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Participatory Budgeting: a developing country process?

A comparative analysis of the experiences of PB in Brazil, France and Spain.

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Abstract

An increased dissatisfaction and disbelief toward modern democracy resulted in the revival of deliberative democracy and of experiments, such as participatory budgeting (PB). PB is a process of conjoint decision making through which citizens and local governments deicide on the final allocation of new public investment budget in their cities. While the Brazilian experiments of PB have been extensively researched, those in Europe have not. Therefore this research project endeavours to fill the gaps of the literature concerning the nature of PB and its applicability to developed countries, particularly in Spain and France. In so doing, it will compare the experience of French, Spanish and Brazilian cities and attempt to determine the influences of the contexts on their PB experiments. The main results from this comparative analysis are that the effects of contextual variables are mediated by the procedural ones. Therefore, PB can be adapted to different contexts by changing the procedural variables. However, five key PB practices have to be respected for PB to keep its essence. Moreover, this research has also focused on the under-researched but crucial links that exists between PB and deliberative theory and the respective insights that they can convey to each other.

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LIST OF ABBREVIATIONS

CBO	Community Based Organizations.
COMFORÇA	Belo Horizonte's regional commissions for OP Forums.
COP	"Conselho do Orcamento Participativo" is the Portuguese term for Participatory Budget Council.
CRC	Porto Alegre's Coordination of Relations with the Communities
DIP	Deliberative Inclusive Process
GAPLAN	Porto Alegre's municipal department of Planning and Budgeting.
GDP	Gross Domestic Product.
GINI	A measurement of inequality that ranges between 0 and 1, which is the ratio of the area under the Lorenz curve to the area under the diagonal on a graph of the Lorenz curve. A value of one would indicate complete inequality of distribution, while a 0 indicates no inequality.
HDI	Human Development Index
HDI	Human Development Index
IU	United Left (Coalition of Spanish left parties including the PCE – communist party- and small left parties)
NGO	Non Governmental Organization.
OPH	"Orcamento Participativo da Habitação" is the Portuguese term for Housing Participa-tory Budget.
PB	Participatory Budgeting
PCF	Partie Communiste Francais (French Communist Party)
PEP	Plan Estategico Participativo (Strategic Participative Plan)
PT	"Partido dos Trabalhadores" (Workers Party)

PART 1: SETTING THE SCENE

CHAPTER 1: INTRODUCTION

1.1.1 Introduction

In modern democratic societies, phenomena such as the decline in participation in election or the rise of extreme right parties, reflect feelings of cynicism, discontent and disengagement toward representative democracies (Wood, 2004: 1). Numerous countries are also experiencing waves of decentralisation (Forero-Pineda, 2001: 1) and are recognising the increasing difficulty of making policies that satisfy interest groups and the broader population (Hendriks, 2004: 5). Therefore, citizen participation in policy making has been promoted by government. However, it has often been used for "tokenistic" purposes. Thus, new forms of citizen participation at a local level could respond to what has been depicted as a "democratic crisis".

1.1.2 Research aims

This research essay thus aims not only to analyse one of these new forms of citizen participation in policy making –participatory budgeting (PB) –in three countries but also to reconcile empirical and theoretical analysis of PB. PB has been labelled by the UN as an example of best practice in government decisions making (Knapp, 2005). Moreover, through the World Social Forum, PB has inspired numerous countries in Latin-America and Europe to rethink their citizen participation (Teivainen, 2002: 621; Utzig, n. a.: 1). However, doubts have been raised about whether and how PB should be implemented in other countries, especially developed countries.

Consequently, guiding this essay is this research question: Whether PB as a standardised process can be successful in an array of contexts? Or whether local

adaptations of PB would be more suited? In order to attempt to answer this question, this essay aims to:

a. Examine the processes of PB in two cities in each of three countries: Brazil, France and Spain;
b. Assess the successes, problems and limitations of PB in these six cities;
c. Compare the outcomes and processes of PB in these cities;
d. Determine key variables in the contexts and processes that influence the outcomes of PB;
e. Draw from this analysis the guiding principles of PB;
f. Determine from the analysis the contribution of deliberative theory to the understanding of PB.

The main hypotheses that will be tested are:

a. Some local adaptation to contextual differences is beneficial.
b. To be successful and maintain its essence, PB ought to follow specific procedural guidelines of best practice that could outweigh the contextual variables.
c. Deliberation and the insights of deliberative theory are of central importance in the guidelines.

1.1.3 Importance and contribution of the research

PB emerged in Porto Alegre in Brazil in 1989 as a state fostered civic form of governance where citizens directly decide the budget expenditure of the city (Abers, 1998: 511; Menegat, 2002: 185). There is an extensive body of literature on the experiences of PB in Brazil and especially on Porto Alegre. There have been numerous case study analyses of only one district of a city (Abers, 1998), and of only one city (Baiocchi, 2003; Menegat, 2002; Teivainen,

2002; Abers, 2002; Utzig, n/a). Most of the case studies comprehensively explain PB, its process, the context for its rise, its consequences and limitations. There has also been some comparative analysis of different cities across Brazil (Avritzer, 2002; Wampler, 2004:73) and across Latin- America (Posner, 2003; Fung, 2004 and Shattan et al., 2005). These studies allow us to make some generalisations on the application of PB in the Latin-American context.

As mentioned earlier, while PB only emerged recently in Europe, its significance as a new forum that could transform citizens' participation and state-society relationships render its analysis valuable. However, largely due to its novelty, there has been little comparative analysis across and Europe and Brazil and none between two European countries and Brazil. Comparing cities from two European countries and Brazil will allow a better interpretation of the importance and influence of the context, especially since there is widespread disagreement in the literature about whether the context in European countries is favourable or hindering the development of PB (Abers, 1998; Wampler, 2004). Moreover, in Europe comparative analysis between large arrays of countries -20 to 50- seem to be the trend (Sintomer, Herzberg and rocke, 2005). While, these studies contain both quantitative and qualitative data, they only outline the different experiences and do not undertake in-depth comparative analysis. Therefore, additional research is crucial to fill in the void in the literature about the lack of comparative knowledge and analysis on the experiences of PB between two European countries and Brazil.

Moreover, while existent (Baiocchi, 1999), there is little work attempting to link PB as a model that emerged from the grassroots to the relevant theoretical construct. Political theorists and practitioners do not seem to consider each other findings and

the way in which they would be drawn together. Thus, this research aims to construct and consolidate a theoretical framework for the study and application of PB in order to sustain and expand its practical applications and theoretical implications. Consequently, this research essay will contribute theoretically and empirically to the study of PB and its applicability from developing to developed countries. Moreover, additional research is necessary to ensure that PB is not just a new fad, but an enduring and evolving experiment enriched by theoretical insights.

1.1.4 Thesis boundaries and limitations

While acknowledging the importance of the aims of this essay, defining its boundaries is also crucial. This study is not aimed at a historical analysis of the socio-economic and political context of the countries studied. Neither is it aimed at providing definite answers to the research questions, only hypotheses that will need further testing. These boundaries and limitations are largely due to time and resource constraints. Only four months were allocated to the research and writing of this thesis and no external funding was provided. Therefore, the method used is limited. Additionally, due to the early stages of the research on PB, not so much in Brazil but in France and Spain, the insights provided by this thesis will not "travel" across temporal setting and thus, will need further research. Thus, this thesis should be regarded as a preamble to a doctorate thesis that will be able to examine in greater depth the causal relationships suggested by these thesis as well as its theoretical insights.

1.1.5 Research essay outline

This research essay is divided into four parts that encompass the eleven chapters. The first part –chapter 1 to 3 –sets the scene of the analysis. This introductory chapter

stated the aims, significance and limitations of this research. The second chapter outlines my epistemology, ontology and the methodology of the research. The third chapter connects the empirical questions of PB experiments and to the participative and deliberative democracy theories.

The second part –chapter 4 to 7- is the case study analysis. Chapter 4 outlines the context, results and limitations of the experiences in the cities of Porto Alegre and Belo Horizonte in Brazil. Chapter 5 deals with the same topics but relates to the cities of Cordoba and Puente Genil in Spain. Chapter 6 is similar but concerns the cities of Morsang-sur-Orge and Saint-Denis in France.

The third part –chapters 8 to 9 –provides a comparative analysis of the cases presented previously and outlines the guiding principles to ameliorate and enrich PB implementation and experiments in developing and developed countries –chapter 8. Chapter 9 discusses the theoretical implication of these research findings and concludes and offers suggestions for further research.

CHAPTER 2: EPISTEMOLOGY, ONTOLOGY AND METHODOLOGY

1.2.1 Introduction

In social research, it is crucial to determine what social reality will be examined – ontology –and how it will be explained –epistemology- as it determines not only the approach to theory, the methods used but also the conclusions reached (Marsh and Furlong, 2002: 17; Burnham et al., 2004 : 23). Therefore, it is necessary to outline my ontological and epistemological positions and how they affect the methodology used. The choice of setting and the ethical considerations of this essay will also be considered.

1.2.2 Epistemology and ontology

It is beyond the scope of this paper to discuss the reasons behind my ontological and epistemological positions. Instead, I simply explain them. I use a critical realist approach. It is realist to the extent that I believe that there is a world independent of my knowledge of it. However, my ontology is not entirely positivist as it acknowledges the interpretist critique of realism and assumes that our knowledge of the world is socially constructed (Marsh and Furlong, 2002: 27-31). Moreover, I am a critical realist since I contend that causal statements can be made regarding social phenomena although not all social phenomena can be directly observed, thus relating to relativism in epistemological terms (Marsh and Furlong, 2002: 30). My critical realist approach thus influences my methodology.

1.2.3 Methodology

This research essay will employ three methods: a comparative approach, a mixture of primary and secondary research and a mixture of qualitative and quantitative data. First, the core of this research lies in the comparison of PB experiments in France,

Brazil and Spain. Comparisons help to contextualise knowledge and overcome implicit ethnocentrism (Burnham et al., 2004: 68). A comparative approach also enables this essay to test hypotheses by isolating the effect of one variable on another (Burnham et al., 2004: 69). The comparative analysis undertaken uses a most similar approach with the dependent variable being the outcomes of PB (Neuman, 1994: 105). The intervening variable is the process of PB as it may mediate the effect of the socio-economic and political context surrounding PB experiments –the independent variable (Neuman, 1994: 105).

The cases compared have been chosen for theoretical and practical motives. The experiences of PB in these countries are all on-going and are the ones that have been implemented the longest, thus allowing a better assessment of their efficacy. Additionally, there is significant variation with respect to the economic context, political institutions, national policy style, civic organising histories and deliberative designs models between the countries and between the cities in the country chosen. This should allow this essay to determine which contextual variables influence the success of PB. Moreover, Porto Alegre was the obvious choice as an example of best practice of PB as it has been widely researched and numerous experiments have been modelled upon it. The study of Belo Horizonte allows the research focus to be broadened so as not to overemphasise the specific context or process of PB in Porto Alegre while still considering the Brazilian specifics. Moreover, these two cities have the practical advantage of being widely researched and analysed, thus allowing me to leverage these analyses which is especially important as my time and resources are limited.

PB in developed countries had to be studied in order to broaden focus of this research, determine the influence of both process and context and to enable the research question to be answered in relation to the different economic contexts. Assessing the performance of PB in different conditions will thus, enable a more complete picture. France and Spain have been chosen firstly, for the practical reason that I speak both Spanish and French, which facilitates my research and understanding of these processes. The specific examples of Morsang-sur-Orge, Saint-Denis, Córdoba and Puente Genil have been chosen because they are the one that are still on-going and have been implemented the longes. The assumption being that PB had to have been implemented for several years to have meaningful results. Moreover, there are also procedural differences in how PB was implemented in these cities thus enabling the assertion that some of these variables might affect the outcomes of PB, for instance concerning the rules, the amount of money decided by PB, the presence of deliberation, etc.

Second, given that my critical realist position is contingent upon a 'real world out there' that is shaped by its social constructions, both quantitative and qualitative data are necessary to comprehend it (Marsh and Furlong, 2002: 31). These two types of data are believed to be complementary as they can offset each other's limits and biases thus offering a more balanced view of the experiments. Moreover, PB does not have only the instrumental purpose of providing good outcomes but also the expressive and intrinsic value of influencing citizens' perceptions of participation (Gutmann and Thompson, 2004: 22-23) and allowing them to experience the "essential meaning of democracy" (Button and Rye, 2005: 29-30). Therefore, quantitative data would not be sufficient to assess the influence of PB. The qualitative data used will be the interviews with experienced researchers [Table 1], information

about the differences between the countries that cannot be captured by quantitative data and cannot be explained solely by it, such as the different rationales for implementing PB and varying degrees of participation.

Third, the aim of critical realist is to reject surface explanation, thus, primary sources as well as secondary sources are used to reconstruct the event under investigation. The primary research will consist of online interviews with researchers [Appendix 1], which will allow me to have a better understanding of the process under investigation and the importance of the contexts surrounding them. These interviews will also be used to examine the important contextual variables and example of best practices for PB. Moreover, online interviews have the advantage of combining the cost efficiency of if an e-mail interviews and the immediacy of a conversation. While this instrument does not allow the interpretation of non-verbal communication and the conversation might be harder to sustain, it has the practical advantage of eliminating the transcription cost, as the interview is directly filed. Additionally, it solves the geographical and cost constraints of my research topics. The interviews will be semi-structured around themes that aim to discover whether the respondents consider PB as a deliberative or participative process, the convenor's rationale for implementing PB, the changes they thought necessary and so on [Appendix 2]. These interviews are expected to complete the data on the different issues under investigation. The results of these interviews will be compared with primary quantitative data to offset possible bias through a triangulation method.

The secondary research consists of a literature review of academic research for its theoretical insights, contextual analysis and empirical data. The provenance of secondary sources confers upon it a measure of reliability and trustworthiness and

will allow the identification of evidence within my time and resource constraints. Additionally, the data used in the research will be cross-referenced with other articles to enhance its reliability.

1.2.4 Ethical considerations

This research follows four basic ethical principles (Burnham et al, 2004:253). First, this research benefits the pool of theoretical and empirical knowledge concerning PB. Therefore, it will avoid causing detriment to any participants through stigmatisation or other practices. Second, the participants have been fully informed of the purpose of the research [Appendix 2]. Third, the participants have been asked for their consent [Appendix 3]. Moreover, the political scientists and sociologists interviewed are already subject to public scrutiny, thus, I believe that their name could be mentioned directly in the essay. However, I will only do so with their consent and thus will not breech confidentiality agreements. Additionally, this research will face neither 'sponsor as exploiter' nor 'researcher as exploiter' (Burnham et al., 2004:257) issues as it is not sponsored. Interviewees will also be provided with a copy of my thesis upon completion of the research. I have thus acted in accordance with the University guidelines.

1.2.5 Problems encountered

This research encountered three main problems. First, it was difficult to get into contact and make appointments with the interviewees in the four months limit, as a result not all interviews could be done, especially those that had been planned with politicians in each countries. Second, the lack of data on the French and Spanish experiments proved to be problematic to cross-reference and to be able to have a in-depth analysis. Finally, the conversation in the online interviews proved to be

difficult to sustain, in-person interviews would have been preferable to be able to obtain a better understanding of PB.

CHAPTER 3: THEORIES AND RELATION WITH PB

1.3.1 Introduction

Although PB is a practical experience, it also has theoretical underpinnings that require analysis. There is no single definition of PB across the literature and often only the process of PB is described. Upon closer scrutiny, a disparity exists between theorists who consider PB as a participatory process and those who consider it as a deliberative one (Baiocchi, 2003: 45). PB - as its name indicates - has been generally associated with participatory democracy and theory. Thus, this research essay will first examine participative theory and its link with PB. Then, it argues that to understand the complexities of PB, it is more appropriate to look at another related democratic theory: deliberative theory. This definitional issue is significant to the extent that a proper definition would enrich the analysis and understanding of PB by situating it in a larger theoretical framework which has been extensively studied. It can provide insights in explaining PB's success as well as solutions to PB's limitations.

1.3.2 Democratic and Participative theory

What is Participative Theory?

Our modern democracies are better described as representative or indirect democracies where citizens' involvement or participation is limited to the act of voting and deciding those who will rule on their behalf. It centralises power into the hands of a few, thereby increasing the likelihood of incongruence between the preferences of citizens and its representatives as well as the possibility of corruption and abuse of power by the government (Wood, 2004: 20). It also means that all citizens do not have equal opportunity to have their voices heard. Moreover, the act of voting

every few years has the consequence of disengaging citizens from their political system. This, in turn, creates a "democratic crisis" characterised by low participation in elections and cynicism toward political elites. Participative democracy is, thus, concerned with addressing the unequal distribution of power and resources and its effect on the daily lives of people (Forero-Pineda, 2001: 3). Participatory democrats aim to enhance the egalitarian redistribution of power and democratisation of the political process at both national and local level. Thus, theorists have argued for a broader involvement of citizens in political systems and decision making.

Participative Theory and PB?

Participatory democracy is the theory most commonly used by researchers to describe PB. PB is linked to participatory democracy to the extent that it allows the broad participation of citizens with an equal opportunity to participate within the decision-making process of allocating the budget (Menegat, 2002:181-182). However, PB is more than a participative process - it is also a deliberative one.

1.3.3 Deliberative democracy and theory

What is Deliberative Theory?

Deliberation occurs when citizens share their point of view on an equal footing, propose reasoned arguments, think and listen critically to each other's opinions and arrive at a consensual decision focused on common ground (Gastil, 2000:22; Cohen, 1989; Lukensmeyer and Birgham, 2005: 57). Therefore, deliberative theory calls for deliberations among citizens as a prerequisite for the legitimate exercise of authority and as a way of transforming the preferences of citizens (Baiocchi, 2003: 46) . In short, it is not just concerned about drawing previously-non-involved citizens into a decision-making space, it is concerned with what happens for them in that space.

Deliberative democracy (Gutmann and Thompson, 1996) or "discursive democracy" (Dryzek, 1990) has the instrumental purpose of promoting a more informed and legitimate collective decision making and reinvigorating a democratic culture (Guttmann and Thompson, 1996; Button and Mattson, 1999: 637). It also has the intrinsic value of providing individuals with the opportunity to participate in public life and influence decisions that affect them directly (Button and Ryfe, 2005: 25; Gutmann and Thompson, 1996: 22-23). Deliberative democracy focuses as much on process as on results and thus, attempts to create ideal conditions of impartiality, rationality and knowledge of the relevant facts (Button and Mattson, 1999: 637).

Deliberative Theory and PB?

Mouffe argues that PB is not and should not be a deliberative process as "conflicts between interest groups about distributive problems […] can only be resolved through compromise" and thus cannot be resolved through deliberation and consensus (1999: 748). However, other theorists such as Fung and Wright (2002:5) contend that PB is deliberative to the extent that it puts in place a rational process of decision making. In Elster's terms (1998: 5) Mouffe and Fung and Wright's differences could be seen as privileging bargaining (or negotiating) over arguing (or deliberating).

Further, throughout the literature and the description of the process of PB in Porto Alegre as a benchmark, there emerges the picture of PB as a deliberative process. Indeed, PB meetings are inclusive, citizens deliberate directly at the local level through problem-solving and attempt to reach a consensus after having received information that increase their understanding of the different issues (Baiocchi, 2003:

50; Levine et al., 2005:278). Subsequently, elected delegates receive further technical and legal information and deliberate on the best investments for the city.

Hence, PB in Porto Alegre conforms to Bobbio's (2002) definition of a deliberative arena. Indeed, it was created specifically to deal with the "distribution of municipal investment among the city districts" and has extensive and structured set of agreed rules. Moreover, deliberation in PB has a deliberative setting that uses arguments based on the common good, it is not regulated by laws and has no legal power, and it is assisted by professional mediators or facilitators. It is also inclusive and attempts to be representative. Again, in Elster's terms (1998: 5) it is less about making offers and counter-offers (bargaining) than it is about appeals to reason (deliberating).

