood to remain engaged. In New York's District 8 (East Harlem), for example, the facilitator of one committee observed that some of his delegates, members of a program to help the formerly incarcerated stay out of jail, needed more support than others to accomplish budget delegate tasks. Without enough support, these delegates are the most likely to grow frustrated with the process and stop participating. Two courses of action will help PB processes maintain a diverse and representative pool of budget delegates in the future.

Firstly, PB practitioners will need to make a larger investment in facilitator trainings and in support for facilitators. Though the District 8 facilitator was able to recognize the struggle of his formerly incarcerated delegates, and spent extra time working with them, not every volunteer facilitator has the experience to foster consensus building and bridge the skills gap between delegates. More extensive training can help facilitators recognize and support delegates who begin the process at a disadvantage.

Secondly, a larger arsenal of training materials and resources for delegates will help them better navigate the city bureaucracy and the budget process, and develop new skills. Building upon PB's potential as an educational experience will not only help participants be more successful as delegates, but also attract more people to the process.

### *6.2. Streamlined PB: Supporting Volunteers and Staff*

To make PB sustainable, and to help it grow in the United States, we need to ensure it does not put undue strain on staff and community members. Streamlining the process will make managing PB easier and provide additional support to the often overburdened individuals who implement it.

Volunteer engagement has been one of the biggest successes of PB in the US. Better volunteer management through the use of online tools and additional training will help us build on this success by engaging more volunteers and make them feel better prepared for their

work. Showing appreciation to volunteers through modest compensation or symbolic rewards (celebrations, small gifts or certificates of achievement) can help keep people engaged.

Elected officials often hesitate to implement PB because of the work it involves for their staff; easing their work will be a key factor in PB's continued dissemination in the US. Staff collaborate with the District and Steering Committees to coordinate PB, attend nearly all the meetings of the process, vet projects through the city agencies, and oversee outreach and communications. Staff also serve as keepers of institutional memory, maintaining lessons learned between cycles as participants fluctuate. Improved communications and information management systems will decrease the burden of these tasks. PBP looks forward to learning from earlier PB practice, and to working with allies in the information management technology business to create better tools to compile and track project ideas and information, track participant information, and recruit and manage volunteers.

### *7. Grassroots Control and Institutionalization*

In other regions, PB has been most sustainable when written into law – and we look forward to seeing this occur in the United States. Alongside this type of institutionalization, cities must make a bigger commitment to providing adequate resources for PB implementation. As has occurred elsewhere, PB would benefit from hiring dedicated staff, and having a reliable funding stream to pay for necessary materials, reducing the need to seek foundation grants and in-kind contributions.

Although institutionalization will make implementing PB easier and more efficient, and thus strengthen the political will to do PB, it may inadvertently push community members out of their leadership role in the process. This would endanger community investment in the process and damage some of PB's greatest impacts in the US. Streamlining PB must not eliminate the space for community participation in implementing PB, but rather funnel it towards improving the fundamental impacts of the process. PB doesn't benefit by asking community members to perform trivial tasks like arranging refreshments for meetings and taking notes – indeed, these activities can drain and disempower participants. It flourishes, however, when community members drive the process by controlling rulemaking and engaging and supporting their neighbors. To promote this empowered community participation, institutionalizing PB means envisioning a new type of city bureaucracy – one that actively engages citizens and supports their efforts.

We look forward to learning how PB experiences around the world that have engaged with this issue. However, we already begin to see the balance of centralized

institutional support and community control in PB in Vallejo. The Vallejo City Council became the first legislative body in the US to pass a formal resolution to implement PB. As a result, they also set aside sufficient funds for PB's implementation, which allowed City Hall to establish new PB staff positions. These staff manage the PB process and coordinate outreach efforts - tasks which existing staff were not prepared to undertake. Because they are not focused on PB implementation, other City Hall staff are more willing to provide technical support to facilitate project development. Implementation funds also pay for necessary materials, provide stipends to facilitators and outreach workers, purchase of amenities to reduce barriers to participation and allow for extensive training and ongoing support to facilitators.

At the same time, the PB Vallejo process retains the crucial element of community control. A strong Steering Committee has maintained an active role in the process, not only by designing PB's rules at the start of the budget cycle but by providing support along the way - from organizing assemblies and acting as facilitators, to mobilizing the population, and leveraging media coverage. They are vocal advocates for PB who will fight to maintain community control as the process unfolds. Through their efforts, PB Vallejo is on track to surpass participation rates seen in New York and Chicago.

In Vallejo, we see that sufficient resources promote easier implementation, and strong community control helps secure deeper community participation. While it is too soon to judge whether Vallejo's balance of political and grassroots support will endure, we believe this case will one day serve as a model for sustainability for other PB cases in North America. We can already begin to see this partnership change political culture in the city. City Hall staff have become newly inspired to work with the community, and have found the PB experience rewarding and enlightening. After a successful first cycle of PB, the city has now created two new positions in City Hall. Going forward, a community engagement coordinator and grants administrator will work to expand government-community collaboration even beyond PB.

PB's continued growth in the United States will be a product of our ability to balance centralized support and community control.

As the lead technical assistance providers in North America, PBP is working to develop the training and support tools necessary to ensure that institutional support is leveraged to support the principles of inclusion and community control in PB. By engaging a diverse audience in PB in a meaningful way and by better supporting those tasked with PB's implementation, we can ensure its healthy and enduring development in the region. In turn, PB in North America will live up to its promise of creating a space for everyone to engage with their government, and help repair American democracy.

ASIA

CHINA

BAOGANG HE

# CIVIC ENGAGEMENT THROUGH PARTICIPATORY BUDGETING IN CHINA: THREE DIFFERENT LOGICS AT WORK

## *Summary*

This article seeks to develop an understanding of participatory budgeting (PB) in China by examining its three distinctive logics – administrative, political reform, and citizen empowerment – and how they operate and intertwine. The background to recent PB is outlined, followed by an overview of the three logics, the mapping of PB developments and activities across China, a discussion of various patterns and related characteristics of PB, an evaluation of PB against a number of criteria within the three logics, and a consideration of the prospects for PB. The analysis draws on several sources, including newspaper and journal articles, personal involvement in five PB experiments over the last six years, and numerous field trips and interviews with national and local officials. The overall conclusion is that, while the administrative logic will remain dominant in PB experiments, the empowering of local People's Congresses will continue to be constrained by the caution of the central leaders and resistance from local governments. Likewise, the empowering of citizens through PB will be limited by government control.

## *Introduction*

Participatory budgeting (PB) originated in Brazil in the early 1990s as a redistribution mechanism that favoured the poor (Baiocchi, 2005). It is a form of active civic engagement that enables citizens to participate in budgetary decision-making processes. It is also a mobilisation strategy of the political left whose mandate is liberation, self-governance and radical democracy. When PB was introduced into China, the Chinese government reshaped its core ideas by projecting PB as a programme to curb corruption, improve administrative efficiency, and enhance state capacity (Collins and Chan, 2009). Reshaped in this way, PB becomes a tool of administrative incorporation, expanding participation and narrowing contestation. This has made it an attractive instrument in other state-dominated administrative mechanisms such as the Feedback Unit in Singapore and the Law of Complaints in Vietnam (Rodan and Jayasuriya, 2007).

## *Keywords*

China;  
civic engagement;  
participatory budgeting;  
administrative reform;  
political reform;  
citizen empowerment.

Behind China's PB are three distinctive logics based on administration, political reform, and citizen empowerment. Each logic denotes different conceptualisations and understandings of PB, constituting different frameworks in which PB programmes and activities operate. Each generates and reproduces behavioural patterns and leads in different directions.

The administrative logic addresses questions concerning how administrators go about introducing PB and how PB can strengthen and improve the administrative process. When the administrative logic dominates PB, the concept of citizenship is likely to be diluted and even lost other than in terms of the possibility for some public scrutiny of budgets.

The political reform logic differs from the administrative logic in that some local officials, scholars and NGOs have used PB to rejuvenate the local People's Congresses in China to make them work more effectively and to make the deputies more powerful (Ma, 2007). Under this logic, PB has less to do with the narrow budgeting process than it has with a broad political reform programme (Li, 2008; Yang 2007).

The citizen empowerment logic is characterised by activist citizens and NGOs who regard citizen participation in the budgeting process as a political right, and demand the power to decide the allocation of budgets in local communities. PB aims to cultivate and empower citizens and, in doing so, changes the relationship between the state and citizens in favour of the latter. Much of the literature on PB is built upon this empowerment logic (Santos, 1998).

While the political reform logic and citizen empowerment logic overlap, they differ from each other in important ways. As political reform, PB is essentially an elite-dominated process, while as citizen empowerment PB is citizen-centric. In addition, the former aims to establish representative democracy in which deputies examine the budget, whereas the latter wants to establish direct democracy in which ordinary citizens discuss and decide the budget.

Of course, the three logics are not clear-cut; they intertwine. While some elements of the three logics are compatible and mutually complementary, others conflict and undermine each other. Most cases of PB are less than straightforward in the real world. They often border on two logics, and sometimes overlap. Nevertheless, analytically these three logics assist in developing an understanding of the complexity of PB in China, and in establishing a framework for valuable comparisons to be made with other systems.

Reports of various journalists and the small number of academic discussions on the subject celebrate PB experiments by focusing on political reform and citizen participation (Ma and Niu, 2007; Zhang, 2007a, b; Su, 2007; Chu, 2008). They often lack critical scholarly analysis and solid empirical data, often being framed by enthusiasm for citizen empowerment. Consequently, the administrative logic of PB has been understudied and overlooked.

### *Brief history of PB in China*

While the idea and practice of PB in Brazil were only formally introduced into China in the late 1990s (Zhongguo fazhan yanjiu jijin hui, 2006; Chen, 2007a), since the early 1990s Chinese villagers or village representatives have monitored budgeting with the aim of ensuring that village leaders collect money for public goods, distribute village income in a fair way, and invest village money effectively (He, 2007). This was called 'the openness of the village account' and 'the democratic management of the village account' (Cai and Yuan, 2005; Feng, 2007).

In 1991, the local People's Congress in Shenzhen set up a budget committee in which deputies had an opportunity to examine the budget. In 1998, Hebei province introduced sector budgeting, meaning that partial budgets were disclosed to the people's deputies of the People's Congress for examination and deliberation. In 2004, Huinan township in Shanghai undertook an experiment in public budgeting. Similar experiments in Xinhe and Zeguo townships were conducted in 2005; they subsequently spread to 8 neighbouring townships in Wenling in 2009, and to 79 townships in Taizhou prefecture city in 2010. PB was also introduced by a dozen or so street-level governments between 2006 and 2008 in Wuxi and Heilongjiang.

Strong calls have been made for budgetary transparency and openness throughout China. Success, however, has often been hard won against the reticence of governments. In Shenzhen, for example, three ordinary citizens began demanding access to budget information in 2006. They went through quite a trial, submitting requests to a dozen central governmental agencies and a dozen local governments, but were denied each time until in October 2008 the Shenzhen Department of Public Health permitted them to read the health budget (Huang, 2008; Wang, 2007). By the end of 2010, a third of 92 departments in Shenzhen had disclosed budget information.<sup>1</sup>

In summary, at the village level there are thousands of PB projects in place. At the town or township level there are more than a dozen PB projects. More than twenty PB projects have been at the street level. Only a few PB projects have been at the city level and national level. The number of PB projects is still very small compared to the number of villages, townships and street-level governments. Nevertheless, the direction of PB is clear: more and more PB experiments are being introduced.

### *The three logics of PB*

In China, there are three different understandings of PB in terms of the three logics identified above. Under the administrative logic, PB provides citizens with a mechanism to express their preference and opinions, and seeks to match the people's choice with the government's plan. It examines the allocation of the budget, identifies the priority of projects, and establishes a modern public financial system. The principles of PB are the transparency of budgeting and equitable access to public resources.

Under the political reform logic, PB is viewed as an instrument for introducing local democratisation in China. It broadens the definition of PB, as the agents of participation include not only ordinary citizens but also deputies who were previously excluded from the budgeting process. People's deputies are seen as citizens, or representatives of citizens. In a strict sense, they should not really be considered to be part of PB because they are elites. But in the unique Chinese political system, PB aims to make them more powerful and responsible to the citizens who elect them. Projects of this kind in China deserve to be called PB, as often there is a process in which deputies have consulted and connected with citizens. Notably, background conditions influence the understanding and process of PB. In China, with the absence of regime-level democratisation, PB is at best seen as local democratization. China's PB is more governance-centric than that of Brazil where the Workers Party was to attract more voters through PB and where PB became a radical democracy programme stemming the tide of neo-liberalism.

<sup>1</sup> *Southern Metropolis Daily*, 19 de Janeiro de 2011, pág. A09.

Under the citizen empowerment logic, PB is a process in or through which citizens and NGOs can demand access to, allocate, and decide the budget. This logic is very close to the experience in Brazil, but it does not dominate in real politics in and beyond China.

### *Problems, incentives and motives of PB*

Serious problems exist in budgeting processes in China. Problems principally include an over concentration of budget power, a lack of transparency, little citizen participation in the checking and monitoring of budget systems, favoritism, a lack of social equity, and a failure to consider fully the needs of disadvantaged groups. Often, executive discretion overrides legislative oversight. The extra-budget slush fund is a source of corruption.

To deal with the above problems, the Chinese government has introduced budget reforms, including the separation of revenue and spending for extra-budget funds, the centralisation of expenditure management and government account services (Ang, 2009), the elimination of multiple decentralised accounts, and the establishment of the account secondment system. In addition, the National People's Congress (NPC) set up the Budgeting Work Committee in 1998, and the local People's Congresses have experimented with budget deliberation reform (Yang, 2004; Ma, 2005).

A further reform involves citizens. This is necessary to deal with the common problem worldwide that people's needs are often not met in state budgets. PB attempts to make a departure from the normal bureaucratic budget process.

In the past, the budget process was the sole business of the state, but as concern increases over matters such as public welfare and the provision of goods and services the budget is evolving into a public budget. Underlying this transformation from state to public budget has been the changing landscape of political economies. In some local counties or townships in Zhejiang, for example, private business tax contributions constitute more than 70 percent of the local budget<sup>2</sup>. This highlights a need for greater citizen participation, transparency, consent and deliberation. When citizens and the private sector pay taxes, they demand budgetary transparency to ensure their monies are not wasted. This underpins the citizen empowerment logic. The dynamics in China today are sometimes reminiscent of the early history of parliaments in England in which the middle classes bargained with monarchs for political voice in exchange for their tax revenue (Bates, 1991).

The incentives of introducing PB in China include curbing corruption, improving governance, achieving openness and transparency, providing social services for local people, and using the results of PB to deal with rightful resistance (Hess, 2009; O'Brien, 2006). PB can protect government officials from charges of corruption by increasing credible transparency. With local government revenues being increasingly dependent on business, almost all officials are usually regarded as corrupt in Chinese popular culture. However, leaders are learning to use transparent and participatory decision-making in order to avoid or minimise accusations that their decisions have been bought by developers and other business elites.

In cases where decisions are difficult and inflict losses, PB enables leaders to deflect responsibility onto processes and thus avoid blame (Weaver, 1986). There is often tension between limited resources and high demand – exactly who gets the service first is a tough decision. Citizens' participation provides a political shield for officials who have to make such tough decisions on budget issues.

Often local leaders aim to create a political ‘brand’ for such political experiments. Wenling leaders seek ‘honor’ for their contribution to political reform. This seems to be the motivation underlying the political reform logic. All PB experiments depend on the willingness of the leaders who provided the critical resources in the first place to carry out them, but there are inherent limits in sustaining PB.

### *Various patterns of PB*

Many actors play a part in organising PB. International funding plays a significant role. The World Bank has led, developed and encouraged the spread of PB all over the world, has facilitated south–north dialogue, and has organised projects to enhance capacity building. The funding from the World Bank to developing countries explains the fact that most PB experiments and projects occur in developing countries. In China, the World Bank provided funding for the PB experiment in Jiaozuo city. The Ford Foundation has also provided funding for research, conferences and even the cost of PB experiments.

Bureaucratic pluralism is another driving force. Different governmental organisations compete for resources and influence. The Ministry of Finance in China has made efforts to build a modern financial system in which PB is a small part. The NPC and local People’s Congresses have established budgeting committees. Deputies are engaged in the examination and deliberation of budgets, and budgets are now required to be made public. Notably, the chairman of the Wenling People’s Congress, Zhang Xueming, has actively promoted PB experiments, instructing five townships to do so in 2008, six in 2009, and ten in 2010.<sup>3</sup> The Development Foundation of the State Council has also played a critical role in organising large–scale PB experiments in Wuxi and Heilongjiang.

Most PB projects are a top–down process with limited input from the bottom–up. This differs from the case of Brazil where participatory organisations have been set up by, and gained support from, the leftwing political party. Chinese PB takes place without a two party system and electoral pressure. The CCP plays a central role in backing, approving and monitoring PB experiments. Often, local party organisations make the crucial decisions on PB projects.

Chinese scholars and NGOs have played an important role in aiding PB projects and pushing them in the direction of political reforms and citizenship empowerment (Yang, 2009). Action Aid International China (AAIC), China’s branch of Action Aid International, has organised a few PB projects at the village level. The China and the World Institute (CWI), headed by Li Fan, advised on the PB experiment in the Xinhe township. Ma Jun, an expert in budgeting and local government from Sun Yat–Sen University, also trained the deputies in Wenling. Scholars from Deakin University and Stanford University have also provided assistance to Zeguo’s PB project. However, despite a few NGOs being involved in PB projects, civil society alone remains ineffectual and inactive in developing PB in China. By contrast, in Brazil civil society groups such as neighbourhood associations have been active and hugely effective in this regard.

In the context of authoritarianism, it is impossible to develop any independent form of public deliberation. Such practices in China contrast with more common PB practices in Brazil and Western liberal societies where the existence, involvement and organisation of civil society is central to, and even becomes a criterion with which to assess, PB experiments.

<sup>2</sup> Interview with local officials in Zeguo and other townships in March 2005.

<sup>3</sup> Interview in Wenling in 2009.

*Various patterns of PB*

There is an array of PB models: for example, citizen-domination in Brazil, negotiations among stakeholders in other parts of Latin American, and NGO activism in the UK where funding applications are made to local governments and managed by NGOs for local communities. In China itself, there are significant variations in PB in terms of patterns, institutions, procedures and methods. PB can be categorised as revenue-generated, expense-distributed, and budget-monitored. While village PB projects include all three aspects, township PB projects are limited in most cases to the expense-distributed category.

PB usually involves the following processes: the administrative decision to introduce PB and its theme, the decision on the proportion of the budget that will be subject to PB (which can vary from 3-10 percent in most cases), the information collection stage, the proposal and its selection stage, expert consultation stage, citizens' meetings and deliberations, the final government decision stage, and the implementation stage. There are also hidden processes involving negotiation between the government and scholars, advice and funding from international donors – and, importantly, monitoring by the Public Security Bureau. Different patterns are apparent under the three logics of PB.

*PB under the citizen empowerment logic*

PBs at the village level have citizen empowerment mechanisms and effects which take into consideration how to collect funds, generate revenue, and best use village wealth. Action Aid International China was involved in a PB project in Yuedong village in Anhui province. As a result of this project, the paralegal association in Yuedong was successful in resisting an unlawful levy imposed by the township government. It also organised a participatory evaluation of the effectiveness and efficiency of the government's budget allocation in Guangxi.<sup>4</sup>

A series of deliberative forums were organised between March and June 2006 in Bianyu village in Zeguo Province. Five key issues were considered: migrants, a village plan, rubbish management, tree planting, and the management of collective village land. These issues involved the village budget in terms of how much the village fund would pay and how much the villagers would have to contribute. The result of this deliberation determined the village policy on how to use village money (He and Wang, 2007; He, 2008).

Deliberative polling (DP) experiments were organised and facilitated in the town of Zeguo involving policy consultation and

public deliberation with reference to budgetary matters (He, 2008; Lin and Hu, 2008). Five experiments were carried out on 9 April 2005, 20 March 2006, 20 February 2008, 21 February 2009, and 6-7 March 2010. They considered the choice of 30 (in 2005) and 35 (in 2006) infrastructure projects affecting the future of the town and the total town budget in 2008-10. On each occasion, a scientifically-determined random sample of the township was brought together for a full day of deliberation. Participants were given carefully balanced briefing documents. Small group discussions with trained moderators were held, and questions that were developed in the small groups were brought to two large sessions with a panel of twelve different experts. Two surveys were carried out before and after each of the deliberations. In the 2005 experiment, the final result of the surveys was submitted to the local People's Congress, which then endorsed it as the government's policy via a vote (He, 2008, chs. 11 & 12; Fishkin, et. al, 2010).

*PB under the political reform logic*

Parliamentary examination of national, state and local budgets dominates in countries such as the UK, USA and Australia. In a similar vein, Chinese financial reforms have attempted to strengthen the role of the People's Congress to the caliber of parliamentary power in the West. PB should be understood in relation to this central political reform objective. Two cases are relevant here.

The first case involved the selection of public service projects by Peoples' deputies in Huinan Town near Shanghai Pudong International airport. Some 15 percent of the 2004-06 total town budget was allocated for projects that would improve the daily life of the people. Between 2004 and 2006, 32 projects, with a total budget allocation of 149,600,000 Yuan, were chosen by elected local deputies.

The PB process commenced with a consultation between local People's deputies and citizens over public service projects. A working team consisting of local experts examined the merit of each project and considered the overall budget and distribution. The working team then submitted a proposal to local deputies for deliberation. In Huinan, experts and local elites played a significant role in deciding on final projects. This is because local officials think that ordinary citizens lack the knowledge and skills to examine the township budget. Citizens have merely been consulted in terms of their preferences and desires. The PB process provided an opportunity for local deputies to express the desire of the people. In one instance, when a building proposal for a lo-

cal school was not on the agenda, about a dozen deputies left the meeting in protest.

The second case is the deputies' examination of the budget in Xinhe (Chen and Chen, 2007; Chen, 2008; Zhu, 2007a). In 2008, in Xinhe town, Wenling city, Zhejiang Province, citizens first participated in the early stages of the budget process by expressing their preferences and concerns. Then, 90–110 deputies were divided into three groups examining the budget, followed by heated debates held in the local congress over each budgeting item. As an outcome of these debates, local deputies proposed a revised version of the overall budget. A final budget proposal was then voted on by the local deputies. During one two-hour session in Xinhe on 23 February 2008, the majority of deputies demanded an increase in a certain section of the budget and reduced government expenses on a few items such as cars.

### *PB under the administrative logic*

Most examples of PB are in the administrative logic category. Jiaozhuo city, Hunan Province, for example, under the supervision of the Ministry of Finance, has introduced a series of public budgeting reforms as part of a World Bank project beginning in 1999. It has established and improved a number of procedures in achieving balanced budgets, monitoring budgeting implementation, and opening up budgets to citizens and deputies for scrutiny and discussion.<sup>5</sup>

In Wenling city, Zhejiang Province, more than 80 participants from 16 towns discussed the public transportation sector budget on 13 January 2008. Four small group discussions were held in the morning and one plenary session in the afternoon. Many suggestions were made. For example, it was proposed that the maintenance cost of village-to-village roads should be included in the city budget, with the limited funds available being used as effectively as possible. It was recommended that the subsidy for senior citizens should not be included in the transportation budget, as this would be seen as corruption (Zhang, 2008; Zhu, 2008).

### *How the three logics operate in the PB process?*

#### *The administrative logic*

Under the administrative logic, PB aims at building a modern financial system, creating the integration and collaboration of different bureaucratic units, improving administrative efficiency, developing a more transparent budgeting process, strengthening administrative units, and providing public goods which meet the needs of the people – subject to a degree of public oversight and scrutiny (Ma, 2009). The bureaucracy dominates the budgeting process, with PB largely being a top-down process. But it can generate citizen interest by addressing common daily issues such as the construction or upgrading of local public hospitals, roads and local swimming pools, or the improvement of public safety and security. It is now quite common for local officials to let people prioritise the ten most important things in their daily life.

The main stages of the budgeting process in China involve expressions of preferences by citizens, proposals by bureaucratic units, budget examinations by financial officers, expert assessments, party and government committee discussions, and the deliberations of the People's Congresses. Looking at the whole process, it is clear that administrators dominate, while popular participation plays a small but increasing role.

<sup>4</sup> [http://www.chinacsmap.org/E\\_Org\\_Show.asp?CCMOrg\\_ID=121](http://www.chinacsmap.org/E_Org_Show.asp?CCMOrg_ID=121): accessed on 6 March 2008.

The next two paragraphs are based on and address personal initiatives and involvement.

<sup>5</sup> <http://www.sccoop.gov.cn/main/gncj/200912/20091219162153.html>: accessed on 2 April 2010.

<sup>6</sup>Interview with Wuxi officials in 2007.

The administrative logic of PB has enabling effects on citizen emancipation. Citizen participation becomes a necessary part of the administrative logic because public good projects must meet the needs of the people. Administrators rely on citizen participation to justify, legitimise and implement budgeting. The participation of citizens underlies new management strategies and practices in which the more enlightened leaders in PB experiments feel obliged to hand at least a little of their decision-making power over to citizens in order to fully win their support. For example, deliberative polling on budgetary matters in Zeguo gave the local government greater power to persuade opponents of powerful local businesses and individuals to support selected public projects. Deliberation has created a communicative power that has greatly assisted local administrators to implement their decisions (He, 2006, 2008).

The administrative logic of PB has also constrained citizen emancipation. Beijing authorities will not allow PB to be used by dissidents or opposition forces. Both national and local leaders have to weigh up the political risks of PB so as to keep the formation of any independent citizen movements at bay (Cai, 2008). While PB activities are to an extent a global phenomenon, the establishment of a national PB network in China has proven to be difficult. Only in non-political areas such as education programmes and programmes inclusive of women can citizen-centric PB be fully developed and promoted. Limited and controlled participation is a part of the administrative order. Administrative PB is governance-driven, rather than centred on citizen empowerment, with PB experiments needing political and administrative approval to ensure the necessary resources and political authority. Strong government control explains the low level of citizen empowerment in China.

Several Chinese local officials who had been invited by the Ford Foundation to visit Brazil were inspired by Brazilian PB, but had strong reservations about its citizen-dominated process. They viewed it as too egalitarian, too favorable to the poor, and as essentially unsustainable.<sup>6</sup> PB in China is largely a controlled and orderly experiment.

Governance-driven PB focuses mostly on functional areas of administration, at best producing good governance. PB projects in China have curbed corruption in a limited way. By opening up the budget process, local deputies and citizen participants are able to question the budget allocation for government personnel and items such as an unspecified 'other category' or 'contingency fund'. But this does not reduce bureaucratic domination of the budget process.

Regardless of differences in context, organisation, ideology and power relations, all PB projects are an integral part of a public management strategy, with a number of remarkable similarities between many of the projects. First, there exists the problem of public access to information. Information is often asymmetric, with administrators gaining and understanding more information than ordinary citizens. To solve this problem, information must be available to citizens. However, when citizens are provided with detailed information about budget items – for example, 48 pages of the Zeguo township budget – they are usually unable to understand it as fully and clearly as they need to. To deal with this problem, the organisers of PB must provide simplified or condensed versions. But by the same token information can be lost, unintentionally distorted, or intentionally manipulated in many PB experiments.

Second, PB is an aggregative mechanism and an instrument of redistribution. PB distributes public funds to meet the needs of the people in the areas of development and the delivery of

public goods or services. Nevertheless, in Wuxi, for example, PB outcomes tend to favour the older population at the expense of other groups. Comparatively, in Brazil, PB outcomes favour the poor due to self-selected participants and the influence of the Workers' Party. Thus, how do local officials deal with unequal distribution at street, district, village or township level? Wuxi's solution was to set up a Project Bank to ensure that all streets have an equal share, while Xinhe's was to work out a satisfactory scheme through a sophisticated bargaining and deliberative system.

The third challenge is to achieve balanced budgets. This is a universal issue that all PB projects face. When people are given a chance to be involved in the allocation of a budget, they tend to demand more, and this inevitably leads to a budget stretching or even crisis. China has developed a number of methods and practices to achieve a balanced budget. Wuxi officials were forced to set a cap of 300,000 Yuan in 2007 after learning a lesson from the 2006 PB experiment when local residents persistently asked for more and more money. In Xinhe, the rule of balance is that an increase for some items be followed by a decrease for others. Zeguo has used random selection methods to minimise any bias towards one particular group, and has developed a dual decision-making arrangement involving both the people's voice and deputies' deliberation. In Huinan, the greater power has been given to financial experts. In all of these cases, local governments have maintained the administrative discretion to ensure a balanced budget. Consequently, the need to have a balanced budget constrains the power of popular participation and the empowerment of PB.

### *The political reform logic*

PB in a developing democracy like Brazil exists as an extra-parliamentary invention or monitoring mechanism, but it is often regarded as redundant in a fully established liberal democracy because representative legislatures scrutinise budgets. By contrast, in China, PB is perceived as a political reform programme that aims to rejuvenate the People's Congress system, with the agenda of establishing a genuinely representative system. In this context, the concept of PB is stretched to include the participation of deputies in examining budgets, although there is also input from ordinary citizens. Thus, PB in China, as in some other countries, can be seen as a hybrid form of democracy which combines basic levels of participation and representation (Zhu, 2007a&b; Li, Lu and She, 2008; Zhang and Zhang, 2007). Nevertheless, the component of direct democracy in Brazil is much larger than that in China, and PB in Brazil is seen as moving beyond the notion of representative government.

It would be a unique phenomenon if Chinese PB experiments could empower 50,000 local People's Congresses. In the PB experiments to-date, several local party secretaries and the heads of local governments have given up some power – for example, the institutionalisation of deputies' rights to examine and veto budgets – to local People's Congresses in order to pass budgets unopposed by dissenting deputies. Power holders have had to take into account the opinions and desires of deputies by making some compromises. At the same time, they have also developed sophisticated methods to control dissident deputies – for example, by way of 'closed-door' consultations and the open voting method so that they are able to monitor the voting process<sup>7</sup>

Obviously, the CCP dominates the whole process of PB. Legislative power has been strengthened in an effort to provide more legitimacy for the party's decisions. This process is different

<sup>7</sup> Interview and personal observation in a PB project in 2009.

<sup>8</sup> Interview with Jiang in Wenling in 2005.

from Brazil where the Workers' Party views legislative power as an obstacle. Often, when an executive authority organises PB, the objective is to insulate it from legislators. Comparatively, this process is quite striking. When PB is in conflict with legislative power in Brazil, the Workers' Party pushes for and oversees PB experiments. Conversely, in China, when PB strengthens legislative powers the CCP moves to ensure that it is capable of controlling the whole PB process. This comparison illustrates how different political logics operate with regard to the role of the party. Clearly, any view on empowering citizens cannot overlook the role of the party or parties in the PB process.

Local People's Congresses are the main organisations and actors in the PB process. In the Xinhe and Huian townships, deputies debate and deliberate on the budget. In Zeguo, citizens make a choice and submit their results to the local People's Congress; the deputies then have the right to revise what is presented to them. In Wuxi, working committees for PB projects include local deputies and the local congress has a critical role in passing or rejecting any project over 3,500,000 Yuan. While the local congress has the right to decide the budget allocation, the citizens and the residential assembly have the opportunity to choose the projects.

In recent years, local People's Congresses have become more assertive. In 2008, the Xinhe People's Congress voted down two revised proposals, and the local congress in Zeguo nearly forfeited the whole 2008 budget when one group of deputies walked out of the meeting because their proposal on a school issue had not been discussed.

In terms of the political reform logic, PB in China is different from that in Brazil. In China, PB is a strategy for introducing local democratisation through forms of representation and participation. By contrast, in Brazil it is a left-party agenda and a radical democracy programme. It is neither a Stalinist programme, nor a neo-liberal minimal state programme. Rather, it is a political campaign and mobilisation tool for the Workers' Party, playing an 'instrumental role in PT electoral successes' (Baiocchi, 2005). PB occurs within a democratising polity and society in Brazil. Since Brazil's democratisation, PB has burgeoned into a social movement.

In China, PB experiments are evolving in the absence of regime-level democratisation. Governance-level participation appears as a real alternative to regime-level democracy as the CCP has not yet extended empowered participation to the regime-level. While the regime has a capacity to generate and benefit from PB by channeling political demands away from regime democratisation, as it stands governance-driven PB does not yet add up to a democratic regime. In this respect, critics regard PB as 'misplaced democracy' or a delusion of Chinese democratisation for the reason that the Chinese government has imposed administrative control over the budgeting processes. They also note the CCP's resistance to general elections, which are seen as fundamental to the creation of meaningful legitimacy (He and Warren, 2011).

### *The citizen empowerment logic*

Some measures and strategies are being deployed to empower citizens, ensure authenticity, and reduce manipulation. For example, in 2008 in Wenling, a government regulation was introduced to regularise PB practices. Regularised PB meetings empower individuals with a set of rights such as the right of public consultation, the right to equal concern in public, and

the right to initiate a meeting and propose motions. The most important is the right to consent, with any local public project needing to be agreed on by the people and endorsed by the signatures of all involved. In Wuxi, citizens have the right to monitor the budgeting process. The chosen project is determined by a vote by residential representatives or local deputies, and sometimes by randomly selected participants through a survey.

The citizen empowerment logic can be demonstrated by the effect of budget openness. In 2005 and 2006, Zeguo did not release the whole budget under PB experiments but merely a small part of the township budget. If Zeguo had continued to hide full budgets in subsequent experiments, the PB situation there would have looked very difficult. In 2008, there was a significant breakthrough when the full budget – all 48-pages of it – was made available to the public. It was the first budget process in China to do so. However, it was not smooth sailing. The information about the revised items in 2008 was concealed from the deputies and citizens in the 2009 PB meeting. Deputies and citizens vigorously complained about the lack of transparency of the budget revision in its actual implementation. Eventually, common sense prevailed. As a result of the complaints, the 2010 PB briefing document prepared and released by the government provided the information on how the 2009 budget had been revised. This example shows how the citizens' right to have access to information in the name of openness can be realised, even if it is a gradual process. Obviously, the next step will be to have deputies and citizens participating actively in future budget discussions and revisions.

A development in empowering citizens is the attempt by some local leaders to give up some power in the PB process. In the Zeguo experiment, most officials sat outside a classroom to observe a meeting and they were not allowed to speak out to influence the choices of ordinary citizens. Ultimately, the final choice of the citizens was endorsed by the Zeguo People's Congress as official policy. Citizens were empowered through the process of an open and transparent mechanism, with the experiment contributing to the construction of social capital and mutual trust between the local government and citizens. Zeguo Party Secretary, Jiang Zhaohua, admitted that 'Although I gave up some final decision-making power, we gained more power back because the process has increased the legitimacy for the choice of projects and created public transparency in the public policy-making process. Public policy is therefore more easily implemented.'<sup>8</sup>

Experience concerning the citizen empowerment logic is limited, fragmented and constrained by the administrative logic (cf. Cooke and Kothari, 2001; Hickey and Mohan, 2004). There is a gap between an ideal version of PB in which citizens are active, critical and capable of allocating funds and the real world of citizens who are instrumental and materialistically-oriented. Several patterns of behaviour have emerged in Chinese PB meetings. Citizens often call for increases in budgets for projects relative to their life circumstances, followed by a demand to decrease government expenditure. They demand the distribution of public funds in an egalitarian manner, which can have an adverse effect of serving to strengthen the resolve of the administrative logic. In the eyes of administrators, citizens cannot be fully trusted and given the full power to allocate budgets, although governments need to consult them.

The degree to which citizens decide the budget varies. In Wuxi, the chosen project reflected the people's preferences. While the voting of residential representatives determined the fi-

<sup>9</sup>Interview with more than 40 randomly selected participants in Zeguo in February 2010.

nal project, it did not decide the total amount allocated in the budget, which was pre-decided by administrators. In Huinan, the first input about various projects came from citizens, but local officials and deputies decided the result. Generally, local governments played a dominant role. The amount of money that citizens were able to control in the entire budgeting process was very limited. Local officials doubted people's capacity to examine the budget. In preparation, it was proposed that 3 percent of the total budget be allocated to a public goods project, allowing participants to discuss and decide on the most important projects. But the city government had its own plan in the belief that people did not know how to make the decision, and that the populist choice would lead to an unfair distribution.

Citizens often have limited knowledge about budgets. The number of citizen participants is relatively small, usually only a few dozen – though, in Zeguo's case, there were 200–300 people. The level of interest from citizens is often relatively low unless the government provides material incentives, like Wuxi's government does in the form of financial grants, with each district receiving 200,000–300,000 yuan for PB projects. Some participants are only interested in the benefits of specific local public projects rather than in wider issues. Nevertheless, several do appreciate it when 'our leaders give us an opportunity to make a choice.'<sup>9</sup>

More broadly, it is extremely difficult for NGOs to organise and campaign for PB without the government's backing. Chinese NGOs are constrained by political concern over national security. The Beijing government is worried that NGOs will grow out of control, in particular the ones that are funded by foreign donors. Public security organisations closely monitor the operation and activity of NGOs. The governmental concern with 'bad' NGOs has strengthened the administrative logic founded in political and administrative control. In this environment, civil society is weak in its push for PB experiments. This is in clear contrast to the success of PB in Brazil which has been partly the result of the activism of NGOs. Their strength has enabled them to push the boundaries created by administrative powers. In a radical democratisation of Brazil, citizens now decide budget distributions.

### *Conclusions*

In China, PB experiments have promoted a degree of transparency and fairness, provided opportunities for deputies and citizens to examine, discuss and monitor budgets, and improved the communication between government and citizens. In some cases, PB has rejuvenated the local People's Congresses and led to the limited development of administrative reform. However, it has not led to substantive changes in power structures. Both the system as a whole and the fundamentals of budget processes have remained the same, and in most cases the budget is still considered a state budget rather than a public budget.

The vast majority of PB takes place at the local level, in particular in villages. There are a number of successful stories at this level. Recently, however, considerable effort has been made to expand PB to higher levels of government. It will be interesting to see whether city-level public consultation on public goods projects will develop into meaningful PB projects.

In the next decade, there will be more PB experiments and an increasing participation of citizens. The NPC endorses the Xinhe model and encourages the further spread of experiments in townships. It is likely that the government will gradually pass more facilitatory regulations and laws regarding PB.

The Beijing authorities will continue to support PB experiments so long as they keep away from oppositional politics and focus on the administrative system. The empowering of local People's Congresses will remain constrained by the caution of the central leaders and resistance from local governments. Likewise, the empowering of citizens through PB will be limited by government control. In essence, the administrative logic will remain dominant in PB experiments, with the logics of political reform and citizen empowerment largely only being secondary as supplementary by-products.



YVES CABANNES & MING ZHUANG

# INNOVATIONS IN PB IN CHINA: CHENGDU ON-GOING EXPERIMENT AT MASSIVE SCALE.

## *Abstract*

This paper presents and analyses participatory budgeting process in Chengdu (14 to 18 million inhabitants), by far the largest PB in China, with over 50 000 projects funded and implemented over the 2009–2012 period in over 2300 villages and rural communities. Its central argument is that Chengdu PB goes much beyond spatial justice and the reduction of the growing divide between urban and rural development and living condition. It goes also much beyond a massive and unique improvement of the day-to-day life of millions of villagers. What is debated here is that PB in Chengdu is introducing democratic changes at local level through deliberation and through more power to simple people.

Chengdu PB is posited as part of a unique triangle of innovation: (i) Property rights clarification, and to increase security of land use rights of villagers; (ii) mechanism to reduce the gap of urban / rural basic services provision and (iii) Improvement of quality of public services in rural areas through more democratic autonomy to villagers. After a brief multi-dimensional analysis, the following differences are identified in relation to other PB in China: (i) endogenous process; (ii) part of a policy and not a mere program; (iii) massive in scale and rural based and (iv) significant changes in democratic practices.

A key innovation in relation to PB in the world lies in the possibility to use PB resources for medium term loans as a mechanism to bridge short term and longer term development planning. Despite its success, PB in Chengdu is facing some challenges: its expansion from village to township levels; the permanent need of support from the Communist Party at a high level and insufficient research and evaluation. It concludes and explains why risks that Chengdu PB closes or be closed are limited at least in a foreseeable future.

## *1. Introduction and Argument*

Chengdu PB is by far the largest PB in China and most probably in the world, with over 50 000 projects decided by people and implemented over the 2009–2012 period in over 2300 villages and rural communities in the booming City of Chengdu, equivalent with its 14 to 18 millions inhabitants to a Metropolitan area or a City Region in western standards.

## *Keywords*

China  
Civic Engagement  
Participatory Budgeting  
Administrative reform  
Political reform  
Citizens' Empowerment

<sup>1</sup> CCPG in Cabannes, Y. Chinese version FAQ on PB for the United Nations Habitat Program 参与式预算72问 联合国人居署 编著, China Social Press, 2010.

<sup>2</sup>See He, Baogang (2011). Civic Engagement through participatory budgeting in China: three different logics at work. John Wiley & Sons Ltd.

A central argument of the present paper is that Chengdu PB goes much beyond spatial justice and the reduction of the growing divide between urban and rural development and living condition. It goes also much beyond a massive and unique improvement of the day-to-day life of millions of villagers. What is debated here is that PB in Chengdu is producing democratic changes at local level through deliberation and through more power to simple people, not only to decide on the use of public money, but at the same time, to control it through a villager's led mechanism of oversight.

### *1.1. PB in China an emerging and unknown issue*

“There are mainly two models of Participatory Budgeting in China: one is represented by Harbin, Heilongjiang and Wuxi, Jiangsu. This first model has mainly been inspired from the Brazilian experience and other countries. The salient feature in these cases is that community residents participate in the decision-making, implementation, execution and monitoring of a part of the public budget. The second model is illustrated primarily by Wenling, Zhejiang, with its main features being the empowerment of the Local People's Congress to undertake a process of more specific involvement in the allocation and decision making of the government budget.”<sup>1</sup>

Even if Chengdu is quite specific in many aspects, this will be described at a later stage, it cannot be isolated from a national movement still at an early stage of development, and that focuses essentially on budget democratization inside the administrative boundaries of a single party regime. A very brief historic perspective will be drawn here and papers notably from Baogang provide a more detailed perspective<sup>2</sup>. The earliest relevant records of Participatory Budgeting date back to 2004, in Xinhe Town, Wenling City, Zhejiang. Through deliberative discussion, the town incorporated public participation into the People's Congress framework, establishing participatory budgeting, and touched the inner mechanisms of budgetary decision-making process, thereby creating a reform precedent for public budget debate at grass-roots level.

Since then, Participatory Budgeting experiments were carried out in various places in China. They brought along a strong demonstration effect on promoting and deepening public budget reform and democratization the process in China's local governments. Since then, a number of pilot practices have been found across the country, including Jiaozuo, Harbin, Wuxi (2005), Minhang, Shanghai (2007), Chengdu (2009) and Baimiao Township, Sichuan (2010).

PB practices in China vary from place to place, from simple consultation to deliberation with direct decision-making. Here are some of their characteristics:

*a) Empower Local People's Congress.* In the case of Wenling, Zhejiang Province, the way of strengthening PB practice was to give power to the Local People's Congress over Budget approval and evaluation. Besides the annual and regular meetings, various additional ones were held by Local People's Congress delegates for deliberating on budgeting allocation. A specific Committee was created within the People's Congress to supervise public budget execution.

*b) Develop and improve participation rules.* For instance, since 2006, Wenling City developed a set of instruments and manuals to clarify and institutionalize deliberative processes.

*c) Disclose detailed budget information.* For example, Jiaozuo City in Henan discloses its public budget expenditure and accepts public supervision through an on-line channel. Wenling City includes detailed budget descriptions to the materials made available during National People’s Congress Conferences. At the same time, the government also discloses budgets in their draft forms, increasing the transparency upon budget information.

*d) Increase people’s voice.* such as in Wenling where a deliberative discussion took place within People’s Congress system, allowing the elected people’s representatives to directly be involved into the government budget discussion. Similarly in the case of Wuxi, where People’s representatives participated all through the process up to the implementation of the budget.

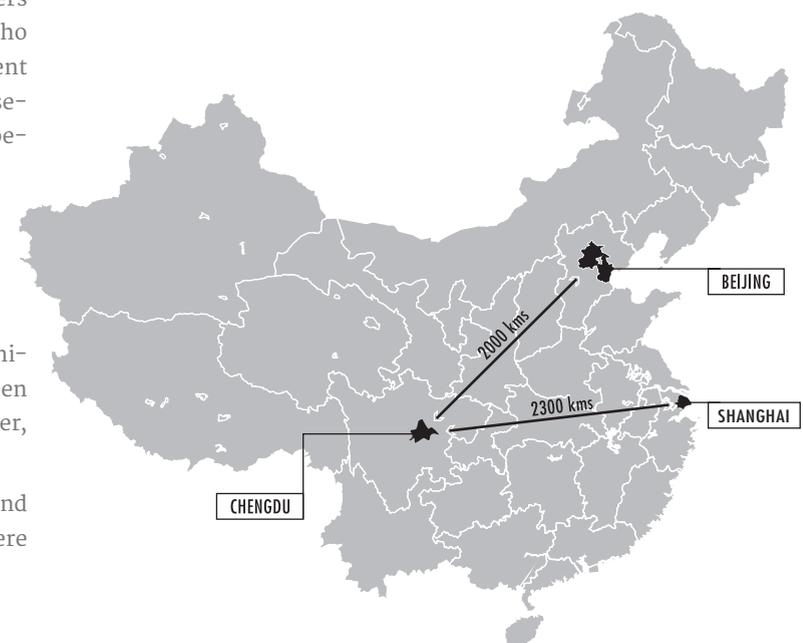
### 1.2. Introducing Chengdu, capital of Sichuan.

Chengdu is the capital city of Sichuan Province, it’s still largely rural, with some of the least developed areas in central Mainland China. It is located –see location map xxx – approximately 2000 kms. from Beijing and 2300 from Shanghai and is often considered the gateway to Tibet. At the same time Chengdu is one of the fastest growing cities in China, both in demographic and economic terms. According to the sixth national population census, Chengdu (fourth largest city in China) had a population of slightly over 14 million people in 2010. The term “population” here refers to people who are registered with “HuKou” (household registration), and those who have been registered for staying for more than half a year. The estimated current population including those who are not formally registered as residential households and therefore are not entitled to some public services can be estimated between 15 and 18 millions.

There are around 5 million people registered and living in villages or rural communities. As the city expands, part of the villages’ land that was classified as rural has been acquired by government and real estate developers for urban expansion. However, villagers remain “rural” and entitled to rural public service funding.

Given the quite specific administrative divisions of the People’s Republic of China and in order to make this paper more accessible for non Chinese readers, the table here below summarizes these levels and refer to the locality names mentioned herein.

Map 1 Location of Chengdu, Sichuan, China.



**Table 1** Administrative and political divisions in the People's Republic of China

<sup>3</sup>This section draws on the Shuwen Zhou's (2012) master thesis at the Development Planning Unit, London.

<sup>4</sup>Nasbitt (2011), cited by Zhou (2012).

<sup>5</sup>The ratio of urban-rural per capita disposable income in Chengdu: 2.64 (2003) ; 2.54 (2005) and 2.63 in 2007. The decrease is insignificant over the period, in Zhou (2012).

<sup>6</sup> Zhou, comments on draft, April 2013.

Chengdu counts 20 districts and county-level cities, 6 of them are downtown, and are considered urban districts whereas 14 are mostly rural. The most populated districts might have more than 1 million people while villages and rural communities will vary from 1,000 to 5,000 people. What is called Chengdu City would be considered in western Standard a Metropolitan Area or a City Region and covers an area of 12, 390 Km square with remote villages more than 100 kilometers away from the City Center.

LEVEL AND NAME	TYPES AND CHINESE EQUIVALENT	LOCALITIES MENTIONED IN THE PAPER
1. Provincial level	Province	Sichuan
2. Prefectural Level	Municipality and prefecture	Chengdu
3. County Level	Districts	Qingyang Dujiangyan; Qionglai; Dayi
4. Township level	• Sub-districts • Towns	Supo Liujie; Youzha
5. Village Level	• Villages • Community (shèqū)	Heming; Mayan Qingbo

## 2. Origins and context. Keys for understanding.

Participatory Budgeting is an integral part of a set of reforms initiated by Chengdu Municipal Government from 2007 onwards, as a pilot Region defined by the Central Government along with a couple of others, namely Binhai District (Tianjing) and Pudong District in Shanghai<sup>3</sup>. Nasbitt<sup>4</sup>describes Chengdu's key strategies as a "social innovation triangle":

- a) Property rights clarification, essentially in order to protect property rights of rural residents and improve the efficiency of land use through security of land use rights of villagers.
- b) More equality in basic services levels between urban and rural areas.
- c) Improvement of quality of public services in rural areas through more democratic autonomy to villagers. A specific scheme was designed for this third leg of the strategy called Village Public Services and Public Administration Reform. What is called "PB" in this chapter falls under this scheme with additional resources being channeled towards rural areas by Chengdu Municipality.

In summary and before expanding on each one of the components of the triangle, PB was designed as a "top down" device by Chengdu municipality in order to address three major challenges that exist not only in the City, but in most cities facing a booming economic growth:

- The first one relates to land use rights of villagers, both for housing and for agriculture, seriously under threat as the urban areas expand.
- The second one refers to the growing rural urban divide. Despite the economic growth, villages and even when they are close to rich urban areas still have income

and level of service inferior to urban areas. Per capita income of an urban family was 2.63 times higher than a rural one in Chengdu in 2007. Moreover, as indicated by Zhou, this difference remained virtually stable in Chengdu between 2003 and 2007 was insignificant, despite an extraordinary economic growth.<sup>5</sup>

- The third refers to the old concept of commune autonomy and villagers' rights and their aspiration for local democracy.

### **2.1. Commission for balanced rural and urban development of Chengdu**

Thirty years of rapid economic development in China has brought about prosperity as well as enlarged disparity, among which is the dramatic cleavage between the rural and the urban in China. Like most of the developing countries, the Chinese government has to face the challenge of tackling inequality between rural and urban. In order to explore solutions to the challenge, in 2007 the central government announced Chengdu as a pilot reform area of integrated and balanced rural and urban development, to experiment with a set of development mechanisms for a more equal rural and urban development.

One of the major strategies that Chengdu has applied is to reduce the disparity between rural and urban, that is, to improve rural public services by investing much more in rural public services. Municipal government and township governments each year set aside additional budgets for rural public services for each village, and the amount will increase each year as the GDP growth goes up.

### **2.2. Local grass-root democracy reform and advances in Chengdu.**

Another strategic pillar designed by Chengdu municipality is the grass-root democracy reform. Since 2009, as a part of the pilot reform area on integrated and balanced development between rural and urban, Chengdu municipality has announced policies and regulations to empower local villagers for decision making, monitoring, and evaluating village level public services projects. The village level public services funding is transferred to each village account set at the township level annually.

Beginning in 2008, the Chengdu municipal government has promulgated a series of policies and regulations to establish a new village-level governance mechanism.

*These policies include:*

#### **1) Creation of Village Councils**

The creation of a permanent decision-making body for vil-

lage-level self-government affairs. The key role of these Councils is decision-making and supervising the respect of rights when conducting public affairs, including PB. In some villages, members of sub-councils, such as Democratic Finance sub-council, Monitoring sub-council, are directly elected by the villagers, and Village Councils' members are elected from among the members of these sub-councils.

#### **2) Regulation of the role of pre-existing Village Committees**

Since 1988, most villages in China have a Village Committee defined by law as a grass-root autonomous body composed of local villagers. In the new village governance mechanism in Chengdu, another instance, called Village Council was been setup up beside the existing Village Committee, as expressed previously. Some of their responsibilities were even transferred to the newly established Village Councils that gained more decision-making and oversight power. At the same time, the duties of the old Village Committees were regulated and limited to the following tasks: (i) Organization of villagers' representatives and village council meetings; (ii) reporting of their work; (iii) implementation of decisions taken during the meetings (and not the other way round as before); (iv), undertake the social management and public services commissioned and purchased by the Government; (v), carry out its own village's public welfare, mediate disputes, help maintain the social security and other village-level autonomous affairs. Another significant innovation is that members of Village Committees cannot be elected as representatives of Village Councils.<sup>6</sup>

#### **3) Village-level public services funds.**

Since 2008, each village community receives at least 200,000 Yuan (approximately 30 000 American dollars) for public services at village level. Projects will be discussed and decided by the Village Council. This process opened up possibilities to develop PB on a massive scale. This value has been increasing every year ever since.

#### **4) Strengthen the role of the Village Council in relation to the Village Communist Party Organization.**

The Village Party Secretary also plays the role of convener of Village Council and chairs their meeting. The Party is responsible for reviewing the agenda of the Village Council and its sub-councils. However, the village level Party Committee and its Secretary cannot discuss during these meetings issues that do not comply with villagers' autonomous powers. In relation to issues of general interest to the villagers such as long-term development, the village

72.018.038.000 RMB.

<sup>8</sup> Cabannes, Y (2013) PB Contribution to basic services delivery. Draft report for GOLD international report, IIED / UCLG.

party organization only plays its role as a regular member of the council, but cannot impose these views as Party.

### **2.3. Land rights reform and origin of PB in Chengdu. The successful pilot reform in Heming Village.**

Since the founding of People's Republic of China in 1949, the villagers no longer had the private property rights to the land, but operated the land by the way of rural collective-owned and state-owned. The pilot reform of rural property rights held in Chengdu was another major structural reform following the household contract responsibility system in rural areas since the three decades of reform and opening up. Dujiangyan Heming Village was one of the first pilots of rural property rights reform in 2008. Chengdu had an innovative reform of land property, with the right verification and confirming the land areas of living, agriculture and forest for the rural households, farmers had their own clear property rights, and could voluntarily transfer part of their homestead to acquire land property gains. Land and housing property rights could be entered onto the market.

In March 2008, Dujiangyan Liujie Town conducted a pilot to award the land rights to villagers – see picture 2. First beneficiary receiving his title – . With the ambiguity and uncertainty of land property rights for a long time and involving in the villagers' future interests, there is a big difficulty for the clear division and partition of the property rights. So there are a lot of controversies among the villagers and between the villagers and the government. Heming Village established a village convocation in order to go forward the reform of land property rights, that is, the convocation was made up by the “old man” of the village to determine the property rights and regulate the existing disputes.

Heming Village's property rights system reform was the embryonic form of participatory budget carried out in Chengdu later, the villagers fully participated in the reform process, to avoid “making decision on behalf of the villagers”; to explore the effective grassroots governance through the system of council, to handle and coordinate the controversies among the villagers and between villagers and local government through the participation of the villagers to jointly deal with collective assets of the villagers.

## **3. Participatory Budgeting experience in Chengdu**

### **3.1. Brief introduction to PB in Chengdu through four dimensions**

Participatory budgeting in Chengdu is by far the largest Chinese PB in terms of scale and spread. It started in 2009 and has been continuing since then.

#### **Eligible projects**

Projects eligible through PB are relatively similar to what is happening in most cities and are primarily those “public services that can be delivered and monitored by local villagers and residents”. They fall into four major categories that cover a wide range of options upon which villagers can decide:

- a) Cultural literacy, and fitness: Which includes, village radio and cable TV, village library, entertainment and fitness;
- b) Basic services & infrastructure for local economic development, including village roads, water drainage, gardening, irrigation and water supply. They represent in value over 90 % of

selected and voted projects.

- c) Agricultural training, such as farming and business training for local villagers
- d) Village and community social welfare, which includes, security patrol, sanitation, solid waste collection.

In addition, villages can apply for a loan with the PB funds they receive, instead of financing smaller projects. The maximum loan they can get from Chengdu Development Bank (public) is seven times the amount of PB resources they will allocate to the loan. This is very helpful when some very costly PB projects are prioritized, such as a village road. This salient and innovative aspect of Chengdu PB will be discussed further later.

Four pictures allow us to get a sense of the kind and the scale of project funded in Chengdu: (image 3) Village road built with PB funds that usually needs a PB based loan to be fully constructed; (image 4) River bank and irrigation system maintenance; (image 5) Training programs for villagers, and (image 6) a village library.

### 3.1.1. Finance and budget

Over the 3 PB cycles during the 2009 –2011 period, the total value of projects funded through PB process was approximately 325,5 million American dollars<sup>1</sup> and is gradually increasing from year to year. If one considers that the rural population is 5 million people, the amount per villager / year put at PB debate is around 22 US \$, quite a high figure when compared with known PB cities<sup>8</sup>.

The amount allocated per village in 2012 varied approximately from 40 to 80 000 American dollars (250 to 500 thousand RMB) and the variation depended on a limited set of criteria such as remoteness and levels of public services.

### 3.1.2. Participation

Official policy related to PB in Chengdu states that resources are “democratically allocated and monitored by local village people,” clearly indicating that PB covers both cycles: budgetary programming on the one hand and Budget implementation control on the other.

Despite its top-down implementation structure, Chengdu PB corresponds to the first type of process within China Urban Participatory Governance Network’s typology, in which local citizens participate directly in local budget allocation. How does it occur?

*“In each village or community, there is a village committee/council, or a residents’ committee/council. In addition to their direct involvement, resident/villagers’ discussion group, resident/villagers’ financial group and resident/villagers’ monitoring/supervising groups are established. Local villagers are elected in each one of these groups”.* In other terms, these groups are the real governance innovation as they form the interface between the established administrative and political hierarchical system and the citizens, if they are villagers or urban citizens.

*Image 1* First delivery of the right of use. Heming, China, 2008







*Images 2, 3, 4 and 5* Four images that allow you to have a sense of the type and size of the projects funded in Chengdu: Road of the village built with PB resources; Maintenance of the river side and the irrigation system; Training programs for villagers and a village library.

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<sup>9</sup> Chengdu Bureau of Integrated rural-urban development (2012), Village Training Manual. Illustrated comics in Chinese.

<sup>10</sup> This section draws on Zhou, op cit. master thesis.

Before going into what is a PB cycle in China, one needs to clarify that each village counts with a villagers' Council, generally comprising of a dozen or more members elected by and among local villagers. Since its launching, PB became a new duty (or responsibility) of Village Councils. In addition, a specific Budget Oversight Group consisting of 5 to 7 elected local villagers monitors and oversees the implementation of the budget. This is a clear innovation within the Chinese budgetary system that increases the capacity of villagers to control the spending of public money. In some Chengdu villages direct democracy is practiced for PB: an open villagers' assembly makes the final decision instead of the Village Council. The participants are all villagers older than 18.

### *PB Cycles in Chengdu*

One of the findings of this work is that PB cycles are not strictly identical from one locality to the other. It is interesting to note this variety, as it is quite a salient feature of PB in the world. In general villagers go through a three steps cycle in order to identify, select and implement their public service projects, but in some cases this cycle can be more complex. The most common three-step cycle will now be presented, and then followed by a short mention of a more complex one.

The first step is to gather information among all village households as to what are the projects needed. Then these proposed projects are categorized and another round of proposals gathering is conducted if necessary. Budget information and budget process is made public through posters, flyers, village public information boards and meetings. An illustrated training manual was designed as a comic book in order to explain what PB is about. Two million copies were printed and widely disseminated. This is most probably the highest circulation number so far for a PB publication! Villagers might call "local experts" to help them assess and evaluate PB proposals. For instance, a construction worker might become the "local expert" to examine a village road proposal.

The second step is decision making at Village Council level (remembering that the village council is composed of elected villagers) who vote for the projects that will be implemented this year. According to the information gathered so far, PB in Chengdu is mostly deliberative (with few exceptions) and people have the possibility to decide, even if once selected, the projects are reported on by the Village Councils to their respective Township Government (next administrative and Political tier) where they are technically scrutinized and eventually ratified. Then funding is transferred to contractors to implement the projects. PB results are usually disseminated through a village public information board, and it would be interesting in future research to explore to what extent this practice is widespread all through the different communities that participate.

The third step is monitoring and evaluation. A Democratic Finance Management Group and Budget Oversight Group composed of elected villagers, together with the Village Council review choose the contractors, and monitor the projects. Once they are completed<sup>9</sup>, the same groups will conduct an evaluation.

In Dayi County is a more complex cycle, composed of 8 steps implemented. At the same time, its governance structure is relatively clear and composed of three interdependent committees falling under the Village Assembly<sup>10</sup> (or Council): Villager's deliberation committee; Villagers

committee has an executive role of implementation of decision taken through the deliberative committee and villagers committee of supervisors. The eight steps are summarized hereafter:

(i) Program promotion for a maximum involvement of community members; (ii) Collection of opinions, with an interesting role for the deliberative committee to visit every household to collect opinions; (iii) summary and organization of proposed projects by the deliberation committee; (iv) deliberation and vote by all members; (v) Township – the administrative level above villages – preliminary approval and once approved, final vote at village level; (vi) Township final approval; (vii) Drafting of guidelines by deliberation committee for contracts and handing over to supervising committee; (viii) Quality evaluation by all committees and villager’s representatives.

### *3.1.3. Legal and institutional framework*

From an administrative point of view a wide array of Authorities and Bureaus are involved and indicate the complexity of introducing this innovation within the Chinese context:

- a)* Chengdu Communist Party Committee and the municipal government drafted and announced the policies and regulations related to PB, and defined the roles and assigning tasks to lower tiers of Communist Party Committees and Local Government.
- b)* Chengdu Municipality Rural and Urban Balanced Development Committee plays a central role, being in charge of the whole pilot program of rural-urban development and therefore of PB as such.
- c)* The Civil Affairs Bureau is the political level closest to the citizens, in charge of local elections. In close relation with this bureau, the Organizational Department of the Local Communist Party Committees, in each one of the 2300 constituencies (villages and communities) where the PB processes are taking place and are directing the initiative.
- d)* The Financial Department of Chengdu Municipality allocates the PB budget.
- e)* The Commission for Discipline Inspection and its bureau of inspection are involved, officially to guarantee the transparency and the accountability of the local processes.

In line with the Chinese constitution, the government structure we just described exists at district and township levels. These two infra-municipal tiers (see box on administrative divisions of People’s Republic of China) have the same bureaucratic structure

as the municipal one previously described and representatives of each one of the Committees and Bureaus are involved in PB at village level.

### *3.1.4. Spatial Dimension*

So far, PB is “limited” to 5 million inhabitants leaving in 2308 rural communities and villages, and a cautious expansion towards urban areas is under experiment in 2013. It represents a clear inversion of priorities from an urban centered development to a more balanced one, with resources directed towards rural areas of the municipality.

### *3.2. An illustrative case: Mayan Village*

Mayan Village, Youzha Township, Qionglai City, is located in the western mountainous area of Qionglai. Its infrastructure and economic foundation is relatively weak and per capita net income low. In early 2009, Mayan Village was included in the pilot villages of PB village-level public service and social management. A two-tier financial management of Chengdu and Qionglai allocated 200,000 Yuan in special funds for village-level public services and social management (participatory budgeting).

### *Practices*

A “democratic proposal” was used to determine the implementation scope of the matters. This was to extensively solicit opinions and suggestions of the masses, to fully grasp the aspirations of the masses participating the village-level public services and social management. The Mayan Village printed the “Mayan Village village-level public services and social management questionnaires” according to the actual situation. The Working Group was made up of the cadres of the village Party branch and the village committee and the members of village council. The aim was to reach every household and solicit opinions on the most urgent issues to be solved. 385 copies of questionnaires were distributed among the whole village, the total opinions and suggestions gathered were 1168. Because of the relatively weak infrastructure in Mayan Village, the opinions and suggestions were about infrastructure construction, public service facilities and employment security and other aspects. The households with the same or similar opinions and suggestions reached more than 10% of the total number of households, the opinions and suggestions were 64. By classification, among the 64 opinions and suggestions, 24 opinions and sug-

gestions were involved in issues mainly solved by the government or market, the remaining 40 were about the issues mainly solved by the village self-government organizations, and included in the scope of issues collected and processed by the village council.

3. The use of “democratic resolution” to determine the related implementation of the project. After determining the implementation scope of the matters, the village Party branch, the village committee and the village council took the democratic decision-making points to decide which project should be implemented, which project should not be implemented or did not have the conditions for implementation. Village council held the meeting, revised, improved and voted on the 40 projects one by one, the viable projects had to be supported by more than 50% of the participants, and would be formed by resolution. Among the 40 projects, 5 were revised and improved through the democratic decision-making and 15 were voted as the proposed projects. “The formation of the ranks of writers and artists,” “financing to purchase the new rural cooperative medical for the masses not buying it” and other projects were rejected because people agreed that they had not reached half of the participants.

