

Netherlands Institute for
Multiparty Democracy

PARTICIPATORY BUDGETING

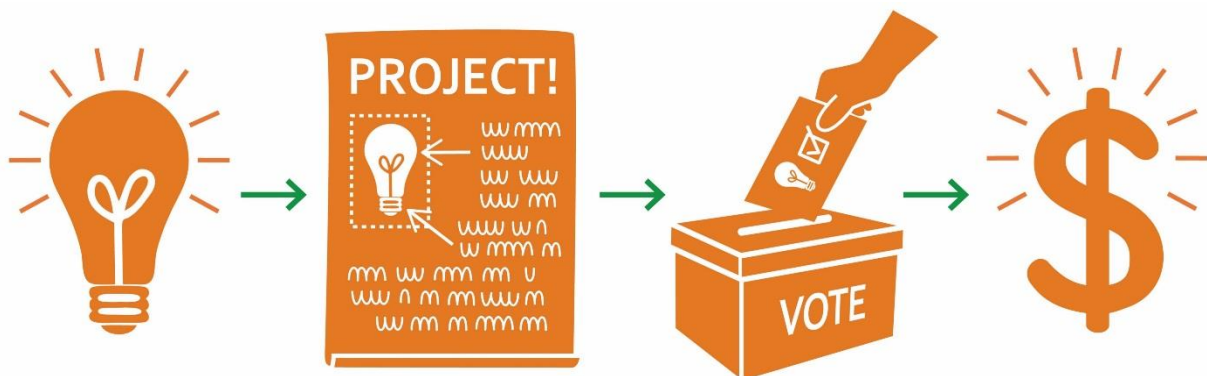
Abstract

This research was conducted by Jelena Gregorius of the University of Leiden on behalf of the Netherlands Institute for Multiparty Democracy (NIMD), as NIMD wanted to get more insight into the role of participatory budgeting as a form of bridging the growing gap between politicians and the citizenry. This research is based on three case studies of participatory budgeting in Porto Alegre, Brazil; Amsterdam, the Netherlands; and Maputo, Mozambique.

How budget talks can bring politicians and citizens closer again

Porto Alegre, Brazil, 1989. The Brazilian Labour Party (PT) is still in its infancy and in need of public support. Their main political goal is to eradicate poverty and support marginalized Brazilians. How do you give the voiceless a voice? By simply asking them what they need. In the late 1980s the PT came up with a simple idea: part of the city budget would be decided upon by the citizens of Porto Alegre themselves because they know best what they need most. Citizens liked the idea so much that the PT has been in power of the city municipality for the majority of years since 1989 and also took power on municipal, provincial, and even national levels since then. The first ever implementation of participatory budgeting (PB) was born.

So how does participatory budgeting work? As one can see in the graph below, citizens assemble to do a first brainstorm on the projects they would like to see realized in their communities. Those meetings are open to every citizen living in the community. On the basis of the participant's ideas, project proposals will be developed. Consequently, the whole community can vote on the projects. The projects with most of the votes will receive funding. The process repeats itself every year.



Source: [The Participatory Budgeting Project](#)

The case of Porto Alegre reveals that mostly poor and marginalized people show up. What they vote for are particularly basic infrastructure investments such as schools, health care facilities, and pavements. Since PB started in Porto Alegre it went viral all around the world and is

Participatory budgeting in Mozambique

The idea to start PB in Mozambique came up in the beginning of this century. Eneas Comiche was elected mayor of Maputo on 19 November 2003 with the promise to decentralize the city government and turn the administration into one more transparent and participatory. Although PB is practised there on a much smaller scale, municipalities still grant local citizens the freedom to decide upon relatively small amounts of money.

nowadays practised in more than 1500 cities and municipalities. What is remarkable is that PB does not only work in (relatively) mature democracies but also authoritarian regimes such as Mozambique.

This becomes all the more relevant against the background of a global trend towards democracy in dire straits. That something is increasingly

wrong with our democracy is obvious.

From Greece (protests against harsh austerity measures), over France (*Nuit Debout*), Spain (*Los Indignados*), Iceland (protests against the prime minister after the Panama Papers), Brazil (protests against corruption and the impeachment of president Rousseff) to Hong Kong (the

umbrella movement) - all over the world people take to the streets in order to demand change. People are disappointed, angry, and feel disenfranchised. They do not feel represented anymore by the political elite. They demand to be taken seriously and to gain a greater say in public life. How this form of participation should look like is disputed and there are thousands of initiatives trying to bridge the growing gap between those in power and the citizenry.

