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# HOPE FOR DEMOCRACY

30 Years of Participatory Budgeting Worldwide

Articles

## **HOPE FOR DEMOCRACY**

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Budgeting Worldwide

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# Winding around money issues. What's new in PB and which windows of opportunity are being opened?

*Giovanni Allegretti & Kalinca Copello*

What is the “essence” of participatory budgeting (PB) that made it different from other processes aimed at involving citizens in decision-making on public policies and projects? What is still innovative about PB, after almost thirty years of existence and more than 3,500 experiments around the world?

Money is probably the most comprehensive keyword to describe the specificity of participatory budgeting in relation to other democratic innovations (Smith, 2009). This keyword, possibly, also constitutes the pivotal standpoint from which we could look to the future of PB, imagining the direction where the present and next experiences ought to be addressed. Traditionally, in the majority of participatory processes, issues around funds remain hidden until the end of negotiations among the different stakeholders. Funds are often treated as a behind-the-scenes subject, and rarely made explicit. As if a magician was pulling a rabbit out of a hat, issues about money usually emerge at the end of participatory processes, frequently causing distortions and diminished results. This often means that, even if the ideas produced are innovative under a qualitative and creative point of view, and provide solutions to main problems highlighted during the process, they can be judged as ‘unfeasible’ and ‘unrealistic’ because they are ‘over-budget’.

Thus characterised, the argument about money becomes a dangerous “gatekeeper” to reject the shared conclusions and solutions that emerged through the participatory process, re-transferring power into the hands

of representative authorities, or of technocrats at their service. If issues about existing and achievable resources are not clearly stated in the agenda, and raised at the beginning of the timeline of a participatory process, they might be used by institutional players (unwilling to share decision-making powers) as an excuse to deny a substantive participation.

Placing the “money issue” discussion at the end of a line of any participatory process risks making citizens feel that the declaration that they are “at the core of the process” is just a discursive and rhetoric artefact. Possibly, there is no worst feeling for citizens (who invest energies, passion, time, and skills in participating in debates and formulating planning ideas related to issues of public interest) than realizing that there is still an “inequality of voices” and that participation actually is not interested to favour a “redistribution of powers”. If participation intends to contribute to recreate trust in institutions, then revealing issues related to resources at the end of a participatory process can only generate frustration and further political disenchantment.

As such, participatory budgeting – when it took shape at the end of the ‘80s in Latin America – was a real child of its times. PB, and in particular in its first experimental outing in Porto Alegre (Brazil), was not only understood as an important leverage to shift from discursive to substantive participatory practices, but also as a crucial way to attract citizens’ interest and engagement. By placing the decision over funds to be spent in the hands

of citizens, PB communicated something at the same time highly important both under a concrete and a symbolic point of view. Something which appeared “revolutionary”; thus, more radical and bold than the “reformist” way in which PB processes tend to proceed (slowly, gradually and step-by-step) while offering a contribution to the reform of the State and of governance mechanisms which are necessary to be able to manage territories in an era of uncertainty (Stoker, & Chhotray, 2009).

Sharing with people the decision about resources through PB, helped many local institutions to re-think the process for reconstructing the State and its perceived legitimation. In this perspective, PB became something more than just a new participatory tool for governance. PB was perceived as the initiator of a movement, which had the potential to instigate and change civic and political cultures (Baicocchi, 2005). This explains why PB gained strong approval within both social movements interested in the redistribution of powers in society, and by part of neoliberal institutions mainly interested in the efficacy of governance structures (what Dagnino, 2007, described as a “perverse” confluence between actors with too different agendas to be compatible).

While fostering such diverse goals, PB had to invert the priority given to money issues, putting it at the start of any negotiation process with citizens. Consequently, in participatory budgeting, money abandons the role of a final “gatekeeper” and

becomes the explicit explanation of constraints and potentials around which public projects and policies could arise and be shaped. Somehow, it sets the boundaries in which agreements between different actors, and their conflictive goals, could be shaped and nuanced. While doing that, PB underpins three interlinked features: (1) creates an engine to attract the engagement of individuals (especially those who do not believe in social representation); (2) fosters a higher degree of self-responsibility by all participants; 3) moves people from a self-referential “competition for scarce resources” to a new framework which can foster the creation of common wealth, protection of public goods, solidarity and collaborations and alliances about very different social players. That is why PB must be described as a space which put “money in the first stage” of its procedural organization, but not necessary “in the first place” of its mission and interests. Under this perspective, competition could be seen as the “seasoning” for a participatory process, which promotes solidity and attractiveness, but does not overshadow its participatory nature: an opportunity for “reverting priorities” and bring marginalized groups and individuals to the centre of the decision making process.