4. The use of “democratic appraisal” to determine the implementation order of projects. Fifteen projects were determined by democratic decision-making and its implementation and led by the village self-government organizations. The 15 projects could not be implemented simultaneously, so Mayan Village had to use the “democratic appraisal” points to determine order of implementation. The Village council held a meeting, distributed the printed “points sheet” to participants, the participants then sorted the implementation project in accordance with their own wills, and the final result would be decided by the score. That is, the participants filled No.1 or 2-15 in the sorted project column: No.1 means 15 points, with the decreasing order, No.15 means 1 point, if they did not fill in a number this meant 0 points. The score of the projects were calculated by the cumulative points divided by the number of sheets, the higher the score, the higher order. Among the 15 projects, the “300 meters concrete road construction for the greenhouse base” got the highest score of 13.625 points, and ranked at the top of implementation project. “Carrying out the rural cultural activities and enriching the masses’ business life” got the lowest score of 3.58 points, and ranked at the bottom. Yang Banghua, the village Party branch secretary, most wanted to implement the project of “setting five loudspeakers to achieve full coverage of the broadcast,” which got 1.25 points, and ranked second in the order. Yang Banghua had no way to do this and said that “only to respect the popular will and implement the project according to the order”.

#### *4 Reflections on the significance of Chengdu PB Program*

##### *4.1. Which are the key differences between PB in Chengdu and those in the rest of china?*

###### *(a) (a) It is an endogenous process*

Largely designed locally with limited references to international experience, and de-

spite the fact that it was in the same city where the Book on 72 FAQ Questions was coordinated and translated in Chinese. All other experiences in China are internationally supported or led and their sustainability might therefore be much more difficult to achieve, as the process is not appropriated from the outset by the political and administrative.

### *(b) Innovative policy*

What makes another significant difference, resulting from the previous point, is that PB in Chengdu is more an innovative policy than sole project or programs. This probably means more institutionalization and sets of pre-established rules, but at the same time ensuring a much more stable situation. In interviews and meetings with Political PBs responsible<sup>41</sup> revealed the embedment of PB as a tool for a more harmonious development between urban and rural areas and the reduction of a divide that would not be extinct soon. This situation might be, and this is our conclusion at this level, an opportunity for its expansion both in Chengdu and in other Chinese cities.

### *(c) Massive scale and rural based*

PB in Chengdu is not taking place in one or a limited set of villages or rural communities, but in each one of the 2300 that embrace whole rural areas and reach out to 5 million people. Adversely, most of PB experiences, including the most innovative ones are essentially urban based and of quite a limited scale, in Chinese terms. They are usually very small and mostly a consultative experiment and generally not fully open to the public, or limited to public hearings.

### *(d) Changes in democratic perspective. Lessons from the manual*

In order to proceed further in this debate, what is proposed now is to get a closer look at the training manual that was produced and disseminated in the villages (see image 7). The title clearly announces the intention: “Happy story in Minzhu” (民主村的幸福事) a word that means nothing less than “democracy”. The comics strip tells the story of Fang Xiang a migrant worker who after many years comes back to Chengdu, his hometown, with the intention to explore job opportunities. He reaches his village (Minzhu means democracy), part of the Xingfu (幸福) township, Xingfu means happiness/blessed, an everlasting concept in Chinese philosophy. It is interesting to see the association of both terms for village development and this link will be a “red thread” throughout. So much so that the last image of the booklet ends with these last words “happiness and democracy is realized along with the village-level public service and social management reform”, the long name for Participatory Budgeting in Chengdu.

Some pages are quite illustrative on “how” PB can bridge Democracy and Happiness, and some of the comics drawings have quite a stark impact and represent a dramatic change in relation to most of the dissemination and propaganda material disseminated in China. Page 24 for instance –see image 8 – shows a simple woman stopping a red flag, and firmly defying Mr Yang the Village Secretary as she opposes his decision. The story goes like this: “After calculating votes, Mr. Yang declared that the

<sup>41</sup> Field work by authors, April 2012.

Image 6 Book cover Chengdu, Happy Stories  
Minzhu (Democracy)



**Image 7** Training manual on participatory budgeting in Chengdu, page 24. Woman stopping the red flag, not approving the proposals. Rules for participation and deliberation.



“我不同意修路，好多人都在外面打工了，那些路走都没得人走，修来干啥子，反正我不得签字！”李大姐气冲冲地就走了。

**Image 8** Training manual on participatory budgeting in Chengdu, page 43. Rules for participation and deliberation.



four projects having over 50% of the votes are: paving roads, rebuilding trenches, organizing a security patrol team and waste management. And he further declares: “We will publicize the result later. During that time, people can go to village committee if they disagree with this”. (Training manual, page 23)

And this is when, as the captions read “Mrs. Li didn’t agree to sign her name. She said: ‘Many people work outside. It is useless to pave roads. No one will use them!’ In our opinion, the point is not to whether or not she is right or wrong, and the story then unfolds nicely on this. It is a woman, in quite a male dominated society, that is “stopping and challenging the red flag” and speaks out her opposition.

Another remarkable dimension introduced through the book, is the importance given to deliberation instead of just voting. And again, this is quite a revolution in many circles, well beyond China, and probably one of the unique values of some PB in the world. Page 18 gives hints on how to increase the deliberation value of the process, and have simple villagers invited to give their opinion, without being stopped. The legend reads: “ In the panel discussion, Mr Yang, the secretary became a facilitator. He asked participants to give comments for the listed 10 projects. Everyone has 5 minutes and should speak in turn. The other people should not interrupt a speaker’s talk. Speakers should give comments focusing on the topic. All participants should not attack each other”. These are very clear rules for improving deliberation of universal value that are introduced and promoted through PB and they strongly suggest the transformative capacity of PB Chengdu – see image 9, rules for PB practice – .

#### 4.2. Key innovations of the process in relation to PB in the world

##### Infrastructure for productive projects

One of the open debates that has gone on for nearly 25 years of PB experiment in the world is whether or not it should finance productive projects, income generation activities, job creation of local economic infrastructure and local economic development projects. As a matter of fact, very few cities have included these types of projects in their list.

What is remarkable in Chengdu is precisely that infrastructure for economic development is one the central priorities elected by villagers, and at the same time fully accepted by municipal and townships authorities: paved roads (see image 3) , that facilitate the marketing of fresh food and livestock in Chengdu, or the maintenance of water channels and river banks that compose an irrigation network, have been for centuries the basis of elaborated farming systems in Chengdu Region, are among the main projects prioritized.

Again, the inclusion of productive projects should be understood within the context of the broader innovation triangle described before, with one of the points being the clarification of land use rights. On the one hand, in-

dividual rights for housing were recognized and protected by the central government who owns the land, through individual long term use rights, but at the same time two types of communal land use rights were recognized and protected: within the village built up area on the one hand, and for agricultural land cultivated as the commons. PB appears as a – powerful, even if quite modest today – modernization instrument for Chinese rural communes inherited from the revolution. At the the same time it seems a way to build a new balance between individual rights and collective cohesion and tradition, in front of a sweeping and exclusionary privatization. Why? Because PB channels significant – even if largely insufficient – resources towards the village “commons” and so increases their value as the commons and as indivisible social and economic spaces. We argue that PB funds actually helped to strengthen local people’s common social and economic interests. It’s an investment in local solidarity, besides village public services and infrastructures.

What makes Chengdu PB so specific is that it builds on the recognition and protection of the collective lease on land use rights. This security of long-term collective tenure, up to 70 years for agricultural land, is an incentive for developing agriculture that will increase the value of the land. PB is a tool that increases the productive agricultural infrastructure (rivers, riverbanks, water channels, food driers, barns, etc.) and at the same time, it increases the quality of life through its social project. It is a facilitating and a bonding element in village democratization, with security of tenure through land leases and the provision of basic services that , taken as a unified element, could contribute to reducing the unacceptable gap between urban and rural areas.

*Loans through Chengdu PB as a mechanism to bridge short term and longer term development planning.*

A second major innovation is that villagers can either select projects or use part or the totality of the PB resources to secure a medium term loan. Lets take a village of 2500 inhabitants that received 50 000 euros in 2012 for their PB process. Villagers can either chose to select projects up to this value or decide to use a portion or the total amount as an entry for obtaining a loan from Chengdu Small Town Investment Company, a Public Investment Fund. The maximum amount they can obtain is seven times the entry, therefore 350 000 euros if villagers choose to get a loan on the 50 000 resources. If they choose to fund projects for a value of 40 000 and use 10 000 euros for the loan, they can get a loan of 70 000 euros. These loans are payable over seven years, and will be reimbursed with the resources that they will receive over the next seven years. In other words, if a village decides to use its 50 000 euros just for a loan of 350 000, there will not be any PB process during the next seven years.

As far as we know, few of them have chosen such a solution. Limited processed information indicates that remote and poor villages tend to commit all their resources to apply for large loans for infrastructure such as roads. However, the majority seems to play on both sides: annual projects with part of the resources, and seven years loan for a heavy investment such as roads or a major irrigation system on the other.

These values are quite significant not only for a Chinese village, but for any village in most parts of the world. If well defined, well debated and in control of the money,

as it is expected with the new governance model designed in Chengdu, such projects can certainly bring significant local changes. As they are basically public works, they can at the same time generate work and income for villagers.

However, the central innovation with this mechanism is that Chengdu has found quite a unique way to link short term and longer term planning, without losing people's participation. They are de facto bringing a real innovation to PB, and probably one of the major ones in the last 15 years. They give an answer to the frequent critique towards PB as a short term, immediate mechanism that has a weak capacity to bridge with long term or strategic planning. This is one more reason to analyze carefully what is happening on Chengdu villages and what the impact is on local development.

#### *4.3 Key challenges of PB in Chengdu*

##### *Expanding PB from village to township level, and from rural to urban.*

PB was possible in Chengdu because villages are relatively autonomous and enjoy their autonomy, whilst the situation and the control of the Chinese Communist Party is stronger in Townships which are keys for economic development. Serious, but not insurmountable legal and constitutional obstacles do exist. Chengdu can be a place where they are by-passed, and following the unfolding of the cautious experiment in urban areas in 2013 is essential to gauge to what extent current obstacles – and resistances – can be overcome.

##### *Need of support from the Communist Party*

Leader from the Communist Party should express and give his support, and this should come from a high level, such as the Secretary for the city or the province. There is huge bargaining about budget at local level. The highest authority has to be tough and determined most of the time so as to have the lowest levels of the social and political scale of the country to be able to take decisions and implement them.

##### *Is there a risk that Chengdu PB closes or be closed?*

Based on current analysis and thinking, we do think that Chengdu PB is not at risk, at least in a foreseeable future, and on the contrary it might enjoy a good future. Very similar mechanism as Village Councils, have been experimented with in many other parts of China, as one of many grassroots democracy innovations.

Moreover, Chengdu is a pilot zone for exploring solutions for balanced development. In addition, social and land conflicts have been reduced in a peaceful way and therefore, on the contrary, most probably the Central Government will want to see more of these experiments. The significant yearly increase of resources put for PB debate each year and the expansion of the approach in urban communities are good signals for the consolidation of the process, and not of its weakening. In addition, those who wanted to cut the loans linked to PB found serious obstacles and this part of the program has been strengthened as well.

At the same time, policy makers and party bureaucrats were very smart to turn PB practices in Chengdu less likely to be reversed. If anyone wants to revoke PB practices in Chengdu, he/she should be prepared to find a way to cover the repayment of the loans that villagers have contracted through for a 7 years period. This is a complicated decision for any politician as his or her mandate is for a maximum of 5 years anyhow, and he or she cannot commit resources that easily beyond this 5 years term, notwithstanding the social and political turmoil that such a decision would entail.

### *Need of further research and evaluation*

It took over two years to produce this short and still quite preliminary paper, while tens of thousands of projects were being envisioned, debated and selected by thousands of Chinese men and women, in over 2300 villages and communities. What is astonishing is the lack of research, documentation and critical analysis that is needed to understand and explain what is happening in Chengdu. As we wrote this paper, the list of research topics and unanswered questions were raised every day. Here are some of them:

What has been the role of women? Have they really been able, as in the training comics, to have their voice heard and respected? To a larger extent, one could not get a sense of the kind of attention and benefits that the disadvantaged are receiving?

What is the extent of deliberation that is taking place with certainty in some villages, and what has been its impact, in political, social and for improving the quality of life.

Another question to be answered is whether the projects implemented as part of the PB process are implemented in a different way. We wonder as well if the “people’s oversight” that was introduced could significantly alter business as usual.

As mentioned previously, productive infrastructure projects such as irrigation channels and works on village roads to market agriculture products more easily are strong and innovative components. However, their impact should be assessed in order to take the measure one step further.

And last but not least, further investigation is needed in order to measure the impact on local democracy and socio-economic development.

Hopefully, this paper as it coincides with the 25th anniversary of the beginning of PB, will inspire researchers and professionals, and convince the international community to support research efforts that are taking place, virtually without any resources today. It is quite important, as we think that PB is the beginning of the future of local democracy, it might be the beginning of social development, following 30 years of rapid economic development.

### *Acknowledgements*

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EUROPE

GERMANY

MICHELLE ANNA RUESCH & MANDY WAGNER

# PARTICIPATORY BUDGETING IN GERMANY CITIZENS AS CONSULTANTS

## *Abstract*

This chapter examines the current landscape of participatory budgets in Germany, which currently includes just under 100 local authorities that are actively involved in participatory budgeting (PB). Based on the history of PB in Germany, it shows how German participatory budgets typically pursue the objective of making local government more responsive, which is the reason why most participatory budgets in Germany are based on the consultative model. Under this model, citizens act as advisors to policymakers and administrators. Based on data collected in the autumn of 2012 for the sixth status report of the information portal [www.buergerhaushalt.org](http://www.buergerhaushalt.org), the chapter identifies ‘typical’ features that characterise German participatory budgets. According to this analysis, the majority of participatory budgets in Germany are consultative, allow proposals on the entire budget – including proposals both for investments and for cost-saving measures, and make intensive use of the Internet. There is great room for improvement with regard to accountability, for which a general report has so far been the norm.

Ninety-six participatory budgets in Germany are currently listed on Germany’s information portal for participatory budgeting, [www.buergerhaushalt.org](http://www.buergerhaushalt.org).<sup>1</sup> A further 104 local authorities are discussing the possible introduction of PB.<sup>2</sup> Since the first participatory budget in Germany was launched in 1998, more and more municipalities have come to rely on this instrument of civic participation for all issues concerning the use of public money. Even fifteen years later, this participatory instrument is generally still seen as a ‘learning process’ for all concerned. In other words, there is no single formula for success. Nonetheless, over the years particular features that we can consider ‘typical’ of German participatory budgets have become increasingly evident. The most striking feature is that right from the outset, the German procedure had little in common with the Brazilian model pioneered by the city of Porto Alegre. At this point a number of questions arise: *What does the ‘typically German participatory budget’ look like, in what ways is it ‘different,’ and what current trends are evident with regard to PB in Germany?*

This chapter will focus on these questions. The first section will discuss the objectives of participation in the context of the history and development of PB in Germany. On that basis, the second section will explore the basic issue of how participatory budgets in Germany are structured, and how they are defined. This provides the basis for the third section, which takes a more precise look at the current PB landscape

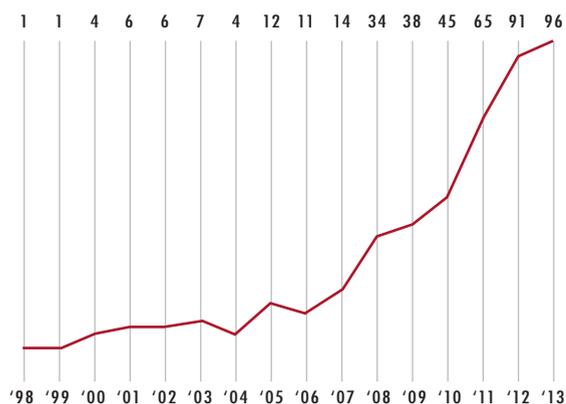
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<sup>1</sup> The online information portal [www.buergerhaushalt.org](http://www.buergerhaushalt.org) has been jointly run by Germany’s Federal Agency for Civic Education and the Service Agency Communities in One World since 2007. An English version of the website will be online from May 2013 onward.

<sup>2</sup> To obtain these data, all German municipalities with a population of more than 40,000 were surveyed in October & November 2012. Furthermore, since 2007 a regular press screening has been carried out that has also captured PB in municipalities with populations of less than 40,000. However, we make no claim to completeness. There are a total of around 11,250 municipalities in Germany.

**Graph 1** Number of participatory budgets in German from 1998 to 2013<sup>3</sup>

<sup>3</sup> The data for the years 1998 to 2007 were taken from Herzberg and Cuny (2007). The data for the years 2008 to 2013 were taken from the status reports 1 to 6 published by buergerhaushalt.org (Märker & Rieck, 2008 / 2009 /2010; Märker, 2011 / 2012; Schröter, 2013). The figures contained there for ‘Launched’ and ‘Continued’ were added together for the purposes of this graph. When interpreting the data it is important to remember that the figures for the status reports were not always recorded at intervals of a whole year.



in Germany. Using data collected for the sixth status report of the information portal [www.buergerhaushalt.org](http://www.buergerhaushalt.org) on PB in Germany, the ‘typical’ distinctive features of German participatory budgets are outlined, and evaluated with respect to objectives and current debates.

It clearly emerges that the context in which PB was first introduced in Germany, and therefore the objectives and expectations associated with it, were fundamentally different to those in many other countries, and remain so. Given the different aims and the requirements which these impose, the way the procedures are designed varies accordingly.

### 1. The history and goals of participatory budgeting in Germany

To better understand the objectives and design of participatory budgets in Germany, it is helpful first of all to outline the history of the origins of these budgets, and how they developed.

Whereas the earliest participatory budget in Porto Alegre first saw the light of day in 1989, in Germany it was another ten years before any local authority was ready to ‘experiment’ with PB (Franzke & Kleger, 2010). In 1998 the small southern German municipality of Mönchweiler became the first local authority to also involve citizens in municipal financial planning (Günther, 2007). Mönchweiler was soon followed by a handful of other municipalities in the ‘Local authorities for the future’ network (Franzke & Kleger, 2010), a group of municipalities that had got together to test new conceptual approaches to administrative modernisation. In the year 2000 the Ministry of the Interior of the German federal state of North-Rhine Westphalia, in cooperation with the Bertelsmann Foundation, launched the ‘Pilot Municipalities in North Rhine Westphalia’ project, in which six local authorities tested the instrument of participatory budgeting (Franzke & Kleger, 2010).

The year 2004 heralded the beginning of a new phase of PB in Germany. As Figure 1 shows, this phase began with a slump: when the pilot project in North Rhine Westphalia came to an end, several local authorities there broke off their efforts to continue with their participatory budgets. At the same time, though, the project had succeeded in encouraging new municipalities such as the city of Cologne to explore the possibility of introducing PB. Furthermore, the Federal Agency for Civic Education had approached a number of districts of Berlin, including Berlin-Lichtenberg, with its concept for PB in cities (Herzberg, 2005); these districts then tried out various forms of participatory budgeting that had been further developed. Following a reorientation phase in 2004, the proliferation of PB rapidly regained momentum, boosted among other things by the establishment of a participatory budgeting network in Germany, and the provision of the online platform [www.buergerhaushalt.org](http://www.buergerhaushalt.org) by the Service Agency Communities in One World and the Federal Agency for Civic Education.

The Porto Alegre model, however, played barely any role at all in the introduction of the first participatory budgets, and to this day few German participatory budgets are based on it. What has served as a model is Christchurch in New Zealand. In the early 1990s, this city with a population of 300,000 was awarded the Carl Bertelsmann Prize

for democracy and efficiency in local government, because its reforms ‘substantially improved the quality of its municipal services and satisfaction levels among its citizens’ (Bertelsmann Foundation, n.d.). Thus unlike in Brazil, in Germany the participatory budget has been seen not primarily as a means to achieve greater distributive justice or to fight clientelism and corruption. The first German municipalities to practice PB – and this applies to most such municipalities to date – introduced this form of budgeting in the hope of achieving two mutually reinforcing effects. First of all, local government structures that had become bogged down were to be modernised through citizen participation. Secondly, citizens were to be granted a larger say, in support of a trend toward more responsive local government (see Rüttgers, 2008) that would enable citizens to become ‘customers/consumers, recipients of high-quality services delivered for their convenience’ (Herzberg, Sintomer, Allegretti & Röcke, 2010, p. 37) in response to their concerns and needs. In all their diversity, one thing that most participatory budgets in Germany have in common to this day is the fact that they are ‘less about investment, and more about the participatory rating of services and the economical management of public funds’ (Herzberg, Sintomer, Allegretti & Röcke, 2010). Modernisation by participation is one of the core objectives that many local authorities wish to achieve by introducing PB.

This desire to modernise local government and make it more responsive must be seen primarily in the context of a municipal financial crisis. Parties of whatever political colour were forced to deal with the problem of empty coffers, and fear of dissatisfaction among their citizens (Schruoffeneger & Herzberg, 2008). In Germany, PB thus arose not as a party political programme, but came rather from local governments themselves. It was explicitly not their aim to introduce greater direct democracy. On the contrary, great importance was attached to ensuring that this participatory instrument did not curtail representative democracy in Germany, and that all decision-making competences remained with the elected political representatives of the people (Ahlke, 2008). Moreover, in the context of growing electoral abstention and political dissatisfaction it was becoming increasingly clear that ‘budget issues and local government reform could no longer be left solely to the relevant expert policymakers and administrators.’ (Herzberg & Cuny, 2007, p. 8). The publication of budgets, which is legally prescribed in several of Germany’s federal states in order to provide citizens with an opportunity to raise any objections, proved inadequate. To this day only few citizens make use of this opportunity, because the documents published tend to be ‘a closed book comprising hundreds of pages of columns of figures and incomprehensible expert commentary’ (Märker & Nitschke, 2008, p. 17). At the same time, ‘civil society pressure for greater participation and co-determination’ (Märker & Nitschke, 2008, p. 17) remains palpable in Germany, among other things as a result of large-scale projects such as ‘Stuttgart 21’. Since 2007 the planned construction of a large railway station in Stuttgart has led to major public protests that today symbolise what happens when citizens are not involved in major political decision-making processes. For several years an intensive debate has therefore been under way as to whether and to what extent PB in Germany might be able to make a contribution not only to modernising local government, but also to strengthening participatory democracy (Schruoffeneger & Herzberg, 2008). The design of most participatory budgets to date, though, has still

tended toward the objective of ‘participatory modernisation’ (Sintomer, Herzberg & Röcke, 2012, p.50).

This context, and the objectives that result from it, also explain the design of the first participatory budgets in Germany. Great importance was attached to making the budget comprehensible to people by publishing information on the municipal budget as a whole, publishing budget brochures and organising information events. In their role as ‘advisors,’ citizens were able to submit proposals, whose implementation was deliberated and decided on publicly by the council. Decision-making authority remained (and remains to this day) with the council. The participatory budgets launched after 2004 also follow this pattern. However, participation and discussion clearly play a larger role (Schruoffeneger & Herzberg, 2008). Alongside many creative procedural modifications, two conceptual innovations have had a particularly lasting effect on the design of participatory budgets since 2004: One crucial innovation was the introduction of voting proposed by the Federal Agency for Civic Education and foundations of all political persuasions. This enables citizens to rate the proposals submitted – a function previously performed solely by administrators and policymakers (Herzberg, 2005). Since 2007 online participation, or e-participation, has also played a major role. Cologne’s online-based participatory budget has inspired many other participatory budgets (see Rüttgers, 2008). More recent trends include a focus on proposals for cost-saving measures, i.e. involving citizens in budget consolidation, and presenting the budget in a transparent, legible form, particularly using open data.

All participatory budgets in Germany have in common the three phases of operationalisation: ‘information – consultation – accountability,’ albeit with differences in emphasis (see Rüttgers, 2008). These three phases were already evident in the first participatory budget in 1998 (Schruoffeneger & Herzberg, 2008). In the following section we will take a closer look at the structure of the German participatory budget using the three-phase model, and a classifying definition.

## *2. Defining participatory budgeting in Germany: a three-phase model*

We will now attempt to clarify more precisely the basic structure of participatory budgets in Germany, so that we can then consider which definition this model shares with PB in other countries (see Sintomer, Herzberg & Röcke, 2009).

As already indicated, a typical participatory budgeting procedure in Germany encompasses three steps: ‘information – consultation – accountability’.<sup>4</sup>

During the first phase – the phase of information – citizens are supplied with information about the budget and the participatory budgeting procedure. Here the aim is first of all to make citizens aware of the public budget, the areas of activity of the

local authority, and the scope of income and expenditure, so that they can submit and discuss informed and sophisticated ideas. Secondly, during this phase citizens are informed of their options for participation, and encouraged to get involved.

During the second phase – the phase of participation and consultation – citizens are able to contribute their ideas, make proposals for planning the budget and provide feedback on existing proposals. The proposals are then discussed by the citizens in online forums or at public meetings, and usually also rated. This results in a prioritised list of proposals. Decisions on implementing the proposals are taken by the council. The administration provides the council with written statements either on all the proposals or on a previously agreed number of them. Once the feasibility of the proposals, their costs, and the responsibility of the municipality have been properly looked into, these statements are used by the policymakers as a basis for decision-making.

During the third phase – the phase of accountability – decision-makers and administrators provide information on the outcome of the participation, and explain and justify their decisions as to which proposals will be implemented and which will not. For this purpose an accountability report is usually published.

With regard to the basic model of PB in Germany, in comparison to other countries one fundamental difference is evident to those situations where PB is seen as a procedure in which citizens are presented with a specific budget, and invited to take a decision on it. In Germany, participation means consulting, but does not mean taking the decisions. In other countries, citizens decide, whereas in Germany they advise. To support this process, major importance is attached to making the municipality's financial situation transparent (see Herzberg, Sintomer, Allegretti & Röcke, 2010).

The definition of Sintomer, Herzberg und Röcke (2009), which is virtually undisputed in Germany, identifies what all these procedures nevertheless have in common – and what it is that makes a participatory budget a participatory budget:

1. Participation revolves around financial matters; the issue at stake is limited resources.
2. Participation takes place at the level of the city as a whole, or at the level of a district that has its own political and administrative competences. A neighbourhood fund alone that does not involve participation at the level of the city as a whole or a district, is not a participatory budget.
3. The procedure is designed as a permanent one that will be repeated. A one-off referendum on budgetary or fiscal policy issues is not a participatory budget.
4. The procedure is based on a dedicated deliberation process conducted either online or at public meetings or gatherings. A written survey alone is therefore

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<sup>4</sup>In 2005 this three-phase model was further developed into a seven-phase model in the project 'participatory budgeting in cities' (Herzberg, 2005). The seven-phase model also identifies the phases of mobilisation, prioritisation, handover to policymakers, and evaluation. However, the three-phase model has wider validity, and will suffice here to provide an introduction to the basic structure of German participatory budgets.

not a participatory budget. Nor is mere disclosure by existing administrative bodies or institutions of representative democracy.

5. The organisers must remain accountable for the decisions taken on whether or not to respond to and implement the proposals put forward as part of the procedure.

Clearly, this definition is a very broad one. This is presumably explained by the fact that Sintomer, Herzberg and Röcke wished to produce a single definition covering PB models in various countries – i.e. including for instance both consultative and decision-based procedures. As a result, this definition displays several differences from common definitions in other countries, and therefore also with respect to which procedures will be counted as participatory budgets, and which will not. According to the definition of the North American non-profit organisation ‘The Participatory Budgeting Project,’ the consultative German model for instance would not meet the criteria necessary to qualify as a participatory budget: ‘Participatory budgeting (PB) is a different way to manage public money, and to engage people in government. It is a democratic process in which community members directly decide how to spend part of a public budget.’ (The Participatory Budgeting Project, n.d.). This definition explicitly requires decision-making competences to be transferred to citizens.

Herzberg’s, Sintomer’s and Röcke’s definition nevertheless clearly distinguishes the instrument of PB from other participatory methods. The necessary condition that the organisers possess political and administrative competences means that in Germany, neighbourhood funds that do not involve participation at the level of the city as a whole or the district, are not participatory budgets. At the level of neighbourhoods, in some German cities there are funds available on which the citizens of the neighbourhood can take decisions directly. This interesting instrument for civic participation is also in some cases combined with consultative procedures that relate to the local authority as a whole. In itself, though, participation at neighbourhood level only does not constitute PB. Furthermore, in many German municipalities one-off referenda are held on budget policy issues. According to the above definition, these too do not qualify as PB because they lack permanence. Other elements that do not constitute PB include merely involving citizens in existing political or administrative bodies, merely publishing the budget or merely surveying citizens without offering them opportunities for discussion.

In other words, the German model differs from PB in other countries particularly due to its consultative nature. Of course, there is no such thing as the German participatory budget. Over the years numerous versions of procedures have emerged, some of which differ from each other very considerably. Nevertheless, we can identify a number of ‘typical’ features of participatory budgets in Germany. We will now analyse these in more detail below.

### 3. “Typically German participatory budgets” – Distinctive features of German procedures

As noted in the previous sections, when PB was first introduced in Germany the context and objectives led to a more consultative type of participatory budget. However, this is not the only characteristic feature of the German procedures. In this section we will therefore take a closer look at the landscape of participatory budgets in Germany, and examine their ‘typically Germany’ features, i.e. those characteristics which are observed in most participatory budgets in Germany. For this purpose we will use data that were collected in October and November 2012 for the Status Report 2013 of the information portal [www.buergerhaushalt.org](http://www.buergerhaushalt.org) on PB in Germany. This information was collected by a team from Zebralog, an agency specialised in participation, working on behalf of the Service Agency Communities in One World (a unit of Engagement Global), and Germany’s Federal Agency for Civic Education. The team began by preparing an analytical framework, which they then applied for close online study of the 96 local authorities in Germany that are actively involved in participatory budgeting.<sup>5</sup>

Based on the results of this data survey, we will now identify and discuss distinctive features or ‘typical elements’ of participatory budgets in Germany. The data are also summarised in the Status Report 2013 (Schröter, 2013), and published on the [www.buergerhaushalt.org/processes](http://www.buergerhaushalt.org/processes) website, where they will be continuously updated.

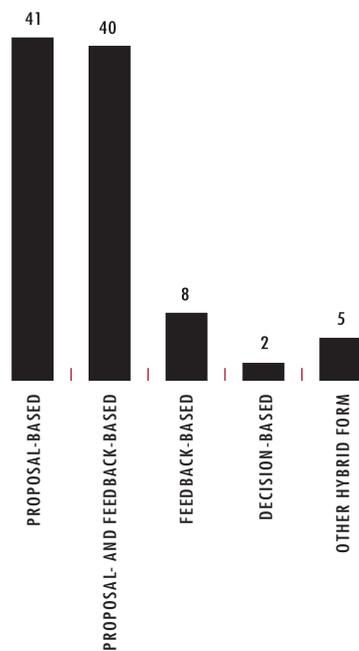
#### 3.1. The ‘typically German’ form of participation: submission of proposals as recommendations

What we have discussed in this chapter so far is also confirmed by the results of the data survey: most participatory budgets in Germany are proposal-based, i.e. consultative. In 81 of the 96 participatory budgets listed (84 %), citizens contribute their own proposals to the budget, and can also discuss and comment on other proposals and usually also rate them. The decision as to whether proposals are implemented rests with the council. Forty of the 81 proposal-based participatory budgets also have a ‘feedback-based’ component. This means that as well as submitting their own proposals, citizens are also invited to provide the administration with their feedback (in the form of statements, comments, ratings). Eight municipalities offer citizens only the option of providing feedback on existing proposals. Five participatory budgets were identified as a ‘hybrid form,’ covered neither by the proposal-based nor by the feedback-based format. Significantly, only two participatory budgets in Germany were classified as ‘decision-based’. In these cases the council undertook to adopt a formal resolution on the measures desired by the citizens, and to instruct the administration to implement them.

This result highlights a clear difference between the German participatory budgets, and the original Porto Alegre model in which citizens are granted direct decision-making authority. The consultative nature of PB in Germany is explained chiefly by the different objectives mentioned above. PB is used not primarily in order to strengthen participatory democracy (see Sintomer, Herzberg & Röcke, 2012),

<sup>5</sup> The team first of all conducted extensive online research on all German municipalities with a population of more than 40,000, as well as smaller municipalities that were already listed on the [buergerhaushalt.org](http://buergerhaushalt.org) website when the research was conducted. They thus identified the 96 municipalities actively pursuing PB; these included 70 local authorities that in 2012 were conducting PB for the first or second time, and 26 authorities that had already conducted PB three times or more.

Graph 2 The object of participatory budgets in Germany



but to sensitise administrators and policymakers to the needs and wants of citizens using participatory elements. ‘This creates opportunities for citizens to bring their own expertise and competencies to bear in the political decisions that affect them. For administrators and policymakers it generates new opportunities to gain important information on the preferences of the population, and gain fresh impetus from the ideas and proposals submitted by citizens’ (Märker & Nitschke, 2008, p. 17).

For a number of years, however, objectives of participatory democracy such as the sustainable mobilisation of citizens, and the step from consultation to cooperation, have increasingly been considered in the design and evaluation of participatory budgets (see Ruesch, 2012). Many local authorities have had to deal with the problem of declining figures for participation, once they have implemented PB on several occasions. One possible explanation for this is the asymmetrical division of competences: ‘Citizens advise, policymakers decide’. One of Germany’s best-known researchers in the field of PB, Carsten Herzberg, therefore recommends ‘releasing citizens from their tutelage’ and developing a system that ‘transfers decision-making competence in circumscribed areas’ (Herzberg 2010, p. 116), without calling representative democracy into question.

### 3.2. The ‘typically German’ object of participation: the entire budget

Typically, participatory budgets in Germany enable citizens to participate in the entire budget. The research identified only four participatory budgets that make a fixed sum (and thus a partial budget) available to citizens. Twelve others limit participation to selected thematic areas of the budget, such as education or sport. Six participatory budgets were classified as a ‘hybrid form’; these participatory budgets for instance allow proposals on the entire budget, but define thematic focuses or provide the participatory budget with a small supplementary budget. However, the vast majority – 74 participatory budgets – allow proposals on all areas of the budget without defining any sum in advance.

Here too we see a major difference compared to participatory budgets in many other countries, where citizens decide, or at least consult, on how to use a specific sum. Like the notion of consultation, the idea of participating in the entire budget can be explained by the objective of modernising local government. With this objective in mind, it makes little sense to make a small amount of money available for citizen proposals outside of the budget planning process proper. This would not satisfy the aim of using PB to integrate citizen participation directly into the politico-administrative process of budget planning. Moreover, unlike the provision of ‘play money’ (Amrhein, 2012) or limiting participation to selected areas of the budget, the possibility of participating in all areas of the budget is seen as providing a higher degree of openness and citizen influence, as the procedure does not prescribe what citizens may express their opinion on.

Nonetheless, some researchers point out that this understanding is often the case only in theory, and that citizens usually make proposals on more short-term measures, and tend not to use PB to discuss long-term measures (Klages, 2010). This is why some players are now asking whether it actually makes sense to provide a fixed

amount for PB (Servicestelle Kommunen in der Einen Welt, 2012). It remains to be seen whether the approach will begin to converge with the original Porto Alegre model in this respect over the next few years.

### 3.3. The ‘typically German’ input: obtaining citizen proposals on expenditure and cost-saving measures

Typically, German participatory budgets relate not only to expenditure, but also to cost-saving measures. Sixty-four of the 96 participatory budgets analysed allow citizens to make proposals both on investment and on budget consolidation. It is also interesting to note that there are a growing number of explicitly ‘savings-oriented’ participatory budgets that aim to jointly identify options for budget consolidation. Twenty-three municipalities in Germany explicitly call upon their citizens to provide their input on cost-saving measures or measures to improve local government revenues. Only nine municipalities focus explicitly on citizen inputs on investment measures.

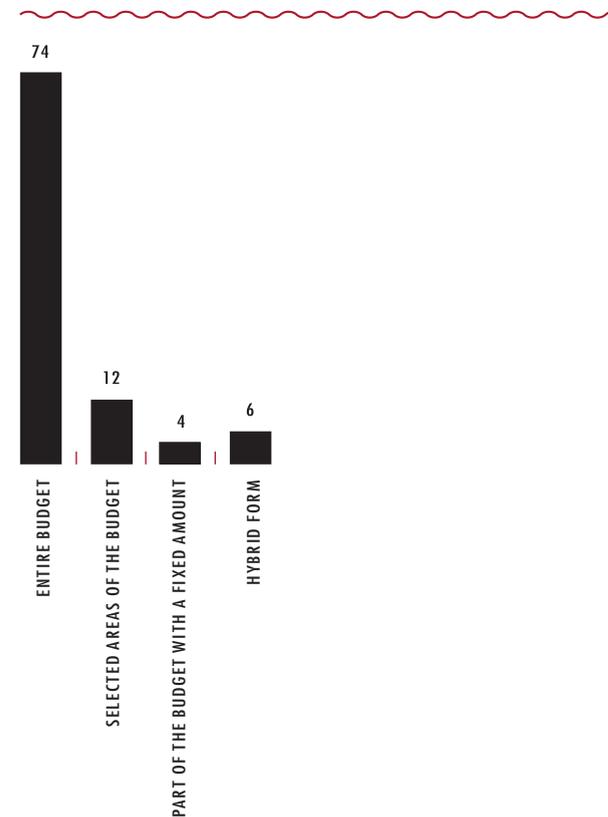
Compared to the Porto Alegre model, what is most striking here is the fact that the typical participatory budget in Germany is not confined to investment, but also offers space for ideas and proposals on municipal cost-saving measures and revenues. This feature of German participatory budgets is explained chiefly by the fact that many local authorities in Germany face a threat of over-indebtedness, and must therefore consolidate their budgets. In this setting it makes little sense to ask citizens how the money (which is not available) should be spent. To avoid planning financial cuts without consulting the citizens, and to ‘inform citizens comprehensively of the plight of their municipality and of planned measures, and actively involve them [...] as providers of information and feedback’ (Märker & Wehner, 2011, p. 5), more and more local authorities are introducing ‘cost-saving budgets’. Here too it becomes clear that the objective of PB is to integrate participatory elements into the politico-administrative process of budget planning (and consolidation). One of the best-known examples of a ‘cost-saving budget’ is the participatory budget of the city of Solingen (see box).

However, opponents of the model of budget consolidation involving citizen participation (and PB in general) speak of a ‘capitulation of local policymaking’ (Amrhein, 2012). Those who hold this view argue that the participation of citizens in cost-saving measures is an illegitimate abdication of responsibility to citizens in difficult times. In financially good times, so it is argued, politicians cling to power, while in difficult times they leave things to citizens. Here too, it remains to be seen whether citizens will also embrace this view, or whether they will see the opportunity to participate as a positive one even in times of belt-tightening.

### 3.4. The ‘typically German’ channel of participation: online participation

A further distinctive feature of participatory budgets in Germany is that almost all of them use the Internet as a channel of participation. Seventeen municipalities involve citizens solely via the Internet, while 43 use the Internet as the main channel, supplemented by traditional channels of communication such as the telephone, let-

Graph 3 Inputs for participatory budgets in Germany



Graph 4 Channels of participation in participatory budgets in Germany



ter or public meetings. A further 17 municipalities focus on public meetings as well as telephone communication and letters, and use the Internet only as a secondary channel (for instance for submitting proposals by email). Sixteen participatory budgets were classified as using a ‘complex, multi-channel procedure’. This procedure combines different channels in complex ways, in which no clear distinction can be drawn between the main and secondary channels. Only two local authorities do not use the Internet at all.

The highly intensive use – particularly as compared with other countries – of online-based participatory procedures is presumably due to the objective of participation here, too. The objective of informing citizens and obtaining information and feedback from them can be achieved effectively online, as the much-copied example of the city of Cologne (see box) demonstrates. Using moderated online platforms, for instance, far more people can be reached than with traditional channels of communication, as the threshold of participation is far lower than is the case with public meetings (Märker & Nitschke, 2008). At the same time, unlike participation by telephone or questionnaire, online participation facilitates deliberation, because proposals submitted online can be commented on and rated. By making information available and ensuring the public visibility of all proposals, comments and statements, online participation also makes a significant contribution to transparency (Wehner & Märker, 2011). One rather new phenomenon is the trend toward the ‘open budget,’ which was recently introduced for instance by the city of Bonn, and which is designed to make the structure of the budget more comprehensible to citizens (see <https://bonn-packts-an.de/haushalt>). It involves a transparent, dynamic visualisation of the budget.

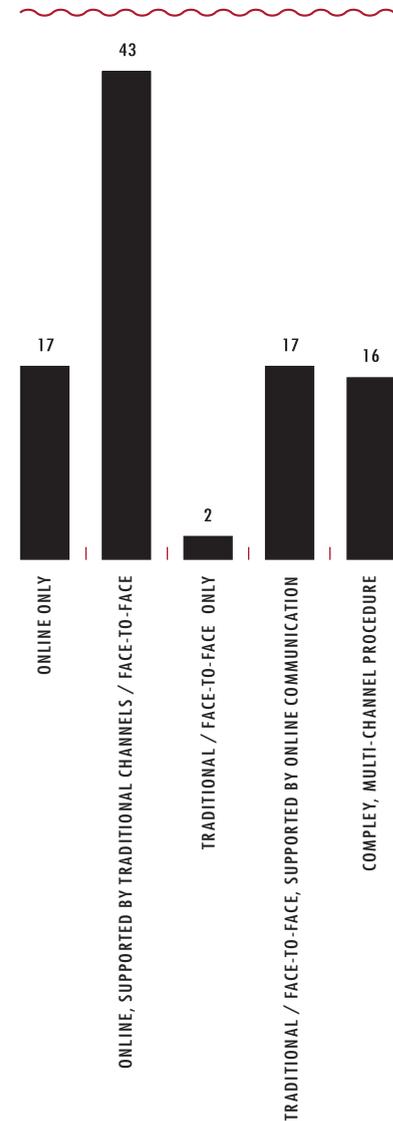
The critics of online-based PB, however, do not consider the Internet to be an appropriate channel of participation. Besides the risk of manipulation by multiple ratings and the influence of anonymous lobbying groups, they also criticise the fact that active participants are not representative of a cross-section of the population either in terms of the numbers or in terms of their diversity (see for example Holtkamp & Fuhrmann, 2013). Even before the first online based participatory procedures were launched, reservations were expressed as to whether PB is compatible with representative democracy, or whether it might more probably lead to a dominance of a minority of participating citizens. The use of the Internet has intensified this debate on representativeness over the last few years. This is interesting because the figures for participation in online-based procedures – even though still far from representative – are far higher than for public meetings. Hopes that the Web 2.0 will trigger a new wave of participation, and the direct visibility of figures for participation on the online platforms, now appear to be making participation figures more and more important as a criterion for measuring the success of participatory budgets (Wehner & Märker, 2013). Nevertheless, in order to reach as many different target groups as possible, and especially in order to avoid excluding those with no access to the Internet, a trend is evident in Germany toward multi-channel formats (see box on the participatory budget in Berlin-Lichtenberg).

### 3.5. The ‘typically German’ form of accountability: no separate accountability

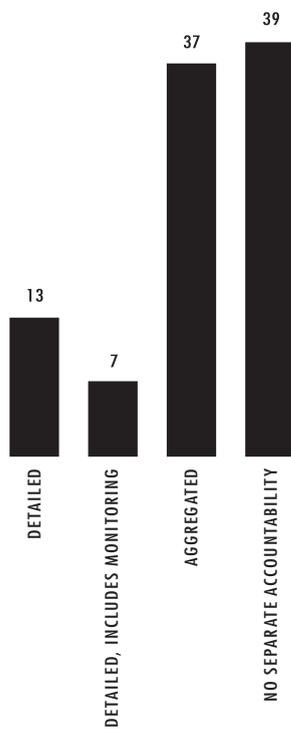
(Only) 57 local authorities in Germany currently practice a form of a separate accountability for participatory budgets. Thirty-seven of them provide only aggregate or overall accountability for all proposals, i.e. no reference is made to the individual proposals. Detailed accountability is provided for only 20 participatory budgets; here, accountability takes the form of statements or council decisions in relation to specific proposals. Of these participatory budgets, seven have also developed a monitoring system that enables the local authority to provide regular information on the implementation status of a proposal.

Here it should also be pointed out that where detailed accountability is provided, often only an individually and previously defined and publicly announced number of top-rated proposals (i.e. those considered most important) are professionally reviewed and consulted on by decision-makers. The figures range from just a few proposals, to the 100 best-rated, to all those submitted. Since most procedures in Germany are consultative and citizens do not take decisions concerning implementation, accountability is a phase that is all the more important for German participatory budgets, because ‘without any feedback as to how the input made by citizens is being used in budget planning, citizens are highly unlikely to feel motivated to invest their time (once again) in participating’ (Märker & Nitschke, 2008, p. 21). The results of our analysis of the German participatory budgeting landscape are thus all the more problematic. It is to be assumed that insufficient accountability will also entail a decline in participation. It is therefore to be hoped that more municipalities will provide a more detailed form of accountability in the next few years. From the citizens’ perspective in particular, this phase is essential and must not be swept under the carpet. The focus on providing information through brochures and open data that we observe in Germany is important, but participation should not end there. Civic education is only the enabling factor that creates the possibility of informed participation in the discourse on the local budget. Consultation – at least from the perspective of citizens – is only valuable if the decision on whether or not to implement proposals is at least communicated and explained. The Lichtenberg district of Berlin is an excellent example of the inclusion of all three phases (see box).

Graph 5 Channels of participation in participatory budgets in Germany



Graph 6 Accountability in participatory budgets in Germany



#### 4. Conclusion

In this chapter we identified the distinctive features of the ‘typically German’ participatory budget, and explained them in relation to the history of PB in Germany and the objectives associated with it. We analysed the current landscape of participatory budgets, and categorised this in relation to five key procedural characteristics. Trends and current debates were identified. The results of our analysis can be summarised as follows: The typical participatory budget in Germany is consultative. It calls upon citizens to contribute and discuss their proposals on expenditure and cost saving measures. It usually makes use of an online platform, and provides accountability (which is aggregated in most cases). The trends identified include the proliferation of citizen participation in budget consolidation, and the intensive analysis and visualisation of information on the Internet and in brochures. These distinctive features are to be explained particularly by the fact that participatory budgets in Germany were designed primarily as a means to modernise local government and make it more responsive to citizens. For a number of years, though, other objectives and thus other designs have been entering the discussion and have been tried out. In this context it would certainly be worthwhile to have a look at other countries in order to learn from other models. German municipalities tend to be interested e.g. in models that combine consultation with formats in which the participatory budget has a specific amount set aside for it.

At the same time it should not be ignored that the consultative model also has advantages that might be attractive for municipalities in other countries. This is the case particularly where there is a desire to institutionalise greater openness of decision-making and administration, and establish transparency and dialogue on the budget as a whole. Here the consultative procedure offers a form of participation that is directly linked to the politico-administrative processes, and in which citizens can make proposals on any thematic area and without financial restriction.

Issues that are currently the subject of controversial debate in Germany include how to deal with the decline in the number of citizens participating, and the lack of representativeness of those involved (especially how different target groups can be reached, and how necessary representativeness is in the first place). A further issue is how to integrate the three phases of information, consultation and accountability as efficiently as possible into the politico-administrative procedures. As demonstrated in this chapter, accountability is one area where there is still much room for improvement. One thing which is certainly clear is that the development of participatory budgeting has not yet come to an end in Germany. In fact, more and more local authorities are realising that the customary procedures of PB need to be further developed fundamentally, in order to truly achieve its objectives.



EUROPE

SPAIN

ERNESTO GANUZA & FRANCISCO FRANCÉS

# THE PARTICIPANTS’ PRINT IN THE PARTICIPATORY BUDGET: OVERVIEW ON THE SPANISH EXPERIMENTS

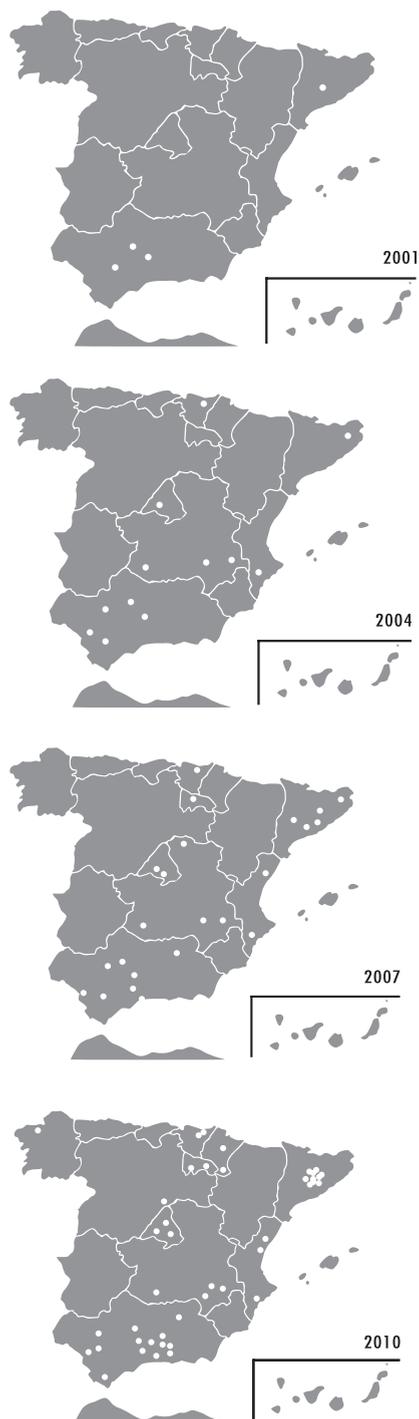
## *1. Introduction*

The history of participatory budgeting in Spain is hectic. Up until 2000 this was the European country that registered the largest expansion of participatory budgeting (Sintomer et al, 2008). It started in 2001, and the number of experiments gradually grew until the local elections in 2011. In the middle of an economic crisis, the conservative party managed to change the political colour in many municipalities, including several ones where the participatory budget had been implemented and that have stood out for excellence, such as Santa Cristina de Aro, Gerona, Getafe, near Madrid, or Seville, in Andalusia. Whether due to the political change or the economic crisis, which has substantially decreased the budget of Spanish local entities, the success adventure ended abruptly. If, in 2010 we could account for almost seventy-five experiments, in 2012 there were no more than twenty-five. These figures are not exactly a census, since there is no central database on the quantity of experiments; they are an approximation that only allows us to discuss tendencies. Nevertheless, the electoral inversion of 2011 had an immediate consequence in the scenery of Spanish experiments of participatory budgeting.

Considered under any point of view, this is still paradoxical, since, at the moment that the experiments started dying (Alves and Allegretti, 2012), emerged in Spain a social movement, unprecedented in its history: the “indignados” (outraged). During over a year, from its appearance (May 2011, a week before the local elections), this movement was able to mobilize about 20% of Spanish citizens, almost eight million people, a number never seen in any kind of citizen mobilization in the history of Spain. This movement was built, among other things, from appeals to the need to deepen the transparency of the political system, the citizen participation and the improvement of the communication between the rulers and the ruled ones. One might think that participatory budgeting would be an ideal instrument in this context. But it wasn’t so. Getafe, a municipality of Madrid outer ring, ruled by the Socialist Party (PSOE) since 1979 and with participatory budgeting as of 2004, left the experiment die at the hands of the flashy winner of the elections, the Popular Party. In Seville, a city ruled by a coalition between the Socialist Party and the United Left (IU – left wing coalition) from 2003 up to 2011, something similar happened. In Santa Cristina de Aro, a municipality of 4,000 inhabitants, with one of the experiments of participatory budget more highlighted in Spain, the government has also changed and the experiment was also left to die.

The tendency we describe has its own counter-examples. In Mejorada del Campo, a small

**Figure 1** Evolution of the experiments in Spain  
 Source Ganuza and Francés (2012a)



municipality near Madrid, the new administration, also from the Popular Party, has implemented the Participatory Budget following a citizen mobilization in the previous year. In Xàtiva, in Valencia province, a new minority administration from the Ecologist Party (ECO) started implementing participatory budgeting. In Ferrol, the change of government did not imply the abandonment of the experiment. Nevertheless, in general, in 2013 there are fewer experiments than in 2010. Why did this happen? What arguments can we present for this phenomenon? What is the future of participatory budgeting in Spain?

This chapter will try to answer those questions. But before that, we believe it would be convenient to have an idea of what the Spanish experiments between 2001 and 2010 were. This will allow us to know what was done in Spain and the specificities of its experiments. Bearing this in mind, this chapter begins with a description of the Spanish experiments during those years. We shall focus on their characteristics, the political context that has brought them to life and their operation. Finally we will try to answer the raised questions.

## 2. Participatory budgeting in Spain (2001-2010)

In the European context, Spain was the country where participatory budgeting spread the most (Sintomer et al, 2008; Sintomer and Ganuza, 2011). There, we analyzed, up until 2010, over fifty experiments implemented that, in one way or the other, provided almost five million people the opportunity to participate, although we have to consider the criteria used to consider any experiment as a participatory budget. The experiments started in 2001 in three Andalusia municipalities (Cabezas de San Juan, in Seville, Cordoba and Puente Genil, in Cordoba province). In 2002, Rubí, in the province of Barcelona, and Albacete have also initiated the process. The 2003 local elections have boosted the implementation of new experiments. Up until the end of 2006, right before the elections of the following year, over twenty-five municipalities had started the process. Two of them (Cabezas de San Juan and Rubí) had abandoned the experiment with the change of government following the local election of 2003. After the 2007 elections, participatory budgeting had a new impulse, which led it to its largest presence in Spanish municipalities. By then, the difference lay in the fact that conservative parties started to implement similar experiments.

In this paper, we will begin by a broad definition of participatory budgeting, that inclusively goes beyond the participatory nature of some experiments, eventually rose by their heterogeneity. We believe it is wiser to grasp a general picture of what is done today in Spain, and then to analyze the differences that we may find between the various experiments. The proposal does not lack sense, considering that they all have a common trait, that differentiated the experiments in Spain, at that moment, from the rest of Europe: the citizen participation in the participatory budgeting was always seen within a public process of decision-making over a part of the municipal budget. We understand that any process that fulfils this requirement is participatory although one may argue that the heterogeneity of the processes increases when we consider issues such as organization, deliberative intensity and even the participation itself (Ganuza and Francés, 2012a).

What has determined, in the first place, the heterogeneity of the experiments was the support provided by the political parties. 70% of the experiments analyzed up to 2010 (Ganuza and Francés, 2012a) have been the result of an initiative from the administrations PSOE or IU, although the socialist municipalities have been the ones that most (39%) implemented participatory budgeting. Almost half of the experiments (45%) were implemented in municipalities

were a coalition was in power, and in over half those experiments (69%), the majority partner was the one to promote participatory budgeting and not the minority one. If we consider the support provided by the latter, we see that the IU was the political group that battled the most in order to have the participatory budget integrated in the government agreement. This provides a clear idea that almost three in every four experiments were led by a left wing party. Even so, the Popular Party initiated, by the end of the decade and as a majority party, 12% of participatory budgets. If we consider the experiments led by other conservative parties, such as UPN (Union of Navarro People), in Navarra, or the CiU (Convergence and Union), in Cataluña, we will arrive to 22%. Although participatory budgeting has been, and is, an instrument more used by left wing parties, we cannot underestimate the presented data. The first PB to be supported by PP was in 2006, in Logrono. From then on, the new experiments implemented in the Spanish state will define a more heterogeneous political setting. From 2007 onwards, the ideological difference between its promoters dimmed, and the conservative parties promoted about 40% of the new experiments.

Regarding the municipalities' dimension, there are experiments in large cities, nine province capitals (31% located in municipalities with over one hundred thousand inhabitants), including cities such as Seville or Malaga. On the other hand, 27% correspond to initiatives carried out in municipalities with less than ten thousand inhabitants. At first, this allows us to believe that participatory budgeting was not considered as an adequate instrument solely in small municipalities, at least in the Spanish case. The support it has gathered in large cities makes us think that the need for more transparent relationships with the administration does not conflict with the dimension. As we can see in Figure 1, there is a broad geographic distribution: there are experiments in Madrid, Cataluña, Valencia Community, Galicia, Castilla-León, Castela La Mancha, Navarra, Basque Country and La Rioja. Andalusia (29,4%) and Cataluña (27,4%) concentrated over half of the existing experiments up to 2010.

The manner in which participatory budgets were implemented also changed from one experiment to the other. Its common features are not totally related to the party implementing the PB, the size of the municipality or its socioeconomic context. There were two common features: 1) the very nature of the participatory budget as a process normatively bound to public decision-making and 2) its implementation that in general, always arose from the executive will. This meant that the limits of participatory budgets were formally and until now, established by the will of the local executive members, what implied an up to bottom relationship, whose intensity was different in the different experiments, but that, globally, referred the participatory process to the condition of an instrument of the elected administrations. Only one experiment, in Albacete (and, in a smaller degree, in Ferrol, at first), could be seen as independent from the administration, although the economic resources for its operation were dependent on the administration and, ultimately, the administration had to accept linking the participatory process to the municipal budget.

The presented data<sup>1</sup> show that, by the end of the decade, participatory budgets were no strangers to political parties, at a local level. During all this time there were several conferences, seminars and interchanges between municipalities regarding this subject (Ganuza, 2010), and as such the State Network of Participatory Budgeting was created. The political parties started to include in their election programmes, by the middle of the decade, concrete proposals of participatory experiments and, in some cases, even explicitly referred participatory budgeting (Ganuza and Francés, 2012a). This somewhat allowed public officers, already responsible for the promotion of citizen participation in the municipalities, to integrate a new participation

<sup>1</sup> A more comprehensive description of the history of participatory budgeting in Spain during this period can be found at Ganuza and Francés (2012a).

methodology, based in the political acceptance of citizens' direct participation in public affairs.. remarkable feature was that this methodology was not planned following a clear rule, according to the municipalities' size. The most marked differences are in the internal organization and the weight of the deliberations; hence the experiments being stimulated by a left wing party or a conservative one, implied, in general, different participatory procedures.

Nevertheless, the fact that many parties abandoned the experiments from 2011 poses an explanatory difficulty, as this phenomenon does not seem to be only due to the electoral volte-face of that year. It is true that many experiments have ended in the hands of conservative government teams, but it is also true that after the elections of that year, the number of experiments did not increase according to the representation of the left wing political parties representation in local institutions. Besides, we can state that in those municipalities in which the experiment was abandoned, this initiative did not find resistance from the political opposition or the citizens. In this case, Portugal may be used as an example of the contrary; the tendency shown in the experiments of this country was contrary to the Spanish one. While the explosion of participatory budgeting of the middle of the decade gave way to its gradual abandonment, they arose again from 2010 onwards. In that year, the municipalities, both left and rights wing, started promoting participatory budgeting again but in a distinct manner from the previous years, the supported experiments, as well as the participatory budgets that managed to survive, presented a deliberative character (versus an advisory one), and so the citizens could directly decide on a part of the budget (Alves and Allegretti, 2012). In Spain, on the contrary, the participatory budgets were always marked by its deliberative character and, although at this level their deliberative strength varied a lot from one experiment to the other, all citizens could decide over a part of the budget. In the decade we analyzed, this was a particular feature of Spanish participatory budgets in the European framework (Sintomer et al, 2008). Therefore, the tendency of participatory budgets delineated in Spain suggests finding alternative explanations.

We believe it is possible to draft the problem of participatory budgets in Spain from their own history, that is, the manner they were implemented, what conflicts they originated, as well as the obtained results. At least, a perspective of those issues may help us to understand the current status of the experiments in the country, and from there, we believe we can reflect on the current and future status of participatory budgeting. Then we will try to portrait that state of affairs from three issues with which the Spanish experiments have struggle. We will start by showing, 1) the profile of par-

ticipants, 2) the results obtained after years of experimentation and 3) the latent conflicts caused by participatory budgeting.

### *3. The guidance of participation*

Among other things, participatory budgeting is based on a strong idea that, partly, has allowed its expansion throughout the five continents (Ganuza and Baiocchi, 2012). In its course around the world, this experiment has been transformed in an instrumented seen as a methodology that allowed citizen participation in an open process of public decision. In a moment of political lack of interest and decent participations, the participatory budgets were able to point an alternative route to the dead end in which public administrations were, as well as to favour citizen participation without disorganising the administrations and without causing ruptures in the basic scheme of the representative political system. We could even think that, if the participatory budget can become an effective tool as it provides the citizens with a useful means to participate in the public budget debate, the experiments gain legitimacy, but mainly they can win a space in the institutional web of municipalities.

This issue leads to the following question: how far is it true that participatory budgeting is sufficiently inclusive and allows all participants to deliberate? In Brazil, traditionally marginalized citizens found a previously inexistent channel of participation (Baiocchi, 2003). The socio-demographic structure of the participation in some municipalities, such as Porto Alegre, was very similar to the population structure of the municipality itself (Sintomer and Gret, 2003). According to Baiocchi (1999), the opportunities to deliberate were, besides that, distributed by the participants, also referred to by Avritzer (2006) when studying different Brazilian experiments. The following results are part of a study of eight experiments conducted by IESA in 2007. A total of 3.094 people participated in the open assemblies of those municipalities. We used a self-administered questionnaire that provided 1.139 responses.

The participation total, in Spanish experiments, is between 1 and 3% of the municipalities' population. Although this seems rather little, we have to remember that the figures have a different dimension when compared. Right now, these figures are very similar to the experiments in the whole world, including the ones from the participation in the city of Porto Alegre (Fedozzi, 2005). If we compare them with the number of people that use to actively participate in the associative life of the cities, they may even be high. Nevertheless, these numbers do not say a lot regarding participation.

If we compare the population structure of the municipality with the one that usually goes to the open meetings, the differences are clear. In the experiments that have been implemented longer, slightly more women than men participate (52.8%). Youngsters, in spite of their weight in the municipality population figures, hardly participate (figure 2), and adults are over represented. In public open assemblies the same occurs with more educated citizens (figure 3).

These characteristics of participation in open meetings of participatory budgeting correspond to the usual profile of the participations; it is what Verba (et al, 1995) called the orientation according to socio-economic variables. In Spain, many politicians justified the experiment with openness towards the citizens that usually did not participate. From this point of view, the experiments were not able to achieve those goals, although partially they were interesting for the people who had never participated until then. In the Spanish experiments, at least one in each four participants had never participated in other spaces opened to the citizens (Ganuza and Francés, 2012a). In spite of persisting the socio-economic orientation, the experiments favour the participation of citizens who usually do not participate.

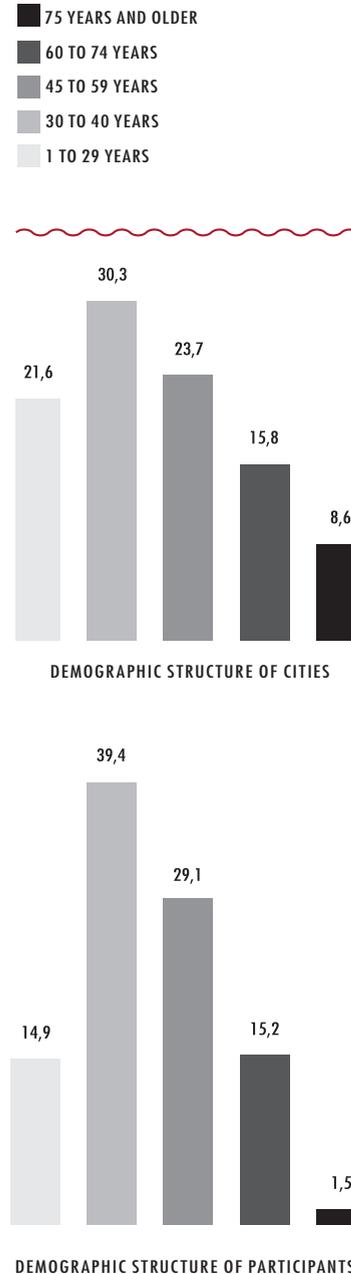
The tendency to participate also corresponds to the political attitude of the citizens. Those who already had an interest on politics and citizenship issues were the ones who participated the most, and, at a municipal level in Spain, this citizen profile does not reach 40% of the population (Ganuza and Francés, 2012b). This is exactly the same that happens in a participatory process. Both the socio-economic profile and the political attitude of the citizens show us that participation poses significant barriers to a certain profile of citizen, extremely frequent in the Spanish society. In spite of that, we believe that the mentioned guidelines are not as important or decisive. Furthermore, when we realize that they fade with time, that is, the experiments with longer duration were also the ones in which the political orientation influence was lower. Nevertheless, an ideological orientation prevails that we definitely consider important. In a scale of 0 to 10, in which “0” represented extreme left and “10” extreme right, the average of the participants in the PB was 3.71. This average does not present significant variations if we consider the difference of gender, age or schooling level. In this scale, 47% of the participants would be graded between 0 and 3 (left wing), 48% between 4 and 6 (centre), while only 5% would be between 7 and 10 (right wing). It is not possible to compare the ideological positioning of the participants in general for each location. But we can make an approximation from the relations between the ideological positioning and the registry of the participants’ vote, associating it to the representation of the different parties in each municipality (table 1), what provides a perspective of the political participants, that is, the voters’ profile.

