

PARTICIPATORY BUDGETING LIKE NEW ELEMENT IN REGIONAL AND PUBLIC ECONOMY

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Abstrakt: *Participatory Budgeting (ve zkratce PB; překlad do češtiny: správa věcí veřejných v rukou veřejnosti) je nástroj, který umožňuje realizovat dvě základní výzvy: kontinuitu v demokracii a rozvoj aktivního podílu občanů na správě věcí veřejných. Protože se jedná o pokračující proces, občané mají regulérní pole působnosti pro zapojení se „vlády“ mezi jednotlivými volbami. Nezapomínejme, že municipální úroveň je nejbližší potřebám potřeb a přání občanů. A pokud chceme „revitalizovat“ aktivní zapojení občanů – je komunální úroveň nejvhodnějším místem. Cílem tohoto příspěvku je prezentovat nové poznatky o PB, které vychází z literatury a prezentací EU kurzů Learning Community.*

Abstract: *The Participatory Budgeting (PB) is one tool to address these two challenges, namely the continuity of democracy and the development of an active citizenship. Because it is an ongoing process, citizens have a regular venue to be engaged in between elections to address issues that concern them. Let's not forget that the municipal level is the closest to people's needs and wants, so if we want to revitalize civic engagement, the local level is a particularly good place to do that. The goal of this paper is to present new information about PB which is present in literature and during the EU courses – Learning Community.*

Klíčová slova: *participatory budgeting, správa věcí veřejných v rukou veřejnosti, municipální úroveň, občané, EU*

Key words: *participatory budgeting, municipal level, citizens, EU*

1. Introduction

Participatory Budgeting (PB) programs are innovative policymaking processes. Citizens are directly involved in making policy decisions. Forums are held throughout the year so that citizens have the opportunity to allocate resources, prioritize broad social policies, and monitor public spending. These programs are designed incorporate Citizen into the policymaking process, spur administrative reform, and distribute public resources to low-income neighborhoods. Social and political exclusion is challenged as low income and traditionally excluded political actors are given the opportunity to make policy decisions.

Governments and citizens initiate these programs to

1. promote public learning and active citizenship,
2. achieve social justice through improved policies and resources allocation, and
3. reform the administrative apparatus. Participating Budgeting programs confront Brazilian political legacies of clientelism, social exclusion, and corruption by making the budgetary process transparent, open, and public.

By moving the locus of decision-making from the private offices of politicians and technocrats to public forums, these public forums foster transparency. Participatory budgeting programs act as “citizenship schools” as engagement empowers citizens to better understand their rights and duties as citizens as well as the responsibilities of government.

Citizens, it is hoped, will offer helpful and creative solutions to the myriad social and economic problems found in Brazil's urban centers and small towns. Citizens learn to negotiate among themselves and vis-à-vis the government over the distribution of scarce resources and public policy priorities. It is important to keep in mind that there is no precise or exact model for PB programs. While there are similar tenets and institutional mechanisms, PB programs are structured in response to the particular political, social, and economic environment of each city or state. While alluding to the differences, this paper will focus on the PB methodology and ability for application in Czech Republic.

2. History of Participatory Budgeting

Participatory Budgeting programs are part of a larger effort in Brazil to extend and deepen actual, existing democracy. Since the re-establishment of democracy in 1985, Brazilian politics continues to be dominated by traditional patronage practices, social exclusion, and corruption. Numerous governments, NGOs, social movements, and political parties have turned to the ideas, values and rules associated with Participatory Budgeting in an effort to improve policy outcomes and enrich Brazil's young democracy.

The use of participatory budgeting began in 1989 in the municipality of *Porto Alegre*, the capital of Brazil's southern most state, Rio Grande do Sul. Porto Alegre has over one million inhabitants and is wealthy by Brazilian standards.