Such inversion of roles, and definition of funds, constitute the core of PB as a specific tool to refresh democracy and fulfil its unrealized promises (Bobbio, 1984), as well as an example to other families of participatory processes. The benefits that PB experiments have to offer to other typologies of participatory processes mainly belong to this domain: introducing a new explicit series of economic and political dimensions into a social dialogue, on issues related to the transformation of spaces and services which affect the quality of people’s life. An example of such potential contribution of PB to other democratic innovations comes from the experience of Lazio Region (Italy). From 2005 to 2009, the regional Ministry of Participation and Financial Affairs of Lazio invested in a large programme to support citizens’ involvement in decision-making in its boroughs and municipalities, through biannual calls for projects where the local governments could propose formats of participatory processes to be co-funded by the regional government. Among the mandatory dimension that proposals had to accomplish, there was the obligation of providing explicit inputs on financial-budgetary issues to citizens involved in the decision-making about policies and projects. Such an obligation aimed at introducing several features typical of partic-

ipatory budgeting into other types of municipal participatory processes of planning and management. The new dimensions increased the overall transparency of the proposed processes, as well as their “substantiality,” because they induced local authorities to anchor the transformations of local policies and projects to concrete budgetary issues and to a shared reflection on how to increase the resources for participation. As an example, the small city of Borbona – during its PB edition of 2006 – took the decision to use the small municipal budget in order to substitute the electricity of public lightening with a photovoltaic systems, in order to be able to add the savings to the resources of participatory budgeting for 2007 (Allegretti, 2011).

### Optimizing a political-pedagogical nature

The quality and attractiveness of a PB experience depend on its capacity to establish meaningful correlations between numbers (resources and budget entries) and narratives (proposals to be-funded). Yet, while “budget” is always a filter and a sort of “litmus test” for any narrative – by setting clear financial boundaries and determining which proposals and projects are going to become reality and which ones will merely remain part of a wishing list – a PB ends up also having a political-pedagogical nature. This nature is supported by the “learning by doing” environments created by PB. Within these, both citizens and institutional actors can better deal with the complexity of governing through mutual appraisal, while sharing deliberation and visions on priorities to be implemented.

Under such a perspective, PB should be framed as a space that – starting from an emphasis on competition among citizens with different ideas – aims at reaching broader goals of community-building, and the creation of new social bonds and mutual trust relations among participants. From this perspective, PB can no longer be seen as an object, but rather as an “enabling environment” which can influence the transformation of other policies aimed to improve the general quality of a territory. Hence, PB becomes a “political pedagogical channel” to transform society and policies, from a civic-engaged (and engaging) perspective.

Yet, the political pedagogical nature of PB was not easily understood and ambiguously taken into consideration when it was implemented beyond South America. Namely, the positive correlation between the amount of resources put under discussion and their capacity to

act as a driver for learning, was generally ignored. Many of the first North-Western PBs either ignored this potential as “learning-by-doing” tool, or over-emphasized it, considering that investing limited resources in participation would not have negative influence on its pedagogic capacity. So, minimalist PBs took shape and spread around the world, as is the case of many “Youth” or “School PBs” (i.e. those type of processes mainly conceived with the hope of contributing to increase the civic awareness and foster active citizenship behaviours in young generations).

At the beginning of the millennium, when PB examples from the global south started to be noticed and discussed by European self-referential political cultures of urban management, many local authorities tended to dismiss their innovative potentials saying “they were not a new idea”. Indeed, the idea of gathering people around a discussion on public resources was not new. Since the Sixties, especially in many North-Western countries, there have been many local or regional experiences of citizen budget consultation. These budget consultations usually consisted of the creation of spaces where administrative institutions exposed their plans to citizens or some of their representative organizations. The majority of these previous experiences were merely advisory, had a short duration – occurring any time between 2 months and few days preceding the budget approval – and were mainly engaging in a dialogue with organized stakeholders.

In this context, PB was frequently dismissed as a “déjà vu” by elected officials who did not understand its political pedagogical nature and simply declared that “they had been already doing it for long” (i.e. presenting pre-moulded budgets just before their official approval). These wide spread “budget consultation” experiences, consequently, could not claim to have reached collective decisions resulting from legitimate participatory processes – but rather by representative institutions through lightly participative methodologies and short time-frames totally inadequate to allow people to reflect on the data presented, and eventually formulate counterproposals.

The novelty about several of the first experiences of PB was mainly in the organizational modes and in the timing that characterized them. Brazilian PBs (which started in a period of consolidation of democracy after decades of dictatorship) were thought and structured to reflect the new social and economic environment, resulting from the institutional changes of the re-democratization period. Since the 1990s, Brazilian Participatory Budgeting were shaped as spaces for redressing the clash of powers within society, and between society and institutions. They were conceived as spaces where citizens, who were traditionally marginal in public policy decision-making processes, gained an opportunity to express their voices and vote (Cabannes & Lipietz, 2018). The concept of “decision-makers” changed: from referring to elected officials and powerful bureau-

crats who make decisions in a traditional administrative structure (shaped around representative democracy), to a mixed structure of governance in which citizens have a central place.

