



Participatory Budgeting and Local Governance

Harry Blair

IICLD Swedish International
Centre for Local Democracy

WORKING PAPER NO 10

Participatory Budgeting and Local Governance

Harry Blair

WORKING PAPER NO 10

 Swedish International
Centre for Local Democracy

Copyright © ICLD 2012

This study has been prepared within the ICLD. ICLD acknowledges the financial contribution to its research programme made by the government of Sweden (Swedish International Development Cooperation Agency—Sida).

978-91-86725-10-5

Printed in Visby, Sweden 2012 by *iVisby tryckeri AB*.

Production: eddy.se ab.

Cover photo: Andreas Karlsson.

ACRONYMS

Bappeda	Badan perencanaan pembangunan daerah (local government agency for regional planning and development, Indonesia)
Bappenas	Badan perencanaan pembangunan nasional (national planning agency, Indonesia)
CC	Citizen Committee (Serbia)
CD	Community Development (India)
CIP	Community Impact Project (Serbia)
CMC	Citizen Monitoring Committee, later changed to Citizen Mobilization Committee (Cambodia)
COP	Conselho do Orçamento Participativo (participatory budget council, Brazil)
CPP	Cambodian People's Party (Cambodia)
CRDA	Community Revitalization through Democratic Action (Serbia)
CV	Comité de Vigilancia (vigilance committee, Bolivia)
DPRD	Dewan perwakilan rakyat daerah (elected regional and local councils, Indonesia)
DTI	Democratic Transition Initiative (Serbia)
GOLD	Government and Local Democracy (Philippines)
GOP	Government of the Philippines
KDP	Kecamatan Development Programme (World Bank project, Indonesia)
LAAR	Local Administration and Reform Project (USAID project, Cambodia)
LDAP	Local Development and Assistance Programme (Philippines)
LGC	Local Government Code (Philippines)
LGSP	Local Government Support Project (USAID project, Indonesia)
LGU	Local Government Unit (Philippines)
MEA	Municipalidades en Acción (El Salvador)
MNR	Movimiento Nacionalista Revolucionario (a political party in Bolivia)
Musrenbang	Musyawah rencana pembangunan (public forum for development planning, Indonesia)
MZ	Mesna zajednica (elected local council, Serbia)
NCPC	Naga City People's Council (Philippines)
NGO	Non-governmental Organization
OTB	Organización Territorial de Base (territorially based community organizations, Bolivia)
OTI	Office of Transitional Initiatives (USAID)
PB	Participatory Budget (Brazil)
PPL	Popular Participation Law (Bolivia)
PT	Partido dos Trabalhadores (Workers Party, Brazil)
TA	Technical assistance
US	United States
USAID	United States Agency for International Development

PREFACE

The mandate of the Swedish International Centre for Local Democracy (ICLD) is to contribute to poverty alleviation and to strengthen the individual's freedom and rights by promoting local democracy. In order to fulfil this mandate, we offer capacity-building programmes through our *International Training Programmes*, mutual cooperation through our *Municipal Partnership Programmes* and, most importantly, knowledge management through our *Centre of Knowledge*. The Centre will document key lessons learned from our ongoing activities, initiate and fund relevant research, engage in scholarly networks, organize conferences and workshops and maintain a publication series.

Participatory Budgeting and Local Governance by Harry Blair is the tenth paper to be published in a series of papers from the workshop *State of the Art of Local Governance – Challenges for the Next Dec-*

ade organized by ICLD in 2010. As Blair states, one interesting feature of participatory budgeting (PB) is that PB can under certain circumstances replace a patron-client political structure in communities where PB is practiced. PB is a process of democratic deliberation and decision-making in which ordinary residents decide directly or indirectly through specially selected representatives how to allocate part of a municipal or public budget. PB aims to empower citizens and increase their involvement in local governance. Blair analyses eight different cases where PB has been used in seeking a common pattern of if, and how, citizen's involvement in the budget process has led to progress in governance performance. He summarizes his findings in a number of policy implications indicating that PB is dependent on national and contextual aspects as well as the specific role of donors.

Visby, Sweden, November, 2012

Maria Åberg
Secretary General

AUTHOR'S BIOGRAPHY



Harry Blair

Political Science, Yale University, USA

harry.blair@yale.edu

Harry Blair presently serves as Associate Chair, Senior Research Scholar and Lecturer in Political Science at Yale University. Previously he held academic positions at Bucknell, Colgate, Columbia, Cornell and Rutgers Universities. In his research and practical work, he focused initially on political behavior in North India, then shifting to agriculture and rural development policy in both India and Bangladesh. Since the early 1990s, he has worked mainly in the democracy and governance area, principally in the civil society and decentralization sectors, and more recently in post-conflict

state-building. Geographically, his field work and writing include Eastern Europe, Latin America, North Africa, and both South and Southeast Asia.

Dr. Blair served several years as senior advisor with the United States Agency for International Development and has worked as a short-term consultant for the Department for International Development (UK), Ford Foundation, Swedish International Development Cooperation Agency, United Nations Department of Economic and Social Affairs, United Nations Development Programme, and the World Bank.

ABSTRACT

Over the past two decades, participatory budgeting (PB) has become an increasingly prominent theme in decentralization initiatives, driven by the idea that giving ordinary citizens a significant role in making local budget allocations will bring better results than priorities determined from afar. Beginning with Brazil's well-known as well as indigenously crafted and funded Porto Alegre example, the paper goes on to examine seven PB efforts in six other countries (Bolivia, Cambodia, El Salvador, Indonesia, Philippines and Serbia). Of these six countries, three combined domestic reforms

with outside donor support, while three others were entirely donor driven. A comparison across the eight cases shows that citizens' role in initiating investment priorities and in determining how public money is actually spent amount to quite different activities, not necessarily related. The more effective PB systems require a good deal of technical assistance to make the process work, and can be more effective than elected local councils, though they are inherently less democratic. They can lower the risk of elite capture of the budgetary process, however.