In 1988, the Workers' Party, a progressive political party founded during the 1964-1988 military dictatorship, won the election for the mayor. Its campaign was based on democratic participation and the "inversion of spending priorities," which implies the reversal of a decades-long trend in which public resources were spent in middle and upper class neighborhoods. Participatory Budgeting was intended as a means to help poorer citizens and neighborhoods receive greater levels of public spending. When the Workers' Party assumed the office of the mayor in Porto Alegre in 1989, they encountered a bankrupt municipality and a disorganized bureaucracy.

During the first two years of their administration, the government experimented with different mechanisms to tackle the financial constraints, to provide citizens with a direct role in the activities of government, and to invert the social spending priorities of previous administration. Participatory Budgeting was born through this experimental process.

In 1989 and 1990, the first two years of PB, under a thousand citizens participated. The number of participants jumped to nearly 8,000 participants in 1992. After winning reelection in 1992, the program took on a life of its own with participation increasing to over 20,000 people per year. Participation grew as citizen realized that PB was now an important decision-making venue. PB has spread throughout Brazil. As of June 2000, it is estimated that nearly 100 municipalities and five states have implemented some sort of a PB program. There is wide variation in the success as some administrations only play lip service to the programs while other administrations are financially constrained so that they are unable to implement new public works.

3. PB Application Advice – in short

PB Basic conditions

PB programs tend to be implemented by local and state governments. The elected governments tend to be progressive, with a focus on citizen participation and social justice.

Rules

PB programs are based on a complex set of rules that clearly define the responsibilities of governments and participants. The rules regulate meetings and decision-making processes that allocate scarce resources.

Social Policies and Public Works Projects

PB participants select specific public works and prioritize general social spending in two distant policymaking tracks. “PB public works” and “PB thematic”.

Actors, Motivations, and Strategies

Local governments, citizens, voluntary associations, NGOs, and the business community have different reasons for supporting and opposing PB. Their incentives to participate are often quite distinct.

Administrative Reform

Governments must gain control of the administrative apparatus to provide information, to support new types of technical plans and programs, and to implement selected projects.

Limitations

PB programs provide new opportunities for participation. Yet, the impact and the consequences may be limited to local policymaking. PB programs can also be manipulated by politicians, thus undermining advances.

Promising Results

The dissemination of PB programs throughout Brazil has led to a variety of interesting and promising results. This section analyzes the most promising results by looking at how they

- promote public learning and active citizenship,
- (ii) achieve social justice through improved policies and resources allocation, and
- (iii) reform the administrative apparatus.

Basic Conditions

Actors, Governments, and the Broader Political Environment

Participatory Budgeting programs were initially implemented by progressive municipal governments. These governments enjoyed strong bases of support from social movements, unions and NGOs. The PB programs emerged from coalitions of progressive political parties and progressive sectors of civil society. During Brazil’s military dictatorship (1964-1985), a progressive and opposition civil society grew, seeking new strategies to overcome Brazil’s history of social and political exclusion. Two important demands emerged from civil society:

- Transparency and openness through the decentralized and democratization of the state;
- Increased citizen participation in policymaking arenas. PB programs are the outgrowth of these demands.

4. Rules of PB process

What are the rules of the game in a representative program? What are the specific ways that citizens are incorporated into policy and budget making arenas?

The rules of the game are similar but not identical in the majority of PB programs. The rules tend to be designed by the elected government with input from citizens. Participants must approve the rules and any subsequent changes in the rules. While the rules do vary from city to city, from

state to state, it is possible to identify the typical guiding tenets of PB programs. For the purposes of parsimony, we will focus on the municipal (city) level of government.

(a) Sustained mobilization of participants and yearlong mobilization of their elected representatives (citizen-delegates). The focus of meeting ranges from informational sessions to year-end reports to negotiation and deliberative processes.

(b) The division of the municipality into regions to facilitate meetings and the distribution of resources.

(c) The government creates a Quality of Life Index. Regions with higher poverty, higher population, and less infrastructure receive a higher proportion of resources than do better-off neighborhoods. This purpose is to achieve social justice. Each Municipality devises its own formula to guarantee equitable distribution of resources.