It soon became clear that – in order to create new political spaces to enable the redistribution of voices and power – many other things needed to change: both in the organization of public administrations as well as in the way political and institutional communication was being provided. In Brazil, for instance, considerable efforts were undertaken to deconstruct and reconstruct budget narratives, as well as to reorganize financial departments around the need of producing more understandable and transparent budget documents. These reforms required imagining new places and techniques to provide “outreach” and meeting people in the places where they live, work, and study. A flexible structure of meeting spaces, as well as creative and new opportunities for dialogue and deliberation, encountered internal reforms of the administrative organization. These included efforts to discover and test new languages and forms of transparency and accountability, that took advantage of multimedia support, artistic techniques, oversight committees, lotteries, experiments of random selection, and so on. The city of Arezzo (in its 2009 PB edition) was one of the first (and few) municipalities in Europe to prove able to replicate some of these novelties. In fact, its consultants (Sociolab) suggested the creation of small focus groups to test the information to be displayed to citizens in budgetary documents, and such an experiment determined a complete reformulation of the graphics and the type of data chosen for public release, with the aim of “answering first” to people anxieties and concerns, and only after to add elements of knowledge that municipal government considered relevant to present. In addition, tables of average costs of urban equipment and maintenance actions were created and published online and in small booklets, so that citizens could have access to a clearer information on resource-related issues, when formulating their proposals during the first part of PB cycle.

Indeed, the new PB experiments coming from Brazil in the late 1980s (even before the well-known case of Porto Alegre), had been shaped around three basic principles that showed greater understanding about the paradigmatic change that was taking place in the civic and political cultures:

1. They were essentially co-decisional spaces, because they recognized that the shrinking trust in institutions prevent the possibility of attracting people to advisory processes, which are still solidly in the hands of traditional decision-makers, who do not accept to reduce their discretionarily-exerted decisional power;
2. They were shaped in order to be attractive for individuals, recognizing that our present societies mistrust every form of self-declared “representativeness”. Hence, individuals focus on arenas where they can directly (if they so decide) invest their time in participating in those spaces of dialogue;
3. They were articulated as cycles in order to allow people to reflect, digest information, elaborate proposals and think before expressing their positions. Such cycles started well before institutional deadlines, in which budgets are refined and approved, to allow time and space to reshape programmes.

These participatory budgeting experiments in Latin America were mostly implemented by joint-ventures between civil society organizations and new institutional actors, interested to explore new ways of communicating with society and implement structural reforms that could improve their administrative action.

Experiences from these first examples of participatory budgeting, their specific organizational models and the creation of “enabling environments” improved their effectiveness and ultimately increased citizens’ satisfaction with the process. However, in many cases, the awareness of the inclusive and collaborative roots of such processes did not translate into other contexts, when PBs started expanding to Europe, Africa, North America and then – gradually – Asia and Oceania. In many of these regions, PB started to be implemented by top-down decisions, and in a timid and merely experimental way: with limited funding, in small and confined areas, or single policy sectors that could change year-by-year through rotation mechanisms. Often, little attention has been given to the proper implementation of co-decisional mechanisms and – in specific contexts (e.g. Germany) – the experience were conceived as merely consultative, thus limiting their political-pedagogic potential.

It is not clear if the risks, and the resulting institutional harm, of PBs growing light and almost ineffective were recognised, as observed for many of the Brazilian PBs in the second decade of their existence. In

short, many lessons of first PBs were not learned, or at least, totally transferred in other contexts. However, at least a key element, the centrality of the discussion around clear and pre-defined resources, remained central in the new experiences worldwide. Thus, it was maintained the intrinsic nature of participatory budgeting as a form of social dialogue centred in the open discussion around resource of public interest and how to spend them in the most effective way in relation to the problems of every specific territory.

### **The impact of “after”: from failed implementation of results to active monitoring**

Today, undoubtedly, the worldwide diffusion of participatory budgeting is happening with a clear awareness of the risk of undervaluing the so-called “second cycle” of PB. The second cycle can be defined as the cycle of actions necessary to guarantee (and oversee) the implementation of successful proposals which have been chosen for funding during the “deliberation cycle” of PB.

The risk of undervaluing the second cycle is felt strongly especially where procurement procedures (as is the case of Italy) are slow and over-bureaucratized, and citizens’ trust is eroded. To accommodate implementation, some PB cycles are run only every other year in order to give time to the implementation of previously co-decided projects, so that PB cycles – from start to finish – do not over-lap each other, which would compound a perception of ineffectiveness. Naturally, running a PB every two years can create a lot of other problems: (1) the first is that the participatory process – instead of being regarded as a stimulus to a better administrative performance – ends up dragged by the slowness and inertia of bureaucratic procedures, which partially set up its agenda; and (2) there is also a concrete risk that the inhabitants loose perception of the cyclical nature of PB as a repeated commitment of the government in involving citizens in decision-making, because “deliberative” events are separated by a time-distance which is felt too long. In several other PB cases, to reduce the risk of participatory budgeting proving ineffective in quickly transforming policies and projects, budgets have been reduced (e.g. Lisbon and Milan) in order to guarantee a smaller gap between expectations created by the PB process and capacity of public authorities to deliver and implement the priorities established with citizens (Porto De Oliveira, 2017). Also such a strategy has collateral effects,

being that it gives to citizens the clear perception of a reduced investment in participation and of a shrinking commitment of local governments in improving their own performance.

