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A GRAND CHALLENGE
FOR DEVELOPMENT

Participatory budgeting: adoption and transformation



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Summary

Participatory budgeting programmes are spreading rapidly across the world because they offer government officials and citizens the opportunity to engage each other in new ways as they combine democratic practices with the ‘nitty gritty’ of policy-making. The principles and ideas associated with participatory budgeting appeal to a broad spectrum of citizens, civil society activists, government officials and international agencies, which helps explain why it is so popular and has expanded so quickly.

In this research briefing, we focus on adoption and transformation of participatory budgeting in several low- and middle-income countries where international donors are active. We are particularly interested in better understanding how participatory budgeting is transforming in countries where international donors are active, where states struggle to provide public services, and where urban and rural communities are characterised by high levels of poverty.

Our July 2017 workshop, held in Kenya, brought together seven professionals from non-governmental organisations (NGOs) affiliated with Making All Voices Count’s programme of research and innovation on accountable and responsive governance, all of whom are highly knowledgeable about their country’s experience with participatory budgeting. We identified key transformations and adaptations in the participatory budgeting field based on our close work with these professionals, who are based in Indonesia, Kenya, Mozambique, the Philippines, Senegal, South Africa and Uganda.

Three key shifts stand out across the countries involved in Making All Voices Count. First, participatory budgeting is now being adopted in villages and rural environments that often have fragile local states. Second, such programmes are now more likely to use consensus-based decision-making models instead of a secret or even a public vote (show of hands). Third, compared with the first wave of programmes in the 1990s, participatory budgeting programmes today are far less likely to use specific rules that promote social justice and mandate the distribution of greater resources to under-served communities.

Key themes in this paper

- Participatory budgeting
- Adoption and transformation of practice in participatory budgeting over time
- Social justice and redistribution of resources

Introduction

Participatory budgeting programmes offer citizens the ability to deliberate directly over and allocate a percentage of the public budget to specific projects and social services. These types of programmes are spreading rapidly across the world because they offer government officials and citizens the opportunity to engage each other in new ways as they combine democratic practices with the ‘nitty gritty’ of policy-making. With roots in the southern Brazilian city of Porto Alegre, participatory budgeting is one of the fastest-growing policy programmes in the world and now operates in a diverse range of contexts, including rural Kenya, Indonesia and the Philippines, as well as in cities such as New York, Paris and São Paulo. The principles and ideas associated with it appeal to a broad spectrum of citizens, civil society activists, government officials and international agencies, which helps explain why it is so popular and has expanded so quickly.

Participatory budgeting programmes fall within a broad ‘family’ that has a commonly shared set of principles. These principles include the ability of any interested citizens to participate and deliberate in public forums, the right to vote on public works projects that government officials will implement, and the right to monitor the implementation of such projects. What distinguishes participatory budgeting from other social accountability approaches (e.g. community-driven development or community oversight) is that participatory budgeting programmes incorporate citizens at every stage of the policy cycle (proposal, approval, implementation and oversight).

Participatory budgeting has its roots in a political project that sought to move beyond the confines of representative democracy to generate greater citizen involvement in democratic venues, as well as to deliver greater public resources to underserved communities. Programmes initially used a series of rules and internal processes to ensure that poor citizens would have voice and vote as well as to increase their access to public goods. Participatory budgeting was also created to improve the links between democratic practices and incremental policy-making; its founders hoped that they would improve democratic deliberation while also redirecting state services to traditionally underserved communities.

However, many recently established participatory budgeting programmes have no specific mechanisms

to ensure that resources are allocated to underserved communities, suggesting that, while participatory budgeting does retain democratic and policy-making features, key social justice features are limited.

Participatory budgeting is now being implemented in very diverse contexts. Although its roots were in an urban setting (a relatively wealthy city in southern Brazil), participatory budgeting programmes are now being implemented in social, economic and political contexts that are very different from the place of origin.

In this research briefing, we focus on adoption and transformation of participatory budgeting in low- and middle-income countries where international donors and organisations are active. We are particularly interested in improving understanding of how the participatory budgeting approach is being transformed in countries where international donors are active, where the state struggles to provide public services, and where urban and rural communities are characterised by high levels of poverty. A key reason for the focus on international donors (e.g. World Bank) and organisations (e.g. Ford Foundation) is that they have been a crucial part of efforts to encourage governments across the developing world to adopt participatory budgeting. Participatory budgeting is now inserted into a mosaic of anti-poverty, pro-poor policies, such as conditional cash transfer programmes, community-driven development and preventive health programmes. The evidence from these countries suggests that the World Bank-sponsored programmes are more likely to focus on the more technical aspects of decision-making, whereas Ford Foundation-promoted programmes are more likely to encourage democratic rights (Baiocchi and Ganuza 2017).