(d) Public deliberation and negotiation between participants and vis-à-vis the government over resources and policies. Elected representatives visit all pre-approved project sites before the final vote. This allows citizens to evaluate the social needs of a proposed project.

(e) Elected representatives vote on all final projects. The results become part of the public record.

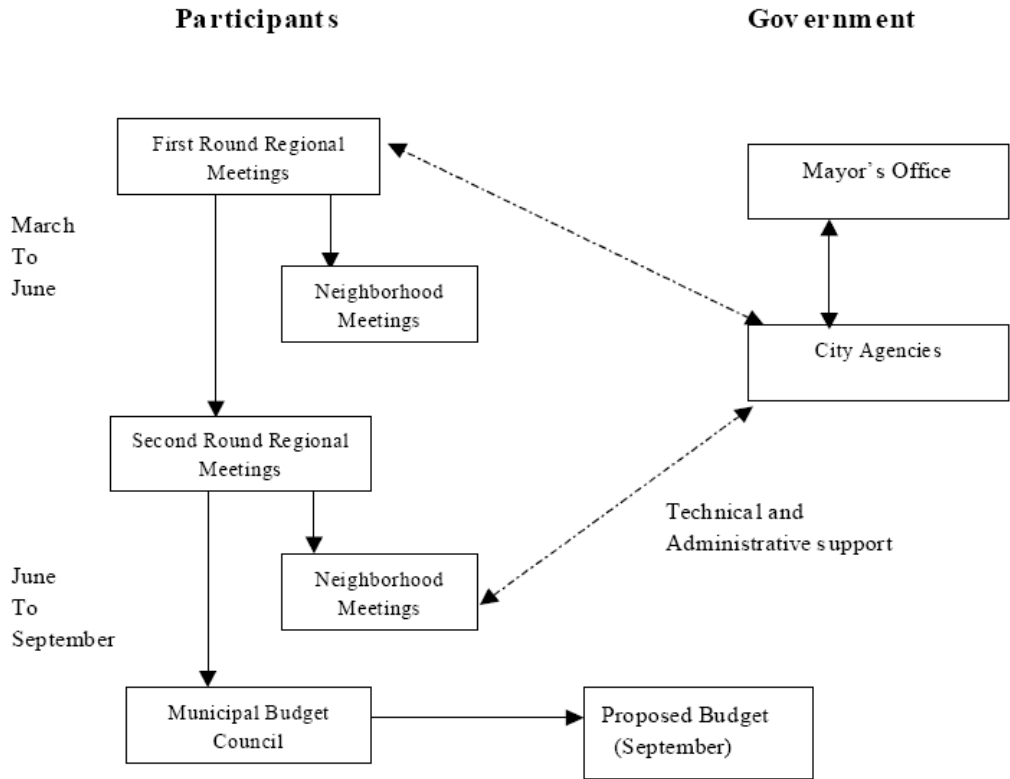
- Municipal-wide council. All districts elect two representatives to a council that oversees the program. This council meets regularly with the municipal government to monitor the program.
- After the final approval of the annual budget by PB participants, the executive sends it to the City Council to be approved.
- Year-end reports detail what public works and programs will be implemented. Establishment of neighborhoods committees serves as a mechanism to monitor the elaboration and execution of projects.

The flowchart below, **Figure 1-1**, shows the yearly cycle and the division of responsibilities for governments and citizens.

First, the *Quality of Life Index*. Each region receives a specific percentage of the budget depending on its overall need. Wealthier regions with more advanced infrastructure receive a lower percentage than poorer region with little formal infrastructure.

The second criterion is the mobilization *and deliberation processes within the region*. Organized groups compete, mobilize, negotiate and deliberate within their own regions over available resources. Obviously not all projects can be supported so groups form alliances to promote particular projects. The “priority trip” is a key part of the part of this process, as participants must visit the site of a proposed project so they can personally evaluate the level of need.