Yet, in Brazil, especially at the beginning of the new millennium, there was a visible reduction of attention to the fast implementation of policy and project proposals approved through many PBs (including in the once efficient city of Porto Alegre). This has been one of the main factors negatively affecting PB continuation in once successful Latin American cities, being – in some cases – responsible for political defeats of the party coalitions which have started and consolidated participatory budgeting in the previous years (Langelier, 2015).

Enabling citizens' active role in the monitoring of implementation phases, proved to be an important solution to the risk of diminishing trust in participatory processes. Inspired by previously rare experiences (as the "Conforças" monitoring committees in Belo Horizonte, Brazil, or the Observatory of Morsang sur Orge, in France), several cities – in different parts of the globe – started to multiply the number of spaces created to value citizens' oversight and social control of institutional performance, related to the delivery of services and implementation of works agreed during the "deliberative" cycle of PBs.

Some cities – as Malaga, Lisbon, and Milan – started to provide specific online tools to guarantee more transparency and information about implementation

of results. In Cameroon, "observatories of electoral promises" were established, with the coordination of the NGO ASSOAL and the contribution of the National Networks of Inhabitants. In Mozambique, the cities of Nampula, Maputo and Quelimane, established new clauses in procurement contracts for the delivery of PB projects, enforcing developers to actively collaborate with Local Groups of Participatory Monitoring – mainly composed by inhabitants of the areas where public works had to be implemented (Dias, 2015). In Cascais (Portugal), the construction of the "Park of Generations" in 2013 (a large skate-park with mixed functions) was the spark that triggered a new trend of "social oversight" of PB implementation. In this case, young citizens who had proposed the park construction, demanded the installation of cameras with footage being made available online on social media in order to control the progresses of the building-site. Cascais mayor attended this demand in order to feed their trust in the municipal administration. This experience led the City Hall to gradually institutionalize methods that directly involve proponents and other local inhabitants in the monitoring of the implementation of PB projects. The main result of such a choice has been that of extending the centrality of citizens to the entire supply-chain of participatory budgeting, stating their right to be protagonists of new phases of PB cycles (as the construction of rules, the evaluation of proposals' feasibility, and the evaluation of the overall performance of PB)

that before were just the prerogative of institutional actors and their consultants. Such stories tell us that complexities and problems are rarely related to the single object (the budget), but require a greater understanding and planning of PBs capacity to resonate with the structure of different public institutions and their statutory goals and missions. The relation between PB and the administrative machine is fundamental to guarantee results that live up to expectations created by the process in its participants and the population in general. PBs also need to coordinate their features with other processes of social dialogue, that can happen in the same territory, to avoid negative conflicts and duplications. Hence, complexity of PBs is mainly related to their diverse goals and to the framing between them and the tools needed to concretely implement them; but it refers as well as to the capacity of integration and hybridization of PB with other participatory processes, which could have overlapping, complementary or integrative scopes.

Today, finding a PB which is unaffected by other parallel or overlapped forms of participation and consultation in the same territory, is almost impossible. Usually, the presence of participatory budgeting is a signal of a new “style of government” that in several different occasions consult citizens in order to favour better-informed and more consensual choices. In these cases, the risk is that different channels for dialogue could act as separate “feuds” in the hands of single councillors,

instead of obey to a coordinated direction located close to the heart of the local political power. Under this perspective, citizens monitoring of the whole performance of participatory processes taking place in their territory, could constitute an important preventive measure against the existence of uncoordinated and conflicting participatory channels.

The case of Mozambique, once again, could offer an interesting reflection on the issue. Yet, in Mozambican cities that opened a streamline of participatory budgeting, often traditional so-called “participatory planning” sessions survived. They generally consist of mass-assemblies at neighbourhood level, with a merely advisory, and often only informational, role. The co-existence of the two processes in the same city (and their different nature: co-decisional in the case of PB and merely consultative in the case of the “participatory planning” tool) has brought confusion and frustration (Dias, 2015). In that country, only few cities, as for example Dondo, have been able to positively introduce, in the pre-existing participatory planning system, several progressive instances coming from PB experiments (Cabannes & Delgado, 2015).