We selected six countries – Indonesia, Kenya, Mozambique, the Philippines, South Africa and Uganda – that were focus countries of Making All Voices Count, a programme working on responsive and accountable governance.¹ We also included Senegal, a country that was not formally part of the programme, but one that shares similar socio-political characteristics to the other selected countries. We selected these countries because they are all early adopters of participatory budgeting within their regional context.

We collected information by working with professional staff of non-governmental organisations (NGOs),

¹ Making All Voices Count ended in November 2017. The publications and blogs it produced, and information about the projects it supported, can be found at www.makingallvoicescount.org

as well as activists.² These individuals have deep knowledge of participatory budgeting in each country context, and each wrote a short research report providing valuable insights into how participatory budgeting works in each context. In July 2017, we held a workshop in Nairobi, Kenya, bringing together NGOs and activists as well as officials from the World Bank's Kenya office and the International Budget Partnership. The two-day workshop generated extensive learning among participants and provided advocates and researchers with the knowledge to advance programmes and performance in low-income countries.

Participatory budgeting: a broad appeal

Participatory budgeting programmes have broad appeal because a variety of citizens, activists and public officials are aware of their possible benefits. Participatory budgeting advocates hope that citizens are empowered to deliberate in public venues over the role of rights, state authority and responsibilities, as well as individual- and community-level responsibilities. They also hope that government officials change their behaviour to better accommodate citizens' demands and interests.

Participatory budgeting's roots were part of a political and civil society renewal. Civil society activists and opposition political parties sought to create new strategies for deepening the quality of democracy, incorporating citizens into policy-making processes and improving service delivery. Thus, when government and civil society activists consider adopting this approach, they may be drawn to its democratic renewal aspect, which allows them to consider how participatory budgeting can generate improvements in citizen empowerment and local democracy. Participatory budgeting has become a symbol of the possibility of enhancing local democracy while working within the context of a modern, complex state. However, many international organisations and governments are drawn to participatory budgeting more as a means to improve service delivery; it becomes a vehicle through which government is able to more efficiently target demand and limit corruption.

Participatory budgeting was originally designed to help Brazilian citizens and governments move beyond their perceptions regarding the confines of representative democracy. Their solution was to use participatory budgeting as a school of democracy that would generate bonds of solidarity and help to generate an 'inversion of priorities'. This inversion of priorities was meant to signify that governments would be induced to spend public resources on issues

that were of specific concern to the poor majority – public education, health care, housing, sanitation and basic infrastructure – rather than on public works projects that largely benefited middle-class and upper middle-class neighbourhoods. Participatory budgeting proponents thus placed a strong emphasis on its potential to generate political and social change. This early emphasis helps to explain why so many political reformers, civil society activists and citizens are interested in expanding the approach.

Participatory budgeting is also rooted in incremental policy-making. Early adopters not only advocated for the expansion of democracy but also sought to demonstrate that citizen participation could be successfully incorporated into administrative structures that are necessary parts of modern, complex states. Participatory budgeting thus represented a set of innovative budgeting rules as well as an innovative tool to remake government bureaucracies. The earliest programmes also benefited from Brazil's decentralisation, which meant that municipalities were in charge of nearly 15% of all public spending. Municipalities distributed some of these newly acquired resources through participatory budgeting, thus allowing citizens to select projects that would significantly improve their local communities. Early projects were very basic – street paving was the top demand – and evolved into building health clinics, installing sewage lines, building housing units and providing social services.

As participatory budgeting has spread across the world, it is increasingly clear that local civil society organisations (CSOs) and political reformers (often part of the opposition) are more likely to emphasise participatory budgeting's democratic roots. In contrast, international donors such as the World Bank and the United States Agency for International Development (USAID) are more likely to emphasise its technocratic policy-making features.

Key features of participatory budgeting in Making All Voices Count programme countries

Our July 2017 workshop brought together seven NGO professionals affiliated with Making All Voices Count who are highly knowledgeable about each country's experience with participatory budgeting. We selected these seven countries because each was implementing participatory budgeting in very different circumstances from where the approach originated in urban Brazil. Socio-political contexts have shifted significantly,

² NGO professionals include: Ahmad Rifai and Rohidin Sudarno (Indonesia); Eliza Meriabe and Timothy Kiprono (Kenya); Silvestre Felipe Baessa Junior (Mozambique); Patrick Lim (the Philippines); Nongcebo Andile Cele (South Africa); and Jacklyn Makaaru Arinaitwe (Uganda). The research report on Senegal was written by Dr Osmany Porto de Oliveira (Brazil).

meaning that public officials experiment with different types of institutional processes and rules in the hope of producing the desired social change.