INTRODUCTION

Citizen-determined budget priorities have become a favorite theme in decentralization for international donors over the last couple of decades. This is not surprising, for what could make for a better way to bring government closer to the governed than having citizens decide how to spend public funds? And what better way to give citizens the incentive to accept taxation than to give them a role in determining how their tax moneys are spent?

What has been the track record of participatory budgeting (PB), and what lessons can be drawn from it for local governance? This will be the present paper's central theme.¹

The paper will begin by looking at the most ambitious, most studied and arguably most successful effort at participatory budgeting: the Porto Alegre initiative and its widespread replication in Brazil. While this was entirely indigenous rather than donor-sponsored, it nonetheless serves nicely as an exemplar of participatory budgeting, with which other efforts may be compared. I then go on to offer a number of cases that have been driven variously by donor funding (Cambodia, Serbia and Indonesia), or a combination of domestic reforms supplemented by donor efforts (Bolivia, El Salvador, Philippines and a separate Indonesian effort). Two of these (El Salvador and Serbia) are post-conflict initiatives that were intended to repair societal divisions and build linkages to the state. A third (Indonesia) has tried to bolster an early-stage democracy after a long authoritarian period, and another one (Cambodia) has attempted to make an increasingly authoritarian regime more accountable to its citizenry. The donor in all cases has been the United States Agency for International Development (USAID), except for one of the Indonesian examples, for which the donor has been the World

Bank. Altogether these eight cases essentially cover the spectrum of what is possible in participatory budgeting.

Firstly, I should define 'participatory budgeting.' This relatively new term in the development lexicon dates from the experiment that was begun in Porto Alegre in 1989, and in this Internet age, there is perhaps no better way to capture its most widely accepted meaning than to quote the Wikipedia entry:

Participatory budgeting is a process of democratic deliberation and decision-making, in which ordinary residents decide how to allocate part of a municipal or public budget. Participatory budgeting allows citizens to identify, discuss, and prioritize public spending projects. [It] is usually characterized by several basic design features: identification of spending priorities by community members, election of budget delegates to represent different communities, facilitation and technical assistance by public employees, local and higher level assemblies to deliberate and vote on spending priorities, and the implementation of local direct-impact community projects.

Various studies have suggested that participatory budgeting results in more equitable public spending, higher quality of life, increased satisfaction of basic needs, greater government transparency and accountability, increased levels of public participation (especially by marginalized or poorer residents), and democratic and citizenship learning.²

I will widen this definition somewhat, so that the first sentence reads:

1 This paper is a development of an earlier inquiry (Blair 2008), in which I looked at participatory innovation more generally at the local level. Here I narrow the focus to participatory budgeting and widen the sample set to include Cambodia and Indonesia in addition to the five countries considered earlier.

2 Wikipedia entry http://en.wikipedia.org/wiki/Participator_budgeting, accessed 1 April 2010.

Participatory budgeting is a process of democratic deliberation and decision making, in which ordinary residents decide *directly or indirectly through specially selected representatives* how to allocate part of a municipal or public budget.

This expanded definition will allow me to cover the spectrum across which a special effort is made by the state (or a donor project) to incorporate citizen input into local budgetary decision making.

One further preliminary remark on methodology is in order. My analysis is based on field work conducted in all the countries covered here except for Brazil. I have visited Bolivia, El Salvador and the Philippines at least twice each between 1994 and 2000, Cambodia in 2008 and 2009, and Indonesia twice, in 2002 and 2008.³ I visited Serbia in 2004. I have not been to Brazil, but the literature on Porto Alegre has become so extensive that there is no problem finding information about virtually all aspects of its PB.

Case studies

Porto Alegre: the PB pioneer

In 1989, the *Partido dos Trabalhadores* (PT, or Workers' Party, which was the party of then-President Luis Ignacio Lula da Silva) led a Popular Alliance coalition to win municipal elections in Porto Alegre, a city in southeastern Brazil with a population of some 1.3 million people at the time. This leftist PT-led coalition, which held office until the election of 2004, took advantage of the decentralization features of the country's new 1988 constitution to institute a PB process called *Orçamento Participativo* in 1989. By the mid-1990s, the PT coalition under the leadership of Mayor Olivio Dutra and his successors had largely put the new system in place, though it has evolved somewhat since then.

3 My work in Indonesia centred on USAID programmes; I have drawn on interviews and secondary sources for my information about the World Bank programme there.

The PB process⁴ begins with open neighbourhood public meetings at the outset of the annual budget cycle. Citizens debate the previous year's municipal efforts, determine priorities for the coming year and elect delegates to a regional meeting, at which neighbourhood proposals are consolidated and prioritized. The delegates within each of the city's 16 regions elect two higher-level delegates (and two substitutes) to the citywide *Conselho do Orçamento Participativo* (COP, or Participatory Budget Council).⁵ The COP's function is to further consolidate and prioritize all the proposals from the regions and theme groups, based on a formula that directs investment toward the poorer regions of the city. Toward the end of the cycle, the COP proposals go to the municipal council for deliberation and approval, with the council proceedings being monitored by delegates from the COP and the regional councils. In general, the council makes few if any changes to the COP's proposals. The COP then monitors implementation of the year's budget.

The COP's prioritizing system (also called a 'budget matrix') needs some explanation. Citizen preferences are presented by the elected neighbourhood delegates and are debated and discussed at regional meetings. They are then combined with 'statistically measured need' (the degree of previous access in relation to need, e.g. proportion of streets unpaved, housing units lacking sanitary water, etc.) and population size. Each of these three factors is given 1–5 points and the score is then added up for each region. The 16 sets of regional preferences (and the theme preferences) are then put together at the COP meetings into a consolidated municipal budget (Wainwright 2003: 48–49; also Avritzer 1999: 11–12). Such a system is complex and requires a good deal of technical support from the municipal executive office to function properly. A

4 There are many good accounts of PB in Porto Alegre, from which the present overview is distilled. See inter alia Baiocchi 1999, Fung and Wright 2001, Koonings 2004, Wainwright 2003, and World Bank 2008.