In addition, the objectives of PB and deliberative democracy are very similar. They both intend to enhance citizenship, develop civic virtues of listening, dialogue and tolerance. They both aim to increase trust between citizens and between citizens and government and decrease prejudices (Bobbio, 2002: 2). Therefore, PB can be understood as both participative and deliberative to the extent that it is inclusive, allows broad citizen involvement into decision-making and requires deliberation. Thus, analysing it under participative but also deliberative theory will permit an evaluation of PB in accordance with participatory deliberative democratic principles; this will also enable an examination of how a participatory deliberative process works within the limitations of representative democracy. Consequently, this essay will enrich the normative debate of participatory deliberative theory by looking at PB as a practical example as well as enriching the practice of PB by linking it to the relevant theories.

PART 2: CASE STUDIES

In this second part –chapter 4 to 7- the case studies from Brazil, Spain and France will be studied. In order to do so, the socio-economic, political and legal contexts of the countries will be outlined. Subsequently, the analysis of the specific case study will encompass first, a particular analysis of the city's context and of the rationale for implementing PB. Then, the PB process will be described and examined using a deliberative inclusive process (DIP) framework (Carson and Hart-Karp, 2005 cited in Carson and Hart, 2005). This framework is employed because PB, as with other DIP processes, involves "typical" citizens, not necessarily those who are part of interest groups (Carson and Hart, 2005). Moreover, the key principles in the design of DIPs – inclusion, deliberation and influence- are also believed to be essential in PB [Appendix 5]. The inclusion criteria encompass not only the need to have participants who are representative of the population with diverse point of views and values, but these participants also need to have an equal opportunity to participate (Carson and Hart-Karp, 2005 cited in Carson and Hart, 2005). Deliberation is understood as an informed, respectful and open dialogue where issues can be framed and a movement toward consensus can be observed (Carson and Hart-Karp, 2005 cited in Carson and Hart, 2005). The third criterion is the influence that the DIP has on decision making (Carson and Hart-Karp, 2005 cited in Carson and Hart, 2005). These three criteria are interrelated and all three are necessary to indicate the success of the DIP as a democratic process (Carson and Hart-Karp, 2005 cited in Carson and Hart, 2005).

Third, PB's outcomes for the specific city will be assessed using Fisher's (2006) approach to participation which separates its effects into three categories:

instrumental, developmental and intrinsic. The instrumental effects refer to the goals the participation was designed to achieve (Fisher, 2006: 22). The developmental effects refer to the effects on human development such as the gain of political skills to contribute to social change, and the intrinsic effects refer to the internal effects of participation, such as personal gratification (Fisher, 2006: 22). However, the intrinsic effects will not be analysed due to a lack of data. This framework not only assists in the comparison of the case studies but also encompasses the three countries' common rationale for implementing PB. Indeed, the municipal governments want citizens' participation in PB to influence projects as well as strengthen community engagement and restore trust between the government and citizens, and this will be explored further in each case study.

In summary, the combined use of Carson and Hartz-Karp's DIP framework and Fisher's approach will mean that the case studies can be analysed in a complementary ways. The extent of decentralization, the number of participants, as well as their characteristics –gender, socio-economic background-, the facilitation of the process and its impact on the projects implemented but also on the participants will be examined, thus offering a broad analysis of PB to enhance our understanding of the causal relationship between these factors.

CHAPTER 4 – THE PARTICIPATORY BUDGET IN BRAZIL: PORTO ALEGRE AND BELO HORIZONTE

4.1 INTRODUCTION

Regarding the Brazilian case studies, it is necessary to first examine their general context to understand why and how PB emerged in Brazil and how it affects not only the process but also its outcomes. Subsequently, the Porto Alegre and Belo-Horizonte case studies will be examined using a DIP framework for analysing their processes and Fisher's framework for their outcomes.

4.2 BRAZILIAN CONTEXT

4.2.1 Socio-Economic

Brazil is considered a developing country with a Human Development Index (HDI)[1] of 0.777, thus ranking at the 63th position (UNDP, 2003) [Table 4.1] and with 22 percent of its population living below the poverty line (1998 estimates, CIA, 2006). Its socio-economic context is also characterised by very high levels of inequality with a GINI coefficient of 59.3, ranking it as the seventh most "unequal country" in the world [**Erreur ! Source du renvoi introuvable.**].

Table 4. 1: HDI Comparison Table (UNDP, 2003)

Rank	Country	HDI
High human development		
1	Norway	0.963
16	**France**	**0.938**
21	**Spain**	**0.928**
Medium human development		
63	**Brazil**	**0.792**

[1] A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living (UNDP, 2003)

Table 4. 2: Gini Index Comparison Table
(UN, 2005)

Rank	Country	Gini index	Richest 10% to poorest 10%	Richest 20% to poorest 20%	Survey year
1	Denmark	24.7	8.1	4.3	1997
31	**Spain**	**32.5**	**9**	**5.4**	**1990**
34	**France**	**32.7**	**9.1**	**5.6**	**1995**
117	**Brazil**	**59.3**	**68**	**26.4**	**2001**
124	Namibia	70.7	128.8	56.1	1993

This high level of inequality is reflected in the organisation of the cities where poor planning and rapid urbanisation has resulted in a significant divide between middle class and poor neighbourhoods. Middle class neighbourhoods are usually well-served by municipal services with paved-streets, water, sewerage, schools, public transportation and health care centres (Abers, 2005: 3). Conversely, poor neighbourhoods are characterised by favelas (slums) with a third of their population living in irregular housing, on illegally occupied land, and without the basic resources available to middle-class neighbourhoods (Abers, 2005: 3). As the city cannot legally perform work on illegally occupied land, the provision of municipal services is further complicated (Wood, 2004: 79). Adding to these difficulties is a chronic budget deficit occurring in most Brazilian cities (Forero-Pineda, 2001: 7). Therefore, while the low level of development and high inequalities reinforces the need for PB, irregular housing and lack of resources limit the ability of the city to implement PB's projects.

4.2.2 Legal

The legal context of Brazil, especially of the cities, changed dramatically with the enactment of the 1988 Constitution which marked the formal return to democracy. This new constitution considerably increased municipalities' autonomy by devolving and decentralising significant powers to the municipal level. Cities were now able to

increase their own revenues via tax transfers from the government and property taxes. Therefore, most municipalities' revenues increased significantly after 1988 (Montero, 2000 in Goldfrank, 2001), thus increasing their possibilities for new investments and of a greater role for PB.

Brazil's representative democracy is characterised by two autonomous institutions at the local level: the executive and the legislative. The executive level is directed by the mayor who is elected for four years through a majority vote and the legislative level comprises 33 councillors also elected for four years under a proportional voting system. Regarding the budget, the executive formulates a budget proposal that is sent to the legislative for discussion, modification and approval. The executive can then veto the budget although the veto can be subsequently overridden by the council with a two-third majority (Abers, 2000; Utzig, n.a.: 10).

4.2.3 Political

The political context of Brazil is characterised by a multi-party system. It is particularly important to look at the evolution and significance of the PT (a workers party) as it is the party that implemented PB in Brazil. PT was initially formed by trade unionists however it remained autonomous from the unionist movement and is pluralistic. Therefore, it was able to regroup diverse social activist groups to reinforce its power but this created internal feuds within the party. Before 1989, PT has never been able to remain in power in one city for two consecutive terms and thus needed a new strategy when elected in Porto Alegre (Wood, 2004: 57).

Furthermore, the political context of Brazil has strong clientelist traditions. In most cities, to obtain municipal services, the mayor and the head of neighbourhood

associations or individual citizens exchange favours –*trocas de favores*- that is, the association or individual promises to mobilise votes for the mayor, who in return promises to carry out the work (Abers, 1998: 513) These associations typically restrain participation as they are based on individual ties and thus have few incentives for collective organising (Abers, 1998: 513).

These political and socio economic factors strongly influenced the rise and objectives of PB in Brazil. As a consequence PB aimed to remedy the problems by reversing investment priorities in order to overcome inequalities and to increase participation which was limited by neighbourhood associations. This will be examined in depth in Porto Alegre's case study.

4.3. PB IN PORTO ALEGRE

4.3.1 Introduction

Porto Alegre is a city of 1.6 million inhabitants. It is a peculiar Brazilian city to the extent that it is one of the most wealthy and egalitarian with a per-capita income of 710 Purchasing Power Parity Units (PPPU) in 2000 and a Gini Coefficient of 0.6111 (Wood, 2004: 56). Despite these peculiarities, it is typically "Brazilian" as the city has a third of its population living in inadequate housing and has numerous favelas --250 according to some estimates (Blanco, 2002: 20; Wood, 2004). Moreover Porto Alegre had a high level of debt in 1989 and workers –-whose salary constituted 95 percent of the budget– went unpaid for two months before the PT mayor Ovilio Dutra took office in 1989. The administration was also in disarray as reporting procedures were not followed (Abers, 2000; Goldfrank, 2003, Wood, 2004). Furthermore, clientelism thrived in the city with numerous neighbourhood associations. The workers party

was also typical to the extent that its plurality meant strong internal conflicts between the radical and moderate factions (Abers, 2000; Wood, 2004).

Once elected, PT aimed to enhance popular participation and transparency in the budget process in order to remedy the problems mentioned above. Hence, PB was introduced in 1989 despite overwhelming distrust among neighbourhood associations and opposition parties (Goldfrank, 2001).

4.3.2 PB Process

The PB process will first be described and then analysed via the DIP framework.

a. Description

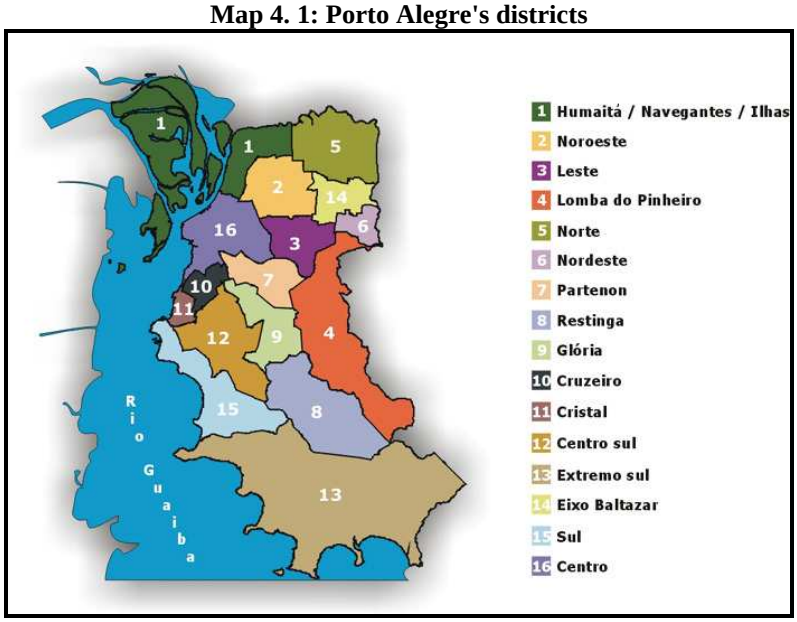
The process of PB in Porto Alegre evolved over years. In its final form, it comprises two processes running simultaneously: the regional and thematic assemblies [Figure 4. 1]. In the regional process, the city has been divided into 16 administrative regions [Map 4.1] and occurs in two stages –first and second rounds. From March to June, the first round, participants from each region discuss their demands, the city representative accounts for the previous year's budget and delegates are selected for the Budget Forum in the regional assemblies. The larger the participation the more delegates are attributed to the region[2]. Meanwhile, at neighbourhood meetings, the sub-regional level, participants define neighbourhood priorities. Then, from July to September, the second round of regional assemblies takes place where delegates for the budget council are elected[3] and projects are prioritised. In the regional forum,

[2] "There is one delegate for every ten people, up to 100 people attending; from 101 to 250 people attending, one delegate for every 20; from 851 to 1,000, one for every 70; and for more than 1,000, one for every 80. The delegates are elected for a one-year mandate and can only be re-elected once". (Souza, 2001: 170)

[3] As in the first round: the more participants, the more delegates

delegates, after having visited the sites, discuss the projects and present their region's spending proposal to the budget Council.

Map 4. 1: Porto Alegre's districts



The thematic process is similar to the regional process [Figure 4. 1] but focuses on six city-wide themes: transportation; culture; economic development and taxation; education, sport and leisure; urban development and environment; and health and social assistance (Wood, 2004: 63). Once the 32 regional and 10 thematic budget council delegates have been elected, they are joined by one representative of the Porto Alegre Municipal Workers Union, one member from the Union of Porto Alegre Residents Associations and two representatives from the municipal government in the Budget Council (Wood, 2004: 63).

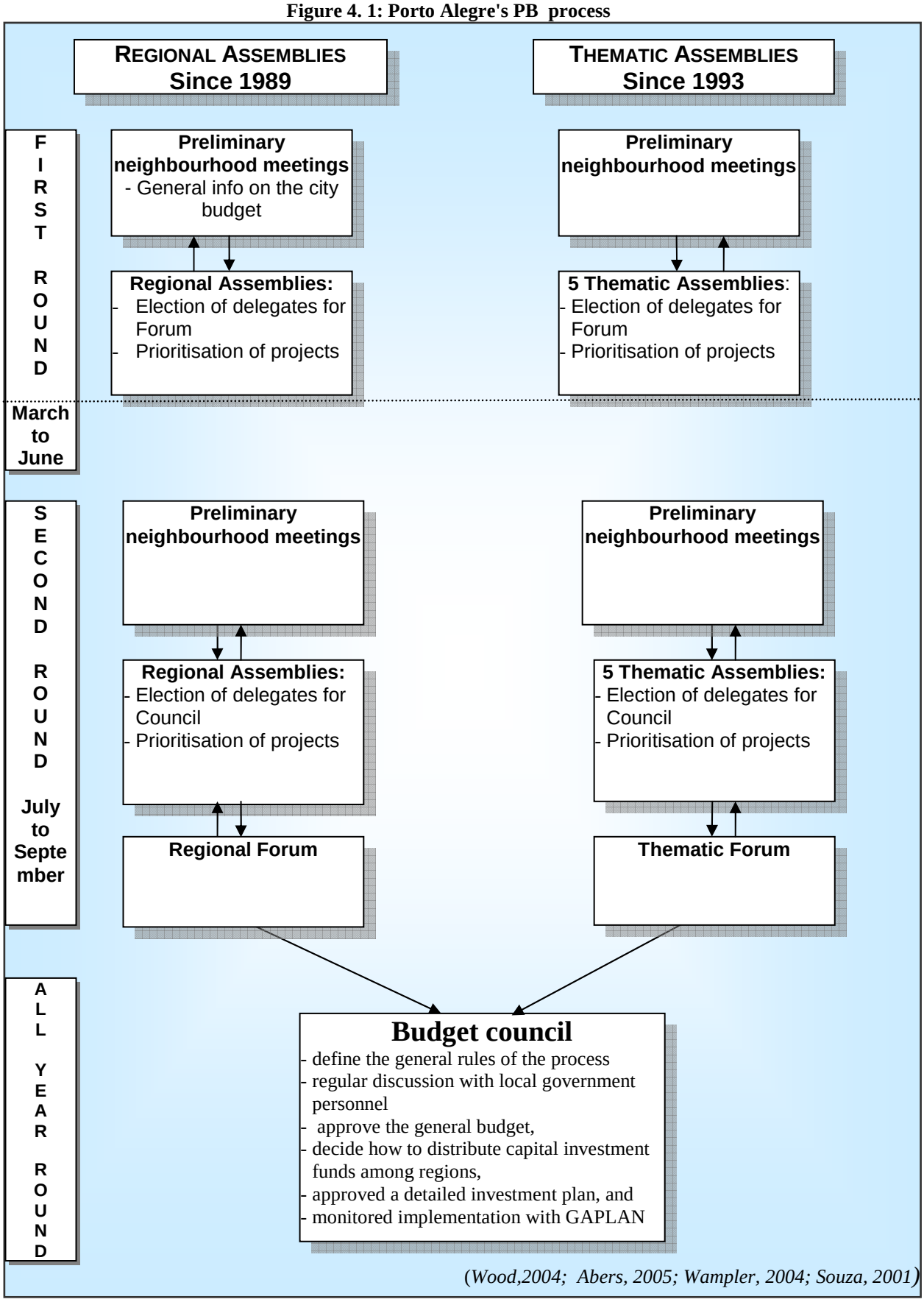
The demands are then studied and assessed for their technical feasibility, prioritise using a weighting system that takes into account the priority given by participants to the category, the region's population, and how well the region is already provided for in that category of investment (Wood, 2004: 63). Once a feasible budget plan is decided it is presented to the city council for ratification (Wood, 20004: 64).

When the budget has been approved by the executive, legislative and the regional and thematic delegates, the GAPLAN[4] ensures that the projects are implemented and reports back to the participants in the forums and councils. The PB process is also supported by CRC[5]'s community organisers hired by the government (Souza, 2001: 169) who mobilise participants and by either community members or the CRC organizer who facilitate the discussion in the diverse meetings (Baiocchi, 2003: 56; Abers' interview).

[4] The GAPLAN is the planning office it also adjust citizen demands with technical and economic viability criteria (Swarnim and Parmesh, 2003: 2)

[5] the Coordination of Relations with the Communities (CRC) manage budgetary debates with city residents and works through its regional coordinators with community leaders to set up discussion assemblies and to aggregate community claims (Swarnim and Parmesh, 2003 :2)

Figure 4. 1: Porto Alegre's PB process



(*Wood,2004; Abers, 2005; Wampler, 2004; Souza, 2001*)

b. DIP framework

PB will be analysed using the facilitation, deliberation and influence requirements of the DIP framework.

i. Participation in PB

PB in Porto Alegre is highly inclusive[6] as every individual can and is strongly encouraged to participate in the first and second round assemblies and be elected in the forums and budget council. Of course, just because every individual *can* participate, it does not mean they will. The number of participants reached 28.000 in 2003 and has now stabilised to around 5 to 8 percent of the population (City of Porto Alegre, 2006). Moreover, to encourage new participants, delegates have a term of one year and can only be re-elected once. While some delegates have used clientelist and manipulative tactics to be selected, the community usually actively reacts against them by, for instance, mobilising a greater number of participants to offset the influence of those delegates (Souza, 2001: 170).

Participants of PB are also broadly representative of the population although the middle-upper class is under-represented in the regional assemblies but over-represented in the thematic ones (Baiocchi, 2003: 55). The proportion of women and low-educated persons are also representative of the population of Porto Alegre yet they are under-represented as delegates (Souza, 2001: 168). Nevertheless, years of participation in PB seem to offset education and gender disadvantages (Baiocchi, 2003: 55). Consequently, PB can be both considered as inclusive and representative

[6] The deliberative processes do not discriminate between 'actually existing' neighbourhood associations and a temporary association of persons who decide to call themselves a 'street commission' from a certain street (Baioccchi, 1999: 24).

despite the absence of random selection and thus seem to meet the DIP participation requirement.

ii. Deliberative space

First, in order for deliberation to occur, participants need to be informed. In Porto Alegre, technical and financial information is available to citizens in an easy to understand format in pamphlets and booklets as well as information on public policies and budgeting such as tax revenues, budget allocation and debt servicing (Souza, 2001: 171). A website with information on PB results and procedures is also available (Souza, 2001: 171; City of Porto Alegre, 2006). Moreover, people joining the process for the first time are also assisted by associations that provide information on the process and on budget issues (Souza, 2001: 169). Since regional delegates visit the physical sites of the proposed project, they obtain further information that may not have been available and familiarise themselves with the projects. Therefore, ample information is provided to participants so that they are bale to deliberate effectively.

Second, in order to be deliberative, respectful discussion is necessary between equals and this occurs best when meetings are moderated by a trained and independent facilitator. In Porto Alegre, there are facilitators and meeting organisers who attempt to ensure that everyone has a say and that the meetings are not monopolised by dominant voices. As a result, in a survey designed by Baiocchi (2003), poor, non-poor, educated and less-educated participated to the same extent and while women participated less than men, this difference is offset when their experience --years of participation in PB-- is considered (Baiocchi, 2003: 55). Moreover, there was no racial difference in participation. Therefore, PB does not show strong patterns of domination. However, there is a void of information in the literature on the micro-

processes of the facilitation, such as how exactly facilitators encouraged participation, e.g. the techniques used. Thus, it is difficult to determine whether the facilitator was manipulative and the extent of any influence. Yet, as meetings occur on different levels and rounds, the influence and/or manipulation of one facilitator could ostensibly be counterbalanced.