During the course of the workshop, as well as from the country reports produced subsequently by the seven NGO representatives, we gathered information and evidence about how participatory budgeting was implemented in each country. We focused our information-gathering on when the approach was adopted, who was driving its adoption (e.g. local or national government, international funders), as well as key rules and processes and any identifiable impact. We identified key transformations and adaptations based on our close work with these professionals. The key features of participatory budgeting in each country are detailed below.

Indonesia

National legislation passed in 2004 and 2006 requires municipalities and villages to include citizen participation in budgeting and planning processes. Participatory budgeting programmes generally use a consensus-based model of decision-making, which means that voting is only used if consensus cannot be reached. Some programmes use women-only forums to increase women's participation.

Kenya

National legislation approved in 2011 requires counties to use participation in budgeting. The World Bank provided key technical assistance to support local governments as they sought to implement participatory budgeting. Most participation takes place at the ward level, which is just below that of the county. Participatory budgeting programmes in Kenya also use a consensus-based model of decision-making. Many programmes are in rural areas, which means that project selection has focused on small-scale projects (e.g. digging wells) that are of importance to local farmers and herders.

Mozambique

Participatory budgeting was first adopted in the capital city of Maputo in 2008, with the World Bank as a strong proponent. Local government initially struggled in its efforts to fully implement the approach, so an independent technical assistance organisation (IN LOCO) was brought in to improve implementation. Many participatory budgeting programmes in the country now use a consensus-based decision-making model. Participatory budgeting continues to spread across the country, and a range of independent NGOs are now involved in implementing the approach at the local level.

Philippines

Participatory budgeting was initiated in 2013 by the national government, led by President Aquino

(2010–2016). Programmes were focused at the city and municipal levels in the hope of incorporating new voices into local policy processes. The Aquino government – a founding partner of the Open Government Partnership – was a strong advocate for the direct use of participation to improve project selection and oversight.

Senegal

International donors have led the spread of participatory budgeting in Senegal, although at least two cities adopted similar programmes prior to the involvement of international technical advisors. Participatory budgeting has spread to nearly 90 municipalities, many in rural areas. Programmes are best described as consultative, as citizens have a limited role in decision-making.

South Africa

During the 2000s, the city of Durban experimented with participatory budgeting. However, after two cycles, government officials discontinued the programme. The African National Congress did not support widespread adoption of the approach. However, South Africa, in 2017, seems fertile ground for participatory budgeting adoption and adaptation because of opposition parties' recent electoral victories.

Uganda

Participatory budgeting has shifted in two important ways in Uganda. First, participation is no longer open to any interested citizens; rather, government officials invite individual citizens to participate. Second, citizen-participants no longer introduce policy proposals or vote on the projects introduced by government officials. These programmes are now much more consultative forms of participatory budgeting.

Moderating expectations

Governments and CSO activists promoting participatory budgeting have a tendency to oversell its potential impact. The changes it is designed to produce do not happen overnight. In terms of producing meaningful change, it is important to keep in mind that participatory budgeting is a democratic venue as well as an incremental decision-making process. Democratic processes, of course, have a tendency to work slowly because they require deliberation in multiple venues over time; within participatory budgeting processes, government officials and citizens attend meetings during which they discuss policy proposals. But the approach also promotes incremental decision-making; it is vital to recall that policy-making is often a slow process that involves multiple bureaucratic steps. To further compound this problem, many participatory budgeting programmes have relatively low levels of resource, which limits their potential impact.

Thus, participatory budgeting is unlikely to radically transform the societies in which it is implemented, but many of its advocates still 'oversell' its benefits, for several reasons.

First, elected officials often argue that participatory budgeting programmes will dramatically transform citizens' lives to differentiate themselves from other candidates and generate enthusiastic support for the programme. CSO leaders also use a similar rationale to mobilise their followers. Mobilising citizens is very difficult and CSO leaders are thus likely to overestimate the potential impact of participatory budgeting to get people 'in the door'.

Second, participatory budgeting has great potential to improve basic social and political conditions, but this potential is not always realised and change is slow to occur. More commonly, participatory budgeting can improve people's lives by providing access to services that meet basic needs, but it is unlikely to radically transform living standards. Medium-term (10 years), large-number statistical analysis on participatory budgeting in Brazil demonstrates that programmes can

improve fundamental aspects of social wellbeing (e.g. infant mortality), which are a key component of the Sustainable Development Goals. We lack evidence to show if participatory budgeting might be contributing to changes in more deeply entrenched social problems, such as improving levels of educational attainment, overcoming intergenerational poverty and stimulating income generation. Thus, research demonstrates that cities / municipalities that have adopted participatory budgeting are likely to outperform similar cities that have not adopted the approach (Touchton and Wampler 2014). This means that adopting participatory budgeting is associated with improvements in social wellbeing, but that these improvements fall short of a dramatic transformation.