5 PB details in this paragraph come from Koonings (2004: 85–91).

whole array of technical offices has been set up to provide this support, in particular the municipal planning and coordinating offices (Santos 1998).

PB has functioned remarkably well for more than two decades and there have been a number of achievements. First, it has brought in many new participants, particularly from among the poor. One estimate (Koonings 2004: 92) holds that something like a third of the poor population has taken part in the process, while a World Bank survey in

2007 found that 19.8 percent had participated at some by the end of 2006 (World Bank 2008: 23). Rates of participation have declined somewhat in recent years, but the figures are impressive by any standard.⁶ More importantly, perhaps, the poor appear not just to have attended meetings but to have actively participated and spoken up just as often as the non-poor (Baiocchi 1999: 9). And such participation carried over into elected office, as is evident in Table 1.

Table 1
Participation in Porto Alegre PB process by education level and family in-come category, 2005
 (figures in percent)

School Level	General Participants	Regional PB Delegates	COP members
Primary (or less)	50	44	23
High School (completed or not)	34	38	50
Graduation (completed or not)	16	18	27
NR	<0.5	-	-

Family Income	General Participants	Regional PB Delegates	COP members
Lowest tier	50	47	30
4th tier	26	27	36
3rd tier	13	17	22
2nd tier	4	5	6
Highest tier	3	3	5
NR	3	-	-

Source: CIDADE 2010.

⁶ Compare with the complaints about low and falling levels of political participation by Americans (e.g., Putnam 2000; also Schlozman et al. 1999) or the estimates of plunging political participation in Eastern Europe just a few years after the Communist collapse (Plasser et al. 1998: 130–134).

There is some indication of elite influence as an increasing proportion of COP delegates have been re-elected over time (up from around 17–25 percent in the early 1990s to 40 percent and more in the 2000s)⁷, and there is some evidence of ‘creaming’, in that the better educated and wealthier participants are elected to successively higher offices, but the proportion of those with lower levels of education and income also being elected must be reckoned as extraordinary. PB does seem to have provided something of a Tocquevillean education in local-level schools of democracy.⁸

Secondly, PB has replaced a patron-client political structure in which citizen loyalty went upwards and political largesse came downwards in return, with a budget system based on neighbourhood wants and objective needs. Pork patronage (legislated budget allocations benefiting specific individuals or groups as a special favour) has been virtually eliminated as the scope for discretionary budgeting has decreased for the municipal council members (Koonings 2004: 85–91). Although it may be suspected that the new system is simply building a patronage base of a different sort, Baiocchi found no statistical correlation between PT voting strength and geographical investment patterns. This is contrary to what would be expected in a patron-client political system.⁹

In a third and related achievement, PB shows that it is possible to overcome the disincentives to cooperate that characterize a patron-client system. More specifically, poor people needed to feel that they were gaining sufficiently in terms of public services and investments to outweigh the transaction costs, risk of embarrassment, time spent and so on in the PB process (see Abers 1998, 2000). In achieving this, Baiocchi (1999: 3) observes, PB ‘of-

fers a particularly successful resolution to the problems of equity in distribution among unequals.’

Because of its success, Porto Alegre’s PB system has been widely copied. In Brazil over one hundred municipalities, many states and the country’s federal structure have implemented PB reforms (Selee 2005).¹⁰ PB has also survived the loss of political power by the political party that started it; since 2004 Porto Alegre has been governed by another party, but PB remains in place. The system has spread elsewhere as well; several other Latin American countries have tried it, as have cities in some twenty European countries (Brautigam 2004, Sintomer et al. 2008). In Chicago one alderman has set up a ‘binding’ PB process to allocate his entire ‘discretionary capital budget’ of US\$ 1.4 million in April 2010 (Moore 2010).

There are some constraints. Firstly, of course, money helps considerably. Porto Alegre is among the richer Brazilian cities in one of the richer states, and this enables it to raise the revenues needed for PB and to furnish the technical advice needed to rationalize and consolidate PB priorities. Secondly, the city possesses bureaucratic infrastructure that can deliver the goods and services that the PB process requires. Thirdly, it has been able to avoid the kind of capture by elites and vested interests that has stymied decentralization initiatives elsewhere. PB would likely be harder to implement in poverty-stricken areas with more unequal income distribution, such as northeast Brazil.

After PB had been in place for well over a decade, it became possible to undertake serious studies of its impact on poverty and well-being. Studies by Marquetti (2003, cited in Boulding and Wampler 2009) and the World Bank (2008) found that PB did reduce poverty rates, while increasing access to amenities such as piped water and sewage treatment. However, a later study based on two hundred and twenty Brazilian cities showed no real PB impact on broader wellbeing indices such as infant

7 World Bank 2008: I, 34–35, citing Fedozzi 2007. However, a two-term limit on holding office should help limit any problems. See Wainwright (2003).

8 Tocqueville (2000: Vol. I, Book 1, Ch. 5).

9 He found a zero-order correlation coefficient (r) of .0117 between these two variables (Baiocchi 1999: 13).

10 I have heard recent estimates of over two hundred Brazilian cities using PB.

mortality, life expectancy or literacy, although it did decrease poverty (Boulding and Wampler 2009). However, the authors did not doubt the substantial evidence indicating that improvements in empowerment, government efficiency and accountability had made progress.

Finally, one must wonder with Brautigam (2004) whether PB is in effect setting up a parallel structure that usurps the proper role of the legislature and substitutes for the constitutional institutions of representative democracy. She asks whether the best answer to corrupt and/or 'clientist' institutions is to bypass them (as with participatory budgeting) or to reform them so that they can fulfill their constitutional mandate to design and manage public spending.