Third, in Porto Alegre's PB the deliberation occurs on two distinctive but interlinked issues, the projects and the rules. Moreover, different types of deliberation occur at different levels, at the participants' and delegates' levels. At a participant level either in neighbourhood or regional/thematic assemblies, citizens meet regularly. In sub-neighbourhood meetings, participants are less numerous and are thus able to engage in problem-solving as their opinions are debated. However, negotiations and bargaining might supersede deliberation especially as they also have to prioritise projects and elect delegates. Nevertheless, the rules of participation and of how the resources ought to be distributed are also subject to intense discussion and through their experience, participants have developed complex point systems (Abers, 1998: 529). Moreover, at the delegates' levels, their smaller numbers and the greater technical information received as well as their regular meetings all year round indicates that extensive debates projects can and do occur (Abers, 2005: 5; Wood, 2004: 63).

Finally, when deliberation does occur there seem to be a move from individual to a broader, common interest (a movement found in effective deliberations, according to Carson and Hart, 2005). In PB, while the point system and the vote on projects means that the final decisions are rarely consensual, a move from individual to general interest can definitely be observed. Firstly, as participants debate the rules

that are used to prioritise the projects, it involves a level of abstraction from individual concern which provides evidence of an interest for distributional justice and evidence of "enlarged thinking" (Benhabib, n.a. in Abers, 1998: 529). Participants thus, not only show solidarity with fellow participants but also see their own interest more broadly. Indeed, the thematic process was introduced to facilitate the move beyond individual and neighbourhood interests to broader interests because it considers city-wide issues (Abers, 2000: 187). Moreover, the visit of delegates to project sites also encourages their move from their particular neighbourhood interests to consider neighbourhoods that are needier. Hence, PB seems to meet the deliberative criteria of the DIP framework.

iii. PB's influence

PB is exceptionally influential for a DIP process. First, it determines 100 percent of the new investment budget[7] thus allowing a co-decision between participants and elected representatives (Bacque and Sintomer, 2001: 4). While in theory, the legislative and executive are not under any obligation to implement the recommendations, the deliberative and inclusive nature of the process legitimises the recommendations and thus, in practice they have respected the decision of PB (Wampler, 2004: 88; Wood, 2004: 64). Additionally, PB influence is enhanced as the Budget Council also analyses and approves the personnel and maintenance budget of the city (Abers, 2005: 5).

Therefore, vis-à-vis its inclusion and representativeness as well as deliberation and influence, PB can be characterised as a highly, albeit not ideal, DIP.

4.3.3. PB Outcomes

[7] In 2004 the new investment budget was R$99,268,86312 – this was 13 percent of the overall municipal budget (Prefeitura de Porto Alegre 2004, p. 11) worth $32,350,941USD (Wood, 2004: 60).

The outcomes of PB will be examined using Fisher' approach to participation (Fisher, 2006: 22).

a. Instrumental Effects

PB experienced numerous difficulties in its first years as PT not only had no previous administrative experience in Porto Alegre and faced strong opposition in the first year but the city's financial situation was also in disarray (Utzig, n.a.: 8). Despite these limitations, PB achieved significant results. First, since PB has been designed to allow citizens to co-decide the city budget, the first instrumental effect to consider is the level of citizen participation in PB. Participation in PB has dramatically increased over the years [Table 4.3]. While the participants still only represent around 5 and 8 percent of the population, they are broadly representative of the population. Moreover, this level is very significant for any DIP, especially considering the significant cost for the population in time and energy. The "demonstration effect" of the early works strongly influenced participants to participate as they realised that projects were implemented in the neighbourhoods that participated (Abers 1998: 521).

Table 4. 3: participation in PB in Porto Alegre (CIDADE, 2003)

Year	Number of Participants
1990	976
1991	3.694
1992	7.610
1993	10.735
1994	9.638
1995	11.821
1996	10.148
1997	11.908
1998	13.687
1999	16.813
2000	15.331
2001	18.583
2002	28.907
2003	23.520

Second, PB has had a significant impact on municipal finances. The 1988 Constitution and tax legislation passed by the new mayor in 1989 increased the revenue from taxes by 40 percent (Abers, 2000: 76) and the budget available for investment by 20 percent by 1994. With a subsequent bugdget, PB in turn contributed to the amelioration of municipal finances through a modernisation of the administrative structure. To respond to PB's recommendations, a centralised planning body was implemented, bypassing several departments, thus increasing efficiency (Goldfrank 2003).

Moreover, the public scrutiny over the budget has contributed to this increased efficiency (Souza, 2001: 164) by significantly reducing clientelist and corrupt practices. Indeed, PB provides an alternative and open process where citizens' demands are heard. Hence, clientelist practices are not necessary anymore. Whilst, prior to PB, 62.7 percent of associations surveyed had access to public goods and 41 percent of them obtained them in a clientelist manner, after PB's introduction, 89.6 percent of association had access to public goods but none obtained them via clientelism. (Avritzer, 2002c: 1; Wood, 2004: 72). Moreover, the transparency of the process and the possibility of tracking the project from its approval to implementation mean that corrupt practices have also decreased (Wood, 2004: 73). As a consequence, accountability has increased between the citizens and the government. Nevertheless, this accountability is limited by the lack of enforcement mechanisms because the implementation of PB's projects is utterly dependent on the municipal government's goodwill (Wampler, 2004 :89-90).

Third, PB enhances the delivery of municipal services in a redistributive manner. Just to mention some indicators:

- the percentage of the city receiving treated drinking water increased, from 94.7 percent to 99.5 percent (Prefeitura de Porto Alegre 2004c: 11)
- sewerage drains increased from 46 percent in 1989 to 84 percent in 2002 (Prefeitura de Porto Alegre 2004c: 11)
- Investment in housing projects increased by 335 percent between 1989 and 2000 (Menegat 2002: 195)
- The number of community health centres increased from 13 in 1988 to 164 in 2004 (Prefeitura de Porto Alegre 2004c: 15);
- The number of primary schools increased from 29 in 1988 to 92 in 2004 (Prefeitura de Porto Alegre 2004c: 16).

While, it is difficult to determine exactly what the influence of PB is and whether these projects would have been implemented without it, the fact that government officials were surprised by participants priorities demonstrates PB's influence (Abers, 2005). Moreover, most of these projects occurred in poor neighbourhoods, thus illustrating the highly redistributive nature of PB (Baiocchi, 1999: 12-13).

Finally, in implementing PB, PT certainly aimed to influence the political process and ensure its re-election. In a survey 85 percent of respondents were favourable to PB (Wainwright, 2003: 3). Therefore, PB and its outcomes contributed to the party's improved image, particularly in poor neighbourhoods (Abers, 2000). In addition, as PB was central to PT policy program, the high level of satisfaction[8] with PB has influenced the four consecutive re-election of PT in power from 1989 to 2004.

[8] A survey in 1994 showed that 46.3 per cent of the population knew about PB and that 8.3 per cent had participated in one form or another in PB discussions. With regard to satisfaction among delegates, a 1995 survey showed that 56.5 per cent of participants in district and thematic assemblies claimed to have benefited from the works and services of PB. This percentage increases with the number of years of participation. (Souza, 2001: 170)

b. Developmental Effects

PB has three key developmental effects. First as the majority of those involved are from lower classes, PB opens a space for the participation of those previously outside the political process. It thus contributes to their "democratic education" and "activates" their citizenship. For example, political activists often have had their first experience through PB (Baiocchi, 1999: 27).

Second, PB enhances participants' social learning as they are able to broaden their interest and learn about other's needs. Moreover, the procedural rules of deliberation allow them to respect each other and learn how to interact (Baiocchi, 1999: 17). This is illustrated in the fact that years of participation in PB are the most significant predictors of participation in the debates and in being elected as delegates (Baiocchi, 1999: 11).

Finally, PB strengthens civic organising. As the number of delegates depends on the number of participants, it is a significant incentive for associations to be created and to mobilise the population (Abers, 2005: 6). Indeed, the number of associations in Porto Alegre increased from 380 in 1990 to 540 in 1998. Moreover, PB also reinforced associations' interconnections by providing a space to share information and coordinate action (Baiocchi, 1999: 21).

4.3.4 PB Problems, Limitations and Uncertainties

Despite its significant outcomes, PB has also had problems and limitations. First, there is a lack of money for new investments as a result of the city's debt repayments, of the on-going costs of projects implemented in the previous years and of the re-centralisation under Cardoso's presidency, which resulted in cities only controlling

14 percent of national budget instead of 17 percent in the 1990s, (Wood, 2004: 76). Moreover, PB is subject to intense criticism and resistance from political elites either through critical newspaper coverage or directly among councillors who attempt to undermine the budget (Wood, 2004: 78). Third, PB's increased transparency means that the population is more aware of the delays of projects and thus increasingly dissatisfied (Wood, 2004: 78).

Fourth, the land tenure problems as well as the economic situation in Brazil in general and Porto Alegre in particular, mean that PB is limited in the projects it can implement. Also, in its later years PT has sometimes overridden PB's decisions as it felt less dependent on PB for its credibility. However, this could explain why it has not been re-elected (Abers, 2005: 11). Finally, PB and its process stopped evolving, the lack of technical training of the participants was not solved and the rules and procedures became rigid thus decreasing citizens' influence (Abers, 2005: 11).

4.3.4 Conclusion

Therefore, while PB in Porto Alegre has significant limitations, it is a success to the extent that not only is it deliberative, representative and redistributive but it also ameliorates the city finances, influences city projects and enhances citizens' participation. The contextual variables such as the level of needs and inequalities reflected in the rules and redistributive criteria as well as the significant influence of PB are strong determinants of PB's outcomes. However, to determine whether PB can be successful outside Porto Alegre and determine which variables are crucial for its success, it is necessary to study other experiments. Hence, the case study of Belo Horizonte will be examined next.

4.4 PB IN BELO HORIZONTE

4.4.1 Introduction

Belo Horizonte has a population of 2.2 million with 21 percent of it living in 180 favelas (Blanco, 2002: 20). It shares with Porto Alegre a similar context even if it had a less problematic financial situation when implementing PB but has a lower HDI [Table 4. 4: Comparative Social and economic Statistics for Porto Alegre and Belo Horizonte]. Socially, while Belo Horizonte has had less of a history of community organising than Porto Alegre, clientelism was strongly present to prior PB (Avritzer, 2002). In both cities, PB has been introduced by PT.

Table 4. 4: Comparative Social and economic Statistics for Porto Alegre and Belo Horizonte

Index	Porto Alegre	Belo Horizonte
HDI – 2000	0.865	0.839
Per- Capital income – 2000 (PPPU)	710	557
Gini Coefficient – 2000	0.61	0.62

4.4.2 PB Process

a. Description

PB has been implemented since 1993 in a design similar to that of Porto Alegre. The city is also separated in regions [Map 4. 1] and two assembly rounds and elected delegates choose the projects. Additionally, the delegates also visit the project sites to determine their significance, though it is more formal than in Porto Alegre via the "Caravan of Priorities". Moreover, PB also aimed to be redistributive since additional weighting is given to less well-off areas, yet with distinct criteria.

Map 4. 2: Belo Horizonte's districts

Nevertheless, there are six key differences. First, PB only decides fifty percent of the new investment budget. Furthermore, PB is not held annually but bi-annually thus allowing more time for the projects to be completed and for a larger new investment budget[9]. Third, PB does not have thematic assemblies anymore but consultative Housing and City Conferences, to deal with broader issues, and these are held bi-annually. Fourth, when delegates vote for a project they do not vote for individual ones but for a list of them. Fifth, PB's overseeing body, the Planning Department, and its municipal staff has more power as they decide of the technical feasibility of the project and create the budget plan. Finally, while the Comforça, council of elected representatives, help create the final plan and oversee the execution of the projects, they cannot modify the rules of PB like the Budget Council in Porto Alegre.

b. DIP

i. Participation

PB Participation in Belo Horizonte is similar to Porto Alegre to the extent that only a small percentage of the population participates - two percent – [Table 4.5] and this is broadly representative in terms of gender, education levels and race, though the

[9] As it contains two years instead of one year of tax revenues.

middle-class and very-poor are under-represented. Additionally, all citizens engaged or not in community organisation, are encouraged to participate.

Table 4. 5: Participation in Belo Horizonte's PB
(Prefeiture de Belo Horizonte, 2005)

Year	First Round	Second Round	Third Round	Reginal Forums (delegates
1994	3.671	4.215	6.202	1.128
1995	5.796	5.323	14.461	1.243
1996	5.801	11.796	17.597	1.314
1997	2.938	9.586	17.937	1.334
1998	3.416	3.081	11.871	1.050
1999/2000	Deleted step	2.905	16.323	1.947
2001/2002	7.620	31.286	Deleted step	1.944
2003/2004	5.903	22.221	Deleted step	1.655

ii. Deliberation

As the PB process in Porto Alegre and Belo Horizonte are similar, their deliberative quality is too. Information is broadly provided either through the website, the Caravan of Priorities, cultural market and the public participation coordinator who provides information about the rules. The public participation coordinator also facilitates PB, yet the details of the facilitation are not explained. Since, unlike in Porto Alegre, the rules and criteria for re-distribution are not subject to deliberation, the move from individual self-interest to the more general is more difficult to attain thus decreasing the quality of deliberation of PB.

iii. Influence

Regarding its influence, Belo Horizonte's is less influential as it determines only 50 percent of the new investment budget. It is also limited because the Housing and City-wide council only have a consultative role. Furthermore, since the municipal

staff can impose technical criteria on the participant's final propositions, its influence diminishes the influence of the participants of PB[10] (Blanco, 2002: 4).

4.4.3 PB Outcomes

a. Instrumental

PB in Porto Alegre and Belo Horizonte had the same objectives. Therefore, regarding participation, PB was very successful the first year of implementation. However, the level of participation fluctuated significantly over the years [Table 4.5].

Second, the new constitution increased Belo Horizonte's finances by 24.5% between 1990 and 1994, thus allowing more funds for new investment (Wood, 2004). Whilst, as in Porto Alegre, the increased transparency meant a decrease in corruption and clientelism, the latter is still present in Belo Horizonte (Wood, 2004). The main reason behind the persistence of clientelist practices is that 50 percent of the new investment can still be obtained through them, whereas in Porto Alegre the whole budget in under PB scrutiny.

Third, PB changed the delivery of municipal service within the infrastructure program since projects of road improvement in favelas have been replaced by projects of sanitation, drainage and infrastructure (Bretas, 1996). Moreover, the amount of public work in favelas increased from US$2 million in 1992 to 14 million in 1995 thus, highlighting PB's redistributive nature (Bretas, 1996: 221).

[10] Technical criteria to prioritize the proposals approved in the OP were introduced: the vote of the delegates now would only represent 51% of the final evaluation of each proposal, reserving 49% to a series of technical criteria such as volume of the population benefiting from the proposal; and number of times that the proposal has been presented in other editions without being approved) (Blanco, 2002: 4)

Finally, whilst PT lost the 1996 municipal election, the PB's centrality in the party platform and its success was probably part of the reason why it was re-elected in 2000. Indeed opinion polls in 1994 shows that 67.3 percent of those sampled were favourable to PB (Bretas, 1996: 216).

b. Developmental

As in Porto Alegre, PB in Belo Horizonte, acted as a "democratic education" for outsiders since the majority of participants are also from the lower social strata. Second, while PB enhanced the social learning of how to interact between citizens, especially in meetings, the fact that the rules are not decided directly by the participants has limited this effect. Moreover, since PB is only held every two years, it limits citizens' experience and decreases their social learning. Finally, as in Porto Alegre, PB has increased civic organising even if most participants of PB were part of an association before taking part in PB (Abers, 1988).

4.4.3 PB Problems, Limitation and Uncertainties

As, in Porto Alegre, PB was subject to resistance from government departments and elites. For instance, the government had to replace the agency in charge of public work to diminish resistance (Wood, 2004). Moreover, the increased transparency augmented the feeling that projects were not completed on time. Finally, PB had difficulty reaching the sub-poor and middle class despite the forums implemented.

4.5 CONCLUSION

Hence, while the contextual variables, such as the levels decentralization and inequalities impacted on PB's outcomes in both cities by providing sufficient resources to PB and emphasising its redistributive character. However, the main differences between these two models are procedural. The lower deliberative quality in Belo Horizonte is a result of a lack of discussion on the rules and thus limits the developmental effects. Moreover, limited influence of PB in Belo Horizonte impacts on the instrumental outcomes as smaller projects are implemented and corruption persisted despite less financial difficulties than in Porto Alegre. This analysis also demonstrates that PB can be implemented in different contexts, example with lower levels of civic organizing.

CHAPTER 5- THE PARTICIPATORY BUDGET IN SPAIN: CORDOBA AND PUENTE GENIL

5.1 INTRODUCTION

In order to determine whether PB can be implemented in other contexts, it is necessary to compare PBs across different contexts. Therefore, this chapter looks at the experiences of PB in Spain firstly by looking at the general Spanish context. Then, the specific case studies of PB in Cordoba and Puente Genil will be examine in more detail by analysing their specific context, process, as well as their instrumental and developmental effects. The problems and limitations experienced by PB in both these cities will also be examined.

5.2 THE SPANISH CONTEXT

5.2.1 *Socio-Economic*

Unlike Brazil, Spain is considered a developed country with HDI 0.928[11], (21st position and Brazil 63rd) (UN, 2005: 219-220) and with a GINI coefficient of 32.5 (31st position) Spain is also far less unequal than Brazil (117th position) [Table 4.1]. The predominant participation model, while not clientelist, favoured organised groups to the detriment of unorganised citizens (Font, 2005:6). Organised groups were seen as informed and representative of the society (Font, 2005:6). Moreover, their disruptive potential was another incentive to engage them in policy making (Font, 2005:6). However, individualism and the increasing complexity of citizens' needs resulted in a more heterogenic population and a fragmented associative map (Ganuza, 2005c: 552-555). The associations could not be considered representative anymore since most of the population is no longer involved in any organisation (Ganuza, 2005c:

[11] No statistic available for the percentage of its population under poverty line

556). Therefore, new mechanisms of participation were necessary to take into account these social transformations. These social changes and the need for participation are also reflected in the political context.

5.2.3 *Political*

As in many European countries, Spanish citizens have low levels of trust in political representatives and political parties are one of the less valued political institutions. This political disaffiliation is illustrated by the low participation in local and state elections (Ganuza, 2005c: 558). Moreover, citizens believe that they suffer a widespread incapacity to communicate with politicians [Table 5. 1] Therefore, the political class aims to increase its legitimacy and communication with citizens by increasing their electorate's participation in policy making (Ganuza, 2001: 503). The left-coalition (IU) was the most responsive to this lack of citizen participation and to the need for innovation. However as a left party, it has a strong bureaucratic culture and thus, faces a dilemma between the need for participation to enhance its relationship with citizens and its deep-rooted fear of losing power (Blanco, 2002: 53). This resulted in a rhetoric contending that participation is morally good but is less likely to mention its intrinsic advantages, such as increased information and enhanced quality of life (Blanco, 2002: 53).