In summary, it would be advantageous for NGOs and CSOs to more carefully limit the broad set of claims about what participatory budgeting might offer their communities. It can empower citizens and it can help to improve basic governance and service delivery, but it is not likely to dramatically transform basic state–society relations nor to improve living conditions in an entire city.

Who participates?

Citizens

Who participates varies considerably across participatory budgeting programmes in the seven countries included in this analysis. Including the voices of poor and marginalised groups is a central goal and key challenge for many participatory budgeting programmes. Proponents seek a diverse range of participants for several reasons. By including women, ethnic minorities and other traditionally marginalised groups, participatory budgeting increases the chances it will serve populations that governments often ignore. Participatory budgeting can potentially empower these groups in a broader sense as well; it informs citizens of their rights, demonstrates the power of their collective voice and provides opportunities to select projects that improve their daily lives.

Recruiting a diverse set of participants can be difficult. It is difficult, for example, for marginalised groups to attend participatory budgeting meetings in rural, poor areas due to high travel costs and long distances. Similarly, citizens with few resources and low education levels may not be aware of the programmes. Thus recruitment – which includes broad advertisements using media that reach poor citizens, outreach to specific communities and transportation to meetings – is critical to generate broad participation that represents diverse interests.

Newer programmes, especially in sub-Saharan Africa, sometimes create women-only forums in order to overcome women's exclusion and the secondary positions they tend to hold in some societies. Indonesian programmes also created women-only forums to increase women's voice. Women's participation across Latin American programmes is much more mixed, with men tending to dominate participatory budgeting processes in smaller, rural areas. Including women in these processes is a key issue in rural communities and in contexts where women have a limited role in politics and policy discussions. Women play a greater role in urban areas, especially in community /neighbourhood-level participatory meetings.

Including younger people and people with disabilities is also a challenge for participatory budgeting programmes. Youths are marginalised in many developing countries and have a lower rate of participation in participatory budgeting than other age groups. People with disabilities also participate at lower rates, in part due to transportation challenges, but also because of their traditional marginalisation. Participatory budgeting programmes are beginning to reach out to people with disabilities, as their rights are gaining greater prominence on the policy agenda in many countries.

Participation, in most countries, is technically open to all interested citizens. The exception among the participating Making All Voices Count countries is Uganda, where government officials invite all individual participants directly. Given the difficulties in recruiting a broad range of citizens, there is a tendency for governments to recruit citizens who are already known allies.

Government

Government officials may support participatory budgeting for diverse, complementary reasons. First, reformers are more likely to support new forms of citizen engagement under periods of political renewal (e.g. regime change or a major corruption scandal). National-level political crises generate a shift in political expectations among citizens and governments regarding what citizens' policy-making roles could and should be, which thus creates the opportunity for political reformers to more actively promote the use of participatory venues. Many countries have expanded participatory venues as a result of emerging support for broader, direct citizen participation in policy-making processes. Participatory budgeting followed major constitutional reforms in Brazil, Indonesia, Kenya and Peru. National-level constitutional mandates mean that there is very strong support at the initial stage of implementation; reformers are able to get their policy reforms into the national constitution. However, support for these programmes may weaken over time, suggesting that the initial institutionalisation may have successfully embedded a participatory budgeting programme, but that these programmes are without strong backers, which means that political support will wane over time.

Conversely, in the Philippines, adoption of participatory budgeting was associated with national-level political reformers, where the Aquino government led an effort to extend the principles and practices of the approach into rural communities and small cities. The motivation for Aquino was situated in his political interest in wanting to side-step traditional patronage networks and directly engage citizens and local government leaders. The benefit of this type of national-led participatory budgeting programme is that well-qualified and interested civil servants can produce policy change in the short term, which then leads to potential changes in service delivery. The downside, however, is that these programmes depend extensively on the political support of elected officials. When these officials are no longer in office, it becomes less likely that participatory budgeting will have the same level of support.

Second, government officials have ideological motives for supporting participatory budgeting; political parties on the left often promote it as part of their

citizen engagement strategies. The best examples here include the original case of Brazil, Indonesia and the Philippines. The ideological principles behind participatory budgeting in these countries included a commitment to citizen empowerment through direct, ongoing participation, the inclusion of traditionally marginalised groups and, finally, the allocation of greater resources to low-income communities.

Third, government officials support participatory budgeting as part of their efforts to pursue administrative reforms in conjunction with citizen participation. World Bank-led programmes are the best example of efforts that merge the interests of international technocrats and domestic reformers. Whether the domestic partners are strongly committed to participatory budgeting or whether they are simply capturing available resources is unknown. The World Bank is heavily involved in participatory budgeting in Kenya and Mozambique. In addition, international donors such as the Ford Foundation and the Open Society Foundations support participatory budgeting projects in a diverse range of countries, including India, Indonesia and Uganda.