Bolivia: local checks and balances

When Bolivia launched its Popular Participation Law (PPL) in 1994, it undertook one of the boldest reforms anywhere in the history of local governance. A country which had systematically excluded its majority indigenous population from meaningful political participation for some five centuries suddenly embarked on a plan to devolve significant resources and responsibilities to its citizens at the local level. It also created several avenues for citizens to participate in local governance and demand accountability from those they elected to exercise that governance. This was indeed, in the words of one close observer of Latin American democratization, an 'audacious reform' (Grindle 2000).¹¹

At one stroke, the PPL introduced several major reforms. It devolved responsibility for health, education, sanitation, irrigation and roads *inter alia*, accompanied by a guaranteed transfer of twenty percent of national tax revenues to the country's three hundred and eleven municipalities according to population. It specified that at least eighty-five

percent of this allocation must be spent on investment instead of on regular costs of administration. In addition to elected councils, it established a parallel municipal structure called *Comité de Vigilancia* (CV, or Vigilance Committee) in each municipality. This was to be composed of representatives from some 13,000 now officially recognized geographically-based community organizations OTBs, (or *Organizaciones Territoriales de Base*), each representing his/her canton and each selected according to the organization's traditions and customs (*usos y costumbres*) for two-year terms.

Participatory budgeting of an indirect nature came into the picture as the CVs were charged with preparing investment plans and with overseeing the council's implementation of investment. In other words, the CVs decided on investment priorities, the councils implemented the plans and the CVs monitored their performance. CVs also had some sanctioning power in that they were given authority to lodge complaints (*denuncias*) of council malfeasance to the national Senate, which could withhold central funds from the municipality. CVs could also bring charges against a mayor in his/her first year in office.

Collectively these reforms established two paths for direct citizen participation (choosing members for the council and the CV) and at least four for indirect participation through their representatives (for the council its normal business and its censure votes,¹² and for the CVs their regular work and the *denuncias*).

The PPL brought a number of advantages to the municipal level. Firstly, the two-fifths of the population that had had no official governance structure now had elected and accountable councils and substantial budgets. Secondly, the new system provided a school for democracy, especially for the poor. Grootaert and Narayan (2001: 23–24, 57) found in their detailed study of four municipalities that people from the poorest quintile assumed leader-

11 There are several excellent analyses of the PPL and its implementation (e.g., O'Neill 2005, Altman 2003). See also Blair (2001b, 2001c).

12 A municipal council can depose the mayor under some circumstances.

ship positions in the OTBs as often as those in the top quintile. Thirdly, association investment paid off, again especially for the poor. Participating in organization like the agrarian OTBs gave greater returns than other activities, including education (at least in the short run), and this was more so for the poor than for the rich (Grootaert and Narayan: 2001: 58–59).

Fourthly, municipalities could and did decide how to allocate their funds. One study found that while the larger and richer towns that had been favoured prior to the PPL tended to spend their new money on urban amenities such as streetlights and new municipal offices, smaller and poorer localities invested more heavily (by about 3-to-1) in human capital sectors such as education and health (Grindle 2000: 130–131). However, another study found that poorer communities were more likely to invest in small-scale infrastructure such as bridges and municipal buildings in an attempt to modernize their rural setting (Cameron 2009). Just as Boulding and Wampler did for Brazil (2009), the author here finds ‘little evidence that popular participation in municipal budget decisions in the rural Andes has had any significant direct impacts on social or economic development’ (Cameron 2009: 695). But he also agreed with Boulding and Wampler that decentralization had brought a degree of empowerment to the rural poor and given them some agency against the outside world. And in this observation he supports Grindle, who finds that the CV structure gives grassroots OTB organizations some leverage vis-à-vis local elites, who tended to have more influence with the town councils (Grindle 2000: 132). Tocqueville’s schools of democracy seem to have been flourishing here too.

However, there were also some notable downsides. For one thing, the territorial nature of the OTB/CV setup meant awarding monopoly representational rights to just one OTB in each canton, and they almost always went to some longstanding (though not officially recognized) men’s organization and left the equally important rural women’s associations with even less power than they had before. In addition, the Bolivian state could not pro-

vide as strong a bureaucratic infrastructure as municipalities such as Porto Alegre could to assist the PB process. Given that some ninety percent of Bolivia’s municipalities have less than 50,000 inhabitants and a third of them have less than 5,000, local expertise is limited. Help from the national level is not particularly reliable either since every time power changes hands at the national level, the entire bureaucracy is replaced throughout the country.¹³ Despite efforts by USAID and other donors to use pilot projects to bring CV members up to speed on municipal planning, budget monitoring and so on, these new office holders tended to find themselves out of their depth with their new responsibilities. The fact that they were expected to work on a *pro bono* basis while the council members held paid positions also gave rise to dissatisfaction.

The Philippines: civil society as an inside player in local governance

The Local Government Code (LGC) of 1991 generated an explosion in participatory governance in the Philippines. The Code was another ‘audacious reform’¹⁴ that arguably approached Bolivia’s Popular Participation Law of 1994 in its determination to devolve authority and resources to the citizenry. On the supply side, the LGC devolved responsibility for service delivery in areas such as health, education and environment, while allocating an automatic 40 percent of internal revenues to pay for them. In addition, some 70,000 central government employees were also transferred down to local levels to staff the newly devolved activities.

13 The one-term limit on presidential terms usually made these changes certain, as the party in power generally changed as well. One benefit stemming from Evo Morales’ successful constitutional change allowing him successive terms in office may be to stabilize the bureaucracy and permit an accumulation of expertise. Continuity in office could also facilitate corruption, of course, but that is another matter.

14 Most of this account is derived from Blair (2001a). For another assessment, see Brillantes (2007). Again, the ‘audacious reform’ phrase is from the title of Grindle’s (2000) book.