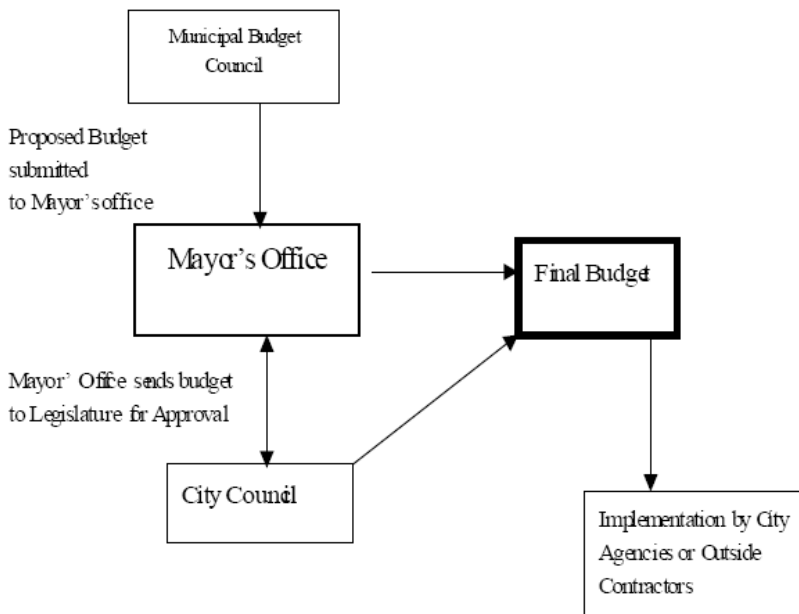
Figure 1-2 shows the final stages of budgetary process. The municipal budget council sends their selected projects to the Mayor’s office. The mayor’s staff adds the proposal to pre-existing budget items (debt payments, personnel, etc.) and sends it to the legislature for approval. In Brazil, the legislature is tremendously weak and generally approves the budget. The final budget is then implemented over a one-year period.



Zdroj: [6]

Figure 1-1: Yearly Participatory Budgeting Cycle

Distribution of resources is based on two criteria.



Zdroj: [5]

Figure 1-2: One year long implementation

While the majority of the attention focuses on the selection of policies, an important aspect of PB is the implementation of the selected projects. Implementation is an ongoing process, taking place all year long. Many of the important reforms are internal to the government and bureaucracy. Participants have a reduced role in this process, although participate in oversight meetings to ensure that the policies are being implemented according to previously established criteria.

6. Conclusion

Participatory budgets are harbingers of democracy. Although they are not models to be copied mechanically, they create room for reflection and experimentation that infuses local authorities and political action with renewed legitimacy. In the effort to make public spending more transparent, they serve as an instrument to re-direct local policies for the benefit of the poor and affirm popular rights, i.e. the rights of all citizens to responsibility and autonomy.

The key elements of this experience are reinforcing social ties and citizenship, promoting social justice and the common good.

However, one should not adopt a naively romantic stance and overlook the difficulties and limits of this democratic experiment. It is true that participation is limited to just a fraction of the population, and that it is difficult to mobilise the young and the very poor. Multiplying small-scale meetings alongside the general assemblies is only a partial remedy. Participatory budgets, that aim to have a short term impact by solving specific problems in the neighbourhoods, have not yet found coherent ways of linking this aim to long term investment planning.

Finally, those who lose their cronyism advantages in the participatory system have a tendency to boycott it. Locally elected representatives no longer profit by their intermediary status towards citizens who now exercise their rights, and public markets controlled by delegates leave no room for corruption and pay-offs.

Participation is a promising opportunity, with new experiences and innovations developing apace. The city of Belem transformed its participatory budget into a city congress in order to extend the debate towards a more global urban perspective. Belo Horizonte launched a participatory budget on subsidised housing. In Villa El Salvador (Peru), a predominantly working class city on the outskirts of Lima, the municipality first set up a long-term development plan (2010). The population then voted this on. After which a participatory budget was established with two additional functional criteria: sectoral poverty and tax payment rates, to encourage the population to meet their fiscal obligations.

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