The general result of this analysis shows a marked ideological orientation from the participants, according to the party in power. For example, in the municipalities where PSOE was in government, its representatives were over-represented, except in Terrassa, where a coalition of nationalist left wing government ruled. However, in the municipalities where the government was from the IU, the supporters of PSOE were under-represented. And something similar was happening with the IU voters. As for the conservative party (PP), it is under-represented in all municipalities,

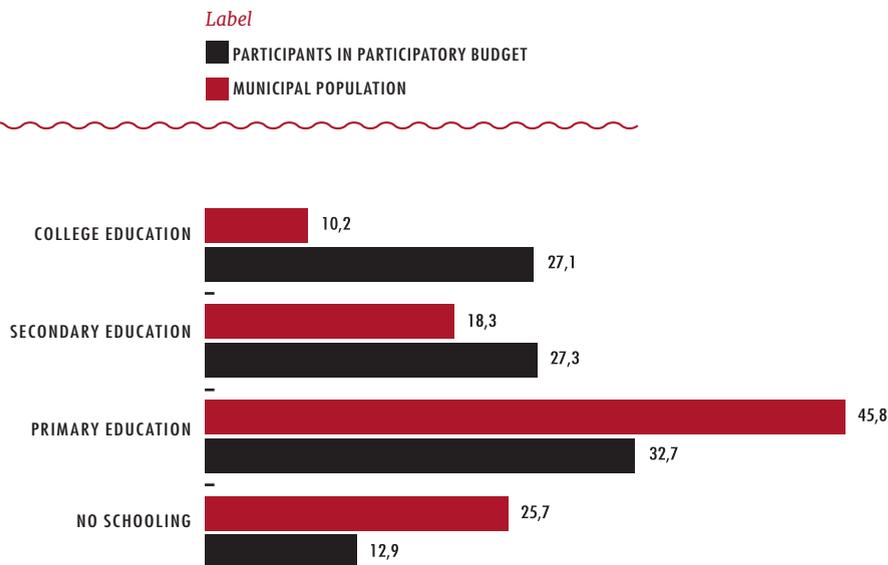
Figure 2 Differences between the population structure and the participants

Source IESA (E-0705) and Spanish census (2011)

Label



**Figure 3** Schooling level of the municipalities' population structure and the participants  
 Source IESA (E-0705) and Spanish census (2001)



**Table 1** Representation of voters per political party in the municipalities' government  
 Source IESA (E-0705)

	GOVERNMENT 2007	PSOE	PP	IU	CIU
JEREZ	PSOE (coalition)	+20	-18	=	
PUERTO REAL	IU (minority government)	=	+2	-2	
CÓRDOBA	IU	2	-34	+7	
PUENTE GENIL	IU	-10	-5	6	
TORREPEROGIL	IU	-26	-14	12	
PETREER	IU (minority government)	-1	-21	12	
LEGANÉS	PSOE	30	-32	-8	
TERRASSA	PSOE (coalition)	-8	-12	-1	+1

except for Puerto Real, where the electoral presence of that party was testimonial. But this relationship tends to fade with time, that is, as the participatory budget was being implemented, the dependency of the ideological orientation faded, although it did not disappear entirely. It is unquestionable that, besides the differences of socio-economic profile or political posture, participatory budgeting has never succeeded to overcome the party logic in Spain; and this had a remarkable influence in its continuity when the government of the municipality changed.

**4. The results and the impact of participatory budgeting**

The participatory budget establishes ideas very close to direct democracy. Citizens are invited to participate in the decision on the destiny of a part of the participatory budget. As for the manner in which it was organized, it would be possible to find in Spain many differences between the several experiments, but in general terms even the conservative parties that have implemented the PB assumed that framework of political action. The decline of participatory budgeting did never imply questioning the relativity of that framework, that is, the new experiments remained faithful to it, as well as the ones that persist after 2011.

This policy framework presents different and unequal difficulties relating to the very own story of the municipalities, as well as relating to the result of the participatory process. If participation revolves around the direct decision on proposals, the prosecution of policies or the execution of concrete investments resulting from the citizens' decisions provide them with a basic element of governance control, but they also provide an element of monitoring the implemented processes.

How were the experiments regarding these issues? In order to answer this question we can structure it in two parallel axis:

1) On one hand, the dynamics of established discussions through which we can investigate if the participation guidelines are reproduced and therefore if the same happens with the results obtained through the discussion between citizens. If it were so, we would be lead to believe that the results lacked the needed political legitimization to be implemented, especially knowing that there is a marked party and ideological orientation.

2) On the other hand, we can analyse the implementation of policies directly deriving from the discussion between citizens, as well as their influence in local management. We can assume that the more the influence, the more the empowerment of participatory processes.

Regarding the first axis, the first to draw our attention is the re-

duction of participatory orientation in the deliberative processes that led to collective decision-making. In short, our data suggest that the asymmetrical situations in the profile of citizens attending public open meetings are not entirely reproduced in the deliberative space. As such, we could in a way confirm that the participatory budget is closer to the deliberative ideals, since it offers the set of participants the same opportunities to deliberate and intervene. For example, age or the level of schooling did not significantly influence the role of the participants in the deliberative dynamics. It is true that the most involved people (the ones presenting more proposals and who were more dynamic) already had an attitude that we can consider as classic in the participatory theory: they showed interest in politics, commented and discussed it frequently with other people and they worked with other citizens in their neighbourhood to solve problems. In general, all this confirms the theoretical presuppositions of participation, but also tells us something about participatory budgeting: these initiatives especially facilitate the participation of citizens with participatory experience. This is shown in table 2, in which one of the most significant differences in the deliberative dynamics is if the citizen is participating for the first time in participatory budgeting. On the contrary, if the ideology presupposed some element reflecting in a marked manner in the composition of the open meetings public, this was not the moment to adopt this or that role in participatory budgets. As well as the age or the schooling level, the ideological positioning did not particularly affect the role of the participants in public meetings; as such, the procedure scheme for deliberation did not pose much resistance to the conservative voters or the voters from any other party different from the one in government at the time.

The following table presents, in detail, the influence that the different variables have over the participation in the open meetings and the respective deliberative dynamics.

Regarding the second axis we mentioned, that is, the concrete results of participatory budgets, the gathered information shows a relatively small intervention in municipal management. The expense budget open to participation varied a lot from one experiment to the other, although we may state that the citizens from smaller municipalities had more possibilities to intervene (15% of the budget, and this percentage does not reach 3% in larger cities). As for the matter over which the citizens could intervene, except the funds aimed to public services maintenance, wages and municipal debts, it is possible to delineate a typology, divided in two main fields:

- 1) expenses with small and large infra-structures;
- 2) expenses with programmes and services belonging to sectoral policies. More than half of the experiments of participatory budgeting (54,5%) had allocated citizen participation only in decision regarding small infra-structures, while the others allowed the participation relating to municipal programmes and services.

**Table 2** The influence of socio-demographic and political variables in participatory budgeting<sup>2</sup>

Source Ganuza and Francés (2012b)

<sup>2</sup> It is possible to find a more comprehensive analysis of this table in Ganuza and Francés (2012b).

	INFLUENCE ON PARTICIPATORY MEETINGS	INFLUENCE ON DELIBERATIVE ROLE TAKEN IN THE ASSEMBLIES
GENDER	low	average
AGE	high	low
EDUCATION LEVEL	high	low
IDEOLOGY	high	low
INTEREST IN POLITICS	high	high
EXPERIENCE IN THE PROCESS	low	high
ASSOCIATIVE ACTIVITY	high	high

<sup>3</sup> A more detailed analysis on the impact of participatory budget in municipalities can be found in Ganuza and Francés (2012a: 152-167).

<sup>4</sup> It is possible to present some relevant data on this matter. In Jerez de la Frontera, for example, four years after the first experiment, the proposal decided by the citizens had not been implemented. In Getafe, in the last years of the experiment (2008-2010), the budget execution of the participatory budget proposals was cut in half relating to previous years. In Cordova, in spite the City Hall assuring that 80% of the decision regarding the period between 2001 and 2006 had been implemented, among the citizens there was the general idea that not many proposals had in fact been implemented (Ganuza and Francés, 2012a: 152 et seq.).

Regarding large infra-structures or works in the city, only 22% of the experiments included the possibility of citizens deciding or giving their opinion about them, even that in these cases the decision was frequently collegial (together with the political representatives) and not only a participation proposal (Albacete, Santa Cristina d'Aro, Puente Genil, Torreperogil, Figaró)<sup>3</sup>

The low impact of participatory budgeting in the public accounts does not take away the potential merit, in any circumstances, of the participatory dynamics, although it suggests a reality that undoubtedly has influenced the citizens' imagination. On one hand, most experiments focused in issues (small infra-structures) usually already discussed by formal structures of participation in cities. That meant, in short, that what the participatory budget did was to extend the range of citizens able to participate in the discussion, more than transforming the manner of managing public administration. On the other hand, the focus adopted by participatory budgets awoke little interest in many citizens that believed these to be minor problems; therefore it was not sufficiently attractive in the eyes of many citizens. If we add the difficulties that many municipalities face to enforce the decision relating to the proposed works, extending the time of their execution, the environment in which participatory budget was developed was not so different from the usual political forms and practices.<sup>4</sup> That lack of clarification, in a moment of political crisis from the citizens, may not have contributed to the continuance of participatory budgets. An illustrative example is the general tendency followed by municipalities between 2000 and 2008. In that period, municipal companies grew by 200%, which implied a considerable transfer of funds and a strong wage in the management of public resources through consumerist logics. Viewing this tendency, and from the point of view of their impact in municipal reality, the participatory budgets are still marginal experiments.

### *5. Conflicts caused by participatory budgeting*

To understand the trajectory of participatory budget from the hereinabove presented data raises many doubts. We have seen a pronounced participatory orientation that was not able to separate the experiments from party practices together with those that the citizens usually point out as excluding. Certainly this did not negatively influence the deliberative dynamics, what suggests that the participatory budgets were well designed. The proof of this is the fact that half of the experiments hired qualified persons for the participatory dynamics (Ganuza, 2010). Nevertheless, the impact of the experiments in the municipal reality was weak, contributing for the idea of participatory budgeting being a substitute of the formal structures of participation already existing in the municipalities, instead of a new way of thinking governance. In this context, participatory budgeting causes more or less explicit conflicts, whether within civil society, by entering into competition with the formal structures of participation, or within the very own administrations, that fostered participatory budgets and at the same time developed a consumerist management.

The generated conflicts cannot be attributed, in fact, to the influence acquired by the

experiments. From a territorial point of view this is scarce. For example, the fact that the main document of political planning in municipalities (the general plan of urban planning) was always kept – in all and every one of the municipalities with participatory budgets – outside the debate, is illustrative. In spite of that weak influence, the generated conflicts show the difficulties that the participatory budgets have in order to move forward. For civil society, participatory budgeting presupposed changing the manner how, up until that moment, the relationship between rulers and ruled ones was handled. Instead of private meetings between the members of associations and the City Hall team to decide where to apply the investment in small infrastructures in the city neighbourhoods, a formal, open and public structure was envisaged, in which every citizen could participate. The response from residents' associations, the players of the traditional participatory system, has always shown that conflict. In some cases, such as in the city of Cordova, the conflict was so disturbing that the IU government team, that had launched the process in 2001, abandoned it in 2007. But, in general, the conflict was latent in all municipalities, with demonstrations against participatory budgets from important members of neighbourhood associations, what underlines a bigger problem, that is not related to the influence, even poor, of the experiment, but with its formal approach, based on direct democracy (Ganuza et al, 2013).

That same conflict was reproduced amidst the administrations. From the perspective of municipal workers, the participatory budget was faced as an external element. The manner in which the PB was integrated in the administrations fostered that impression of being something peripheral, distant. Most administrations have integrated participatory budgets in the department of citizen participation, a department already rather peripheral within the municipal administrative system (Ganuza and Francés, 2012a: 161). The immediate consequences were two:

- 1) impossibility to differentiate the participatory budget from the previous participatory dynamics, by being included in the department that used to coordinate the formal structures of participation,
- 2) difficulty to coordinate the participatory budget within the administration, since the department of participation lacks hierarchical importance in the municipal organisation.<sup>5</sup>

If we consider the necessary work to implement participatory budgets within the administrations, the situation did not envisage anything good. We have to consider that this is not only about citizens being able to discuss the proposals and establishing their priorities; they also have to manage them. In an institution used to operate autonomously, in which everything is decided in private and the technicians are the ones who assess public policies execution, the arrival of the citizens' proposals implies a shift of paradigm. All of a sudden, all the departments have to evaluate the proposals presented by the population, narrowing the leeway of the representatives in the moment to decide public policies; more than ever, it is then necessary to coordinate the different departments. At the municipal level, all that has always posed a latent conflict between the representatives favourable to the participatory budget but that held a lower position in the administration hierarchy, the representatives of the administration itself who prefer to continue the old forms of participation, and the technicians who were overwhelmed by the demands and claimed to have

<sup>5</sup>The Spanish City Halls are organized by departments, headed by a politician. These politicians are functionally ranked, according to their proximity to the Presidency. The person coordinating the participation departments is usually in the fifth, sixth or eighth rank; sometimes they are not even in that “lineage”, being mere Deputies.

a more decisive role. This conflict contributed for the experiments to be seen as something foreign to the administrations, as such authorizing them to rule with sovereignty over the citizen’s proposals. In many cases, the citizens’ trust was worn out in this new process of participation.

### *6 - Participatory budgets after 2011*

The historic path of participatory budgeting in Spain was essentially the result of a concrete political will in a given location, more than an institutional strategy – even if it has been present in the public representatives’ speeches in the last few years. The number of experiments was considerable and grew, up to 2001, with the stimulus received after each local election. Nevertheless, its decrease from that year onwards shows that in some way the Spanish case was developed without a clear criterion that from the territorial point of view would allow determining its reason to exist. It replaced the traditional participatory procedures by a new one, instead of proposing a different management form, therefore gaining the aversion of the traditional collective representatives. It was settled in the peripheral areas of the administration instead of occupying a new space to alter the said administration through new routines and habits, transforming the experiment in a minor agreement from the government point of view. All this within a process that was not able to detach itself from the local political parties area of influence, which made it difficult to look at the new structure with a renewed perspective; on the contrary, it stressed out the most negative elements present in the citizens’ imagination when they think in politics and its possible implications. All of these factors contributed to the best results of participatory budgets, the open and not guided deliberative dynamics, as well as an idea of governance based on a more inclusive and transparent reality, were not able to justify its future implementation or to defend an experiment whenever the administration changed.

This somewhat suggests a complex image, since the administration that implements participatory budgeting does not seem to be able to, with more or less significant efforts, involve the citizens with different ideological positions or who usually do not participate in the traditional participatory profile of municipalities; In the open meetings, nevertheless, there were effective deliberative processes, which distribute the intervention opportunities by the participation in a more homogenous manner. In this case, it is possible to find the existence of a methodological innovation effort that many experiments tried to apply through the participatory budget.

It is difficult to solve the dilemma with which participatory budgeting is confronted in Spain. Its decline is noted in the moment of the highest citizen mobilization in history, precisely for reasons that are part of the participatory budgeting ideals: citizen participation, collective decision, transparency and more just and equitable public management. Is it possible that participatory budgets are spread based on this impulse? It would be logic to believe they would, although the experience from the last ten years allows to debate the major challenges to this process:

- 1) as far as its implementation depends entirely of political representatives, the first and crucial challenge shall be the culture of the said representatives;

- 2) the participatory budget comes in direct conflict with the manner the civil society is structured and therefore any new proposal will have to work on that area;
- 3) although the administrations gradually adopted a favourable attitude towards the citizens participation, that happened in a consumerist management model and was not based on the political role of those citizens. The sustainability of participatory budgets will undoubtedly depend on their integration and coordination with the administration and on the governance model to be established; and last,
- 4) we could expect that a smaller participatory process, with little influence in the municipal reality, would weaken the participatory experiments.

But, perhaps the most important to resume participatory budgeting would be its future design. While PB remains just another tool, amongst the many tools the administrations have, the experiment can never surpass the line that separates the participation from the administration. On the other hand, the design of the experiment in governance terms would allow participatory budgeting to be understood as a workable framework for the governance renewal and the political culture in the relation between rulers and ruled.

EUROPE

ITALY

# PARTICIPATORY BUDGETS IN ITALY: RECONFIGURING A COLLAPSED PANORAMA

## *1. Introduction*

Over the last decade, Italy has undergone extensive political transformations that focused in different ways on the panorama of participatory innovations at the local level. The country, which hosted the first and most enduring of European Participatory Budget experiments (Grottammare, a small tourist town on the Adriatic coast, which began in 1994), has gone through at least four generations of experiments, each marked by single features which have already been identified in the recent literature (Putini, 2010; Allegretti, 2010; Sintomer and Allegretti, 2009). This article aims to briefly address these waves of experiments, to focus on a concise description of the last and least known one, which began to take shape in the last three years.

## *The importance of context on variations in participation in Italy*

The first true experiments of Italian participatory budgets began in 2002, coinciding with a phase of “destabilizing” reforms undertaken by the Italian central government (particularly during the three governments lead by Silvio Berlusconi), and are still in full development.

The Italian PBs were founded on the Constitutional Charter’s encompassing principles and on a municipal culture, that in the last forty years, carried out many experiments in “social dialogue”, where innovative practices created illustrative examples for other levels of government. In this setting, PBs tried to merge elements of continuity and discontinuity with the past, while simultaneously seeking to build spaces for innovation, keeping open the channels for dialogue with past experiments, less radical but that had been able to partially open the way for citizen intervention, as far as decision making, on economic and financial matters. The success of such interactions generated a “creative chaos” leading to the hybridisation between participatory budget experiments and other participatory actions (such as various forms of participative urban planning and the so-called “social report”).

It should be noted that Italy’s physical geography, together with political events preceding the exhaustive achievement of unification in 1960, and the establishment of the First Republic in 1946, seems to have weighed greatly in the construction of its political geography, contributing to an articulated and complex analysis<sup>2</sup>. For example, the smaller municipalities, more financially dependent on intergovernmental funds, have insisted on privileging individual, ‘face to face’ dialogue, between elected representatives and residents, or at most create advisory public spaces focused on

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<sup>1</sup> For subsequent interpretive documents of social or socio-environmental impacts of all the public policies of an institution, see: [www.bilanciosociale.it](http://www.bilanciosociale.it).

<sup>2</sup> The ‘Paese dei cento campanili’ (‘Land of a hundred towers’), 67% urban, currently has 8,102 municipal administrations, of which less than 150 exceed 50,000 inhabitants. The 100 most populous cities of the country comprise just over 30% of the total population, while 72% of municipalities have less than 5,000 inhabitants and comprise 19% of the 60 million Italian citizens.

<sup>3</sup> Bringing together local administrators, research groups and associations, the network worked together on issues of environmental sustainability, social justice and shared construction of choices, devoting an annual national seminar to exchange practices among local entities experimenting with participatory budgets and other structured practices of social dialogue. See [www.nuovomunicipio.org](http://www.nuovomunicipio.org).

<sup>4</sup> Both Grottammarre and Pieve Emanuele were marked by past bad governance, municipal outsourcing (commissariamento) and corruption scandals. While Rome XI sought to find its own style of governance for an innovative institution which at the time existed only in the capital, and that a few years later would be replicated in other big cities like Venetia and Napoli: with the establishment of local councils with greater autonomy called ‘municipalities,’ although still sub-municipal entities with no right to an autonomous budget from the Municipality.

‘selective listening’ of the citizen’s ideas and wishes. On the contrary, larger municipalities have created formulas for more diverse and sophisticated social dialogue, so that associations, movements, committees at local or district level, and other socially ‘organised’ associations (also informal) have acquired strength. Besides their scale, participatory processes were also influenced, perhaps even more so, by political and civic traditions of the ‘Three’ or ‘Four Italys’ (Bagnasco, 1984; Puttnam, 1996; Caltabiano, 2006; Diamanti, 2008) and by the existence of an ‘oasis of good governance’ which, especially in the North and Centre of the country, often offered adequate preconditions without which any path of social dialogue would only add chaos to the work of institutions. In an ever-changing geography, another constant in the Italian panorama is the difficult rooting of PBs in the south, marked by a political culture where the weight of patronage relations seems to have greater strength.

For many years, a “myopic” reading of the Constitutional Charter prevailed, in which the term “participation” had little space, even if the topic was glimpsed in some of its encompassing principles, and this resulted in the administration “staying behind” and allowing to be towed along by “factors related to their technical and “heavy” nature” (U. Allegretti, 2009) that prevented the construction of a structured, two-way, dialogical relationship between institutions and citizens. Only in the 90s, in the wake of European guidelines focused on a complex subjective right of citizens to good administration (see Art. 41 of the Nice Treaty), the national administrative framework began to change, based on Law No. 241/90 on administrative reforms, in an attempt to unite the concepts of decentralisation and efficiency and provide the possibility for citizens to intervene in administrative proceedings. This novelty found ways of distorting the concept of participation, restricting it often to mere “consultation” and “negotiation” between strongly organised subjects and even confusing it with an administrative action developed increasingly through the outsourcing of services and of partnership with the private or third sector, without the New Public Management culture of “checks and balances” provided in other countries.

Finally, it is worth noting that during the same years there was a special conjuncture in the setting of representative democracy, affected both by corruption scandals revealed by the magistracy’s “Operation Clean Hands,” and by an attempt to reduce the most visible and endemic factors of the ungovernable Italian political situation. In this way, forms of semi-presidential systems were introduced within a regulatory framework marked by a parliamentary bias and electoral methods with a majority rule. The direct election of mayors, paved the way for the direct election of provincial and regional presidents, and determined the explosion of the phenomenon of “civil lists,” formally independent of traditional political parties, which promote the presence of youth and women in local politics (Colloca, 2004). In this framework, the media and especially private television, developed in the 80s outside the law’s limits, thanks to the strong relations between the magnate Silvio Berlusconi and some political parties, started assuming a central role in reinforcing the “personalisation of politics” and focus political battle in makeshift leaders, without adequate institutional training.

Despite this, creative experiments were developed locally redesigning the procedures of developing policies and public projects. Participatory budgets also became a part of these innovations from 2002 onwards, whose birth had concrete objectives of combating both corruption and the increasing political distrust set by scandals publicised in the 90s. They were also seen by the political left as an opportunity to ‘differentiate’ from the methodologies of the centre-right government that was in power at the national level, with Prime Minister Silvio Ber-

lusconi, as had also happened in Spain during the government of the popular José María Aznar.

### *From the explosion to the deflation of the geography of Italian PBs*

In the setting described above, the first generation of Italian participatory budgets took shape with remarkably politicised features around 2002. In that year, nearly 100 Italian local administrators participated in the II World Social Forum in Porto Alegre, and in the 2nd Forum of Local Authorities for Social Inclusion (FAL), where a group of university researchers and mayors presented the “Charter for the New Municipality”, from which started the homonymous Network (Allegretti/Allulli, 2007)<sup>3</sup>. The theme of PBs found an ever-growing space in social movements, non-governmental organisations and leftist political forces. This allowed for the visible appearance of “an Italian story”, the small town of Grottamare (14,500 inhabitants), which started to become generating interest in a scene in which the international debate on the PB was undoubtedly much broader than the number of real European experiments (Wainwright 2007).

Until 2005, the few concrete examples of existing PBs in Italy, which included the small town of Pieve Emanuele, near Milan, and Rome’s District XI, quickly became the sudden object of interest, also rising as a “model” on an international scale and setting important precedents for their subsequent diffusion. Their debate helped recover the memory of the “cubist” panorama with practices of social dialogue (U. Allegretti, 2009) that had a strong development (with a strong political/ideological charge) between the 50s and 70s, when schools, universities, district civic centres, the entertainment business circles for workers and factory councils, had been especially privileged spaces.

The “ideology” that marked the first generation of Italian participatory budgets between 2002 and 2005, became visible in the lack of involvement from the administrative structure. The PBs were therefore understood more as “a pact between citizens and administrators underpinning political will” (Allegretti, 2010) that saw it as an opportunity to reform the relationship between policy-making, administrative management and citizen knowledge and visions. While in Rome’s District XI and in Pieve Emanuele greater attention was given to structuring a department to facilitate the entry of the participatory budget in the political-administrative routine, this was in reality not much beyond processes of “organisational outsourcing” to groups of professional facilitators capable of ‘oiling’ the public machine, without leaving a trace or changing the culture and technical praxis.

The first Italian PB experiments aimed to transform participation, from a symbolic to an instrumental resource (Sintomer & Allegretti, 2009), marking “the right of citizens to influence the choices of general interest”. Despite the specificities of each experiment, the ideal type of procedure, which served as reference for the pilot experiments of the first generation of Italian participatory budgets, was inspired by an adaptation of the Porto Alegre model. This city has become a symbolic reference for the first generation “training vessels” pursuing an idealised model of participatory democracy often associated with the need for a restoration of confidence in the relationship between politics and citizenship, after its dramatic breakdown<sup>4</sup>.

With the spread of cases of participatory budgets, from 2002 to 2009, the direct reference to Porto Alegre was gradually lost. Until mid 2005 it was possible to count up to 16 PB experiments, the number then grew exponentially, and in 2010 there were between 160 and 200 experiments, including more than 130 municipalities in the Lazio Region, winners of a public notice that since 2006 funded these activities for public consultation on an annual basis (Allegretti, 2011). As described in Sintomer and Allegretti (2009), this second generation was marked by a progressive removal of ideology.

The theme of PBs gradually entered political agendas of other forces across the country, and some of them began to “limit the target” of the objective of rebuilding democracy. The great initial expectations were replaced by a more realistic understanding of the real difficulties linked to the activation of an ongoing praxis of social dialogue on issues of economic planning, and attention started to be shifted to the recovery of the objectives initially considered secondary, of a cultural or administrative nature, and the reflection on the methodologies and procedural tools for the involvement of inhabitants was becoming richer and plural.

The geographical spread and scale of experiments represented another discriminating element between the first and second generation of Italian PBs. The diffusion of new experiments, which gradually shifted its core towards the centre of Italy, was articulated through three fundamental lines of development. The first political one was with the Communist Refoundation Party that presented the participatory budget as an “indispensable” element in the negotiation of the coalition governments’ programmes. The second was linked to the role of supra-municipal entities (and particularly in the regions of Lazio and Tuscany) that, through public notices, funds and other coordination actions, promoted a “guided development” for PBs, which was also a decisive factor in other countries like France, Spain, Poland and Brazil. The third type of

diffusion operated by “parthenogenesis”, generated around poles of attraction considered “exemplary” models. While medium/small municipalities prevailed in the first generation, often on the margins of local geopolitics (while the experiments in major cities, like Venice or Rome, had been limited to infra-municipal levels), the relation to size changed over time. PBs also emerged in medium-sized municipalities, provincial capitals or important centres of cultural life and regional politics, such as Modena, Cinisello Balsamo, Parma, Reggio Emilia, Arezzo and Bergamo.

It should be noted that in 2005, the increased interest in new Italian and European experiments, which in the meantime had been implemented such as Seville, Cordoba, Berlin and also some English cases, allowed incentives coming from different sources to be valued, such as the URB-AL programme, and particularly network 9, especially dedicated to the PB and local public funding. Not least important was the disseminating role, since 2006, of institutions like the “Forum P.A.” (under the Ministry of Public Service) or the annual fairs ‘Dire e Fare’, promoted by the National Association of Municipalities, and the public notice “E-Democracy”, sponsored by the Ministry of Technological Innovation, in 2005, which re-launched a strong debate on the use of digital tools for managing participatory processes.

It should be highlighted that the relationship between procedural quality and power of decision (Sintomer and Allegretti, 2009) was a critical factor in the evolution of the first two waves of PB in Italy. The first generation had found it difficult to combine the understanding of needs and the time devoted to the co-decision of financial priorities. The emphasis was given to the moment of choosing priorities, based on the “one vote per head” principle. This determined a gradual impoverishment of deliberative quality, focusing on superficial dynamic assemblies or even the use of written and electronic forms as a primary source of information and interaction.

To tackle these risks, after 2005, a generation of experiments started gaining momentum that, without abandoning the top-bottom logic that characterised Italian PBs from the beginning, was paying more attention to the structuring of discursive processes. Thus, specific “technical support functions”, aimed at spreading a culture of participation through publications, workshops, seminars, cultural mediations, diversification of communicative strategies and building synergies with other forms of pre-existing institutional participation were activated.

The progressive and remarkable transformation that marked the geography of the areas in which new PB experiments clustered, started including municipalities that were traditionally participa-

tive (in Tuscany and Emilia, for example), where the relationship between the consolidated organisation of local civil society and processes inspired on participatory democracy wavered, case by case, between collaboration and open conflict. In southern Italy, after the failure in the first year of the attempts of Campobasso (50,700 inhabitants) and Termoli (31,000 inhabitants), there was only one successful experiment with some continuity, Galatina (with approximately 28,000 inhabitants, in the Puglia region). Since 2007, it experienced a “hybrid” path that explicitly involved, divided in four themes, both organised associations and individual inhabitants.

Like this, a third generation of participatory budgets took shape gradually, and even though reduced in their ambitions and active in areas with physical proximity to citizens, were giving greater weight to “deliberative quality”, connecting strictly to other paths for public deliberation that focused directly on the quality of the proposed interventions. The cases of Bergamo (118,000 inhabitants) and the district of Rome IX (134,000 inhabitants) have introduced ways of more careful public discussion focusing on “tense” projects (and therefore attractive, due to the pre-existence of public factions in conflict), supported methodologically by academic institutions, and enriched by the use of theatre to relieve the excesses of “seriousness” during moments of public debate.

Unfortunately, such “sophistication” proved unsustainable over time, due to changes in political will or institutional support for the costs of these new “hybrid” processes. Therefore, the third generation of Italian participatory budgets eventually led to a visible deflation of the trend of the previous four years. This crisis of the PBs was reinforced by populist measures of great national impact, such as the abolition of property tax on first homes promoted by Berlusconi (which represented 30% of the wealth of many cities), as well as the abolition of local councils in many cities of medium and small size, and by changes in political leadership.

It is therefore not by chance that, in early 2011, only 10 participatory budgets survived in Italy, including some in the Lazio Region and Grottammare. The latter municipality – to help the PB survive the difficult economic conditions (although in an unaltered political panorama, always dominated by the social movement “Solidarietà e Partecipazione” born in 1994 and re-elected four times to guide the city) – transformed the PB within a broader programme of social dialogue called “Grottammare partecipativa”. And so it began applying the PB methodologies not only to the discussion of costs, but also to decisions on revenue. It was mainly between 2006 and 2012 that Grottammare questioned the conditions of various public-private partnerships, opening in 2010 a broad par-

ticipative process on non-repayable funding to a banking foundation, which almost doubled the value of the city's budget for 2011, allowing for the construction of a large multipurpose centre planned by the renowned architect Bernard Tschumi.

Nevertheless, in recent years, Italy has faced many changes and seemed to go through a consistent trend reversal, which led to a new awareness on civic participation. This development is also a result of the growing interest from academics in the PB, especially in subjects related to education, law, communications and political science, having relied for years only on the commitment of professionals in urban planning and sociology. The introduction of dynamics linked to trials of a more “deliberative” nature within participatory practices, also reveals a change in the political psychology of Italian academic culture, which up to now had associated participation to studies on experiences of resistance and mobilisation of social movements, and solidarity and welfare practices of the tertiary sector. Another factor that influenced this transformation was the rooting of new technologies (ICTs) in everyday life and in the Italian government: the widespread use of social networks gave strength to some social movements that became aware of the issue of participation, particularly valuing practices developed on the web (such as open data, crowd sourcing, etc.) and going beyond the traditional players. New participative platforms grew with contributions from citizens that started to relate to awards for innovation and new administrative practices.

In this sense, the participatory budget experiment of the Province of Pesaro Urbino also stands out; not only for being the first at the provincial level and to fund cultural initiatives, but also because of the centrality it gained through new technologies. Due to the lack of resources needed to organise a face-to-face process within such a broad territory above the local level, the presentation of projects and consensus on priorities was transferred to an articulated computer platform<sup>5</sup>. The project also stands out for using technology in the preparation of citizens' votes. For the first time, winning projects were chosen by a simulator that considered every vote as if it were a small amount of money, valuing those projects that were gaining greater contributions than the cost of the project itself.

It is worth mentioning that the importance of technologies also became visible in the defeat of the traditional left in the Italian elections of 2013, which saw the true numerical explosion of the so-called Five Star Movement (M5S) founded just three years earlier by the comedian Beppe Grillo, through his blog, and is today the leading political force in many parts of the country. This movement has grown through the Internet, giving rise to local grassroots groups motivated in promoting participatory practices and environmental protection. The M5S political standing has led to a strong emphasis on the issue of direct democracy, opening discussions on the urgent need to reform referendums and increase administrative transparency through open data systems. Despite this shift in priorities, the interest on the PB matures and the theme reappears today in local political programmes of various parties, as well as in many online discussion forums and even begins to gain time on TV.<sup>6</sup>

### *The Region of Tuscany as a multiplier of municipal experiments*

In an ideal map representing the panorama of municipal participatory budgets in Italy today, early 2013, the area of highest concentration is undoubtedly located within the territory of the Region of Tuscany. This area, as well as Emilia Romagna, slowly discovered the PB, as of 2003, even though it hosted the national headquarters of the Network for the New Municipality. This

<sup>5</sup> [www.piucultura.org](http://www.piucultura.org).

<sup>6</sup> On 10 April 2013 (coinciding with the beginning of the 'Biennale Democrazia' in Turin), the national channel RAI3 devoted an episode of 'Agora' to the subject of participatory democracy, and several newspapers gave visibility at a national level to the Capannori PB experiments.

<sup>7</sup> The exact title of the Law 69/2007 is: "Guidelines on promoting participation in the preparation of regional and local policies."

<sup>8</sup> Annual 2012 Report on Funding at the website: <http://www.consiglio.regione.toscana.it/partecipazione>.

may be because of its past advisory traditions.

The discovery of the participatory budget began in 2005 with the proposal of 29 municipalities from various Mountain Communities (an administrative entity that gathers second-level municipalities in areas at a high altitude) and Circondario Empolese Valdelsa to work with common models of socialisation for budgetary documents. Although many municipalities have not gone beyond the "communication" of data on the organisation of public accounts, some of them as Fabbriche di Vallico or Abbadia San Salvatore, took the opportunity to build a path of great quality, innovation and creativity.

In parallel, in Tuscany, two autonomous processes took shape that tried to overcome the mere "selective listening" while respecting the Tuscan administrative tradition, centred on the "delegation" to political representatives and marked by the "right to decision" of many presidents. The first was Campiglia Marittima (12,500 inhabitants), whose Participation department did not "close for holidays" in the summer, in order to engage its numerous tourists in public debate. The second was the Local Council No. 3 (Saione) in Arezzo, one of six in that municipality, which had about 28,000 inhabitants in a city of almost 98,000. Led by an inspired group of centre-left young politicians, and in close connection with the Local Social Forum, it developed independently in relation to the Municipality (at the time, centre-right), invading squares and public parks to attract citizens to discuss their problems and solutions to improve the quality of the neighbourhood. It is probable that the shy but brave experiment in Saione contributed to the citizen's victory of the centre-left and paved the way for a "bigger" PB, extending to the entire city of Arezzo from 2009. The cycle of the new participatory budget presented immediately some interesting novelties in Italy: the "rotating" development on various thematic sectors (starting with public works, culture, innovation and alternative energy), the inclusion of some statistical samples drawn from citizens to increase the diversity of participants, and measures of positive action (Ludobus to entertain children and presence in social networks such as Facebook) to ensure greater co-involvement of the youth and women. The recognition of the innovative features of Arezzo's experiment occurred in November 2009, when this city's PB (called "Io conto", i.e. "I count") won the "Montaione" prize awarded by a jury of randomly selected citizens from the regional territory, for 'good practice' in the involvement of citizens in political decisions.

The maturing of the two independent paths in Arezzo undoubtedly results from the support of the Participation Guarantor Authority, which was established by the Regional Law 69/2007 on Participation<sup>7</sup> (Floridaia, 2008; Allegretti/Rispoli, 2007) and provides annual financial support (700,000 euros per year) for participatory experiments.

In fact, this support represented a strengthening of political determination to go ahead in this direction (Picchi, 2012; Floridaia, 2012), and also improved tools for communication and inclusion. It also allowed for the growth of a new category of professionals, experts in participatory methodologies that were monitoring various experiments and training staff of several municipalities. An interesting case of this is the "Sociolab", a cooperative based in Florence and formed by young women (sociologists and communicators) who produced a number of interesting tools such

as regulations and summaries of public accounts tested in citizen focus groups, which have now become standard in many municipalities within and outside Tuscany.

It is worth highlighting that the number of requests for support for participatory budget projects submitted from 2009 until 2012 to the Tuscan region grew gradually. The same Participation Guarantor Authority became more aware of the issue and declared participatory budgets as a strategic participatory practice, granting an increasing number of positive responses to requests for support. Thus, and according to a study by Marta Picchi (2012), only 13% (7 experiments) of the 52 approved projects by the Region between 2009 and 2011 targeted this type of processes, as opposed to 2012, there were 16 co-financed PBs, representing 41 % of total projects supported<sup>8</sup>.

Under this protection/stimulation, guaranteed by a superior administrative authority, municipalities and local councils that became more consolidated with PB experiments in the Tuscan territory, maintained strong local characteristics and visible differences in organisational models. For example, while the Municipality of S. Giuliano Terme (31,800 inhabitants) potentiated the use of tools to assess the impact of using the public budget in promoting gender equality, the Municipality of Colle Val d'Elsa (21,500 inhabitants) created a “mock PB” centred on the possibility of involving young people between 16 and 25 in investments related to youth policies. Moreover, the Municipality of Quarrata (25,400 inhabitants) made one of the first experiments in co-decision involving current expenditure, while the Mountain Community of Media Valle del Serchio (about 33,230 potential inhabitants) focused the debate on the funds coming from a specific tax for the recovery of wetlands, to demonstrate how families can make a collective and transparent management of a tax, thus convincing citizens of the need and usefulness of this additional financial sacrifice. In this sense, the Mountain Community also entailed a ‘mock PB’ directed only at the participation of inhabitants of the areas where this particular tax is charged, but to broaden the benefits of this new knowledge development, linked a “Social Report” document to the PB.

Municipalities that tried the PB in the last three years have also created different tools to control and monitor the participatory path, forming ‘monitoring committees’ or ‘guarantee’ of a mixed composition – including the political opposition, citizens, and in some cases, even the local ombudsman.

In the generation of Tuscan PBs, developed between 2009 and 2011, there have been different durations of participatory cycles (5-9 months depending on the case), as well as the percentage of

the budget placed under citizen discussion. In Arezzo, the value is about 7% of the previous year’s budget for the thematic areas of interest (about 650,000 Euros), in Cascina it is 50% of the investment budget, and only in the Local Council of Saione, is 99% of the investment budget annually put through the participatory process (Picchi 2012, p.275). The analysis of overheads for the organisation of the last generation of Tuscan PBs, developed between 2009 and 2011, reveals that the costs per capita (calculated in relation to the number of potential participants) are lower (with an average 1.54 Euros) when the PB is directed at a specific audience, rising to an average of 2.36 Euros when the PB is open to the entire population (Picchi 2012, p. 284). This demonstrates the need to move forward with measures that rationalise costs and enhance effects and attractiveness to potential participants, in order to reduce the risk of non-sustainability of the process and dependence on regional funding. This is especially true if we evaluate the numbers of participation in Tuscan PB experiments of the last generation that (although increasing in time) average around 2.87% of potential beneficiaries, peaking at 3.5% in the Local Council of Saione, and 5.6% in other local councils in the Municipality of Arezzo (Picchi, 2012, p.282).

Regarding the “support” given by the Participation Guarantor Authority, it may have introduced some form of “dependency” on external resources, which would explain the intermittency of some experiments that are neither linear nor continuous in time (such as S. Marcello Pistoiese or Media Valle del Serchio) because they are not solidly grounded in local political will (as the experiment in the Lazio Region between 2005 and 2009 has shown). But one cannot deny that this support has allowed the increase in quality of participatory spaces, having the role of monitoring and stimulating in its evolution through time. This was evident with the birth of ‘spin-offs’ i.e., side participatory processes generated by “mainstream” PBs. The “hybridisation” between the classical models of Italian PBs and other participatory spaces, more focused on the quality of deliberation and debate, has marked the experiments of Tuscany in the last biennium. In fact, it was thanks to the sensitivity and the specific interest of Prof. Rodolfo Lewanski, coordinator of the actual Authority, that Tuscan PBs have recently increased their interest in training staff in conducting social dialogue, and have also been looking into methodologies that could bring new vitality to the process through the presence of randomly selected citizens or other forms of involvement unrelated to self mobilisation. In this sense, local experiments gradually benefitted from the positive results of initiatives that the Tuscan Region had already done at a higher territorial level, connecting (as with the Lazio Region) with methodologies of the World Café, Open Space Technology or

Town-Meeting, and with mechanisms rarely used in Italy up until then, especially deliberative methodologies focused on randomly selected statistical samples representative of citizens (Sintomer, 2011). The Tuscan Law No. 69/2007 was marking because the model supporting participation that it launched was the subject of attention inside and outside Italy. As an example, it was a stimulus for the Emilia Romagna Region to formulate its own Participation Law (No. 03/2010), and received a major award by the International Association for Public Participation (IAP2).

The most representative cases of this hybridisation, and of this “dialogical-deliberative” format are the participatory budgets of Capannori (47,000 inhabitants) and Cascina (44,200 inhabitants). The first focuses on the internal activity of a working group of 80 to 90 citizens, randomly selected based on a statistical sample representative of the population. The group is involved in a structured path to first understand the municipal budget, and then analyses the common needs and opportunities of the territory, aimed at listing the best solutions and projects to be voted on by the public. The presence of expert facilitators in consolidated participatory methodologies helps citizens make decisions through deliberative practices of high quality. One objective of this hybrid PB model is to train, each year, a group of citizens to become more aware of the complexity of the city’s problems, as well as administrative rules and structural limits. Also, the aim is to gradually increase the quality of proposals, multiplying forms of horizontal dialogue between citizens. On the other hand, there is a specific objective of reducing the influence of groups and more organised interests and appreciate the problems and the most common issues. In this sense, the Capannori PB, just as other experiments of the Tuscan model, centres its methodology in seeking the inclusion of all views (including minority ones) and civic training, giving less importance to the number of players in the PB process. In 2013, the Capannori’s participatory budget reached its second year; the first included more than 1,000 citizens in the voting phase, although this was apparently dominated by well-organised groups that had managed to elect the rehabilitation of some schools in four districts of the city as main projects.

Despite the model being innovative, and with the difficulty of merging a deliberative process with universal voting, such a model seems to limit some of the potential for social innovation that the PB of a city like Porto Alegre always had, illustrating how the absence of social movements, associations and organised groups is impairing to the deliberative process. The dependency of the participatory process on professional facilitators, who “motivate” and “help” the participation of “unstructured” citizens (that do not belong to any association), reduces the potential of self-organised society, and this has marked many PBs from the start.

In turn, the PB of the Municipality of Cascina is an attempt to compromise between the “dialogical-deliberative” and the “participatory” model. The Cascina Partecipa! project (broader than a mere PB) was developed with the support of the association “Centro Studi Democrazia Partecipativa” located in Milan, that had already supported the PB experiment of the Municipality of Canegrate (with the same name: Canegrate Partecipa!). Still active today, this case was supported by the Regional Authority for Participation, and focused on the establishment of a working group composed of ‘randomly selected’ citizens and “delegates”, that were appointed by the population, based on specific proposals submitted at the start of the process. The idea is to value the uniqueness of both processes, deliberative and participative:

- a) The neutrality of results, guaranteed by the presence of other people that are “indifferent” to the interests of organised real estate groups;
- b) The inclusion of people with community interests that are rooted in the territory, which

were demonstrated by the number of votes received.

The exchange between delegates elected by participants and those that are randomly selected, could also stimulate the contagion of ideas, and help go beyond the limits of one's specific interests and know what other people think.

### *The experiment of the Municipality of Canegrate as a method*

The “Cascina Partecipa” experiment had power of contagion from the Canegrate PB experiment (a small town of 12,400 inhabitants in the province of Milan) also coordinated by the association “Centro Studi Democrazia Partecipativa”. The “Canegrate Partecipa!” PB was also very important, having started as a very basic experiment, favouring the diffusion of the idea and values of the city's PB, rather than promoting a true deliberative quality. The phases of the process were simply:

- a) collecting proposals through cards and ballot boxes distributed throughout the municipality;
- b) selection of the most common and viable proposals;
- c) voting by citizens via the Internet, cards and in the final open assembly.

The results so far have been positive: in two years of implementation, participation doubled reaching 1,800 people in total, with a good number of people in public meetings and good quality of proposals.

Since the beginning of 2012, interest in the process has grown so much and even beyond municipal boundaries (Amura/Stortone, 2010), that government parties have placed participation as the first item in their political programme, with a renewal of the elected representatives, opting to include more young people and women. After the recent elections, the success of this proposal continued (which had indirect support in the broad preferences collected through votes), and popular representatives began working for the construction of an experimental Charter for Participation that can control participation in a more structured and advanced way as a right of citizenship.

### *An open conclusion*

The analysis of participatory budget experiments undertaken in Italy in the last decade reveals the existence of three different generations that faced the “democratisation” of choices, transparency, citizen autonomy, inclusion, technical coordination and ‘responsiveness’ of the experimenting entities with dedication and various tools.

The first generation, more closely related to the Porto Alegre example, developed from a few scattered cases within the territory that wanted to assert a marked “discontinuity” with the past, but also inclusion in the dynamics of global exchanges to offer contributions to the thoughts on, and the construction of a “new possible world”. Those experiences that survived, like Grottammare, and intermittently, the Municipality XI of Rome, have undergone important changes, correcting some mistakes, better structuring their own rules and opening up to other forms of social dialogue with a broader long-term vision. However, they were not able to leave a real print in Italian political practices: islands in an ocean, these first-generation PB experiments were not able to leave formulas and strong elements of resistance and originality to avoid the dramatic participative crisis of the subsequent years.

The second generation of Italian PBs set less ambitious and more realistic objectives with re-

gard to local context, by placing limits on expenditure which had to be discussed, and linking it to pre-existing participatory paths. There was an attempt to articulate it with the administrative decentralisation, but this was done precisely at the moment that the experiment of local councils was finishing by the central government's imposition. This generation was more peaceful in relation to the past looking for "continuity" and feeling the weight of the national setting, which obliged municipalities to waste energy and creativity to survive the budget cuts, stricter rules and the rigors of the Stability Pact. With less confidence in the citizen's creative role, these experiments advanced cautiously through trials that expanded timidly and gradually, "rehearsing" results and taking more care than in the past. The collaboration with associations, consulting firms, research institutes and universities accentuated the sense of "experiment" and "pilot tests," up against practices that were at times more intuitive and improvised in the past.

In the historical moment in which this PB generation was consolidating, the economic crisis and political situation acted against it, making the role of supra-local administrative entities central in the consolidation of experiments. The "jump in scale" of interest in the participatory budget has had positive effects on the consolidation of less cohesive political will, and has reinforced the boldness and the quality of experiments. The contribution that provinces and regions offered municipal experimentalism was diverse, but no doubt they also had a role as 'transmitters' of innovations tested at the local level, to modify the political-administrative culture and transform legislation.

A typical feature of Italian experimentalism was to propose ideas and methodologies for varied and creative actions but that were often "incomplete" forcing them to take "leaps" and "intermittent jolts". Participatory budgets are not exceptions to this scenario, as shown by the new generation of experiments that slowly arises from the ashes of a general evacuation at a national level that occurred around 2010.

Besides the substantial political fragility that determines them, there are five main content shortcomings that the new Italian generation should record: (1) the objectives of "social justice" are rarely explicit; (2) The commitment to address the participation needs of weaker social sectors (particularly, immigrant and disabled) is still very limited; (3) Measures to promote "gender equality" remain weak, regardless of the efforts made by many experiments to promote the "mixing" and "plurality" of the presence of different inhabitants; (4) The involvement of technical and administrative structures in the creative phases of participatory paths is still far from being complete; (5) The integration of PBs with other forms of shared planning (on topics such as urban redevelopment, or sustainable development) remains slow.

If the "hybrid" experiments of 2008-2009 (such as Bergamo and Rome IX), which openly assumed some of these "failures" and started trying to rebalance them, did not last for cyclical reasons of transformation in the political sphere, today it seems possible to imagine a small leap forward in the participatory culture, especially in some "concentrated" areas in the country (such as Tuscany). At the national level, much has changed in the first months of 2013, and the elections that led to a tripartite division of Parliament in the hands of three apparently irreconcilable forces (Berlusconi's People of Liberties, the Democratic Party and the new Five Star Movement) does not facilitate the task of overcoming two key limitations that preclude the growth of participatory experiments:

- 1) The habit of "institutional strangulation" of local authorities, with the progressive

reduction of their autonomy;

2) The habit of concentrating a lot of energy in events such as the “primaries” (which have become central to the democratic internal life of leftist party coalitions since 2006), without realising that they are set in a context of “conceptual pre-eminence” of representative democracy, which at most establishes a “democracy of investiture” (Elia, 2002).

If the new national political scenario brings a discourse focused on the need to renew traditional forms of political institutions, with ways of increasing the openness of citizen’s choices, the PB could be a concrete answer to this issue. However, more recent experiments do not converge on a single innovative direction, because along with proposals that suggest new ways of tackling, for example, the use of new technologies and the construction of spaces for more “deliberative” debate (as in the aforementioned proposals for Capannori and Cascina), there also new processes (such as the Municipality of l’Aquila<sup>9</sup>) that turn back ten years to propose advisory models that leave the decision in the hands of traditional political forces once again.

In this framework, the way to meet again the lesson of Porto Alegre, the initial reference of Italian participatory budgets is still far and necessarily involves a new multiplication and diversification of experiments. There are already several new elements and positive experiments that allow us to expect the emergence of a new generation of PBs in Italy, supported by a new creative role of the Internet and able to share good practices, expanding public debate on issues of common interest and sensitizing each day more citizens to participate directly in the political life of the country. If there is no certainty about the survival of participatory budgets in the long term, there is no doubt that if a wave weakens, any experimental innovation that will take their place in the future will find a wealth of material on which to work and certainly many examples with which to learn from.

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<sup>9</sup> The city of L’Aquila suffered a severe earthquake in 2009, which left thousands of people homeless and without a centre for community life. Recently the municipality organised a process called “participatory budget” with 3 million euros for investments in the city. In reality, it is a classic process of popular consultation or “selective listening” with open meetings to just listen to suggestions from citizens, but without structured deliberation and concrete co-decision process on that value.

EUROPE

PORTUGAL

NELSON DIAS

# A DECADE OF PARTICIPATORY BUDGETING IN PORTUGAL A WINDING BUT CLARIFYING PATH

## *1. Introduction*

Local power in Portugal did not remain unaffected by the international dynamics of Participatory Budgets, being one of the European cases that aroused greatest interest. The history of these processes in the country has little more than ten years but there is a wealth of data that leads us to do an analytical effort to understand what innovating changes are happening in local power.

Throughout this article we analyse more than seventy experiences of Participatory Budgets (PB) that occurred during this period, systematise some general indicators, reflect on the characteristics and participation models underlying these processes, analyse the geographical distribution and some of the main results produced.

## *1. Administrative framework*

According to the Portuguese Constitution of 1976, whose seventh revision was in 2005, the democratic organisation of the administrative structure of the country, at the local level, is based on the existence of so-called 'local authorities' that have their own assets, financial autonomy, internal staff and independence to carry out local referendums on matters within their own jurisdiction.

The network of local authorities consists of 308 municipalities, which in turn are subdivided into 4,259 local councils<sup>1</sup>. The elected representative bodies of Local Councils and Municipalities are the Assembly (elected deliberative body by direct universal and secret suffrage by voters, whose numerical strength depends on the number of registered voters in each territory) and the Local Council or Municipality (collegiate executive body). Both include members elected by parties in the opposition. This is understandable as this rule was designed with the aim to value all forces of society in the post-revolutionary period (Dias & Allegretti, 2009).

In Municipalities and Local Councils, a President or a citizen who tops the most voted list always coordinates the executive body. The elections of the executive and deliberative bodies are separate but concurrent, except in the event of a mid-term

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<sup>1</sup> There is currently an ongoing local government reform aimed at reducing by approximately 25% the number of local councils, and is to be completed by the next municipal elections, scheduled for the Autumn, 2013.

election, i.e. when one of the two bodies must end its term before expected.

In the Municipal Assembly only part of the members are directly elected, and they must be greater in number than the presidents of Local Councils, who are also part of it as ‘members in their own right’.

The operation of local councils is partially guaranteed by a percentage of the National Budget, which is directly transferred to them. Their powers are circumscribed to some tasks of administrative decentralisation and management of electoral processes, although other responsibilities of services and public spaces can be added based on specific agreements between each respective local council and municipality. As the size and organisational/functional structure of local councils vary greatly (from a few hundred to more than 60,000 inhabitants), the distribution of powers and responsibilities must necessarily be ‘geometrically variable’.

The term for local authorities is four years, and even today the tradition of Portuguese politics is based on a strong continuity of people and ‘political families’. The Presidents of Municipalities elected as ‘independent’ outside the range of traditional parties, are a tiny minority. Since 2005, the term for presidents of executive bodies of local authorities cannot be renewed more than three consecutive times.

The administrative divisions above municipalities include the 18 districts of mainland Portugal and the creation of continuous territorial units formed by the grouping of municipalities: the Urban Communities (ComUrb), the Major Metropolitan Areas (GAM) and the Intermunicipal Communities (ComInter).

Regarding the creation of administrative regions (under the Constitution), the process of regionalisation was stopped by referendum in November 1998, which did not approve the map of eight regions made official by Decree-Law 18/98. Currently only in the archipelagos of Madeira and the Azores are there two real Autonomous Administrative Regions, which are comprised by several local councils and municipalities. On the contrary, in mainland Portugal the ‘map of the five master regions’ (North, Centre, Lisbon and Tagus Valley, Alentejo and Algarve) corresponds only to five Coordination and Regional Development Committees (CCDR). This complex structure necessarily requires a revision. The reform proposals put forth were never truly shared and concerted nor resulted from careful studies on the actual functioning of municipal institutions. They usually corresponded to ‘ideological’ positions or partisan political maps, more interested on the one hand, in reducing institutional management costs, and on the other, to ensure territorial cuts that matched the potential political and electoral advantages for the different parties. They are not proposals that ensure an unequivocal respect for the principle of subsidiarity.

## *2. Socio-political Context*

A significant part of the period of Portuguese democracy under discussion in this article, namely between 2000 and 2013, has been marked by a deep structural crisis that the country is still experiencing.

From a political point of view, the recent elections confirm the progressive divorce between citizens and politicians. Of the 9,543,550 registered voters in the last presidential election in 2011, only 4,431,849 voted, representing an abstention level exceeding 53%<sup>2</sup>. If one adds to this figure the blank and null ballots, the value of discontent rises to almost 60% of all registered

voters. In the Legislative elections of 2011, the weight of abstention, plus blank and null ballots, stood at about 44%. This data is a reflection of the dissatisfaction of the Portuguese population in relation to the political class and the main democratic institutions. When the core of the system – free and universal elections – undergoes a process of social and political devaluation such as this, it is the ability of democracy itself, to unite people and mobilise intentions, which is damaged and put into question.

From a socio-economic point of view, the country is facing one of the most serious crises of its history. Public debt and external debt of the Portuguese economy have surpassed 120% and 437%, respectively, of Gross Domestic Product (GDP). Unemployment has affected nearly one million Portuguese. Youth unemployment is dangerously approaching 40%. The Social State is facing one of the harshest attacks since 25 April 1974, with a policy of widespread cuts in social benefits and wages, while the tax burden on families and businesses increases. There is a significant contraction in people's living conditions and a progressive impoverishment of the country. All political predictions fail and there are growing signs of social and political contestation.

The scenario outlined above allows one to come forth with the idea that we are facing a combination of a crisis of representative democracy with a regressive distribution of resources, i.e. with a progressive impoverishment of families and the country. This setting is socially complex and politically dangerous.

The period under analysis also has its peculiarities as far as local authorities are concerned. For several years a growing asymmetry grew between the competency framework of local governments, particularly Municipalities, and their financial capacity. In other words, the transfer of powers from the Central Government to Municipalities has been made without the corresponding financial support, causing as expected, imbalances between the demand for services by the population and responsiveness of municipalities. Part of the problem has been overcome by the availability of European Union structural funds, which allowed Municipalities to create numerous local facilities and services. The current financial crisis has, however, brought to light the imbalances and the lack of sustainability of some of these investments. The downsizing of Local Public Administration and the high operational costs of some of these equipments and services have led Municipalities to condition them.

There will be changes in municipal investment patterns over the next few years. New projects will be greatly reduced, particularly large-scale ones, giving priority to maintaining the existing ones. Municipal budgetary constraints will also require a closer and ongoing dialogue between elected representatives and the local population. It is in this context that new forms of citizen participation in local political life have gained special importance, including the Participatory Budget. The next local elections, scheduled for the autumn of 2013, will certainly reflect this reality. The electoral programmes will be less ambitious in construction projects and more directed at creating favourable conditions for local partnerships, social responses, private investment, job creation and citizen participation in municipal management.

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<sup>2</sup> National Election Commission, Official Map no. 2/2011, available at <http://www.cne.pt> (date accessed: 01/04/2013).

A renewal of elected members in municipalities is expected, due to the new electoral law that limits rulers' mandates, and it will be a more accentuated phenomenon in the coming elections. This could be a turning point for the emergence of renewed political generations, possibly more prone to democratic innovation and the consequent implementation of participatory practices. This is not yet confirmed, though there are increasing signs of that possibility, as shown by the fact that the average age of councillors that implement the Participatory Budget is lower than the national average. Another interesting indicator is the fact that most experiments initiated in the last ten years are by mayors in their first electoral term, which demonstrates their willingness to give a 'personal touch' to the management of public affairs.

### *3. On the concept of Participatory Budgeting*

The significant expansion of Participatory Budgets in the world implied the combination of this type of processes with different social, political and administrative cultures, resulting sometimes in very significant changes in the models, objectives and achievements.

This reality, as unexpected as stimulating, makes it difficult to identify a general definition of the Participatory Budget. In an attempt to universalise some of the crosscutting principles of these mechanisms, it is proposed that these be understood as a new form of governance for public authorities, regardless of their scale, based on the direct participation of citizens in defining policies and priorities for each territory. This implies a more systematic approach to participation, where Participatory Budgeting is compared with other processes, and this requires the direct involvement of citizens in four crucial stages: i) where problems and needs that society is facing are identified; ii) the annual and specific decision on priorities; iii) the implementation of projects, iv) monitoring and evaluation of projects.

There must be a simultaneous clarification of the governing body's financial situation that is promoting the process, ensuring a debate on revenue and expenditure. The participatory process is based on different mechanisms, among which territorial or thematic meetings/ public assemblies stand out, websites and Internet forums or even telephone messaging systems (SMS and MMS), among others.

The more traditional participation practices developed in Portugal are confined to the first four stages previously presented. This means that people are merely 'invited' to participate by identifying problems and needs that they face. In some public consultations on certain projects, citizens can make suggestions about their design, although these processes are not easily accessed and are not conducive to people's greater involvement.

That is why this conceptual proposal is essential, as it intends to contribute to the distinction between Participatory Budgets and other practices of citizen involvement. This clarification is particularly important in the Portuguese case, as will be seen further ahead, due to the occasional abusive or inappropriate use of Participatory Budgets. The trivialisation of these experiments, or misrepresentation of its principles and methods, can be very damaging and lead to misinterpretations of the potential of these processes.

In Portugal there has been an attempt to equate Participatory Budgets to more traditional practices of participation, limiting these initiatives to the presentation of public investment proposals by citizens, without an important role in decision-making, following and monitoring the projects. It is an attempt of the old political and democratic culture to gain legitimacy and survive at the expense of 'new clothing'. The risks have been evident, of which two are

worth mentioning: i) maintaining or possibly worsening the distrust between those who govern and those who are governed, as a consequence of the failure of the participatory process, ii) to discredit Participatory Budgets through their incorrect use.

#### 4. Participatory Budgeting in Portugal

##### 4.1 General indicators

In this section some general indicators and guidelines will be presented on the situation of Participatory Budgets in Portugal between 2001 and 2013<sup>1</sup>. This period includes three municipal terms<sup>2</sup>, within which 76 PB experiments have so far been identified in the country. These are subdivided into three categories: i) 44 in municipalities, which corresponds to about 15% of Portuguese municipalities, ii) 19 in local councils, approximately 0.4% of all local councils; and 13 specifically dedicated to the younger sectors of the population, of which only 1 was developed by a local council, and the remaining 12 at a municipal level.

Regarding the approach adopted, 52 advisory and 24 deliberative Participatory Budgets have been identified. In the first case, citizens are only consulted on proposals they would like to see implemented, leaving the final decision to elected executives. In the second, participants can submit and vote on proposals they consider being of highest priority, whereby executives are to ensure that they are implemented.

A closer look on how these experiments are divided allows us to draw two general conclusions:

*I. I.* The preference of advisory methods by most elected members, which allow for a slight opening of the budget to the population without sharing any power of decision on investments to be made. Ultimately, it is a misuse of the concept of Participatory Budgets, as defined in the previous section, and an attempt to ‘tame’ such processes, putting them at a level with other more traditional methods of participation, as in the case of public consultations and of territorial studies or evaluations;

*II. II.* The greater openness of Mayors to deliberative processes when these involve only the younger sectors of the population, as shown in Figure 1. They act as a kind of ‘test tube’ that allow those elected to experiment with deliberative methodologies, usually with reduced funding from the municipal budget and developed with a population that is less partisan, less manipulated and with less argumentative ability, making the process more ‘comfortable’ for those who promote it. Still one needs to consider these processes as an important investment in building more active youth citizenship in community life. This is of particular interest in the context of very strong detachment of the youth in relation to politics, in the broadest sense of the term.

Looking at Participatory Budgets developed in Portugal as a whole, one can consider that people who participated in these processes have decided on about EUR 35 million to date. Given the outlook for 2013, this figure will increase to 41 million by end of the year. These are not very significant sums if we consider the total number of municipalities that have tried the PB within the timeframe being analysed.

Another issue that should be considered is the relationship between population size and PB experiments. As shown in Figure 2, over 50% of Portuguese municipalities have less than 15,000 inhabitants. These are, therefore, areas with low population density.

When this data is crossed with Participatory Budget experiments, one can draw some interesting conclusions. In terms of percentages, the most populous municipalities are the most likely to

<sup>3</sup>Data relating to 2013 cannot be considered final, as this article was written in the first quarter of the year.

<sup>4</sup>Local Elections of 2001, 2005 and 2009. In Lisbon there are four terms in question, as there were the snap elections in 2007.