On the demand side, the LGC mandated full NGO¹⁵ participation in all 'local special bodies' or statutory committees at the various levels – *barangay* (village or urban neighbourhood), municipality, city and province – to include membership in committees overseeing health, education and, most importantly, all 'Local Development Councils' and the 'Prequalification, Bids and Awards Committees.' The former deal with socioeconomic development plans/policies, public investment programmes, and monitoring/evaluation of such activities, while the latter focus on local construction and service delivery contracts. NGOs were to constitute fully 25 percent of the voting members of local development councils and to have two members on the prequalification committees at all levels. All certified NGOs in a jurisdiction would choose representatives to fill these slots.¹⁶

The citizen role in the budgeting process is even more indirect than in Bolivia, for there the OTB members did choose all the members of the CV, which constituted the investment planning mechanism at the local level. In the Philippines, NGOs claiming (with various degrees of legitimacy) to represent different segments of the population were the ones to decide among themselves who to delegate to the local government committees responsible for public investments. Still, the process did inject into the planning and budgeting process a new set of players who represented the citizenry in a different way from elected council members. In effect, civil society – the so-called 'third sector' of organizational life as distinguished from the state and private sectors – was to partially move in with the first sector, the state.

The new local governance system has attracted much enthusiasm nationwide and as can be imagined in a country so given to unfettered debate and

self-criticism as the Philippines, it has been subjected to withering criticism.¹⁷ But for purposes of the present essay, the reforms are best understood and analyzed through an examination of the country's best case. Individual sub-national governmental units were free to go further than the LGC required, and by all accounts the most daring experiment has been Naga City, a municipality of about 140,000 inhabitants located some 450 kilometers southeast of Manila in southern Luzon. Here Mayor Jesse Robredo led the city in undertaking an exceptionally bold effort to enable civil society participation in urban management; it is on this that I shall focus in order to give a picture of the Philippine local government system at its best.

In 1995, a city ordinance invited all NGOs that met minimum accreditation standards¹⁸ to join a new Naga City People's Council (NCPC). This body would then have the exclusive right to appoint representatives to comprise up to 25 percent of all city government bodies (excluding the city council itself). The NCPC representatives were entitled to participate, vote and introduce legislation in all committees. The system gradually expanded so that by 2004, the NCPC consisted of 105 accredited organizations in 13 sectors that ranged from transport workers and the urban poor to senior citizens, business people and academics. Its representatives had full rights on some 29 standing committees of the city legislature as well as in 14 'special bodies,' generally with one or two delegates in a 5–12 member group. NCPC members constitute fully half the membership of the city's Investment Board and its Urban Development and Housing Board. Each of the city's 27 *barangays* also has a people's council, modeled on the NCPC.¹⁹

15 The LGC also authorized local government units to officially accredit NGOs.

16 The LGC rules for NGO participation in local councils are laid out in GOP 1992a (sections 106–108) and GOP 1992b (Articles 62–63 and 181–188). Barns (2003) gives a good, straightforward account of the LGC reforms.

17 See for example Legaspi (2001), Barns (2003), Capuno (2005).

18 The accreditation standards consisted mainly of a year's prior existence, proof of past activity (to preclude 'suitcase NGOs' from infesting the program), officers and by-laws, a financial statement, etc.

19 See Naga City Government (2004); also ADB (2004).

The NCPC has been involved in budget planning and decisions, most prominently in allocating resources to meet the Millennium Development Goals, an effort in which Naga City has done exceedingly well. In the words of Mayor Robredo, the NCPC has been 'co-governing' the city, an observation shared by the Philippines Center for Investigative Journalism, which is much better known for its critical stories of official malfeasance (Pabico 2007a, 2007b, 2008). The Naga model has been emulated in a few places, such as Quezon City (CPE 2009), but after more than 15 years it continues to represent the best example of how indirect participatory budgeting can work in the Philippines.

However, the success of the 'co-governing' model in Naga City also gives cause for concern. In its analysis of the Naga experience, the Asian Development Bank observed that:

The traditional inputs in making the government listen to the voice of the people, such as mobilizations and rallies, take much of the time and resources of civil society organizations with uncertain [and] unsure results. In contrast, the avenues offered for participation through direct involvement in government meetings and discussions produce the needed results with less resources and at the same time strengthen the capacities of the people to engage the government. ADB 2004: 13

But can it become too easy for civil society organizations to deal with government? Can the civil society community become an inside player within the state structure without changing the nature of the political game itself? Can the 'third sector' autonomously represent the interests of its constituencies vis-à-vis the state if it becomes part of the state? Even if the state is benevolent, which seems to be the case in Naga City, can NGOs retain their autonomy under such circumstances? These questions are particularly pertinent given that the NGO representatives in all these bodies are likely to be the most able civil society leaders. If they are in danger of being captured by the state, what will

happen to the rest of civil society? As Bill Cooke (2005) might ask, can NGOs work inside the state system without being co-opted?

El Salvador: mass meetings to direct local investment

In 1986, the government of El Salvador, then caught up in a brutal civil war, introduced a new municipal code. This revived an institution from the colonial era called the *cabildo abierto*, or open town meeting. The new regulations called for mayors in the country's more than 200 municipalities to hold a *cabildo* every three months, to which all citizens, as well as NGOs and community groups would be invited. Its function would be to ask citizens to specify and prioritize infrastructural needs so as to guide local government in its investment decision making.²⁰

Shortly afterwards, USAID employed the *cabildo* institution for allocating municipal reconstruction grants during the civil war, thinking that this would encourage popular support and build 'social capital' (though the term had not yet come into use) in a war-torn country. Its Municipalities in Action (MEA, after the Spanish version of the acronym) programme stipulated that all local projects that were supported would first have to be proposed in *cabildos abiertos*. The programme evidently enjoyed popular support since no MEA infrastructural project was attacked in the years between the programme's launch in 1986 and the end of the war six years later (Wilson 1994: 2). When hostilities came to an end through the Peace Accords of 1992, the programme was extended to areas that had been controlled by the opposition during the war (1980–1992).