### Scaling down and shrinking of funds: which counter-trends?

The last Report on the expansion of democracy worldwide (Freedom House, 2018) clearly points out how the diffusion of formal democratic models goes hand-in-hand with disempowerment

and reduction of their own democratic intensity. Something similar (a phenomenon that Fung, 2015, describes as “decaffeination”) seems to be happening with the expansion of participatory budgeting around the world.

When looking at the more than 3,500 Participatory Budgeting existing today around the world, there seems to be a negative correlation between the increase in numbers and ubiquitous diffusion of PBs and a shrinking level of financial investment (Baiocchi & Ganuza, 2017). This has become a growing trend despite two facts:

- (1) that large cities having joined the experimenting group, as happened in Europe with Paris, Grenoble, Madrid, Milan, Bologna, Lisbon, Reykjavik; in the US with New York, or in Asia with Seoul and Chengdu;
- (2) that intermittent experiments of institutional scaling-up of PB has been conducted in different countries, as in the case of the Lazio and Poitou Charentes Region in Europe, the Rio Grande do Sul State and the Federal District of Mexico in Latin America, and the recent national experiment started in 2017 by the National Government of Portugal.

As well documented by scholars such as Yves Cabannes (2015, 2002; or Cabanne & Lipietz, 2018), while, at the beginning of the millennium, it was possible to find examples of PB investing from 380 to 400 US\$ per inhabitant every year (and percentages of the investment budget that ranged from 20% to 58%, and even to 100%), today the majority of PBs allocate less than 10% of the investment budget, and fewer cases (as Cascais, Paris or Madrid, for example) reach values per person between 27,5 and 47 US\$.

The new and diverse organizational arrangements of PB around the globe suggest that we are going in the direction of its scaling-up in quality and quantity. This is especially true in cases like Portugal or the new wave of PBs in France, where less than a dozen cases in 2016 grew to almost 100 in the early 2018 (see the chapters by Nelson Dias and Gilles Pradeau in this same book). However, in terms of financial commitment, PBs are scaling-down, with the risk of becoming less effective and targeted in terms of outputs and impacts.

Reasons for such differences change from context to context, but they seem to be mainly related to a geographical shift – from a prevalence concentrated in South American, until 2010, to Europe and North America, in 2018. In this new contexts, the majority of PBs are concentrated in rural or small cities (e.g. Poland), while urban experiments are still based on pilots in single parishes or infra-municipal districts (as it is also the case in African capitals such as Dakar, Yaoundé, or Antananarivo).

Some typologies of participatory budgeting are especially weak in terms of financial coverage, as is the case of Youth PB (spread across the Iberian peninsula and in Scandinavia). Within these processes – which are politically easier to implement, precisely because of their reduced commitment in terms of resources – there is a diffuse conviction that their pedagogic value is guaranteed despite the reduced volume of resources at stake, and there is no need to include their participants in more structured decision-making about the city. Indeed, budget constraints vary from country to country and often require local governments to perform creative manoeuvres to find diversified sources to guarantee annual continuity (if not a progressive growth). Bologna (in Italy) is an interesting example of this. In 2017, it allocated almost 41 million of euros to PB, put together from different sources such as the funding dedicated to decentralization and maintenance of municipal districts, and the PON metropolitan funding scheme. This meant that the allocated funds were earmarked and constrained to where and how they should be applied. In this case, the funds were earmarked mainly for under-used buildings that needed a reclamation process to be transformed into new public facilities. With such a peculiar structure of mixed funding, the participatory budgeting of Bologna might face difficulties in the future to maintain its levels of financial commitment. These difficulties risk causing anger and frustration among its inhabitants, making participatory budgeting appear more as a one-off experiment than a continuous policy, as PB normally aims to be.

The complexity and differences between national and regional financial structures can explain some phenomena, which blur the traditional image of a PB as a continuous commitment of political authorities during their mandate. For example, in Italy the abolition of the Municipal Property Tax (ICI) in 2008, seriously undermined the financial autonomy of many local governments, leading to an apparently justified closure of many PB experiments. A similar explanation can be applied to many African and Asian local authorities engaged with PB, which are still highly dependent on complicated mechanisms of national transfers, or external funding link to aid-to-development. Their lack of financial autonomy explains why PBs of several cities in developing countries appear to be “intermittent”, or implemented through annual rotation mechanisms, changing the contemplated urban districts every year. In such cases, rotation of areas where PB happens is understandable, and is often linked to pro-poor policies where every year a different marginalized area should be contemplated with PB investments (as seen in several Mozambican cities). However, such a mechanism of rotation might increase the risk of frustration among inhabitants, as well as a shrinking of the pedagogic nature of

PB. From one year to the other, the social and cultural capital created through the “learning by doing” spaces that PB guarantees can easily disappear, and risks the rise of disenchantment among citizens who do not see PB repeating its cycles in their territory.