Finally, government officials often support participatory budgeting as part of their electoral strategy. The approach tends to be popular, especially among poor voters, and elected officials may promote it as one way to expand their political base. Elected officials often need to be involved in order to adopt participatory budgeting, but are not always involved in the daily aspects of programme implementation. In general, local bureaucrats in budget and planning offices administer such programmes on a day-to-day basis. Citizens often play a secondary role to government officials when participatory budgeting acts as a discrete, self-contained policy-making venue. These officials work with CSOs and citizen delegates to recruit participants, solicit proposals, hold meetings, and select projects and implement them in the course of the participatory budgeting cycle.

Civil society

Civil society plays a powerful role in the adoption, implementation and monitoring of participatory budgeting in many countries. Civil society advocates often promote the approach and mobilise citizens to support it. Once adopted, CSO representatives perform a wide variety of tasks surrounding implementation. These tasks differ across countries depending on state capacity, the strength of civil society and the role of donors. CSO responsibilities often include attending meetings, bringing citizens to meetings, providing information on community needs and generally serving as a bridge between citizens and government officials. These services are valuable and improve programme performance because CSOs are often better organised

and better informed than the average citizen participant. They are also likely to have established connections with government officials.

However, civil society is often underdeveloped in many developing countries, especially when compared with Latin American, North American and European countries that have adopted participatory budgeting. Thus, expectations that CSOs will mobilise citizens, engage in contentious politics and deliberate broadly are not borne out in most of the developing countries that now practice participatory budgeting. In many cases, this is because CSO density and capacity are very low in rural, low-income areas where such programmes now operate. There may be no CSOs present in these areas to mobilise or inform citizens, and those that do exist may be stretched too thin to participate effectively in participatory budgeting.

Given the relative weakness of civil society in countries where international donors are heavily involved, NGOs are often more involved in participatory budgeting than citizen-based community organisations. Thus, one challenge for Making All Voices Count countries and other donor-involved countries is to assess how professional NGOs can best participate in participatory budgeting. One clear challenge faced by implementing governments in the seven countries included in this analysis is that the limited number of CSOs makes it difficult to secure meaningful citizen participation; those who participate are often invited to do so, which limits the likelihood that they will use the space to hold government officials accountable for their actions.

In summary, many local community-based organisations and professional NGOs face increased responsibilities and challenges when they provide support to participatory budgeting programmes. There is a high burden on these CSOs to engage in multiple activities that might otherwise be carried out by government officials – recruitment, education, technical capacity and oversight now fall within CSOs' purview. On the positive side, this signifies that participatory budgeting programmes are helping to change basic state–society relations, thus generating greater opportunities for citizens to influence how the state acts. However, a significant drawback is that government officials are not building up the necessary state capacity that would allow full-time professionals to carry out these roles. There is obviously no simple solution to this dilemma because both routes (CSO-led reform and state-led reform) provide opportunities to improve public goods provision.

Donors

International donors and advocacy groups, rather than domestic CSO groups, drive participatory budgeting processes in many donor-involved countries. This means that participatory budgeting more closely

resembles top-down, technocratic forums for solving specific policy problems than bottom-up radical democracy (Baiocchi and Ganuza 2017). Donors' technical advice clearly helps participatory budgeting programmes make incremental policy gains, but it does not necessarily foster democratic inclusion and representation. For example, donors fund the initial adoption of participatory budgeting in many cases, but tend to exert less direct pressure on officials to make the programmes run well or serve particular groups as active citizens might in non-donor-driven contexts. Given the importance of local leadership, there is a legitimate concern that donor-driven participatory budgeting processes may not be well-embedded in processes of political and social change.

The ability of local political elites to 'capture' or dominate participatory budgeting is a particularly important issue where it is donor-driven, especially in smaller, rural settings where citizens have limited information and few resources, and where external monitoring is difficult. Donors seek to induce governments to allocate resources in different ways. However, participatory budgeting raises the possibility of a 'participation trap'. Citizens are not powerful enough to insist on the reallocation of resources to meet their needs and local government officials are not highly invested in promoting deep, fundamental shifts in priorities. As a result, elite capture is a much more relevant issue in participatory budgeting programmes that are promoted by international donors than in places where local political leaders champion the approach as a way to reach out to new bases of support.

Finally, one-off investments do not produce sustainable change but, rather, encourage CSOs and government officials to chase external funding or allow the quality of the process to decline. Medium-term investment and external support are vital for participatory budgeting programmes, which presents a challenge: what happens after donors leave or shift interests? Several of the conditions necessary for successful, independent programme implementation do not always exist in Making All Voices Count countries. As a result, governments may abandon participatory budgeting programmes if donors decrease their support.