This gap is constituted mainly by distrust in each other. The latest Eurobarometer of 2015, for instance, displays that only 31% of the Europeans trust their national political institutions and their national parliament. Data from Germany reveal that politicians are the occupational group that is least trusted; only 15% of the respondents trust in them. It is not only the ordinary people who feel disconnected to politicians, but it is also the other way around as an example of the Netherlands shows. 87% of the Dutch administrative elite sees themselves as innovative, internationally oriented, and freedom-loving, but 89% of them think that the citizens are traditional, nationalistic, and conservative.

Do we need to re-invent democracy?

The intriguing aspect about participatory budgeting is that it opens a space for political participation within the already existing institutional design and democratic practices. There is no need for re-inventing democracy but the existing system can be further developed and amended in order to eventually change the political culture. For the NIMD, PB is particularly interesting because it is very closely linked to political parties. If leading parties and politicians do not endorse PB, it is unlikely to be successful or even implemented.

Research has shown that PB results in more equitable public spending, the quality of life rises, as well as the satisfaction of basic needs and services. Moreover, there is greater government transparency

Nuit Debout, France

Since 31 March 2016, the youth-led *Nuit debout* movement, which grew out of protests against labour reforms, has been holding night-time sit-ins and debates in Paris and all over France. Activists have joined together to occupy public spaces and discuss their vision of a new future.

and accountability, which can help to also fight corruption. Another aspect is that there is more public participation, particularly among usually marginalized groups.

One can achieve high numbers of participants who are eager to contribute a lot to the PB process, but if their outcomes and decisions are not being taken seriously, “the main outcome of your citizen engagement exercise seems to be that you have annoyed the very people you were trying to get buy in from”.

Tom Saunders, Nesta

Conditions for a successful participatory budgeting approach

One of the most relevant aspects to think about is the recruitment and selection of participants. What kind of people should show up and how does one get them to do so? Many initiatives go for simple voluntary selection meaning that everyone who wants to join can. Whether this method is successful, highly depends on the local context. In order to not only attract the “usual suspects” – highly educated and engaged people – there need to be structural incentives for disadvantaged groups.

Participants should reflect the diversity of the general population. The most important aspect in organising a PB session is the degree of stakes and empowerment one offers to the participants. One can achieve high numbers of participants who are eager to contribute a lot to the PB process, but if their outcomes and decisions are not being taken seriously, “the main outcome of your citizen engagement exercise seems to be that you have annoyed the very people you were trying to get buy in from” as Tom Saunders from Nesta, a UK innovation charity, points out. Participants should have the feeling that they are taken seriously and that their time investment has influence on policies later on. Citizens will feel more empowered and engaged in the process, and there will be more participants attracted the next time something similar is organized.

Timing is another issue. How often should PB meetings take place? It is hard to give concrete advice on this, yet, it is significant that meetings take place frequently in order to convey the message of credibility and commitment to participants and other citizens in general. If for instance the agreed upon time for the implementation of a project is not respected or if meetings are postponed without legitimate reasons, people are likely to not participate anymore and the credibility of the process is in jeopardy.

Regarding the way of organization, it is important that the process is organized by a neutral organization or team. An example from the city of Amsterdam shows that an independent civil society organization can take care of it. In Mozambique, there were problems because participants had the

feeling that the process was too much influenced by the ruling party. In Porto Alegre, Brazil, the city itself organizes the meetings but is perceived as neutral.

Another crucial aspect is the monitoring and evaluation (M&E) that should be conducted by independent groups such as CSOs or research institutes. Certainly the M&E team should not be aligned to government or a political party, but should be part of the community. There are many PB experiments all around the world, but still it is not possible to just copy a successful approach and replicate it in another completely different environment. Therefore, monitoring and evaluation is absolutely important with the purpose of adjusting the PB approach to the local circumstances, reviewing the process, and constantly improving it.

A city, municipality, or political institution should be interested in educating its inhabitants to responsible citizens who possess skills of citizenship and consider public interests to be important. This will lead to a much more engaged and active citizenry. By designing an inclusive participatory budgeting approach that gives room and a voice also to minorities, policies should become more just and include the values of the oppressed. The efficacy of policies should increase with the use of PB because one can use the wisdom of the crowd in order to improve policies.