Difficulties as those experienced in several African territories, as well as in many rural areas in Europe, do not help to explain – or even justify – the “constrained nature” that characterize Participatory Budgeting in Scandinavian countries (i.e. Sweden, Norway and Denmark), where the financial and political autonomy of local authorities is granted.

The slow pace of expansion of PBs in these countries, puts in jeopardy the pedagogic aim of PBs. The hyper-timid investment of resources limits the visibility of their policies. Moreover, the timidity in spending substantial resources on PB communicates that PB is not very significant for the political class, rather than being a pivotal mechanism for strengthening relations among participants (Sintomer et al., 2013). The main risk of such a perception is that it contributes little to the reconstruction of trust in public institutions. In the PB processes that dared to invest more of central resources in participatory processes citizens were more exigent, and unwilling to tolerate the slow pace of expansion of resources dedicated to joint-decision making.

Today, unfortunately, counter-trends are still limited. Small experiments have been carried out in cities like Caminha (Portugal), Santa Cristina de Aro (Spain),

Grottammare (Italy), Canoas (Brazil), and in some Mexican cities governed by the party called Morena, in order to link PB with public discussions on both expenditures and revenues. These discussions include sectors covered by municipal taxes or funds coming from public-private partnerships and planning compensations for building permits. Despite appearing as limited and scattered, these examples reflect an important common trend: the need to struggle against the common tendency of suffocating traditional budgets of local institutions, and the will of applying PB techniques also to the definition of incoming resources. In this same direction, more recently, some wider national programmes in Madagascar and in Mexico (where the important pilot of Cananea, described in this book, took place) were created. In these cases, the aim is of creating a double-threaded tie between the resources that are being allocated by new mining funding schemes (linked to recent legal framework that improve the control on the payment of royalties by part of the mining companies) and the potential benefit that PB can generate in terms of redistribution of resources on territories which are often socially polarized.

Furthermore, today there are some examples of thematic PBs which use special sectorial funds, applying it to a variety of sectors, producing policies of public interest which could be managed directly by municipalities or outsourced to special agencies. The case of the PBs in the housing sector (promoted in Canada by the

Toronto Community Housing Corporation, and in France by the Logiparc agency of Poitiers and the Paris Agency for Social Housing) are interesting examples of how several managers consider PB as an effective method to improve the efficiency and efficacy of their administration, and promote them within their autonomous margin of manoeuvre and specific resources. The same is happening with some public as well as private schools, and university departments, especially in Argentina, France, Italy and the United States. These examples suggest that PB can be imagined as a fractal device, whose methodologies can benefit different institutions of public interest, disregarding the origin and nature of their funding.

An opportunity for enriching PB allocated resources, which is still under-developed, could come from the interaction between different administrative levels, by the means of a hybridization of models and tools used by participatory budgeting (usually confined at local level) and other methodologies for engaging citizens in mid-long term planning. Until 2005, the main inter-scalar relations referred to PB between municipal institutions and other administrative levels, was that of imposed participatory duties to local authorities by part of institutions in the upper level. This was the case of Peru (McNulty, 2012) and the Dominican Republic (Allegretti et al. 2012), where national laws set the obligation of other administrative levels to dedicate part of their resources to PB experiments. In 2005, the Lazio Region (in Italy) was the first institution to change such

one-direction obligation, creating a policy framework of collaboration based on incentives (in terms of funding and training opportunities) given to local authorities committed to experiment participatory innovations. With this goal, the Region not only promoted a culture of expansion of PB experiments, by offering training and financial support to local authorities which wanted to involve citizens in budgetary decision-making, but also created a specific annual fund of 10 million € to support small municipalities in implementing the first priorities co-decided with citizens (Allegretti, 2011). In this case, the Regional Office for Participation of Lazio and the Regional Ministry of Financial and Economic Affairs and Participation also set-up a procedure for public voting on PB that – through the registering of health electronic card – allowed citizens to vote at the same time for regional priorities as well as to municipal ones.

In 2009 (as described by Karol Mojkwski in this book), the Polish National Government created a similar inter-scalar funding schemes (the so-called “Solecki Fund”) for supporting local rural municipalities in creating their own experiments of citizens participation in budgetary issues. The trend remained limited until the Ministry of Finance of the Russian Federation (together with the World Bank) started steering a wide multi-scale experiment for co-funding and co-organizing the development of PBs in several regions and municipalities (as described in another chapter of this book). In 2015 Scotland Government started an important investment

for fuelling PB experiences in its 32 municipalities. Finally, in 2017, the three separate experiments of PB promoted by the National Government of Portugal (also described elsewhere in this book) opened up a new opportunity for an inter-scalar collaboration between local institutions (e.g. schools, universities, municipalities, and social organizations) and national policies in different policy sectors. Other minor forms of inter-scalar collaboration (which could potentially have positive effects on local resources to be discussed through PB) appeared here and there in different areas of the world. For example, between 2009 and 2013, the Regional Authority for Participation of Tuscany (Italy) co-funded some experiments of inter-municipal PBs, while – since 2017 – the French city of Grenoble is experimenting with a double track of PB, both at municipal as well as at the metropolitan level, a recently-created administrative institution to which the French decentralization framework has transferred some competences once managed alone by municipalities.