Figure 1 Types of Participatory Budgets by methodological approaches (2002–2013)

Source own data

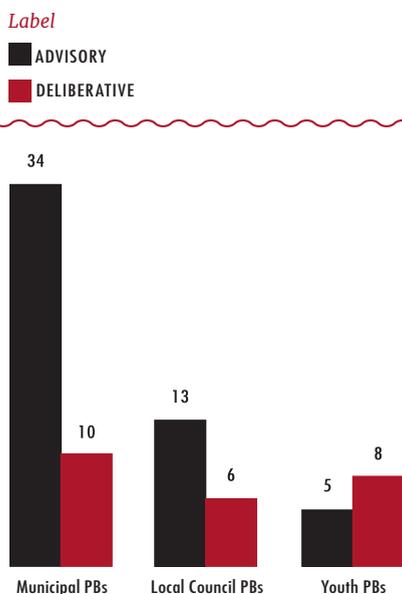
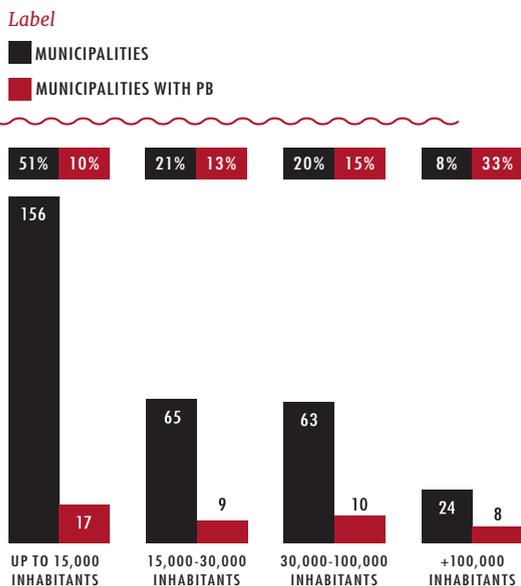


Figure 2 Population size of municipalities with and without PB (2002–2013)

Source own data



adopt such processes. This can mean that the greater the physical and relational distance between elected representatives and citizens, the greater the tendency for the implementation of the PB by executives. Participatory Budgets may indeed be a way to compensate for the little proximity between elected bodies and citizens, certainly more evident in the municipalities of greater demographic and territorial dimension. It is also here that one finds more deliberative experiments. By contrast, smaller municipalities tend to favour advisory approaches, as is clear in Figure 3.

The evolution of Participatory Budgets in Portugal, shown in Figure 4, is very unstable. There is a kind of ‘schizophrenia’ marked by the speed with which these initiatives are both started and suspended. This is certainly the result of Portuguese society’s political and democratic culture and its elected representatives, demonstrating that Portugal is a country that is still trying to find new democratic, more participatory and more inclusive ways, in the relationship between elected representatives and the population in general.

During election years – 2005, 2009 and 2013 – it is normal to see a drop in the number of active Participatory Budgets. Regardless of the reasons for this situation, it is fair to conclude that the electoral battle overlaps with participatory democracy, making it difficult for the two processes to peacefully coexist. Do politicians prefer to avoid the risk of using the PB as an electoral tool or is the democratic culture of Portuguese society and of parties so poor to the point of not knowing how to distinguish from these two situations?

Another conclusion that can be drawn from Figure 4 is that these new forms of democracy are far from being consolidated and face a generalised distrust that has settled in Portugal. “In fact, in the European context, the Portuguese are those who manifest the lowest levels of interpersonal trust” (Pinto, 2010: 122). This may help explaining the low levels of social and political participation registered in the country. This is a crucial matter for the topic at hand, in so far as it is believed “that in societies with higher levels of interpersonal trust collective action is enhanced, generating more civic participation, more trust in institutions in general, particularly in political institutions and, finally, more satisfaction from democracy.” (ibid.).

In the Portuguese context, trust appears to be increasingly confined to family circles and friendship, which helps to transform the Participatory Budget into a more complex exercise, since this must be based on trust between citizens, and between the latter and the Administration.

The situation becomes more complicated, if we consider that there is mutual distrust between those who govern and the governed, which may become socially and politically dangerous, in that it triggers a vicious cycle that encourages a progressive detachment between the two spheres, increasingly driving citizens away from institutions, and allowing these to take over all decision-making on people’s lives, under the pretext that citizens are individualists, and so unable to express intentions and desires based on the collective interest and common good (Dias and Allegretti, 2009). This explains one of the difficulties faced by Participatory Budgets in Portugal.

To this is added the awareness that any voluntary process of political involvement can only take shape if citizens believe in the real transforming ability of the partic-

ipatory path, given that empirical data reveals that participation (Allegretti, 2007) is not an independent variable but one that is strictly dependent on the concrete results that it is capable of producing. In other words, the more citizens believe in the results of the participatory process, the greater their tendency to participate.

When we analyse Participatory Budgets by political party in local government, there is a majority of the Socialist Party (PS) with about 55% of experiments registered during the period in question. It is followed by the Social Democratic Party (PSD), alone or in coalition, with 31% of cases, and the Democratic Unitarian Coalition (CDU) with about 15% of the municipalities with PB. There were also 3 experiments promoted by independents.

From the monitoring of these processes, it is possible to say that partisan differences have not reflected on the methodologies for promoting the Participatory Budget. All political colours, from right to left, have had deliberative and consultative experiments where only one of the municipalities governed by the CDU, namely Sesimbra, ‘dared’ to implement a deliberative process.

However, a chronological look at PB experiments promoted by partisan forces allows one to conclude that the processes promoted by CDU were abruptly interrupted between 2008 and 2009, which corresponds to the final stretch of the municipal term. It is not an unusual situation, in that CDU was at the time the political force in municipalities with the highest number of experiments developed.

Looking at the Participatory Budgets promoted by municipalities, it appears that most have been assured by Mayors that govern with a majority, singly or in coalition. Only 10 initiatives were conducted by minority administrations, which may imply that the PB has not been ‘used’ as a tool to build consensus between the different parties that share governance of a given municipality. In fact, this is natural, because Participatory Budgets in Portugal do not have any legal framework, depending entirely on political will, and therefore they are easier to implement within municipalities with a political majority. This cannot be regarded as a rule, since it is known that the existence of a major political force in a municipality does not guarantee consensus or unanimity for the adoption of such processes within the administration itself.

Regardless of the data presented in the previous graphs, it can be concluded that the PB in Portugal, unlike other countries, is not ‘owned’ by any one particular party. It appears that municipalities governed by different political colours have progressively adopted this same process. This is a key factor for the sustainability of these initiatives because it avoids their partisanship. It makes it possible to advance the hypothesis that participation, rather than an ideological issue, is now a requirement for good governance, especially in the need to build trust between those who govern and those who are governed.

Still regarding the situation of municipal PBs, it is important to examine

Figure 3 Population size of municipalities with PB by type of PB (2002-2013)  
Source own data

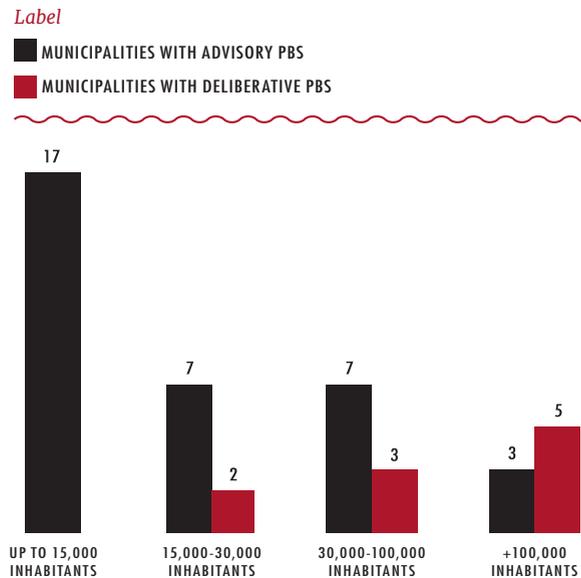
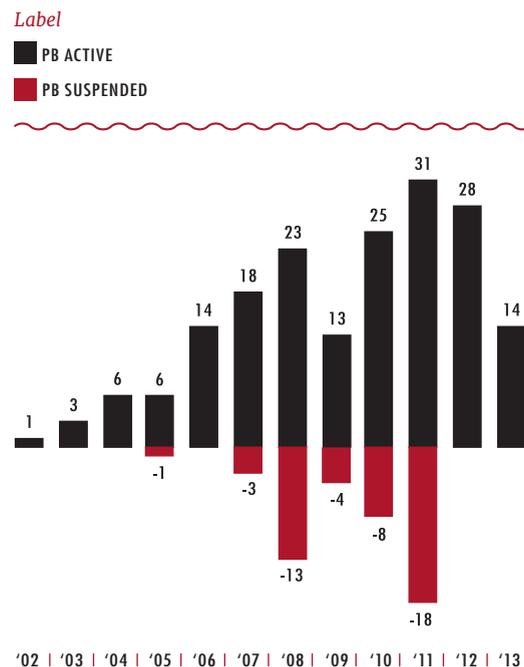
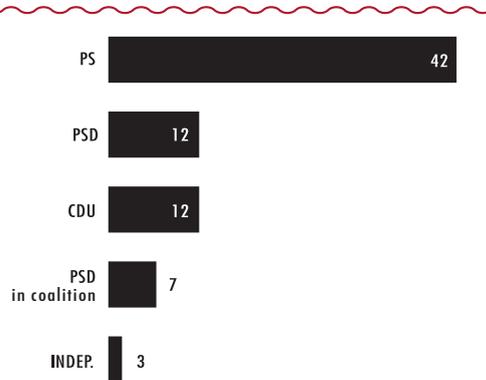


Figure 4 Timeline of Participatory Budgets in Portugal (2002-2013)  
Source own data



**Graph 5** Participatory Budgets by Political Parties (2002–2013)

Source own data

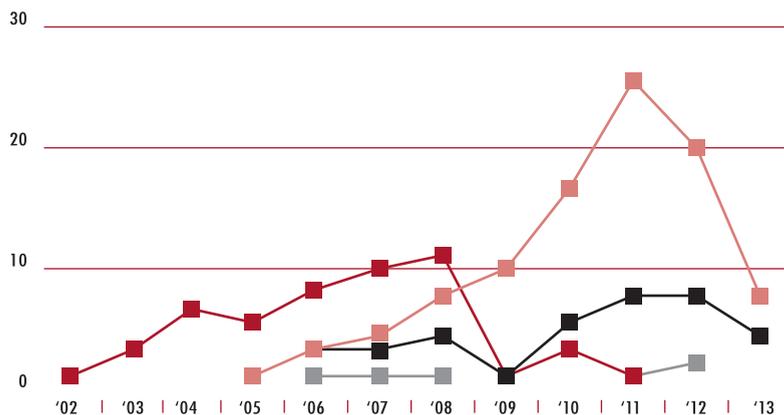


**Graph 6** Timeline of Participatory Budgets by Political Parties (2002–2013)<sup>5</sup>

Label

PS PSD (SINGLY OR IN COALITION) CDU IND.

<sup>5</sup>The experiments recorded in 2013 are public until the time this article was written. Therefore others may take place until the end of the year. There is however one certainty: PB experiments at the local council level are not expected in 2013. This is only understandable in a year of elections and with an administrative reform that will result in a reduction of about 25% of current local councils. Some that have PBs will be merged, which is why the impossibility of developing a process for next year with budgetary implications is understandable.



the relationship between the Municipality and the Assembly, i.e. the extent to which this process can influence decisions between these two spheres, particularly in relation to the approval or rejection of Proposals. Given the experiments in other countries, such as Brazil, in a situation where the legislature is led by a different political party than the municipal executive, and is pressured by the community to approve the public budget, has no point of comparison in Portugal. There are numerous situations of municipal executives in our country that have to face a Municipal Assembly led by opposition forces<sup>6</sup>, without the PB ever weighing as a factor on the deliberation of municipal budgets. The case of Lisbon is indeed paradigmatic, in that the budget proposals submitted by the executive were not approved more than once, without the PB having had any influence on the weighting factors, and without citizens exerting any pressure on the governing body. The relatively small weight of Participative Budget investments in the overall budgetary framework of municipalities certainly contributes to a degree of insignificance in terms of what is being examined here. From the citizen's point of view, there is also a certain lack of knowledge on the normal course of budget approval; making their vote on the investments they consider a priority within the PB the end of the process, neglecting the procedural legal steps, namely the approval of a proposal in the executive office and later in the Municipal Assembly.

#### 4.2 Geography of experiments

The analysis of the geographical distribution of Participatory Budgets in the country allows us to draw the following interesting conclusions:

- a) The south of the country has a greater tendency to adopt such processes, with a significant concentration in the Lisbon Metropolitan Area, with 19 Participatory Budgets<sup>7</sup>; in the District of Beja, where 8 of its 14 municipalities have already experimented this type of practice; in the District of Faro, with 8 PB initiatives, two of which are with young people and in municipalities that also develop the process with adults, including São Brás de Alportel and Tavira;
- b) Three continental districts, namely Viseu, Guarda and Évora, as well as the archipelago of Madeira, have not registered any Participatory Budget experiment yet. This area includes 62 municipalities;
- c) The geographical concentration of some of the experiments leads us to believe that these processes spread, in part, through 'contagion' by proximity between councillors. This trend of cross-influences between neighbouring initiatives does not necessarily mean a mere indiscriminate multiplication of methodologies, although this can also be observed;

d) The PB implementation in municipalities and local councils, with large differences in terms of area and population, allows us to grasp the flexibility of this type of instrument, adjustable to different contexts. This helps explain the distinctive resource that some promoters of these experiments make of virtual or face-to-face participation methods. Though it is not a rule, there is a tendency that larger territories with higher population densities choose to use, albeit not exclusively, new technologies to promote participation.

This geographical distribution crossed with the timeline of experiments allows us to identify two phases of the spread of Participatory Budgets in Portugal:

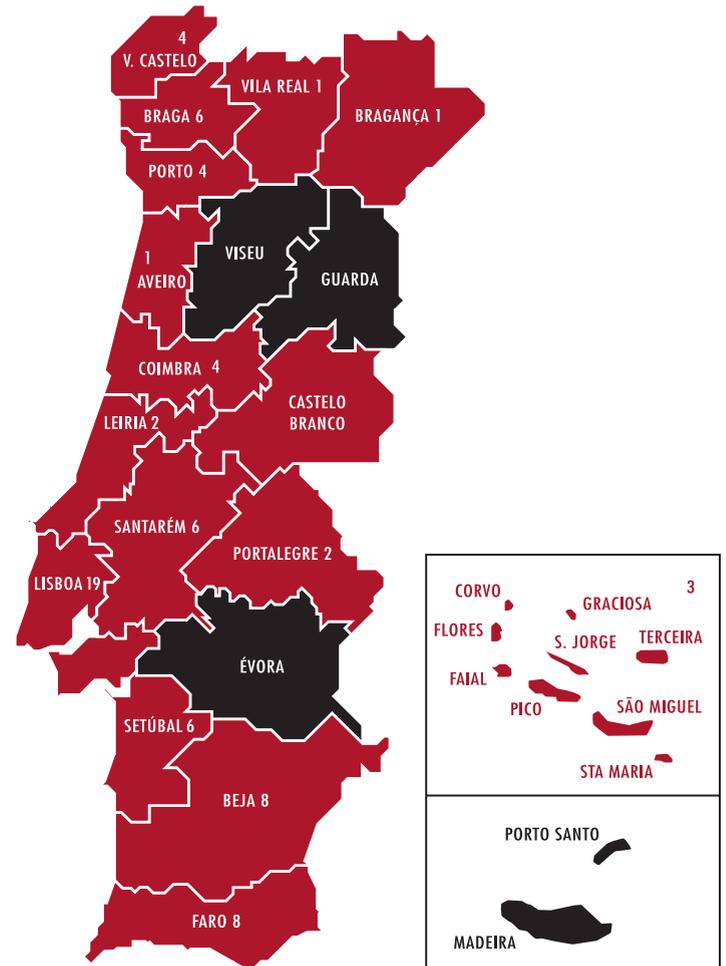
- The first one, between 2002 and 2005, was mostly located south of the Tagus, with the highest incidence in the District of Setúbal, a region where there was a higher concentration of municipalities led by CDU;
- The second, from 2006 onwards, with a greater spread of experiments, from north to south, although with some 'clusters' in the Metropolitan Area of Lisbon, in the districts of Beja, Faro, Braga and Santarém.

**Map 1** All Participatory Budgets by District (2002–2013)

Source own data

Label

■ DISTRICTS WHICH HAVE NO RECORDED PB EXPERIMENTS



<sup>6</sup> During the term of 2001–2005, PB processes were promoted by municipal boards of the same political colour as the existing majority in the Town Hall. This situation did not repeat in the following two terms, 2005–2009 and 2009–2013, where 6 and 15 elected municipal boards, respectively, had to face opposition party majorities in the Town Hall.

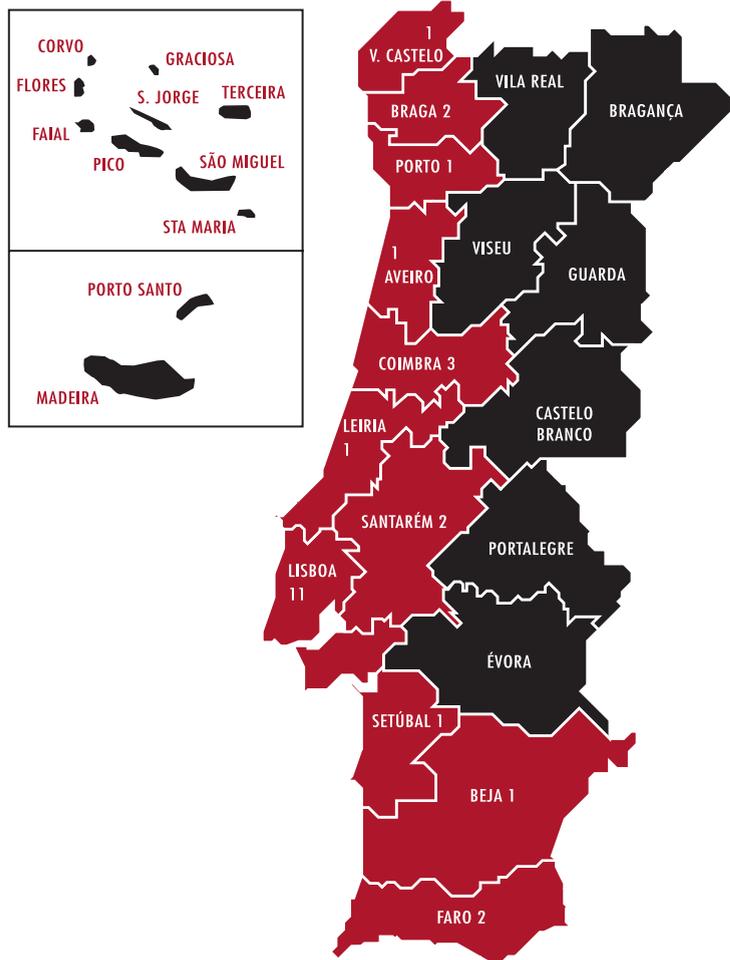
<sup>7</sup> Which includes experiments promoted by municipalities and local councils.

Map 2 Deliberative Participatory Budgets by District  
(2002–2013)

Source own data

Label

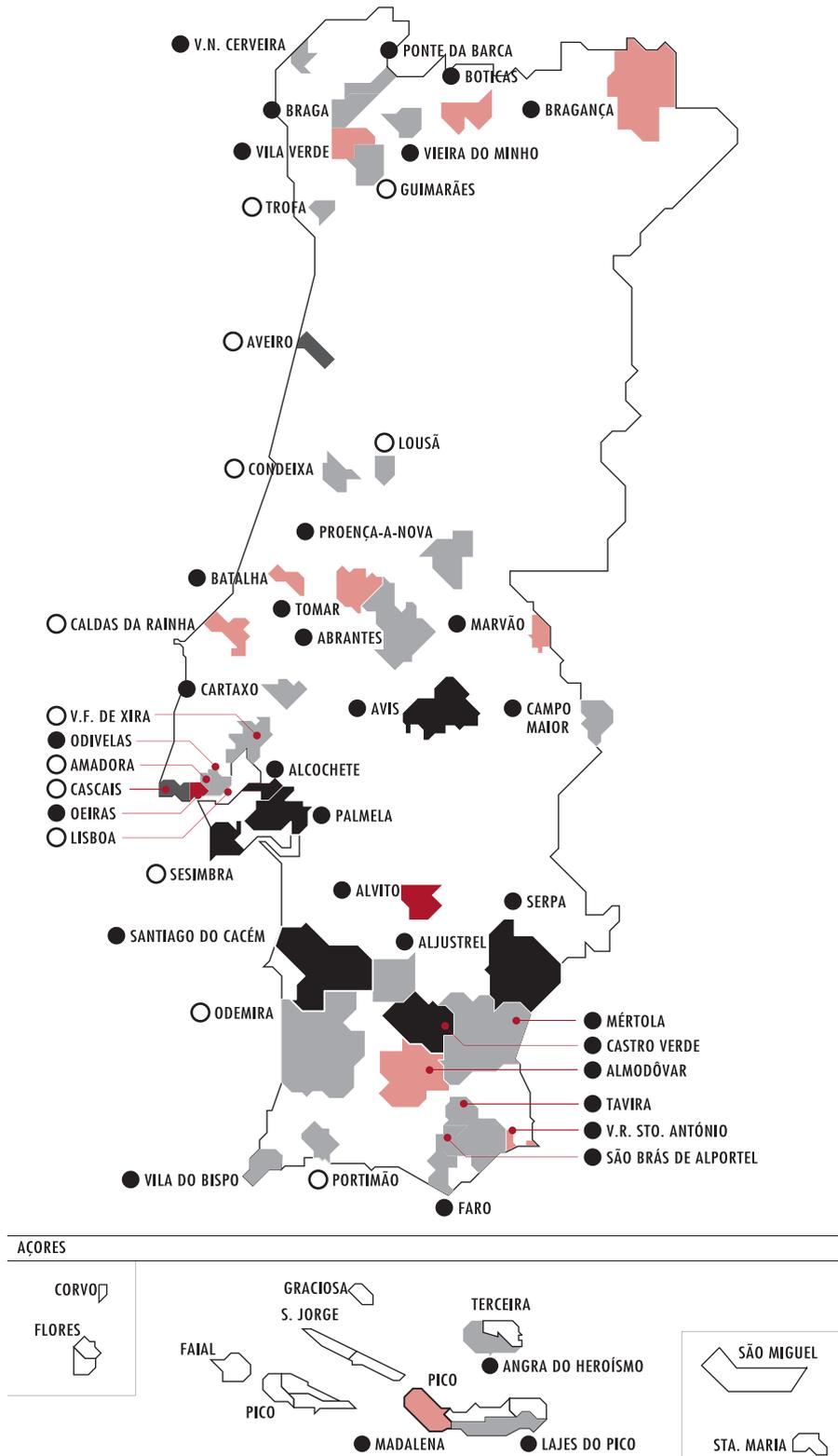
■ DISTRICTS WHICH HAVE NO RECORDED PB EXPERIMENTS



As this article is written, it is possible to foresee some changes in the geography of Participatory Budgets in the country, although without absolute certainty with the upcoming elections which will always give rise to changes in the current municipal governing bodies. The changes taking place may be mostly related to the greater preponderance of deliberative processes, located mainly in coastal municipalities, as shown on Map 2. This trend helps to reinforce the idea presented above, referring to the fact that Participatory Budgets, particularly deliberative ones, are raising greater support in cities with higher population density, and these are located in coastal regions. This helps to understand the fact that the landlocked districts, as is the case with Vila Real, Bragança, Viseu, Guarda, Castelo Branco, Portalegre and Évora, never have recorded any PB deliberative experiment.

Another change is related to an increased investment in Youth Participatory Budgets. These started later, only around 2006, and their growth rate has intensified in the last three years, as shown in the timelines presented further ahead.

The experiments conducted by local councils are currently in a certain stalemate imposed by the ongoing administrative reform. The question is what will happen after the new municipal map of the country has stabilised. Will local councils that had PBs be able to convince those with which they have been merged? With larger local councils both in area and population size, will they be more capable and have more resources for the development of these processes? These are just some questions for which we will only have answers to in the next municipal term.



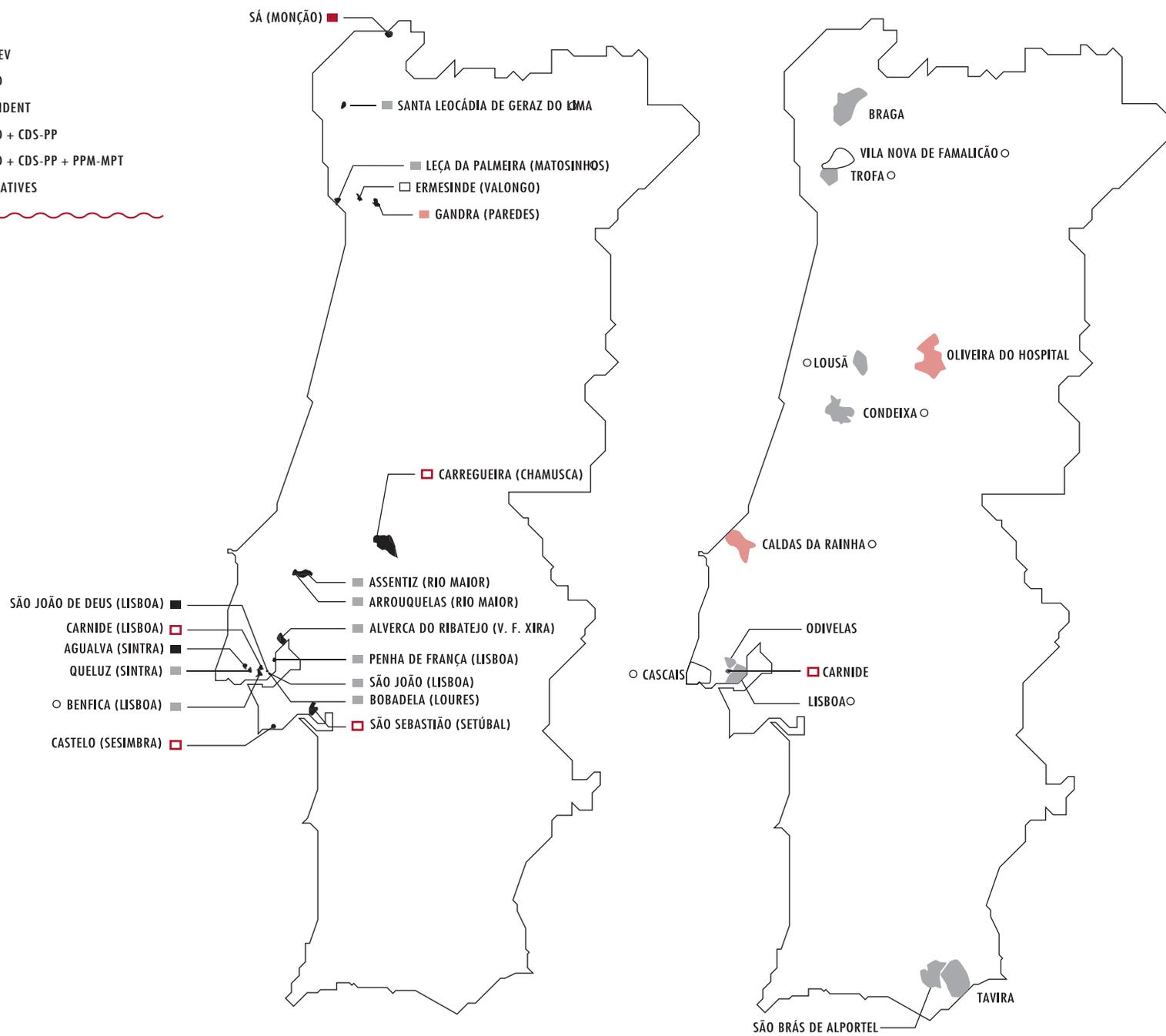
Map 4 Participatory Budget Experiments in Local Councils (2003–2013)

Map 5 Youth Participatory Budget Experiments (2006–2013)

Source own data

Label

- PS
- PCP / PEV
- PPD-PSD
- INDEPENDENT
- PPD-PSD + CDS-PP
- PPD-PSD + CDS-PP + PPM-MPT
- DELIBERATIVES



### 4.3 Genetic codes

With approximately 10 years of Portuguese experience in this field, two great moments can be underlined in relation to the development of Participatory Budgets in the country. The first one, between 2000 and 2006, is the period in which the first PB generation was formed, and the next one, since 2007, when a second generation of this type of practice started emerging. The following table aims to summarise the main distinctive elements of the different ‘genetic codes’ of these two groups of processes.

1ST GENERATION (2000 TO 2006)	2ND GENERATION (AFTER 2006/7)
Advisory processes, within which citizens are invited to attend to discuss issues and make proposals, without the elected governing body relinquishing the power to decide on the priorities to include in the municipal budget.	Deliberative processes, within which the governing body allocates funds from the municipal budget for the PB, being of the participants’ responsibility to present proposals and decide on investments with that value.
Experiments developed based primarily on face-to-face participatory mechanisms (e.g. meetings or public assemblies). Fits the aim of creating a grassroots democracy and strengthen institutional legitimacy.	Resorts to different means of participation (meetings, questionnaires, Internet, SMS, among others). Based on the need to diversify the means of access in a society marked by diversity of backgrounds and lifestyles.
Local Councils promoting these processes supported the PB as an instrument of political mediation between citizens and Municipalities, aiming to broaden their ability to argue in favour of certain investments in their territories.	The participating Local Councils develop fully autonomous processes, based on their skills and budgets. Included in this category are some of the most interesting PB experiments developed in the country.
These processes usually occur in the last quarter of the year, very close to the budget approval and when municipalities already set investment priorities, therefore leaving a very limited scope for the addition of proposals by citizens.	These processes take place throughout the year. They aim to fulfil the most elementary stages of such practices: preparation, presentation of proposals, technical analysis, setting priorities through public voting, official approval of documents and overall assessment.
With few exceptions, these experiments do not get to make accounts regarding implementation.	Presentation of accounts is assured in relation to the results of the process and investments to be made. This work is done by producing reports or through the provision of general information on municipal websites.
Do not have any legal framework or methodological clarification regarding the development process and the ‘rules of the game’.	Creates regulating mechanisms for the process, such as municipal regulations, guidelines, rules or standards of participation, among others.
Experiments mostly promoted by leftist parties.	Promotion of PB experiments by parties across the political spectrum, without distinctive methodological characteristics.

**Table 1** Genetic codes of Participatory Budgets in Portugal<sup>8</sup>

Source own data

<sup>8</sup> The differentiation between these two generations cannot be understood isolated in time. This means that one can find PB experiments created after 2006 that qualify as a type of initiative from the first generation.

Palmela was the first municipality to develop a Participatory Budget experiment in Portugal. It began to be tested in 1998, under the leadership of then President Carlos Sousa, elected by CDU, by conducting five public meetings in local councils, having been interrupted after this due to “methodological shortcomings and lack of internal mobilisation for the process” (Granado, 2010). The PB was resumed in 2002, by Mayor Ana Teresa Vicente’s team, with a new methodology adapted from some of ideas of the PB in Porto Alegre, Brazil, and the desire to promote proximity in governance with the aim to stimulate the active participation of people in local life. It was naturally a time of pure experimentation and a pursuit to innovate democratic municipal management. From Palmela’s legacy the aspects worth noting are as follows:

- a) The creation of a Technical Committee for the Participatory Budget (CTOP), composed of members from several departments of the Municipality, with the mission to coordinate and monitor the new process;
- b) The definition of a proposal for municipal investments, prepared in a simplified way to allow for discussion with participants, where they may add other priorities and/or suggest changes to the municipality’s plans;
- c) The priority given to individual participation without formal privileges for local groups;
- d) The control over the municipality’s decisions by a Monitoring Committee, composed of about forty delegates elected in the various public meetings, having the aim to monitor the various phases of the PB, in close coordination with municipal services.

One of the major differences of this process in relation to the main international reference that inspired it is the fact that it was based on an advisory basis. The experiments that followed, in Portugal, were based largely on the Palmela model, without this implying a complete replication of this case’s characteristics.

The advisory ‘wave’ started its path in Portugal, being interrupted for the first time in 2006/7, when the Municipality of Sesimbra, inspired by the neighbouring experiment of Palmela and other international models, decided to transform the Participatory Budget to a deliberative type, under which participants could decide on five hundred thousand euros of the municipal budget.

Two new deliberative processes were started in Portugal a year later, in 2008, namely:

- i) Municipality of Lisbon, the capital, with five million euros allocated to the PB;
- ii) The Local Council of Santa Leocadia do Geraz do Lima, Municipality of Viana do Castelo, allocated 50 thousand euros for the PB, which represented about 25% of the entire municipal budget.

These experiments benefited from the support provided by the project Participatory Budget Portugal<sup>9</sup>, funded by the European Union’s Initiative EQUAL that was started in February 2008. The various activities under this project contributed to a shift in

paradigm in relation to the PB in Portugal. Training, workshops, national meetings and consultancies were carried out in several Portuguese municipalities. The work developed was to promote a conceptual clarification of Participatory Budgets, inexistent in our country until then, and empower various local structures for their development.

After Lisbon and Santa Leocadia do Geraz do Lima it was not until 2011 that new deliberative Participatory Budgets emerged, namely Cascais and Odemira. It was also during this year that the Youth PB in Trofa and the Lisbon Schools PB initiated, the first to allocate part of municipal budgets for the youth's deliberation, namely 25,000 and 50,000 euros.

Some Portuguese municipalities began to risk with deliberative models, based on the definition of methodologies that benefited from numerous international experiments, particularly in Latin America and Europe, and from the weaknesses of processes previously developed in the country.

The year 2012 was a turning point in the history of PBs in Portugal. For the first time, there was a slight majority of deliberative processes recorded in relation to advisory ones. The same situation is expected for 2013<sup>10</sup> This may mean that we are in a clarifying period on what a participatory budget should be.

The first clarification is that the PB differs from other practices of participation in its deliberative nature, in that local governments are bound to the implementation of decisions taken by citizens.

Councillors that decide to develop such processes naturally make this clarification but also, and above all, citizens that clearly reject advisory models.

As seen earlier, the voluntary involvement of individuals in participatory dynamics happens when the latter inspire confidence. Advisory PBs are very fragile from this point of view, not being able to ensure the required transparency for the credibility of the whole process. Citizen participation in advisory Participatory Budgets normally ends at the proposal stage or in suggestions for investment. This does not allow full traceability of their proposals and what policy makers do with them. From this point of view, it is a process with limited capacity to create trust among citizens. The same does not occur with deliberative cases, in which participants accompany the different phases, where they decide on investments to be included in the municipal budget for the following year.

<sup>9</sup> Available in [www.op-portugal.org](http://www.op-portugal.org).

<sup>10</sup> At the time this article was written, 9 deliberative experiments and 2 advisory are confirmed for 2013.



	2001 (E)	2002	2003	2004	2005 (E)	2006	2007	2008	2009 (E)	2010	2011	2012	2013
Carnide (Lisboa)													
S. Sebastião (Setúbal)													
Aguilva (Sintra)													
Castelo (Sesimbra)													
Leça da Palmeira													
(Matosinhos)													
Ermesinde (Valongo)													
Gandra (Paredes)													
Carregueira (Chamusca)													
Arrouquelas (Rio Maior)													
Santa Leocádia de Geraz do													
Lima (Viana do Castelo)													
Assentiz (Rio Maior)													
Alverca do Ribatejo (V. F.													
Xira)													
Queluz (Sintra)													
S. João (Lisboa)													
S. João de Deus (Lisboa)													
Penha de França (Lisboa)													
Bobadela (Loures)													
Sá (Monção)													
Benfica (Lisboa)													

	2001 (E)	2002	2003	2004	2005 (E)	2006	2007	2008	2009 (E)	2010	2011	2012	2013
YOUTH PB													
São Brás Alportel													
Carnide													
Braga													
Trofa													
Lisboa													
Condeixa-a-Nova													
Odivelas													
Tavira													
Caldas da Rainha													
Lousã													
Oliveira do Hospital													
Vila Nova Famalicão													
Cascais													

This helps to understand the failure and lack of sustainability of advisory PBs which have a very high ‘mortality rate,’ especially when compared with the deliberative ones.

There are two main reasons that allow us to draw this conclusion:

*i)* The weak political will of elected representatives that decided to develop these experiments. Many councillors are convinced that participation limited to consultation is easier to manage, but reality shows otherwise. In addition to ambitious and unrealistic electoral programmes, conceived when the current crisis had not been as severely felt as presently, municipalities that promote advisory PBs have yet to take on board a wide range of proposals from participants. Understandably, the ‘inheritance’ that is left for those elected is quite heavy and unreasonable to accomplish. As PB editions build up, from year to year, the municipality’s ‘burden’ increases, to the point when the suspension of the process is chosen. From the high number of suspended advisory experiments, only one was interrupted as a result of democratic alternation. This means that all others were launched and suspended by the same municipal board. What apparently seemed to be a comfortable experiment for elected members, running few risks and not giving up power of decision on the whole budget, had a boomerang effect, undermining its credibility and ability to promote a more democratic and transparent municipal management.

*ii)* Various methodological mistakes, showing us that participation is a complex system of action, which requires adequate techniques and tools, as well as a trained team for this purpose. The PB teaches us that it is not sufficient to want to promote citizen participation, that one must know how to design the most appropriate methodologies to each context and objectives. Portuguese municipalities also reveal significant weaknesses at this level. This is certainly a result of administrative structures and cultures that were thought to be close to the people but not necessarily to promote their participation in municipal management.

Given the above, one can conclude that advisory processes tend to hold citizens unaccountable while increasing demands on elected bodies. In contrast, responsibility is shared in deliberative experiments between participants and the municipality. The former know that the PB’s results are a direct consequence of their ability for consultation and deliberation, and not the selective, and not always clear, choices of Councillors.

Another aspect of the analysis that should be considered is the management of expectations within these processes. From what was said earlier, this tends to be weak in advisory PBs. Initial expectations often give way to frustration. For many participants the idea is that the ‘PB is more of the same,’ i.e., does not transform the culture of the elected, not sharing power, not democratising the Municipality and not reinforcing mechanisms of transparency. Faced with this outlook, many people feel that their effort in participation is useless and produces no results on which they can rely, which explains the decrease in the number of participants from one PB edition to another, until it almost completely ceases. The management of expectations is much more effective in deliberative dynamics, where citizens know the value of the budget available for the process, aim to scale their proposals to this value, understand the restrictions and accept the rules of operation.

#### 4.4 Standardisation of processes

The differences between advisory and deliberative PBs are important but not sufficient to understand the diversity of ongoing processes. A more detailed way to interpret Participatory Budgets in Portugal, and beyond, is proposed with the matrix below. When devising this matrix we resorted to a central element in the PB process, namely ‘deliberation,’ seen from the perspective of two variables: ‘who decides’ and ‘how to decide’.

The horizontal axis refers to ‘who decides’ and has on the far left advisory processes, within which there is no change to the existing order, where decision-making continues to be exercised by the elected body. On the far right are deliberative processes, where citizens make decisions. The vertical axis refers to ‘how to decide’ and has at the lower end processes in which the deliberation is based on individualistic and competitive logics. At the higher end lie experiments that emphasise the mechanisms of collective construction of priorities, integrating the participation of elected officials and citizens. The intersection of these two variables allows us to define four types of processes, as follows:

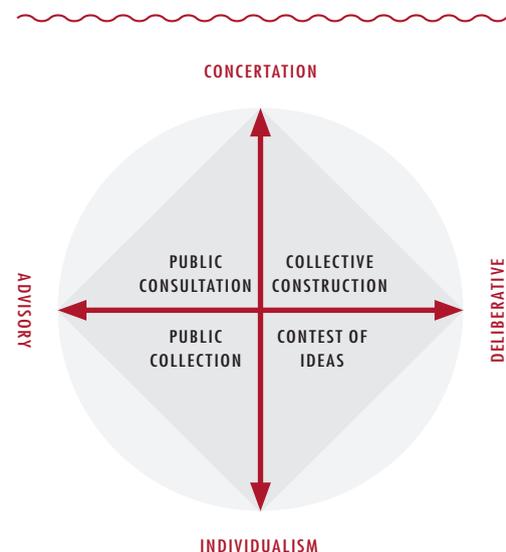
a) **Public collection** corresponds essentially to a mechanism for the presentation of individual proposals by citizens, so that the municipality can assess them. In some circumstances these initiatives correspond only to an online form, which ultimately makes this process even more impersonal. These experiments do not promote discussion among participants and with Municipalities, and the accountability on results is not ensured. As can be understood, the promoters of these ‘public collections’ are not concerned with the implementation of monitoring and evaluation systems. This is a mechanism that is far from being a Participatory Budget and aimed essentially at mere political legitimacy of its promoters. The trend shows that these experiments have a very short durability, resulting from very weak promotion and discouraging participation itself;

b) **Public consultation** corresponds to advisory dynamics that aim to ensure a debate between citizens and the Municipality on investment priorities to be included in budgets. There are some concerns with detailing the municipality’s financial situation, in order to inform participants on the viability of certain proposals and to help delimit the investments that are priority and possible to implement. Despite the advisory nature of these experiments, some of the promoters tend to secure the return of results on proposals they accepted to integrate into the budget. There are also concerns in some of these initiatives regarding their monitoring and evaluation, as a way to learn from experience and improve methodologies. The evolution towards a deliberative process is fundamental to the sustainability of these initiatives. ‘Public consultations’ can be considered to be above ‘public collections’ but below a Participatory Budget.

c) **Competition of ideas** corresponds to a Participatory Budget methodology, as it transfers the power of decision to participants, although it may reveal some methodological weaknesses in the deliberative process, as it does not provide spaces that foster collaboration among participants and between them and the Municipality on priorities for public investment. Some of these initiatives tend to transform the PB in a highly competitive process, of winners and losers, where the latter are always greater in number than the former, which may contribute to generate discontent and frustration of participants. Therefore, the transfer of power of deliberation to citizens needs to be accompanied by regulatory criteria to ensure principles of solidarity and social cohesion when deciding on public resources. This

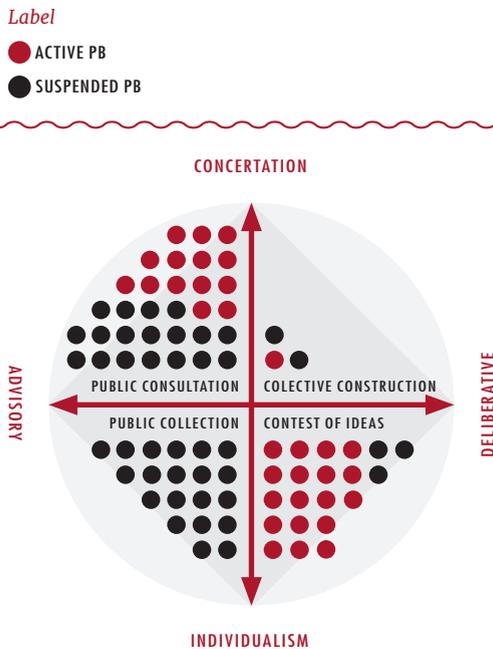
Graph 7 Matrix for the Standardisation of Participatory Budgets

Source own data



Graph 8 Standardisation matrix of PBs with distribution of PBs in Portugal (2002/2013)

Source own data



is clearly a process, not a short-term project. This type of PB tends to be ‘won’ by groups of citizens with greater power of mobilisation and organisation. And so, they are experiments that need to invest more in methodological refinement, ensuring greater cohesion and social justice at a time when citizens can exercise their deliberative power on public investments.

**d) Collective Construction** this is probably an ideal type of Participatory Budget, in that it is clearly committed to a dynamic consultation and collective construction of priorities, given the scarce public resources and based on principles of solidarity and social cohesion. These experiments aim to transform a process of collective deliberation on public investment into dynamic education and training in citizenship and participatory democracy, with the objectives of justice and social cohesion. It is evidently a more ambitious and transforming type of PB, requiring more elaborate rather than traditional methodologies. In a strongly individualistic society, marked by unequal relations of distrust, it is important to invest in this type of Participatory Budget, being the one that best serves the dynamics of social and political transformation.

The evaluation models that are normally used for the ‘PB Competition of ideas’ and ‘PB Collective Construction’ are equally distinct. The former tend to be evaluated in terms of number of participants and proposals in each cycle of the process. Whenever these two indicators show growth results, the PB is positively evaluated. Some quantitative data is important but insufficient to assess the real impact of the initiative. One can state that the success of a PB is achieved when the process grows in number of participants but stabilises or decreases in number of proposals. This means that a PB of this type is capable of generating a strong participatory dynamic and simultaneously achieves high levels of consensus among participants on investment priorities. This is what is expected of a ‘PB Collective Construction’.

In any of the cases, quantitative analyses are always partial and insufficient to understand the benefits of these processes. It is important to complement this approach with a qualitative assessment to understand the PB’s contribution in promoting cohesion and improving quality of life in the territories covered.

In an exercise of categorising all PB experiments recorded in Portugal in the Standardisation matrix, one finds a large concentration of advisory processes [‘Public Consultation’ (32) and ‘Public Collection’ (20)], as opposed to deliberative PBs [‘Competition of ideas’ (21) and ‘Collective Construction’ (3)]. When you cross this information with the duration of experiments, it reinforces the conviction of the lack of sustainability of the advisory PB. Of the 42 cases developed in approximately 10 years, only 14 were active in 2012 and/or 2013, which represents approximately 32% of advisory experiments. In contrast to this, of the 24-recorded deliberative PBs, 19 had remained active in 2012 and/or 2013, which is 79%.

Of the three experiments classified as ‘collective construction’ two were promoted by Local Councils, and are currently suspended due to municipal financial reasons and the stalemate caused by the ongoing administrative reform in the country.

#### 4.5 Results

By observing Figure 7 one can conclude that the number of participants in deliberative PB experiments grows from edition to edition. Lisbon recorded in the first year of Participatory Budget 1,101 voters, which corresponds to 0.2% of the municipality's population. This number has increased sustainably each year, to the point of recording in 2012, 29,911 voters, or 5.5% of the total population. Cascais also showed a very substantial growth from 6,903 voters in the first edition of the PB to 23,198, i.e. 11.2% of the municipality's population. This change is due largely to the fact that the municipality has changed the voting system, no longer online, as in 2011, and started operating by sending SMS. Certainly the impetus and greater public awareness of the experiment has also contributed to the results achieved in 2012.

The highest percentage in terms of participants can be found in Odemira, the Portuguese municipality of greatest territorial size and marked by a widely dispersed population. The rigidity of the voting system adopted by this Alentejo municipality benefited by creating a 'mobile ballot box' that travelled throughout the municipality during the voting period, facilitating the access of citizens to the process. This is the reason for the increase from 974 to 3,469 voters, which represents a growth rate close to 10%.

Of the experiments under analysis, Vila Franca de Xira is the one that registers the lowest participation rates. This will surely be one

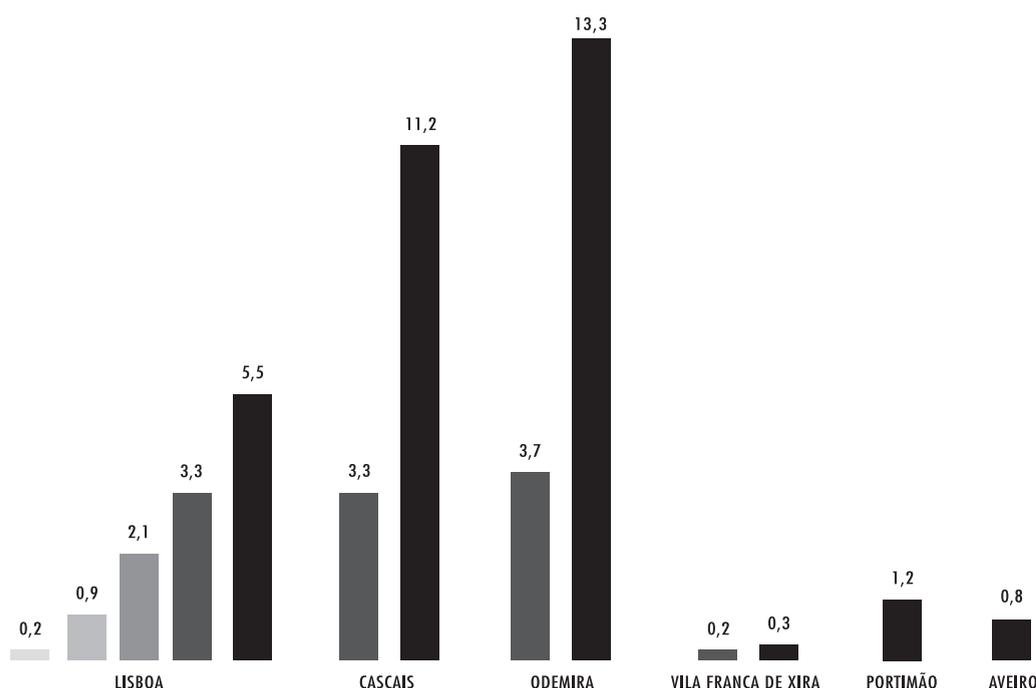
of the reasons that justify the fact that the municipality is expecting to change the voting system of projects for the current year to include, in addition to the Internet, the possibility of voting by SMS.

The increase in number of participants in these processes mainly occurs at the stage of voting on projects<sup>11</sup>

This is a result of the fact that the mobilisation of people is largely made by the promoters of the ideas themselves, and that gave rise to the investments under scrutiny. They used all means at their disposal, including posters and leaflets distributed in public places, community meetings among others, creating Facebook pages, participation in various events, production of videos depicting the projects, street theatre, etc. Creativity and innovation are the key resources of participants. These are the transforming ingredients of an idea, sometimes little known, in a project that mobilises extensively. The PB experiments are filled with very interesting stories on the potential of citizenship action in the call to vote on projects. It is an area of great innovation that completely escapes municipal regulatory action.

Citizens develop authentic 'political campaigns' defending projects that aspire to win.

When reviewing the PB's weight in municipal investment, and considering that we are discussing participatory budgets that include only a part of the budget, it is understood that the financial weight of these processes is not very significant but nevertheless



Graph 9 PB participants compared to the total population of the municipalities (in percentage)

Source own data

#### Label



<sup>11</sup> Participation rates at the stage of submission of proposals also had some changes, although the total number of participants is much lower than when voting for investment priorities.

<sup>12</sup>For 2013, the Municipality of Condeixa-a-Nova decided to extend the PB to the entire population, creating two parallel processes: General PB and Youth PB. In both cases the municipality allocated the amount of 125 thousand euros, to be included in the municipal budget for 2014.

The residents of the Faceiras neighbourhood in Cascais, created a theatrical play to help explain the PB and call to vote on the project they presented. Promoters in various public places in the municipality promoted the play during the voting period. The neighbourhood has about 200 residents and the project was the second most voted in the 2012 PB, with 2,487 votes.

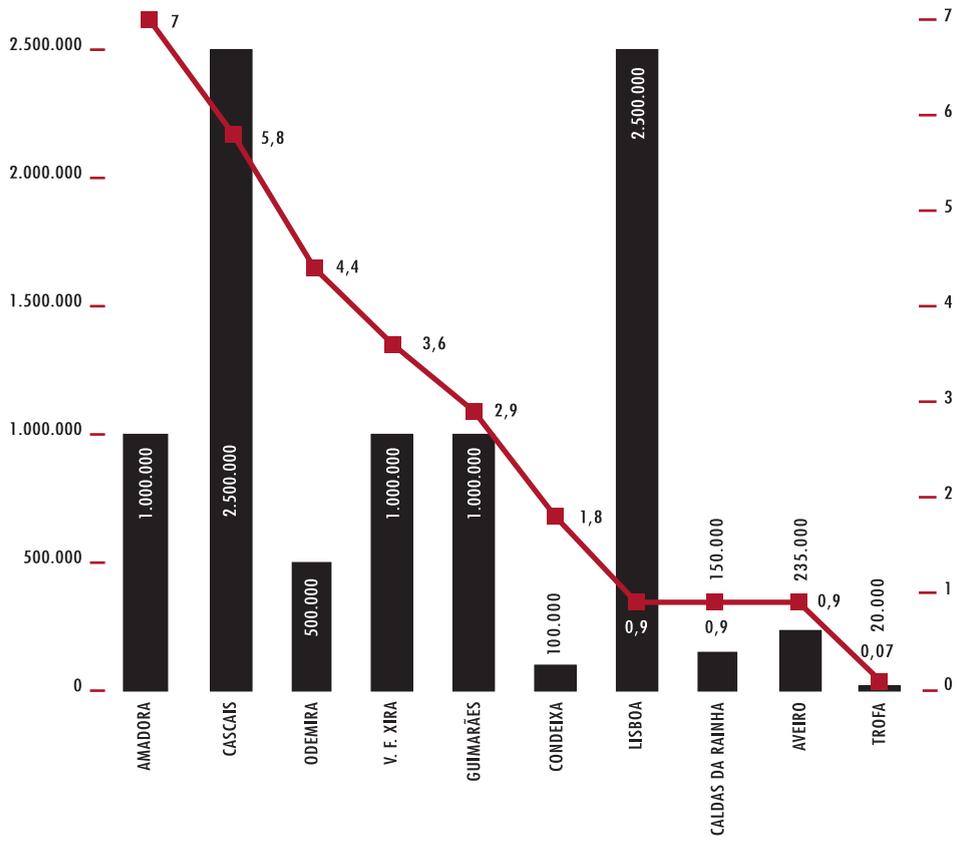
represents an interesting effort from municipalities, particularly in the current moment of effort in public accounts. The Municipalities of Amadora, Cascais and Odemira are the ones presenting the highest percentages of the PB in the overall municipal investment. The cases of Trofa, Caldas da Rainha and Condeixa-a-Nova<sup>12</sup> relate solely to experiments of Youth Participatory Budgets.

There are some singularities that should be highlighted:

- a) The Amadora PB was an advisory PB during the first two editions, becoming deliberative in 2012;
- b) Cascais placed the limit on the minimum value allocated to the PB as EUR 1.5 million. This value was in the end increased in the first two editions, namely to 2.1 million in 2011 and 2.5 million in 2012. Meanwhile, Cascais is preparing to start the Youth PB, in 2013, with a budget of 250,000 euros;
- c) Odemira is currently developing the third edition of the PB, having allocated 500,000 euros to each one;
- d) Vila Franca de Xira began the process in 2011 with a conditional deliberative methodology, in that the Municipality started by defining two projects per local council, which were then submitted to a vote by the citizens. The most voted for investment in each local council would then be included in the municipal budget. For the next two PB editions, the municipality began to award one million euros annually for the implementation of proposed projects and voted on by participants;
- e) Condeixa-a-Nova started its path in PBs with an experiment focused on the younger population with the value of 100,000 euros. For the second year it decided to extend the initiative to the entire population, creating a general PB, which works in parallel with the Youth PB, where the two add up to the value of 250,000 euros;
- f) The Municipality of Trofa, the first to develop a deliberative Youth PB in Portugal, along with Lisbon, has the lowest value within these processes. For the 2013 edition the municipality decided, however, to increase the PB budget by 25%, the value being 25,000 euros.

There is a common trait to all these experiments, namely the enhancement of the deliberative process for citizens, whether through the transformation of an advisory practice to a deliberative one, or by increasing the percentage of the budget allocated to the PB. This happens at the precise moment when municipalities face a reduction in funds available for investment. In other words, these Municipalities increase the value for the PB at the same time as they are forced to reduce municipal investment. One can hypothesise that these municipalities were 'charmed' by the participation of citizens and came to believe in the results that such a process is capable of generating.

The Municipality of Lisbon, the first European capital to develop a PB throughout the municipality as a whole, began the process in 2008, with a budget of EUR 5 million, maintaining the same amount during the first four editions of the PB. In 2012 this value was halved, as well as changing the types of proposals accepted within the PB.



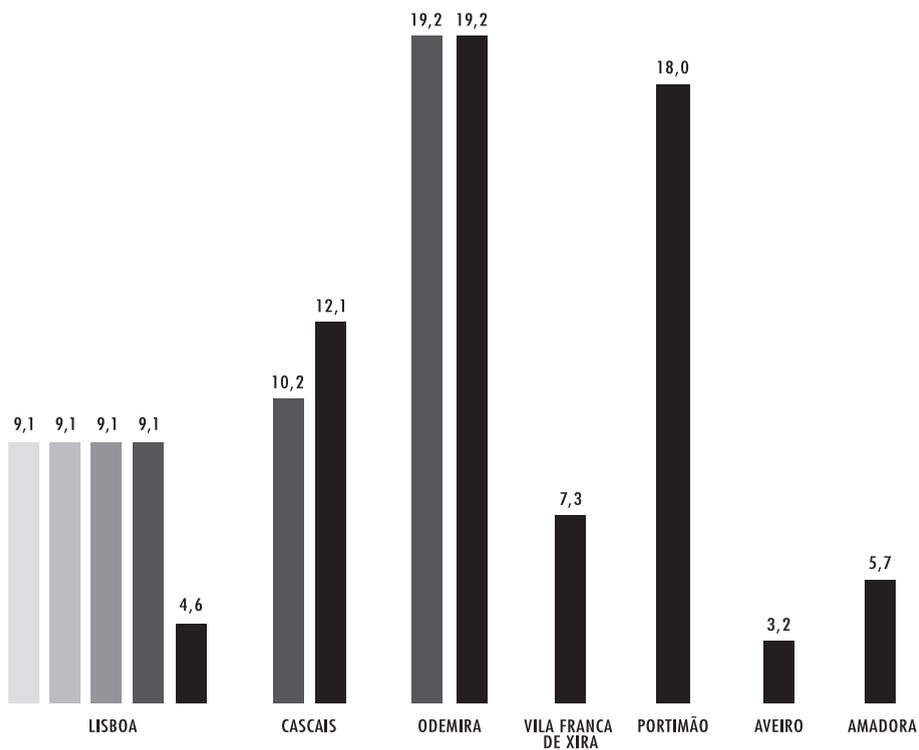
Graph 9 PB weight in municipal investment (percentage)

Source own data

Label

■ PB VALUE (IN €)

■ PB'S % ON THE MUNICIPAL INVESTMENT



Graph 10 PB Investment per capita (in €)

Source own data

Label

■ 2012

■ 2011

■ 2010

■ 2009

■ 2008

A group of citizens decided to submit to the Cascais PB a project reclaimed by the population over 30 years ago. It is the construction of a pedestrian pavement, about 300 meters along a part of the National Road 249-4, where hundreds of people pass through daily and where there have been several accidents. This is a project to be shared between the Roads Institute of Portugal (Central Government) and the Municipality of Cascais (Local Government). The promoters of the proposal requested meetings with each of the institutions, with the aim of mediating this relationship and finding a solution to make the project viable. That is just what happened. The investment was validated for technical analysis within the PB, via the institutional commitment mediated by citizens, and it was one of the most voted projects of the 2012 edition.

It would be very interesting if Portuguese municipalities implemented a system for monitoring PB projects, so as to understand the impact of these on the population that is directly benefitted. This allows us to calculate more precisely the value of investments per capita. Faced with this impossibility, we can still analyse this indicator by referring to the total value of the PB and total municipal population, as shown in Graph 9.

According to data relating to 2012, Odemira is in first place, with approximately €19.20 per capita, followed by Portimão (€18.00), Cascais (€12.10), Vila Franca de Xira (€7.30) Amadora (€5.70), Lisbon (€4.60) and Aveiro (€3.2).

The results of such a process cannot be confined to questions of a material nature, namely allocated budgets and investments made. PBs enclose a huge immaterial wealth, not always easy to measure and understand, but that relates to dimensions such as trust between those who govern and those who are governed, creating feelings of community and socio-territorial solidarity, citizenship development, the modernisation of local public administration, among others.

One can consider that the PB has allowed for the promotion, especially in the more consolidated experiments, of three types of approach:

- i)* Between the municipality and citizens. The PB actually creates a space for closer and more intense dialogue between the Municipality and Society. This takes place in some experiments and at different points of the process, namely during the presentation of proposals, the analysis and the technical design of projects, as well as in the implementation of investments. The guiding principles of this new dialogue are no longer based on welfarism through public policy, where citizens 'ask' governing bodies to implement a project or solve a given problem, so that citizens start becoming socially and politically emancipated, and are empowered to co-develop local public policies. The welfarism characteristic of political and democratic societies that are poorly evolved used as an ally for electioneering. Given these new processes of participation, enhancing the legitimacy of elected representatives comes not from the ability to assist but from democratic culture that accepts to share power.
- ii)* Among citizens themselves. The driving force that mobilises people to participate is often individual interest. However, PBs that take into account the creation of spaces for collective consultation on investment priorities show that citizens are able to change their mind and abdicate of the ideas that moved them in support of projects defended by others. There are many examples of Participatory Budget public meetings in which this happens. Given such evidence, one can conclude that the PB is bringing together individuals and groups that did not know each other previously, developing relationships based on trust and socio-territorial solidarity; it is finally building a community within a deeply individualistic and competitive society;
- iii)* Among the various departments of the same municipality. A Municipality that hopes to develop a PB as an instrument for transforming traditional relationships between Governing bodies and Society cannot remain indifferent to the lack of competence and efficient operating models based on the sectoring of departments

and public policies. The PB challenges the more attentive municipalities to develop new ways of working, more focused on inter-departmental cooperation and in the regular communication between its members. Clearly, a Participatory Budget can operate within the structures of traditional management. If this happens it is reasonable to conclude that the PB will be one more municipal project, among others, and less of a transforming process and founder of a new administrative and governing model. Some Municipalities in Portugal have come to recognise the importance of citizen participation, which led them to create Administrative divisions or specialised departments on this type of work. This is the case with Palmela (Participation Office), Lisbon (Organisational Innovation and Participation Division) and Cascais (Citizenship and Participation Division).

Portuguese municipalities are learning to develop new processes for participation, based on sharing power and on social and political emancipation of participants, as opposed to more traditional models that condition citizen involvement and promoters of public welfarism. We are therefore faced with 'learner administrations,' which are testing new models of operation and of internal and external democracy. These municipalities are therefore fine-tuning the process of decentralisation in Portugal. It was designed to bring Public Administration closer to citizens and not to promote their participation in municipal management. This is one of the reasons why the PB's implementation has proved somewhat difficult in the country as it requires working on very hierarchical and sectoral structures to receive both horizontal and multi-sectoral participation. It is seen as a very significant challenge.

### *Conclusion*

Participatory Budgeting 'knocked on the door' of Portuguese local power, 'sat at the table' with politicians and specialised staff, placed them face-to-face with citizens in a more horizontal, as opposed to vertical, dialogue, infiltrated into party structures and electoral programmes, stirred the curiosity of academia and civil society, gained space in the media and meanwhile seem to start gaining conditions to consolidate as part of a new political and democratic culture.

The path in between was quite winding. Many Mayors found the concept interesting but quickly tried to mould it to more traditional methods of governance in an attempt to reduce political risks, whilst trying to enhance the legitimacy of elected representatives. The answer from citizens was unequivocal and exemplary: advisory processes do not inspire confidence, do not transform the relationship between the rulers and the ruled, and therefore should not generate a very marked and committed participation. Faced with a civil society that is more attentive than one might expect, with limited political will to undertake more radical changes and with methodological errors in the development of experiments, many Mayors have chosen to abandon the process. They could have chosen a different path, ensuring greater political investment in the PB and reinforcing the power of deliberation by citizens, but it was not so.

Quite on the contrary, other local elected officials decided that the PB would only make sense if it caused changes to the traditional mechanisms for managing mu-

nicipalities. Therefore, they opted for bolder participation models, giving citizens the power to decide on a part of budgets.

Politicians, trained staff and citizens could well experience a new way of doing democracy and of managing public resources. The three were surprised with the results and came to believe that participation is the way forward. The values allocated to deliberative PBs have been reinforced in several municipalities, specialised staff now feels that their job makes more sense, participants grow from year to year, and some executives changed the organisational structure of municipalities to provide the best technical conditions for conducting participatory processes. This happens in a country where the lack of mutual trust has grown between elected representatives and the population, where electoral abstention is very high, where government specialised staff feel undervalued and even persecuted by governors of their country, where electoral programmes are mere rhetoric and that people do not give credit to. It is paradoxical to see the differences, although one must take into account that the impacts of the PB are still very localised and insufficient to influence the general framework of Portuguese democracy.

Once this path was chosen, and has lasted about 10 years in this country, this is probably the moment for clarification on models of democratic participation at local government level. The public consultations expected by law are often inconsequential, and almost have no potential for mobilising citizens. Many Mayors sought to adapt the PB to a more advisory and limited form, and the achieved results are known.

Deliberative Participatory Budgets, by breaking away from more traditional governance, have allowed for greater clarification and distinction between processes, between methodologies of participation and models for democracy. The rejection of advisory practices by citizens allows one to hypothesise that they were the first to be aware, and better than many mayors, what a participatory budget should really be.

This clarification process still faces an interesting challenge this year, namely a new electoral cycle for municipalities. Many candidates for Municipalities and Local Councils have promised in their electoral programmes to implement the PB. Despite uncertainties regarding the interpretation of the law on the limitation of terms, these elections will bring about a renewal in municipal political staff. New candidates aspire to have a different style of governance and the PB might be a good pretext to achieve this. For now, the PBs that will be created within the next term still remain uncertain. Will they strengthen local deliberative democracy or continue to insist on failed models of participation?