Table 5. 1 : Capacity to communicate with politicians in Spain (Fuente, 2002 in Ganuza, 2001: 504)

Capacity to communicate with politicians (scale from 1 to 10: 1=none, 10 a lot)	
	2002
What possibilities do the people have to transmit their opinion to the politicians?	2.91
Hwat significance do politicians give to the opinions of the people	2.66

5.2.2 *Legal*

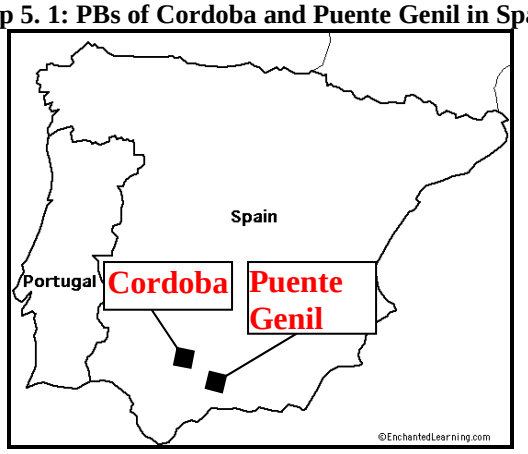
In order to take into account the changes of the socio-economic and political aspects, legal reforms have been implemented. For the last 25 years, the traditional types of

participation and the need for dialogue between government and citizens were reflected in a plethora of *Reglamentos de Participación Ciudadana* (Citizen Participations Regulations). Hence in 2003, The *Ley de Modernización Del Gobierno Local* (Law of local government modernization), was implemented not only to homogenise the legal landscape, but also to change and enhance the relationship between local administrations and citizens by rendering participation mandatory in policy-making (Ganuza, 2005c: 552). This move was also influenced by a European Council report published in 2001 which espoused the virtues of participation and pressured European countries to implement new and innovative participation mechanisms (Ganuza, 2005c: 551). The *Ley de Modernización Del Gobierno Local* also aimed to reinforce the executive and legislative role of local administrations which, unlike Brazil, function in a parliamentary manner[12]. Thus, the relationship between executive (mayor) and legislative (advisors) is ostensibly less conflict-ridden.

Therefore, despite different contexts in Spain and Brazil, there were still participation issues and thus incentives to implement new types of instruments such as PB. PB was implemented not only to increase and modify participation but also to enhance the transparency and accountability of government. However, unlike Brazil, PBs are not part of the IU party platform. Thus, the implementation of PB depends upon the political will of the mayors and upon their personal convictions regarding the virtues of deliberative participation. The IU mayors of Cordoba and Puente Genil decided to use PBs and their specific cities' case studies will be examined next [Map 5. 1].

[12] That is, the mayors are not directly elected but indirectly through the election of a list of advisors

Map 5. 1: PBs of Cordoba and Puente Genil in Spain



5.3 PB IN CORDOBA

5.*3.1 Introduction*

Córdoba is a city of 321,164 inhabitant situated in the province of Andalusia with 33 percent of its households considered poor[13] (Ganuza, 2005a: 515). Since the first municipal election in 1979, Cordoba's government was concerned by the low level of participation and aimed to enhance citizens' involvement in the municipal government. Thus, Cordoba was one of the first cities to implement PB in Spain. Moreover, reflecting its history of participation, Cordoba enjoys a strong civic organising with more than two thousand registered associations (URB-AL, 2006).

The stated aim of PB was thus to improve democracy by providing a new space that allowed individual citizens and collective organisations to discuss the city's budget (Cordoba city website). Its objective was also to provide an efficient redistribution of resources and increase citizens' quality of life (City of Cordoba, 2006). The impact of these aims on the process will be studied next.

5.*3.2 Process*

a. <u>Description</u>

PB has undergone numerous modifications since its first implementation in 2001 whereby two distinct but related models evolved. It is necessary to look at both these

[13] with less than 900 euros per month

models as the evolution from one to the other reflects the influences of contextual factors. However, since the second model has only been implemented since mid-2005, the data regarding its participation and effects are from the first model only.

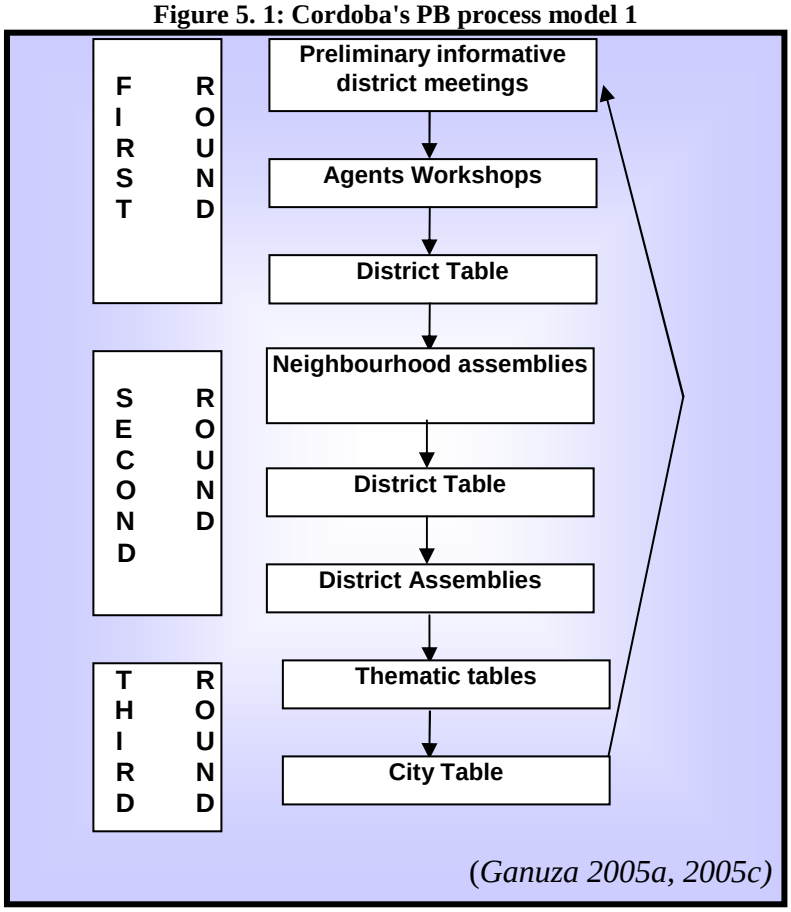
The first model (from 2001 to 2003) was cyclical, aimed at individual citizens and can be decomposed in three interlinked phases [Figure 5. 1]. In the first phase, the process began with informative assemblies in each district which reviewed PB's results from the previous year and PB's methodology. At the end of this assembly, "agents" were elected by participants. These agents were then trained on issues such as municipal competencies and finances and discussed PB's rules which changed yearly. Then, agents organised and facilitated the public meetings. They also decided the criteria to prioritise the propositions. After the workshop, "district tables" were put in place where district associations and the agents belonging to the district determined the dates of "neighbourhood assemblies".

In the second phase, the agents conducted the "neighbourhood assemblies" in which citizens proposed and discussed projects for each area. Participants were then invited to prioritise the projects. After these assemblies, the "district table" met again to apply the criteria decided in the workshop to the propositions and the outcome became the district proposal. Then, agents organised "district assemblies" to present the district proposal to citizens and to modify it if necessary. At these assemblies, agents finished their work and new representatives were elected (Ganuza, 2005a 518).

In the third phase, the city council organised a "thematic table" to analyse the feasibility of proposal and explain its results. Then, "city table" encompassing the

representatives were held to discuss and prioritise the proposals. Some representatives were then chosen to follow up the implementation of the chosen projects (Ganuza, 2005a: 518).

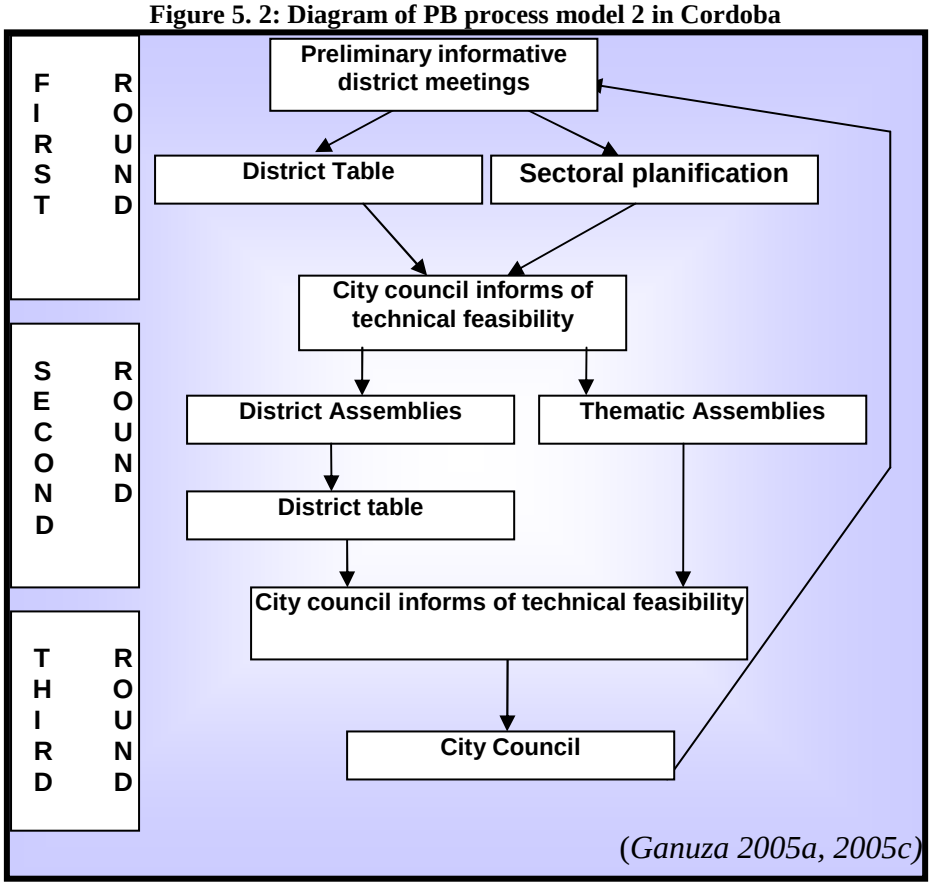
Figure 5. 1: Cordoba's PB process model 1



In the first year some existing associative organisations felt left out. As a result of their subsequent protests, constant criticisms and attempts to undermine PB, the city council decided to stop the PB in 2004 and re-draw a new process to be implemented in 2005 that took into account the positions of associative organisations [Figure 5. 2]. This second model is now aimed at both individual citizens and associations. These associations have a more active role as they not only organise and facilitate the meetings but set the agenda to follow their diagnostics of which area and projects are necessary, named the "planification". Then, the second phase now includes sectorial assemblies where the advisory council makes a sectoral planification. Assemblies at the district level and in each category are held where citizens discuss and prioritise

the proposed plans. Both districts' and sectoral assemblies' plans are analysed technically and presented to a new organisation, the "City Council' composed of individual citizens elected in the sectoral and district assemblies who discuss, prioritise and apply social criteria (Ganuza, 2005c).

Figure 5. 2: Diagram of PB process model 2 in Cordoba



b. <u>DIP framework</u>

i. Participation in PB

As previously outlined, participation is open to every individual, whether or not they are part of an organised association. However, participation in PB only represented around one percent of the population, as it decreased substantially in the second year due to associations' intense criticisms [Table 5. 2].

However, this lack of participation is also due to a lack of awareness that PB exists (Ganuza, 2005c)) despite information given through the local mass media (press,

radio, municipal television), leaflets and pamphlets distributed throughout the city and personalised letters to citizens who have already participated in assemblies. Furthermore, there is a gender bias as women seem to participate less in PB and even lesser as "agents" or "representatives" [Table 5. 3; Table 5. 4]. This might be the result of a greater cost for women to participate, especially as gender-specific measures were not put in place to attract them, such as child care facilities.

PB was however representative to the extent that most participants in the first model were not part of associations, reflecting the composition of the population. Yet, the data on socio-economic levels is not conclusive to determine whether people from a lower socio-economic background participated more or less than those from an upper background. Moreover, the new process might increase its un-representativeness as members of associations are favoured.

Therefore, PB only met some of the participation requirements of the DIP framework since while it was gender biased and attracted a small number of participants, it managed to attract people that had not participated before. However, to complete the assessment of PB's participation, more data on the socio-economic background of participants is needed.

Table 5. 2: Participation in PB in Cordoba
(City of Cordoba, 2006)

	2001	2002	2003
I District assemblies	552	355	602
Thematic Tables			167
Neighbourhood assemblies	1541	1125	857
II District Assemblies	990	418	496
TOTAL	**3083**	**1898**	**2122**
Percentage of population	**1.0%**	**0.6%**	**0.7%**

Table 5. 3: Profile of the participants in PB assemblies in Cordoba by gender
(City of Cordoba, 2006)

	2001	2002	2003
Women participants	45%	40%	42%
Male participants	55%	60%	58%

Table 5. 4: Profile of the delegates in PB Assemblies in Cordoba by membership to associations (City of Cordoba, 2006)

	2001	2002	2003
Participants members of associations	41.3%	54.5%	52.8%
Participants not members of associations	45.1%	39.5%	43.4%
Not disclosed	13.6%	6%	3.8%

ii. Deliberative space

To determine whether PB meets the requirements of the DIP framework it is also essential to analyse its deliberative quality. First participants receive technical and methodological information in the first session and in the thematic meeting. Then the delegates receive further information, by visiting the project sites directly (City of Cordoba, 2006). Yet, some participants were still unsatisfied as they wanted more information on the technical aspects of the projects (Ganuza, 2005a).

Agents were trained in the workshop which probably improved the quality facilitation. For example, Ganuza (2005a) stated that citizens were treated in an equal manner, had the same opportunity to participate and acted in a responsible way. However, the change in the new process, i.e. having facilitation and agenda-setting in the hands of associations might considerably reduce the effectiveness of the facilitation and thus, deliberative quality of PB. To be effective deliberation should not be directed by the facilitator as citizens might not feel listened to and it limits their decision-making role.

Nevertheless, in neighbourhood meetings and meetings with delegates, citizens are allocated specific time to deliberate and discuss. Moreover, since the agents have the power to modify the rules, they think more generally about the process itself and when deciding on criteria, they take into account broad notions of social justice thus, enlarging their thinking (Ganuza, 2005a). Citizens also showed evidence of enlarged

thinking as they insisted on having social justice criteria to increase the transparency of the process despite the reticence of associations. Therefore, while the deliberation had a medium to high quality in the first PB model, the increased influence of associations in the second model is likely to decrease it.

iii. PB's influence

The influence of PB is also a crucial criterion to determine whether PB met the DIP framework requirements. PB is influential to the extent participants directly decide the rules of the discussion and the social justice criteria to be applied to the proposed projects. Regarding the outcomes, PB's participants jointly decided with the municipality the expenditures of each city' investment budget. This significant influence is demonstrated by the fact that citizens have been able to carry out proposals that were rejected by the administration. Moreover, the fact that elected citizens are able to follow-up on the proposed projects and report back the results to their fellow citizens increases the influence of PB and its transparency.

However, there are also severe limitations to PB's influence. First, PB only influences the projects of four "secretaries" (government departments): micro-local projects, cooperation, education and citizenship participation (Ganuza, 2005a: 517). This limitation is likely to be mitigated in the future as the city is planning to extend PB's responsibilities to remaining areas of the city council budget (City of Cordoba, 2006; City of Cordoba, 2003: 110). Second, the investment budget of the city council is very limited as 75 percent of the investment budget is not decided by the council but by

public enterprises[14]. Consequently, while PB has a power of co-decision on some projects, its overall influence is limited. This has a direct impact on its outcomes.

5.3.3 *Outcomes*

a. Instrumental effect

Since Cordoba's experiment is still in its early days, it is difficult to have substantial data on its outcomes. First, in 2004, the accepted projects totalled more than four million euros. However, it is very difficult to determine the precise influence of PB as these projects would have been implemented without PB. Second, PB has had some influence on social justice due to the criteria which not only prioritise projects in low-socio economic areas but also projects in areas that lack infrastructure and that have the most population. Therefore, the district that received the most projects has one of the lowest socio-economic level. However the district with the lowest socio-economic level received the least amount of investment funding. The conflicting data may be due to a lack of disaggregated data[15] (Ganuza, 2005a: 525)

PB also assisted in the modernisation of the city's administration. First, it rendered the budget's information intelligible by citizens and explained the city's responsibilities to citizens. PB thus increased the municipality's communication with citizens. Second, PB enhanced coordination between the four departments. However, the broad lack of knowledge of the existence of PB among the population raises doubts on any significant political impact on the re-election of IU.

[14] Moreover, the new investment budget of public enterprises grew by 200percent between 2001 and 2004, while the one of the City Council only by 2.85 percent (Ganuza, 2005)

[15] For instance, while a district with a high socioeconomic level received the second largest investment, these investments were directed to its poorest neighbourhoods. Moreover, PB significantly reoriented the investment toward areas which lacked infrastructure (Ganuza, 2005a: 525).

b. Developmental effect

Despite the limited participation in PB, it seemed to have had a substantial impact on its participants. First, PB provided a democratic education by providing information on the city's responsibilities and on how to interact in meetings and by training agents on budget technicalities and facilitation (City of Cordoba, 2006). Second, in prioritising the projects, participants are encouraged to think of the city in its entirety and thus, enhance citizens' sense of being part of a collective. Moreover, PB seemed to have revitalised the participative dynamics in the city as it provided an arena for people who do not usually participate (as part of an association) to voice their concerns and issues (City of Cordoba, 2006). The new model also has the capacity to increase the number of associations and the participation within them as their role is reinforced.

5.3.4 *Problems, Limitations and Uncertainties*

Nevertheless, PB faces three main problems in Cordoba. First, PB fits uneasily with existing associations. While its first aim was to change the existing associative structure to develop a new form of participation, after intense criticisms it incorporated some of these associations' demands and changed the process. Second, there is no legal obligation for the city council to implement the suggestions thus the influence of PB is limited by the goodwill of the City Council. Finally, there has been some reticence from the administrative staff as PB has increased the work load, especially translating the technical information for citizens, but also because it takes away some of their decisional power. These fears of losing power are also present among politicians who believe their main role of deciding the budget's projects has been taken away from them. Therefore, PB requires a cultural change that will take time.

5.3.5 Conclusions

Consequently PB's flexibility and social learning allowed it to reconcile but not overcome old associative structures. While, PB was not highly successful, it achieved significant outcomes, despite a different context from Brazilian experiences, such as less inequalities and more development. Furthermore, an improvement in process by increasing equality between participants could in turn increase PB's participation and representativeness. An increase in the influence of the process could also modify its outcomes. The experience is still very new and more time is needed to observe any meaningful long-term trends. To relativise the significance of the Spanish context and PB process, Puente Genil's PB will be studied next.

5.4 PB IN PUENTE GENIL

5.*4.1 Introduction*

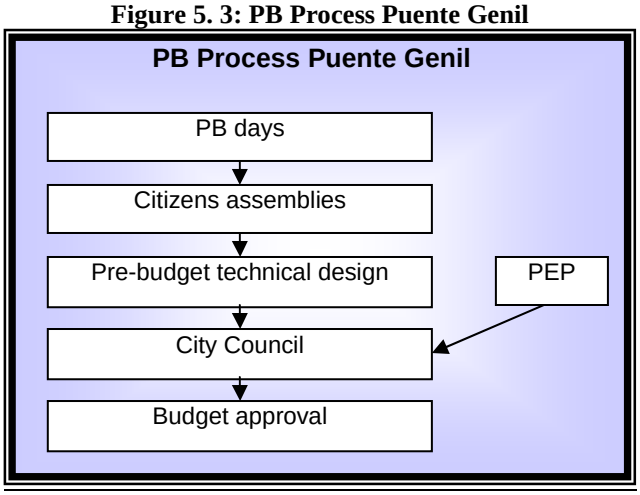
Puente Genil is a city of 29,000 inhabitants and is part of the province of Cordoba. Contrary to Cordoba, Puente Genil does not have a strong associative history. Before 1999 citizen participation was nearly non-existent. Between 1999 and 2001, a Municipal register and a council for local citizens were introduced to increase participation. Once IU was elected, with an absolute majority in 2001, it decided to further this participatory trend by introducing the PB. PB also aimed to modernise the administration, legitimise the political system, increase democracy and enhance social justice (Ganuza, 2005b: 531).

5.3.2 *Process*

a. Description

The process of PB has been modified from its first introduction in 2001. It only dealt with 25 percent of the budget and was only thematic (Ganuza, 2005b). Since 2002, PB starts with "PB days" where representatives of associations, municipal workers and any citizen can discuss the previous year budget's results, PB's methodologies as well as the rules for the coming year [Figure 5. 3]. Then, citizens discuss and prioritise the projects in "citizen assemblies". Subsequently, municipal employees design a pre-budget project with the projects' technical considerations. Representatives of elected assemblies, of the local citizen participation council, of associations and of social organisations, then discuss the projects and social justice criteria in the "City Council". The city council is also in charge of following up the implementation of the projects. Finally the budget is approved by the city. Additionally in 2004, the Plan Estategico Participativo (PEP/ Strategic Participative Plan) was introduced for citizens to be able to discuss city-wide plans. ince 2005, the PEP propositions are also part of the criteria when prioritising PB projects.