Donors should be attentive to the possibilities of elite capture as they promote participatory budgeting. Avoiding the participation trap requires investing in CSO capacity that is sufficiently strong to avoid co-option. But it also requires building real support among government officials. Governments need to invest in incorporating a broad range of citizens in policy-making processes, especially politically marginalised communities, if they want to meet the goal of expanding access.

Participatory budgeting in practice: moving toward a consensus-based model

The use of a consensus-based decision-making system is an important shift in many new participatory budgeting programmes. This represents a significant rupture from the earliest programmes that extended direct voting rights to citizens.

Extending a vote to citizens on the use of public resources was a key participatory budgeting innovation. It allowed citizens to deliberate on budget priorities (exercising voice), and their decisions would then determine how governments spent public resources. Voting systems based on the Porto Alegre, Brazil model include: (a) ranked voting, where citizens have multiple votes; and (b) a first-past-the-post system, where citizens each have one vote and select a small number of total projects. Oversight committees monitor vote counting and project implementation to ensure that citizens' voices are respected in this model. A radical feature among early participatory budgeting programmes was that citizens' vote would direct the actions of government officials. This was a noteworthy shift because citizens in Brazil and across Latin America had little experience directing government officials' actions.

Participatory budgeting programmes use a variety of internal rules to limit the likelihood that a small number of groups will dominate the voting system. These rules include term limits for participatory budgeting delegates, using micro-regions to ensure that small communities have access, and using a quality of life index to ensure that underserved communities will receive project benefits.

As participatory budgeting has spread globally, we note a shift toward consensus-based decision-making processes. In an ideal programme, participants would have access to full information about their needs, the financial demands governments face and resource availability. They would then deliberate among themselves to select policies that meet their specific needs. Under these hard-to-achieve deliberative conditions, the use of consensus-based decision-making represents a significant transformation. In addition, some communities choose to use consensus-based decision-making because voting processes can be divisive if people organise themselves based on ethnic, racial or religious differences. The hope

is that consensus-based decision-making will allow participants to identify their common needs, thus generating 'bonds of solidarity' among participants. When citizens co-operate among themselves, there are less likely to be conflicts over resource distribution.

Importantly, supporters defend consensus-based decision-making as a way to promote support for the decisions taken within the meetings as well as to avoid exacerbating community divisions. In regard to the former, supporters believe that a consensus-based model will generate support among all participants because those individuals and communities that do not successfully receive participatory budgeting-based projects will continue to support the approach since they understand the logic about why specific projects were selected. Thus, the process of deliberation generates knowledge and support because individuals understand the logical basis behind which decisions are made in participatory budgeting.

In addition, supporters of consensus-based decision-making assert that secret ballot project selection can lead to conflict in some circumstances, particularly if votes occur along ethnic, religious or other social cleavages. Instead, advocates seek consensus in programme decisions as a way to build community solidarity in multi-ethnic, multi-religious countries with a history of ethnic or religious violence and to mitigate the risk of future conflicts.

However, there are notable limitations to consensus-based decision-making. First, these systems have a tendency to reward the most powerful individuals within the community. In the context of many participatory budgeting programmes, this means that better-educated and better-informed individuals will play an outsized role. Second, men (especially older men) tend to dominate these deliberations, and their dominance limits the role of women, youths and other marginalised groups in participatory budgeting. As a result, consensus-based processes may reinforce social power dynamics within a community rather than confront them. These dynamics may then lend themselves more readily to 'elite capture' as the most powerful social and political actors already dominate the participatory budgeting process.

Project selection: a focus on immediate needs

Participatory budgeting was initially situated within a larger political project that sought a shift in the status quo, meaning that newly elected governments would redirect public resources to underserved communities. The Brazilian city of Belo Horizonte pioneered the use of a quality of life index, which was designed to allocate greater levels of spending to underserved communities (Wampler 2015). This technical rule promoted social justice as well as the inversion of priorities because of the focus on providing public goods to poor communities. It is important to note that the inversion of priorities was linked to a shift in municipal spending patterns, but did not create an inversion regarding citizens' incorporation into broader socio-political development.

One characteristic of many of today's participatory budgeting programmes is that they focus on small projects that attend to people's immediate needs. Projects such as drilling wells, building small dams and paving roads are very common. Focusing on small, immediate needs generates a twofold benefit: citizens are rewarded for their participation, which then helps to generate citizen support; and in turn, citizen support leads to government support for participatory budgeting to please citizen participants. Programmes often focus on immediate needs because this is where citizens have information and knowledge that is useful to government planners, and because local governments implementing participatory budgeting have control over resources that can fund smaller-scale projects.