Being unable to answer this question adequately, but not intending to finish this text with a question, it is possible to foresee that it will be difficult for Mayors and other political leaders to neglect the achievements of deliberative Participatory Budgets, especially when compared to other forms of more conventional participation.



**AUTHOR'S NOTE**

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EUROPE

SWEDEN

LENA LANGLET & GIOVANNI ALLEGRETTI

# PARTICIPATORY BUDGETING IN SWEDEN TELLING A STORY IN *SLOW-MOTION*

Sweden has a long tradition of local self-government, officially stated more than 150 years ago, when the municipalities were assigned the task of running the recently established elementary schools. But it was after the World War II, when the development of the Swedish welfare state accelerated, that the Swedish Parliament decided to place on the municipalities wider responsibilities in terms of public services delivery, imagining the local needs could best be met at the local level context. In the mid-1800s the Swedish county councils were also created, leaving it up to them to deliberate and decide on matters such as the economic situation, agriculture, communications, healthcare, higher education and law and order. Nowadays, Sweden is divided into 290 municipalities, 18 county councils, and two regions (Västra Götaland and Skåne). There is no hierarchical relation between municipalities, counties and regions, since they are just responsible for different activities<sup>1</sup>. The current Local Government Act came into force in 1992, redefining the roles of county councils and municipalities, which are today the major employers in the country (around 1,1 million of individuals or 25% of Swedish workers, 80% of which are women and 85% are serving in the care and education sectors, see SKL, 2010).

Today, while counties have a more reduced number of tasks (with healthcare being the main one, almost representing 90% of the expenditures), municipalities have a strong self-governance mandate on matters related to the inhabitants and their immediate environment (primary and secondary education, childcare, care of elderly and disabled people, culture, leisure activities, water supply, sewerage, roadways, spatial planning, waste collection and disposal, fire departments and so on) and since 1862, they have the right to decide on the level of income tax and financial municipal operations. Only around 16% of the municipal average revenues is represented by transfers from the upper levels of Government: the rest is collected at local level through taxes (68%), fees and charges, leases and sale of services and contracts (SKL, 2012). Anyway, a complex system of local government financial equalization exists, which was updated in 2005, to try to counterbalance local differences and to put all municipalities and county councils on an equal footing for conducting their activities. The size of the municipalities varies greatly: the smallest municipality has 2,400 inhabitants and the largest (Stockholm) 868,000, while an average municipality in Sweden counts around 16,000 residents.

In Sweden, a strong national Association of Local Authorities and Regions (called SALAR, or SKL) exists. It represents the governmental, professional and employer-related interests of Sweden's municipalities and county councils. It strives to promote and strengthen local self-government and development of regional and

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<sup>1</sup>The only exception is Gotland, an island in the Baltic Sea, whose municipality also has the responsibilities and tasks normally associated with a county council.

local democracy, providing training and consultancies to politicians and public employees. Since the mid 80's, it has an International branch which supports global democratic community planning and administration at the local and regional levels, using knowledge and experience from Swedish local and regional governments. Since August 2000, SKL International is a joint stock company, currently employing 15 people full time and more than 500 experts. It also works in cooperation with the Swedish International Development Cooperation Agency (Sida).

The political panorama counts on approximately 42,000 political assignments in the municipalities (around 1% of the adult population in Sweden): 42% of the elected officials are women and more than 50% are between 50 and 65 years old. The rate of councilors between the age of 18 and 29 doesn't exceed 5%. Political parties have always been strong at the local level and citizens vote for a party list, not for individuals. Because of the parties' strong position in Sweden, both nationally and locally, and because of a well-developed welfare system citizens have not had much influence over the decision-making, and Sweden remains one of the countries with a higher level of confidence in political authorities and even in parties. Over the past twenty years, however, a trend has been focusing on the ability of citizens to freely choose their providers of services. This has proceeded (especially since the 90's) alongside a growing program of outsourcing of some services. Although a sort of monopoly has been preserved in some sectors, such as water supply and management. Here there has been a shy attempt to introduce new forms of private-owned management that has proved very unpopular and were strongly opposed by the Swedish population (Allegretti, 2011). Anyway, the choice of giving citizens a real influence over decisions about how public resources are to be used has maintained a limited profile, and therefore a reduced impact. Somehow, the existence of a system of checks-and-balances for granting a strong level of accountability has prevented the raise of a strong movement in favor of specific participatory measures, as has happened in less transparent countries.

### *1. A recent switch that led to "discover" PB*

But in the last decade, Sweden is testament to a changing society that has been progressively marked by a slowly growing loss of confidence in political institutions, or at least, a diminished interest in participating in political parties, especially from the part of young generations. The findings of the "World Values Survey (WVS) 2011", for example, demonstrated a widespread disenchantment with the foundational structures of democracy. The survey found that 20% of young people between 18 and 29 years old declared that they would be willing to sell their vote for a modest amount of money, and 28% in exchange for a job. Furthermore, 30% of the young interviewed declared that they would support "a strong leader who does not worry about Parliament and general elections", 14% a military junta, and only 23% proved very convinced that "it is important to live in a democracy" (Lindberg and Svensson, 2012). As a matter of fact, in the last years, as memory of the hard struggles to conquer a full and well-functioning democracy seems vanishing, changes in the political panorama have been becoming more visible: after the 7.1% and the two euro deputies gained in 2009 by the single-issue Pirate party, the national elections held

in September 2010 revealed a more worrying phenomenon, being that more than 5% of votes went to the neo-Nazi movement called “Swedish Democrats”. Luckily, in parallel with the raise of these undemocratic tendencies, a counter phenomenon has also taken place: increasingly, well-educated citizens with greater access to information have given shape to new forms of community engagement so demanding new models of working together to create greater involvement in the development and decision-making of their municipal governments.

In this new panorama, the political leadership of the Swedish Association of Local Authorities and Regions has, therefore, taken the decision to support municipalities and regions in the development of new citizens’ participation and engagement methods, for enlarging and renovating governance models. With such a mandate by the general assembly, in 2007 SALAR started a large project of “Citizens’ Dialogue” (Mergborgadialog). This established a technical coordinating committee to be in charge of organizing training and consultancies on different participatory methodologies, both for elected officials and technical personnel. One of the lines of such a program was dedicated to Participatory Budgeting (PB, or in Swedish MB – “Medborgarbudget, literally civic budget”) which was somehow “discovered” during some seminars organized in the UN-Habitat World Urban Forum of Vancouver (2006) by a growing international network of scholars and international consultants working with PB in several different countries.

With the goal of trying to develop some pilot-experiments of PB in the Swedish context, SALAR signed a 4 year cooperation agreement with the Centre for Social Studies of Coimbra University, which has already been renovated twice, until 2014. The most interesting aspect of such an agreement is represented by the will of “learning from countries of the South” (both Southern Europe and other world development areas), recognizing that they have come much further than central and northern Europe in the development of PB and other effective tools of citizens participation. Such an admission, if compared to the international cooperation tradition of Sweden, could be considered as an important cultural shift, which has produced cooperation links and field-visits (specifically devoted to on-site learning from participatory budgeting experiments) with cities of Portugal, Italy, Spain, France, Germany and the United Kingdom. It’s worth underlining that through SKL international, established by SALAR, some other collaborative relations with participatory budgeting examples in Albania have been made, so contributing to the development of two cities’ experiences and the construction of a training handbook in Albanian (2012), aimed at the fostering of an expansion of the experiment into other local administrations.

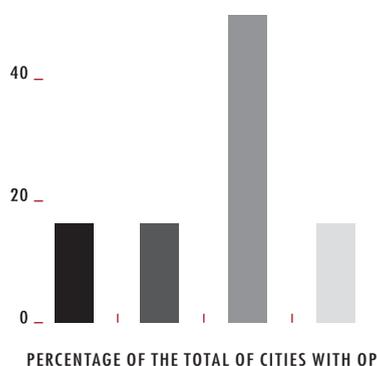
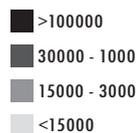
## *2. The changing panorama of PB in Sweden*

Undoubtedly, the above described context is very valuable in order to better understand the peculiarities of the present existing panorama of participatory budgeting experiences in Sweden, because it has put its accent on a lower level of need of innovation. This characterizes the Swedish political cultures as compared to other countries where PB has been felt to be an indispensable tool for fighting local government inefficiency, corruption or disenchantment for representative democracy institutions and their “passive relation” with the market’s imperatives. But such

**Graph 1** Percentage of cities with PB in Sweden, according to different size classes (2012)

Source SALAR/SKL (2012)

**Label**



an explanation wouldn't be complete if another detail hadn't emerged, which relates to the fragmentation of society in terms of social bonds and cohesion of the social fabric. In fact, if we wonder why, at certain point, namely around 2007, the hypothesis of experimenting with participatory budgeting emerged, there was an interesting "official explanation" proposed by the SALAR officials which has been more committed in pushing in that direction. Their view, reflecting the political debates that happened in the SALAR general assemblies around 2006, was well expressed during the networking seminar "Participatory Budgeting: Balancing resources for balanced development" at the 4th World Urban Forum of Nanjing (3-6 November 2008). Here, the SALAR representatives opened their speech showing the final map produced by the "World Values Survey 2008," pointing out the specific isolated position of Sweden, whose culture appears to have gained the maximum of capacity of "individual expression" while losing all its anchors in term of traditional societal values related to "living in common". During the event, they added that this concern for a gradually imploding social fabric dominated by individualism and shrinking of social bonds was made even more serious by observing "the growing lack of interest shown by new generations for everything regards politics," which underline "a major passivity in the relation with the State". The State was seen almost as a paternalist body that became self-responsibilized for the majority of the citizens' practical needs, as if this could continue forever without it being refilled with new meanings and energies for action by the commitment of the inhabitants and voters. The SALAR officials added worries linked to other two issues: (1) the socioeconomic factors that explain the inequality of political disengagement in different territories; and (2) the growth of counterpoised extremism which mix political approaches and religious overtones. More recently, another issue appeared, which is more related to some surveys (Sverige Studien, 2012). This shows that companies are abandoning a traditional behavior of promoting a horizontal dialogue among the employees and between them and the managing staff. They are becoming less open to incorporate management ideas come from employees, preferring to focus more on security issues and high-efficiency requirements that may affect the working environment negatively. In such a framework, a new discussion is going on within the political bodies of SALAR: whether municipalities and counties (whose techniques of management were also affected by major changes in the organizational forms, control systems and modes of operation) have to promote different standards of co-decision and so contribute to maintain (or even potentiate) a tradition of involvement of their personnel in the creation of more shared-visions and methods of management of public goods.

Such a dense expression of concern about the "sustainability of political activity without a critical and committed role of citizens in society" somehow marked the specific approach of Swedish Municipalities to participatory budgeting, and also the typology of experiments that where conducted in the last six years. For example, the fact of having privileged (in some of the first pilot cities) models of "actorial" PBs, meaning a "target-oriented" experience which mainly focused on involving young generations in the construction of public projects at municipal level. The declared goals of such a perspective (as in cases like the experiences of Örebro, 137,000 inhabitants, or Uddevalla, 31,200) where mainly the following: reactivating the interest of young generations for political institutions and party life, while at the same time enhancing social relations among teenagers (and, possibly, between them and the adults) through the discussion of common goods and public facilities. Somehow, an important role in this choice as identified in the literature (as Rossini, 1998, Tonucci, 2003 or Muñoz, 2004) discusses how – in other countries – the participatory experiences that put young generations in

contact with territorial decision-making affected their vision of life, usually opening a new interest for active commitment in society through grassroots-bases or even political initiatives.

But the first generation of Swedish participatory budgeting experiments was not at all homogeneous, nor the first declared commitments necessarily generated concrete participatory processes. For example, if we take into account the first small group of cities that entered the “PB network” opened by SALAR in 2007 in the framework of the “Citizens’ Dialog” project, only three of them (namely Örebro, Uddevalla and Haninge, 79,000 inhabitants) went on producing concrete pilot-experiments of PB between 2008 and 2009, while the cities of Hudiksvall (around 15,000 inhabitants) and Huddinge (around 100,000 inhabitants) stepped back soon after the first year of training, due to a lack of technical and/or political support – preferring to advance with other types of social dialogue. While, since the beginning, the Norwegian city of Fredrikstad (around 75,500 inhabitants) joined the network in 2010, another Swedish city (Avesta, around 21,500 citizens) stepped in. This group grew in 2012, with the start of new experiments in the municipalities of Orsa (6,800 inhabitants), Upplands Vasby (40,200) and very recently Pitea (41,000 inhabitants).

These cities are located in different parts of the country (but rural and more urban ones), only two of them being in the metropolitan area of Stockholm (Haninge and Upplands Vasby), where SALAR is located. Today, the municipalities who have tried and are still experimenting PB in Sweden are few, only representing around 2% of the total number of local institutions. Their sizes are quite different, even if the graphic above shows a small prevalence of municipalities between 30,000 and 40,000 inhabitants (which, by the way, correspond to the more common group of municipal size in the country). The nature of their PB is not homogeneous, it is very diverse as are the scopes and the year cycles.

The graph 2 below shows that there are also differences in terms of imagining participatory budgeting as a co-decisional space (in which citizens are entitled to decide how resources should be used) or just a consultative arena from whose civic dialogue politicians “cherry-pick” single proposals or alternative hypothesis of dealing with a project or a policy.

Political majorities which took the decision to experience participatory budgeting had also been diverse, and – unlike in the majority of other countries – there has been until now a slight prevalence of conservative governments or liberal-conservative coalitions. The situation, however, is evolving.

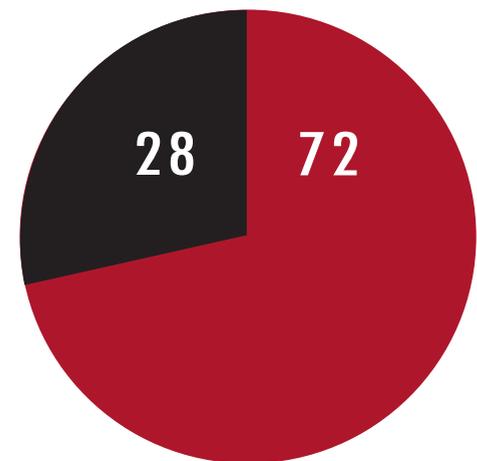
What the different Swedish cities experiencing PB mainly have in common are (1) the positive dedication of their PB teams, (2) the use of a series of ICT tools elaborated and provided by SALAR (as for example a “budget simulator” that was customized in the different cases) and (3) the relative shyness of their projects, which up to now seemed limited to pilot-experiments intended to “test the waters” without huge investments on PB. An exception is the small municipality of Orsa, which in 2012 allowed citizens to participate in the prioritization of the entire operating budget. Although this city uses a consultative model of PB that is supported by a series of very high level accountability tools which aim to create an intense dialogue among

*Graph 2* Percentage of cities with PB in Sweden, according to de decisional model (2012)

*Source* SALAR/SKL (2012)

*Label*

■ CO-DECISIONAL PB  
■ PURELY ADVISORY PB



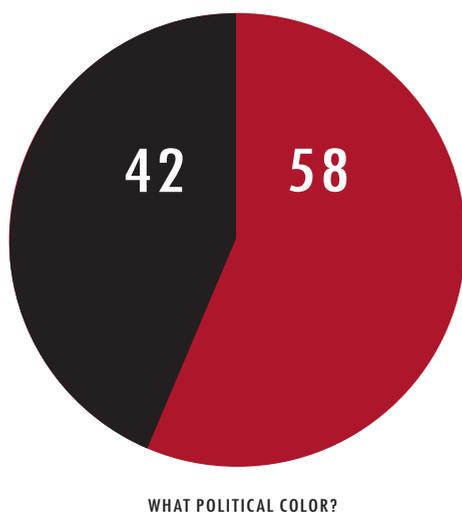
WHO HAS THE FINAL DECISION IN PB?

**Graph 3** Percentage of cities with PB in Sweden, according to the political colour (2012)

Source SALAR/SKL (2012)

Label

■ CONSERVATIVE COALITION  
 ■ SOCIAL DEMOCRATS



**Table 1** Average resources on which PB discusses in each city (2008–2012)

Source SALAR/SKL (2012)

\* This is the operating budget of Orsa, being that the city opens this slice of budget to public discussion.

NAME OF THE LOCAL AUTHORITY	CITY-LEVEL INVESTMENT BUDGET USED FOR PB	CITY-LEVEL OPERATING BUDGET USED FOR PB	PB RESOURCES TO BE SPENT ONLY ON A SPECIFIC AREA OF THE CITY	PB RESOURCES FOR THEMATIC DECISIONS	OVERALL INVESTMENT BUDGET (AS FOR 2011)	PB-RELATED RESOURCES PER CITIZEN (2011)
Haninge			40.000€		9.700.000€	0,5€
Uddevalla		20.000€	35.000€	50.000€	22.500.000€	1,0€
Upplands Vasby			20.000€		20.300.000€	0,5€
Avesta	1.000.000€		500.000€		13.500.000€	47,0€
Örebro				50.000€	49.300.000€	0,4€
Orsa		34.000.000 €			34.000.000€*	495€

participants and the government and is committed to answer all proposals so as to explain why they have (or have not) been taken into account. All the other municipalities have tended to implement participatory budget in relation to specific projects on issues related to local development, so only opening reduced parts of the investment budget (except in the case of Uddevalla, that for three years used money coming from an Interreg project funded by the European Union and could not apply PB to investments). In all the PB processes that took place in Sweden since 2007, the decision on the size of resources to be publicly put under discussion was taken by the Municipal Council, on the base of the Executive Committee Proposals. SALAR did not intervene in this very sensitive issue, although its project managers repeatedly stimulated the different cities to increase progressively their financial commitment with PB. The table below clarifies separately each municipality with at least one year experience of PB in relation to the resources (in Euro) submitted yearly to PB. There still isn't any comparative data available to clarify the costs of organizing the PB process, provided that the majority of cities used ICT tools elaborated by SALAR (which also covers by its own the costs of general consultants and training sessions) and covered personnel costs internally, eventually contracting project-leaders or consultants that were also in charge of other wider tasks.

### 3. Some peculiarities of the first wave of PBs in Sweden

Undoubtedly in Sweden, Participatory Budgeting is still at an early stage, and not only because SALAR network started in 2007 (being that in other countries, six years proved enough to see a large multiplication of mature projects), but also because the context still doesn't show an urgent need to introduce fast modifications in the political panorama. This is most evident in the models of PB adopted which are either consultative (as in the cases of Orsa or Pitea) or – if they are co-decisional – still prefer a “micro-local participation” model. So, the panorama of Swedish PB could be related to what Sintomer and Allegretti (2010) defined as “Consultation on public finances” or in the majority of cases to a mix between the idealtypes models called “proximity democracy” or “community development funds” which are generally

more common in Northern Europe, as the cases of Germany and UK prove (Sintomer and Allegretti, 2013). In Sweden, the important role of ICTs is undeniable. For example, the need to take advantage of the high level penetration of broadband for the specificity of weather conditions which do not facilitate at the same extent in every season the physical communication among citizens and community gathering in public spaces. Despite this, ICTs have never been regarded as a pivotal center of the PB processes, but more as a support. Is not by chance that the majority of Swedish PBs count mainly on public meetings, and they usually calendarize them in Spring or early Autumn, even if the institutional/legal framework of the country would let the yearly cycle organization more open than in any other context, provided that there are no bureaucratic constraints and requirements for having the annual municipal budget approved in a specific period of the year. Possibly, this specificity is not to be related with a copy-paste approach to the emulation of other PB models, but for the need to maintain a coherence between the means used for shaping the architecture of PB and the declared aims to stimulate a horizontal dialogue among citizens and not a mere communication space among individuals and the administrative/political structures.

In terms of approach and per capita investments on participatory budgeting, the municipality of Avesta (21,500 inhabitants in the southern Dalarna region) has been the major experiment in Sweden. It started in 2009, thanks the commitment of its coalition progressive government – led by the Socialdemocrat party – and, unexpectedly, at the time the city was not a member of the SALAR network on PB. Joining only some months after having started to conceive its processes. Anyway, the latter (which was limited to the urban planning sector) benefited from the discussion of other tools presented in other thematic SALAR network devoted to deal with different techniques allowing and facilitating the participation of inhabitants in the setting of public policies and projects. Famous for its ironworks, Avesta changed its productive profile in the last decade, so that the ironwork dominance gradually declined, although, it is still a significant employer in the municipality and the change was not able to modify a certain “service spirit” in the local culture. A local culture which has “a low confidence in the inhabitants’ own ability to influence their destiny” and seems not to be very interested to invest in training and experimental innovations (Palm, in SKL, 2011). The new progressive political majority elected in 2006 visualized participation as an opportunity to dynamize society and break down this lazy “spirit of service” through giving citizens more opportunities to directly influence their life and that of their community. The idea was to start from a sector, that of the physical transformation of the city, that could progressively attract more participation, due to the production of a visible transformational. So, provided that the political program contained guidelines for a comprehensive development of the city center, with a long term perspective, this became the privileged spot for experiencing PB. Therefore, a Working Group was appointed by the Municipal Government in 2009 to develop the participatory process, consisting of a project managers, and representatives from the administration departments responsible for technology and construction issues. The maximum limit investment initially established was 10 million Swedish crowns (around 1 million Euros at the time). The goal was to allow citizens to decide which part of the program would be prioritized and addressed

first. Seven different parts of the Center Development Program were listed for being submitted to public decision, excluding those of more technical nature (among them the reorganization of an existing avenue): implicitly, such a choice had a certain degree of paternalism, tending not to recognize citizens as already prepared to face more complex issues, and showing the cautious approach of the municipality to the opening of decision-making to inhabitants. The first round of voting on the 7 priority areas marked (in September 2010) the opening of the PB project. Advertising for this phase used announcements in local and regional media, Facebook, distribution of flyers and “outreaching presentations” that tried to attract people in shopping malls, primarily in schools, grocery stores and the municipal swimming baths. The votes (after registration) were cast through the Internet ([www.avesta.medborgarbudget.se](http://www.avesta.medborgarbudget.se)), and people could choose on the basis of seven “dossiers” with a simplified language, including sketches and photos and budget costs of different options for development. Winner of this first round – chosen by the 110 participants to the poll – was a still un-named “little square” and the walkways linking it down to the bridge”.

The second step was about discussing an alternative design for the “Little square”, opening a space for citizens to submit their suggestions and decide on the best one. Strangely, despite several proposals and sketches being submitted, in the end were only 23 voters, but the Municipality decided to respect their choice, as promised. The “turning factor” was represented by the ribbon-cutting ceremony of the first lot of the new square, which happened in early September 2011, in the form of a work of art. In a few days, more than 1300 unique visitors visited the webpage of PB (SKL, 2011) and 220 people created an account, the largest majority being older than 50 years. The municipality analyzed this fast-changing answer, in order to reformulate the project. It recognized that the only concrete implementation of the co-decided measure had been the ability to break the difficulty of creating a municipal collaborative culture. Anyway, most positive for the municipal administration was discovering the unimagined levels of skill and competence on the part of the citizens that participated, which showed the gradual development of confidence throughout the entire process. Based on the encouraging signals received in Autumn 2011, the Avesta government decided to incorporate the participatory budgeting processes in the “Strategic framework for public dialogue in Avesta”, appointing a political steering committee to work on reframing the experiment (also in dialogue with representatives of the Youth Council), within a larger “hybrid” structure that allowed different types of tools for influencing and directly controlling municipal choices. Therefore, in 2012, new training activities were undertaken, also modifying communication instruments and creating a Guide for Trustees modeled on that of the Örebro Municipality. The second year of PB concentrated on a larger recreational area which needed to be adjusted for sport and community meeting, and involved a privileged dialogue with Youth Council members to try and attract to the process targets that had not spontaneously participated to the first year of the experiment. A pot of around 500.000 euros was dedicated to develop the park. Three articulated options, based on citizens’ proposals, were submitted to a public vote, getting a clear majority for one of them, which started to be implemented at the beginning of 2013. Temporarily, the city stepped out from the SALAR network on PB, wishing to complete the experiment alone, before moving to the next step in the development of its PB model.

A not dissimilar experience (based on the replanning of a specific site) also started in the city of Haninge in Sweden’s 25th largest municipality, located on a dynamic route between Stockholm and Nynäshamn, whose borders include a large archipelago and wild natural areas. The

municipality was an important part of the “Million Programme” (Miljonprogrammet), an ambitious housing program implemented in Sweden between 1965 and 1974 by the Social Democratic Party to demolish part of the old inadequate housing stock and make sure to provide a home at a reasonable price to 1 million families. But, after more than three decades, several of the buildings realized by that Programme started to be inadequate, as in the district of Jordbro, where many investments did not achieve considerable longlasting results of requalification. Governed by a coalition of five parties (Moderate Party, Liberal Party, the Greens, the Christian Democrats and the Centre Party), Haninge created a special Council Committee to implement participatory reforms, considered a “precondition” for any sustainable development. The idea of starting a pilot-project of participatory budgeting was seen as an important opportunity to concretize this idea. For this first attempt (which was area-based) 400,000 SEKs were invested for transforming one of the corners of Eskil Park, a centrally located and partially-misused green void that combines playgrounds, pine woods, open lawns, a fountain and an amphitheater. The Democracy Committee – in suggesting this area – expected that Eskil park reclamation would make a vibrant meeting place, while involving many participants and working as a test for new participatory methods. A project manager was appointed in Autumn 2009, coming from a background of similar “hybrid” projects in England, laying between participatory budgeting and participatory planning processes. The total cost for setting the PB and distributing information, amounted to around 16,000 Euros (almost 1/3 of the investment’s cost). Unlike in Avesta, public meetings represented an important feature, although the first round of citizens’ proposals could be also submitted through Haninge Municipality websites. After this first part of the cycle in January 2010, a two-months phase of technical evaluation of citizens’ ideas was often followed by voting: the rules stated that the 40,000 euros could fund longlasting investments and not events or temporary installations. Due to the type of equipment under discussion, the right of voting was also extended to interested people which were not resident in Haninge and no age limit was established. The outreach strategy involved local newspapers, radio, posters, meetings with various representatives of charitable organizations and schools in the vicinity of the park; some secondary schools were directly involved in the project. Several diverse methodologies were used: for example, face-painting was used to attract families to a civic workshop on the issue, where 70 people attended. Exactly 30% of the 101 ideas received was delivered during the meeting, having a clear “more collective” approach. It’s worth to underline that – unlike the Internet submissions – the public meeting

gave the opportunity to clarify issues and overcome problems related to proposals that looked inadequate with the original design language of the park, or that could create public safety problems. A proposal to leave that corner untouched and move the investments to another more flexible and “open” part of the park was also discussed, but in the end not approved. Once removed from the list the proposals that didn’t meet the pre-established criteria (but were also part of clear policies of Haninge’s administration, as with the one against graffiti) were merged some similar ideas with the collaboration of proposers. The remaining 21 ideas were submitted to public voting: 12 were related with projects aimed at transforming part of the area into a “stage” for different events. The proposal with the lowest budget was a barbecue, which was priced at 30,000 crowns. Even if the vote took place online for one month, an important public meeting was put in agenda to give proposers the opportunity to defend their ideas in front of other citizens and politicians, before the closing of the voting period. More than 100 people attended the last meeting, and a total of 250 voted. An online tool, adapted from the budget simulator created by SALAR, was used to allow citizens to choose between one or more less expensive proposals at one time; for some ideas – as that of realizing new flowerbeds – it was possible to choose the amount of money, depending on the size, duration and typology of plants. The winning proposal – submitted to the City Council that ratified it with a formal decision – was that of building a “mobile stage structure” that could be protected against risks of vandalism and maintain the amphitheater as a mainly “open space” when plays and shows were not happening.

Unlike other PB-pilots in Sweden, that of Haninge was monitored and evaluated in a report (delivered in August 2010) which aimed to give to the municipality ideas for the follow-ups. Some citizens also took part in the evaluation. The main criticism was concentrated on the difficult voting system, even if the Report recognized that it allowed respect for the complexity of the possible choices, serving as a pedagogic tool for citizens to learn new skills about decision-making alternatives. Although the investments for PB were quite reduced for such a big city, the pilot created broader impacts than its size. It generated enthusiasm in elected and administrative officials, and partially reshaped the traditional way of acting. In that they coordinated themselves and interacted with inhabitants. A discussion inside the administration led to the idea of implementing some other proposals presented through PB inside the municipal general budget, for improving the park as a hole, and other public spaces. Possibly, the most interesting effect – revealed by some performance evaluation interviews – was that PB favored a self-mobilization of citizens to defend their propos-

als, and raised their interest in other municipal issues external to PB. Also, media attention received by the experiment called “You decide on Eskil Park” proved high compared to that gathered by other innovations in Sweden (SKL, 2011).

A new PB project was then started in 2012 in the former “Millennium Programme” neighbourhood of Jordbro, focussing on security-building efforts, under the supervision of a newly elected Democracy Advisory Council that emerged from the elections. Meanwhile, the start of the second PB cycle was slowed a bit. This time, around 100 proposals were submitted by inhabitants, which were merged by officers in order to arrive at 10 proposals to be submitted for vote. The winner was the project of a “Parkour park” proposed by a school-class of 11 year olds children: works started in the end of 2012 and are almost completed.

As far as it regards the PB experiences of Sweden that specifically targeted young generations, that of Örebro (the country’s seventh largest municipality, with a population of around 135,000 inhabitants, with many refugees coming from more than 150 different countries) presented some interesting innovations. Located in the center of Sweden, at an equal distance from the East and the West coast, Örebro is a multifaceted business town, no longer dominated by any particular industry or sector, where several government agencies are located; its University hosts about 17,000 students. During the mandate 2006–2010 it was controlled by a coalition consisting of Conservatives, Liberals, Centre Party, the Christian Democrats and the Green Party. A special statement introduced in the 2008 Budget Act declared that “The municipality intends to try new ways to increase participation on municipal finances and on how economic policies will be broadened,” and in 2009 Örebro was the first municipality in Sweden to start a pilot of participatory budgeting.

For the first year, 250,000 SEKs (taken from the investment budget plan) were put under discussion with a target audience constituted by a group of approximately 80 high-school students from the schools Risbergsgka, Rudbecksskolan and Tullängsskolan in order to test the methodology. A Reference Group of public officials helped students to formulate the technical aspect of proposals and calculate the average costs, paying attention to maintain them within the “environmental and mobility” thematic area, to which the investment money belonged. The proposals presented between January and February 2009 ranged from new bike lanes to volleyball courts, and in March students voted on which one would have to be realized. Each class could present a maximum of one proposal, so that there were three final ideas to vote on: the renovation of a river bathing beach in Hästhagen (Hästhagsbadet); a Beach Volley field in the main city park; and the construction of

a network of digital traffic signs called “green wave”. The method of voting (free vote for any proposal, instead of excluding that presented by their own school) was decided by the participants themselves. The first proposal got two-thirds of the vote, and then something unexpected happened. In fact, instead of sending the proposal to the next year’s budget, the Mayor’s Cabinet decided to approve a modification of the budget and to complete the refurbishment of the river beach in that same semester. This involved putting new sand on the beach and in the volleyball court, new grass, flower beds and more barbecue areas and trash-bins. A large mass of students attended the bath opening in July 2009, with a high media coverage. This granted a critical mass of potential participants for the following years, and the need to assess lights and shades of this first experiment. Among the improvements requested for 2010 there were: (1) the need to have a clearer timetable for the different activities and project phases from the beginning; (2) the need to grant (as formulated by students’ request) a more direct and permanent contact with politicians during the entire cycle of PB; (3) to expand contact with public officials and allow participants to present more and more detailed proposals, so as to take a better advantage from the pedagogic potential of the tool; (4) to increase the number of involved schools; (5) to provide students more training and examples of possible investments to be proposed, while also looking at other cities as examples (as for examples in the French experience of Poitou Charentes with which Örebro soon entered in contact).

According to these needs, in 2010 a second PB cycle was put in place, and was still conceived as a large pilot but not as a city-wide project. This time, the target audience was extended to include several High School Classes in Karolinska school, Kvinnerska School, Risbergsgka school and Rudbecksskolan, and the resources were doubled to 500,000 SEKs from the investment budget. Approximately 100 students participated. The criteria established for accepting proposals were reformulated and in some way related to river improvement and development. A consolidated Officials’ Reference Group helped students to detail proposals (and calculate prices) during January–March 2010. The number of proposals per class was extended to two, with seven of the the ideas being admitted for the final vote. The vote chose the construction of a wooden deck in the Svartån area (receiving around 1/3 of the votes). The media coverage followed the event and also the implementation phase of the co-decided project, and was ratified by the City Council. The committee of the students that had proposed the winning idea was also involved in the monitoring of implementation. They discussed officially their proposal with the Technology Board, an experience that was evaluated by them as a very positive

experience. Before the municipal elections, the Executive stated that “Participatory Budget in Örebro means that the municipality transfers to citizens the responsibility to develop proposals and decide on the use of a pre-decided amount” (SKL, 2011). For the future follow-ups, the evaluation suggested the need to: (1) further increase the participants; (2) increase transparency by making better use of the municipal website; (3) increase the number of channels and tools of communication. The technical structure composed of the project manager, steering committee, teachers and students together (even making together some rules of the process) proved successful. One of the key-words that inspired the entire experiment was “simplicity”, which helped setting “clear rules and roles” of all the actors involved. In the evaluations done, the majority of participants underlined that “there has been fun in feeling involved in Örebro development” and “in meeting senior politicians and officials”. The project was stopped by the new government, which began office after very troubled elections in 2010, and led to a new round of reelection in 2011, where the voting turnout lowered to more than 20% (from 83.4 to 63.3). It restarted in the second part of 2012, and is ready now for a strengthening of such kinds of projects in collaboration with schools.

A second and less linear experience that targeted young citizens was that of Uddevalla, a ship-building town in Bohuslän province, which has a very active social life today, counting on more than 350 non-profit organizations. Here the City Council, after a disappointing result of some social and entrepreneurial surveys of 2005 on the performance of the local government, decided to undertake a political shift for developing methods of empowerment and dialogue with citizens. In this venture, they found a partner in Norway, in the close-by city of Fredrikstad. Together, after 18 months of research and planning, in Autumn 2008 they started a three-years EU-funded project called “MSM- Meeting Nationals” centered on collaboration and networking with other partners, such the University of Østfold and the Chalmers University of Gothenburg. This partnership was to develop and test new methods of citizen participation that could be used in the Swedish and Norwegian municipalities. With the formal goal of increasing participation of at least 10% before Autumn 2011. The project decided to cooperate with SALAR in applying PB on the two territories with a variable geometry in time, in order to “test” different possibilities and results (from the field of schools’ activity development to the sector of environmental protection and safe walks).

The first PB experiment was called “Udda Valet” (“Odd choice”), which has an assonance with the city’s name. Emulating the “U Decide” process of the English city of Newcastle, Uddevalla offered a pot of 200,000 SEKs to be used by students which had to be involved not only in the planning and voting of spending priorities, but also in the implementation of results. The first year result (2009) was successful, funding a “Comedy Day” with a mix of famous and young comedians performing in a central park in Uddevalla. The voting selection of priorities (to be chosen out of the 21 final proposals presented by the youngsters themselves) were submitted to all young people aged 13–19 years in Uddevalla, including non-residents. This choice, suggested by the Advisory Council for Integration and Democracy, was natural, because the “MSM” project-goal was to broaden the possible inclusion (the project also having a part dedicated to dialogue with immigrants). The Uddevalla Youth Council, an open forum for young people which was involved in the planning of the process’ rules, suggested that “the information would have to be handled by us young” (SKL, 2011); the massive informational campaign conducted by this consultative body had a huge effect on participation, involving schools through class presentations and the distribution of written materials. The Youth Council also had a major role in the “merging” of similar proposals (which were finally reduced to 7), in mobilizing student and

other Youth Associations for the voting phase, as well as in the managing and monitoring of implementation. The voting phase was conducted online on the municipal website, and about 10% of potential voters aged 13–19 years expressed a preference, responding to customer satisfaction questionnaires with a 90% rate of positive comments: many asked to be given influence to a greater extent, affecting permanently the municipality’s choices and future investments.

Following this success, which was carefully reported by local media, Uddevalla City Government and its Technical Board for the implementation of PB tried to emulate some elements of the Portuguese experience of São Bras de Alportel. In 2010 a process called “Develop the school environment” was created. This process asked the students to photograph and describe their problems, and then prioritize improvements and solutions for bettering their school environment. The budget set was of € 25,000. It lasted four weeks (in two schools with children from 6 to 14 years) from the launch to the voting of children’s priorities. Identified among other things, was the refurbishment of a school lounge, an amphitheater and a new playground and were then funded and implemented. Many of the techniques used in this project were inspired by a field-visit in Seville that SALAR organized in May 2010 (the first year in which Sevillans children conquered the right to vote in the PB). The children were given information both verbally and through information booklets, and parents were also invited to help children with proposal submission and voting. Web-tools supported the process allowing to mix texts, pictures and drawings for every proposal. A Working Group consisting of project management, school staff and responsible for technical management calculated the costs and tested proposals’ feasibility, and suggested the merging of similar ideas. The kids had a week to vote via web. Being that the proposed budget only represented a “ceiling”, many small low-cost proposals (out of the 24 that went to the final voting) could also be approved, in some cases under the regular budget of the educational sector: this means that there had been a real political commitment in listening to children and trying to make the most out of all the proposals that emerged during the process. There was an interesting process of collaboration between the elderly children, who helped the younger to vote. The turnout was very high, reaching 87% in one school and 76% in the other.

A third different pilot in Uddevalla was made in 2011 through the so-called “Environmental and Safety Tours”. This took inspiration from a long tradition of security walks organized through time by housing agencies, municipalities, schools and other actors dealing with security issues in the built environment. In this case, the idea was to merge some principles of PB with a method able to raise questions about what makes an area feel unsafe, and what can be done to lower these perceptions. After the tours, politicians and officials gathered all proposals that had emerged and transferred the final decision to all the inhabitants of the area.

One of the trekking tours was organized by the children of a small village outside the central city, another was proposed by adult citizens of foreign origin in a typical neighborhood of the Million Housing Programme. The limit to a full participation of citizens in this experiment was that the selection of 14 proposals (out of around 20 presented) that were going to be voted on took place in a Workgroup of representatives from technical management. The ceiling for funding the winning proposals, in each neighborhood, was established by the Advisory Council for Integration and Democracy in 175,000 SEKs. The two final area-referendums (opened to all residents aged 10 years and more) were supported by advertisements in local newspapers, posters in public venues (libraries, billboards, etc.), leaflets sent in every home, Facebook and information given through local clubs. Special launching efforts occurred in schools in both

areas. The voting was conducted via Internet with the opportunity to discuss the proposals in the previous two weeks. Libraries and other venues were arranged to allow for people to vote who did not have a personal computer at home. Between 5% and 10% of residents in the selected areas participated in the voting. Among the suggestions received in the evaluation phase was that of improving the information work, creating “targeted-information” material, especially where there were a lot of residents of non-Nordic background.

In the three years of “MSM” project, Uddevalla managed to increase by 8,3% the participation of its citizens, a rate which was a little bit lower than imagined, but an important outcome, as the SCB Citizen surveys’ Satisfaction Index of 2011 proved (SKL, 2011). Possibly, the different experiences had been a bit fragmented and the interruption of every methodology to experience a new one could have created a general frustration in the inhabitants. Inhabitants that had possibly hoped to increase and further develop each experience in which they had taken part. The decision – for 2013 – to modify again the participatory experience is a bit unexplainable, being that it seems unable to take advantage of the positive past experiences, preferring to enter into a new unexplored territory.

As far as it regards the Norwegian partner, the city of Fredrikstad (the first in Norway to have experimented with PB), it is worth underlining that the twin-project of “Udda Valet” called “We want, we can, we decide” had an initial false start in spring 2009, because it relied too much on the schools’ administrations (that boycotted the experiment) but then managed to have positive results. Directed towards young people aged 13 to 19 years who attended school or lived in Fredrikstad municipality, the project invested 200,000 Norwegian Crowns (around 20,000 euros), which would be used for choosing a priority to implement, among the several proposed projects. Given the lack of cooperation of school directors, the Municipal PB Team decide to use Facebook to launch a campaign on PB, and to involve (as in Uddevalla) young volunteers in advertising the process. So, in Autumn 2009 a wide series of large and small meetings took place in all the schools of the city, resulting in 11 proposals elaborated by the students. A workshop was organized to discuss and merge some of them, and using the methods of “young Entrepreneurship” they were helped to transform their ideas into more detailed proposals (finally five, but more complex than the original). The idea of making the “week of voting” being conducted (through ballot boxes in the schools) by student representatives themselves, was the key of a big success: 61% of all students participated in the election, reaching 86% in some schools. The winning proposal – which won with 62% of preferences – was to implement a Data Party (LAN) for young people aged between 13 and 25. It was done in November 2010 and resulted in a major success, thanks to the role of the Fredrikstad Youth Council that undertook the implementation responsibility. After managing this event, ten of the involved young citizens (between 15 and 27 years) started their own association called Fredrikstad LAN, replicating the event in 2011 and 2012<sup>2</sup>.

A second PB pilot-project in 2010–2011 took the name of “lokalsamfunnsordningen”, and tried to update a tradition developed in Fredrikstad throughout the last 12 years. The city is divided in 21 local geographic areas, each one with a steering committee consisting of representatives from schools, culture and sports clubs, business, churches and so on. A sort of “neighborhood funds” have been created – receiving each year between 20,000 and 80,000 Norwegian crowns. But the methodology was not conceived to involve the citizens in decision-making (beyond the steering local committees) so this experiment should possibly be associated with other typologies of processes, rather than a real PB. Unfortunately both experiences seem at a deadlock

<sup>2</sup> See [www.fredrikstadlan.no](http://www.fredrikstadlan.no)

<sup>2</sup> Consultar [www.fredrikstadlan.no](http://www.fredrikstadlan.no)

after the last municipal elections and the end of the MSM, despite the large success achieved by the pilot-project.

#### *4. An open conclusion*

Although in slow-motion, participatory budgeting experiments in Sweden have been able to reach some interesting results. They undoubtedly have feedback to share with the other contexts with which they have shared a dialogue over the last few years. Undoubtedly, the context does not seem to help these experiences to dare to sort out of the nature of “permanent pilot projects”. And their major difficulty seems that of entering in the daily routine of Swedish municipalities and overcoming their shy experimental approach. During these past years a lot of capital has been created in Sweden through PB: through the commitment of SALAR and the passion shown by the majority of municipal teams that have been involved in PB. But the mutual respect (and a sort of “distance”) existing between the different roles of technical personnel and elected officials makes it difficult to replicate some “hybrid model” that other countries have experienced, where politicians were convinced to invest in PB in the aftermath of serious PB projects set by groups of committed technicians. Another limit is – undoubtedly – the general confidence that still exists in institutions and political parties, unlike in other countries, and the substantial good-function (effective and also accountable) of elected governing administrations. Such a “lack of need” of introducing participatory innovations that could help to renovate the political culture is possibly the main reasons for the slow process of enrooting participatory budgets in Northern Europe as a whole. Research on other different participatory mechanisms in Sweden (as the Water price Groups in Malmö, see Allegretti 2011) show that this “lack of need of change” can block the development of very well designed tools, despite all the good intentions that lay beyond them. And it seems to combine (activating a sort of vicious circle) with the fact that politicians are rarely paid for their “service to community” so that they skeptically look on even more than many other Southern European professional politicians at the sharing or devolving of a part of their discretionary power back to the citizens. This could explain why in Sweden (in 2012) some new PB took place, with more resources at stake, but choosing a cautious consultative method. Maybe, the natural evolution of society and demographic change will be, for the future, the decisive factor which will allow a structural change and a gradual growth of PBs in quality and quantity. And possibly, PB will become indispensable, should the principles be applied to critical areas such as some difficult neighborhoods when ethnic differences of problems that are linked to the gradual perishing of architectural quality leads to a higher level of crisis. For now, it is important that SALAR maintains the commitment of granting networking and critical mass to the existing experience, and a constant dialogue with other bolder models around the world.



EUROPE

POLAND

# PARTICIPATORY BUDGETING POLISH-STYLE. WHAT KIND OF POLICY PRACTICE HAS TRAVELLED TO SOPOT, POLAND?

## *Introduction*

By the early 2000s, the idea of participatory budgeting (PB) in Poland exuded an air of a remote South American utopia. Today, only about a decade later, PB has become part of Polish political reality. As the number of cities engaged in PB is rising, the popularity of PB has surprised — if not perplexed — local and national politicians, policy advisors, urban activists and academics alike. It remains unclear what kind of policy practice has arrived to Poland and travelled across the country.

The first PB-like initiative occurred in the city of Płock, a mid-sized city in the centre of the country. Between 2003–2005, within the framework of the United Nations Development Programme a public-private partnership was formed between the municipality, local NGOs, PKN Orlen (i.e. major Polish petrochemicals and gasoline company, headquartered in Płock), and Levi Strauss, allowing for the establishment of the Grant Fund for Płock, in which projects submitted by NGOs were evaluated by a jury (Płaszczyk, 2005). The first project labelled “participatory budgeting” emerged some years later, in 2011, in Sopot, a small city on the Baltic shore. The latter project is now widely and officially recognised as the first ever PB project in Poland. As of January 2014, PB has been embraced by approximately 80 cities — including Warsaw, Kraków, Łódź, Wrocław, Poznań, and Gdańsk. It is furthermore officially supported by the Ministry of Administration and Digitization of Poland, as well as by Prime Minister Donald Tusk.

However, despite increased recognition and popularity, the debate concerning PB in Poland, while addressed at diverse grassroots and NGO conferences, policy papers as well as in the local and national media, has acquired a rather limited character: captivated with the ever-increasing quantity of PB cases, various commentators seldom provide a consistent analysis of their quality. Few accounts (e.g. Gerwin, 2013, Kębłowski, 2013) have attempted to critically investigate the methodologies and impacts of PB in Polish cities. The key issue — signalled by Ganuza & Baiocchi (2012) who provide examples from Europe, Latin America and Asia — of what actually has travelled under the PB label, has not yet been fully addressed in Poland.

As in the case of other “travelling” policy models, we argue that the mobility of PB should be approached as an “acutely political” process (Ward, 2006, p. 70) that is

historically, politically and socially constructed, “in which policies are subject to change and struggle as they are moved.” (Ward, 2011, p. 90). In the Polish case, it remains unclear whether the sudden surge in political support for PB, as seen in the rocketing number of PB cases between 2011 and 2014 in the country, should either be interpreted as a sign of a participatory and deliberative turn in Polish urban policies – hence allowing for a lasting citizen influence over urban development, or rather as a “hype” among local policy-makers merely considering PB as an instrument of city marketing – or even as a way to boost one’s chances in upcoming local elections in autumn 2014.

Herein lies the aim of this chapter: to help understand more comprehensively what kind of participatory policy and practice has actually travelled to and within Poland – or what PB Polish-style really is about. The chapter does not provide an analysis of all 80-odd PB cases in Poland (see Kębłowski, forthcoming). Instead, we focus here on the case of Sopot as a symbolic case, not only due to its pioneer-like character, but also due the template-like role it has acquired in inspiring dozens of other PB projects across the country. We argue that looking at Sopot can provide key insights on the achievements and flaws of Polish PB.

*Constructing an analytical framework: the right to the city as reference.*

Unlike ubiquitously implemented policies associated to the urban entrepreneurial repertoire (Harvey, 1989), the model of participatory budgeting seems rooted in another approach of the contradictions raised by contemporary processes of urban change. Instead of focusing on the attraction of selected target groups of “creative” populations, “innovative” activities or the “visitor class”, and on delineated areas (“growth areas” or “leverage zones”). Instead, PB appears as possibly engaging the entire urban society in a process of co-decision about the ways and goals of (re)development of the entire urban space. We assume therefore here that PB should be expected to function as a policy practice potentially providing an alternative to the mainstream agenda of urban entrepreneurialism.

To verify this alleged “alternative” character of PB, and address the lack of studies critically assessing the actual character of allegedly “alternative” urban policy models and practices, we have established a theoretically-informed, yet operational analytical framework (see Figure 1) (Kębłowski & Van Criekingen, forthcoming). This framework is composed of three layers derived from three literatures. First, it builds on core ingredients of Henri Lefebvre’s conceptualisation of “the right to the city”, which in our view provides a powerful intellectual remedy for urban entrepreneurialism. We therefore expect PB to become part of a strategy providing a “right to totality, and complexity” (Marcuse, 2012, p. 35). This strategy — as highlighted by a number of recent re-interpretations of Lefebvre’s work (i.e. Harvey, 2012; Mayer, 2012; Purcell, 2013) — intends to discharge the market and state from their current responsibility over appropriation and production of space, and hand it over to inhabitants. In this view, PB should therefore challenge and reach beyond existing configurations of power over all aspects of urban development — be it in its social, political, built or aesthetical dimensions — and join a call for “utopias of spatial form” (Harvey & Potter, 2011, p. 46): a new urbanity.

RIGHT TO THE CITY	PARTICIPATION	PARTICIPATORY BUDGETING
Enabling appropriation and production of urban space by inhabitants	Inclusive; Reconciling topdown and bottom-up elements	Based on prior participatory traditions; Supported by a political will to implement it and respect its rules and outcomes; Bringing together top-down and bottom-up processes and motivations; Bridging the divide between “articulate” and “non-articulate” actors;
	Deliberative	Incorporating an elaborate system of fora: - providing framework for deliberation between not only participants and the local administration, but also among participants themselves; - incorporating tensions deriving from plurality of views represented
Challenging the existing configurations of power	Interactive	Integrating elements of representative and direct democracy; Including of a profound and mutual learning experience.
	Redistributive Political character	Empowering participants, and enabling them to determine: - rules behind PB; - subjects for discussion with in PB; - city-wide criteria for selection of proposals; Delegating key responsibilities to new, directly elected bodies,
Concerned with total sum of aspects regarding urban environment	Holistic and multi-scalar	Reconciling various scales (neighbourhood, district, city) Finding balance between specific projects and broad political agendas.
	Effective	Swift realisation of investment proposals
Utopian	Transformative	Including the majority of investment expenditures; Deriving from (rather than intending initiate) an administrative reform.

*Table 1* What makes PB an alternative urban policy? An analytical framework.  
*Source* authors' elaboration.

Second, our analytical framework is grounded in the critical literature on citizen participation in urban planning. Although an undoubtedly crucial element of Lefebvre's theory, citizen participation in urban policy-making has often been observed as embracing highly controversial practices “entirely appropriate to the neoliberal age” (Pearce, 2010, p. 14). In order to avoid being harnessed as “thinly veiled attempts at securing legitimacy for and cooperation with policies already adopted that favour capitalist growth” (Silver et al., 2010, p. 454), participatory projects should remain inclusive (i.e. responding to unequal capacities among potential participants and reconciling institutional/top-down and non-institutional/bottom-up elements), deliberative (i.e. providing space for conflict/dissensus and deliberation/consensus) and interactive (i.e. involving participants in a mutual learning experience) (Pretty, 1995). These factors determine the redistributive quality of participatory projects such as PB, which — by being created by and with citizens, rather than for them — should transfer significant power toward city-dwellers (Malewski, 2012). Consequently, instead of a representative function (i.e. providing no more than a voice for the citizens), an instrumental one (i.e. providing means of increasing efficiency of pre-established policy schemes), or a nominal one (i.e. providing an instrument of display for some politicians), participation should have a political character (White, 1996). Participation should furthermore resist parochialisms by becoming holistic

<sup>1</sup> Together with Gdańsk and Gdynia, two immediately neighbouring cities from south and north, Sopot belongs to the so-called “Tricity”.

<sup>2</sup> According to Poland’s Central Statistical Office. Data available respectively at [http://www.stat.gov.pl/gus/5840\\_8478\\_PLK\\_HTML.htm](http://www.stat.gov.pl/gus/5840_8478_PLK_HTML.htm) and [http://www.stat.gov.pl/gus/5840\\_8483\\_PLK\\_HTML.htm](http://www.stat.gov.pl/gus/5840_8483_PLK_HTML.htm).

<sup>3</sup> In November 2013 the unemployment rate in Sopot amounted to 4,8%, while the average unemployment rate for Poland was 13,2%. Source: Poland’s Central Statistical Office. Data available at [http://www.stat.gov.pl/gus/5840\\_1487\\_PLK\\_HTML.htm](http://www.stat.gov.pl/gus/5840_1487_PLK_HTML.htm).

<sup>4</sup> Interview with a PiS councillor.

<sup>5</sup> Interview with a member of the Town Hall administration.

<sup>6</sup> Interview with a PiS councillor.

<sup>7</sup> Interview with a member of the Town Hall administration.

<sup>8</sup> Interview with a SIR representative.

<sup>9</sup> Interview with a member of the Town Hall administration.

<sup>10</sup> In 2011, 7,47% of eligible citizens cast 2410 valid votes. In 2012, this figure fell to 4,67% (1506 valid votes cast), to rise in 2013 to 6,67% (2119 valid votes cast). The authors have calculated the voter turnout using data provided by the National Electoral Commission (see <http://wybory2010.pkw.gov.pl/geo/pl/220000/226401.html>). As their figures concerning the number of citizens of Sopot with voting rights exclude 16- and 17-years-old citizens that were allowed to partake in PB in 2013, the turnout for that year might be slightly lower.

and multi-scalar, that is, embrace the whole urban society and territory, and reach beyond administrative boundaries, parochial spaces and interests. Finally, the transformative potential of participation depends on its effectiveness (producing tangible, yet not forced outcomes) and capability to produce a genuine and lasting change of power relations reaching beyond existing institutional frameworks.

The third layer builds on the theoretical insights brought out by researches on PB (i.e. Baiocchi, 2003; Cabannes, 2004; Górski, 2007; Shah, 2007; Sintomer et al. 2008; Wampler & Hartz-Karp, 2012). Combined, these elements have enabled us to establish an “urban alternative checklist” (see figure 1), that will now be used to empirically confront the experience of PB in Sopot. Our aim is thus to understand and interpret motivations of actors and networks involved in its implementation, its actual content and mechanism, and the results produced. Our empirical research is based on (1) an analysis of documents and publications concerning PB in Sopot, and (2) a series of 11 semi-structured, face-to-face interviews conducted in June–July 2012 with key actors involved, including local politicians, City Councillors, members of the Town Hall administration, NGO representatives, and citizen groups.

#### *The context for PB in Sopot: “a technology that Sopot, like a company, has to invest in”*

The first Polish case of PB emerged in Sopot, a middle-sized (38,000 inhabitants) sea and spa resort part of a larger agglomeration of 742,432 inhabitants<sup>1</sup>. Sopot is one of the richest Polish cities, with the highest level of municipal income and expenditures per capita<sup>2</sup> and low unemployment rate.<sup>3</sup> Ever since 1998, Sopot municipal council has been headed by Jacek Karnowski, a centre-right mayor, now in his fourth term. Centre-right and right-wing parties openly supporting urban entrepreneurial agendas have the majority in the City Council. According to the Polish legislation, the mayor holds the responsibility for drafting and executing the municipal budget, while the City Council each year officially approves the mayor’s budgetary draft, and has the possibility to amend it. Both the Council and mayor are directly elected in a public vote.

The context in which PB emerged in Sopot effectively prevents it from becoming a transformative project. First, it cannot relate to any prior or existing participatory traditions and experiences. Characteristically for Eastern Europe, interest in civic activity in Poland is low, which to a large extent derives from the communist discouragement of citizen participation until late 1980s and drastic post-1989 transformation that dismantled or significantly weakened the civic movements that contributed to the fall of the regime, and still maintain a weak position of the so-called “third sector” vis-à-vis the local urban regime. Therefore, except for budgetary consultations held by the Town Hall, which had a purely informative character, there were no genuinely participatory traditions on which PB could be established.

Second, although PB in Sopot brings together top-down and bottom-up actors, their aims are far from converging. Three groups of actors can be identified: (1) Sopot Developmental Initiative (SIR – Sopočka Inicjatywa Rozwojowa) an informal citizen group who first proposed to implement PB; (2) pro-PB city councillors from Law and Justice (PiS — Prawo i Sprawiedliwość) and I Love Sopot (KS — Kocham Sopot); and (3) the Town Hall administration led by the mayor and supported by PB-sceptic councillors from Civic Justice (PO — Platforma Obywatelska) and Self-Governance (Samorządność).

SIR’s objectives appear genuinely transformative. They perceive PB as way of reaching out to city-dwellers as actors whose perspective on the city is not limited by 4-year electoral terms

(Leszczyński, 2011), empowering citizens in public deliberation about urban development, and providing them with significant decision-making power (Gerwin & Grabkowska 2012, p. 102).

Councillors supportive of PB (from PiS and KS) appear to have a similar motivation, expecting PB to help build relations among city-dwellers, promote profound participation and civic values. Some of their visions go further — PB is imagined as part of a platform allowing citizens to decide on virtually any urban issue, and thus initiating a systemic change involving redistribution of power; as one councillor declares, “even if PB was to reduce the power of some politicians, so be it, all the better.”<sup>4</sup>

However, deliberation is not an objective here — citizens are supposed to merely express their support or disapproval regarding projects prepared beforehand by the local administration. Therefore, the pro-PB councillors’ aims are representative: their primary focus is on providing a voice for as many citizens as possible, while the quality of the discourse in which they are to participate becomes a secondary issue.

Finally, Sopot’s mayor as well as the councillors sceptical of PB (representing PO and Samorządność) seem to follow purely nominal objectives. When pro-PB PiS and KS gained majority in the City Council after the 2010 local elections, the mayor and the PB-sceptic councillors were forced to partake in PB, fearing that it might help their political opponents gain popularity. Thus, the Town Hall reluctantly agreed to engage in PB, but continues to officially call it “budgetary consultations,” strongly indicating that it is by no means a new initiative. In their view, PB should centre merely on raising awareness and providing information, and is therefore to sustain existing power relations. As one of the mayor’s representatives confessed, PB should involve city-dwellers only to show them that “nothing is for free”<sup>5</sup>

in the debate over urban development. Consequently, it is meant to co-opt them, allowing politicians to “rescue themselves from a lynch”.<sup>6</sup> In line with the Town Hall’s entrepreneurial orientation, participation is approached not as a right in itself, but as a means of increasing overall effectiveness of urban policy making. PB is therefore seen as “a technology that Sopot, like a company, has to invest in.”<sup>7</sup> It is expected to focus on quantitative aims and results rather than qualitative ones: gathering high numbers of participants and proposals for investments appears more important than achieving high quality of citizen debates and projects. Thus, instead of benefitting from mutually reinforcing objectives of ‘top-down’ and ‘bottom-up’ actors, PB in Sopot has developed without significant political will to approach it as a transformative practice, lacking support of the mayor as the key actor in local politics.

Thus, SIR has been forced to defend the legitimacy and capability of PB to represent city-dwellers against actors whose aims are purely representative, if not nominal.

### *The mechanism of PB in Sopot*

Each of the PB rounds held thus far in Sopot — in 2011, 2012, 2013 — followed nearly the same mechanism (see Figure 2). PB begins with establishment of the Committee on PB — as one of many committees operating along the City Council — that gathers city councillors and members of the Town Hall administration. The Committee requests the Town Hall to launch an informational campaign: materials about PB, including a form for submitting project proposals, are sent to every household in the city. This step is followed by meetings held in each of Sopot’s four electoral districts, facilitated by members of the Town Hall administration, during which citizens can briefly discuss their ideas about investment needs, and, most importantly, elaborate actual proposals by submitting a form prepared beforehand by the Committee on paper or via e-mail. No thematic restriction is applied: proposals can concern any issue within the competence of the Town Hall. Once the proposals are gathered, the Committee assesses their legal feasibility, financial cost, and accordance with existing urban development plans and regulations. While in 2011 the Committee further pre-selected proposals according to their “relevance” and “rationality,” and in 2013 it looked at their “entrepreneurialism,”<sup>8</sup>

in the 2012 round no administrative pre-selection was applied. The Committee applies a territorial criterion, separating proposals into district-wide and city-wide ones, and arranges them on voting ballots including two lists of proposals: one for the particular district and one for the whole city. The ballots and the voting procedure are subsequently presented to citizens at several meetings in all electoral districts — held to initiate a citizen debate on the proposals — and via the Town Hall’s website. Every registered Sopot citizen can cast his/her vote either at polling stations (since 2012, located in each of the electoral districts) or by e-mail. The 2013 PB round included also citizens older than 15 years of age. The cast ballots are passed on to the Committee, who determine most popular district- and city-wide proposals. Their list is included in the mayor’s draft of the municipal budget, while their implementation is further monitored by the City Council.

SIR criticises the PB procedure in Sopot as a “hopeless,” “rotten compromise”<sup>9</sup> that does not enable citizens to appropriate and produce urban space. While many citizens partake in the final vote,<sup>10</sup> citizen meetings — at which the actual citizen proposals

<sup>11</sup> Interview with a PiS councillor.

<sup>12</sup> Interview with a KS councillor.

<sup>13</sup> Interview with a KS councillor.

<sup>14</sup> Interview with a member of the Town Hall administration.

<sup>15</sup> Interview with a member of the Town Hall administration.

<sup>16</sup> Interview with an I Love Sopot councillor.

<sup>17</sup> Between 2011 and 2013, the approximate exchange rate for 1€ was approximately 4.2 zł.

<sup>18</sup> Interview with a PiS councillor.

are elaborated and discussed — rarely gather more than a dozen participants. SIR point out three main reasons for this low attendance. First, poor information strategy that, instead of relying on mass media, internet or direct mail, uses inexpensive mass mailing, probably causing city-dwellers to mistake PB-related leaflets for another advertisement. Second, the lack of participatory traditions translates itself into low interest and belief in participation as such. City-dwellers are said to “feel like they cannot change anything”<sup>11</sup> and participate post-factum, expressing their disappointment with decisions taken without their involvement. Third, SIR criticise the small number of polling stations (since 2012: 2 in each district).

Consequently, PB in Sopot does not appear to reach the wide social spectrum of the city. Although the socio-economic profile of participants cannot be precisely established as no data concerning meetings attendees and — for obvious reasons — voters can be collected, nearly all interviewees have pointed out that too few young people were involved in the process, and local deprived groups were not at all represented. The exclusive character of PB thus reflects the emphasis of the local administration on reaching out to a high numbers of voters, rather than a wide variety of participants.

The lack of profound deliberative qualities further limits the potential of Sopot’s PB. As most interviewees have reported, the methodology applied at PB meetings has been of very poor quality: they are usually facilitated exclusively by members of the Town Hall administration (often by the mayor’s official representative), and provide no room for interaction among participants, let alone building relations among citizens. Neither do these assemblies allow for expression of difference or productive conflict. Existing tensions between SIR, the councillors and the Town Hall are articulated within the formal environment of the Committee on PB, whose proceedings — although open to the public — are hardly ever attended by other citizens. The lack of deliberation further derives from the Committee’s goal to produce a procedure that is not “too demanding for participants.”<sup>12</sup> Simplifying the process by “offering citizens a template and [...] dragging them to the meetings”<sup>13</sup> is thus preferred over creating a high-quality mechanism capable of empowering its participants through a genuine and attractive learning experience, and engaging them using elements of both representative and direct democracy.

Thus, as the level of interaction within PB in Sopot is very low, it explicitly fails to address the issue of unequal capacities of city-dwellers, and to approach them as equal partners in the urban decision-making process. Local administration openly doubts of the citizens’ capability to grasp the technical and legal context of the process, or to co-supervise it. According to a member of the Town Hall administration, PB can lead to “a situation in which a student, nurse, vegetable vendor, dentist and academic teacher plan our roads and streets [...] — we have professionals hired to do this.”<sup>14</sup> As a result, PB has very little to offer to the few citizens embraced by it, and clearly incorporates a division into ‘articulate’ and ‘non-articulate’ participants. It fails to provide space for deliberation about general ‘rules of the game’ behind each PB round of PB, subjects for discussion within it, or criteria for selection of proposals emerging from PB. Neither does it channel any decision-making power to citizen meetings, nor does it create new political bodies, such as territorial and thematic boards, or a city-wide PB council. Hence, it provides no alternative political framework for citizen deliberation. In the 2011 and 2013 citizens had no influence over the pre-selection of proposals by the Committee on PB, conducted according to vague criteria of “relevance” and “rationality” (in 2011) and “entrepreneurialism” (in 2013). The councillors openly admit having rejected or altered the content of proposals reaching beyond existing development strategies. In neither of the PB rounds were

citizens invited to supervise the final vote over proposals, leading to, as SIR points out, lack of control over how many ballots could be cast by each citizen, and allowing for double voting to occur. Finally, the actual implementation of proposals chosen by citizens is fully monitored by the City Council.