It is likely that, in the future, such multi-scale experiments will grow in numbers and complexity, as far as the decentralization framework will evolve and increasingly require greater capacity of governments and citizens to engage simultaneously on more than one space. Since 2017, the Ministry of Education of Portugal runs PB workshops in schools, as established by the Governmental Decree n.º 436-A/2017. This experiment could play an important role in gradually connecting a top-down PB (with a higher institutional

level focus) with the local level. Technologies are already in place to help such developments: for example, the communities of practices born around the Platform called EMPATIA (based in Portugal) and Decidim (based in Catalonia) have already elaborated so-called “multi-tenant” tools directed to these type of multilevel articulations of multichannel participatory practices.

### Inspiring transparency?

A last important issue related to PB expansion refers to its withering impact on transparency of public accounts. Currently – despite the large movements related to Open Government and Open Budgets – PBs seem to have a limited effect on fostering new levels of transparency of official budgetary documents, and on improving citizen understanding of how they work. PBs are often conceived as “special pots of resources” or “special policies” whose funding schemes are separated from (or cut out of) the general budget. As such, PBs are inaccurately seen as a separate entry of the budget and not as a series of decisions strictly connected to the mainstream budget of a local or regional authority. In this perspective, transparency applied to PB procedures appears to be a small “target,” putting a smaller amount of resources and its management under the spotlight, but leaving in obscurity all the rest of the (city/ state) budget.

Several municipalities today have open-data policies on their budgets, and many more are obliged by national laws to publish their entire budget documents online. However, these obligations or self-ob-

ligations rarely translate into a virtuous process for making budgetary and financial documents of public authorities more clear or understandable. A lack of capacity building dedicated to increase financial literacy and budgetary understanding further disables citizens' capacity for oversight and monitoring. Only few cases (as that of Taiwan) go in a different direction, where transparency and participation jointly produce improvements in the governance system of a territory.

The above mentioned problem is often visible in many Youth PBs. Despite loudly claiming their pedagogic angle, they often fail to provide their participants with new skills for reading and translating some key-elements of budgetary documents they are implicitly working on. Moreover, PBs have not joined forces with recognized grassroots watchdog organizations that monitor budgetary and financial State documents. These projects, for instance, have created clearly readable reports and are creating momentum to pressure for more transparency. Two counter-stream and virtuous examples of these include the annual policy briefings on budget choices prepared by Social Justice Ireland or the "Sbilanciamoci!" campaign in Italy.

Nonetheless, there are some tentative initiatives on influencing budget transparency through PB. One particular case started in 2014 in Portugal, when the Portuguese branch of Transparency International (TIAC) created the first pioneer Index of Municipal Transparency (ITM) (Tavares et al., 2015). The first edition of

ITM gave high scores to only a few Portuguese cities with ongoing PBs, stating that PB was just a mechanical commitment of local authorities to transparency but was not really affecting it (Allegretti, 2018). Only in 2016, in the third edition of the ITM, the ranking of cities with PB improved, but mainly because the ITM instigated a debate in the media. Negative publicity motivated discussions on PB and brought them inside the work of practices called "Portugal Participa". The discussions were an explicit attempt to push PB as an 'enabling environment' initiating other reforms to improve performance of local authorities' in terms of transparency. Since 2017, during the capacity building training sessions organized by the Network of Participatory Municipalities (RAP), the discussions on the ITM became a regular occurrence, and the collaboration between TIAC and Portuguese municipal governments improved to the point that many local authorities promoting PBs decided to dedicate part of their teams to analyse and improve the policy areas targeted by the ITM. Some concrete changes that came as a result of this cooperation are the improvement of several municipal websites (starting from the city of Valongo) in order to increase their transparency and accountability performance; but still much can be done for improving public understanding of documents published online and connect them to civic campaigns of financial and budgetary literacy.

### Looking to the future: an open conclusion

The above mentioned reflections converge into concluding that while structuring participatory budgeting often more attention is given to the topic of participation, than to the fundamental budgetary issues, so that many experiences deal with the two aspects in uneven and unbalanced ways. Hence, much attention is needed, in the next years, to guarantee a real “scaling-up” of Participatory Budgeting in quality and quantity through a more careful and critical approach to budgetary issues. This is not only to avoid the risk of PBs losing their attractiveness, as well as their pedagogic potential (let alone their impact upon structural public policies). To secure a way for PB to develop its full potential, as powerful tool of public management, more needs to be done.