However, a significant drawback to the focus on small-scale 'immediate needs' projects is that they may not produce the types of improvements that citizens and governments originally desired. For example, a new well can improve citizens' health and reduce the time spent collecting water, but it will not radically transform local economic conditions. Thus, government officials and advocates of participatory budgeting need to temper their expectations regarding the range of social and political change that such programmes will generate. Although the emphasis on small-scale, immediate needs projects is understandable, it severely limits the potential of participatory budgeting relative to early programmes that 'inverted' priorities.

Incorporating technology

The information technology (IT) revolution was just beginning when participatory budgeting programmes were first initiated in the early 1990s. At that time, the programmes typically used low-tech methods, such

as sending postcards to remind community leaders to attend meetings and using microphones at meetings. Participatory budgeting interactions, in meetings and in parallel efforts, were based on engaging people face to face. This structure was incredibly time-consuming, but fostered connections among citizens and government officials.

Participatory budgeting programmes now use technology in a variety of ways. First and foremost, programmes use technology as a recruitment tool. Initial contact between government officials and CSO leaders still often involves face-to-face interactions, but these are now complemented by short message service (texts) and social media, and reduce the level of resources dedicated to recruitment. In this sense, technology helps to improve efficiencies and to lower recruitment costs.

Second, technology can lower the cost of participation through the use of digital participatory budgeting processes. These processes are more likely to be located in larger, wealthier cities in wealthier countries. The upside is that they can attract and accommodate a greater number of participants; the downside is that they incorporate better-educated and higher-income individuals who tend to be better organised and more sophisticated than poorer participants. The former may therefore capture participatory budgeting processes and undermine many programmes' original goals to serve marginalised communities. Moreover, poorer participants may not have access to the digital platforms and may be shut out of decision-making entirely.

Third, new technologies can be used to more systematically map out existing infrastructure and, importantly, propose projects. Geographic Information Systems is becoming a powerful tool to help inform policy deliberations. In Solo City, Indonesia, a local NGO built a technology platform that allowed participants to visualise existing infrastructure. Proposed participatory budgeting projects were then added to the maps, thus allowing citizens to visualise the physical distribution of the communities that the new projects would serve. These maps were built at the community level, so individuals used a very strong understanding of their local environment to identify community needs and pursue projects to meet those needs. In Nairobi, Kenya, a local NGO built a platform (Map Kibera), which is based on similar principles. Although this programme was not directly designed to support participatory budgeting programmes, county administrators are considering adopting it for such use.

Fourth, new technologies can be used for transparency purposes, such as identifying existing public spending. The decrease in cost of hosting and managing websites now makes it relatively easy for governments to post up-to-date and transparent information.

To date, most technological adoption appears to help reduce the time and costs associated with recruitment – CSOs and government officials use social media, texts and emails to remind citizens about upcoming meetings. Thus, significant advances in technology in participatory budgeting programmes in wealthier

countries (e.g. Brazil and France) are not present in the Making All Voices Count countries involved in this project.

The use of new types of technology is not at the core of the transformation participatory budgeting can offer. When we initiated this global review, it was our expectation that new types of technology would be incorporated into participatory budgeting. There does appear to be greater IT experimentation in wealthier countries (e.g. France, Germany and Portugal), but there is no strong investment in IT for participatory budgeting in lower-income environments.

Does participatory budgeting deliver?

Participatory budgeting programmes were built on the hope that the direct incorporation of citizens in policy-making would enhance governance, improve social wellbeing and empower people. There is a growing body of evidence that these programmes are having positive impacts, mainly from the pioneering case of Brazil. In-depth single case studies on Porto Alegre and Belo Horizonte (Marquetti 2003; Marquetti, Campos, Pires and Moraes 2008; Wampler 2015) demonstrate how these 'successful' cases produced positive outcomes. In addition, comparisons between municipalities that adopt participatory budgeting and those that do not demonstrate that it produces positive impacts on wellbeing (Baiocchi, Heller and Silva 2011; Gonçalves 2014; Touchton and Wampler 2014).

However, there is little research in these seven countries as well as other donor-involved countries that might demonstrate these impacts. Quite simply, we just do not know the extent to which participatory budgeting might be generating changes in spending, allocation of development projects or, more broadly, social and political change. However, we have some evidence that might allow us to assess whether participatory budgeting might be contributing to positive social change.

The results from country reports and our workshop show that participatory budgeting can deliver certain benefits under certain local conditions – albeit many of which are not yet present in Making All Voices Count programme countries. There is some evidence that participatory budgeting leads to greater political participation and voice for marginalised groups in certain countries. For example, more than half a million citizens in Kenya attend at least one participatory budgeting meeting each year. It is not clear how often these citizens participate, but total attendees represent over 10% of the population in the counties that use participatory budgeting. There is also some evidence that the total number of participants has grown in the

short time that participatory budgeting has been in place and, in particular, that some counties' efforts to recruit women and members of other marginalised groups are succeeding. Citizens have selected hundreds of projects through participatory budgeting, although most have yet to be implemented, partly due to the relatively short time that the approach has been in place. It is therefore too early to expect other impacts, such as improvements in health or educational performance, to emerge from participatory budgeting programmes.