Consequently, as the priorities behind PB practice in Sopot are judged by the Town Hall as “correct and obvious.”<sup>15</sup> PB does not constitute an attempt to question or alter the existing configurations of power. Instead, it depends on them: while the PB procedure is formally delineated by a resolution or bill of the City Council, each year the respect for its outcome is a question of “social contract” (Czajkowska, 2011) or “gentlemen’s agreement” (Gerwin, 2011) with the mayor. As he retains the right to dismiss investment proposals emerging from PB — even if they might nonetheless be included by the City Council in an amendment — their implementation relies primarily on the mayor’s good will, with who “every year a separate agreement has to be made.”<sup>16</sup> Furthermore, the mayor decides upon the fundamental issue of the amount of funds allocated to PB, yet each year refuses to provide a specific figure. The rules of PB state a minimal figure that can be increased by the mayor: this was the case in 2011, when having acknowledged the high amount of citizen proposals, the mayor altered the rules by enlarging the scope of PB from 4m zł to 7m zł.<sup>17</sup>

The process has thus become fully controlled by the key political actor; as one councillor reports:

*“there has been a discussion within the Committee [on PB], whether we play it ‘hard’ or ‘soft’ with the mayor; but both solutions are good and bad at the same time — if we play it ‘soft,’ the mayor will impose his rules; if we play it ‘hard,’ he will ignore our rules and manipulate the process anyway.”<sup>18</sup>*

Although initiated by an informal citizen group (SIR), PB in Sopot has acquired a fully institutional character, placing formal actors at the centre of the debate. Despite SIR’s regular efforts to inspire a critical debate on the project, they do not seem powerful enough to prompt effective improvements in the methodology of PB.

Finally, since all PB-related meetings take place at the district level, PB in Sopot fails to acquire a holistic character. Although its thematic scope is not limited, at no point does it provide space for a citywide debate concerning the total sum of aspects concerning urban environment, including broad political agendas. Instead, it remains focused on small-scale projects, which are divided into district- and city-wide ones according to unclear criteria.

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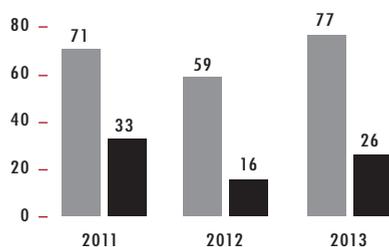
### ***Tangible results, yet minimal impact***

PB in Sopot appears to produce tangible results: between 2011 and 2013, a total of 67 citywide and 140 district-wide proposals have been positively verified by the Committee on PB; among them, 14 citywide and 61 district-wide proposals have been chosen in the public vote (Figure 3). The chosen citywide proposals include implementation of a waste recycling system and public recycling bins, redevelopment of green areas, redevelopment of district streets (including

**Graph 1** The amount of citizen proposals emerging from PB

**Label**

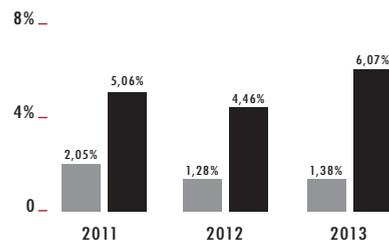
■ THE AMOUNT OF CITIZEN PROPOSALS PUT TO PUBLIC VOTE IN PB  
 ■ THE AMOUNT OF CITIZEN PROPOSALS SELECTED FOR REALISATION AS A RESULT OF PUBLIC VOTE



**Graph 2** The amount of citizen proposals emerging from PB

**Label**

■ SHARE OF PB (IN %) IN SOPOT'S TOTAL BUDGET EXPENDITURES  
 ■ SHARE OF PB (IN %) IN SOPOT'S INVESTMENT BUDGET EXPENDITURES



construction of new bike paths), redevelopment of facades of 19th century tenement houses, public bus line connecting Sopot with Gdańsk, and financial support for local housing co-operatives and small businesses. The projects that have emerged from PB do not follow the urban entrepreneurial agendas: in the 2011 round, for instance, citizens rejected the project for a 40m zł flagship art museum.

However, several indicators suggest that PB has clearly been unable to effectively transform the existing power relations. First, PB constitutes a small fraction of the municipal budget (see Figures 4). Second, as the implementation of proposals is not monitored by citizens, but by the Committee on PB only, the governing coalition is not obliged to fully respect the outcome of PB. Actually, the realisation of a number of projects has been delayed, or have not at all begun (Gazeta Wyborcza, 2013), while several of them have been altered. Third, PB does not derive, entail or produce any kind of administrative reform. Nearly all councillors and Town Hall representatives interviewed admit that PB has not fostered any change in the way they operate; instead, it is increasingly perceived as an organisational burden.

### Conclusion: lessons from Sopot

Given the global aura of PB as a 'best practice' of participation in urban planning that "offers citizens at large an opportunity to learn about government operations and to deliberate, debate, and influence the allocation of public resources [while] educating, engaging and empowering [them]" (Shah, 2007, p. 1), what has functioned in Sopot since 2011 under the PB label is certainly disappointing. Although PB may intensively travel as a benchmark for "alternative" urban policy, the case of Sopot reveals that importing PB to a city does not automatically entail creating policy-making practices at odds with urban entrepreneurialism. Dominated by the established urban regime — whose support for PB is very mild and conditional — Sopot's PB actually provides very little room for citizen groups, their demands and visions. It deliberately fails to establish a new, more inclusive, participatory and deliberative paradigm of urban politics that would enable inhabitants to appropriate and co-produce urban space. Instead of creating forms of urban decision-making that are alternative to the agenda of urban entrepreneurialism, PB follows it in nearly every respect (see the summary of our analysis in Figure 5), being incorporated as another governance technology while failing to challenge the existing configurations of power.

The minimal impact of PB on Sopot's development also derives from its narrow financial scope and its incapability to produce tangible and timely results. Thus, PB in Sopot has been instrumentalised, implemented as a governance tool to increase the effectiveness of urban policy-making along the urban entrepreneurial lines. While SIR keep on proposing small amendments to the rules of PB, it seems unlikely that under the current political context any genuine improvement could occur without any fundamental change of Town Hall's approach to PB.

The Sopot case does not exist in isolation: it has inspired many municipalities across Poland. Actors involved in its implementation — members of the City Council, Town Hall administration and SIR — have acted as speakers at numerous conferences and as policy advisors to other municipalities (including Dąbrowa Górnicza, Kołobrzeg, Poznań, and Toruń); they have also authored numerous articles in mass media and NGO publications. PB in Sopot has become a policy "exemplar" (Nasze Miasto, 2013) applied in a more or less verbatim manner by several dozen cities seeking ways of implementing PB. Although the reasons for which local authori-

ties in those diverse cities engage now in PB remains unclear, some preliminary results of an ongoing research (Kębłowski, forthcoming) suggest that motivations behind several PB cases in Poland are quite similar to those pointed out in Sopot. This would mean that PB in Sopot — very much a symbolic, frontier-like case in Polish local politics — reflects few achievements and many flaws of PB in Poland. These flaws are fundamental, as PB Polish-style “actually preserves the current, criticised system of urban management and power, [and] conserves the status quo” (Mergler 2014). As it focuses on “voting on what shall be done with 0,3 % of the budget [that] has no implications for the remaining 99,7 %, we lose sight of the overall [systemic] budgetary problems.” (Ibid.)

FEATURE OF PB	PRESENT IN SOPOT?
Based on prior participatory traditions	X
Supported by a political will to implement it and respect its rules and outcomes	X
Bringing together top-down and bottom-up processes and motivations	o
Bridging the divide between “articulate” and “non-articulate” actors	X
Incorporating an elaborate system of fora: - providing framework for deliberation between not only participants and the local administration, but also among participants themselves	X
- incorporating tensions deriving from plurality of views represented	X
Integrating elements of representative and direct democracy	X
Including of a profound and mutual learning experience	X
Empowering participants, and enabling them to determine: - rules behind PB; - subjects for discussion within PB; - city-wide criteria for selection of proposals; Delegating key responsibilities to new, directly elected bodies, in particular the citywide PB council	X
- subjects for discussion within PB	X
- city-wide criteria for selection of proposals	X
Delegating key responsibilities to new, directly elected bodies, in particular the citywide PB council	X
Reconciling various scales (neighbourhood, district, city)	X
Finding balance between specific projects and broad political agendas	X
swift realisation of investment proposals	x
Including the majority of investment expenditures	X
Deriving form (rather than intending to initiate) an administrative reform.	X

*Table 2* Features of PB in Sopot.

*Source* authors’ elaboration.

*Label*

- X - ELEMENT NOT PRESENT
- x - ELEMENT NOT QUITE PRESENT
- o - ELEMENT RATHER PRESENT
- O - ELEMENT PRESENT

OCEANIA

AUSTRALIA

JANETTE HARTZ-KARP & IAIN WALKER

# PARTICIPATORY BUDGETING IN AUSTRALIA: DIFFERENT DESIGNS FOR DIVERSE PROBLEMS AND OPPORTUNITIES

## *Abstract*

Participatory Budgeting (PB) has been instituted for very different reasons across the globe, often achieving even broader goals than originally intended. PB has been credited with: increasing local government accountability and transparency (in particular, reducing corruption and clientelism); modernising public administrations and making them more efficient; mobilising the general population to become more involved with public affairs, to increase its capacity, sense of efficacy, and social capital; spreading, revitalizing, or institutionalising more democratic governance; sharing the burden of coping with reduced local budgets; finding ways to achieve more equitable redistribution of wealth; and, more recently, extending this notion to include future generations.

Participatory Budgeting (PB) is still new to Australia; the first instances have appeared only recently (2012, 2013). Although PB initiatives in other parts of the world have dealt with only a small proportion of budgetary funds, in Australia PB initiatives have addressed the entire budgetary process, including (in Canada Bay, NSW) the range, level and funding of services, and (in Greater Geraldton, WA) ways to incorporate the views of ordinary citizens into different aspects of budget decision-making.

Like PBs elsewhere, the two Australian examples have sought to achieve better, more widely supported decisions concerning the distribution of funds in complex—and often controversial—government budgets. Like most PBs, they have endeavoured to achieve these goals by providing the means for non-elected people to participate in the development and allocation of public finances. However, the Australian focus has also been on incorporating democratic public deliberation, known as deliberative democracy, in this process, since this has been shown to reduce public mistrust and cynicism.<sup>1</sup> Although many Participatory Budgeting initiatives have claimed to be deliberative, often this means simply that participants have been afforded opportunities for conversation with others in the process. In contrast, each of the Australian examples has placed the tenets of deliberative democracy at the centre of the process. Organisers have been intentional about assembling diverse groups of participants in egalitarian settings; ensuring that participants consider a variety of perspectives and options; encouraging them to engage each other respectfully; enabling them to analyse and weigh complex matters while working toward a coherent public voice; and assuring them that their recommendations will influence policy-makers.

<sup>1</sup>The Australian examples to date, it should be noted, have not necessarily enabled the public to vote on proposals, a feature generally considered to be an essential element of the PB process. The reasons for this departure are discussed in greater detail later in this chapter.

In 2012, the City of Canada Bay (in the Sydney metropolitan area) conducted a deliberative process using a ‘jury’ of 32 randomly selected citizens with a remit to determine the range and level of services and how they should be funded. After four months, the panel reached a supermajority position (31 in support) by consensus. City Council is now implementing the panel’s findings with a view to finalising their adoption by mid-2013. A unique feature of the Canada Bay process was its sole reliance on random sampling as the means of identifying a representative group from the community. The process also enjoyed the advantage of a written commitment, agreed to in advance, by which the Mayor and Councillors delegated a clear measure of decision-making authority to the group. Substantial involvement throughout the process by local news media was arranged in order to elicit broad community support.

Some 2,500km west of Canada Bay, the City of Greater Geraldton (northwest of Perth, in Western Australia) has embarked upon a series of PB events to institutionalise community centric decision-making. The first of these PBs, termed a Local PB, was carried out in 2012. The Local PBs are an integral element of the precinct planning initiatives that are being rolled out precinct after precinct throughout Greater Geraldton. Residents from that precinct help to create renewal plans for their area, and with a specific budget to allocate, develop and prioritise initiatives for their precinct that receive immediate funding and implementation. Around A\$1million is allocated by the City for community initiatives, all of which will be allocated via PBs. These will also include a Medium PB (A\$10,000–\$50,000 per project), and a Small PB (under A\$10,000 per project). Commencing mid 2013, community interest groups will be asked to develop proposals and residents will vote on proposals from both the Medium and Small categories. A final PB, the Program Proportional Priorities, will commence in August 2013. Randomly selected residents (as in Canada Bay) will deliberate as a ‘jury’ in order to determine and recommend to the Council how the whole local government budget should be divided proportionately between programs.

### *Participatory Budgeting in Canada Bay (New South Wales)*

#### *Background*

In August 2011, the New Democracy Foundation (NDF) approached the City Council to explore the possibility of a ‘real world’ trial of one of several democratic innovations advocated by the Foundation. A discussion soon revealed the existence of low community trust in decisions made by elected representatives generally — a level that was so low that for some people it was tantamount to profound cynicism. In a number of areas of governmental authority, citizens (or at least those active in the groups most likely to make comment to council or media) can find a reason to mistrust almost any Council decision. For example, although a recent public consultation regarding a matter having only a minor impact on the city budget had drawn few participants, after the decision was made hundreds joined an action group to criticise it. Understandably, the Council wondered afterwards how to engage such people before a decision is taken, and in a way that would encourage greater public trust.

Overcoming the community’s cynicism regarding the ability of citizens to influence Council was thus a key driver for the project and for design of the PB process. In Canada Bay as elsewhere, too often communities feel that any means by which local governments seek to engage

them is actually intended to deliver a pre-agreed outcome, and suspect that even facilitators hired and paid by government are not truly independent. The Council wisely resolved, therefore, to find a better way to involve the community in a discussion on issues critical to the Council's long-term planning. It turned to the New Democracy Foundation (NDF) for assistance. As an independent, non-partisan research organisation, its chances of gaining the public's trust and confidence were better than those of a for-profit consultant. The Foundation's willingness to offer its services pro bono also helped it win trust, not only of participating citizens but of the news media, councillors, and community groups as well. Importantly, the NDF's structure comprising of retired Premiers and MPs is such that no one could plausibly argue that NDF had any motive for its involvement in a single local council area other than the stated goal of demonstrating that permitting citizens to have a genuine voice in government decision-making can work in practice, not just in theory.

### *The project*

After a lengthy and detailed planning phase, in March 2012 the Council and NDF reached an agreement to work together to engage the community concerning the range and level of services expected within the City. A review of services was a legislative requirement and a central commitment in Council's 2011-12 Operating Plan. Significantly, the Mayor led the effort, which the Council authorised by a unanimous (9-0) vote, indicating support from representatives of all political viewpoints in the community.

Council and NDF agreed to establish a panel of stratified, randomly selected residents to:

- a)* Prioritise the services the Council would deliver;
- b)* Set the level at which Council should deliver those services; and
- c)* Recommend funding sources for each.

The Council effectively gave the Panel the authority to determine the levels of service in the Council's 2013-17 Delivery Plan. Importantly, the Council made it clear in the wording of its authorisation that the Panel's conclusions would be accepted or rejected without change, and the Council would be given an 'all or nothing' decision by the Panel. Given that some Councillors' concern was that the Panel might possibly make unacceptable choices, such as cancelling all services for one sector of the community, the Council decided to retain a de facto power to veto the Panel's decisions. Just as important, though, the Panel was handed enough authority to ensure that the community understood that the citizen members of the Panel had been handed a 'wicked' problem, and that their decisions carried the very high likelihood of being adopted. The 'all or nothing' nature of Council's authorisation prevented anyone—and thereby protected everyone—from 'cherry-picking' recommendations to be lobbied for (or against). In short, it forced Panel members to deliberate and negotiate to reach a consensus everyone could go along with.

<sup>2</sup> NDF oversaw the panel's reporting to Council and the community. This ensured that there could be no suggestion of manipulation by Council. Significantly, NDF enjoys the backing of a range of former Premiers and Senators, and thus it became evident to the community that such a group would not jeopardise their reputation to influence a comparatively small, local process. The NDF's credibility remained high throughout the process. This proved valuable on multiple occasions, especially during the selection phase when people with a strong interest in Council decisions and policies tried to register for jury (panel) selection despite not being included in the random sample and NDF contacted them to advise of ineligibility. This readiness to trust NDF and its process would not have been extended so readily to Council, if at all.

The Council agreed to the New Democracy Foundation's requirement that participants receive enough high-quality information to ensure that they could deliberate in an informed manner. (Some journalists remarked that Council's agreement in this regard was unprecedented.) NDF also specified that experts be available to participants during deliberation. These, plus other technical requirements and the retention of an experienced, highly regarded facilitator, had the effect of transforming NDF's role into that of an oversight body that monitored the process as it unfolded.<sup>2</sup>

### *Design, selection of participants and Panel operation*

The methodology adopted for the Canada Bay project called for establishing of a citizens' 'jury,' or panel, that would be demographically representative of the community as a whole. NDF managed the invitation and selection of panellists. To establish the panel, invitations were issued to a random sample of 1,577 addresses generated from the Council's database of land titles. Recipients of the invitations were asked to indicate their interest in participating via online registration on the NDF website, and approximately 10 percent replied favourably. From this sample, NDF worked with the Australian National University to construct a 'stratified' sub-sample of 36 people, selected, again randomly, to fill relevant demographic categories—age, gender, and suburb, and home rates status (ratepayer or tenant)—that had been agreed to in advance. Data from the most recent Census was employed to determine how many people should be chosen for each category. The result was a panel whose members broadly reflected community diversity, even though various sectors of the community responded disproportionately to the initial invitation.

Between May and August 2012, the panel met six times to deliberate the range and level of municipal services and how they should be funded. Of these meetings, five were full-day, pre-arranged gatherings. The panel opted to hold a sixth meeting to finalise their recommendations. Prior to their first meeting, panellists were provided with the information and support they needed. Throughout, panellists were given access to Council staff, industry experts, and other sources of information.

### *The experience of panellists*

Throughout the project, panellists participated in a number of interviews and surveys as part of NDF's research work and of research being conducted by a PhD student. The data gathered provides insight into the motivation of participants and also into the extent to which this innovative project has engaged and challenged residents.

Importantly for the Council, the initial survey of panellists showed that the design of the Panel engaged residents who had previously been unlikely to provide the Council with input. The survey indicated that all panellists had neither attended a Council event nor contacted the Council about a local issue of concern. The survey also revealed that a critical source of motivation for participants was the extent to which the panel's recommendations would influence Council decision-making. Comments from panellists noted the unique 'opportunity to engage in the Canada

Bay community in a meaningful and purposeful way’ and the desire to ‘have a say on issues that I believe should be looked at leading into the future’.

Panellists found the deliberation valuable and interesting. Mid-way through the process one commented that it was a ‘great experience [and it has enabled us to] know more about what Council does with the money and the services it provides’. Another noted that the project had ‘given me a much better appreciation as to the role of Council and how diverse the services are that they provide,’ while a third reflected on how the process had provided a ‘greater degree of confidence in how council is being managed’.

At the conclusion of the deliberation, panellists were asked to reflect on their involvement. The majority reported that they would recommend participating on a similar panel to others. Panellists commented that it had been an eye-opening experience to be part of something that our Council wants to do with the community; that it had been a ‘fantastic and interesting opportunity to engage and drive decisions in [our] community,’ and that the deliberative process provided a chance to ‘learn about council’s role and appreciate the transparency of its decision-making’.

#### *Panel recommendations*

In order to convey broad-based support for the Panel’s recommendations, the process design required a 75 percent supermajority for approval. As it turned out, the panel exceeded the requirement, reaching a broad consensus on their findings. The executive summary of the report highlights that the panel:

- a)* recognised a significant shortfall in funding for long-term maintenance and renewal of infrastructure;
- b)* identified a number of reductions to services, including street cleansing, park mowing, event expenditure, and Sister Cities program expenditure;
- c)* identified a number of new sources of revenue, such as a limited use of parking meters, user-pays services for non-residents of Canada Bay, and increased opportunity for commercial activity in public spaces; and
- d)* a recommendation that the Council maintain a focus on operational efficiencies.

The panel did note that if the new revenue and cost-saving initiatives they recommended still left a funding shortfall, raising rates would be necessary, although accepted with reluctance. In that case, the Council should consider raising the minimum rate and raising the general rate by up to 9 percent. If this were necessary, however, Council should minimise the impact of increases on those least able to pay. Recognising the inherent challenges involved in engaging the community concerning such an issue, the panel went on to recommend that the Council should fundamentally rethink its approach to communications with the public.

The Council will need six to nine months to fully investigate, cost, and implement the detailed recommendations the panel has made. It will also have to look at additional ways to find savings or generate more income. To maintain the integrity of this additional work, the Council agreed that it should be overseen by a Steering Committee composed of Councillors, Council’s General Manager, and representatives of the Citizens’ Panel. The work is expected to conclude in July 2013.

*Democracy and deliberative process*

When NDF designed the deliberative PB process for Canada Bay, it pointed out to the Council that a simplistic focus on the number of participants needed for such a community engagement process was misplaced. It is possible for (say) a thousand people to attend a community meeting and for all one thousand of them to head home afterward feeling (and actually being) unheard. Large-scale participation is desirable if it can be achieved at little or no sacrifice to the quality of deliberation. But the primary goal must be one of substantive discussion, unfettered access to information, opportunity to investigate the facts, and providing a structure within which these tasks can be carried out. In short, adequate time and sufficient, high-quality information were the cornerstones of the design. The Council expected a shorter process, but responded well to NDF's approach and the logic of a process spanning four months, with five full-day opportunities for face-to-face discussion. The periods between meetings allowed participants to talk with others in the community and to reflect on what they were learning in the meetings, individually, and in the online forum.

A deliberative process such as the PB discussion in Canada Bay shows that genuine democracy must mean something far more than simply having a vote. By itself, voting at the end of a one- or two-day meeting would do little to address the issue of trust. Critics would be able to identify flaws in the information provided to participants. Self-selected advocates of particular outcomes would turn the discussion into a conventional political debate, driving out inquiry and deliberation. Too few citizens not strongly committed in advance to a position would be sufficiently invested in the process to speak on behalf of the great majority of citizens. The Council would find itself facing the usual predicament of having to make a hard decision without the understanding and support of the community as a whole.

It should be noted that the Canada Bay participatory budgeting deliberative process was undertaken so that thousands of local citizens would see the participants as 'people like us' and would choose to trust their judgments and recommendations. The usual approach is to publicise a process at its conclusion, leaving the community to react to the substantive outcomes themselves rather than to assess those outcomes in light of the process that produced them.

In the Canada Bay Citizens' Panel, little emphasis was placed on formal votes. For the vast majority of items a 'nodding consensus' emerged. This the facilitator reinforced with an explicit question. Some matters were highly contentious, and the group had the time to discuss them fully. Any issue regarding a rates rise is highly contentious. Yet the report by participants<sup>3</sup> accurately reflected the sentiments of every panellist but one. The nuance and balance of the report's final language was the result of the time participants had to deliberate.

Another noteworthy point of difference between the Canada Bay process and 'local decision-making-as-usual' was the effort to aggressively court the media's interest while accepting and managing the risk it entailed. Two factors could have had a substantial negative impact. First, a Prime Minister's proposal for a Citizens' Assembly on climate change met with so much disdain in the media that it was dropped within 24 hours of its announcement, leaving future proposers of citizens' deliberative processes vulnerable to a high chance of a negative press. Second, all Councillors would go to an election in September that year, so creating the possibility of having to defend a highly visible failure.

Fortunately, the NDF had briefed a variety of journalists and editors from the national media

prior to conducting any deliberative process, asking them to look at the merits of the organisation's project of promoting innovation in democratic decision-making. As a non-partisan research foundation, NDF did not yet know whether a leader or government of the political left or right of politics would be the first to undertake an experiment like the PB process in Canada Bay. In either case, politicians would have been fearful of a sceptical or even derisive response from the news media. So by the time the NDF was ready to organise a deliberative processes, in each instance it felt confident of receiving support from major media organisations for trials enacted in good faith.

As it happened, New South Wales's highest-selling newspaper, The Daily Telegraph (a daily tabloid owned by News Limited), offered powerfully positive stories at key junctures through the process. The newspaper is not generally noted for positive stories on local government. However, they were shown the process approved by the Council and found it to be in the community's interest. Their position was that the government sector requires innovation, and that innovation warrants coverage. (A sample of articles is appended.)

### *Next steps*

The Council has retained NDF to submit a design for how to further use deliberative processes using random selection. This decision, and the steps being taken by Council to implement the Citizens' Panel recommendations, are the clearest indicators that the process was of value in helping elected representatives restore greater public trust to the making of public decisions concerning highly challenging issues and problems.

### *Participatory Budgeting in Greater Geraldton (Western Australia)*

#### *Background*

Greater Geraldton, a City-Region of 40,000 residents covering over 12,600 square kilometres, and is situated approximately 430 km north of Perth, the capital city of Western Australia. For almost three years, Greater Geraldton, in partnership with Curtin University Sustainability Policy (CUSP) Institute, has been involved in an action research initiative aimed at improving sustainability in the City-Region by implementing a form of participatory governance called 'deliberative democracy'. This involves the entire community — ordinary citizens, all levels of government, industry, and the non-government sector — in joint learning, cooperative problem-solving, and collaborative decision-making. It aims to build a form of public life characterised by inclusion, deliberation, and genuine popular influence on governmental policy-making and community centric decision-making. It aspires to become the expected way of dealing with important issues and decisions facing the community. In Greater Geraldton, the integrated participatory budgeting process that has commenced is a key element in the effort to institutionalise 'deliberative democracy' locally.

To that end, organisers of the PB process have formed strong alliances with the news media, in particular the widely read local newspaper, with the goal of fostering informed dialogue and securing broad community involvement. The newspaper's Facebook site is a focal point of this effort. Other forms of social media have been pioneered. A diverse range of public deliberation methods and techniques have been utilised, each building on the other. These have produced a 'Community Charter' (plan and priorities for future sustainability) that con-

<sup>3</sup> See 'Active Projects' at [www.newdemocracy.com.au](http://www.newdemocracy.com.au).

tinues to evolve. Impending tough decisions facing the City have been deliberated. And various plans have been adopted, including plans for the region's future digital communication infrastructure, its sources for energy production, and its built and natural environments. Precinct-by-precinct renewal plans have been created and actions taken. Participatory budgeting is fundamental to this emerging deliberative and participatory culture, particularly as a way of institutionalising collaborative decision-making about the budget.

The PB effort commenced in 2012 as an integral part of a precinct planning process that was being rolled out in Greater Geraldton. The inaugural precinct planning process took place in the City-Region's most economically deprived area, and was also home to the highest proportion of Indigenous residents. Over 50 precinct dwellers participated in an 'Enquiry-By-Design'<sup>4</sup>, that resulted in a community-driven renewal plan, and mini-PB process that ensured immediate action. Through deliberation, a set of PB proposals were developed, and through voting, more than A\$30,000<sup>5</sup> was allocated to projects to upgrade the public parks in the area. Local residents became involved in 'participatory procurement' of the selected upgrade projects (notably, products were de-identified to avoid any vested interests). This enabled residents to learn about the City administration's procurement challenges, such as whole of life costs and environmental impact of different options, and to make their choices accordingly. They also planned where the upgrades needed to be placed and how the results should be evaluated. New alliances were formed across previously separated communities. Together they have successfully leveraged more funding and support for their area. The rolling precinct planning process, together with the local PBs, will have involved all Greater Geraldton precincts, country and City, by the end of 2014.

By early 2013, a 'Community Centric Decision-Making Group' will have been established to oversee and monitor the PBs. Through deliberation, independently facilitated, they will establish the PB rules (including those relating to eligibility to participate, evaluation, accountability and transparency) and make recommendations for continuous improvement. Over half its members will be ordinary community members, a portion selected randomly, and others chosen on the basis of their affiliations with community groups. The remainder of the membership will be drawn from industry and commerce, the City administration, and the elected Council.

The City of Greater Geraldton has allocated around A\$1million per year to grass roots community initiatives. Over the next few years, it will all be allocated through PBs. In mid 2013, the first PB initiatives under the auspices of the Community Centric Decision-Making Group will commence. They will involve a PB for medium size projects (from A\$10,000 - \$50,000 per project) and another for smaller size projects (under \$10,000). These PB processes will resemble more closely the Porto Alegre approach, in which community groups develop proposals followed by a community poll. At public gatherings, community groups, both already existing and newly formed, will be encouraged to develop projects around their interests and needs. A Community Proposal Support Group, will elicit, encourage and provide support to these groups. This Support Group will consist of City staff and community volunteers from diverse sectors who will receive some funding from the City for their

work. Each community group submitting a project will have to present its advantages and disadvantages—its ‘pros and cons’ (as per their Community Charter’s social, economic, environmental, cultural and governance pillars, including its carbon footprint if relevant, which will be provided by an independent expert group). The community group will also need to estimate the costs of their project with the help of the City administration, and then display all this information, with a photo onto a Poster. All Posters will be displayed publicly in the community, as well as on the City’s website. With the support of the media and social media, the broad public will be encouraged to vote at polling locations and online to ascertain the community’s preferences. Each person voting will be permitted to nominate up to four medium size projects and up to four smaller size initiatives.

In August 2013, a further PB is going to take place, more like that held in Canada Bay, with a randomly selected ‘jury’ of around 35 people deliberating over four to five months. This PB, the Program Proportional Priorities Panel, will determine how the City’s entire future budget will be allocated proportionately between programs. Their guiding principle will be the Community Charter, developed by the broad community over several years (and reviewed and amended annually through extensive deliberation processes). The panel will not only need to understand and take into account the Community Charter, but also the City’s overall budgeting process. Such complexity will require time and in-depth consideration. To help in this endeavour, the panel may hold public hearings and also request expert assistance and reports. The local media has agreed to partner in the effort to involve as many of the City residents as possible in these deliberations. Innovative social media will be employed for a similar effect. The panel will deliver their final report to the broad public and the elected Council. The Council has committed itself to accepting the panel’s recommendations unless there are extraordinary considerations that prevent approval. Should the Council feel impelled to veto the recommendations, they will have to explain their reasons publicly.

### *Discussion and Conclusion*

Australia has only just started along the road of participatory budgeting. To date, this effort has evolved separately from the general stream of PB processes taking place around the globe. While the Australian examples fit the general description of PB, their rationales and methods differ considerably. Elsewhere, the public vote is central; indeed, voting is a constitutive principle of participatory budgeting. The authority to vote on how to use state funds is what motivates the public to participate. Although participation by citizens is an extremely worthy goal, after 15 years of experience with participatory budgeting and the completion of more than 1,500 PBs, the goal of widespread participation remains elusive, and for three reasons.

First, PB is considered highly successful if something like 10 percent of the population participates; even smaller percentages are considered acceptable. Inevitably and intentionally, PB relies upon civil service organisations and their networks within the public—i.e., people who are likely to be already active in public life. Such people are vital to democracy, but they are hardly representative of the population

<sup>4</sup> Enquiry-by-Design is an interactive process held over several days that seeks win-win solutions for urban planning/design/renewal. It incorporates the values and feedback of the community into evolving plans created by a multi-disciplinary team of technical experts..

<sup>5</sup> Because the prioritised upgrades included planting trees and general public works such as watering previously neglected areas, the City has agreed to pay for this work from other budgets outside the A\$30,000 allocation.

at large. Those outside this sphere, the majority, also include those who exist at the margins of society: people without resources, social networks, personal ability, confidence, or interest in the issues of public life. In so far as PB relies on those citizens who are able and willing to vote, the important democratic value of representativeness will not be fully realised.

Moreover, the public's authority seldom carries over into governmental legislation and regulation. For the most part, acquiring such authority depends on the good will of the governing body—or at least fear that noncompliance might reduce members' chances of re-election. While PB is certainly an improvement on the more usual forms of public involvement, such as consultation, it does not yet reflect the recognition by public officials that a democratic political authority originates with the citizenry.

Third, a vote — a simple tick in a box — is capable neither of dealing with complexity nor of discerning the common good. As for the former, projects may be relatively small, and yet they are ensconced in a complex system. Voters have little opportunity to understand varying viewpoints, let alone 'wicked problems' endemic to our everyday lives, with their multiple causality and unintended consequences. This requires 'co-intelligent' problem solving, a dialogical and deliberative activity far beyond the capability of a poll. Nor is a vote capable of forming, articulating, or giving effect to the common good—presumably the aim of good governance. Instead, project proponents engage in the usual practices of political advocacy and vote seeking. While voters may develop some empathy and appreciation for other points of view, and may even list as a preference a proposal that does not benefit them directly, to date there is little evidence apart from occasional anecdotes to suggest that this is a frequent occurrence.

In our view, therefore, it is short sighted that much of the international literature treats deliberative PB as deficient in so far as it de-emphasises voting. In the Australian examples, public deliberation by a microcosm of the population over several months is treated as an essential part of democracy. Enabling participants and the broader community to understand the complexity of budgetary issues, to solve problems collaboratively, and to seek a common ground are all indispensable pre-requisites for wise and effective budgetary decisions. Once the randomly selected panel has established the parameters, the public can then be involved directly in developing the proposals. For example, in Geraldton, while in the 'Program Proportional Priorities' PB (the most complex) the deliberating panel determines the overall proportional budget allocation, in the less complex, smaller PB exercises, the budget allocation is determined by a public vote, using a similar process to the model made famous by Porto Alegre.

As with participatory budgeting across the globe, the Australian examples have arisen from different needs and hence have evolved in different ways. They add to the vibrant kaleidoscope of PB around the world. Of particular interest, they seek to mainstream the participation of ordinary citizens in the whole budgetary process, rather than confining their decision authority to a small percentage of a city or region's budget. To that extent, in our view they are vital to the effort to enhance democratic governance and to connect it with decision-making in existing political institutions.



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CÉSAR MUÑOZ

# CHILDHOOD<sup>1</sup> AND YOUTH PARTICIPATORY BUDGETING, FOUNDATIONS OF PARTICIPATORY DEMOCRACY AND THE POLICY OF THE POLIS

## 1. Foreword

Before giving my opinion on the importance of Childhood Participatory Budgeting and Childhood and Youth<sup>2</sup> Participatory Budgeting as a major educational, cultural, social and politics capital they represent in the social change, a true participatory democracy based in the policy of the “polis”; I believe it is essential to frame their reality and existence in the 20th century society, in 2013, namely in what refers to the economic crisis we are experiencing globally.

And why? To try supporting the children and youngsters (hereinafter referred to as IAJ) that participate in the PB, as well as the professionals, family members and politicians accompanying them, knowing the surrounding reality in which they will get to know and execute the passionate and complex projects inherent to all human activity alive and in coexistence, the very own essence of the OPCJ (Childhood and Youth Participatory Budgeting).

As such, when I was asked to write a paper relating to the OPCJ, highly aware of the importance and depth of the subject and the natural limitations of space the book has, including the collaboration of several authors, I have decided to write a long text, the result of a reflection - investigation work, whose content I will try to summarize as much as possible, given the available space. For the coordinator and the respective team, as well as the readers interested in “diving into the depth” of the viable utopia of the OPCJ, the full version of this work shall be available after the publication of the book.

The mentioned support shall come to life in the following chapters, based on the **Pedagogy of Everyday Life**, which I created some years ago and that has supported by work as advisor-trainer in *Childhood – Adolescence – Youth Participatory Budgeting*, as of 2003, in S. Paulo and Fortaleza, Brazil, in Seville, Spain and, from 2012 onwards, in Trofa, Portugal.

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<sup>1</sup>This term shall be used in this text; it should be understood as “the children”.  
(Translator Note)

<sup>2</sup>We shall use in this text the Portuguese acronym: OPCJ (Childhood and Youth Participatory Budgeting). (Translator Note)

## 2. Introduction

I thank Nelson Dias, president of the Portuguese Association In Loco, the opportunity of collaborating in this book devoted to the 25 years of Participatory Budgeting (PB) in the world and of the Association In Loco, a book that will be presented at the XII Conference of the International Observatory of Participatory Democracy, to be held in Cascais (Portugal), in July 2013.

The first PB was implemented in Porto Alegre (Brazil), back in 1988.

Not by accident this is the same city that launched the World Social Forum as a response to the World Economic Forum in Davos.

It would be vital to rescue as many innovating elements as possible, the ones that have caused social changes and had their origin in the PB and the different OPCJ that have been implemented all over the world. These are the educational, cultural, social and political capital, which is indispensable to realize the so-called “Another Possible World,” proposed to the citizens by the World Social Forum of Porto Alegre.

I hope that my modest contribution, *Childhood and Youth Participatory Budgeting*, can join the others and as such to materialize a set of concepts – tools on the themes and basic axes of the PB and the OPCJ; what is a human being in general, and childhood, in particular; what is participation; what is to be a citizen; what is representative democracy and, above all, participatory democracy.

## 3. The crisis – Current situation worldwide

The crisis affecting the world is really serious and is not only, nor even especially, an economic crisis, although this is the robe that many media, economic groups and political parties present it

This is a crises of the “high spheres,” caused, and maybe even organized by the high spheres of the world economy that, without considering the pseudo-democratic governments we have, every year decide in their meetings (Davos and Bilderberg groups), what to do with the world economy from a society model based on the market laws and never on the different governmental institutions. And even less considering the civil society, who suffers the most negative consequences.

Nevertheless, being aware that everything in life has its “pros” and “cons” I asked myself: since we already know the “cons,” what can be the “pros”?

As “pros,” I believe we are living in a very interesting situation... Why? Because, due to the lack of means, the human being in its majority, intensifies its capability of creating, imagining, dreaming... And we have the famous speeches such as the one “I had a dream ...,” that was not experienced by the person who dreamt it, but by the president Obama and his fellow African American citizens. Unforgettable Martin Luther King! Or songs like “*Imagine*”... This is a very lively conjuncture to image. Especially when we share what we dream about. Thank you, John Lennon.

And the texts, the books become real... that, such as “Spring With a Broken Corner,” states: “There is no measure able to embrace all that becomes possible for the one who started to be able”. Mario Benedetti, practiced it in his daily life.

Because a situation in which the human being has to imagine, starting to give shape, imple-

menting proposals from the new, is a viable utopian conjuncture.

As the word utopia that comes from the Greek means “u-topos”: “no place,” “nowhere”.

I mean this is the ideal situation to achieve the new. A situation in which you have to start from scratch, or almost from scratch. With all the possibilities that a situation like this allows to transform the obsolete, to create, to collaborate. To be co-responsible...

We started to be able. We have to start being able.

Another “pros” is that the current world situation growingly shows the obsolescence of the dominant neoliberal culture, which does not meet the various realities of everyday life. We are in a situation that is exciting for me, in which we have to create the new.

And Participatory Budgeting has contributed for this, and it can continue to contribute with interesting tangible realities. And with new suggestions of present-future.

#### *4. Characteristics of modern society*

I believe that, before presenting changing alternatives for this society we do not like, it would be necessary to focus in what it really is, since it is urgent to work for a new one and its respective development.

As such, our wage in the change, in the implementation of the new, shall not be done considering the obsolete and the uncertain, but in the very least shall be based on the feeling and the knowledge of what “we do not want to remake, revive, repeat...” I take this opportunity to mention one of the most clairvoyant references to the current situation; its an article published in the daily newspaper “La Vanguardia,” from Barcelona, concerning the presentation of the book published by the German political sociologist Claus Offe, named **“Political Parties and New Social Movements: changing life to transform reality”**.

- “...The progressive loss of identity of left wing parties, the critiques made to the competitive democracy of political parties ... The crisis of the political parties as mediation instruments ... turning into ambiguous sub products, unable to represent interests except the ones to reproduce the system ...”
- “...These are some of the causes that explain the rising of the new social movements”.
- “Its the inversion of the principle according to which it is necessary to transform the society in order to change life. Social movements, by testifying that the society cannot be changed following the traditional methods, try to operate that transformation by previously changing everyday life. **Everyday life is, after all, the privileged place in which to materialize the resistance (the resistances) that will lead to a more rational, better and fairer society.**”

Why do I consider this to be a wonderful diagnosis of the current situation? Because the article is dated from 25 October 1988! 25 years ago, Offe already anticipated what is still drawing the attention of the press in February 2103. And, after a quarter of a century, we are in the same situation.

About 20 years ago, trying not to follow the path of “sleeping over sorrow,” but to harmonize sorrow and creation, I have designed a diagram, and its due explanation, on what was current society, the one I felt, thought about and that was clear to me.

Diagram A  
Source own data

This is the diagram, which I named A, and its accompanying explanation:



#### Explanation of diagram A

Throughout history, in order to perpetuate his power and to induce the feeling that the paradigm of “male-white-adult” is essential in the society, this “male-white-adult” has placed himself strategically, conquering three important social spaces:

*Space 1* the scope of the family *Space 2* the professional scope *Space 3* the scope of political parties  
In each one of them, “adult mothers and fathers” (*Space 1*), “adult professionals” (*Space 2*) and

“adult politicians” (*Space 3*):

- They establish their relationships, respectively with the children (IAJ), with the people they work with (evidently named as “users”, “clients”, “patients”, “beneficiaries”, “administered”... and treated as such) and the civil society, from their own needs and problems, for which they claim being accountable for, providing, through verbal messages and attitudes, the idea that the others (IAJ, “users”... civil society) have to trust them, hoping that they – the ones with the power, the essential ones – will solve their problems.
- They therefore underline that they work “for” them (emphasis evidently beneficial /patronizing, paralyzing...)

Logically, having as a basis a unique attitude and action of protection, and being aware that a human being is only a human being if he is protected, alienated, immobilized, the one who does not create conflicts, is obedient, dependent and “always grateful”, they claim they will solve their problems and meet their needs.

Evidently, the “male-white-adult” (who feels essential, this is the one who claims he will solve the problems of the others, protect them, that he thinks and works “for” them), and while he works and organizes the action aimed to protect the others, he will never experience the feeling of absence. This means that never occurs to him thinking that it is necessary to plan the activities aimed at dealing with the problems and the needs of others, but together with them, by their side. Among other reasons, because as such, sitting with human beings with problems and needs, the “male-white-adult” could help them adequately, adjust the response to provide, differentiate the requests... He does not do this because he does not feel the absence of the other part – the part that should be the protagonist.

He will be confined to a cold and distant game, in which the relationship between request and response is null or only apparent: you ask me; I say I will give it to you, that you should wait for my response. And the response, for sure, does not usually arrive. And when it does, it usually responds more to the interests of the “male-white-adult” than the interests of the ones who asked in the first place. Meanwhile, the “male-white-adult” is still essential.

Hence in situations and spaces considered as democratic, in countries designated as democratic, there is no serious practice of delegation-representation.

Delegates are consulted through ballot boxes, regularly (every four or five years, according to the country), by the representatives of political parties, who wish, and most of the time achieve, that the delegates vote, delegate their vote and forget what they have voted for, but not whom they voted in, in order to be voted on again.

Nothing better than to keep this feeling, this idea that: *“You need me. I am essential, as I deal with your problems and meet your needs. Vote for me again.”*

And then disillusionment, discouragement, and lack of credibility of the “paradigm” arise, and at best, there is a search of alternatives – that the “male-white-adult” will try to void, from his strategic institutions spaces: family and professional scope (especially the socio-educative one) and the political-partisan context.

It was not by accident that this paradigm has capitalized power and knowledge. And when I say it was not accident, it is because this is done based on a very intelligent, subtle and well organized strategy of planetary dimension.

Them, the ones who feel essential, even if they are not, even if they reverse the terms (essential

are the others), try – and most of the times succeed – that civil society perceives them and lives them as such, as essential, or at least, that it acts as if they were so, taking as a starting point the widespread disenchantment and the total discredit in the unique and viable utopia.

It is the kind of “male-white-adults” who confirm the “paradigm” responsible for the society we currently have:

- They are “adults, rude children” who, when they arrive to adulthood, forget, deny and betray their childhood and the childhood in general. They forget and betray the process that leads from childhood to adulthood; their own and the one from the others.

And so, they reproduce and repeat the educational and political system they were surrounded with, as children, by the adults-paradigm of their time. They are adults who treat the ones who have not reached adulthood as the “not yet,” since they feel themselves, think themselves and talk about themselves as the ones who really are, who know, and who can. The “not yet” (childhood, adolescence and youth) are not, do not know, cannot. They will be, will know and, when they reach adulthood, they will be able to be like them!

This is the organized set of political and socio-educative lies, whose prosecution is monitored over time, inclusive through language. Let’s see some examples-evidence:

- A palavra infância, provem do latim “infalere”, que significa “o que não fala”. Consta-me, e creio que é evidente, que as crianças falam muito e bem (também certos adultos). O que acontece é que a sociedade de que falamos, o seu paradigma organizador, não admite plataformas. Em contrapartida, não tem dúvidas quanto a oferecer aos seus adultos os partidos políticos, as escolas profissionais, as associações, os sindicatos...
- The word infancy comes from the Latin “infalere”, which means “the one who does not speak”. I believe, and I think it is obvious, that children talk a lot and well (also some adults). The truth is that society, and its organising paradigm, does not admit any platforms. On the other hand, it has no doubt in offering its adults the political parties, professional schools, associations, unions ...
- Usually we hear say – insisting in the expression – that the childhood, the adolescence and youth of a village, a city, a country, the world, are the “future”. It’s a lie. It is a lie while they are only the future. They will never be the future if they are not present before.
- Until November 1989, when the International Convention on the Rights of the Child was ratified, which acknowledged every child as a human being of full rights and with the ability to exercise them, ALL the existing world laws on childhood considered children as the “not yet”: “they still can not,” they still do not know”...
- The expression “minor” is largely used when talking about childhood in order to differentiate it from the adult, which is “major”. Subtle message. Minor, less...
- Usually we say to an adult, viewing an inappropriate, improper or immature conduct: “do not be childish.” Here it is, childhood associated to the in-appropriate, im-mature, im-proper, that is, the “in,” the “no”.
- The word adolescence indicates an age that “comes after childhood,” “elapsing” between puberty and the full development of the organism. Another “not yet” age. In order to leave matters very clear.
- If this is not yet [clear] “even so,” is in another age: the youth. Around it another lie is built:

youth is the age of transition. It is not really a lie saying that youth is an age of transition. What is a lie is that it is the only age in transition. We are all in transition until we die.

Adults are also in transition to old age, the so-called seniors. But we should not be fooled. The message is still clear: The only ones in transition are the ones who have not reached the age that “is” – adulthood.

Childhood, adolescence and youth are the “future”, “transition”, “not yet”, until the moment arises for them to be adults, that is, “now, the time has come”.

From this set of organized lies, the organising paradigm takes care that what we feel, what we hear, and what we see is only the very own paradigm itself. All the others are in a sort of “waiting room” for being, for being adults. And the elderly, already retired, are in another waiting room: the death one.

This society, organized as such, does not attract childhood, adolescence, and youth or the elderly. It does not want them to participate.

But the most serious is that it is not aware that by not wishing them, not calling for them implies a deprived society of the great socio-educative and political capital that childhood, adolescent, and youth have, while carriers of fresh ideas, new, able to lead the change; a deprived society also of the doing and accumulated knowledge, full of experiences and learning, transmitted by the elderly.

In the following chapter, from different contexts, I will stress out this issue. It is important that readers, human beings interested in waging on citizen participation, are aware – and if they are already aware that they do not forget it – of the lies and the negatively organised social structures, which originate a non-participatory and non-citizen vision, that every days makes their life, their work and their commitment difficult in the fight for the social change.

The evidence, the denunciation of what does not work is not enough. It is not enough to complain. We have to complain about things that do not work, but, at the same time, we have to produce, create, and propose an alternative, choose the challenge, the utopia, the intelligent risk, the vertigo that Kundera masterly describes in *The unbearable lightness of being*.

Next chapter, and according to the above, I propose an alternative organization of the society and of doing politics.

### *5. First proposals / drafts of the “new”*

Given the obsolete and regrettable current situation – of democracy, society, culture, education, the manner of doing politics... –, there is undoubtedly a plurality of alternative proposals for change, and inclusively, original, new and radical creations, as far as they are rooted in true democracy, in the true policy of the “polis”.

The alternative proposal I believe in is prone to the awareness that it is urgent to create THE NEW and, at the same time, this is the one that includes most expectations, as it provides a logical reason for the positive side of the current void. I have read it over two years ago.

The Slovenian philosopher, Slavoj Žižek, in his article “The violent silence of a new beginning”, published in *El País*, of 17.11.2011, says: “... And this is what we have to resist to, at this stage. It is precisely this desire of quickly translating the energy of the protest into a series of “pragmatic” and “concrete” demands. It is true that the protests have created a void: a void

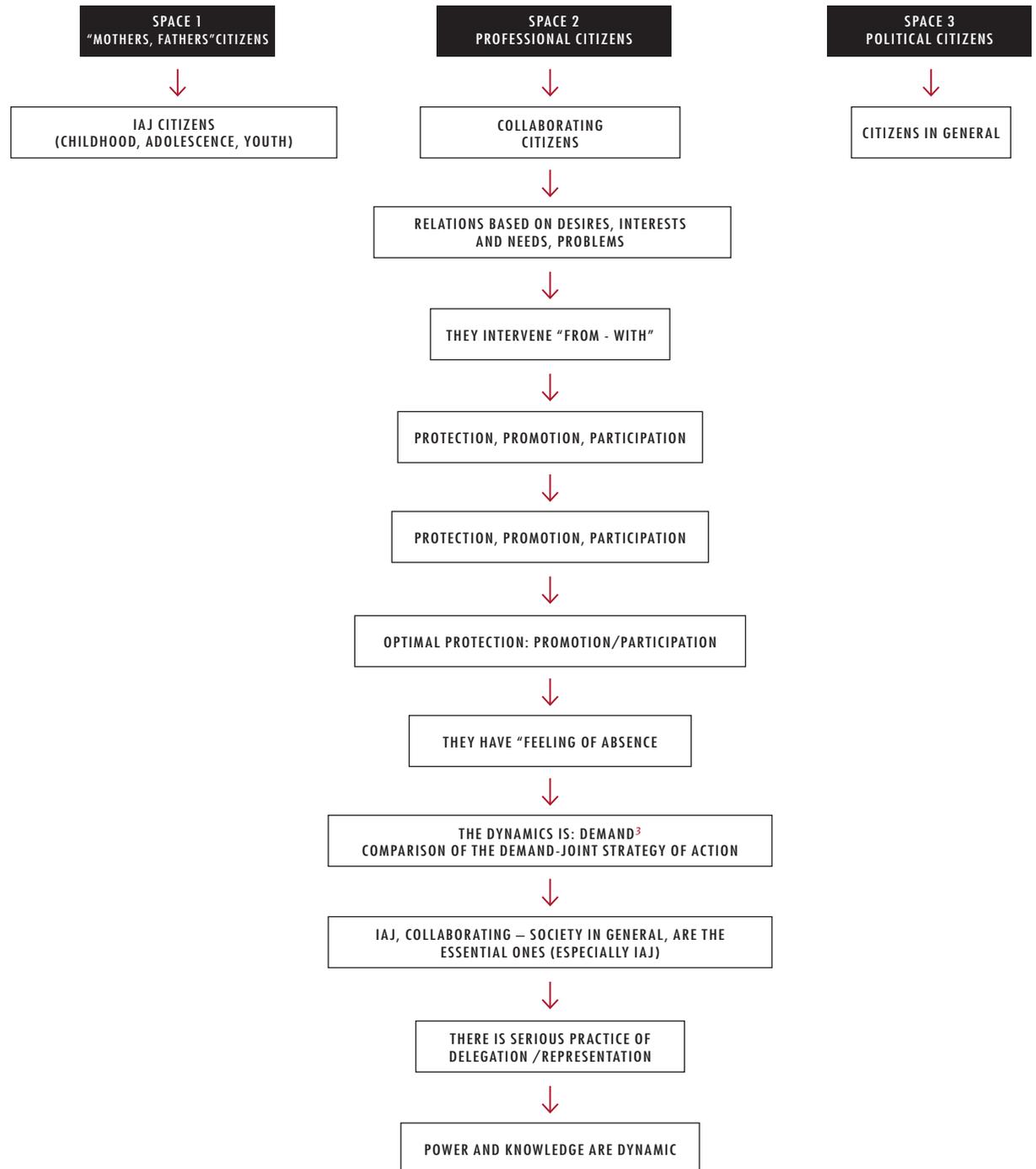
in the field of the dominant ideology. And we do not have much time to fill it in, as we should, because this is a void full of contents. An opening for the new.”

Also seeking the new, and trying to be coherent with my proposal of complaint and production, I have designed a diagram B, a simple alternative to the analysis - synthesis of the society presented in diagram A.

**Diagram B**

Source own data

<sup>3</sup> The Demand (“demanda” in the original) here should be understood as the result of a feeling of complaint associated to the just solicitations/ request for change. (Translator Note)



### Explanation of diagram B

Adults, men and women, childhood, adolescence, youth, the elderly, white and black, with no exclusion of any type, whether by race, age, culture, economic status... together and in collaboration, believing in each other, needing each other, each and every one considered as essential... will be – so I hope, from the perspective of the proposed alternative – the real protagonists of a social organization waged to attain the unique and viable utopia of the other possible world.

In each space, 1, 2 and 3, feeling as citizens and being treated as such by the others, establish their relationships:

- As mothers and fathers with their children
- As professionals with their collaborators
- As politicians of a party with the citizens in general, from their aspirations and interests, in the first place, and evidently, also from their needs and the problems.

Parents, professionals and politicians do not intervene “for” the citizens, but rather “from them”, their desires, interests, criticisms, suggestions, needs, problems... “with” support for their wishes, interests, criticisms...

They intervene stressing the “from them - with”, because they are aware that the essential information regarding what the citizens, in general, wish for, need, dream about... for their streets, their villages, their cities... *is held by the citizens, the ones that are “already there,” the ones who live in everyday spaces, the ones dwelling in public spaces, wishing to make them their own, in a collaboration spirit, the ones who participate with the socio-educational and political institutions, the ones that, in short, provide some sense to the path of human beings through the arteries in which life goes by: the streets, the squares of a neighbourhood, a village, a town.*

Evidently, in the network of relationships being formed, the promotion and participation of their children, collaborators and citizens in general shall be privileged, not forgetting, whenever necessary, the protection of the same.

But they should do it being aware of it, and trying to make the others aware (Paulo Freire used to talk about “awareness”) that the best manner to protect a human being is to increase his promotion and participation, from him, with our support.

All the organization process that will germinate shows that, from the beginning, citizens have assumed, in the family, professional or political party field, the responsibility to be references in the socio-educational and political actions (we could even say only political, from the deepest meaning of the word) feel, pass the redundancy, the feeling of absence, caused by the evidence that the others (sons and daughters, collaborators, citizens in general) are the ones holding, as we already stated, the essential information (not only important, necessary, convenient ...).

As such, the dynamics to be established between them both shall be the following:

- Demand<sup>4</sup>
- Mutual comparison of the demand

- Joint strategy for action

This dynamics is the engine of the *new organizational, socio-educational and political style that this alternative proposes, from scratch. In “day-to-day”, when the public policies are designed, the public spaces are drawn, the neighbourhoods, villages and cities are defined and administered, it is this dynamics that establishes who is considered as essential.*

*Essential are the child, adolescent and youngster citizens, the collaborator citizens, in short, citizens as a whole.*

Naturally, there is disenchantment, disillusionment and discouragement, the lack of confidence in others, especially in those who represent the power, the partisan politicians. And, what is more serious, the lack of confidence in itself and its peers, a feature of the society represented in diagram A. But it is precisely that which opens the road for a new participatory social dynamics, in which the pride to be a citizen is experienced, to live and work in and for their city, the confidence of each and every citizen is reinforced in itself and in the others, the desire of complicity arises, of collaboration between the citizens in general (associated, non-associated, technicians, or partisan politicians) and, consequently the sovereign citizen is being formed. And it is from the awareness of its capability of participating and transforming that the idea of Benedetti begins to become real, as we mentioned in the beginning of this book:

**“THERE IS NO MEASURE ABLE TO EMBRACE  
ALL THAT BECOMES POSSIBLE  
FOR THE ONE WHO STARTED TO BE ABLE.”**

And, as they “start being able”, then indeed, we have a serious practice of delegation/representation, and the ones who delegate monitor their vote; based on a perspective of Participatory Democracy to support Representative Democracy.

Power and knowledge are dynamic, they circulate, duplicate, and are the top of all knowledge and powers. Everybody learns with everybody, as Paulo Freire used to say.

*It is from this alternative society that we can say that there is democracy, from an intergenerational and global citizen participation that does not leave anyone behind.*

*It would be the end of the “everything for the childhood but without the childhood”, “everything for the people, but without the people”.*

Before ending this chapter, some brief suggestions:

- I have chosen to say “partisan politicians”. I did not choose to say only “politicians”. The fact is that, for me, as for any democrat, politics is not done by political parties and does not refer to political parties.

Politics refers to the citizen in general, to the cumulus of the wishes, ideas, suggestions, criticisms ... of the mentioned citizens.

Politics is made everyday, by living together, by the citizens in general.

Political parties, while representatives of the citizens and political technicians, have the duty to consider them and, as spokespersons for the citizens, they should convene

them for all kind of initiatives, for a better quality of the democratic life, being furthermore cautious of the risk of the “power attraction”, which makes them forget the ones who have delegated in them a part of their power and of their money.

It would be important to be vigilant, observing and analysing, in our daily life, at an intimate, family and professional level, the several circumstances in which we are, sharing the same space-time with other people, participating in our neighbourhood, in our city, implementing, presenting a proposal or a preliminary professional draft, turning it into a project, with other citizens or cities ...

Monitoring and analysing the methodology in which we support ourselves, the type of organization from which we are feeling, thinking, and acting as a basis: either diagram A or diagram B. That is, if we stick to diagram A, perpetuating and consolidating non-democracy, or diagram B, centred in the support to participatory democracy.

- *(Diagrams A and B, the methodology of the Pedagogy of Everyday Life, in which this document is based upon, can be found in my webpage, my documents, books or videos based on the aforementioned socio-pedagogical methodology which originated the diagrams<sup>5</sup>)*

#### **6. Childhood and youth participatory budgets, promoters and guarantors of the “new”: Childhood. Another possible education. Another possible city**

Any Participatory Budget suggests citizen participation. It originates democratic public spaces and times.

- Streets, villages and cities come alive with THE NEW, by showing themselves and showing how their citizens and inhabitants can be transformed, from the PB, in citizens aware of their condition, since they feel – and not just think – that they are exercising participatory democracy, the policy of the “polis”, and not the one from political parties.

We are aware that any PB is a pretext for a grand text. This large text is The New, Radical Democracy. Democracy not understood as rigid, dictatorial...

Yes, understood as the one united to the roots of democracy. The one that stimulates citizens without excluding any of them. Not as objects. But as subjects with rights and duties, with the capability to exercise them (including childhood, adolescence and youth). Not as passive recipients of rights, but as active subjects, who determine their own civility.

If the PBs are interesting pretexts, means to realize the practical and day-to-day participatory democracy, the OPCJs are even more motivating pretexts for the large text. Why? Because childhood, adolescence and youth are more stimulating of the new, given their capability to imagine, dream and fantasize; and from this three potential of creation of the original, the spontaneous, they have more possibilities than grownups in achieving the grand text, of creating it, keeping it and enlarging it. Three parts form the concept of participation:

- Pars (Latin root) = part**
- i (connecting vowel)**
- ceps = the one who takes**

That is the one who takes part in, that shares. The one who feels he is a part of.

Let's see what the OPCJs usually originate in the cities or spaces in which they are created and

<sup>4</sup> See note 2.

<sup>5</sup> See [www.cesarmunoz.org](http://www.cesarmunoz.org) or the books *To Live, Educate: from seduction, love and passion and Pedagogy of Everyday Life and Citizen Participation*.

implemented:

- OPCJs with the presence of IAJ, mainly childhood (as this is the age that can originate the most changes), ensure providing novelties, changes of style, methodology, of feelings and attitudes, in the two fields of participatory action that especially resist to change: mainly schools and the cities.
- We will never achieve that “Another possible world” if we do not give another form to the idea we have of: childhood – adolescence – youth: school – education: city, square, public space. The OPCJs provide us that possibility.
- That means that any professional who supports the citizen participation of the IAJ, specifically the OPCJs, shall be stimulated to go deep into the bottom of the roots of social life and everyday life, asking himself (and trying to find answers) about what is life, what is living, what is the human being, what is a girl or a boy, what are the languages of the human being, what is education and what is school, what is to participate or what is a city.
- Citizen participation and the building of the city leverage and adapt sayings that the popular wisdom has created. There is one who goes: “Works are loves and not good reasons”.

In the specific case of the set of participatory processes that were implemented within the IAJ participatory budget, in Seville, other were used, which we quote:

- “From the said to the done there is a long way”<sup>6</sup>
- “Said and done”
- “From the said to the done, we have a deal”<sup>7</sup> And these are not only sayings. They are realities.
- Citizens, in general, working in a spirit of complicity, achieve new realities, especially when the citizens belonging to the IAJ group are involved.
- When organizing meetings of lawyers or physicians, for example, the participants are the lawyers and the physicians. When we organize meetings on the IAJ, the children, the adolescents and the youngsters are never invited, confirming the historic contradiction: “all for the IAJ without the IAJ”. At the OPCJs, the IAJ is present, alive and is the protagonist.
- OPCJs display all the social lies that most adults feel, think and say about IAJ, in a world where a large part of the cities and villages is organized and governed based in a paradigm, a central adult model, built mainly by men, white and rich, who present themselves a role model as an organizing nucleus of social life. They try to monopolize all the power and all the knowledge and, at the

same time, convey the message that they are the only ones that matter. They are so important that they feel and think that those included in the IAJ have no importance nor will have any importance until they are adults. While they are not adults, they are considered as human beings in the “waiting room” of the only one who matters: the adult. And the elderly, on their turn, are seen as those who are in another “waiting room”: the death one. In order to keep this non-democratic power, there are a series of social lies regarding the IAJ.

- OPCJs show these lies, transforming them into truths. These are some of those lies:
  - The very own word infancy (as already mentioned, it comes from the Latin *in-falere*: the one who does not speak). But infancy talks a lot and very well. What they miss is the adults’ platforms (political parties, professional associations, unions, etc.)
  - The word future. The IAJ is present, in the future. No one will be future if they do not participate in the present.
  - Adolescent: the one who is in his teens, who is growing up: to all of us, and not only adolescents, there is something lacking; therefore, we are all growing up.
  - Student: “the one who does not have lights”. The message conveys the idea that only the adult professor has lights, that is, the knowledge of the IAJ is not acknowledged.
- Nevertheless there is something very important that is changing, such as everyday language, for example: we go from words such as problems, conflicts, needs to other words such as desires, dreams, utopias, interests or proposals.
- The one thing that is most difficult to change in the human being is also changing: the attitudes. We are evolving from the attitudes of asking, protesting, complaining, and being angry to the ones of asking and facilitating, asking and collaborating, proposing ...
- Slowly, the transition from the grand democratic pretext that participatory budget is to the grand text is becoming clear: participatory democracy and citizen participation.
- The basic is being achieved: the fact that adults are starting to relate with the IAJ without a paternalistic, protectionist perspective, easy to work with organizing activities “for” the IAJ.
- Gradually, the concept of “FROM – WITH” is being consolidated (working, organizing activities... “FROM THE” wishes, suggestions, concerns, doubts... of the IAJ, “WITH” the support of the wishes, concerns, suggestions... of adults).
- The word participation becomes real: to participate is being part

of something we perceive as our own.