By the time MEA had finished its work in 1994, it had completed more than 8,600 local projects and spent some US\$ 135 million mainly on roads, schools, water and electricity. It had operated in all

20 For an analysis of the *cabildo abierto* and the USAID program built upon it, see Blair et al. (1995: 31&ff).

261 municipalities of the country (most of which were rural areas with less than 20,000 inhabitants).²¹ When MEA ended, about 80 percent of the total required *cabildos* were being held and over 200,000 citizens were attending them. Altogether, this was a substantial programme for a country of five million people.

In 1993, a survey including over a thousand respondents showed impressive citizen confidence in the programme. Twenty-seven percent of respondents had attended at least one *cabildo abierto* at some point. Ninety-six percent of these said that those in attendance had asked for a project at the meeting and 61 percent reported that the requested project had been undertaken. More than three-quarters (77 percent) said their family had directly benefited from a project. Altogether 58 percent of all respondents thought the *cabildos* were of high or medium importance in identifying projects to be implemented.²²

A follow-on USAID pilot project was conducted between 1993 and 1999. This was designed to open the previously closed council meetings to the public and encourage active participation in the policy cycle over and above the expression of preferences. However, this move met with serious resistance from mayors and council members.

Consequently, USAID undertook a second pilot project from 2000 to 2002. This aimed to tackle the secrecy of the councils, and municipal council sessions became somewhat more open. A 2004 poll (Córdova et al. 2004: 110) indicated that 9.6 percent of respondents had attended one within the past year, a percentage not much lower than that for *cabildo* attendees (12.5 percent). Córdova's 2004 survey found that although 65 percent of respondents thought municipal officials paid little or

no attention to requests made at the public meetings, over half (51 percent) believed that municipal government responded best to community needs, while the figure was only 13 percent for the national government and 4 percent for the national legislature. A full 22 percent claimed that 'no one' responded to local needs (Córdova et al. 2004: 111, 122).

As with any development enterprise, the *cabildo abierto* approach had problems. First, its scope was strictly limited to identifying local infrastructure projects. Decisions about which projects to undertake were made by the municipal council, whose meetings were almost always closed.²³ This practice fitted well with the winner-takes-all structure of municipal elections in El Salvador. In these the party with the greatest number of votes gets all the council seats plus the mayor's office, leaving opposition parties with no official influence over municipal affairs (see Blair et al. 1995: 44&ff; also Bland 1994). Also, although citizens often contributed labour to projects, they had no role in managing implementation or evaluating the finished product. It followed that people felt largely excluded from decision making. The role of the citizen, then, comprised little more than making wish lists.

In sum, the *cabildo abierto* did open a useful channel for citizens to express their needs to local government (i.e. reveal their preferences), and a fair number made use of this. Later on and with considerable donor prodding, some municipal council meetings became more open as well. But there is little indication that popular participation went beyond the level of submitting requests to local authorities.

21 Data presented in this and the following paragraphs are from Wilson et al. (1994: passim). In El Salvador, as in most of Latin America (including Bolivia after the Popular Participation Law was introduced in 1994), the entire country is divided into municipalities.

22 Data in this paragraph from Wilson et al. (1994). Córdova et al. (2004) provide similar data for more recent years.

23 Actually, the 1986 municipal code established a mechanism for participatory decision making in the form of a *consulta popular*, which amounted to a binding local public referendum, but this device was rarely if ever employed by municipal councils (Blair et al. 1995: 34).

Serbia: community confidence building through participation

In the wake of Yugoslavia's disintegration during the 1990s, international donors set up various post-conflict programmes designed to mitigate the effects of all the upheavals and to begin rebuilding capital, both physical and social. USAID in Serbia sponsored two such programmes, both of them designed to enable significant citizen participation that would include ethnic minorities and women. Overlapping with an initial brief effort during 2000–2002, a much larger programme called Community Revitalization through Democratic Action (CRDA) was launched in July 2001 to spend US\$ 200 million over the ensuing five years.²⁴

Five implementing American NGOs were each assigned a region of the country in which their initial task was within 90 days to identify 60 communities for their work, set up citizen committees (CCs) that were to include ethnic minorities and women, and start at least one community-driven infrastructure-oriented project at each site. The basic approach (which differed somewhat between the five implementers) was to begin with open community meetings in which a CC would be elected. The CCs would choose small-scale projects (mostly infrastructure, but quite a few in the health sector and some for education and even fairs and festivals). Proposals were drawn up with assistance from CRDA to ensure technical soundness, and the projects selected were then to be funded by CRDA, provided that the *mesna zajednica* (MZ or local municipal government) contributed 25 percent of the cost. Once the project had been agreed upon by the CC and the MZ, the project would be contracted out for implementation. Halfway through the programme, the implementers shifted from judging projects for technical soundness to introducing a degree of competition by grouping together communities with their CCs and then funding the

best proposals from each. By early 2005, CRDA had completed over 3,000 projects at an average cost of US\$ 40,000 (Czajkowska et al. 2005: 10–17).

A mid-term assessment of the programme found that CRDA had stimulated citizen participation, which included women and minorities as required. Further, the programme had provided models and experience in intergroup consensus building that encouraged new community leaders to emerge. In general, though, the evaluators found that CRDA tended to emphasize physical infrastructure over the more subtle goals of building social capital, increasing tolerance and mobilizing demand for democratization. Physical product had become more important than social process. The CRDA approach did provide some experience in democratic practice, but there seemed to be little spillover into other local activities, nor was there much evidence of a citizenry becoming more politically active (Czajkowska et al. 2005: passim; Sneed 2006: 104–105).

In the end, CRDA was successful in completing a large number of projects all around the country, generating considerable local income in the process. The Community Revitalization half of the programme's title was thus largely realized. This was evidently the intention of the USAID then director, who had brought the quick-launch model from a previous assignment in Lebanon. He was then able to turn the approach into a larger template for the extensive infrastructure programme that unfolded in Iraq in mid-decade (Merritt 2006: 40).