First, to fulfil the large potential of participatory budgeting, it is necessary to leave the “experimental logics” that – up to now – had limited many PBs to a sort of “pilot mode”. PB has 30 years of history behind it, and experience shows a huge level of adaptability to different contexts and to the coexistence with other participatory tools and devices. Participatory Budgeting also proved – in the majority of places – that citizens are capable to make good and sustainable decisions, and to act responsibly in face of legal and financial constraints. Even more so in cases when solidarity is needed for the sake of vulnerable groups, especially when correct and detailed information, as well as careful voting methodologies are provided.

In this setting, there is not real justification for maintaining PBs constrained by small (or even shrinking) pots of funding, refusing its input to larger and more structural issues and to overcome the confinement in limited parts of urban territories. The only acceptable justification to maintain limited scope and “light” PBs would be the stiff financial and management structures of countries where (as in Greece or in some African and Asian countries) decentralization frameworks are still very unbalanced, and the autonomy of local powers is undermined by authoritarian structures. Nonetheless, even in similar conditions, there are examples (as some Tunisian PBs during the political transition of 2013–2016) where local governments showed a strong willingness to open discussions and co-decisional arenas on budgetary issues. Hence, in administrative situations which prove to have fewer constraints, there is no excuse to keep PBs marginal, rather than the lack of political will of public

officials to accept a reduction of their discretionary power.

Today, the “competitive” dimension of PB is definitely important for making it attractive, but must be considered just as a temporary means. As more and more experiences show, there are many ways to increase solidarity and evidence-based decisions that take into account the need of the most vulnerable, such as: working on different voting methodologies that enhance the creation of alliances among social groups; and favouring informal moments (as the caravans, or walking collective tours of the city space) that help to overcome the lack of knowledge and awareness that citizens have about the larger territories in which they live. Reimagining PB as a space to construct a fairer redistribution of resources requires a shift in relation from the present, prevalent models. These present and prevalent models could be called “roof-less PBs,” because their limitations on proposals and restriction of resources do not allow full and proper implementation, and barely are able to fund the construction of entire buildings. The limits on budgets discussed in a specific PB determine its capacity to be an incisive tool (or not) for addressing social inequalities (Allegretti, 2012).

Undoubtedly, financial and budgetary constraints shape many Participatory Budgeting and their capacity of incise upon political and social changes. Overcoming these constraints is possible, but for that it is necessary to avoid applying PB only to the traditional monetary resources of an administrative unit (the traditional budget intended as a pot of money mainly coming from local taxes, service fares and transfers from other State levels). Indeed, PB could progressively grow only if applied to the larger pot of resources that constitute the overall wealth of a territory, which include town planning compensations for building permits, foreign aid and income deriving from public-private partnerships, but also resources coming from crowdfunding and other creative sources.

Applying PB methodologies to a wider set of resources, means renewing PB and overcoming its original model in order to create hybrid experiments. Hybrid models of PB must mix online and offline tools, use different channels of outreach and participation that may target diverse audiences, and centre around a variety of single and complementary topics. Such hybridization of models and tools, will certainly grow when several administrative scales start interacting with each other.

Today, there is no doubt that PBs cannot work in isolation from other participatory devices to overcome financial and budgetary challenges. The political environment in which PBs operate can be thought of as “participatory ecosystems”, where different channels of participatory tools and policies are integrated to enable shared decision-making on diverse issues of public interest.

These (seemingly utopian) ideas are already taking shape in several cities worldwide. In 2013, Canoas (Brazil) started to experiment with a so-called “participatory system”. Its aim was integrating several different, and already existing, participatory systems of different kinds, into one system in order to exploit synergies (Zanandrez, 2016; Prefeitura de Canoas, 2015) and optimize their joint-impact on the quality of the local administration. Today, different cities (as Lisbon, Cascais, and Milan) are trying to connect other participatory tools around their PB. Such systems are still in their infancy. Unfortunately, they are still too technologically driven, and dependent on institutional intervention, which almost completely shapes their functioning and deliberative quality.

These experiments can only assume their form of “ecosystems” if different actors (as social movements, research institutions, and different groups of citizens) increase their protagonist and take an active role in: mobilizing people, structuring information, monitoring results, supporting, evaluating, and eventually even partially leading the interactions between the different tools of social dialogue. For this to happen, it is fundamental to value and make visible bottom-up work, and the key role played by non-institutional actors. Few cities have started to work on this. For example, Cascais municipality (Portugal) created already two editions of a booklet (entitled “for Cascais participo”) that collects interviews and stories of PB successes, told from the perspective of participants. Grenoble municipality (France) published a Handbook on running PB from the perspective of the citizens. This handbook details suggestions aimed at people who want to involve themselves in the process.

PBs will only mature as ecosystems once the contributions of different social and institutional actors is valued and recognised. Rather than keeping PB confined as a mere tool for administrations, PB offers alternative models for development and can reframe the vision of the “Right to the City for all”.

① **Winding around money issues. What's new in PB and which windows of opportunity are being opened?**

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