- It starts being clear that the IAJ participation in social life of their neighbourhood or city is essential – and not only convenient, necessary and positive.
- It is possible to understand that the letter “P” besides belonging to the work Protection, also belongs to another two words, even more important: Promotion and Participation. The best way to protect the human being, in general, and the IAJ in particular is to provide them with the participation in social life.
- In several cities, neighbourhoods and villages the articles 12 to 14 of the International Convention on the Rights of the Child are coming to life, regarding the essential right of the IAJ: opinion, participation, meeting...
- Consequently, the political and administrative culture is changing.
- They are beginning to be aware, or to gain more awareness of their knowledge, their feelings and their power. This was a very stimulating reality I witnessed at the IAJ of the OPI in Seville, when, in a meeting organized by them with the support of adults, they answered the three fundamental questions of the assembly. Those questions were the following:

**1. For me, what is IAJ participatory budget?**

An opportunity to improve

A way of learning to vote and to give votes

A way of learning to respect everybody

A way of learning how to speak in public

An opportunity to get to know new places

**2. What are my feelings regarding the IAJ participatory budget?**

Satisfaction

Joy caused by: Having fun; Seeing improvements in our neighbourhoods; Being able to present proposals; Being able to build alternatives; Meeting more people

Concern [motivated by other realities]

**3. For me, what is the use of the PB?**

To be able to express myself in front of people of different ages

So that grownups give us a vote of confidence, support us, listen to what we want, understand us and respond to our wishes and concerns

To be able to try, to accomplish, to transform, to have an opinion, to consider other people's desires, to decide, to work together, to share, to meet without pressure, without anyone intimidating us; and talking as if we were in a little town square

In order to have order and organisation

In order to have anything done, even if it is not what I propose

To achieve a better world

As anyone related to this new realities originated by the OPCJ could testify, sings of the new are beginning to appear...

<sup>6</sup> “Del dicho al hecho hay mucho trecho”. The expression refers to the difference between what is said and what is done, referring to a certain inconsequence of the statements people sometimes make. (Translator Note)

<sup>7</sup> Used to express the compliance between what was agreed upon and what was in fact done. (Translator Note)

### *7. Childhood - Adolescence – Youth Participatory Budgets*

I thank everyone who has provided me with written and photographic documentation, due to what it includes of direct information on the facts of everyday lives of the several OPCJ with which I had the opportunity and the pleasure to live together, working. Given the space limitation of any publication, I apologise not being able to include all that documentation.

#### *7.1. Childhood Participatory Budget of São Paulo*

Félix Sánchez, coordinator of the Participatory Budget of the city, and one of the creators of the OPCJ, evaluates it as being:

- a)* an innovating program in the management of public policies;
- b)* a mechanism of citizen participation, which harmonizes direct democracy with representation, as such favouring the real leading role of childhood;
- c)* a manner of exercising citizenship;
- d)* one of the constitutive spheres of citizen participation in São Paulo;
- e)* proposals build on a childhood conception that refuse the stigmas based on their disabilities;
- f)* acknowledging childhood as an age group that is part of the universe of citizens;
- g)* an active and daily exercise of rights;
- h)* a direct learning and an experience of knowledge of the reality from the experience, which provide us tools for life.

Furthermore, «the OPI is based on a radically democratic conception of the management of public policies. As such, it stimulates and is supported by the transformation of children in essential protagonists of that same management of the public policy. That implied the abandonment of an intergenerational conception of solidarity and complicity based on the idea that childhood and adolescence should be approached with a methodology that stresses a synthesis of juvenile main role and inter-generational complicity. It is the so called “from /with”, a happy formula spread by the Spanish pedagogue, thinker and expert César Muñoz».

#### *7.2. Childhood - adolescence participatory budget of seville input from the team of childhood and youth participatory budgets of seville, laboraforo<sup>8</sup>*

In the scope of participatory democracies, the Participatory Budgets of Seville have a recent but very intense history, by including in the process the children, boys and girls and youngsters in the second year of its implementation. After three years of work – investigation, dynamics and participation, with these groups, it was possible to collect some data, which we consider as optimistic.

For example:

- a) Development of basic competencies in primary and secondary education, including emotional aspects, which seem not to be clearly contemplated by the legislation;
- b) Improvement of the performance and achievement of educational objectives at the schooling levels and of the processes of maturing in which the participants were. In other words, there was a general enrichment, and in all the cases there was no delay interfering with the personal development of each participant;
- c) Increasing self-esteem and the importance in the group, what contributes for the construction of a positive identity, of themselves and their peers;
- d) Increasing the expectations as to what each person can do when it feels essential in a process of participation and joint leading role;
- e) Social relevance and valuation of the joint leading role necessary among the elements of these groups and the civil society;
- f) Enrichment of public initiatives, since they are close to the interests, ideas, dreams, proposals and needs of those participants;
- g) Personal and professional growth of the people working with these groups;
- h) Dynamics of the participation processes through more creative, dynamic, dialogical, complex strategies, and, most important, positive strategies for the relationship between generations; in many cases these were visibly more interesting for the technicians, politicians and adult citizens;
- i) Possibility for the utopia, that is, children, boys, girls, and youngsters were acknowledged as persons, valid interlocutors, wise people with ideas and proposals that could improve the quality of life of the city;
- j) Starting of other participation processes, as the proposals of participatory budgets, with clear participatory guidance, of self-management – self-sufficiency, and interdependency: evening leisure, children games in schoolyards, radio and inter-generational workshops. At the same time, the participatory budgets in schools, the councils of representatives and the GMS<sup>9</sup>.

The PB has favoured, in Seville, the construction of another possible city in another possible world, and it also gave a testimony, an irrefutable proof, that, for a society to move forward, it needs all its population, and most particularly, this group. Likewise, it has allowed us to know that our initiative was not alone, and to learn what other people had done in places far away, possibly using a very similar methodology. It also gained credibility among the most sceptical, although we were aware that, in an experience not so close in geographical terms, it could only be useful in certain occasions.

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<sup>8</sup> Team formed by Dolores Limón Domínguez, José Luis Carrasco Calero, Jorge Ruiz Morales, Rocío Valderrama Hernández, Mercedes Rubio Juárez, Carolina Montero Revuelta and Pablo Galán Pineda.

<sup>9</sup> In 2006, following a proposal of a little girl from the neighbourhood Polígono Sur, of Seville, the platform GMS – Group Engine of Seville was created, with the purpose of structuring children participation in the whole city and promoting relationship between the various neighbourhoods' children. (Translator Note)

<sup>10</sup> Prepared based on the text “Children and Adolescents: From social aphonia to participation in the discussion on public policies,” by Neirara de Moraes.

<sup>11</sup> Prepared based on the text “Youth participatory experiments in Portugal: Emerging reflections of the case of Trofa’s OPJ,” by Giovanni Allegretti, Maria Andrea Luz da Silva and Francisco Freitas.

### 7.3. *Childhood-adolescence Participatory Budget of Fortaleza*<sup>10</sup>

The right to the participation of children and adolescents is set forth in national and international rules, namely when they establish the right to the free expression of thought and to have their opinion considered in the matters affecting them. In the last two decades, many actions, projects and programmes, both governmental and non-governmental, have incorporated their participation as one of its guidelines. In this article, I intend to approach some issues that the ongoing experiments have brought to life. For that, I will use as an example the emblematic case, for all the richness of elements it provides, of the Childhood and Adolescent Participatory Budget of Fortaleza (Brazil), an experiment followed in a daily basis during the period 2005 – 2009.

Under the same designation of “participatory processes,” we find very different experiments, with different democratizing potentials. All of them, nevertheless, raise ethical, political, methodological and operational questions that can not be neglected, given that they can be transformed into simulacra that do not promote rights and do not build effectively democratic spaces.

### 7.4. *Childhood-youth Participatory Budget of Trofa.*<sup>11</sup> *An incremental process to value the wisdom of youth?*

The evaluation of the first year meetings’ minutes underlined the need to involve more visibly the participants in the evaluation of the process, to better articulate the composition of the GATOP (as for the composition and specific tasks of the 10 permanent members) and their relations with the external partner of the University of Coimbra, which had pointed out some specific moments of undervaluation of the collaboration potential between the two entities.

According to this evaluation and the possibility to annually review the Process Regulation, according to its nature in constant evolution, provided from the very beginning, the OPJ of successive cycle (that kept an articulation of the phases according to the school academic year 2011–2012) was subject to a series of innovations centred in constructing “social multipliers” aiming to maximize the social impacts of the process, reducing organizational costs for municipal administration. Such strategy has led, namely, to the following amendments:

- a) In September 2011, some meetings held by GATOP have ensured some space to the young participants of the previous year, allowing them to make suggestions able to reorient the rules and the organization of the second year cycle. In spite of this “informal” consultation, there was no public space officially envisaged for the collective revision of the OPJ Regulation, whose amendment was still the responsibility of the executive, according to a proposal by the GATOP. In fact, this hypothesis of collective revision – extremely common in the PB of Brazil and Spain – was never done in Portugal, until 2012, with the Youth Participatory Budget of Condeixa.
- b) For the OPJ 2012 the instruments of communication of the process were mul-

tiplied and differentiated, and the official website was reformulated and a blog without much interaction was eliminated (these were communication spaces previously doubled in a little useful way), and the contents and the tasks of management of the Facebook page were improved, being more a space of emotional exchange between youngsters than a support to the institutional information, as it was before. Unfortunately, the need to replace a personal Facebook page of the OPCJ for an institutional one – in order to comply with the new rules of the social network – caused the loss of the more than 800 “friend” contacts already achieved in the previous year. The experience of the participants of 2011 was also used (albeit belatedly) to prepare some advertising leaflets for the OPCJ, stressing out – using the direct experience of the proponents of the winning Project of the previous year – the opportunity that can represent the fact of participating and presenting proposals within the Participatory Budgets. Inexplicably, the City Hall has invested resources in wide advertising outdoor placards for the OPCJ, placed in public spaces with high visibility, whose style of promotion (including the look of the youngsters inviting to participate in the OPCJ) seemed rather anodyne relating to the peculiarities of the Trofa territory. The evaluation of which practical results the different types of supports of information and advertisement may have gained has not been done in detail by the GATOP, but it is unquestionable that in the second year the investment in the promotion of the image of the process was more visible, conveying to the citizens a higher centrality acknowledged by the Municipality to the process. This visibility has included a public tender – between youngsters – to restructuring the logo of the participatory process, chosen by GATOP among the 26 proposals. Such a measure has contributed, undoubtedly, to further entrench the awareness of the OPCJ in school communities and amongst the youngsters of the municipality. A “Memory Award” was also created, aimed at visual products conceived and directed by the very own participants of the OPJ, to testify the participatory process and leave some prints of the experiments for the coming years. The main award should be the participation at the audiovisual festival “Democracine,” in the city of Porto Alegre, Brazil.

*c)* The second cycle of the OPCJ was formally initiated only after an official ceremony of “placement of the foundation stone” in the awarded projects of the previous year, in which questionnaires were distributed to the participants in order to evaluate their “expectations” on the process. However, in the end of May 2012, at the time of the voting Assembly for the new proposals, both works approved in the previous year has not been finished due to difficulties in the preparation of the legal procedures previous to the execution of the works. Those delays seemed rather difficult to explain, as there were almost six months between the voting of the winning proposal of 2011 and the approval of the municipal budget for 2012, time which seems sufficient enough for the Municipality to implement the necessary measures for the execution of the works. However, the delay in executing these works is also probably due to the bureaucratic problems associated to the preparation of the procedures and the new rules of financial control approved, for the municipalities, by the central administration.

*d)* It also seems interesting the changes in the final voting mechanism in the presented proposals by the young participants in the OPCJ 2012, as it was a “multiple

pooling”, by means of avoiding a mechanism generator of excessive competition between the different proposals, favouring as such the serene evaluation of a different series of projects with which the voters at the final open house meeting would identify themselves. As such, GATOP has studied a formula (already used and tested in other Participatory Budgets) through which the vote had different values and different coloured ballots, in order to be able to support more than one proposal, by order of preference. The result awarded some of the most “transforming” proposals, well advocated by their own submitters, without setting aside others of high social value, that have gained unexpected support (such as a proposal for a programme of support for drug addicts, that has gained 107 votes in spite the proponent failed to appear at the pooling station).

e) A major investment was made in order to increase the deliberative quality of the process and presenting more differentiated proposals, in typology as well as in quantity, but also able to create debates on the solidarity in Trofa’s territory. Among the actions aimed at this, there was a significant increase in the number of meetings (in 2012 there were 18 versus 6 in 2011) between GATOP and several organisations of the local associative tissue, including several territorial associations not statutorily juvenile, but that usually included the participation of a high number of young volunteers (such as fire fighters, some sport clubs or an association of parents of children with special educational needs). But, mainly, there was a broad investment of energy in order to increase the number of teachers interested in promoting the OPCJ in schools, as themes of debate linked to the issues of citizenship and the crisis striking Portugal and the European Union, but also aimed to qualifying the debate on the economical and financial themes and the individual capability of the youngsters to provide contributions in this area.

It is worth mentioning that the main instruments of this last strategy were two. One was the so-called “Exhibition+ Financial”, an interactive event held in January 2012, sponsored by the Trofa Municipality and the University of Aveiro as part of the project “Mathematics Teaching – PmatE”. Aimed at youngsters aged from 7 to 17 years, it was held in a place frequented by young people, Aquaplace, and was attended by approximately 600 visitors. It included activities in the area of personal finances through games, simulations and manipulations of money games. At the Trofa Junior High School a conference on financial literacy was held in parallel. A second scope of actions to ensure the increase of the deliberative quality and widening the participation in the OPCJ, led to the organization of a training course for teachers called “Education for Citizen Participation”, which included 27 trainees from different Trofa Schools (as well as some officials and employees of the Municipality); it was held in the months of March and April 2012, and achieved a very positive assessment (4,8 average in a total of 5) from the trainees. Organized by the advisors group of the Centre of Social Studies of Coimbra (in the scope of the project “OPtar”), together with the Trofa Municipality, the Association In Loco and the Training Centre of the Association of Schools of Maia and Trofa (Teachers Training Centre), the purpose of the course was to further motivate teachers to have an active role in the OPCJ and mobilize classes of students and youngsters within the very scope of the work and everyday life, and it also provided practical training on debate techniques and col-

lective budgeting. There were also some foreign guests, such as the Catalan educator César Muñoz, creator of the method “pedagogy of everyday life” and advisor of some of the largest Youth Participatory Budgets in Brazil and in Europe (among them Seville, São Paulo and Fortaleza), and the training path was a surprise for all the players involved, becoming a space of “mutual learning” able to provide a new impetus and enthusiasm to the organizers and participants of the last phase of the Participatory Budget. The course was a true “multiplier” of the quality of the product and the quality of the process; in methodological terms, some “simulations” were proposed that the teachers though very useful to discuss the challenges of participatory democracy with their own school classes. One of the secrets for the good start of the course was, undoubtedly, the fact that it was designed as a certified course and accredited by the Board of Continuing Teacher Training, that allowed the participants to obtain a credit, important for their evaluation process, according to the dispositions of the system of evaluation of teachers, and as a counterpart for their commitment in the dynamics of the participatory paths. Trofa Municipality seem to cherish this even, as the Mayor herself wanted to attend the opening of the course “in order to, enthusiastically, represent the institution in an event we so deeply believe in,” as she stated.



RAFAEL CARDOSO SAMPAIO & TIAGO PEIXOTO

# ELECTRONIC PARTICIPATORY BUDGETING FALSE DILEMMAS AND TRUE COMPLEXITIES

## *1. Introduction*

Since the 90s, the use of information communication technologies (ICT) in democratic processes has been defined as ‘electronic democracy’ (or e–democracy) or digital democracy. However, historically, the idea of communication technologies as a means to boost political processes is a phenomenon that has always accompanied the technological innovations: for example, in the early nineteenth century, the telegraph was seen as a means of establishing a universal communion between the East and West (Vedel, 2003).

In turn, researchers in the 70s said that, at the time, emerging technologies could renew representative democracy (Laudon, 1977). For example, cable TV was conceived as a way to enhance democratic values by airing parliamentary sessions, or the first attempts at electronic voting in what became known as ‘teledemocracy’ (Arterton, 1987). Already in the 80s, authors highlighted the potential of ICTs to radicalise democracy towards direct citizen participation in politics (e.g. Barber, 1984).

Given the perception of the crisis of representative democracy, along with the increasing accessibility and popularity of the Internet in the 90s (Treichsel, 2004), new expectations were created. Once ICTs began to offer a reliable means of communication, which had both lower costs and greater access for different players to send and receive messages, many optimistic scholars said that democratic processes and government effectiveness could be changed in a revolutionary way (Levy, 1997; Castells, 2003).

Nevertheless, it is argued here that one should abandon the ‘revolutionary’ approach to digital tools. As Wright (2012) stated, one cannot assess the potential and the effects of digital tools only in a revolutionary setting, or one can easily overlook or not correctly evaluate the changes caused by such instruments. Furthermore, such a perspective on a potential tends to be based on technological determinism, which believes that the tools completely shape human action, ignoring the importance of players, processes and political institutions (Coleman, Blumler, 2009).

As such, as already widely recognised in the literature on e–participation and e–democracy, one must abandon the question of the ‘potential’ of digital tools and think of ways of using them (Salter, 2004), that is, different uses of tools will lead to different results, with several important factors that help explain results, such as the design of tools, institutional arrangements, social capital, the scope of participation, empowerment process, among others. Furthermore, the socio–technical position is defended, i.e., technologies are shaped by human action, but are also

<sup>1</sup> <http://www.pewglobal.org/2012/12/12/social-networking-popular-across-globe/>.

<sup>2</sup> Further information at: <http://www.participatorybudgeting.org/>.

<sup>3</sup> Graham Smith (2009), for example, shows that e-democracy initiatives also need to be evaluated when considering democratic innovations nowadays.

<sup>4</sup> <http://www2.portoalegre.rs.gov.br/observatorio/>.

able to interfere in the different processes in which they are used. This implies recognising that the design of digital tools and online participatory processes carries values and interests of the agents that offer them, impacting and being impacted by these processes themselves. Thus, it is currently believed that it is more valid to question: how do different designs of online tools, such as the institutional design of participatory processes and how the different forms of use and ownership of such opportunities for online participation will interact in different contexts, towards a final result? (Coleman, Blumler, 2009; Macintosh, Whyte, 2008; Salter, 2004; Wright, Street, 2007).

Thus, the study of the use of ICTs in participatory budgets is justified, in our view, primarily for two reasons. First, while not ignoring the issue of digital exclusion, it must be recognised that the Internet and similar digital networks are no longer 'new media'. There are already a reasonable number of individuals who are digital natives, while a growing number of individuals connect through multiple devices, gradually becoming more mobile, cheaper and simple to use. Even if one considers digital exclusion, inclusive participatory budget processes cannot ignore a portion of the population that uses digital tools as a part of their daily lives. If nowadays individuals make online purchases, get informed online, entertain themselves and chat online (including on politics)<sup>4</sup>, it seems natural that they participate online.

Secondly, although they are still a minority in relation to the total number of PBs in the world (Sintomer et al, 2012), there are gradually more cases experimenting with ICTs. For example, some of the largest and oldest PBs in Brazil (Porto Alegre, Belo Horizonte and Recife) now include virtual editions or stages, as well as the only two Brazilian PB cases at state level (Espírito Santo and Rio Grande do Sul) also have online options in their procedures. In another context, two of the most recent and successful PB cases in Portugal (Cascais and Lisbon) and the United States<sup>2</sup> also have online phases.

This justifies that greater attention is given to innovative democratic experiments<sup>3</sup>, evaluating the different effects of adding such technologies to PBs, which tended to be heavily based on face-to-face processes. Therefore, this article presents both a brief review of the main uses of ICTs in PBs at an international level as well as starts the discussion on the major conflicts and complexities created by adding online steps to PB processes.

## 2. 2. *Uses of technology*

In this section, some innovative projects showing the relationship between PBs and ICT will be presented. In an attempt to map this relationship, it will be the only aspect described, as well as more tangible consequences of each of the processes. The division made between the different uses of technology is done in a functional way. That is, cases are classified according to the use of each technological mechanism's function/main objective: information, mobilisation and participation.

### 2.1. *Information*

Firstly, most of the participatory budget processes have a website with information. Nevertheless, we refer to initiatives and experiments that go beyond the basic information usually found on such sites, such as general explanations, meeting agendas,

available budget and information on how to participate.

It is noticeable that, despite several websites including explanatory sections on ‘how to participate’ few actually allow the citizen to become better informed and empowered through the website. For example, in the municipality of Miraflores, Peru, there is a lot of in-depth information on the process, which includes training modules and even meeting minutes. In a more sophisticated way, Modena, in Italy, broadcasts on-line face-to-face meetings over the Internet and allows interested parties to be informed of the proceedings by SMS (Cunha, Giovanni Allegretti, Marisa Matias, 2011). In other words, we are referring here to information that allows citizens to become aware of the process either to take part in it or simply to monitor it. Another advantage is the possibility of the citizen to get sufficiently informed as to get involved when the process is already underway. Also, if a citizen did not manage to keep up to date on the initiative since the beginning, such websites will provide enough information so that he/she can join in other phases of the process.

In other cases, various multimedia resources are used, making information more understandable to any interested individual on a given question, whether for participation or for monitoring. A common example in PB is the use of geo-referencing, that is, the use of geographically localised information in digital maps. Surprisingly, more than two decades ago, Porto Alegre began using the Internet to allow citizens to monitor the implementation of the budget (Vaz, 2009). Similarly, in 1997, the small town of Ipatinga (Brazil) began using geo-referenced online information on investment of resources and the status of public works (Faria, Prado, 2003). Recently, these features became available in the Porto Alegre Participatory Budget, in which agents of the Municipality combined two initiatives: the *observa POA*<sup>4</sup> and the PB. The first refers to an initiative of transparency and accountability, in view of the studies focused on the city in different aspects, such as access to education, health, and human development index. The tools on the site also allow to check the ‘development compass’ in which the user has a graphical notion of the progress, or not, of social indicators in their neighbourhood. In a similar way, the system allows the use of digital maps to locate works by planning region. It is worth mentioning that the Porto Alegre PB was one of the first to truly enable online monitoring of works, showing fairly complete information on different projects that were approved and implemented, allowing the citizen to filter works per year and per Municipality<sup>5</sup>.

As an example that is not in Brazil, the city of Solo, Indonesia, with the support of geographic information systems, offers an online platform with interactive maps for each neighbourhood of the city, which can be printed to inform on discussions in face-to-face meetings<sup>6</sup>. The different maps and views provided, the issues relevant to each neighbourhood (e.g. indicators of access to services) are emphasised in a manner accessible to a wide variety of social groups.

## **2.2. Mobilisation**

While the literature on participatory innovation tends to focus on its participants (e.g. who participates and the impact it has), less attention has been given to non-participants, and even less to the reasons why they are not participating. The existing

<sup>5</sup> [http://www.portoalegre.rs.gov.br/op\\_prestacao/acomp.asp](http://www.portoalegre.rs.gov.br/op_prestacao/acomp.asp).

<sup>6</sup> <http://www.thepolisblog.org/2012/02/tools-for-participatory-budgeting-in.html>.

<sup>7</sup> For example, research conducted in the state of Rio Grande do Sul (Brazil) showed that at least 17% of its inhabitants did not engage in participatory processes due to lack of information on the opportunities to participate (Banner 2001).

<sup>8</sup> Process funded by the European Commission and coordinated by one of the authors, Tiago Peixoto. For more information: <http://theconnectedrepublic.org/posts/194>.

<sup>9</sup> All data was taken from the wiki below. <http://participedia.net/en/cases/participatory-budgeting-sms-jarabacoa-dominican-republic>.

<sup>10</sup> Finally, we should mention that the validity of using the radio to encourage participation has also been identified with similar degree of success in other forms of political participation. For example, experimental studies have observed the effects of text messages (SMS) in electoral processes and all show a significant increase in the levels of vote after such a mobilisation (Dale and Strauss, 2009, Malhotra et al. 2011).

<sup>11</sup> These costs may be physically accounted for (e.g. money to reach the polling station) or not (e.g. time spent voting).

evidence, however, suggests that a significant number of citizens do not participate in such initiatives simply because they are not aware of them<sup>7</sup>. Accordingly, scholars have often emphasised the importance of mobilisation and advertising campaigns as a way to increase participation (Ryfe and Stalsburg 2012).

Many methods using digital technologies have been tried to mobilise new participants. The Municipality of Belo Horizonte (Brazil) is an emblematic case, as this city has convened the public via electronic email newsletters (more than 300,000 were sent in 2008), advertisements in popular blogs and websites of the city's district (e.g. blogs on the city's cultural agenda) and the possibility of calling friends to vote by email via the digital PB's very own site (Nabucco et al, 2009).

At the same time, the increasing access to mobile phones over the past two decades has brought new prospects for their use as a means of mobilising people to participate. The first known use of such a technology for this purpose took place in 2004 in Ipatinga, Brazil<sup>8</sup>.

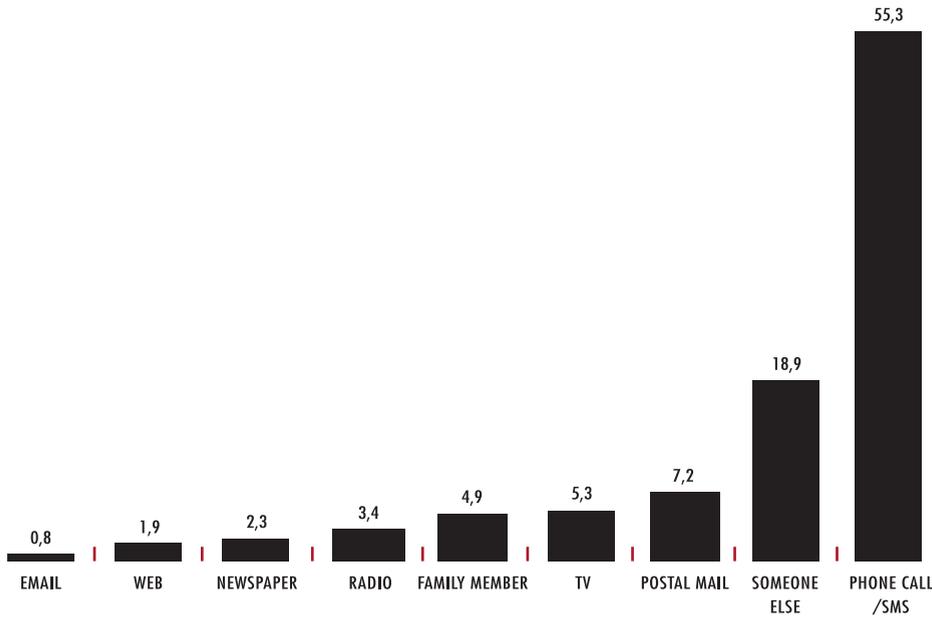
Supported by an intense media campaign (e.g. TV, radio and newspapers), the city's administration launched a trial in four of its nine districts using the telephone as a way to involve people in face-to-face meetings. Secondly, an automated system was connecting via telephone to the city's citizens using a voice recording of the mayor; inviting citizens to attend the meetings in their regions. Consequently, 2,950 SMS were sent and 30,817 connections were made. According to an independent survey, compared with the previous year, the four districts of the trial had an average increase of 14.7%, while the remainder presented a 16% decline in participation.

As the results below illustrate, when participants were asked about what means motivated them most to attend the PB meetings, more than half of the participants stated that it was the telephone connections and SMS messages. It is important to highlight, in this case, that some forms of mass communication to which the government had allocated a significant amount of resources, had a noticeably lower effect on mobilising participants when compared to the telephone.

After this experiment, the World Bank has promoted the use of the telephone as a means of mobilisation in various democratic experiments in different countries, such as the Republic of Congo and Cameroon, successfully replicating the results obtained in Ipatinga years before. For example, in the municipality of Jarabacoa in the Dominican Republic, telephone numbers were collected as an incentive to attend face-to-face meetings in one of the city's districts, including customised messages to women, thereby encouraging gender mobilisation. According to research<sup>9</sup> conducted in the district in question, there were 32.2% new participants, while in districts with no SMS there were only 20.9% new participants. Furthermore, 78% of participants in a survey held after the event identified SMS as a very useful mechanism to inform people about meetings, with 62% of new participants and 54% of returning participants finding out about the PB via SMS. Finally, 55% of interviewees stated that SMS was the main reason for attending face-to-face meetings<sup>10</sup>.

### 2.3. Participation

In the literature that covers both participation and technology, one of the interest ar-



*Graph 1* Effectiveness of different means of communication .

*Source* Trechsel & Kies, Electronic Democracy Centre 2004

ease refers to the use of ICTs as a means of reducing transaction costs associated with the act of participating, i.e. participation costs. This notion, derived from the theory of rational choice (Downs 1957; Olson, 1965), assumes that the act of participating entails costs and benefits<sup>11</sup>. Therefore, the link between levels of involvement and participation costs is determined as follows: keeping other factors constant, the probability of participation is inversely proportional to the costs of participation (Trechsel, 2007; Gronke et al., 2008). In other words, the more convenient it is to participate (i.e. anywhere, at any time) the greater the probabilities of individuals participating.

This assumption is one of the major theoretical foundations that promoted the enthusiasm of academics and activists on the potential of technology in fostering a democratic renewal. Nevertheless, in practice, the validity of such an approach remains inconclusive. On the one hand, most of the e-participation initiatives present difficulties in achieving high and sustainable levels of citizen involvement (Coleman, Blumler, 2009). On the other, cases of participatory budgets – as presented below – tend to confirm this hypothesis<sup>12</sup>.

### *I – Submission of proposals*

Submitting online proposals was one of the first uses of digital technologies in participatory budgets. Since 2001, both Ipatinga and Porto Alegre (both in Brazil) introduced this innovation in their programmes. Using a combined approach, proposals were submitted online and discussed later in face-to-face meetings. As far as Ipatinga is concerned, and according to Faria and Prado (2003), the incorporation of the internet has allowed for the growth in the number of indications of priorities by 44.6% in 2001, 166% in 2002 and 125% in 2003. The indication of priorities went online in 2003, becoming the main means used by citizens: from over 4,300 suggestions, 96% were sent via the Internet (in 2002 they represented 70% of total indications and 17% in 2001). Still in Brazil, two states

<sup>12</sup> Similarly, studies on electronic voting in elections suggest that the lower the costs of participation, the greater the levels of participation.

<sup>13</sup> <http://governoes.ning.com/page/audiencias-publicas>.

<sup>14</sup> [http://p2pfoundation.net/Participatory\\_Budgeting](http://p2pfoundation.net/Participatory_Budgeting).

<sup>15</sup> [http://www.op-portugal.org/territorios.php?subcat=Lisboa\\_e\\_Vale\\_do\\_Tejo&subsubcat=lisbon](http://www.op-portugal.org/territorios.php?subcat=Lisboa_e_Vale_do_Tejo&subsubcat=lisbon).

<sup>16</sup> <http://techpresident.com/blog-entry/australia-e-participatory-budgeting-experiment>.

<sup>17</sup> <http://www.cdp-ny.org/report/pbnycdata.pdf>.

<sup>18</sup> [http://images2.wikia.nocookie.net/\\_\\_\\_cb20090320104240/government/images/0/03/Draft\\_-\\_Participatory\\_Budgeting\\_in\\_Pune\\_07-08\\_-\\_Process\\_Document.pdf](http://images2.wikia.nocookie.net/___cb20090320104240/government/images/0/03/Draft_-_Participatory_Budgeting_in_Pune_07-08_-_Process_Document.pdf).

<sup>19</sup> <http://participedia.net/en/cases/participatory-budgeting-berlin-lichtenberg>.

<sup>20</sup> For a full review of German initiatives, see Shkabatur, Jennifer, *Cities @ Crossroads: Digital Technology and Local Democracy in America* (March 9, 2011). *Brooklyn Law Review*, Vol. 76, No. 4, 2011. Available at SSRN: <http://ssrn.com/abstract=1781484>.

<sup>21</sup> In this phase of prioritisation, the citizens of Recife may choose to vote by electronic voting machines, which are available across the city or through the Internet.

(Rio Grande do Sul and Espírito Santo) chose to receive proposals for their budgetary procedures online since 2011. While in Rio Grande do Sul, this possibility was made available through a tool for direct communication, the Espírito Santo State opted to use online public forums. Participants had to submit their proposals in these forums and receive feedback and support from other citizens. With respect for administrative regions, proposals with greatest support were evaluated by the State and, if they were technically possible, were sent to face-to-face meetings<sup>13</sup>.

In Europe, there are many PB cases that allow proposals to be submitted online, such as Getafe and Malaga in Spain<sup>14</sup> and Hamburg, Germany. A notable example is the Lisbon PB<sup>15</sup>, a recent process, which allowed such an innovation since its first edition in 2008. As is common in these cases, usually the proposals may be suggested to the Municipality, following some guidelines, after which the Municipality is in charge of carrying out the technical feasibility analysis. The proposals that are considered technically viable are subject to the public vote by citizens. Other examples are New South Wales (Australia)<sup>16</sup>, New York (USA)<sup>17</sup> and Pune (India)<sup>18</sup>.

## II – Deliberation

In Germany, one can find the most successful experiments of deliberation. Since 2005, Berlin-Lichtenberg combines face-to-face meetings with online participation. An online platform allows citizens to discuss and prepare proposals for the budget, and later prioritises them (Caddy, Peixoto and Mcneil, 2007). In 2008, the city of Freiburg online combined deliberation with a budget digital simulator, allowing citizens to better assess the impacts of their choices. The results of this deliberative process were then put together collaboratively on wikis, which, in turn, were edited by the participants of the process<sup>19</sup>. Similar cases have also been conducted in other German cities, such as Bergheim, Cologne, Hamburg and Leipzig<sup>20</sup>.

A second example of online discussion took place in Belo Horizonte. In each of its three digital PBs (2006, 2008 and 2011), the city opened online spaces for discussion (forums and commenting tools). Each issue got around a thousand posts, including a relatively high degree of online deliberation, considering that the forums were not user friendly (Sampaio et al, 2011; Ferreira, 2012). However, participation in online forums was not directly linked to voting, so there is no evidence that these messages were actually used in the process.

Finally, although there are still no studies (as far as PBs are concerned), we would like to raise the possibility of discussion in non-political spaces, which are not controlled by PB online organisers, such as instant messaging (e.g. Skype) and social networking sites. For example, in 2010, the discussion of the priorities of Rio Grande do Sul's Digital PB, in Brazil, became a trending topic on Twitter, showing that the process drew attention and probably encouraged debate on its issues. Some authors argue that more free online deliberation should be sought and encouraged by governments as it represents real and genuine political discussions (Graham, 2012).

	2008	2009	2010	2011	2012
Proposals submitted	580	533	927	808	659
Projects submitted to voting	89	200	291	228	231

*Table 1* proposals submitted and voted for in the Lisbon PB

*Source* authors

### III. Vote

However, the most remarkable and common use of digital technologies within PB processes so far is the possibility of online voting. This option was used mainly in mixed programmes in which online voting takes place after face-to-face meetings. In such cases the vote may be part of a broader dynamic of participation or the completion of a truly participatory process (excluding subsequent monitoring processes by citizens). In the first case, the example of Recife is emblematic. The online vote happens after face-to-face meetings where the work to be undertaken by the Municipality has already been defined, and seeks only to prioritise investments (i.e. which will be performed first). As shown on the table below, the results are encouraging. Not only has attendance maintained and increased over the years, but online participation has also grown significantly to the point where there are more online votes than participants in all the PB face-to-face meetings<sup>21</sup>.

On the other hand, research by Ferreira (2012) pointed out that many civil society leaders were particularly opposed to the use of online voting, which would decrease the mobilisation of citizens in their regions (i.e. citizens would not go to meetings, preferring the convenience of voting from home), and would also weaken the empowerment of the poorest classes, since the middle class, could vote more easily. Ferreira’s study also demonstrated that these impressions are in general misleading, though they are relevant in other combined processes.

In Brazil, there are two emblematic cases of online voting. The first and best known occurred in the Digital Participatory Budget of Belo Horizonte. In this purely online process, citizens decided via the Internet on the works to be carried out. In the first two editions of the event (2006 and 2008)<sup>22</sup>, 172,000 and 123,000 people, respectively, voted on the works of the digital PB, representing around 10 to 8% of the city’s eligible voters. This number also represents around 5 to 3 times more than the face-to-face PB participants in the same years (Peixoto, 2009)<sup>23</sup>.

The second example occurs in the State of Rio Grande do Sul (which not coincidentally is Porto Alegre’s state capital) also adopted a mixed process in which face-to-face meetings take place first where works to be carried out by region within the State are defined, and later there is an offline, online and mobile phone voting to decide which are the priority works to be included in the budget. The process has achieved impressive results in recent years, attracting over one million participants throughout the different editions (almost 15% of the State’s eligible voters). From these, more than an average of 120,000 voted in priorities over the Internet, which represents 10% of participants<sup>24</sup>.

Within Europe, Portugal is a significant example. Virtually all participatory budgets operating in the country use digital voting. The most prominent examples are Lisbon and Cascais<sup>25</sup>. In Lisbon, turnout was low in the first year of the PB (2008) where only

**Table 2** Participants in Recife

Source Ferreira (2012)

<sup>22</sup>In the Third edition, however, that number dropped surprisingly to only 25 thousand participants. According to Coleman, Sampaio (2013) the three main factors behind this were: little publicity, not having executed the winning project of the 2008 digital PB and the increase in requests for online participation. The authors believe that this created a breach of trust in the process and a low sense of self efficiency in the population.

<sup>23</sup>These are completely separate processes, which have a budget, rules and different agendas. For more on the digital PB of Belo Horizonte, see Coleman, Sampaio (2013), Peixoto (2009), Sampaio et al (2011) and Ferreira (2012).

<sup>24</sup>For more information see: <http://www.portaldaparticipacao.rs.gov.br/demandas-regionais/>.

<sup>25</sup><http://www.cm-cascais.pt/orcamentoparticipativo2012>.

<sup>26</sup>Source: [http://www.lisboaparticipa.pt/pages/orcamentoparticipativo.php/A=58\\_\\_\\_\\_\\_collection=cml\\_article](http://www.lisboaparticipa.pt/pages/orcamentoparticipativo.php/A=58_____collection=cml_article).

<sup>27</sup><http://democracyspot.net/2012/08/24/participatory-budgeting-technology-innovation-in/>.

1,101 people voted. However, this number grew exponentially with each edition. In 2009, the number increased to 4,719 participants, to 11,570 in 2010, 17,887 in 2011 and 29,911 in 2012<sup>26</sup>. Although the numbers are not impressive when compared to certain Brazilian examples, there is a clear indication of greater involvement and confidence in the process by Portuguese citizens. Other examples are Getafe (Spain), Miraflores (Peru) and Parma (Italy)<sup>27</sup>.

	REGIONAL	TEMATIC	INTERMEDIATE	POLLS	INTERNET	TOTAL
2001	26.257	3.778	12.032	-	-	42.067
2002	41.891	4.109	21.081	-	-	67.081
2003	42.426	3.594	23.581	-	-	69.601
2004	33.592	4.207	17.764	-	-	55.563
2005	46.892	5.224	24.816	-	-	76.932
2006	38.986	4.474	21.216	-	-	64.676
2007	45.652	6.215	-	25.980	6.987	84.834
2008	38.605	6.314	-	25.284	23.362	93.565
2009	44.121	6.893	-	32.527	41.846	125.387
2010	39.996	13.164	-	19.145	36.721	109.026
2011	39.657	8.677	-	23.585	58.924	130.843
TOTAL	438.075	66.649	120.490	126.521	167.840	919.575

### 1. 3. A 'false' dilemma: online 'vs' offline

It is necessary to briefly address the controversy involving digital participation and its relationship to its face-to-face counterpart. On the one hand, we know that in principle the dichotomy 'online vs. offline' is false. There was much talk of the 'virtual world' (or cyberspace) and its differences in relation to the 'real world' (Lévy, 1997). Obviously, such a separation was false and unnecessary. Digital networks are part of people's everyday life, and increasingly with greater access to broadband and mobile connections (e.g. tablets and mobile phones).

On the other hand, the quotation marks on 'false' are intentional. Admittedly there are many differences between face-to-face and online participatory processes, there being specificities to each option that need to be checked and observed (Davies, Schandler, 2012). Generally, the problem occurs when it is expected, at least in part, that digital will solve all the problems of face-to-face participation (Wright, 2012) or, at the other extreme, where the value of online participation is completely disregarded (Davis, 2005; Wilhelm, 2000).

Generally, the use of combined methods (online and offline) is suggested with sequential steps that complement each other (Goodin, 2008; Macintosh, Whyte, 2008) ideally forming a system in which each part has its function and working towards its

overall aim (Mansbridge et al, 2012). The literature on e-participation, for example, argues that the use of combined methods tends to generate more successful programmes (Aström, Grönlund, 2012). Nevertheless, this perspective generally ignores practical issues. By adding digital technologies to PBs, certain advantages or specific uses are introduced, but there are also additional problems and difficulties.

As Robert Goodspeed (2010) has already demonstrated in the case of participatory planning in Austin, Texas, online and offline stages of the same process must be designed in both a complementary and conflicting manner. In another case, in Recife, several community leaders did not approve including the internet in the local PB, as it would reinforce the middle class' presence in the Brazilian context, which in theory, would not need as many resources from the PB, as it would weaken the benefits of face-to-face participation (Ferreira, 2012). When performing such a mixture, the extra 'feature' of digital steps can become problematic because they are considered 'inferior' to face-to-face actions that require more time and effort from participants. For example, Cunha, Allegretti and Matias (2011), although they acknowledge the progress allowed through the inclusion of new technologies, they are emphatic in stating that only face-to-face attendance has full democratic effects.

*Neither the reinforcement of democracy nor the contribution to citizen empowerment can be attained by introducing ICT. In processes such as the ones presented here – which combine social and material technologies – the potential for empowering and involving citizens appears to be more easily achieved in face-to-face PB, in which the participants have to master the proceedings and regulations in order to participate. In cases in which the use of ICT is prioritised, participation may be reduced to the use of a particular technology (useful for presenting sets of options and individual preferences), since participants do not have to know how the relevant technologies work (telephone, the Internet, etc.) in order to use them. In short, it is not enough to extend the process democratically in terms of participation, it is also necessary to democratise it in terms of knowledge (Cunha, Allegretti, Matias, 2011, no page).*

Also, as Allegretti reminds us (2012), many organisers consider face-to-face participation as more welcoming (warm) and capable of transforming participants, while there is a certain disdain for the 'cold' nature of digital technologies. Since this is an open process, dependent on the mobilisation of participants, these issues can undermine confidence in the process. Still according to Allegretti (2012), this has resulted in a 'secondary' or 'subordinate' use of new technologies in participatory budgeting processes, not making the most of the various potentials of new technologies to enhance their programmes. He therefore concludes that there is little dedication,

in general, in the creation of digital systems actually capable of increasing participation and online deliberation in PBs.

Overall, we agree with Allegretti (ditto). Although we do not consider the focus on the potential as the most useful in this discussion (as already shown), we really believe that the cases that actually took hold of digital technologies to effectively create innovative systems that can be placed in PB processes are still very few. On the other hand, it is not necessary to consider the 'secondary' use as necessarily negative or problematic. These are tools at the service of participatory processes. It is then argued, as in the literature on e-participation, that in this case the design of tools is in itself the political practice (Wright, Street, 2007). In other words, there are strong political ideas behind the design of the tools presented (Davies, Chandler, 2012; Gomes, 2011; Salter, 2004). This means that the mentality of considering digital tools as 'cold' or 'less significant' can (and does) influence the actual design of the tools, which receive less attention and resources than other face-to-face phases. As a consequence, online participation may be less 'valid' or 'transformative' by the way the digital process was designed and valued by its own organisers, and not by the intrinsic characteristics of the means.

Finally, we agree that, given the current experimental phase between the PB and technologies and access issues in developing regions, mixed processes with online and offline phases may be the best solution, though not in an automated way. As it would happen with any other technology of participation, conversation and advertising, by adding digital media to the PB, the process will be changed in its own design. And soon managers and participants will need to deal with these new factors and issues that make the process more complex.

To conclude this article, we would like to emphasise that there are several cases in various parts of the world that are making successful tests in this area. Despite its experimental nature, there is concrete evidence that the relationship between PBs and technologies can be beneficial to participatory processes and that there are still good opportunities that have not been taken<sup>28</sup>. Despite not being exhaustive, the following list of four items tries to cover the most relevant cases on this issue<sup>29</sup>.

#### *a. Access to digital technologies*

Obviously any initiative in digital democracy needs to consider exclusion and the digital divide, which is not only the lack of access to computers and the Internet, but also skills in using them, which can become a new form of exclusion in processes that are purely

<sup>28</sup> An overview of various initiatives: <http://gov2radio.com/2012/04/citizen-engagement-participatory-budgeting/>.

<sup>29</sup> Most PB online initiatives are mapped here: <http://tiny.cc/pbmapping>.

online (Wilhelm, 2000). Also, it is generally assumed that the adoption of any particular digital initiative implies some degree of exclusion. It is argued here that such an interpretation is not necessarily true.

Firstly, one must consider the different situations that may hinder or prevent citizens from participating in face-to-face meetings. Besides the various resources required to participate (e.g. weather, transportation) that can be reduced through technology, it is also important to consider the geographical characteristics of the territory (e.g. individuals in rural areas) or even individuals with specific problems (e.g. walking difficulties). Finally, one cannot classify all forms of technology as exclusive. Mobile phones, for example, are widely available even in developing countries and have been used as forms of inclusion in various participative processes, including the PB, as discussed above.

In fact, some cases of participatory budgeting demonstrate empirically that the use of technology can in time promote inclusion in participatory processes. For example, in Belo Horizonte, during the digital participatory budget in 2008, the three districts with most online votes were considered poor when compared to the city's average (Peixoto, 2009, Sampaio et al., 2011). That same year, the most voted for project (only one was elected in the whole city) was also not located in the region with greatest access to computers. Similarly, a survey conducted with participants in the digital PB of Rio Grande do Sul, also demonstrated a certain reversal in trend in relation to face-to-face participation, where 1) proportionately, more women are participating online, 2) about 33% of participants said they only participated because there was an online phase, or else they would not have been part of the process<sup>30</sup>.

#### *b. Validity of a remote vote*

As previously discussed, most of the digital PBs are based on online polls. In some cases they are preceded by offline discussions, and others are not. In many instances, the value of online voting is questioned. Proponents of models for deliberative democracy, only accepting the vote after deliberation, especially hold the first criticism. In the case of digital PBs, there are situations in which voting will be open to all society and many of the voters will not have been obliged to go through qualified deliberative processes.

The second criticism, as mentioned earlier, is directed to the 'easiness' in online participation. As PB processes are open, based on self-selection and therefore dependent on a strong mobilisation of civil society and organised groups, online participation is criticised for being too easy, and so according to critics, 'inferior' to face-to-face participation. As argued above, we must remember that digital voting may increase and provide greater inclusiveness in participatory processes. Groups that traditionally do not participate in face-to-face PBs can now become involved in digital PBs, as in the case of Rio Grande do Sul, and in other occasions, mobilisation can be stronger than the digital divide, as in Belo Horizonte.

Secondly, critique from supporters of deliberative methods can be problematic. To some extent, they place first deliberation in relation to democracy. Indeed, the vote

being open to all participants reinforces other equally valid democratic values such as the process' openness and promotion. In fact, voting increases the legitimacy of the initiative where more individuals endorse the decisions taken. Moreover, since online voting usually occurs after face-to-face deliberative processes, there is also a guarantee that decisions will not be completely biased and far from citizens' real needs.

Criticism usually directed at the 'individualism' of online participation (whether for submission of proposals, or to vote) is equally problematic. It is argued that the actual participatory process and citizens must serve as filters to this. It should be understood that a proposal composed collectively will not necessarily be better than an individual proposal, as long as it has a collective approach. Overall, it is believed that an individual proposal is necessarily individualistic, which is debatable from an empirical point of view. Finally, a proposal submitted individually can still be collectively discussed and improved. Similarly, it is unrealistic to think of individuals completely isolated from discussions in the public sphere. Even if voting from the 'isolation' of their own home, the participant may have read about the electronic participatory budget through mass media or social media, which can create awareness of different points of view. Additionally, in many cases the participant may have already engaged in discussions about the process with friends, family, co-workers, among others.

It is important to now resume the idea of a deliberative system (Mansbridge et al, 2012). From this perspective, it is recognised that not all parts of a deliberative and democratic system are necessarily deliberative and there is also the idea of the division of labour. According to the authors, "in the systemic approach the entire burden of decision-making and legitimacy does not fall on one forum or institution but is distributed among different components in different cases" (p. 5). As a consequence, political talk and other forms of less imperfect deliberation cannot be easily dismissed, as well as participatory processes that are not entirely based on deliberation. The idea of a deliberative system that suggests that voting and submitting proposals by individuals online is possible and acceptable as long as there are other points (or parts of the system) that are deliberative and that act as filters.

Moreover, online voting can be seen as the gateway for politically inactive or less active citizens. The fact that online participation is generally more affordable can certainly be an extra attraction. And this can be the entry point to face-to-face or more complex processes in the future (Peixoto, 2009). At least, it is expected that this first opportunity may have enabled some future propensity to engage in other political issues, especially if citizens see the out-

come/impact of their participation. After all, as defended by Gomes (2011), it is precisely the ability of digital media of being adapted to the characteristics of current citizens (i.e. less willing to engage in politics) that can be used towards democratic increments.

Anyway, if managers/applicants wish, online participation can be designed to be more demanding. As an example, it can work as a 'game' in which the participant may vote only after fulfilling various tasks (e.g. share photos, enjoy posts, post something about it in their timeline, etc.). Once again, the project's objectives will be the most decisive.

### *c. Questions about online deliberation*

In general, studies show that e-participation is considered and designed to create or encourage spaces for online deliberation (Sæbø et al, 2008; Aström, Grönlund, 2012). Still, there are many fears linked to such attempts, in particular, the specificities of the digital environment. For example, in a simple way, we could easily raise some criticism and fears to such a form of digital conversation, such as the supposed lack of online attention, the rush to respond and not to engage in talks, the lurker effect, i.e., individuals that tend to just watch and not participate in discussions, and anonymity that promotes a climate of war (flaming) among participants, since one cannot be held accountable for what one says (Davis, 2005; Wilhelm, 2000).

On the other hand, it is important to first recognise that most of the studies comparing face-to-face deliberation with online deliberation found no significant negative differences in the online version, which was even higher in some cases (e.g. Baek et al, 2011). Moreover, as already been stated, there is the prospect here that the Internet needs to revolutionise social interactions or else it becomes useless (Wright, 2012). For instance, one could argue that even in face-to-face meetings all participants want (or can) participate by intervening, and not always are all participants 100% attentive at all times. Furthermore, there are cases where anonymity can be useful in discussions on sensitive topics such as issues of domestic violence or drug abuse (Coleman, Blumler, 2009). Moreover, as stated on the question of voting, the use of digital tools can, under certain circumstances, include groups that are geographically distant or who have more difficulties, for example, in expressing themselves orally.

Having said this, we must recognise that there are limitations to online deliberation. The focus on written expression is an example. Several factors related to body language and voice tones are lost in online deliberation, even though similar symbols and emoticons help to understand the sentiment of the online participant. If those

with greater oral difficulty may benefit most from online discussion, on the other hand it tends to benefit those individuals with more education and inhibit those with less (Davies, Chandler, 2012).

Still, the technological issue becomes vital, especially when considering large-scale deliberations. Generally, the experience offered to the user is poor, particularly when compared to those websites that they are used to in their daily 'navigation'. Therefore, numerous studies focus on the best design for online deliberation, considering both normative and practical issues (e.g. Davies, Chandler, 2013), including digital participatory budget processes (Rose et al, 2012; Miori, Russo, 2011). On the other hand, some authors argue that governments should take advantage of citizen discussions, but that the best option would be to look for these deliberations in places where they already occur naturally, such as online social networks and online entertainment forums (Graham, 2012).

As already discussed, there are still few experiments that actually try to combine online and face-to-face deliberation. As the former is usually not synchronised, and the latter has to be, probably the best way would be to have them in different sequential phases within the same process (Goodin, 2008). This online and offline combination is particularly relevant for developing countries, where access to technology is not linked solely to age groups, but mainly to income. Again, it would be necessary to think about how to accomplish such a sequence of steps without competing with each other, and in order to facilitate the inclusion of different groups with distinct goals.

#### *d. Overlapping and redundancy*

Finally, when performing procedures that rely on face-to-face and online stages, an issue that must be considered is the overlapping of the two phases and the possible redundancy in contributions. As previously questioned by Allegretti (2012), one of the main problems of such processes is the redundancy of digital and face-to-face stages. As considered by the author, organisers need to give extra attention so that the same contributions by citizens are not sent through different channels, making the organiser's work more complex to manage. For example, if the process allows for proposals to be sent both online and offline, the duplication of proposals must be avoided. In turn, this implies more needs and time from the managers. That is, it becomes easier for citizens to become involved in the process, but more difficult to manage (Marques, 2010). Therefore, there is a duplication of resources and efforts, plus a negative overlap of online and offline steps. Allegretti (2012) suggests the linking of steps so that participants themselves help in the selection of proposals. The author mentions the possibility of such proposals being submitted both online and offline, but that there be a

second stage (face-to-face only) in which these are handled and filtered. Only after this step, should they follow the normal procedure of the participatory budget in question.

In pragmatic terms, it is necessary to see how this affects expenses, especially for the promoter of participatory processes. There may still be problems related to the ease in sending online suggestions, which may in some cases create an imbalance. The case of Ipatin-ga (previously discussed) demonstrates how the number of online proposals can become the overwhelming majority in the process and there may be conflicts of interests and issues when applying a combination of online and offline methods (Allegretti, 2012; Goodin, 2008). Moreover, in the e-democracy experiment 'Botswana Speaks Parliamentary Initiative' reported by Belkacem, Koulolias (2013), the authors highlighted the need to include offline phases in the process as it is a developing country, particularly, because of the issue of digital exclusion. The authors suggest that despite the redundant work of collecting contributions online and offline, there is a gain of inclusivity, promotion and transparency in the process, since all contributions are grouped in a digital platform to which all citizens have access.

By using information and communication technologies to implement (or to complement) participatory and deliberative processes, it is necessary to understand that the media choices often involve exchanges (trade-offs) (DAVIES, CHANDLER, 2012, p.126). According to Davies, Chandler (2012) there is apparently a trade-off between the media giving more time to people (i.e., asynchronous and text-based) and those that value a more direct engagement (synchronous and voice-based). The first shows evidence that encourages more participation, including those underrepresented in open discussions and allows for a greater number of contributions. Nonetheless, these contributions are apparently less effective in fostering mutual understanding or in changing participants' opinions (ibid, p.127).

Therefore, there should be no conclusive thoughts on the inclusion of ICTs in participatory budget processes. The context, the goal, the team available to manage the programme, its participants, among other factors needs to be considered. There are gains and losses to adding new technologies, which tend to modify existing relations between the participating players in an exclusively face-to-face process.

However, if we take another look at the idea of a deliberative system, we can see that Allegretti's (2012) concerns may be normatively evaluated from another point of view. According to Mansbridge and colleagues (2012), a deliberative system is based on redundancy that ensures part of its effectiveness. "We expect that a highly

functional deliberative system will be redundant or potentially redundant in interaction, so that when one part fails to play an important role another can fill in or evolve over time to fill in. Such a system will include checks and balances of various forms so that excess in one part are checked by the activation of other parts of the system” (Mansbridge et al, 2012, p.5).

Therefore, there is support for the idea of a multi-channel participatory-deliberative system. In other words, a system that has multiple inputs and participation opportunities that are adapted to different participant profiles, considering their conditions (e.g. time, effort) to take part in such processes, and in this way have online and offline phases that complement each other throughout the process.

## 2. Conclusion

After a brief review of the main uses of technologies in participatory budget processes, this paper attempted to analyse the pragmatic points of such experiments.

On the matter of the main uses, we argue that the most notable and successful cases were based on: 1) information and 2) participation (submission of proposals, deliberation and voting). As shown, there are many cases where the use of technology generated greater participation and inclusion of citizens in participatory processes. One can also observe that the use of such technologies also increases the demands and possible problems that may arise.

Generally speaking, there also are two trends in the relationship between PBs and technology. Firstly, digital PBs (e-PB) face the same problem as e-democracy projects: excessive ‘trials’ that is, pilot projects carried out in order to test a participatory process and the use of technology at its core, that end up not becoming part of institutionalised processes and the everyday life of entities that promote them (Coleman, Blumler, 2009). Therefore, it is believed that the majority of the cases presented are isolated not being real PB trends in Brazil, or even the world.

Secondly, more than a trend, we would highlight the examples of Portugal and Brazil once again. In Portugal, all projects currently provide online phases. In Brazil, three of the oldest processes and the only two experiments at state level are also running tests with digital technologies. Although it is not a trend, especially in global terms, this is already an indication that new PBs are emerging already using new technologies, as are consolidated PBs using new technologies to ‘fuel’ their processes and achieve a renewal of participants (Coleman, Sampaio, 2013). As stated, this only justifies the need for more research in this area and points out to the possibility

of managers and participants considering technology as valid and natural in their participatory processes.

Referring to reflections on the subject, two aspects have been discussed briefly: 1) differences between forms of online and face-to-face participation, especially considering the specificities of online opportunities and 2) the need to abandon the ‘revolutionary’ discourse, in which digital technologies need to promote structural changes in policy, or should be considered unimportant and discarded. It was argued that, to some extent, the evaluation by managers that technology is of low significance normally gives rise to systems that are poorly planned and designed and which will tend to make online participation less significant. On the other hand, it was recognised that by adding online phases to PB processes, there are problems and challenges to be faced, and managers and citizens need to keep this in mind and adapt their objectives and strategies to the new scenario. A more systemic thinking was defended, which seeks to understand the participatory process in a complex manner, being able to think in different steps in sequence that can complement and take place online, or in person in accordance with the assessment of those involved in its design.

Finally, one must consider that it is paramount to deal with participatory processes that seek to enhance democratic values and, particularly, to empower ordinary citizens. If there is division between representatives and represented, political apathy and irony, one of the main objectives of the PB should exactly be to present gains to reverse this situation. Thus, digital technologies need to be taken into account for this. Despite questions of the design of tools being important, as mentioned, the most important is that they are serving the purpose of improving different democratic values within a PB such as equality, inclusiveness, transparency and the like. Hence, while one argues on how to make participation more ‘convenient’ or ‘easy,’ the fundamental issue is to reduce the barriers and difficulties of citizens to engage more actively in political processes.



PEDRO PONTUAL

# BUILDING A DEMOCRATIC PEDAGOGY PARTICIPATORY BUDGETING AS A “SCHOOL OF CITIZENSHIP”

In the current process of broadening and deepening of democracy, we have to, everyday, face the challenge of improvement, or even institutional inventiveness, in order to provide the citizens with mechanisms of institutionalized instruments that allow him/her to intervene in public policies, planning and public budgeting, programmes and actions from the government. This allows citizens to broaden the exercise of democracy beyond electoral moments. The democratization of the processes of public management represents an important mechanism, which tends to reinforce the dynamics of institutional progress, contributing to bringing the government closer to the citizens and to weaken the historic patronage networks. Such initiatives allow a higher accuracy in the process of decision-making, help achieving a faster identification of the problem and the construction of alternatives of action, besides increasing administrative transparency and pressuring the several areas of the government towards more integrated actions.

Democratic management practices produce new learning for the civil society players and the government can contribute to significantly change the form of relationship between the public power and the population at a local level. Citizen participation and social control practices (among them we have to mention Participatory Budgeting) have significantly contributed for the process of democratization of public management, pointing out effective alternatives for a State reform, and, therefore, towards a redefinition of the relations between the State and the civil society in Brazil, embedded by a deep patronage and patrimonial heritage.

In the process of management democratization, the educational practice is a crucial element to assure a higher range and better quality in the produced learning. Hence the need to build a democratic pedagogy of public management, as an indispensable dimension to allow the players (civil society and the government) to achieve efficacy and power of action in the exercise of democracy, active citizenship, strengthening the transparent public spheres, building a new radically democratic civic culture.

Without overestimating the role of education, but stressing its major relevance, Paulo Freire (1995 p. 74) synthesizes as such his vision on the dialectic relationship between education and citizenship:

*“We cannot state that education raises citizenship in any one. But, without education, it is difficult to build citizenship. Citizenship is created with an active presence, critical, decisive, from all of us towards public affairs. This is very difficult, but possible. Education is not the key for transformation, but it is indispensable. Education alone cannot do it, but without education, citizenship will also never be achieved.”*

The creation of new forms and paths of citizen participation has to face a deeply rooted elitist and authoritarian political culture that cannot be changed over night. There is a certain logic, historically predominant, in the relationship between the State and the society, filled with apathy, patronage, submission, populism, cooptation and so many other perverse effects of this cultural heritage. The cultures of privilege, favour, indulgence, historically characterize the relations between governments and the population. That same elitist and authoritarian heritage has created in the population a delegated vision of power, in which one expects the State to present and implement solutions to the problems of the country. It also created a practice of strongly hierarchical centralised management, with no transparency and totally bureaucratized. It has therefore created an elitist authoritarian management pedagogy.

These values and habits generate a spirit that shall not substantially change only by means of creating citizen participation channels. The political will to boost them, if not accompanied by training actions and systematic communication – introducing changes in attitudes and values, pointing to a new democratic political culture – may only result in the creation of spaces where the physiologism, patronage and other ancient practices are reproduced.

The ongoing experiments showed that it is not enough to create participation spaces and channels, but it is necessary to create the condition for that participation to really occur, educating the several players (from Civil Society and the State) and creating training mechanism for the exercise of new transparent and democratic practices of public management.

As such, opening of new ways and channels of participation implies a planned pedagogical practice, able to guide the necessary process of changing attitudes, values, mentalities, behaviours, procedures, from the population as well as from inside the government apparel.

The Participatory Budget practices have been building, with their implementation, an educational process that provides important learning for the civil society and government players who participate in it. The whole process of mobilization of the population and governmental agents, the sequence and the contents of its phases and the self-regulation of its operation are an orderly process that enables their participants to identify it as a school of citizenship. The effectively deliberative nature attributed to the players’ par-

ticipation and their leading role in the PB regulation, are fundamental components of the educational nature of this process. In this context, the educational dynamics comes from a public pedagogy, from the deliberation and the construction of a common goal.

The educational process within the Participatory Budget provides significant learning for the exercise of an active citizenship, for which people are no longer co-builders in politics; they become subject-citizens in the definition and management of public policies. Learning co-responsibility for municipality issues, broadening the vision on the problems of the city, as a whole and acknowledging their participation, as a right are some of the elements that compose the construction of this new form of citizenship.

The PB budget creates a democratic and transparent public sphere, in which both the State and the civil society, at a local level, are engaged in the co-management around the municipal budget, setting out the priorities on the application of the public resources of the municipality together. Learning capabilities of argumentation, negotiation, prioritization, broadening the knowledge in the field of politics, public administration and finances, the acknowledgement of the different roles (from the government and the community) in the process and learning about the establishment of partnerships between public power and the community in the resolution of problems, make such a co-management practice possible, acknowledging the legitimacy of the proposals presented by the government and the community through joint deliberation and searching a consensus around the budget definitions.

These elements broaden the understanding of what public spaces are, and they spread more light in the difference between the public and the private in the public resources allocation. The constant practice of prioritizing and deciding, provided by the co-management exercise in the PB, is a fundamental element of an education towards exercising co-responsibility, autonomy and solidarity between the process’ players.

The PB has enabled learning of democratic attitudes in the decision-making process, both for civil society players as well as the government. Among the civil society representatives there is solidarity and unity between distinct social segments from a comparative vision of the degree of deprivation and needs in each region or strata.

For the government representative, the acquired capability of listening, the dialogue with the population and the development of a new attitude of greater respect to the different interests/visions of the several community strata favour learning to deal with conflicts and democratic attitudes in the decision-making process.

The progressive construction of the consensus, in the definition of the “budget scheme”<sup>1</sup> is not achieved without conflicts. The PB with its methodologies and operating rules democratically established has been a space of “pedagogisation” of conflicts (an expression used by Paulo Freire) and, at the same time, an important source of lessons regarding the need to build a democratic pedagogy of the government actions.

The PB process has increased the demands of accountability (responsibility of the State to be accountable for its activities and the use of public resources) of public power towards society, has contributed for the consolidation of a democratic governance (through the progressive inclusion of new players of the civil society in the definition of public policies) and the qualification of governance standards (technical and financial capability) of the State actions at a local level.

The cyclic nature and the methodology of the Participatory Budget, the democratic rules that self-regulate the process and the broad expansion of knowledge it provides, both for the civil society as well as the government players transform the PB in an important learning public space. There is the perception for all the participants that it is a true school of citizenship. As such, the PB practices contribute for the development of a democratic pedagogy of management that is an important condition for the broadening and the deepening of the quality of our democracies, in the perspective of an integral, inclusive, sustainable and equity development or our societies.