The Democratic Action half of CRDA came up somewhat shorter, however. The CCs did incorporate a degree of community representation with their requirements for female and minority membership (the latter being especially important in a country that had disintegrated through ethnic conflict), and these organizations provided useful experience in local governance to their members. However, USAID apparently had no interest in continuing any part of the programme beyond the official 'life of project.' Some of the contractors tried to make such provisions to ensure that their progeny survived in some form, but the mid-term project re-

24 This analysis of the CRDA comes from Blair et al. (2004) and Czajkowska et al. (2005).

view (Czajkowska et al. 2005: 32) reported no concern about this at the USAID office in Belgrade, and this confirms my own observations in Serbia. It was as if each USAID activity were a stand-alone enterprise, unconnected to what came before or after.

Indonesian Musrenbang – injecting citizen input into top-down planning

Indonesia offers two examples of participatory budgeting, both large in scale. The larger of the two in terms of coverage is the Musrenbang²⁵ programme. As in Bolivia and the Philippines, this began as a ‘big bang’ initiative that took in the entire country. The programme began with decentralization laws passed in 2003 and 2004 that transferred significant authority, responsibility and resources to the local level, along with some three-quarters of all government servants. The Musrenbang’s main feature has been a bottom-up process of successive meetings designed to elicit and then consolidate local priorities for state investment over a yearly cycle.

Things begin in January with open meetings organized by the district Bappeda (planning office) in each village (average population around 2,700), which all citizens are welcome to attend. The meeting determines investment priorities and selects attendees to represent the village choices at the next highest level, the sub-district or kecamatan, where civil servants and members of the district legislature (DPRD) join in. At this level, preferences expressed by the villages (there are roughly 20 villages per kecamatan) are consolidated into a unified list amid a great deal of negotiating and horse-trading. Delegates are again selected for Musrenbang meet-

ings at the district level. Afterwards, the sectoral departments (health, public works, etc.) refine and divide up the preferences, and the process moves to the district tier, where a third level of Musrenbang meets to consolidate the preferences expressed by the kecamatan (average 12 per district). In the next step, the priorities established through the Musrenbang system are folded into the overall district development plan for the following year. Overseeing the entire process is an elected district head and an elected legislature.

As can be imagined in a country characterized for decades by highly centralized top-down planning, the Musrenbang process did not immediately become the primary vehicle for allocating state investment funds at the local level. A structure consisting of 33 provinces, roughly 450 districts, 5,400 sub-districts and 70,000 villages, in which a central planning ministry (Bappenas) in Jakarta operating through its agents at provincial and district level (Bappeda) was charged with determining virtually all investments, was not going to surrender control overnight to a bottom-up scheme, especially one that was facilitated by the very same Bappeda office that had managed the earlier system at the local level.

Criticisms were many. First, Musrenbang meetings were in many cases either not held or were essentially closed affairs. Second, budget revisions made during the year and year-end audits were not disclosed. Third, DPRD oversight tended to be largely toothless, for bureaucratic accountability was exclusively internal –Bappeda could basically ignore the DPRD. Finally and more fundamentally, the fact that Musrenbang investment proposals were considered at district level along with those of all the sectoral departments meant that the former tended to disappear, unless they coincided with ideas that had originated in a sectoral department in the first place. Moreover, even the sectoral plans were drawn up in accordance with a centrally determined district plan. Every district operated under a 5-year or ‘Mid-term Plan’ that was established by the incoming mayor at the outset of his term, and proposals emerging from the Musrenbang process

25 Musrenbang is an acronym for Musyawahar Perencanaan Pembangunan (public forum for development planning). This account of the Musrenbang programme is drawn largely from Ahmad and Weiser (2006), LGSP (2008 and 2009), Kristiansen et al. (2008), McLaughlin (2007), and Ngoedijo (2007), as well as Blair et al. (2008).

were required to fit into the Plan. ‘Desires,’ as one district planning officer put it, ‘had to be reconciled with needs.’²⁶ In fact, although the elected mayor, with input from the elected legislature, was the nominal author of the Mid-term Plan, this document was largely generated by the district planning (Bappeda) and finance offices, which in turn were following strict guidelines set down by the national planning ministry (Bappenas) and the Ministry of Home Affairs.

In sum, the scope for citizen input proved to be minimal. Still, the Musrenbang process did for the first time encourage some citizen participation in budgetary allocation in a system that since Dutch colonial times operated through a very centralized, top-down planning organization that essentially precluded any citizen input at all.

A USAID effort entitled the Local Government Support Project (LGSP) worked on strengthening the Musrenbang process with a Musrenbang Delegation Forum consisting of Musrenbang attendees who would ‘follow the budget development and approval process and then advocate for the inclusion of Musrenbang results in the [district level] budget.’ LGSP reported that such forums had been set up in half its 62 districts by the end of 2008.²⁷ This initiative may well have enhanced citizen input into the district level allocations, but it came late in the project (which closed in September 2009) and it is not clear how much of it survived or whether the government had an interest in replicating it elsewhere in the country.

Indonesian Kecamatan Development Project – locally determined investment

Operating somewhat in parallel with the Musrenbang process was the World Bank’s Kecamatan De-

velopment Programme (KDP, later renamed as the PNP Mandiri programme), which was sponsored by the World Bank. It was huge by any standard, encompassing almost three-quarters of Indonesia’s sub-districts by 2009 and spending well over US\$ 1 billion in the process.²⁸ KDP began in 1998, targeting the poorest subdistricts and thus choosing to ‘build on the rest’ rather than ‘build on the best,’ to use an old phrase from the rural development programmes of the 1970s. By the mid-2000s, KDP had almost 2,000 of the country’s 5,358 kecamatans and over 34,000 of its 70,000 villages. By the end of the decade it was reaching more than 3,900 kecamatans and 50,000 villages.²⁹

The KDP cycle opens with village meetings at which proposals are offered and eventually up to three are decided upon (the first two must include a women’s component). The village selects a delegation (usually six people, including three women) to attend a series of kecamatan-level meetings, at which all the village proposals are vetted for technical feasibility and prioritized. Projects can consist of infrastructure, economic or social development activity (though most deal with infrastructure). KDP grants run between US\$ 60,000 and US\$ 110,000, including an average 17 percent community contribution.