Figure 5. 3: PB Process Puente Genil



b. DIP framework

i. Participation in PB

PB is open to every citizen whether part of an association or not. Since process changes in 2001, representatives of associations and social organisations have a privileged seat in the City council but not in the citizens assemblies like in Cordoba. This change doubled PB participation from 2001 to 2002 [Table 5. 5]. However, since there has not been any research yet on the socio economic background or gender of the participants, it is not possible to draw any conclusions on the representativeness of PB participants in Puente Genil. Unlike in Cordoba, child care is provided to increase women's participation and ensure gender parity. However, no other measures have been undertaken to encourage the participation of citizens with specific socio-economic backgrounds.

Table 5. 5: Evolution of the participation in PB in Puente Genil (City of Puente Genil, 2006)

Year	Participants	Percentage of the Population over 16
2001	-	-
2002	169	0.71%
2003	399	1.7%
2004	360	1.53%

ii. Deliberative space

To facilitate deliberation, information is widely distributed via the mass media, a tri-annual journal and a guide which explains what PB entails. The PB days also provide technical information on the budget and on PB's methodology (Ganuza, 2005b). Unlike Cordoba, the representatives are not transported to the different project sites to increase their first hand information. This may be partly due to the relatively small size of the city. However, the lack of technical information in the first year was one of the reasons for the change of process and the inclusion of associations and social organisations in the city council (Ganuza, 2005b).

Moreover, while deliberation occurs at the PB days and City Council, in the assemblies the citizens only prioritise municipal investments, which reduces space for deliberation. Additionally, as the associative web of the city is fragmented, the city administration cannot rely on them for organising meetings and thus remain the main protagonist. Moreover, there is no information on the micro-processes of deliberation in PB days and City Council. Despite all these limitations, a move from individual interests to general interests can be observed as citizens insisted that social justice criteria be applied to the propositions (Ganuza, 2005b: 540). Moreover, citizens deliberate on the rules of PB and on broad city plans in PEP thus, demonstrating enlarged thinking.

iii. Influence

While the city is of a small size and thus its capacity to implement projects is less, PB had a significant influence. First, unlike Cordoba, since 2002, PB influenced 100 percent of the new investment budget and even the activities of municipal enterprises. Second, as outlined previously, participants also decided PB's rules and the social justice criteria that will be applied to the projects.

c. Outcomes

i. Instrumental effect

PB has had four main instrumental effects. First, while still minimal the participation has increased over the years to reach levels superior to Cordoba's PB and of any Spanish PB [Table 5.5]. This is very substantial when considering the very low citizen participation prior to PB.

Furthermore, PB has also enhanced the modernisation of the city as more coordination between all levels of the administration has been possible, unlike Cordoba where PB only impact upon four areas. This coordination has been possible via the implementation of three commissions aimed at sharing information between the departments, which meet throughout the year. This instrumental effect has been furthered by the reduction of municipal employees' resistance to PB (Ganuza, 2005b: 538).

Third PB's impact on social justice has only been average to the extent that while social justice criteria are applied to the proposed projects, small cities do not have the ressources to implement projects that will have more influence. While this is a limitation of PB, the fact that inequalities are not a major issue in Puente Genil likely means that social justice is not a pressing need. Furthermore, the municipality responded to the population's main concerns in the implemented projects (Ganuza, 2005b). Additionally, the criteria enhanced the transparency of public decision on the budget by stating why projects were chosen.

Finally, PB as an important policy of IU may have had an impact on IU re-election since it is in a third term for the first time in Puente Genil. Yet, it lost its absolute majority seats in the last two terms (City of Puente Genil, 2006).

ii. *Developmental effect*

PB had important developmental effects. First, it substantially enhanced social activism, reflected in the increasing number of associations (Ganuza, 2005b). Second, the increased information available to citizens on the city's budget as well as the increased communication between the government and citizens has improrved the

likelihood increased their knowledge about the responsibilities of their cities. The increasing participation also demonstrates that more people are aware that they can make a difference by participating. In addition, their concern toward the rules of deliberation and social justice illustrates PB's role as a school of civic and democratic responsibility. Moreover, social learning has been an important part of PB as citizens learn from past PB experiences and change the rules of PB.

5.3.4 *Problems, Limitations and Uncertainties*

As already outlined, the main limitation of PB in Puente Genil is its limited capacity as a small city to invest in projects that would influence the city's inequalities. However, the increased participation shows that the projects tackled by PB are already sufficiently significant for people to want to be involved. PB has however, suffered from an increasing number of projects that were approved but with insufficient funds to implement them all. Therefore, more technical information on the budget limitations might be necessary before choosing the projects.

5.3.5 Conclusions

Consequently, while Puente Genil is a smaller, less resourced city with a weak associative history, PB's good quality deliberation and the political will to empower citizens made it one of the most successful Spanish experiments of PB.

5.5 CONCLUSIONS

PB processes in Puente Genil and Cordoba have commonalities such as, the mixed participations, PB power of co-decision and PB's influence on both local and city-wide projects. Despite its low associative history, small budget and responsibilities, PB in Puente Genil has been quite successful thus moderating the significance of

these contextual variables. Moreover, the associative history of Cordoba may have even been an obstacle rather than an advantage for PB, as the re-design of PB diminished the influence of PB participants.

The procedural variables such as rules' flexibility have increased the social learning in both cities and have allowed PB to adapt to the specific city context. It is however regrettable when these changes only represent the will of a small part of the participants such as in Cordoba, especially as it decreased the deliberative quality of the process. Deliberation is crucial in PB as it allows citizens to have adequate opportunity to articulate their argument and confront them with other persons, thus ensuring that the projects reflect the will of the population in general. Moreover, deliberation is enhanced by and in turn facilitates the reflection on city-level projects as it assists the move from individual interest to collective ones. The success in Puente Genil is also a result of both innovation and proactive policies, such as childcare. They reflect the strong will of the government which allowed and encouraged the PB to have a significant influence of the budget.

Hence, the different contextual variables between Puente Genil and Cordoba, such as less resources were not predominant in influencing the instrumental and developmental outcomes of PB. However, the procedural variables, such as the portion of the budget under PB's scrutiny and policies to increase participation seem to be.

CHAPTER 6- THE PARTICIPATORY BUDGET IN FRANCE: MORSANG-SUR-ORGE ET SAINT-DENIS

6.1 INTRODUCTION

In the same vein as the last two chapters, this chapter first analyses the French context and subsequent rationale for implementing PB. Then, two case studies of PB in France are analysed: in Morsang-sur-Orge and Saint-Denis. The context of each specific city will be examined, followed by an analysis of PB's process and outcomes.

6.2 FRENCH CONTEXT

6.2 *1 Socio-economic*

France is a highly developed country with a HDI of 0.938 (ranking at the 16th position) and low inequality level with a GINI of 5.6, thus ranking 34 (UN, 2005). It has 6.5 percent of its population below the poverty line (CIA, 2006). Moreover, the recent riots and protests against the unemployment law demonstrate the importance of addressing France's inequalities and the non-insertion of part of its population due to their socio-economic status or immigrant background. Additionally, France's unemployment rate is also significant, reaching 10 percent (CIA, 2006).

6.2 *2 Legal*

France's legal context has four key characteristics relevant to this research. First, France is still a highly centralised country despite significant improvements since 1981 (Sintomer, 2005: 135). The cities now have their own area of responsibility, albeit limited[16] , and are not only able to levy their own taxes (professional and land taxes)

[16] The laws of decentralisation of March 2 1982 define communal area of responsibility: distribution and water treatment, the management of domestic waste, the construction and the management of the primary schools (competence specific to the communes since 1881), the provision of social services of proximity through the

but also received 26 percent of their resources in state money transfers in 2001 (Sintomer, 2005: 135).

Second, France is the European country with the highest number of communes (Sintomer, 2005: 136) and as in Spain, the communes follow a parliamentarian system. The government thus encouraged their unification via "agglomeration communities". It aims to regroup adjacent communes to share resources and agreed responsibilities and responsibilities. Once responsibilities are transferred to the "agglomeration communities", the communes are not responsible for its provision anymore (Sintomer, 2005: 136).

Third, France's legal context is characterised by a relatively high level of institutionalisation and the need for consultation and deliberation in local politics. This legal move can be grouped into two periods. The first at the beginning of the 1990s was characterised by three laws, "Orientation law" (1991) ,"Territorial Administration Law" (1992) and "Barnier Law" (1995) which recognised the need for information and consultation of citizens on territorial and city projects (Sintomer, 2005: 137), thus setting the principles. Then, the second period was also characterised by three laws, "Voynet Law" (1999), "Solidarity and Urban development Law" (2000) and "Vaillant Law" (2002) (Sintomer, 2005: 137). This last period not only recognised the need for consultation and information but required that the communes implement consultative and deliberative spaces.

CCAS (Communal Center of Social action), the management of the communal roads and the voiery, the attribution of licence of occupation of the grounds (Sintomer, 2005: 135).

Finally, since the 1970s, "city politics" policy was initiated by the state as forms of "affirmative action" to assist particularly poor neighbourhoods to solve pressing social issues (Bacque and Sintomer, 2001: 3). Participation was thus thought to be a good way to involve the citizens of these neighbourhoods. However, this policy is enmeshed with contradictions. While citizens were encouraged to participate, their influence on the project was limited to consultation. Moreover, most of the councils were not inclusive as the large majority of participants were from the white middle class (Bacque and Sintomer, 2001: 3). Participation was characterised by some deliberation but the deliberation was without rules and influence and thus experiences differed widely.

Finally, this city politics was also part of a broader concept of "proximity politics" where the government aimed to be closer to its citizens at a geographical level, via decentralisation, but also at a political level, listening to their concerns (Sintomer and Baillard, 2004: 8). However, the consultative nature of the participation promoted by these laws demonstrate a the fear of devolving responsibility and power to its citizens, which reflects the general political context.

6.2 3 *Political*

The political context is characterised by two main issues. First, the French government faces a deep legitimacy crisis as 35 percent of France's population feels that they cannot rely on political personnel (Sintomer, 2005: 139). Additionally, work unions and party membership are in constant decline, reaching one of the lowest levels in Europe (Sintomer, 2005: 139). This crisis is also reflected in low electoral participation especially at the municipal level. However, while recognising the need for a "deliberative imperative" to overcome this crisis, the government largely

believes in a "French republicanism" characterised by the belief that political representatives can more effectively determine what is best for the population (Sintomer, 2005: 139). Therefore, unlike Spain or Brazil, France does not have a history of clientelism or a dialogue with associations. French republicanism result in a limited role for civil society, so as not to create lobby groups or counter-powers, because it is believed that they forward individual needs that are not representative of the population (Sintomer, 2005: 140).

Consequently, these French contextual characteristics strongly influenced not only the rationale for implementing PB but also its process and outcome. The crisis of legitimacy meant that PB was mainly seen as a political tool by the communist and socialist parties that implemented it in France to revitalise their image (Allegretti and Herzberg, 2004/05). Therefore, PB was seen as an innovative, counter neo-liberal globalisation instrument that will rejuvenate the image of these parties. While, the French experiment was modelled on Porto Alegre's, PB lost its redistributive, deliberative and formal characteristics. PB was used to further decentralisation, increase the social dialogue, but not co-decision, and be an integral part the "proximity politics" (Allegretti and Herzberg, 2004/05).

6.3 PB IN MORSANG-SUR-ORGE

6.3.1 Introduction

Morsang-sur-Orge is a small commune with 19,500 inhabitants and is also part of the Val d'Orge agglomeration since 2001 with seven other communes (City of Morsang-sur-Orge, 2006). While it is not highly indebted, it faces economic problems as it has a

small number of private companies and thus low revenues from the professional tax (Talpin, 2005: 167).

Politically the city is run by a left coalition headed by the communist party (PCF). However, for the first time in 1995, the difference between the left and right coalition was so minimal (i.e. eight votes) that a Court-mandated second election was held in 1997 (Talpin, 2005: 166). The left coalition subsequently won the election partly due to stated intentions of the mayor to regalvanise the PCF and implement participatory mechanisms. This coalition was re-elected in 2001, albeit with 44.5 percent of abstention thus illustrating the legitimicacy crisis of the party (Talpin, 2005: 166).

Regarding its socio-economic context, the majority of the city is middle class, however, 25 percent of its population lives in social housing. It has a small proportion of foreigners (8.7 percent) (Talpin, 2005: 168). It also has a strong history of civic organising with around 65 registered and active associations (City of Morsang-sur-Orge, 2006). The associative web is fragmented and thus the local government sought to re-create links and solidarity between these associations through participation.

Consequently, the municipality, and more specifically the most active members of the PCF, decided to implement PB in 2001. PB was one of many participative devices implemented since 1999 (Talpin, 2005: 168). It was intended to respond to the legitimacy crises reflected in the 1995 imbroglio. However, unlike other French municipal governments, Porto Alegre was not mentioned as a reference for this process, instead PB was part of the "democracy of proximity" rationale (Talpin, 2005: 169). This could also explain why PB did not have a redistributive or social justice

rationale. Its only aim was to reinforce social linkages among the population and discourage individualism. In addition, PB was not intended to be a tool for administrative modernisation, but was seen as a way of revalorising public services (Talpin, 2005: 169-171).

6.3.2 *PB Process*

a. Description

The PB in Morsang-sur-Orge is composed of two processes running simultaneously [Figure 6. 1]. Since 2001, eight neighbourhood committees determine the projects for their neighbourhood over three meetings with a grant of 60,000 Euros each, representing 20 percent of the new investment budget (Budget Participatif, 2006). The first two meetings introduce the process and discuss the projects. Then, a technical evaluation of the projects presented in the second meeting takes place before the third one Talpin, 2005: 171). It is in this third meeting that projects are chosen and then submitted for approval to the Municipal Council.

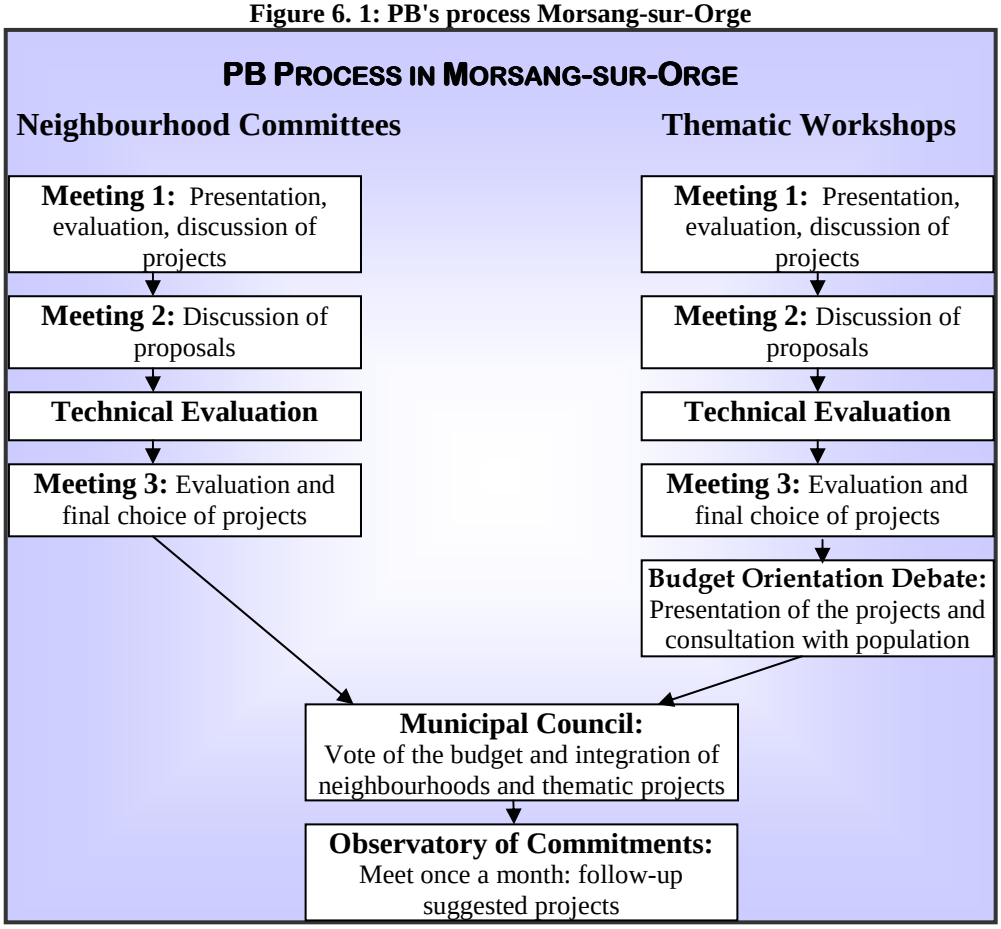
Since 2002, five thematic workshops are concurrently held regarding issues decided by the municipality and their themes change every year to discuss the remaining new 80 percent investment budget. These workshops are held in a similar way to the neighbourhood committees. However, while they have been used to analyse projects in details since 2003, they only decide broad directions for the projects due to their financial complexity (Talpin, 2005: 173). Prior to the Municipal Council, a Budget Orientation Debate is held where five delegates from the thematic workshops present to the whole population, the chosen projects which can then be discussed (Budget Participatif, 2006). The municipality council is then responsible for selecting the

projects debated in both neighbourhood and thematic workshops in view of their technical viability.

The Observatory of Commitment, composed of 16 volunteer participants with a one year mandate, is in charge of monitoring the implementation of the projects (Talpin, 2005: 173). However, its role has been complicated by the lack of details of the projects suggested by the thematic assemblies. Furthermore, this Observatory has no decision power and can only make recommendations on projects and on the running of PB to the Municipal Council (Budget Participatif, 2006).

Finally, two municipal institutions have also been created to support PB, the "House of Citizenship and Associative Life" and the "Environment House" (Talpin, 2005: 173). They both assist the organisation and provide resources to PB. The analysis which follows will show that the design of the process has significant bearings on the quality of this DIP as will as on its outcomes.

Figure 6. 1: PB's process Morsang-sur-Orge



b. DIP framework

i. Participation

Participation in PB is inclusive to the extent that it is open to all citizens (City of Morsang-sur-Orge, 2006). Moreover, the municipality makes significant efforts to advertise PB via newsletters, the "Flash Info" and "100% participatif" (City of Morsang-sur-Orge, 2006), special events such as the introductory drink with newly arrived citizens in the city, and personal letters to past PB participants (Talpin, 2005: 173). While there is no precise data, it has been estimated that PB attracted around 800[17] participants in 2002 (4 percent of population) (BP.org) but only around, 250 to 400 in 2004 (1.2 to 2 percent of the population) (Talpin, 2005: 175). While a small number, it is significant not only for a DIP process but also in comparison with PBs

[17] This number was probably overestimated as it was given by the municipality itself and there was no other data available to enable cross-referencing.

in other French cities. The significant decrease between the years may just be a consequence of the lack of precision of the data, yet organisers mentioned that 2004 was a particularly low year in terms of participation (Talpin, 2005: 175). However, a reason for the decrease was not provided.

While with a reasonable number of participants, PB is far from being representative. There is a very high participation of the middle-class but a substantial lack of participation from those citizens with a lower socio-economic background, legalized immigrants and minorities in general (Talpin, 2005: 176). The absence of marginalized people prompted the municipality to attract participants from lower classes by implementing a workshop on social housing but it only attracted associations' representatives (Talpin, 2005: 176). Moreover, the municipality failed to implement any other measure to attract minorities. There is however, gender parity among participants since women seem[18] to be as numerous and participate to the same extent in meetings, yet women are under-represented as delegates to the Municipal Council (Talpin, 2005: 175). In addition the lack of rules in deliberation means that even when minorities are present in meetings they might not be heard, as will be examined next.

ii. Deliberative space

In order to have a meaningful deliberation, information needs to be provided to the participants. In Morsang-sur-Orge the participants are informed on budget issues through newspapers, website and the "Citizenship House". Moreover, as elected representatives chair the meetings, they also inform participants in the discussion about the communes' responsibilities, work in progress and other technical matters

[18] No official data, participant observation of the researcher, Julien Talpin (2005: 175)

(Talpin, 2005: 180). However, participants believe that more information could be given to them before the meetings (Talpin, 2005).