The example of participatory budget can help us reflect on how to transform each space of social transformation into a space of citizen training, and, as such, to step up what we can call a democratic pedagogy of management so that it crosses the set of channels and mechanisms of social participation (councils, conferences, ombudsmen, hearings and public consultations, dialogue and negotiation tables), complying with a true school of citizenship, able to present participatory democracy as an articulating process of the different participation spaces, which currently are perceived and appropriated in an atomized and fragmented manner. As such the proposal presented by the Federal Government of Brazil for the construction of a policy and a national system of social participation with the purpose to set forth social participation as a State policy has a significant meaning, as a method of government and management, seeking to promote a better articulation level between the different participation channels and instruments.

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<sup>1</sup> Specific term used in Brazil.



CRISTINA SÁNCHEZ MIRET & JOAN BOU I GELI

# PARTICIPATION AS OF THE GENDER PERSPECTIVE FROM THE ANALYSIS OF SPECIFIC PARTICIPATORY PROCESSES

## Summary

This paper presents the difficult but necessary relationship between gender and participatory processes analysed from various experiments in Spain, Uruguay and the Dominican Republic. The results show that the difference in gender (gender gap) seen in conventional politics is replicated in participation. There are fewer women, or less as representatives, and proposals to change the inequality of the situation represent a tiny part of the total. Well, it is a changing reality, which improves as it evolves in some cases, whether it refers to participation of women or regarding proposals that put an emphasis on the gender issue. Nevertheless, experiments show that without work focusing on mainstreaming gender, and equity as a method to ensure equality, this will not occur spontaneously.

### 1. Participation from the gender perspective

Citizen participation has two pending issues regarding gender. On the one hand, to encourage - or, in any case, not replicate - gender discrimination, contributing to processes ending up only with men, or men with few women. On the other hand, making them 'also for women' from the point of view of content and results, mainstreaming from the gender perspective and therefore generating real social change in relation to opportunities for women.

The idea of participation is closely linked to citizenship and, therefore, it is essential to remember that citizen rights have historically been barred to women. The fact that women began to exercise the right to vote only a relatively short time ago is not the only indicator of this fact, though perhaps the most significant. After many struggles, complaints and declarations of principles, also democratic, the truth is that women do not have full citizenship anywhere in the world, even centuries after Olympe de Gouges claimed this right for women<sup>1</sup>

All major historical processes have a male influence, including revolutions; women also participated, but this participation was quickly silenced or made invisible, depriving them from fully enjoying the gains on equal terms with men<sup>2</sup>

This discriminatory reality has undoubtedly influenced all forms of women's participation, not only in political participation, but also in all practices or actions in

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<sup>1</sup> Olympe de Gouges, pseudonym of Marie Gouze (Montauban, 07.05.1748 - Paris, 03.11.1793), was a feminist, revolutionary, historian, journalist, writer and a playwright of French theatre. Her feminist writings had many readers. She was an advocate of democracy and women's rights. In her Declaration of Women's Rights and of the Female Citizen (Déclaration des droits de la femme et de la citoyenne), September 1791, challenged the inequitable conduct of male authority and male-female relationships. As a result of the pioneering writings and attitudes, she was shot, dying in the square of the Revolution in Paris. (Translator Note)

<sup>2</sup> "In turn, the concepts of democracy and development are part of modern times, but obviously, in most countries, although women have participated socially and politically, democracy and development were not postulated nor conceived to encompass them as History's subjects. Democracies were designed by men, though women have fought for them: and development was a key for the future, thought by men and for social categories that do not include women."

<sup>3</sup> The Participatory Budget has its own regulation proposed by the Finance Department, Pressupost Participatiu i Participació Ciutadana, and endorsed by the Citizens' Council and the Municipal Assembly.

<sup>4</sup> Once the budget is approved, the Citizens' Council is informed of the final result and the different assemblies are brought together to a briefing. The Citizens' Council meets approximately once a month to monitor the activities, and before starting to prepare for next year's budget, a final meeting is held to evaluate the process and fulfillment of the requests made.

public life, also culturally inaccessible to women because of patriarchal stereotypes.

Our society has not learned to approach the perspective of gender, and therefore all processes are set in motion without accounting for discrimination to women in their design and action, and the result is that this discrimination is only further replicated. It is in this sense, that processes of citizen participation must first include gender; it is also equally imperative to do so, if the aim is to transform the living conditions of citizens and achieve a higher standard of collective well being.

The analysis of the population's living conditions clearly shows that, comparatively, the worst shortcomings in well being occur more often with women than with men. This contributed to the emergence of the term 'feminisation of poverty' which is not, however, sufficiently strong to rate this social reality.

Both in richer countries, as in those that are less so, women are widely exposed to exclusion for reasons of gender inequality. This is a structural discriminatory reality that makes women having fewer opportunities in all social fields. That is why participatory processes must pay special attention to gender, unless the aim is to maintain the established system and keep repeating – even strengthening – the gender gap that exists in traditional participatory politics in general, and in processes of representative democracy, in particular.

Currently, when comparing countries, it is normal to use various indicators of poverty, including two that attempt to account for the discrimination of women when compared to men and their importance for developmental parameters: the Gender Development Index (GDI) and the Global Gender Gap Index (GGGI).

In contrast, within the home, we are not aware of the importance of gender in the problem of inequality as a whole, and the evolution of this relationship in participatory processes. In these cases it is usual to work with the concept of human development, but only with its generic indicator, never with those that are gender related. We need to transpose the objectives of these indicators towards citizen participation and its analysis in order to determine their strengths and weaknesses. It is important to observe, in depth and continuously, the inequalities that the data show regarding the access of men and women to all kinds of social resources, goods and services. However, this does not imply that one should only count the number of women participating in the process and whether their number is equal to that of men. It is necessary to undertake an analysis of the latter from the perspective of gender, because one can easily be aware of an apparent equality, which only masks a reassertion of the existing status.

As far as political action, relevant to civil society, activated through processes of citizen participation, it is essential as a means of pressure, especially for the more unequal since it is difficult to have other resources or enough power to do it otherwise. Citizen participation can provide women with a means of *empowerment*, if the bases for this are created; nonetheless, it should be very clear that this does not happen spontaneously. It is essential to work in this direction, so that in direct democracy, the difference in gender is not repeated, as has been in representative democracy, thereby achieving a change, or reorientation of policy and living conditions that will enable women to access, during this century, full citizenship.

## 2. The experiments examined

In this chapter the results of two different investigations will be presented: the participatory process carried out by the municipality of Santa Cristina d'Aro between 2003 and 2009, and the project 'Comparative Study on Participatory Budgets in the Dominican Republic, Spain and Uruguay'.

### 2.1. Participatory process of Santa Cristina d'Aro

The development of the participatory budget in Santa Cristina d'Aro is a self-regulated dynamic process<sup>3</sup>, initiated by the Municipality in 2003, and has been changing every year, implementing alterations to improve it, or correcting mistakes, and to welcome the proposals of participants.

The participatory budget is structured in different bodies, according to their functions:

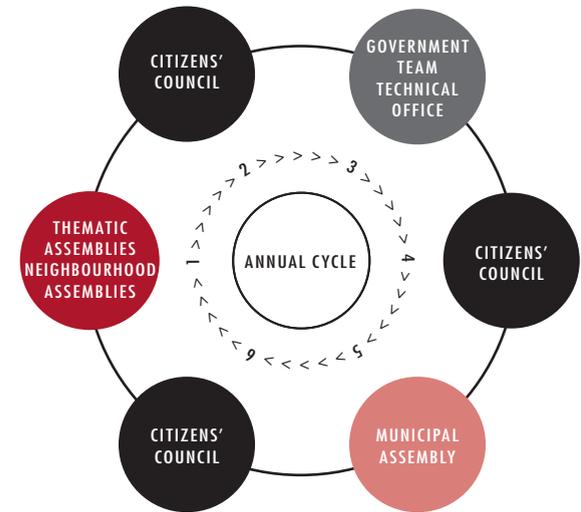
- 1) Eight Neighbourhood Assemblies
- 2) Six Thematic Assemblies
- 3) Citizens' Council
- 4) Children's Assembly
- 5) Children's Citizenship Council
- 6) Thematic Committees for Work
- 7) Technical Office for Participatory Budgets

The Neighbourhood Assemblies are composed of all citizens who live or work in each geographical area established by the neighbourhood, and municipal initiatives to be prioritised are chosen in each meeting for the next year. Thematic Assemblies can be attended by anyone who is interested in the themes under discussion, except at youth assemblies, which consist only of young people and in children's assemblies, by students of the 5th and 6th grade of public school. The thematic assemblies work in the same way as the neighbourhood assemblies: each citizen member of an Assembly (Neighbourhood or Thematic) has one vote, which is not transferable. Each assembly, whether thematic or by neighbourhood, that elects its own Chairman and Secretary, has two representatives that form part of the Citizen's Council.

The Citizens' Council therefore has to include representatives of Neighbourhood and Thematic Assemblies, as well as the manager of the Participatory Budget, the latter with no right to vote. A representative of each political party represented in the Municipal Assembly of Santa Cristina d'Aro can also attend, but without the right to vote. Annually, the Citizens' Council appoints a Chairman and a Secretary from among its members. It is this body that agrees on and debates proposals coming from all assemblies, and where a first draft of the municipal budget is prepared. The Technical Office for the Participatory Budget quantifies the cost of proposals and returns this information to the Citizens' Council so that it can make the appropriate changes. The government team prepares the municipal budget on the basis of the proposal submitted by the Citizens' Council, returning it for subsequent ratification. Finally, the Municipality must approve the budget.<sup>4</sup>

Graph 1 The annual Cycle of the participatory budget

Source own data



*The gender perspective in the process*

With the objective of introducing the gender aspect in the participatory budget, the municipality of Santa Cristina focused on three areas: women's participation (number of female participants, the number of women as representatives of assemblies...), the development of proposals for action to be included in the budget and that are important in the change of gender relations, and a study that is not yet complete on the actual impact of municipal expenditures in gender relations.

First, municipal bodies were created to work on the gender aspect in the participatory process, with the aim of achieving increasingly equitable relationships between men and women. Therefore, a thematic assembly of gender was created in 2006 and later a Council of policies for gender equality, to promote and plan actions to raise awareness amongst key players in the area that will transmit the importance of equality to all citizens.

The Council and the Assemblies are the channels that facilitate and considerably increase women's participation that, in principle, was found to be lower than that of men.

The Gender Assembly was designed to be women-only, but was ultimately changed, transformed into an assembly open to all, having altered its name (from gender to policies on equality) through a proposal submitted by the majority of participants at the meeting. Nevertheless, the Council of Policies on Gender Equality is a unique space for participation and discussion for women, favouring the process of enabling them. In addition, and proposed by that assembly, the name of the Citizens' Council changed to the Citizenship Council, since the previous terminology was a clear sample of the sexist use of language (the word Citizen being used in the masculine form – Translator Note).

It was the participatory process itself that raised the need to commission a study that would allow for an initial assessment of the relevance of gender relations in participation. Some of the results presented now are from that study. This analysis should provide necessary information for the design of public policies aimed at reducing inequality between men and women, not only in the participatory process itself, but also in the municipality of Santa Cristina d'Aro.

*What were the results?*

The research method carried out was to collect information on the social characteristics of participants in the participatory budgets, whether by direct observation (number and gender of participants) of assemblies of different years of the process, as from a survey of closed questions that was held in 2007/2008.

This first survey was designed to find out the social profile of the population, not just gender, but also age, level of education, place of origin and social class. Finally, discussion groups were organised among participants so that those involved directly in the process could also reflect on it. Moreover, a second survey directed at the population in general was done, which aimed to ascertain the reasons for non-participation of citizens in the process, and especially those that contributed to the difference in gender.

It should be noted that the data collected at assemblies, in the different years, reveal some flaws, since at first the need to collect data on participation separated

by gender had not been identified, so in some cases it was not possible to breakdown the numbers. As for the survey in 2007/2008, the first thing to highlight is that participating in the survey was not mandatory and therefore, not all participants in the process completed it, verifying a break between men and women, which was detected when comparing with the numbers of attendees at assemblies. Despite these obstacles, there are two aspects that can clearly be considered a result of the analysis: *a)* Men participated more than women, but the participation of the latter has been growing in recent years; *b)* The distribution of men and women in different assemblies follows a similar trend.

To look at this more closely: the data available for 2003 is only divided by gender in neighbourhood assemblies and clearly shows that there are more neighbourhoods in which participation of men is higher than the ones where participation of women is greater than or equal to that of men. For thematic assemblies, there is only detailed information on young people and, in this case, there are 81% men and only 19% women.

On the editions of 2004 and 2005, the trend continues towards lower female participation, particularly in neighbourhood assemblies. As far as thematic assemblies, the tendency identified here marks the whole process, that is, there are assemblies more directed at men and others at women, which reflects the traditional sexist division of social issues; women divide in the following way: 80% for 'social welfare, health care and immigration' and 57.41% for 'education, culture, sports, festivities and leisure.' For 76.93% of men, concerns are spread over 'land use planning and the environment.'

These characteristics remained in 2006 and, moreover, accentuated with the separation of the assembly on 'education, culture, sports, festivities and leisure' in two, in 'education and culture,' with 58% of women and 'sports, festivities and leisure,' with 71% of men. Together, in that year, the participation of women amounted to 41% and 59% men.

From data of recent years, we note that although on the whole the differences between genders have decreased in the assemblies, these are much higher in the case of Thematic Committees (governing bodies), with women representing only 35% of the participation. Furthermore, it is important to emphasise that, in the case of the Citizens' Council (representative body) in the 2007/2008 edition, participation was equal, and in the 2008/2009 edition women accounted for only 35%.

In short, when the process began in 2003, men's participation was much higher than women's, which was particularly noticeable in neighbourhood assemblies, where the presence of women was lower. In 2004 this inequality could only be observed in one neighbourhood - 'village centre' - because the percentages were more similar.

The 2008 data (more in depth) continued to reflect the change, although there are more men than women, and these occupy more representative offices. In one of the neighbourhood assemblies (La Teulera) the number of women is higher than that of men, but in the neighbourhoods of Eixample, Suro de la Creu, Romanyà, San Miguel de Aro and Vall Repòs, the number of men and women is very similar. In the neighbourhood assemblies of Rosamar and Golf Costa Brava, on the contrary, there are more men, with women accounting for only 21%. The number of men that preside over assemblies is clearly higher than women, with the exception of La Teulera where a woman presides.

Nevertheless and as already mentioned when discussing Thematic Assemblies, there is one aspect that will be present throughout the whole process: certain assemblies are 'more for women'

<sup>5</sup>Punto de Igualdad (Equality Point, in English) is an information system for women implemented in several Spanish municipalities; provides general information to women in particular, especially with all matters related to their rights and duties.

(Translator Note)

and others 'more for men'. In the one on 'social welfare, health care and immigration,' 80% are women (2004), while in the 'Land use management and environment,' 80% are men (2004). This segmentation is repeated in 2008, registering a greater presence of women in some cases and in others men: on 'Education and culture' 77% are women, 'Economic activities' 67% are men.

There is, however, an interesting fact: most assemblies have a woman as chairman, contrary to what happens with neighbourhoods; only in the case of the assembly on 'economic activities' where the chair is occupied by a man. Thus, men are over-represented in neighbourhood assemblies and women in the thematic assemblies.

The data collected through the survey of 2007/2008 shows this same pattern. There is greater involvement of men (54.5%) than women (45.5%), although there is an obvious approximation of percentages. At the same time, it is clear that the distribution by assemblies is not egalitarian. In thematic assemblies men account for 52% and women 48%, and depending on the specific subject, the differences in participation between them are very significant. In neighbourhood assemblies, 49% are men, and in the Council, women account for only 45%.

Furthermore, in the survey there are some assemblies which only seem to engage women - policies on gender and education and culture - but the truth is that there are men, although very few in the first case (2). This means that in the answers to the survey, the trend also presents a gender pattern.

The representation of age groups in the different types of assembly is also different. Firstly, because there are two thematic assemblies where only the concerned groups attend: young and 'younger'. Secondly, because there is greater participation of some age groups in certain thematic assemblies. As an example, in neighbourhood and gender assemblies there are more people over 65. In contrast, in the assemblies of welfare and health and of land use management, the most represented age group is 40-49 years.

Finally, it should be noted that the majority of the population that participates has an active employment status, i.e. is working, except in the case of neighbourhood assemblies and gender policies, where the percentage of retired people is, according to the survey, very high.

As for results obtained in discussion groups, there appear to be no gender differences regarding the acceptance of the process in general. Citizens that participate seem pleased with it, although a little tired, wondering sometimes about its usefulness, a perfectly understandable stance after these years of operation. However, one must remember that this is an assumed wear and tear, and that it does not imply a break with participation, being only a consideration inherent to the process itself.

On the other hand, there is some concern by both men and women, on the fact that a significant proportion of citizens do not participate. Participants in the process consider that they 'are always the same' and that very few are committed to the initiative, while most remain on the sidelines. They do not know what to do so that more people become involved, but think it has to do with the distrust that people have in relation to politicians. This worries them, since they believe in the process and would like it to reach most people, given the importance that it has for the

whole community of which they are a part of, and who they feel to be representing almost on their own.

They are concerned on the question of how to get more people involved – also an indication of the extent of their involvement – but there is no consensus on proposals. We made several suggestions regarding schedules, but according to the group in question, they preferred one or the other, never reaching unanimity or majority. Generally speaking, retired people are available at any day and time, but prefer weekends and not too late in the day or in the evening. The opposite happens with those who have dependents; in this case it is very important whether they work outside the home or not, and their timetables determine their availability. Women are very conditioned by taking care of children and the elderly, or by cooking, and this is not the case for men. In any case, assemblies on weekends cannot take place because this is family time. In all cases, and especially for women, it would be necessary to schedule meetings so as not to concentrate all in the same month, because it is difficult for them to balance personal and family life. They also think, especially women, that it would be good to establish a fixed duration for meetings in order to know when they will be free and not losing time in them.

In addition to being able to determine a participation profile in Santa Cristina d’Aro, it is also important to establish the citizen profile, of those that whatever the reason, do not participate. That is why the second survey is directed to this part of the population. According to statistical analysis, from those people that do not participate, nearly half are unaware that the municipality is carrying out a participation process associated with the municipal budget. People who do not participate but that are aware of this reality replied that the information reached them through a letter sent by the municipality. Despite not participating, three quarters of citizens support the process and ask that more information should be disclosed through local media and that a customised campaign is developed.

This information is relevant because, although it may seem that many people ignore and refuse to participate in this system, there is interest in the PB strengthening and growth. On the other hand, many people, especially women, justify their lack of involvement with shortage of time and difficulty in reconciling family, work and personal life. A frequent response is that non-participation has to do with a concrete lack of time.

Despite the effective support of the participation process, there are also plenty of people who do not have great sympathy for it, and even think that it is an ineffective proposal.

Putting forth some details and based on the differences between men and women, it was found that more women than men did not know about the assemblies. In addition, differences were found on how information was obtained: men claimed to receive letters and women were informed through family or acquaintances, and in some cases, through the *Punto de Igualdad*<sup>5</sup>

Men demand that there is an increase in information and that a more direct and binding relationship is developed between the administration and the population, and women, in turn, ask for an increase in its promotion.

A very important and significant observation of this study is the motivation of men and women to participate; it differs, leading us to think that citizens that currently participate can respond to this model:

- Men who are not currently participating say they wish they could do so, basically to express themselves, to decide and come to a consensus collectively, setting priorities for the city and for those who live in it, which is demonstrated by some examples from the second survey: *“I think it’s right, they can decide things for our own people”*; another example: *“because you can give opinions and ask for things for the people”*. (Quotes from the statistical study (II))
- Women that do not participate mostly said they wanted to in order to know the decisions made for the area and for the people who live in it. Some examples, as above: *“I would like to know the things they do for the people, what is good and what is bad”*. Another example: *“To be more informed on what is happening, what is discussed, what is proposed...”*

Another important aspect is that, although women want to encourage the participatory process, they do not know (or do not dare to say) how it could be done. On the one hand, men say that the implementation should be accelerated, since the proposals were decided on, and on the other, women agree on the lack of new mechanisms, but do not propose any.

A fact already mentioned at the beginning of this chapter is the reconciliation between personal and professional life and the participatory process, something that becomes difficult, especially for women. Some direct quotations from the second survey corroborate this: *“I have more jobs, if my husband or my son can go... but not me personally.”* Another example, *“I have no time. At the time that that is held, I get home and there not enough time for everything...”*. A third example, *“Since my husband already goes, and I do not have enough time, with the kids, work, house...”*. One last example: *“I have a lot of work at home, besides I do not know many of the issues of the village.”*

<sup>6</sup>The percentage of men and women participating in the PBs, relative to the population called upon, is checked through the records that the processes themselves organise. Similarly, the percentage of men and women that answered the questionnaire and the perception of participation obtained in the interviews is analysed. Furthermore, the percentage of the 3815 elected proposals that refer equality between men and women was also verified.

<sup>7</sup>Bou, García, Paño (2012).

<sup>8</sup>Gutiérrez-Barbarrusa, 2012; pages 174-178.

<sup>9</sup>Bou, García i Paño /2012.

## *2.2. Results of the Comparative Study of Participatory Budgets in the Dominican Republic, Spain and Uruguay*

he gender analysis conducted in this project does not have the same characteristics as the one carried out in Santa Cristina d'Aro, but it helps to make a comparison at an international level, which can help improve the tools that may be developed to achieve the integration from the gender perspective, transversely in participatory processes.

In this project, one of the factors analysed was participation, in numbers of men and women in the processes implemented in the three countries; through surveys and interviews with participants it was also possible to assess the degree of women's autonomy in this process<sup>6</sup> according to the 3rd Objective of the Millennium Development Goals programme<sup>7</sup>

Firstly, we should point out that records are not divided by gender in all cases, but from the existent data, there are a greater number of women in community spaces for participation and decision. For example, in the Dominican Republic the presence of women ranged from 40 to 79%, while men were between 20 and 60%. In Uruguay (the only department with data of this type is Montevideo), more than 55% of women participate at all times. In the same way, the average participation in Spanish municipalities (where there is data by gender) shows a higher presence of women, about 53.0%.

Moreover, the quantitative data obtained through a questionnaire at assemblies – in the Dominican Republic and Spain – point to a greater number of women, although the presence of men is very similar (47.6% men and 48.9% women).

This majority of women in the process is not mirrored in the number of delegates. In the Dominican Republic there are, on average, more men (between 50 to 55%) because they establish the initial parity criteria<sup>8</sup>. In Spain, the pattern is the same, but the range of percentages is higher (between 50 and 80%).

Qualitative data from the three countries show that the majority of female presence at assemblies seems to be general throughout the process. This perception may be due to the fact that they participate more in areas with greater visibility, in community assemblies. But we should also take into account, as the authors of the report<sup>9</sup> point out, that there may be a deviation in gender perception and in not being used to the presence of women in public decision-making, which make their role laudatory or more relevant than what the analysis shows.

However, the analysis of the proposals that try to reduce inequality between men and women is scarce in the three countries.

In this table, Uruguay is the country that submitted fewer proposals, all of which from urban areas. The issues they tackle are primarily labour, gender violence and the creation of specific spaces for women. It becomes particularly relevant to look at gender transversely in society in general, an initiative that emerged in Montevideo through the Plan for Equal Opportunities.

The Dominican Republic concentrates this type of proposals in two cities, and one of them already carried out specific work by sector on the subject (Villa González). Comparatively, this strategy and the number of proposals that are generated through it, show that these policies help strengthen and politicise the gender issue. Most proposals submitted in this country work towards increasing municipal spaces for women and optimise their operation, an example of this being the Municipal Office for Women in Villa González. Spain is the country in which most proposals are submitted, which happens from a more global concept of gender, but it

should be noted that situations are not homogeneous. Proposals submitted in urban areas have more than doubled, exceeding 7% of proposals on gender in rural areas. Also, there are differences in the urban context, where larger cities appear to submit more general proposals on gender, while smaller cities limit themselves to identifying specific needs related to women, especially from mothers and petitions supporting the increase in the number of nurseries, or in the number of vacancies in the latter.

Furthermore, this variation is not only related to the size of the municipality; the number of proposals increases and they are more general and transforming where there are feminist groups and organisations present in the process defending women's rights or groups of sexual identity (LGBT).

### 3. Conclusions

Although in the comparison of results at an international level there seems to be no more men than women in participation processes, we cannot say that this is the norm; actually, there is lack of data or accuracy, because what the case analysed illustrates, Santa Cristina d'Aro, is just the opposite.

The results of this investigation clearly show that there are more men than women in participatory processes, which would imply encouraging more the presence of women in assemblies and councils. However, we should also note the increase [in number of women] that has been observed since the beginning of the process, and that the difference between the two is currently very small, though we must continue to insist in the different groups of women, according to age, social class or place of birth.

It is also noted that girls and young women participate much less than boys and young men, which may indicate that this inequality tends to reproduce itself and, at worst, is not a normal behaviour due to age, but actually consolidating as a generation. Moreover, immigrants are not well represented in participatory processes, although we have seen that they are sufficiently important in the overall population, which shows that there must be an effort to come closer to this group, specifically fostering the participation of women.

Furthermore, it is very important to break the gender divide according to themes, which means that not only must women be encouraged to participate in open house meetings where they are less present just because the issues are more 'masculine' but also encourage men to participate in those where there are more women and where themes are more 'feminine'.

	SPAIN		DOMINICAN REPUBLIC		URUGUAY	
	NUMBER OF PROPOSALS	% OF TOTAL	NUMBER OF PROPOSALS	% OF TOTAL	NUMBER OF PROPOSALS	% OF TOTAL
Proposals aimed at gender equality.	41	2,18	18	1,60	7	1,15

*Table 1* Percentage of proposals for gender equality, which PB participants set as a priority

*Source* Barragán, Romero & Sanz (2012)

The work carried out in creating awareness of the different types of inequality in Santa Cristina d'Aro, allowed bringing to light gender inequalities. The fight for its eradication became part of the political discourse but, despite the efforts and support from many directions, reality has a different rhythm than the transformation of opinions. However, this does not mean that the effort was in vain, but quite the opposite, although there is still a long way to go.

Women's participation in the municipality so far tends to go unnoticed because they themselves do not feel the responsibility to intervene in the public space of Santa Cristina d'Aro. Even so, women tend to say that they would like to participate and know more about the decisions taken, giving the same answer on numerous occasions, but at the same time there is no evidence that participation is the right way for them to express themselves and to have a role in decision-making - in the same way as men.

This singularity affects the foundations of participation because it is a clear sign that gender patterns continue to determine the behaviour of women and men. The same women that speak about the participatory process follow gender patterns that have been instilled in them, creating a need to apply a gender 'pedagogy' for women, and in general, with all groups of the population. The first step is to assume that all participants have knowledge and experience that can be brought into the collective knowledge and, as a consequence, to the development of social processes. This paradigm of community service requires a profound change in traditional roles assumed by the community, by educators and technicians, by the administration and by all persons participating in the process.

Another factor determining the presence of women in participatory processes has to do with reconciliation. A woman who works outside the home, or even those who work at home or are already retired, has to endure the 'double shifts' which implies that they continue to work when they get home to care for children and deal with domestic chores. This difference in the use of time between men and women has a clear impact on participatory processes, which was evident in the survey to the general population, in which a large number of women said they could not participate due to lack of time to attend meetings.

Another aspect worth commenting despite the advances already achieved is that several thematic assemblies continue to follow sexist standards and in some cases 'are more for women' and in others 'more for men'. There are more women participating in issues related to education and policies on equality, and in return, more men participating in issues related to economic activities, land use management, urban planning and mobility. While the man must be occupied with paid work, women take charge of family issues and therefore more easily assume the role of 'social volunteering' for the municipality. In short, the different roles of men and women are reflected in the forums, where the same patterns can be seen.

Although it was stated that there is still a long way to go as far as awareness is concerned, one cannot ignore that the role of women in the spaces for participation of assemblies is changing, with more and more women taking part and occupying representative and decision-making positions. As stated in the section devoted to the analysis of assemblies, women hold representative positions in most thematic assemblies. If we continue to work and fight for women to engage in public activities, and if there are improvement measures, the number of women participating in processes may continue to increase in the coming years.

The group of young immigrants still requires a greater investment of effort. Throughout this article the scarcity of immigrant men and women was mentioned; their participation in issues

unrelated to their priorities is very low, which may be due to lack of information and a lack of interest on their part. Furthermore, the low number of young people from this group in the participatory process should be highlighted.

In terms of gender, there are many aspects that can be improved, but it must be clear that these are not processes that cause the differences, but that replicate in them what is happening in society. Thus, we must work not only on participatory processes, but also outside them and from within them, in order to eradicate sexist references. Clearly the [participatory] processes cannot, on their own, operate these changes, but it is important to stress out that despite the weaknesses there are important gains, however small they may seem, arising from the establishment of a new culture of respect between men and women in the municipality. In participatory processes, women can increase their *empowerment*, strengthen their self-confidence and intervene in social transformation. At the same time, men can also seize this new role of women, which together, will help shaping a new type of relations between men and women, and another kind of equality and co-responsibility in all social fields.



PATRÍCIA GARCÍA-LEIVA

# PSYCHOLOGICAL *EMPOWERMENT* IN PARTICIPATORY BUDGETING

## Summary

Although participatory budgeting aims different goals, which have been studied with a certain depth, its psychosocial dimension has been forgotten. This document tries to contribute for the preparation of a theoretical framework of the psychological *empowerment* provided by the participatory budgets, and at the same time it stresses out the issue of knowing in which circumstances these processes can stimulate the same. The analysis of two studies helps to illustrate that the population who actively participate strengthens itself, and the same happens with the part of the population that knows it can participate. This result tell us how it is possible to break the feeling of defencelessness and the consequent political apathy, valuing the political initiatives of this type besides the number of direct participants they are able to mobilize.

## 1. Introduction

From all psychosocial effects of participatory budgets, the strengthening, the potentiating or *empowerment*<sup>1</sup> s possibly the most relevant one, since it includes one of the ultimate goals of the process: democratize democracy through the transformation of the citizen into a political player. But this complex theoretical framework requires a comprehensive analysis of its conceptualisation and dimension before being able to be studied within participatory budgets.

Communitarian strengthening was defined as the process through which the members of a community (interested individuals and organized groups) develop capabilities and optimize resources together, by means of controlling their life situations, acting with a sense of commitment, consciously and critically, with the purpose of transforming their means, according to their needs and expectations, transforming themselves at the same time (Montero, 2003, p. 72). This is a process associated to the territory and that involves mutual respect, critical reflection, collective participation, as well as access and control of resources (Cornell Empowerment Group, 1989), inclusive for people and collective associations traditionally excluded from public decision-making. In participatory budgeting, citizens collectively identify their needs, evaluate their resources, establish priorities and decide on the needs to be fulfilled in the first place. As such, participatory budgets are a democratic participation instrument, which can become a formal mechanism of *empowerment* [formal is defined as the process that is built by an administration institution and not by the citizens (Rich, Edelstein, Hallman and Wandersman, 1995)]. Nevertheless, to check if in reality there was strength generation, it is necessary to deeply analyse the processes in which this participation tool is used.

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<sup>1</sup> For an updated perspective on the concept of empowerment versus potentiating or strengthening, see Montero, M. (2010). Strengthening of citizenship and social transformation: meeting point between political psychology and communitarian psychology. *Psyche*, 19, 51-63.

Rappaport (1987) proposed three levels of process analysis that can lead to strengthening: individual, organizational and communitarian. In individual terms, it is necessary to study the experiences that change the knowledge, and the emotions and the behaviour of a person, making them take control of their own life and what happens in its context. At an organisational level, we have to analyse the dynamics within organized groups that share common interests or goals. In the community, the ways of acting of the institutions, the organizations and the citizens should be studied. Finally, we cannot forget that these three levels are interdependent and influence each other.

Rappaport proposal points to the “socio-segmentation”, and the evaluation of the strengthening from which any one of these levels is extremely complex, due to the fact that: a) potentiating is a construction determined by context (age, sex, socioeconomic resources, etc.) and local culture (needs, forms of organization, values, etc.) and, therefore, the measurement instruments, whether quantitative and/or qualitative, should be cultural and contextually adjusted (Hombrados and Gómez-Jacinto, 2001); b) its value is not stable in time, and so longitudinal evaluations are recommended (Zimmerman, 1995); c) similarly, there is no single set of competencies, perceptions and behaviours indicating the potentiating capability in different people (Zimmerman and Rappaport, 1988). Therefore, there is no single and unique measure to assess the strengthening level of a person and /or location (Zimmerman, 1995).

This voluble characteristic of strengthening places it in the area of the open-ended<sup>2</sup> theoretical frameworks. These theoretical constructions depart from the theory and are built as of empiricism. The open-ended theoretical frameworks require the development of a *nomological network*<sup>3</sup> consistent in a framework system that gathers the relations between empirically verifiable abstract concepts (Cronbach and Meehl, 1955). This would be a framework able to describe the concept of empowerment and to guide its mediation, and it should be broad enough to include all its diversity, but also sufficiently specific to allow to evaluation the *empowerment* in a concrete population (Zimmerman, 1995).

From those three levels of analysis, the individual level was the most studied, since the psychosocial process occurring in this level, also happens in an intra-subject level, in the citizens that are part of an organization, as well as in a given community inhabitants. As such, understanding *empowerment* at the subject level helps to understand it in the other levels.

From the above, we understand that measuring and evaluating strengthening implies the observation and analysis of the learning and experiences of people within the processes that can lead to

the *empowerment*, the so called *empowering processes* (in our case participatory budgeting), as well as the substantiations and definition of the concepts present in the *nomological network*, in order to be able to assess if those experiments lead to potentiating, what we usually call *empowered outcomes*.<sup>4</sup>

Zimmerman (1990), possibly one to the theoretical that contributed the most for the study of potentiating capability improvement, has studied in depth the *empowered outcomes* of psychological strengthening. According to Zimmerman, this variable has three main components: intra-personal, interactional and behavioural (Zimmerman, 1995). The inter-personal component concerns auto-efficacy and the capability to influence the socio-political context – what other authors have named as “sense of control” (Bellamy and Mowbray, 1998). The interactional component indicates the person’s capability to understand the context in which it lives in and identify the causes and consequences of the events, as well as to understand the power of a relational concept. This is therefore the development of a critical consciousness, the acquisition of competences for decision-making, the knowledge of the resources (Montero, 2006) and the ability to collaborate with other people (Bellamy and Mowbray, 1998). At last, the behavioural components would be the set of specific actions performed with the purpose to act in the socio-political future of their context (Zimmerman and Warschausky, 1998).

In the scope of rehabilitation, Zimmerman and Warschausky (1998) presented the construction of the *nomological network* per levels of analysis, and the differentiation between *empowering* and *empowered outcomes*, and this network was also used by several authors in processes framed within the investigation-action-participation (Brown, 1993; Chesler, 1991; Elden and Chisolm, 1993; Hall, 1992; Rappaport, 1990; Whyte, 1991; Yeich and Levine, 1992). The most recent proposal was presented by Zimmerman (2000), which we used for the first time adapted to the participatory budgets in the Parlocal Project (García-Leiva and Paño, 2012). Below, we present an improved version of the same, duly updated with the theoretical revisions and empirical data.

According to this theoretical framework, several studies of the quantitative and qualitative profile were performed, trying to assess up to what extend participating in a participatory budget process leads to psychological potentiating. In this text we selected two studies to illustrate the manner to measure the psychological potentiating, using quantitative and qualitative techniques, and to shown how far the promotion of participatory processes by the administration institutions can increase the psychological potentiating of the inhabitants of a given location. The first study we will

present is the quantitative evaluation of the psychological *empowerment* in the municipalities with participatory budget of Malaga province (Spain); the second one shows the qualitative analysis of psychological potentiating of the participants in participatory budgeting processes in the Dominican Republic, in Spain and in Uruguay.

LEVEL OF ANALYSIS	PARTICIPATING IN PARTICIPATORY BUDGET PROCESSES (EMPOWERING PROCESSES)	OUTCOME (EMPOWERED OUTCOMES)
Individual	<p>Acquiring competencies to intervene in the socio-political environment: collective decision-making, participation and organization of the citizens.</p> <p>Understanding the origin of public resources and learning to manage them.</p> <p>Identifying the distribution and inequality of resources.</p> <p>Understanding the functioning of the institutions.</p> <p>Strengthening the relations between the community members.</p> <p>Participating in decisions that affect their lives.</p> <p>Working with others.</p>	<p>Psychological strengthening</p> <p>Intra-personal component: Sense of control and self-efficacy; Development of beliefs, competencies and motivation to intervene in the municipality.</p> <p>Interactional component: Critical conscience; Understanding the socio-political environment and the relations of power; Capacity to collaborate with other people; Collective vision of power.</p> <p>Behavioural component: Actions influencing political life.</p>
Organisational	<p>Provides their members opportunities to participate in decision-making.</p> <p>Shared leaderships.</p> <p>Shared responsibilities.</p>	<p>Management and mobilization of resources according to the organization goals.</p> <p>Increasing competencies for decision-making and teamwork of its members.</p> <p>Political influence.</p> <p>Working networks: coalitions</p>
Communitarian	<p>Access to resources by all the population strata.</p> <p>Open and participatory government structure.</p> <p>Inclusion and diversity.</p>	<p>Organizational coalitions and generation of new collectives.</p> <p>Pluralistic leadership</p> <p>Collective work to keep quality of life.</p> <p>Participation competencies of the residents.</p>

*Table 1* The strengthening *nomological network* in participatory budgeting.

<sup>2, 3, 4</sup> As such in the original

In Malaga province, between 2005 and 2011, 22 experiments of participatory budgeting were implemented. This political wage came from the Participatory Budgeting Office of the Provincial Deputation of Malaga. The main function of this Office is to provide technical and financial resources, as well as advice of all kinds to the municipalities wishing to implement this new manner of policy making. The leading role of this Office in boosting of participatory budgeting in Andalusia – and in Spain – is endorsed by the fact that it was the promoter of the Declaration of Antequera. This political document is the guideline for the implementation of participatory budgets in the province. The three goals to be achieved with the implementation of participatory budgets were, according to the Declaration of Antequera, strengthening citizenship, ensuring social inclusion and defending public management. This Declaration, which was signed in the same day as the creation of the State Network of Participatory Budgeting in Spain, became the political base document to define what are and how to implement participatory budgeting in the province of Malaga. According to the dispositions set forth in the document, participatory budgets should be self-regulated, binding, universal and deliberative, besides having a monitoring, control and accountability system.

<sup>5</sup>To access data on the strengthening of people who participate in the open house meetings, see García-Leiva, P., Domínguez-Fuentes, J.M., Hombrados, M. I., Palacios, M. S. Marente, E. y Gutierrez, V. (2011). Evaluación de los presupuestos participativos en la provincia de Málaga. En M. A. Morillas, M. Fernández y V. Gutierrez (Coord.) Democracias participativas y desarrollo local (pp. 145 - 196) Málaga: Atrapasueños. ISBN: 978-84-615-0380-3

<sup>6</sup>For more information on this subject, see García-Leiva, P., Domínguez-Fuentes, J. M., Hombrados-Mendieta, M<sup>a</sup>. I.; Morales-Marente, E. y Palacios-Galvez, M<sup>a</sup>. S. (2009). Los presupuestos participativos y el fortalecimiento comunitario. Presented at the National Congress of Social Psychology, between 1 and 3 October, in Tarragona.

<sup>7</sup>ANOVA is, in short, a collection of statistical models in which the variation of the sample is divided in components due to different factors (variables), that in the applications are associated to a process, interest, product or service. (Translator Note)

<sup>8</sup>See Ganuza, E. (2007). Tipología y modelos de presupuestos participativos en España. Córdoba: IESA Workingpaper series. N<sup>o</sup> 1307. See IESA-CSIC to consult the models of participatory budgets in Spain.

<sup>9</sup>For further information, see Allegretti, G. (comp.) (2012). Estudio comparativo de los presupuestos participativos en República Dominicana, España y Uruguay. Málaga: Cedma. Diputación de Málaga. Proyecto Parlocal. ISBN: 978-84-694-7156-2

### *Study of the psychological strengthening perception in Malaga province (Spain).*

#### *Quantitative methodology*

In this framework, in 2009, a study was conducted to measure the level of *empowerment* of citizens in general in nine municipalities of the province of Malaga.

The purpose of the investigation was to go beyond the evaluation of the strengthening of people participating in the open house meetings<sup>5</sup> and analyse if starting a formal *empowering* process can lead to a change in the perception of the potentiating capability in intra-personal and interactional terms, that is, if the change into a more participated political model can lead citizens, although not actively participating, to acquire a more strict perception of the sense of control and greater critical awareness. The hypothesis presented was that citizens from municipalities with implemented participatory budget, who are familiar with these processes, even if they do not actively participate, will increase they perception of potentiating capability, at an inter-personal and interactional level, when compared to the citizens from municipalities alike but with no participatory budget.

#### *Method<sup>6</sup>*

##### *Sample*

A group of 600 people of Malaga Province, divided in 300 from locations where the participatory budget had been implemented and another 300 resident in similar locations, but without participatory budgeting.

The chosen criteria to determine the similarities of the municipalities were the following: inland vs. coastal, main economic activity, number of inhabitants, number of organized local communities and political tendency. In order to identify these characteristics we used the National Institute of Statistics (2009), the Andalusia Institute of Statistics (2009) and the records of the municipalities' associations. As for the political trend, the used outcome was the percentage of votes in the different parties in the general elections. We chose this criteria as this is a better indicator of the variable of the ideological positioning than the colour of the party in the local government, since the behaviour in local election is influenced by other types of variables, such the personal knowledge of the candidate.

Given that the population of each one of the levels of the independent variable (participatory budgets) is about 24.000 inhabitants, the 300 people sample presupposes an error rate of about 7%. The sample was randomly stratified, and we included every strata existing in the municipalities.

#### *Instruments*

In order to assess the psychological strengthening we used the relevant sub-scales of the *empowerment* scale by Speer and Peterson (2000). The adaptation to Spanish was done by the method of translation and re-translation. The reliability of the resulting whole scale was  $\alpha = 0.81$ , the sub-scale of the intra-personal component was .92 and the interactional component was .83.

#### *Procedure*

After the implementation process of the participatory budgets, the strengthening of these communities was measured, comparing to the potentiating capability of the similar commu-

nities in which there was no participatory budget.

Data collection was performed via telephone with three prepared questionnaires and the citizen participation was voluntary and anonymous.

### Results and discussion

By performing one factor ANOVA<sup>7</sup> in a first analysis there were no significant differences. As such, and as there were three municipalities that implemented processes that were not opened to the entire population, that were not self-regulated and were non-binding (participatory model<sup>8</sup>), we decided to eliminate them from the sample; then, with this sub-sample, data showed significant results.

As presented in the table 2, there were significant differences in the perception of both components.

Next we will show the averages of each component in both conditions (implementation of participatory budgets vs. non-implementation of participatory budgets): as the table above shows, the averages were significantly higher in the municipalities with participatory budgets.

These results corroborate the first hypothesis, that is, that the implementation of this instrument of participatory democracy improves the perception of psychological *empowerment* of the citizens. Particularly relevant is the fact that the results are significant if the process is executed including the citizens participation in the preparation of the rules and if the decisions are compulsory for the whole municipality.

Nevertheless, it is not possible to provide an absolute value to this result, unquestionably interesting, since the sample has a high error rate; if we add the amount of factors that influence this theoretical framework, we will have to be cautious in drawing conclusions. In future investigations, in order to establish a clear cause-effect relationship between the participatory budget and the perception of strengthening, we will have to conduct longitudinal studies, and as far as possible we should prepare pre-post schemes.

Parlocal Project is a cooperation Project financed by the European Commission and promoted by the Provincial Deputation of Malaga (Spain) with two partners: Paysandú Stewardship (Uruguay) and the Dominican Federation of Municipalities (Dominican Republic). This Project was prepared according to three axes: training, investigation and network construction in participatory budget processes. The European Commission recently selected the programme Non-State Players and Local Authorities as an example of good practices.

**Table 2** Results of one factor ANOVA after eliminating the municipalities that do not correspond to processes of participatory type (Implementation/non implementation of participatory budgets)

(\*)  $p < .05$ ;  
 (\*\*)  $p < .001$ ;  
 (+)  $p < .06$  (marginally significant)

PSYCHOLOGICAL EMPOWERMENT	DEGREES OF FREEDOM	F	SIG.
Intra-personal component	1, 348	4,342	,038*
Interactional component	1, 348	3,579	,059+

**Table 3** Averages and typical deviations of the intra-personal and interactional component of psychological strengthening in municipalities with or without participatory budgets

PSYCHOLOGICAL EMPOWERMENT	MUNICIPALITIES WITH PB PARTICIPATORY MODEL	MUNICIPIOS COM OP
Intra-personal dimension	3,21 (1,23)	2,94 (1,16)
Interactional dimension	3,64 (0,76)	3,44 (1,00)

<sup>10</sup> To access the full interview, see the publication of the Parlocal investigation stated in the previous note.

### *Strengthening of the citizens participating in open house meetings in the Dominican Republic, Spain and Uruguay study. Qualitative methodology<sup>9</sup>*

Parlocal Project is a cooperation Project financed by the European Commission and promoted by the Provincial Deputation of Malaga (Spain) with two partners: Paysandú Stewardship (Uruguay) and the Dominican Federation of Municipalities (Dominican Republic). This Project was prepared according to three axes: training, investigation and network construction in participatory budget processes. The European Commission recently selected the programme Non-State Players and Local Authorities as an example of good practices. In the scope of this project (Parlocal), a study was conducted comparing the participatory budget processes in the Dominican Republic, in Spain and in Uruguay. Among other dimensions and the use of quantitative and qualitative methodologies, the strengthening of the people participating in open houses meetings in those countries was evaluated. Below we partly reproduce the qualitative results from the participant citizens.

#### *Method Participants*

150 people (85 from Dominican Republic, 38 from Spain and 27 from Uruguay) were interviewed, in an attempt to X-ray the different sectors of participants in the processes. The used criteria to obtain those profiles were the following: sex, age, to be or not to be a member of an organized collective association and the different territorial division of the municipalities or departments. In each territory, the presence of all participants' sectors was ensured until the saturation speech was attained.

#### *Instruments*

The used instrument was a comprehensive interview. Specifically, they were asked on the strengthening at an individual, organizational and communitarian level, according to the *empowered* outcomes developed in the theoretical introduction.<sup>10</sup>

#### *Procedure*

The design of the interview followed the strengthening network. In this process all the members of the scientific committee collectively participated.

Once drawn the instrument, the data collection was made, and all respondents participated in a voluntary and anonymous manner. The interviews were conducted in private and in an individualised manner by staff duly trained for that purpose.

As last, the analysis of the speech was made, using the method of detection of axes or interpretative themes, which represent the speech skeleton from the production of each participant. The exposure of the results included the literal quotations that illustrate the qualitative analysis, highlighting some of the most representative of the speech answers or expressions.

#### *Results and discussion*

In order to expose the results of the speech analysis, tables were prepared to register the identified themes. In the cases where there were different data between countries, these were

stress out through the initials of the country in brackets (RD, ES and UR).

Speeches on psychological strengthening were common in the three territories. Mainly, all the expected results are acknowledgeable after an empowering process, except for a Spanish municipality that has the youngest process. Therefore there seems to exist a certain relation between the municipality participatory budget path and the strengthening perceived by citizens.

MAIN THEMES	SUB-THEMES
Intra-personal component	Learn to manage resources from the institution (RD, ES and UR) Acquiring skills of participation to intervene in the municipality's future (RD, ES and UR) Participation skills already existed, but were improved (ES and UR) Goes beyond traditional by providing the opportunity to opine, propose, debate, decide on public issues (RD, ES and UR) Motivation for competency: desire to keep behaviours able to keep the results (RD, ES and UR)
Interactional component	Working with others: the power is build from the community (RD, ES and UR)
Behavioural component	There are actions of participation without political influence (RD, ES and UR) Contribution for the creation and consolidation of active citizenship (RD, ES and UR)

*Table 4* Citizens' perception on strengthening, at a individual level, in the three countries.

### 1) Intra-personal component

The first identified result was learning how to manage resources. Citizens, men and women, know the origin of the economic resources, their amount and how these are distributed among different areas. They also know the mechanisms created to manage the same.

*Yes, of course they do. This was one of the main benefits I had, as such we know how to manage. Because, in the end we can accurately see the amount that was spent with all those works.* (Citizen from Pimentel)

This theme has very interesting arguments, since some citizens underline that they have learned a lot on resources management, but they are not the ones deciding which is the payment, from the budget, that goes into discussion, nor the amount. Therefore they have learnt a lot on the institution management of their resources, and at the same time they realize that the citizens do not have full access to decision-making.

As for the skills to intervene in the municipality's future, most respondents in the three countries stress out their increasing capability (potentiating ability) for that purpose. Nevertheless, and although less frequent (only in Spain and Uruguay), was

the speech of the respondents who participated in the process and already had those skills, as they are people with a personal journey of participation, what provides information on the profile of those citizens. In the case of the Dominican Republic, although it is obvious that most respondents have a journey of participation, they previously did not have those skills.

*“I already knew, as I already was a member of other associations, I have experience.”* (Citizen from Algeciras)

Regarding the development of participation skills, there are also references to the collective efficacy:

*“...Because, from the humblest of all, a child, a youngster, an elderly, a bricklayer up to a milliner, all had ideas, and those ideas were weaving up, and the final result was that project. Which was not envisaged by only one head, but by the whole set of capacities of the residents...”* (Citizen from Florida)

The perception of the sense of control and self-efficacy are part of the dominant speech:

*“...We can achieve purposes that often seemed impossible...”* (Citizen from Cerro Largo)

*“...And well, I believe it helped all the involved players to strengthen their motivations, personality, and the ability to think...”* (Citizen from Rivera)

### 2) Interactional component

Another of the conclusions in the three countries was the assumption of the collective power.

*“... In those open meetings we spoke with one single voice, and this was how the people from Pueblo Nuevo and Martín Alonso, communities that are part of La Sabana, joined together to defend the budget of these communities ...”* (Citizen of Luperón)

### 3) Behavioural component

Most respondent citizens acknowledge the weight that their decision has on the municipal day-to-day. Nevertheless, and also in the three countries, in spite of participation action there is no influence on municipal politics. Although this is not the main speech, we find it useful to register it due to its major implications, given that it can even limit the strengthening of some municipalities. This speech is usually built upon an error argument, given that people confuse politics with political party.

*“That is not important to me; politics ruins everything.”* (Citizen from Santiago)

*“Everyone should participate, as we use to say, there is no politics, no religion, no one, this is a participatory budget of the community, that is the reason I am confident and I always participate.”* (Citizen from Baní)

*“No, not politics, absolutely not. In here we absolutely mix one thing with the other.”* (Citizen from Archidona)

Now the citizens from the Dominican Republic, Spain and Uruguay acknowledge that they better understand the operation of institutions, they know in what context of inequality they live in and they learnt to identify their needs. Citizens who participated in PBs have improved their participation and collective decision-making capabilities. Besides, they have gained a broader vision of the power from the common construction, therefore gaining a democratic awareness that goes beyond the right to vote and they assumed to have the leading roles in what happens in their municipality. In short, they grew stronger.

As we have just said, the three countries present a higher degree of convergence than of divergence. There are more common elements and repeated visions than differentiated experiences. All comes together to allow us to conclude that, in general, the participatory budgeting process studied in the Dominican Republic, in Spain and in Uruguay present high similarity as to the process of citizenship construction, even if there is a multitude of particularities in each different experiment. It is necessary, nevertheless, not forgetting that the selected municipalities (except the Uruguay departments) are not representative of the diversity of processes in each country and that, as such, the conclusions we reached correspond to the reality of the municipalities being studied and not the reality of the country as a whole.

### *Final thoughts*

Participatory budgets are an instrument designed to commit citizens with decision-making relating to the budget of a given territory. Several studies were performed to understand its effects on the resources' redistribution, advancing the social fabric, the transparency in governance, the profile of the participants, communications, re-legitimizing public institutions, the modernization it causes in the institutions' machine or increasing the financial autonomy of the institutions that implement it. Nevertheless, there have been scarce efforts to understand in depth the psychosocial dimension of those processes. From all the social and psychological features present in participatory budgets, empowerment is, undoubtedly, the most important one, as it raises the human being to the condition of political player vs. the user and consumer role. From the focus in their strengthening, citizens start to know the context in which they live in and they consider themselves able to assume control of their life conditions.

Strengthening, as we mentioned in the Introduction, is an open-ended theoretical framework for which we contribute from the experience of participatory budgeting. This contribution aims to understand the changes that occur in potentiating the people directly involved in participatory budgets, and also to analyse the manner these processes should work, by means of reducing the defencelessness of the population in general – with or without the active participation of the later.

Declaring that direct participation in decision-making in public issues strengthens participants (in certain circumstances) seems to be a statement of a virtually guaranteed fact; at least, this is documented by the second of the herein presented studies<sup>44</sup> Nevertheless, what happens with the other citizens, in terms of empowerment? And makes it sense to invest a large amount of resources – both economic and human – to radically transform the way of doing politics, if those who strengthen themselves are a minority of the population? We could answer negatively to those questions, as we could also obtain similar results using less expensive mechanisms. This argument seems to be usually reinforced by the difficulty to assure the participation of all the population sectors. Nevertheless, what would happen if, by the fact of knowing that, even not participating, one can directly intervene in the decisions of a municipality, a person could change the very own perception of itself, minimizing its defencelessness and fostering its sense of strengthening? The first study presented in this paper tried to answer to this question, and results match the empowerment theory: the perception of strengthening is stronger whenever the citizens can participate in the development of the rules of the game and decision-making is binding. Even that, due to several reasons, the citizen chooses not to be present in the different participation spaces, he knows that what his fellow citizens decide shall be executed increasing his perception of control over what happens in this municipality and raising the degree of probability of his direct participation. The change in the political structure originates the change in the citizens' beliefs.

In a moment of particular political and social apathy, this data has a special value. That is why initiatives of this type can be one of the influent minority weapons to transform the current political scenario. Not forgetting, of course, that it is necessary to go deeper in this finding and that new studies in the same direction have to be designed.

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<sup>44</sup>To see other studies on the participants' strengthening, see Talpin. J. (2011). *Schools of Democracy: How ordinary citizens (sometimes) become competent in participatory budgeting institutions*. Colchester: ECPRpress.

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**TWENTY-FIVE YEARS OF PARTICIPATORY BUDGETS IN THE WORLD A NEW SOCIAL AND POLITICAL MOVEMENT?**

NELSON DIAS

**TRANSNATIONAL MODELS OF CITIZEN PARTICIPATION: THE CASE OF PARTICIPATORY BUDGETING**

YVES SINTOMER

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**BEYOND THE LINE: THE PARTICIPATORY BUDGET AS AN INSTRUMENT**

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**GIANPAOLO BAIOCCHI**

**THE DYNAMICS OF THE  
DIFFUSION OF THE  
PARTICIPATORY BUDGET  
IN SUB-SAHARAN AFRICA:  
FROM DAKAR TO MAPUTO**

**OSMANY PORTO DE  
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## **PB AND THE BUDGET PROCESS IN THE SOUTH KIVU PROVINCE**

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**GIOVANNI ALLEGRETTI**

**THE MOZAMBICAN  
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**THE EMERGENCE OF THE PARTICIPATORY BUDGET AND ITS EXPANSION IN BRAZIL: ANALYSING THE POTENTIAL AND LIMITATIONS**

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**ANALYSIS OF PB IN CHILE. A REFLECTION OF THE NATIONAL PUBLIC POLICY EVOLUTION?**

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**PARTICIPATORY  
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**BUILDING SUSTAINABLE  
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PARTICIPATORY  
BUDGETING IN NORTH  
AMERICA**

DONATA SECONDO  
PAMELA JENNINGS

**CIVIC ENGAGEMENT  
THROUGH PARTICIPATORY  
BUDGETING IN CHINA:  
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**INNOVATIONS IN PB IN CHINA: CHENGDU ON-GOING EXPERIMENT AT MASSIVE SCALE.**

**CABANNES YVES**  
**MING ZHUANG**

**PARTICIPATORY  
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CONSULTANTS**

MICHELLE ANNA RUESCH  
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**THE PARTICIPANTS’  
PRINT IN THE  
PARTICIPATORY BUDGET:  
OVERVIEW ON THE  
SPANISH EXPERIMENTS**

**ERNESTO GANUZA  
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**PARTICIPATORY BUDGETS IN  
ITALY: RECONFIGURING A  
COLLAPSED PANORAMA**

**GIOVANNI ALLEGRETTI  
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**CHILDHOOD AND  
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**BUILDING A  
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OF CITIZENSHIP”**

**PEDRO PONTUAL**

**PARTICIPATION AS OF THE  
GENDER PERSPECTIVE  
FROM THE ANALYSIS OF  
SPECIFIC PARTICIPATORY  
PROCESSES**

**CRISTINA SÁNCHEZ  
MIRET  
JOAN BOU I GELI**

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**PSYCHOLOGICAL  
EMPOWERMENT  
IN PARTICIPATORY  
BUDGETING**

PATRICIA GARCÍA-LEIVA

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# SERVICE AGENCY COMMUNITIES IN ONE WORLD

[www.service-eine-welt.de](http://www.service-eine-welt.de)

## One World Begins at Home

In our One World, people's lives are interconnected in manifold ways. Learning from each other, seeking joint solutions and following the same paths together – these are the imperatives of our age for promoting global sustainable development. The decisions and engagement in local municipalities affect the lives of people elsewhere. When people become involved in development work, our social, ecological and economic future will be able to unfold in ways that are not only more diverse and inventive, but also more successful.

The Service Agency Communities in One World supports German municipalities with all aspects of municipal development cooperation. We stand for experience, expertise, successful projects, sustainable results and comprehensive information.

## We are

a division of Engagement Global gGmbH, and:

- a competence centre for municipalities in Germany with an interest in development issues
- a partner for municipal development cooperation geared to achieving international development goals, and sustainable and participatory urban development – here and among our partners in the South
- a promoter of the exchange of international expertise with municipal experts in developing and emerging countries
- experts in the professionalisation of municipal project partnerships and twinning arrangements
- consultants for effective information and education work performed by German municipalities.

## We work

on behalf of the German Federal Ministry for Economic Cooperation and Development, to address the themes of the future for municipalities:

- This is why we help build municipal partnerships of German municipalities with developing and emerging countries – currently focusing on climate change, participatory budgeting and sustainable urban development.
- It is also why we support actors in the field of migration and development at the local level, and strengthen municipal development cooperation by involving migrants.
- And it is why we promote fair procurement as a municipal contribution toward expanding fair trade.

Municipal engagement for development means helping shape the future of our One World responsibly and sustainably.

## ENGAGEMENT GLOBAL gGmbH – Service für Entwicklungsinitiativen

### (GLOBAL CIVIC ENGAGEMENT – Service for Development Initiatives)

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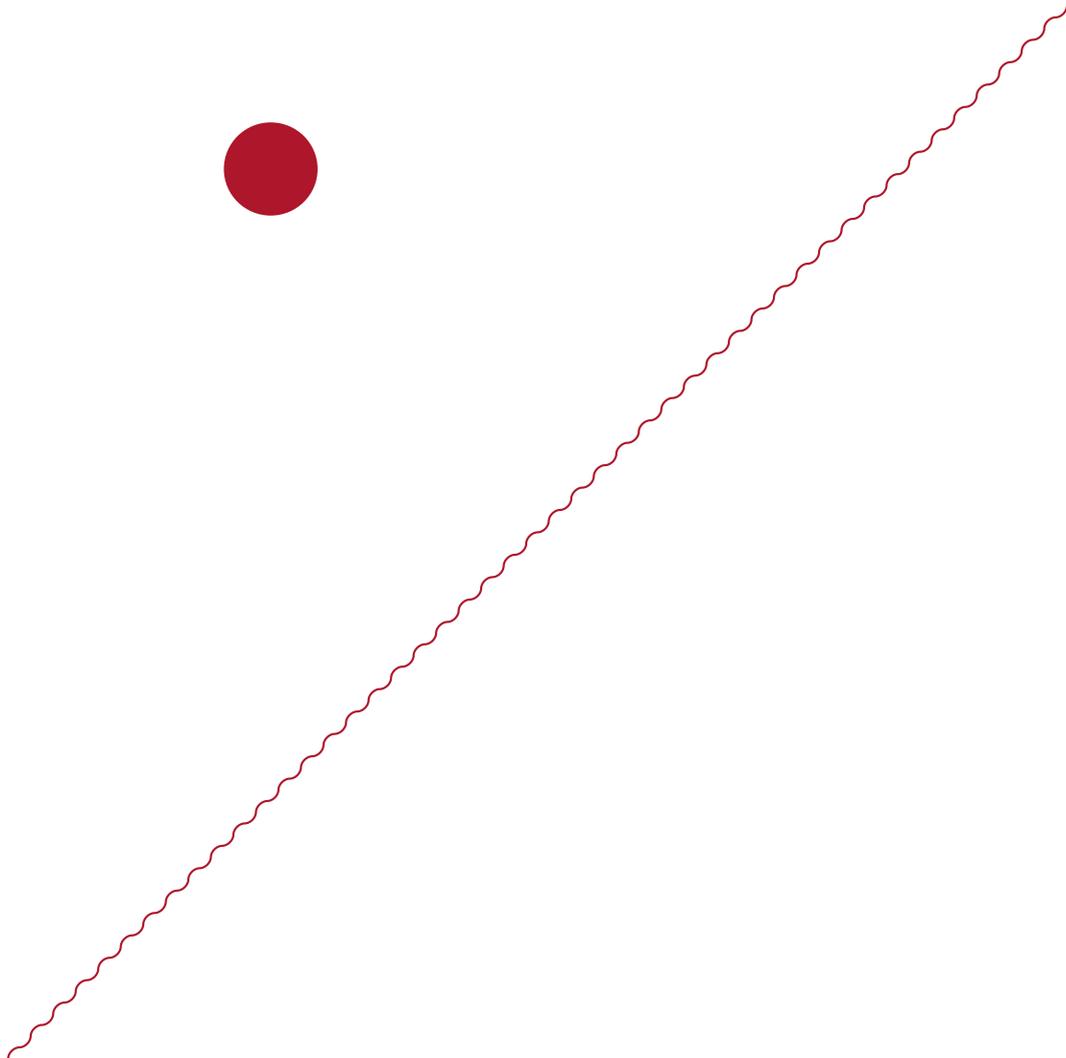
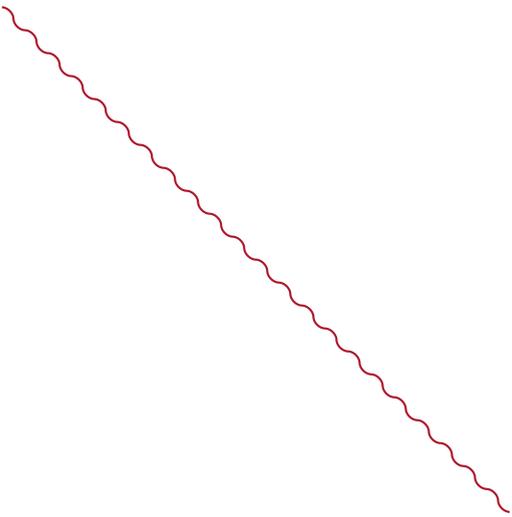
Engagement Global provides information on current projects and initiatives in Germany and worldwide. It advises individuals and groups on development measures, and supports these financially. It provides demand-driven training, brings people and institutions together, and supports civic and municipal engagement, as well as private organisations.

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This book represents the effort of more than forty authors and many other direct and indirect collaborators that, spread throughout different continents, aim to provide a wide vision of Participatory Budgets around the World.

The pages of this piece are an invitation to a fascinating journey along the paths of democratic innovation in diverse cultural, political, social and administrative contexts. From North America to Asia, Oceania to Europe, Latin America to Africa, the reader will find many reasons to believe that other forms of democracy are possible.

“Hope for Democracy” catches and reflects a state of mind that is searching for new solutions, the constant quest for action and transformation which encompasses the unconformity of many people and organizations from around the world.

The representative democratic system crisis is something that is common to all continents and countries depicted in the book. That being the departure point, the different authors seek to show how Participatory Budgets have been causing changes in the manner of exercising democratic power, in public administration transformation, in building stronger and more organized civil societies, in fighting territorial and social asymmetries.

“Hope for Democracy” is therefore a title, but also a wish and a call for action to all the readers, so that in their families or communities they endeavor to build other forms and more intense and active models of living democracy.

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