Participatory Budgeting and Political Parties

As mentioned above, participatory budgeting does not require a total renewal of the democratic system, but can be integrated into it. I would like to highlight in this section the connection between PB and political parties because many democratic innovations are often viewed outside of the sphere of political parties.

A distinction needs to be made between political parties and local governments, as well as civil servants and other authorities. While political parties are the main partners of the NIMD, those who can decide

One example of where participatory budgeting helped to increase the efficiency of a municipality is East Amsterdam. One of the aldermen talked very enthusiastically about an online tool they developed in order to display money flows in a more transparent way. This tool is not only beneficial to citizens, but also to politicians who receive a better overview of the money flows. Thanks to the online tool, the city district was able to stop certain inefficient projects and allocate the money to more useful ones. The same alderman also talked about another advantage that closer contact to citizens brings with it, namely that municipalities receive feedback from citizens and recognize new challenges that were unknown to them before.

See: Buurtbegroting Stadsdeel Oost (Dutch only)
<http://buurtbegroting-scrambled.archive.bma-collective.com/>

whether or not PB will be implemented in their municipalities are of course those in power, namely local governments. Political parties are important because they can include the topic of PB into their party programmes and put it high on the agenda. Civil servants also play a significant role because they are the ones that usually stay in office once politicians change after the elections. Thus, their support for PB is crucial.

When looking at the effects that PB can have on political parties, first of all, it can help to improve democracy by pushing for more transparency and accountability in municipalities. Consequently, corruption might become more difficult. When PB is practised for several years, it is desirable that it becomes institutionalized. Political parties and local governments will also receive more media attention because increased transparency also benefits the press in their task to hold governments accountable. Because citizens demand more participation and the right to be consulted, PB can help to initiate a shift of ownership from local governments to citizens.

The response of political parties to participatory budgeting is very diverse – some parties and individual politicians are more open than others. Political parties realize that PB can help them to improve democracy in general. Because of increased transparency and accountability, municipalities and cities report that they work more efficiently and effectively. Another very positive aspect municipalities report about is that citizens stop complaining and start doing something, namely join the PB meetings and bring in their feedback and ideas.

In general, political parties realize that participatory budgeting is a manner for them to connect with citizens, even though they might not currently be in power. The whole process of PB can increase the legitimacy of political parties to govern because they can back up their decisions with the help of citizen consultations. The increased knowledge and insights they receive from and about citizens during the

“People do not live in the state or the provinces but they live in the communities”

Cezar Busatto, Head Secretary for Local Governance at the City of Porto Alegre and main responsible for the PB project in the city

PB process can also be used for elections and campaigning. Particularly in Porto Alegre, Brazil, participatory budgeting is utilized by political parties as a school for leadership. Political parties can detect engaged and interested citizens, as well as political talents during the meetings which might pursue a career in politics later on.

Eventually, there need to be certain conditions in place for PB to be successful. These include that PB is easier to organize on a local or urban level than on a federal or even national level. In a nutshell, this was put forward by Cezar Busatto, Head Secretary for Local Governance at the City of Porto Alegre and main responsible for the PB project in the city: “People do not live in the state or the provinces but they live in the communities”. Another crucial aspect is decentralization, which includes a certain level of autonomy for the municipalities. A municipality needs to have autonomous recourses and access to all the necessary data in order to organize a PB initiative. The more mature the decentralization process is, the better. Next to that, there needs to be a feeling of belonging, solidarity, and some common ground present already in the neighbourhoods that want to engage in PB. They need to have a positive attitude towards the project, otherwise it is doomed to fail. The same counts for the positive attitude of politicians and civil servants which is very crucial. Although there are thousands of examples of PB out there, every city or municipality remains unique. Therefore, it is important to do experiments and pilots and to learn by doing.

Conclusion

Participatory budgeting is certainly not the ultimate solution to bring politicians and citizens closer together again, but it is one of many innovative tools that is used for that purpose. Yet one thing is for sure, since PB was tried out for the first time in 1989 in Porto Alegre, Brazil it became a huge success story all over the world. What makes participatory budgeting special is that democracy does not need to be re-invented, but PB can add to the already existing system. Next to that, PB can be practised exclusively offline, as well as amended with online tools to facilitate deliberation or voting for instance. It remains important though that there is also an actual, real-life offline deliberation process. Pablo Aragón, a Spanish researcher from the University Pompeu Fabra Barcelona, stresses the importance of hybridization of digital and analogical participation. Next to that, this paper stressed the big role political parties play in PB. For them, PB is a great tool to get back in touch with their constituents granting them more rights.

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