While the deliberation has some positive characteristics, it is generally poor. On the one hand projects are chosen not via vote but consensus which improves the deliberative quality (Talpin, 2005: 180). Additionally, in thematic meetings and with the assistance of elected representative who politicise the discussion[19] participants have on certain occasion been able to move from their individual interest to broader issues (Talpin, 2005: 181). On the other hand, the deliberation is severely undermined by two key factors.

First, as previously mentioned, the deliberation is facilitated by elected representatives who not only set up the agenda but also write the report at the end of the meetings. This is a significant issue since the deliberation is therefore open to manipulation by representatives and it increases representatives' power over citizens. It thus creates an unequal relationship not conducive to good quality deliberation.

Second, there are no formal rule, such as time limits for participants to speak, which reinforces the lack of representativeness and power relationships that exist in social status or ability to express one's opinion (Talpin, 2005: 181). Moreover, even when productive deliberation occurs in some meetings, the lack of general rules means that good experiences are not shared with other neighbourhoods. It also reinforces the role of elected representatives as it is not bound by any restrictions. It also means that

[19] The politicisation of the discussion facilitates a move from individual to the general as it appeals to broader issues such as party programs, liberalisation, etc.

citizens cannot discuss the rules, and thus, are less likely to think of broader issues and enlarge their thinking.

These problems are the result not only of the municipality's fear of losing power and not being able to control the meetings' outcomes, reminiscent of French republicanism, but also a lack of associative counter power that could assist and limit the administration's role (Talpin, 2005). This inability of both the government to empower citizens and of associations to keep the government in check undermines the legitimacy of the entire process.

iii. PB's influence

A priori, PB seems to have a significant influence as all decisions taken in meetings are accepted by the municipality (City of Morsan-sur-Orge, 2006). However as previously mentioned, the influence of elected representatives is such that, the decisions taken in meetings also represent their own opinion and thus they have no reason to vote against them. Moreover, in thematic assemblies citizens play a secondary role by only suggesting general projects, the details of which are decided by the municipality.

PB's influence is also reduced by the fact that the city budget is very small and that the most significant communes' responsiblities and resources have been transferred to the agglomeration (Talpin, 2005: 185). Therefore, most chosen projects are small and thus, less visible and this provides less motivation for citizens to participate. Some broad issues are tackled by the thematic assemblies but the secondary role of participants decreases their influence and therefore their desire to participate.

6.3.3 PB's Outcomes

a. Instrumental

Instrumentally, PB manages to have a relatively important participation level, albeit declining. However, PB does not have an impact on either social justice , the modernisation of the administration or elections. First, it has neither helped the coordination between departments nor increased their efficiency (Talpin, 2005: 177). Nevertheless, it created organisations, such as the "Citizenship House", that are more responsive to citizens and elected representatives now work more closely with technical services to answer participants' queries (Talpin, 2005: 177). However, these changes do not seem to have any major bearing on the administration's overall running.

Second, while social justice is an integral part of the PCF's program,the PCF did not see PB as a means to achieve social justice (Talpin, 2005: 179). The lack of formal rules and criteria, the even distribution of neighbourhood grants and the lack of marginalised participants only reinforces the social injustice. Finally as PB was just implemented before the 2001 election and largely unknown by the population, it could not have significantly influenced the elections.

b. Developmental

On a developmental level, PB increased the participants' knowledge of the municipality's budget and responsibilities. Moreover, from participants' comments, it increased their understanding of other's problems and their ability relate to them (City of Morsang-sur-Orge, 2006). However, only having two to three meetings gives less time for participants to learn how to interact and thus, it limits their social learning of democratic participation.

6.3.4 ***Problems and limitations***

Most of PB limitations are procedural, such as a lack of rules and of incentives to attract a broader range of participants. These are mostly due to both an unwillingness to give complete control to citizens and a lack of understanding of the crucial influence of the process on the outcomes and their legitimacy. It is also due to the fact that the government does not take a pro-active role in attempting to increase the levels and representativeness of participants.

There are also contextual limitations such as the small size of the communes and its limited resources, which consequently reduce the projects' "demonstration effect". Moreover, the lack of counter power from associations means that the administration can maintain its control and influence over PB's process and outcomes.

6.3.5 Conclusions

Morsang-sur-Orge is considered as one of the most consolidated and successful PB experiences in France. While, it achieved significant results by engaging participants and giving them a power of co-decision, it has many limitations. In order to determine the extent of the influence of contextual and procedural variables on PB outcomes it is necessary to examine another French experiment, the PB of Saint-Denis.

6.4 PB IN SAINT-DENIS

6.4.1 Introduction

In comparison with Morsang-sur-Orge, Saint-Denis is not only a much larger city with 94,000 inhabitants but also a richer and very economically active city (City of Saint Denis, 2006; Sintomer and Ben Hammo, 2005: 218). Consequently, Saint-Denis

has a more substantial budget, and more responsibilities. Furthermore, it is also the head of the "Plaine Communes" community agglomeration (regrouping eight communes) and thus is in charge of its budget (City of Saint Denis, 2006).

However, despite the overall prosperity of city, it is plagued by strong inequalities and discriminations. These inequalities and racial discriminations are largely the result of an unemployment rate of 20.4 percent, and heightened by a very diverse population comprising 26 percent of immigrants and a large population from the French West Indies (Sintomer and Ben Hammo, 2005: 219). There are considerable problems arising from the volatile mixture of ethnic diversity and reduced opportunities. These populations are regrouped in social housing which represents more that half of the total housing (Sintomer and Ben Hammo, 2005: 219). Additionally, as in Morsang-sur-Orge, Saint-Denis is characterised by a very active web of civil society organisations, with more than 400 associations and with more than 30 created each year (City of Saint Denis, 2006). These contextual variables seem to be favourable to PB as they might increase the need for PB and thus participation, as in Brazil

The PCF at the head of the left coalition has been elected with an absolute majority in 2001 but with 53.46 percent abstention (Sintomer and Ben Hammo, 2005: 219). This level of abstention as well as the continuously decreasing party members reflects the legitimacy crisis of the local government (Sintomer and Ben Hammo, 2005: 219).

These contextual factors prompted the new mayor to instigate a participative dynamic, from which PB is one instrument. Therefore, PB has been implemented in 2001 mainly to revitalise and enhance the image of the party and elected

representatives, increase its legitimacy, by being closer to its citizens, as well as increasing the number of adherents. PB also aimed to assist the "democracy of proximity" by reinforcing social linkages. Unlike in Morsang-sur-Orge, Porto Alegre's PB was a strong influence.

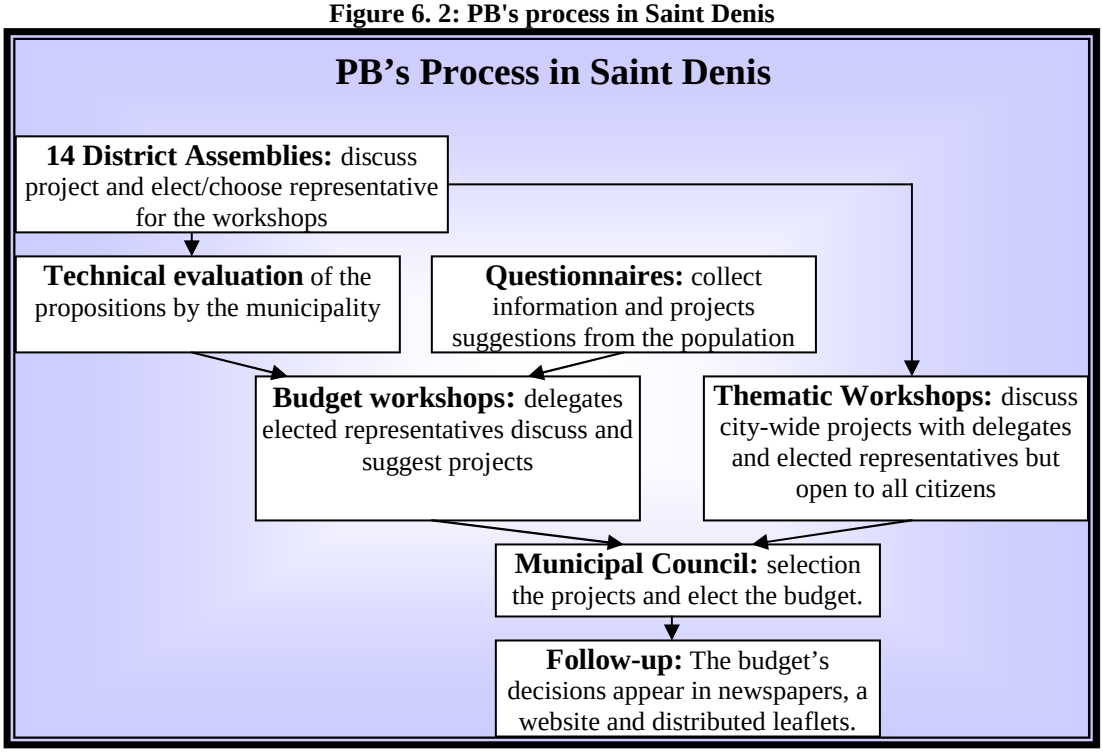
6.4.2 PB Process

a. Description

The process of PB in Saint-Denis is more complex than that of Morsang-sur-Orge owing to the larger population and the influence of Porto Alegre's model [Figure 6. 2]. First, PB starts with district assemblies that meet four to six times a year to discuss projects on both neighbourhood and city levels and elect delegates for the workshops (Sintomer and Ben Hammo, 2005: 223; City of Saint Denis, 2006). However in practice, delegates are not elected but self-selected (Sintomer and Ben Hammo, 2005: 227). Then, their proposals are evaluated for their feasibility and costs (Sintomer and Ben Hammo, 2005: 223; City of Saint Denis, 2006). The results from both the assemblies and a questionnaire sent to every citizens are taken into account in the budget workshops where delegates and representatives discuss and select projects (Sintomer and Ben Hammo, 2005: 223; City of Saint Denis, 2006). Meanwhile, the thematic workshops run pararrel to the budget ones and meet three times a year (Sintomer and Ben Hammo, 2005: 223). Delegates and representatives but also any citizens have the opportunity to discuss city-wide issues. The propositions of both assemblies are considered in a consultative manner by the Budget Council in the preparation of the budget. In 2004, delegates and associations' representatives were also present in the Budget Council (Sintomer and Ben Hammo, 2005: 224). However, the municipality decided not to invite them anymore as they complained that their demands where ignored in the design of the past year's budget (Sintomer and Ben

Hammo, 2005: 224). After the meeting, the Budget Council publishes the budget results in municipal newspapers, website and in a leaflet distributed to all citizens (Sintomer and Ben Hammo, 2005: 228; City of Saint Denis, 2006).

Figure 6. 2: PB's process in Saint Denis



b. DIP framework

i. Participation

Participation in PB is inclusive to the extent that it is open to all citizens. However, only a very small number of them participate and, this number seems[20] to be decreasing. Moreover, while there seems to be a gender parity in participation in the meetings and questionnaire[21] (Sintomer and Ben Hammo, 2005: 234), PB is not representative. There is a significant lack of participation of minorities and people from a low socio-economic class, which represent a large part of the population.

ii. Deliberative space

[20] Lack of statistical data, only from participants' observations.
[21] 65 percent of women answering the questionnaires (Sintomer and Ben Hammo, 2005: 234)

This lack of representativeness is reinforced by PB's low deliberative quality. While, technical information is presented in meetings, it is given too late. Participants believe that it should have been distributed prior to the meetings so that they could have a good understanding of it and participate more constructively in the deliberation. Moreover, the budget workshops are facilitated by an elected representative who, as in Morsang-sur-Orge, sets the agenda and takes the notes from the discussion. Furthermore, there are no rules regarding the conduct of the deliberation (Sintomer and Ben Hammo, 2005). Therefore, associative representatives and some very vocal citizens are able to monopolise the discussion. While, the thematic workshops are facilitated by a journalist, he/she is often unprepared and does not provide everyone with the same opportunity to speak, thus denoting poor facilitation (Sintomer and Ben Hammo, 2005). The lack of rules is also an important obstacle as outlined in Saint-Denis's PB.

iii. PB's influence

Unlike in Morsang-sur-Orge, PB does not have a co-decision power and neither does it influence the totality of the new investment budget. Despite the rather large size of the new investment budget, PB influences only 0.78 percent of it (Sintomer and Ben Hammo, 2005: 224). However, even this small influence is questionable as the administration does not differentiate between the projects that are a result of PB's influence and those that are not. There is also an unwillingness to the value of the projects which are implemented in specific neighbourhoods. Moreover, there are no rules, criteria or votes on the projects. This lack of transparency as well as control makes it is impossible to determine the influence of PB and renders PB only a consultative process. PB's very limited influence, is mainly due to a stronger willingness than in Morsang-sur-Orge to keep control of the process by elected

representatives, a fear of more complaints if transparency increased and a consequence of the fact that the process was likely pushed forward to legitimise local government's action and not to enhance it.

6.4.3 PB's Outcomes

a. Instrumental

As a reflection of PB's limited influence, PB's outcomes are first hard to determine and second apparently minimal. PB increased the readability of the budget as it had to be translated so that not only citizens but also elected representatives could understand it. This increased the information available and its transparency (Sintomer and Ben Hammo, 2005: 228). Moreover, the budget design is less technocratic as the municipal staff and elected representatives listen more to citizens' demands (Sintomer and Ben Hammo, 2005: 228). Conversely, PB neither increased coordination nor the efficiency of government action.

While PB enhanced the dialogue and communication with the government, the lack of social justice criteria and participation by minorities in meetings means that PB did not influence social justice (Sintomer and Ben Hammo, 2005: 229). Moreover, PB influenced neither the participation levels in the election nor its outcomes as it was implemented at the same time as the elections. But this is not to say that it will not influence future elections.

b. Developmental

Since PB is only consultative, its developmental outcomes are also minimal. The population is not empowered. Additionally, it even increased cynicism as the population does not know the extent of their influence and believes the politicians

only implement policies that they were planning to implement anyway (Sintomer and Ben Hammo, 2005: 230). Therefore, citizens are likely to perceive few benefits in participating.

6.4.4 Problems, limitations and uncertainties

PB faces three main limitations. The first one is the decline in participation and the lack representativeness which might undermine PB's sustainability. The second is the lack of communication, of feedback, of follow-up and transparency in general in both the process and outcomes of PB to increase participation. It also increases cynicism among the participants and the population in general. Finally, another significant limitation is the lack of engagement from the municipality that is fearful of empowering citizens. In addition, the municipality does not have a pro-active role in stimulating citizen participation or enhancing the transparency of the process.

6.4.5 Conclusions

Therefore, the context, but more importantly the reticence of the municipality to empower citizens, reflected in PB's methodology and its lack of deliberation, limited the outcomes of PB.

6.5 CONCLUSION

The French context is marked by a strong republicanism which influences both PBs. However, its significance should not be overemphasised as it has less influence in Morsang-sur-Orge since participants have a co-decision power. Moreover, some procedural changes should be able to offset this context, such as trained facilitators, pro-active efforts to enhance the representativeness of participants and formal, while flexible, rules for the deliberation and the choice of criteria.

Nevertheless, some contextual factors, such as the lack of resources of Morsang-sur-Orge, cannot be offset by the process design. However, even if the influence of PB is limited, a better quality deliberation would empower citizens. Citizens would be more willing to participate if they were more in control. Moreover, social justice criteria would also give more meaning to their contribution. In addition, citizens deciding directly the city-wide projects would create a demonstration effect that would impact on the level and representativeness of the population. Currently, the benefits of participating in PB do not offset the time and resource costs for most citizens.

PART 3: ANALYSIS, COMPARISON, DELIBERATIVE THEORY AND CONCLUSION.

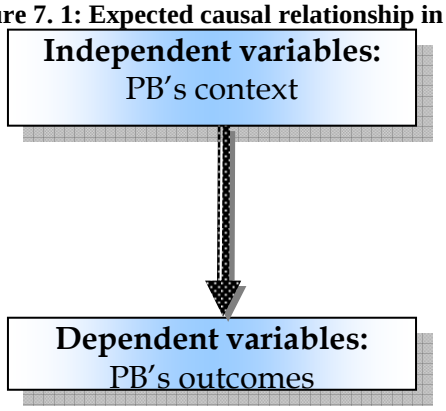
This part compares the case study previously analysed and assesess the variables that influenced the PBs outcomes. Through this analysis, examples of best practices will be extracted that are deemed essential for PB to be successful whilst maintaining its essence. First, chapter 7 will compare the contexts, process, outcomes and limitations of the case studies. Second, Chapter 8 is a reflection on the insights that deliberative theory brings to the practice of PB and vice versa. Finally, Chapter 9 concludes by outlining best practice examples and analysing the limits of this research as well as suggesting areas requiring further research.

CHAPTER 7: COMPARISON AND ANALYSIS

7.1 INTRODUCTION

This chapter will compare the case studies' legal, political and socio-economic contexts, followed by an analysis of their respective processes using the DIP framework. Then, it will compare their instrumental and developmental outcomes as well as their limitations. PB is considered successful if it achieves instrumental outcomes, such as high levels of participation with participants representative of the population, redistribution of the budget resources to enhance social justice, less clientelism and corruption, and modernisation of the administration. The developmental outcomes expected are increased social learning and social capital as citizens become more socially involved, such as by becoming activist and having a greater knowledge of the functioning of the city and its responsibilities. In most of the literature, these outcomes are dependent on the contextual variables, such as the level of decentralisation, of need and inequalities, the level of civic organising and the political rationale for implementing PB [Figure 7. 1] (Wood, 2004; Abers, 1998; Sintomer, 2005; Ganuza, 2001). This direct relationship between context and outcomes [Figure 7. 1] will be tested by a comparison of the PBs in France, Spain and Brazil.

Figure 7. 1: Expected causal relationship in PB



7.2 COMPARISON AND ANALYSIS OF THE CONTEXTS

As PB has been implemented in diverse contexts, it is necessary to compare and contrast them in order to determine the contexts' significance but also the variables within them that are the most influential to the outcomes achieved. Therefore, from the previous case study analyses, three key contextual variables will be evaluated: socio-economic, legal and political.

7.2.1 Socioeconomic contexts

Three variables within the socio-economic context have the most influence on PB's process and outcomes: the developmental level, the level of inequalities and the level of civic organising. First, the developmental level of the city where PB is introduced interacts with PB outcomes and process in two ways: budget resources and citizens needs. In theory, higher levels of development mean more resources available to the city and PB thus PB can achieved greater outcomes. Hence, cities situated in Brazil, with a low HDI in comparison with France and Spain will have less budget resources. Hence, it will affect the outcomes of PB as it will be less likely to be able to have significant outcomes. However, this is not the case in practice. A primary factor for PB is to respond to its population's needs. This means that and the requirements of the Brazilian population are generally basic necessities whereas they are already provided for in Europe. Furthermore, the resources of a city are not only dependent on its socio-economic level but also on the legal context as is analysed in 7.2.2.

Second, higher levels of needs and inequalities impact on the part of the population participates, as it sees PB as an opportunity to significantly change their lives. It might also affect the presence or absence of redistributive criteria in the process. By looking at the national level, one could thus argue that differences in the

participation levels in Brazil, Spain and France are a result of differing needs and inequalities. However, this is not necessarily the case for instance in Saint-Denis, the high unemployment levels and proportion of social housing means that this population also has pressing needs[22], yet the participation of the lowest strata was minimal. Moreover, the participation in Morsang-sur-Orge was higher than in Spain despite France's higher HDI. Therefore, while even the population of developed country have needs, albeit defined differently (Interview with Navarro and Souza), the level of need is only one variable and other procedural variables that increase the representativeness of the participants might be more significant.

Additionally, higher level of inequalities would seem to mean that social justice criteria are more likely to be used, as in Brazil. However, despite the high levels of inequalities in Saint-Denis, it does not have redistributive criteria and Puente Genil has redistributive criteria despite low levels of inequalities. Thus, other factors influence the need for social criteria.