The evidence from Indonesia is mixed. Research conducted by the NGO Kota Kita on six municipal programmes demonstrates significant variation in the ability of local governments to implement projects (Rifai, Asterina and Hidayani 2016). Furthermore, research published by Dr Tara Grillos demonstrates that local infrastructure projects in Solo City were less likely to be implemented in poorer neighbourhoods, indicating that better-off neighbourhoods are capturing more of participatory budgeting resources than occurred in the preliminary cases in Brazil (Grillos 2017). Additional research is needed to unravel whether or not these spending patterns were the result of the absence of a social justice rule.

The evidence from the Philippines is also mixed. The Aquino government (2010–2016) made significant strides in formally setting up a participatory budgeting programme, but many local governments had great difficulties implementing projects at the municipal level because they often lacked basic technical capacity. The Duterte administration (2016–present) initially reduced the role of participatory budgeting, but demands from local mayors led the national government to reinstate it as it provided local governments with additional resources from national government.

Most participatory budgeting projects are related to social wellbeing, which suggests that impacts in this

area may emerge over time. For example, Kenya's programmes focus almost exclusively on attending to citizens' basic needs: citizens select health projects (building, equipping, upgrading and renovating health facilities), water projects (digging wells, building earthen dams, providing infrastructure to deliver

water), education projects (building and equipping schools and early childhood education centres) and agriculture projects (building cattle dips, slaughter houses and irrigation networks). Impact on wellbeing in any of these areas is therefore possible over the medium and longer term.

Conclusion

The adoption of participatory budgeting across the developing world has led to transformation of the approach. Three key shifts in how participatory budgeting is being used stand out across Making All Voices Count programme countries.

First, it is now being adopted in villages and rural environments where the state (nationally and locally) is fragile. The scope of projects in these programmes is thus much narrower than in middle- and high-income countries due to limited public resources as well as state capacity. Participatory budgeting is much more a citizen empowerment programme that is helping to initiate social accountability in these contexts, rather than a way to distribute portions of meaningful local budgets. The scope of potential impacts is likely to be different from that in the earliest participatory budgeting cases. In these rural areas, we might expect change to be linked to basic citizen empowerment as citizens gain information about how their governments operate. We would also expect that the focus on different types of projects might undermine some of their connections to wellbeing.

Second, participatory budgeting programmes are now more likely to use consensus-based decision-making models instead of a secret or even a public vote (show of hands). Not surprisingly, there are different interpretations of this new model. Its advocates argue that consensus-based decision-making helps to unite disparate communities, overcome differences and create shared ownership of the programme. However, critics worry that a consensus-based model is more susceptible to elite capture, whereby traditional local powerbrokers will dominate the process and exclude marginalised groups.

Third, participatory budgeting programmes today are far less likely to use specific rules that promote social justice and mandate the distribution of greater resources to underserved communities. It is an important omission because the need to serve poor communities is very high in most cities that adopt participatory budgeting.

Participatory budgeting is spreading rapidly across the developing world. It carries great potential to improve people's lives, but this potential is not always realised. Furthermore, the transformation of the approach, as it spreads to different contexts, takes it away from its roots in Brazil and makes it more of a technocratic, policy-making tool and less of a radical democratic project. Adapting it to local contexts presents challenges, but also offers practitioners the opportunity to use participatory budgeting to initiate important changes in governance and service delivery. We do not know whether adoption of these newer participatory budgeting programmes will produce similar results to the pioneering cases in Brazil. It is safe to assert that the types of changes will be different. For example, it is possible that the consensus-based decision-making models will produce greater social bonds than the secret ballots. It is also possible that they will increase the control of local political elites, thus undermining the potential of participatory budgeting to transform social relations. Therefore, this suggests that governments, citizens and international donors and organisations involved in the promotion and adoption of participatory budgeting must be aware that there is a high degree of uncertainty regarding the types of outcomes it can produce.

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About Making All Voices Count

Making All Voices Count is a programme working towards a world in which open, effective and participatory governance is the norm and not the exception. It focuses global attention on creative and cutting-edge solutions to transform the relationship between citizens and their governments. The programme is inspired by and supports the goals of the Open Government Partnership.

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Research, Evidence and Learning component

The programme's Research, Evidence and Learning component, managed by IDS, contributes to improving performance and practice, and builds an evidence base in the field of citizen voice, government responsiveness, transparency and accountability (T&A) and technology for T&A (Tech4T&A).

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