In addition to the benefits citizens gain from participating, the resulting costs should also be considered. The costs of participating may be higher for citizens from the lowest strata of the population vis-à-vis those from higher socio-economic backgrounds. Therefore, in addition to an assessment of the level of inequalities to determine who is going to participate and what rules will be used, it is necessary to consider other procedural factors, such as the actions that could be taken by the government to increase the benefits and lower the costs of those participating.

[22] Also mentioned in my interviews with Navarro and Souza

Finally from the case study analysis and interviews, the level of civic organising seems to have a significant influence on participation in PB. Most cities, except Puente Genil and Morsang-sur-Orge, had high levels of civic organising. However, the relationships between municipalities and associations were different. In Brazil, particularly in Belo Horizonte, municipalities and associations had a clientelist relationship. In Spain, while they had a close relationship it cannot be described as clientelist. In France, they did not have a close relationship.

These relationships influenced PB in one of two ways: by supporting or hindering its function. First, in Brazil, associations were involved in PB's design and were used to support PB by helping the community hold debates, understand PB's process and mobilise the population. Conversely in Spain, associations were not involved in PB's design ans thus, were reticent of PB and thus did not play a supporting role, in fact attempted to limit PB's progress. In France, the associative network did not significantly influence PB either way. However, Morsang-sur-Orge and Puente Genil, even with relatively low levels of civic organising, have been able to attract numerous participants. Therefore, the level or types of civic organising does not seem to conclusively determine the resulting outcomes of the PB. However, an assessment may be useful of how these associations can be leveraged, via process related factors, to make PB's more productive.

7.2.2 Legal contexts

As previously mentioned, the resources available to the city also depend on the legal context as the level of decentralisation sometimes influences the proportion of national resources available to the cities. The level of decentralisation is important to the extent that with a higher level of decentralisation, as in Brazil, the city is able to

respond faster to its citizens' needs and thus have the resources to implement projects that have greater visible impact on the life of citizens [**Erreur ! Source du renvoi introuvable.**]. However, the level of decentralisation does not explain why a small city such as Puente Genil or Morsang-sur-Orge with less responsibilities and resources are able to have higher levels of participation and PB is able to achieve greater outcomes. Therefore, the extent of the decentralisation is not the most important factor as the share of the budget allocated to PB by elected representatives is the variable that defines the resources available to PB, thus reinforcing the significance of the political context.

Table 7. 1: Comparison of levels of decentralization

VARIABLES		PB					
		BRAZIL		FRANCE		SPAIN	
		Porto Alegre	Belo Horizonte	Morsang - sur-Orge	Saint-Denis	Cordoba	Puente Genil
Level of decentralisation	High	X				X	
	Medium			X			
	Low						

7.2.3 Political contexts

The political context encompasses both the party's political will to devolve power to PB participants and the political party's rationale for implementing PB. As analysed in the case studies and from my interviews [Appendix 5], it is one of the most influential variables as PB is not institutionalised and thus is dependent on political will to accept its recommendations. The Brazilian case studies support the fact that the political will and rational affect PB's outcomes as the PB has been implemented not only to restore citizen trust by increasing transparency and countering the endemic corruption and clientelism, but also to enhance its understanding of citizens needs by explicitly giving the population some control of the budget and it and it is on these points that PB has been the most effective. Similarly in Spain, PB was implemented not only to increase and modify the type of civic organising by

including individual citizens but also to enhance the transparency and accountability of government. However, it had mixed results on those political aims due to pressures from associations but also perhaps less commitment to transparency.

However, The French case study also supports this point since PB was not implemented to devolve power but to legitimise the party and its actions, to extend decentralisation, to increase the social dialogue and to be an integral part of "proximity politics" thus, PB's co-decision power is very limited. In this case, social dialogue meant that, unlike in Brazil and Spain, most processes were only consultative, as in Saint –Denis. Moreover, when there was some co-decision power, as in Morsang-sur-Orge, the elected officials ensured that they would still be in control of the outcomes by facilitating the meetings**.** Consequently, a strong political will to devolve power is crucial in PB as it allows more budget resources to be decided by the PB and PB is more likely to have more significant outcomes (Abers' interview). Additionally, it also allows the process to be more deliberative since elected representatives will not try to control the meetings as officials do in France.

Furthermore, the political will and commitment to an increase in citizen participation, as was seen in Brazil, enables the municipality to undertake pro-active policies to attract specific population groups that are marginalised. In addition, the thematic process is more likely to facilitate joint decision making and. thus, PB will be able to influence city-wide issues and allow the city government to more thoroughly respond to its citizens' needs.

A commitment by the ruling party to social justice and transparency can affect the PB process as PB is more likely than not to have social justice criteria, as was

demonstrated in the case studies of Brazil and Spain. Follow-up committees might also be set up to ensure transparency. However, if transparency is not the main objective and PB is not seen as a redistributive tool, as in France, social criteria and follow-up committees are unlikely to be used.

7.3 Comparison and Analysis of the Processes

As seen in this analysis, the contextual variables explain to a certain extent the outcomes of problems but most of their influence is dependent upon and is mediated by the procedural variables that are analysed next. Thus, the extent to which the PB case studies met the DIP framework requirements is examined by comparing the participation, deliberation and the influence of the PBs.

7.3.1 Participation

First, all of the PBs studied are inclusive to the extent that everyone has the same opportunity to participate, whether they are part of organised groups or not. However, the case studies demonstrate varying types and levels of participation [Table 7. 2] and this has an inevitable impact on PB. In Spain, the PBs give a stronger role to members of associations due to Spain's associative context and the lack of pro-active policies to encourage associations' support when PB was first implemented, as in Cordoba. Despite their openness only a small fraction of the population participates in PB [Table 7. 2]. However, this small fraction of the population is still considerably larger than the one usually participating in small-scale DIPs, such as citizens' juries (Corsby and Nethercut, 2005).

Table 7. 2: Comparison of the participation in PB

VARIABLES		PB					
		BRAZIL		FRANCE		SPAIN	
		Porto Alegre	Belo Horizonte	Morsang-sur-Orge	Saint-Denis	Cordoba	Puente Genil
Citizen participation (% of population)	2-8%	**X**	**X**	**X**			**X**
	Less than 2%				**X**	**X**	

Additionally, their representativeness also differs greatly. In Porto Alegre and Belo-Horizonte the participation is quite representative in terms of gender, race and socio-economic background with less middle-class in neighbourhood assemblies but more in thematic ones. In Spain and France, the lack of data is a serious obstacle to any analysis. However, it seems that in Puente Genil, the population is quite representative but less so in Cordoba with a gender bias against women. In France, the surge seems to be in the middle class with a very low participation from the lower classes, especially in Saint-Denis where this population constitutes a large percentage of the overall population but a minimal one in PB. The lack of representativeness has a significant impact on the legitimacy of PB's outcomes, as participation from only a small and non-representative part of the population means that PB is less likely to respond to the broad needs of the population. Therefore, the lack of participation of the lower-classes might result in fewer projects done in their areas. PB may thus be seen as biased against them. Moreover, more participation from the lower classes as in Brazil seems to encourage the establishment of redistributive criteria.

One of the main causes of both the lack of participation and representativeness of the participants is the lack of pro-active policies to encourage broad and varied participation so that social inequalities do not reproduce themselves. For instance, in Brazil the government employed community organisers to support new associations and help new participants to understand the process but also to reach participants

directly in their neighbourhood and homes. Moreover, in Brazil, stated rules contend that more participation will result in more delegates thus not only providing an incentive for participants to be present but for associations to try to mobilise the population to support their projects. The Brazilian experiences also created the thematic forum that appealed to the middle-class in efforts to increase middle class representation. Belo-Horizonte also attempted to attract the lowest strata of the population with the Housing Forum. Puente Genil implemented childcare to increase representativeness by reducing the cost of participation for women. Therefore, failure to make particular efforts to encourage the participation of those that are under-represented may explain the lack of diversity in Saint-Denis, Morsang-sur-Orge and Cordoba. This lack of representativeness has also a strong relationship with the deliberative quality of the experience as perceived by participants. As such, it will be examined next.

7.3.2 Deliberation

To assess the deliberative quality of the process it is necessary to compare the information provided, the facilitation and quality of deliberation in the PB's case studies. First, the information given by each city varied greatly. In general more useful information, on budget processes and technicalities, was given in the Brazilian PBs. In Porto alegre, Belo Horizonte and Cordoba, the delegates visit the sites of the projects which give them first-hand information on the potential impact the projects could have on improving the lives of their citizens. This information seems to be conducive to better deliberation [Table 7. 4] as well as increases the legitimacy of PB's outcomes. When citizens receive technical information the municipality is more likely to consider their suggestions and give them more decision power such as in

Belo Horizonte, Porto Alegre and Puente Genil. While, information is important, the deliberative quality of the process also depends who and how it is facilitated.

Table 7. 3: Comparison of the amount of information given to participants

VARIABLES		PB					
		BRAZIL		FRANCE		SPAIN	
		Porto Alegre	Belo Horizonte	Morsang-sur-Orge	Saint-Denis	Cordoba	Puente Genil
Amount of Information given to Participants	High	X	X				X
	Medium			X	X	X	
	Low						

The PB's facilitation techniques differ greatly so too does the deliberative quality. The facilitation of the processes in Brazil are characterised by neighbourhood meetings which are moderated by citizens or the community organisers. As in Spain, this facilitation has rules and methodology that are designed by the participants and renewed every year. However, in the new process in Cordoba the facilitation will not be done by an association's representative who will set the agenda, thus an effective deliberation is not assured. Similarly, in France, the facilitation is done by elected representatives, who are not independent and direct the deliberation. The active roles of elected representatives also violate one of the conditions of effective deliberation, which is equality between participants to reduce power asymmetries between elected representatives and citizens. Moreover, the facilitation and deliberation are not regulated by rules which mean that the roles of the facilitator, participants and organisers are unclear which further reduces the deliberative quality [Table 7. 4].

Finally, the deliberative quality is influenced by the scope of issues discussed. For instance, broader issues, rules and criteria tend to encourage participants to move beyond their individual needs to consider the common good. As was observed in Porto Alegre and Belo Horizonte, participants learn how to interact with each other

over time, therefore the number of meetings also impacts PB's deliberative quality. Thus, in the Brazilian experiences, while women and people from lower socio-economic groups participated least at first, this difference was offset by the number of years of participation. Therefore, with less meetings, rules and poor facilitation, the French PBs can be considered the least deliberative. The deliberative quality of the Spainish ones was average, yet Puente Genil was more deliberative than Cordoba since the associations did not facilitate the meetings. Then the Brazilian experiences were the most deliberative as a result of the high number of meetings and the control of the rules, etc. Belo-Horizonte is less deliberative than Porto Alegre because its rules are not decided by participants but by the municipality [Table 7. 4].

Table 7. 4: Comparison of the deliberative quality of PBs

VARIABLES		PB					
		BRAZIL		FRANCE		SPAIN	
		Porto Alegre	Belo Horizonte	Morsang-sur-Orge	Saint-Denis	Cordoba	Puente Genil
Deliberative quality	High	X	X				
	Medium					X	X
	Low			X	X		

7.3.3 Influence

Firstly, to determine whether the PB experiences meet the criteria of the DIP framework, it is also necessary to look at their influence on decision making. In the countries studied, PB participants exerted three types of influence: on the rules for the deliberation, on the criteria for redistribution and on the budget. Regarding the rules of deliberation, PB's participants in Porto Alegre, Cordoba and Puente Genil had control over them while in Belo Horizonte, control was in the hands of the municipality and in Saint Denis and Morsang-sur-Orge there were no rules. The presence of rules can enable some minimum level of deliberation and increase the empowerment of participants.

Secondly, the criteria for redistribution were decided by the participants in Brazil and Spain, yet in Cordoba's new model, associations have a large influence over them. Moreover, in France, there were no criteria. The choice criteria have a similar effect as the rules on participants since thinking about broader rules not only enlarges their thinking and thus increase the deliberative quality, but also empower participants. It also impacts the outcomes of PB as it allows PB to be redistributive and focus on more needy areas. Therefore, the lack of redistributive outcomes in the French experiment is likely to be a result of low levels of deliberation and a lack of rules and criteria to choose the projects.

Furthermore, the influence that PB has on the budget itself is crucial as it is one of the defining characteristics of PB. PB was used to deliberate on the whole new investment budget in only three cities: Porto Alegre, Puente Genil and Saint Denis. In Belo Horizonte, PB influenced fifty percent of the budget; in Cordoba, it influenced the budget of four departments; and in Saint–Denis, less than one percent. Evidence from the case study analysis shows that the level of the budget decided by PB influences its impact on the visibility of the projects, such as in Porto Alegre but not in Saint Denis. The level of the budget also impact on PB's influence over the previous relationship between associations and municipalities, such as in Belo Horizonte where clientelist practices remained unlike in Porto Alegre. The proportion of the budget under PB control illustrates the commitment of the municipality to the process, and thus increases its credibility. Thus, the benefits of participating are likely to outweigh the time and emotional cost for participants.

In addition, if the co-decision includes a follow-up committee, as in all experiences except for the French ones, it reinforces the credibility of the process, since citizens

can follow the progress of project implementations. It increases the power and demonstration effect that PB projects can have. In Saint Denis, one of the main complaints of the participants was that they could not differentiate between the projects realised as a direct influence of PB and those that were not.

In Morsang-sur-Orge, the lack of a follow-up committee did not seem to impact on the credibility of the process as the results were published in the newspapers and all demands were accepted if technically viable. The fact that the deliberation was chaired by a municipal employee meant that participants' influence over the projects was reduced since the agenda was set in advance and the facilitator framed the discussion. This example thereby reinforces the need and significance of having good quality independent facilitation and thus, deliberation. Consequently, the most successful PBs were those that met most closely the criteria of the DIP framework.

7.4 Comparison of PB's outcomes And Limitations

As already argued all these variables impacted on the outcomes. The outcomes can be separated in two categories: instrumental and developmental.

7.4.1 Instrumental

The main instrumental effect that can be extracted from the case study analysis are the effects on participation, relationships between associations and government, on social justice and on administrative modernisation. Participation in PB ranges from less than one percent in Cordoba and Saint-Denis to around five to eight percent in Porto Alegre and Belo-Horizonte [Table 7. 2]. The reasons for the lack of participation have been highlighted in the above analysis.

Second, the effects on the social relationships were the most significant in Porto Alegre since it largely eliminated clientelism as a result of the high degree of transparency of the process. In Belo-Horizonte the result is less significant as still fifty percent of the budget could be obtained in a clientelist manner, yet clientelism reduced it significantly. In Cordoba, while PB changed to a certain extent the relationship between the municipality and associations, as non-organised individuals are now included, associations largely control the new model. In Puente Genil, the main impact of the process was to increase and reinforce the associative web that did not exist prior to PB. In France, PB did not have any significant impact on the associations and their relationship with government.

Third, the effect on social justice was greater in the Brazilian experiences, PB had a small influence on social justice in the Spanish ones and none in the French ones [Table 7.5]. This is probably due to a lack of social criteria and representativeness in France and of representativeness and a lack of data to precisely determine the extent of the redistribution in Spain.

Table 7. 5: comparison of PB's effect on social justice

VARIABLES		PB					
		BRAZIL		FRANCE		SPAIN	
		Porto Alegre	Belo Horizonte	Morsang-sur-Orge	Saint-Denis	Cordoba	Puente Genil
Effects on social Justice/ redistributive effect	**No impact**			X	X		
	Small impact					X	X
	Strong impact	X	X				

Finally, PBs had an effect on modernisation by facilitating coordination and the flow of information between government departments. It had an effect on all cities except the French one despite a small increase in information in Saint-Denis [Table 7. 6]. This lack of coordination is mainly because it was not the primary goal of PB and

thus co-ordinating bodies were not implemented (Sintomer and Ben Hammon, 2005; Talpin, 2005). Moreover, when PB has a minimal influence of the budget, as in Saint-Denis, it is not necessary to reorganise the administration.

Table 7. 6: Comparison of PBs' effect on adminstration modernisation

VARIABLES	PB					
	BRAZIL		FRANCE		SPAIN	
	Porto Alegre	Belo Horizonte	Morsang - sur-Orge	Saint-Denis	Cordoba	Puente Genil
Effects on modernisation	**X**	**X**	**no**	**X** (information and clarity of budget expenditures)	**X**	**X**

7.4.2 Developmental

The main developmental effects of PB are to increase social learning and as a school for democracy. Brazil is the country with the larger impact on social capital. This is mainly the result of the length of the experience. One would expect that PB would have more effect on the social capital where it has been implemented the longest (Table 7. 7). Moreover, the lower levels of participation and deliberation in Spain and in France could also be a reason why the impact has been smaller as participants could not learn from others to the same extent.

Table 7. 7: PB's impact on social capital

VARIABLES		PB					
		BRAZIL		FRANCE		SPAIN	
		Porto Alegre	Belo Horizonte	Morsang - sur-Orge	Saint-Denis	Cordoba	Puente Genil
Impact on the social capital/ Social learning	**No impact**						
	Small impact			**X**		**X**	**X**
	Strong impact	**X**	**X**		**X**		

For the same reasons PB had a lesser impact on democracy learning. Participants are less likely to understand what a city budget entails and its responsibilities when they do not have technical information on it and only influence PB by indirectly choosing the projects as in Cordoba and Saint-Denis.

7.4.3 Limitations

There were three key limitations on the outcomes of PB. The first especially in Brazil, was the reticence of administrative personnel which tested the political will of the PT. For instance, PT in Belo Horizonte had to make redundant employees who were against PB thus illustrating PT's commitment to the process. Secondly in Europe, the main limitation is the reluctance to devolve power, even more so in France than in Spain, due to its Republican transition, and its limited rationale to implement PB.

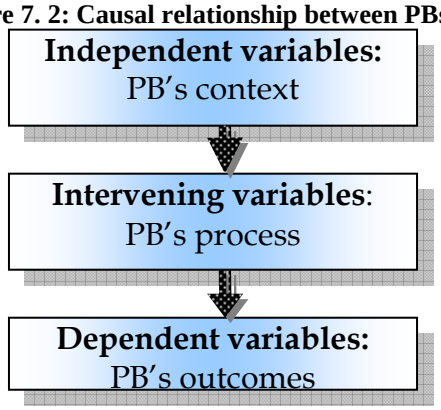
Finally in France and Spain, the municipality is less able to target specific groups in the population which are participating less because of the lack of follow-up and data on participation (such as number of participants, socio-economic background). More data could also help them understand why people do and do not participate.

7.4.4 CONCLUSIONS

From the analysis it becomes clear that PBs are not only processes that are suitable developing country as they could be improved in Spain and France if procedural modifications were implemented. Therefore, while, the context of PB is significant, most of its effects are mediated by PB's procedural variables as portrayed in Figure 7.1. For instance, high levels of need in the lower strata of the population will not be necessary to encourage them to participate, pro-active policies will also be necessary to reduce their participation costs and inhibitions. Designing processes that affect them directly such as Housing Council in Belo Horizonte would also be beneficial. Another example is the employment of trained independent facilitator instead of journalists or elected representatives as in France which would not only diminish the significance of its deep-seated Republican tradition but also increase PB's credibility, legitimacy, deliberation and participation.

This is an important point as most researchers overemphasise the significance of the contextual variables and overlook PB's process. PB's methodological achievements in Brazil should not be lost by its implementation in developed countries. When assessing the performance of PB, differentiating between the impact of the contextual and processual variables is crucial to improve our understanding.

Figure 7. 2: Causal relationship between PBs' variables



CHAPTER 8: CONCLUSIONS

8.1 KEY VARIABLES AND BEST PRACTICES

As PB is being implemented in developed countries at an increasing rate, it is necessary to wonder whether a model for PB would be beneficial [Appendix 5] This comparative analysis led to speculation that PB's experiments in France and Spain may have lost some of its essential characteristics, such as high deliberative quality, to adapt to the local contexts. Therefore, it is necessary to outline key essential characteristics of PB that are necessary for its success. From this analysis it is possible to determine five key variables which are not only examples of best practice but also represent the essence of PB:

1. **PB's participants need to co-decide a significant amount of the budget** so that participants feel that being involved in PB is worth their time. Furthermore, it shows the municipality's commitment to the project and that it is not being used in a tokenistic manner. This also means that decentralisation should be advanced enough for municipalities to be able to implement projects that will respond to the needs of its population. The co-decision is also necessary because PB has to be differentiated from other consultative processes so that it does not increase cynicism among the population.

2. **PB needs to be deliberative**. A high deliberative quality means not only that participants are treated as equals, that the elected representative are actually giving back the decision-making power by not chairing the meetings, but also that there is a move from individual self interest to collective interests, to reinforce the projects' legitimacy and ensure that the needs of the entire

population are considered. Moreover, effective deliberation empowers citizens as they feel heard.

3. **PB needs to have pro-active policies to increase participation**. To legitimise PB's outcomes, the projects need to come from a large group of representative participants. However, as citizens are not used to participating and often do not know the existence of PB, the municipality has to actively encourage citizens to participate. Some section of the population, such as women and legalized immigrants, may have difficulty in attending PB meetings. Therefore, the municipality should reduce the cost for them to participate by for instance providing childcare as in Puente Genil or translators, or having thematic budgets to attract the middle class as in Porto Alegre. Facilitating citizen's input in decision making expands the resource-based and policy-making authority of PB.

4. **PB needs to be transparent**. Transparency legitimises PB and avoids increasing cynicism that arises when the participants do not know the extent of their influence such as in Saint-Denis. Hence, PB needs to encompass rules, technical information, a follow-up committee and criteria to prioritise the projects that are decided by the participants.

5. **PB needs constant adaptation while keeping the above-mentioned criteria**. Whether it is the changing context, such as the role of associations, the budget size, a new party in power, or problems that arise such as a lack of participation in a specific strata of the population, they will need answers not first provided by PB. Therefore, PB needs to adapt to new circumstances and thus the rules have to be able to be modified. It has been one of its strength in Porto Alegre, and in Belo

Horizonte. However, unlike in Cordoba, this adaptation should not diminish the other essential bases of PB such as deliberation by giving more power to one group of the population thus reinforcing inequalities as it impacts on the legitimacy of PB and its outcomes and thus eventually on participation.

8.2 PB AND DELIBERATIVE THEORY

8.2.1 Introduction

From my interviews [Appendix 5], it became clear that the link between deliberative theory and the practice of PB has not often been explored by researchers. This may be a result of two things. First, PB was not designed by participative or deliberative experts, it is a popular process whose design continues to evolve. Second, deliberative theory is often seen as an ideal unlikely to be reached as it stipulates that decisions must be consensual and that decision making requires public reasoning from its members (Button and Ryfe, 2005: 20-35). However, this thesis demonstrated that looking at PB as a DIP helps not only to understand PB but also to suggest ameliorations. Moreover, the practice of PB may benefit the normative knowledge of deliberative theory. This chapter will outline the insights that PB and deliberative theory can bring to each other. It aims only to suggest some links between and deliberative theory and PB that will need further research.

8.2.2 Deliberative theory insights into PB

The comparison between successful and less successful experiences of PB reinforced the need, as argued by deliberative theorists, for fair procedures of public reasoning and equality between participants to ensure the legitimacy of PB's outcomes. As PB is meant to be an on-going process, if these conditions are not realized, cynicism toward PB might grow and decrease participation. While, fair procedures will never

ensure total equality between participants, it can significantly reduce them. For instance, the social learning that occurred through deliberation in Porto Alegre and Belo Horizonte offset the inequalities among participants during PB. So, while this social learning did not happen to the same extent in Spain and France, an increase in deliberative quality could be an answer.

Furthermore, deliberation is argued to be able to generate better outcomes as citizens might change their opinion and think beyond their own self-interest to consider the common good. This is particularly significant for the practice of PB as it would allow the formulation of a budget that takes into account the general concerns of the population thus producing fairer outcomes.

In addition, deliberative theory emphasises the importance of influence so that the process will attract citizens (Carson and Hartz-Karp, 2005; Appendix 5). The significance of political influence was also seen in the PB's case studies where infleunce acted as an incentive for citizens to participate. Since this PB's influence is largely dependent on political will the comparison of PB experiments also highlights the importance of the political rationale behind deliberative democratic experiments so that they are not used just as "window-dressing" (Abers' interview).

Deliberative theory also brings to light the importance of micro-processes of deliberation. Their importance and influence in PB is largely under-researched areas but they could be very significant in ensuring the deliberative quality of the PB. Therefore, further research is certainly needed.

8.2.3 PB insights into deliberative theory

While, deliberative theory can bring understanding to PB, PB can also provide insights to deliberative theory as it illustrates that the application of deliberative theory is possible, albeit complex.

First, Bourdieu (n.a. in Baiocchi, 1999:4) argued that deliberative processes always reproduce the inequalities existing in society. However, PB can overcome them if deliberative procedures are followed. It will only reproduce inequalities between expert and non-experts if the deliberation is of a poor quality as was exemplified in French, and to a lesser extent, Spanish PBs.

Second, PB also reinforces the idea present in deliberative theory that creating the conditions for dialogue is critical (Lukensmayer, 2005: 51 -52). These conditions are for instance, ample information (technical and methodological) and numerous egalitarian meetings. Moreover, formal procedures, such as rules and criteria, are crucial to guarantee a good quality deliberation.

Third, PB reinforces the idea that deliberation is valuable not only for its instrumental outcomes, such as creating fairer outcomes, but also because of its intrinsic benefits. PB was shown to increase the confidence of citizens who participated in PB as they were able to deliberate complex and quite technical issues. Moreover, effective PBs encouraged citizens to be socially active as was illustrated by the rise of associations in Brazil but also in Puente Genil. This contradicts the ideology of elitist democracy which is often considered the only type of democracy that can be effective. Therefore PB reinforces the need for more deliberation to enhance a democracy that faces a serious crisis of legitimacy.

Finally, PB illustrates that deliberative and representative democracy can function side-by-side but that this cooperation will demand some devolution of power from elected representatives to citizens. The main challenge is that this devolution of power is highly dependent on political will. However, PB has demonstrated that once PB is entrenched, it is difficult to remove.

8.2.4 CONCLUSION

Consequently combining a practice that emerged mostly out of necessity in Brazil with the theory of deliberative democracy that emerged in support of a revival of citizen participation could be the future of successful PB in developed countries, such as France and Spain. Although, deliberative theory has been criticised as utopist (Abers' interview), PB shows that while meeting the requirements of an ideal deliberative process may not be possible, aiming to achieve them can only increase the instrumental but also developmental outcomes of PB.

8.3 Limitation of the Research and areas requiring further research

It is important to understand that there are several limitations that affect my research and thus impacted on the conclusions reached.

The limitation was the lack of first hand experience of the PBs. This experience would have would allow me to be able to assess the deliberative quality of the respective PBs with more precision. This task has been further complicated by the fact that there is a significant lack of literature on the micro-processes of deliberation that occurs in PB. This analysis would be necessary not only to evaluate the importance of deliberation in PB but it might also suggest areas of improvement. Therefore the conclusions reached on the deliberative quality of PBs would need further

refinement. Much more work needs to be done before a full assessment of the interactions that take place between the participatory budget and micro-deliberation processes can be properly understood.

Secondly, the lack of data on the background of the participants in Spanish and French PBs as well as on the projects achieved by PB, also limited my analysis of the inclusiveness of the processes. This is mainly a result of the novelty of the experiences and therefore further research is certainly needed.

Thirdly, while the chosen PBs were all open to self-selected citizens as it is with the model implemented in Brazil, it would be interesting to compare PB processes that randomly select citizens (as is beginning to happen in Europe[23]) or only invite members of organised groups, as in Spain. Therefore, much more comparative research is needed in order to assess the significance of the influence of PB's process on its outcomes.

8.4 Final remarks

While PB should not be considered as a panacea, its deliberative quality and ability to unite a large number of citizens to discuss significant issues, such as the budget of a city, makes it an instrument that has the potential to considerably enhance our democracy. Representative democracy is being increasingly criticised by citizens. While this does not mean that deliberative democracy should replace it, instruments such as PB merit attention because they allow the cohabitation of both types of democracy, albeit not without its challenges.

[23] For instance in the Open Budget of Harrow in Germany (Rocke, 2005)

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APPENDIX 1

List of Interviewees	Research Focus, experiences and some publications
Ben Goldfrank.	His research interests include participatory democracy, social movements, political parties, and urban politics in Brazil. -- Deepening Democracy Through Citizen Participation? A Comparative Analysis of Three Cities Comparing PB in Montevideo, Caracas and Porto Alegre (working draft). 2001. --"Making Participation Work in Porto Alegre," in Gianpaolo Baiocchi, ed., Radicals in Power: The Workers' Party and Experiments with Urban Democracy in Brazil (New Jersey: Zed Books, 2003). --"Restraining the Revolution or Deepening Democracy? The Workers' Party in Rio Grande do Sul," co-authored with Aaron Schneider, in Gianpaolo Baiocchi, ed., Radicals in Power: The Workers' Party and Experiments with Urban Democracy in Brazil (New Jersey: Zed Books, 2003).
Rebecca Abers	She has published some of the most comprehensive research on participation in Porto Alegre and Brazil in general. -- 2001Text about 11 years of PB in Porto Alegre. Article with 16 pages about the PB in Porto Alegre within the political context, with bibliography.. -- 2001.Interviews about PB with 3 PT mayors in Porto Alegre, from 1989 to 2002 (Olívio Dutra, Tarso Genro, Raul Pont). -- 1996. From ideas to practice: the PT and participatory governance in Brazil. In Latin MAreican Perspectives, vol. 23:4 (35-53),
Ismael Ivan Blanco Fillola	Research focus on PB experiments in Brazil but especially in Spain. -- (2002); *Presupuestos Participativos y Democracia Local: Una comparación entre las experiencias brasienas y españolas*, Lisbona, http://www.top.org.ar/Documentos/BLANCO/ --and Gomà, Ricard (2002); *Gobiernos Locales y Redes Participativas*, Ed. Ariel, Barcelona
Celina Souza	Celina Souza, professor at the Department of Finance and Public Policies at the Federal University of Bahia, Brazil, and a Visiting Fellow at the Department of Political Science, University of Sao Paulo. Research focus: Brazil. -- *Participatory Budgeting in Brazil: Decentralization and Policy Innovation* http://www.wmd.org/wbdo/oct-nov02/SouzaHabitat.doc -- *The Empowerment of Local Governments and of Local Communities in a Decentralized and Unequal Polity http://www.wmd.org/wbdo/oct-nov02/SouzaEmpowerment.doc*
Zander Navarro	In recent years (from 1991/92) he has increasingly worked with topics related to social participation and processes of democratisation, including empirical studies, usually centred on the Brazilian cases. -- 1998 Participation, democratizing practices and the formation of a modern polity - the case of 'participatory budgeting' in Porto Alegre, Brazil. Development, London: Sage, volume 41, number 3, September, , p. 68-71. -- 2005 "Decentralization, participation and social control of public resources: 'Participatory Budgeting' in Porto Alegre (Brazil)", in Citizens in Charge. Managing local budgets in East Asia and Latin America, edited by Isabel Licha. Washington: Inter-American Development Bank (IADB) -- 2004 "Participatory Budgeting in Porto Alegre", in Leadership and Innovation in Subnational Government. Cases Studies from Latin America, edited by Tim Campbell and Harald Fuhr. Washington, The World Bank (WDI Development Series), p. 177-212
Julien Talpin	Research focus: PB in France , Italy and Europe. Julien Talpin a suivi des études de sociologie et de sciences politiques à l'IEP de Paris, avant d'y obtenir un DEA de pensée politique. Il prépare une thèse à l'Institut Universitaire Européen de Florence (Italie), sous la co-direction de Donatella Della Porta et d'Yves Sintomer, intitulée: « Des écoles de démocratie? Construction identitaire et formation à la citoyenneté par la participation politique. Une étude comparative des effets de la délibération dans des institutions de démocratie participative en Europe »
Yves Sintomer	Yves Sintomer is Professor for sociology at Paris 8 University. Since September 2003, he is a reseacher at the UMR "Culture and Urban Societies" (CSU), IRESCO, CNRS. His main present research topics are: Towards a theory of deliberative democracy and International comparative research on neighbourhood democracy, new public management and participatory democracy at the local level. Reaserch focus; France -- 2002.Porto Alegre, l'espoir d'une autre démocratie (with M. Gret), La Découverte, Paris, -- 1999.La démocratie impossible? Politique et modernité chez Weber and Habermas, La Découverte, Paris -- 2003."Cinq défis de la démocratie participative", Territoires, 434, january, p.6-9.

APPENDIX 2

INTERVIEW TOPICS FOR THE SEMI-STRUCTURED INTERVIEWS

1. **Ethics and consent form**

2. **Information on their work**

- What are the experiences of PB you are more familiar with?
- Have you been involved in designing PB experiments? Where? What was your role?

3. **What is participatory budgeting (PB)?**

Questions	**Prompts**[24]
What are the main characteristics of PB?	- political involvement - structure, rules, design - participation - deliberation - expert witness - information given to citizens
What is a successful PB experiment?	- participation - Influence on decision-making - Longevity of the experiment - Impact on civil society: number of association, etc
Should there be a model for PB?	- standardization - fit the context - participants wishes
What are the main requirements for PB to work?	- structure - political will - advertisement - budget - examples of best practice
What PB should not be?	- examples of bad experiences - example of misuse of PB

4. **Is the model of PB implemented in Brazil exportable to developed countries such as France and Spain?**

Questions	**Prompts**[1]
What is the importance of the context for PB? *How do these factors determine whether PB would be successful?*	- Political context - Economic context - Social context - Developed VS developing countries?
From your experience and knowledge would you qualify the experience of PB in France and/or Spain as successful?	- participation - influence on policy making - increase citizen's will to participate in civil society
What are the changes required to the PB in Brazil for it to be successful in developed countries, such as France or Spain?	- Its structure - The rules - The roles of the politicians, citizens, associations - The type of process: participative or deliberative - The budget of PB

[24] These are only example of prompts and probes to ensure that each interviewee covers equivalent topics

APPENDIX 3

The University of Sydney

Government and International Relations

School of Economics and Political Science

Faculty of Economics and Business

College of Humanities and Social Sciences

NSW 2006 AUSTRALIA

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PARTICIPANT INFORMATION SHEET
Research Project

Title: Participatory Budgeting: only a developing country process? Comparative analysis of ..... participatory budgeting (PB) in Brazil, Spain & France

(1) What is the study about?

The study is looking at participatory budgeting, its characteristics and its adaptability to new contexts: from Brazil to France and Spain.

(2) Who is carrying out the study?

The study is being conducted by Sandra Drouault and will form the basis for a dissertation as part of the Master of International Studies at The University of Sydney (Australia) under the supervision of Dr Lyn Carson, Senior Lecturer, Government and International Relations.

(3) What does the study involve?

Semi-structured individual on-line interview with Sandra Drouault, with Skype. Skype is a program for making free calls over the internet to anyone else who also has Skype. It's free and easy to download and use, and works with most computers.

It will be used as an instant messaging device for the interview to instantly communicate between two people over the Internet (for more information on using instant messaging with Skype, see the guide: http://www.skype.com/help/guides/message.html). The program and more information can be accessed at www.skype.com. Skype software is free to download, to get the latest version, go to this link: http://www.skype.com/download/skype/windows/.

When it comes to talking, instant messaging or transferring files, it is secure. Skype automatically encrypts everything before sending it through the internet. Likewise, on arrival everything is decrypted on-the-spot and presented as crystal clear speak, text or a file transfer nobody can intercept.

(4) How much time will the study take?

Approximately up to 60 minutes.

(5) Can I withdraw from the study?

Being in this study is completely voluntary - you are not under any obligation to consent and you can withdraw and terminate during the course of the interview. The interview will not commence until the Consent Form has been signed and either faxed (fax number: 02 93513624) or emailed.

(6) Will anyone else know the results?

While the interview will be recorded and transcribed, all aspects of the study, including results, will be strictly confidential and only the researchers will have access to information on participants. The entire transcript of the interview will not be used in any publications, and will only be seen by the researchers working on this project. However, selected quotations will be used in publications and these quotations may identify you because of your position as a researcher in this field. However quotes will only be attributed to you with your permission. You will be sent a copy of the interview transcript for your own records.

(7) Will the study benefit me?

All participants will be provided with copy of the Masters dissertation at its completion.

(8) Can I tell other people about the study?

Yes.

(9) What if I require further information?

If you would like to know more at any stage and ask further information, please feel free to contact Sandra Drouault on +61 421495965 or email: sdro0262@mail.usyd.edu.au, or Lyn Carson, phone number: 02 9351 3089 or email: l.carson@econ.usyd.edu.au.

(10) What if I have a complaint or concerns?

Any person with concerns or complaints about the conduct of a research study can contact the Manager, Ethics Administration, University of Sydney on (02) 9351 4811.

This information sheet is for you to keep

APPENDIX 4

The University of Sydney

Government and International Relations

School of Economics and Business

Faculty of Economics and Social Sciences

College of Humanities and Political Science

NSW 2006 AUSTRALIA

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PARTICIPANT CONSENT FORM

I ....., give consent to my participation in the research project
Name (please print)

TITLE: Participatory Budgeting: only a developing country process? Comparative analysis of participatory budgeting (PB) in Brazil, Spain & France

In giving my consent I acknowledge that:

1. The procedures required for the project and the time involved have been explained to me, and any questions I have about the project have been answered to my satisfaction.

2. I have read the Participant Information Sheet and have been given the opportunity to discuss the information and my involvement in the project with the researcher/s.

3. *I understand that I can withdraw from the study at any time, without affecting my relationship with the researcher(s) now or in the future.*

4. I understand that while the entire transcript of the interview will not be used in any publications, selected quotations, which may identify you, will be used in publications.

5. In signing this consent form do you also give the researchers permission to use quotes in the analysis that can be attributed to you by name?

(Please tick one) ☐YES ☐NO

If you answered NO, your identity will be disguised by the use of a pseudonym.

Signed: .....

Name: **.....**

Date: .....

APPENDIX 5

Interviewees / PB should	Sintomer	Talpin	Souza	Blanco	Abers	Navarro	Allegretti
Be adapted to the context	X	X	X	X (but learn from each other)	X		X
Modellization/ basic features	X	X			X		
Deal with City-wide issues	X	X					X (be able to)
Have co-decision power	X	X	X	X (but politicians should still be responsible for final decision)	X	X	X
Be On-going	X	X					X
Have Information		X					
Mobilize individual and groups toward collective action			X				
Be redistributive		X	X (if inequalities)		X	X	
Be deliberative	X		X	X (but not an end it itself)	X (thinking)	X	X
Design rules			X			X (rules decided by participants)	
Improve the life of citizens concretely				X			
Enhance democracy				X		X	
Include all individuals/ direct participation by citizens				X	X	X	
Include Associations as “mobilizers”				X			
Have Expert information				X (elected representatives and give back to citizens)		X (When required)	
Include the ‘excluded’				X			
PB has to be central/ a priority				X	X		
Special effort made to guarantee the participation of minorities					X	X	
Decide on a significant portion of					X	X	

the Budget							
Be transparent/ feedback						X	X

Interviewees / What influences PB	Sintomer	Talpin	Souza	Blanco	Abers	Navarro	Allegretti
Active Civil society organising	X	X			X (helpful but not so important when PB done right. It can be an important factor for promoting associationa lism)	X (but not necessarily crucial)	X (can also hinder process as in Spain)
Political frame/ will/ Structure of political opportunity[25]	X			X		X	X
Decentralization	X		X	X		X	
Methodology/ process	X						
Which actor implements it	X						
Citizen participation: which class in the most invested in PB	X						
Tradition of participation		X					
Party want to distinguish itself			X				
Different needs				X			

Interviewees / DT and PB	Sintomer	Talpin	Souza	Blanco	Abers	Navarro	Allegretti
DT help analyse PB	X						
DT can learn from DT	X						
DT help understand PB			X (not familiar with DT)				
Improve				X (not			

[25] "This structure determines the relative incentives for the different local actors and social groups" (Blanco)

process/methodology of PB				familiar with DT)			