Government officials supervise the programme but implementation is handled by consultant teams of facilitators at all levels down to kecamatan and village and this allows the project to avoid using underperforming contractors (KDP claims 25–50 percent savings over normal construction costs). Fund dispersal goes directly from the national treasury’s provincial office to village accounts at the kecamatan level, thus bypassing bureaucratic channels (and the prospect of leakage along the

28 The USAID project noted above was at US\$ 62million large by the standard of the agency’s decentralization projects but dwarfed by the KDP.

29 My account of KDP draws mainly on Guggenheim et al. (2004), Guggenheim (2006), and McLaughlin (2007). Data on coverage from <http://www.ppk.or.id/content.asp?pid=1&mid=220&Language=2>, accessed 1 April 2010.

26 See Blair et al. (2008: 23).

27 The quotation and data in this paragraph are LGSP (2009a: 9); see also LGSP (2009b).

way). The programme's pro-poor aspect emerges in KDP surveys that show some 50 percent of planning meeting participants come from the poorest strata, which also supplies around 70 percent of the workforce on KDP projects. Elite capture is held in check partly in this way, but a potentially stronger bulwark is a 'blind contract' with a journalists' association, which is invited to check on projects of its own choosing and to publish whatever it finds.³⁰

An evaluation covering the 2002–2007 period and using a 'treatment-and-control group' methodology found significantly increased per capita consumption within the poorest quintile in KDP villages, as well as increased access to health care and employment, with less benefits flowing to upper quintile groups (Voss 2008).

Nevertheless, at least a couple of serious problems have been reported. First, like the Brazilian PB programmes, KDP requires significant input from technical and social facilitators, who provide the required expertise and close field supervision. Such people are in short supply, and management costs have run 15–20 percent higher than other World Bank initiatives. Second, as with many pro-poor efforts, even though the poor do benefit, it has proven difficult to reach the poorest strata, which as elsewhere tends to include disproportionately high numbers of female-headed households. Finally, there is a concern that when the project ends there will not be enough funding to keep the facilitators in place. This would mean that although the bottom-up prioritizing process may have built up enough momentum to keep going, it will no longer be able to keep contractors out of the game, and thus project construction may well become both substandard and too costly.

30 As the programme progressed, the 'blind contract' did not actually result in any significant journalistic coverage of KDP, but the government's embracing of the idea was an important commitment to transparency in a sector where risk of corruption has been high. Personal communication from Scott Guggenheim, April 2011.

Cambodia – intermediaries between local government and citizenry

Cambodia is perhaps best characterized as a 'one-party-plus' regime, in which the Cambodian People's Party (CPP) is overwhelmingly dominant, but tolerates and even encourages a modest opposition to maintain some international legitimacy and to keep party functionaries at least minimally responsive to public demands.³¹ It is this last motivation that provided the opening for a modest USAID programme entitled the Local Administration and Reform Project (LAAR), which ended its five-year run in September 2010.³²

Cambodia's lowest (and only) tier of subnational government is the commune council (CC), of which there are 1,621 in the country. Following the 2007 election, fully 1,590 of them had a CPP majority, with minor parties controlling the other 31 (though they have some 30 percent of the total seats in all councils). LAAR worked with 356 (22 percent) of these councils, all CPP-controlled.

The local government system required that CCs hold village meetings on an annual cycle to solicit citizen views on development investment priorities. However, given the country's turbulent background (the Khmer Rouge oppression of the late 1970s, followed by a Vietnamese invasion and takeover, then an interregnum managed by the United Nations, a coup engineered by the CPP, and finally today's authoritarian state³³), it is scarcely surprising that the CCs were both unenthusiastic about seeking out citizen input and lacking in any real knowledge about how to go about it. LAAR's approach was to set up and train Citizen Monitor-

31 For an analysis of the 'one-plus party' system in Cambodia, see Blue et al. (2008).

32 Material on the USAID programme is largely drawn from Calavan et al. (2009).

33 Cambodia's Freedom House ranking has remained at 6 on Political Rights and 5 on Civil Liberties ever since 2001, when it improved from 6 and 6.

ing Committees (CMCs) to act as intermediaries between CC and citizen.

In the programme's first phase, CMC members were chosen by a show of hands among those who attended an initial meeting, but the USAID office concluded that this looked too much like an election and suggested competition with the officially elected CC, so in subsequent years CMC members were vetted and selected by the CCs. The CMCs included members from each village within the CC's boundaries and along with CC members they received training on outreach, social development and monitoring. The CMC task was to recruit villagers to attend meetings with CC members, where they could voice their thinking on development investment priorities. Afterwards, the CMC attended CC meetings to monitor the latter's work and report back to their villages about how local priorities fared in the CC's yearly allocations.

A mid-term evaluation found that the CMCs seemed to be only minimally engaged in monitoring and little given to reporting back to their constituents. But they did appear to do quite well at mobilizing citizens to participate in CC outreach meetings at village level.³⁴ And CC members at the meetings evidently did solicit citizen views, using a simple matrix method to determine villagers' priorities. The evaluation team was not able to determine the extent to which these priorities wound up in the final CC investment plans, but the fact that CC members felt it necessary to ask for and listen to citizen input must be regarded as a step forward against a backdrop of top-down authoritarian governance.

Analysis

A number of interesting patterns emerge from comparing the eight cases summarized in the previous section. My analysis of these patterns will proceed in two phases. First will come a discussion of the dimensions of citizen involvement in PB, which will employ Figures 1 and 2 for illustration. This will be followed by an examination of PB's salient features, in which the chart appearing as Table 2 should be helpful as the argument moves along.

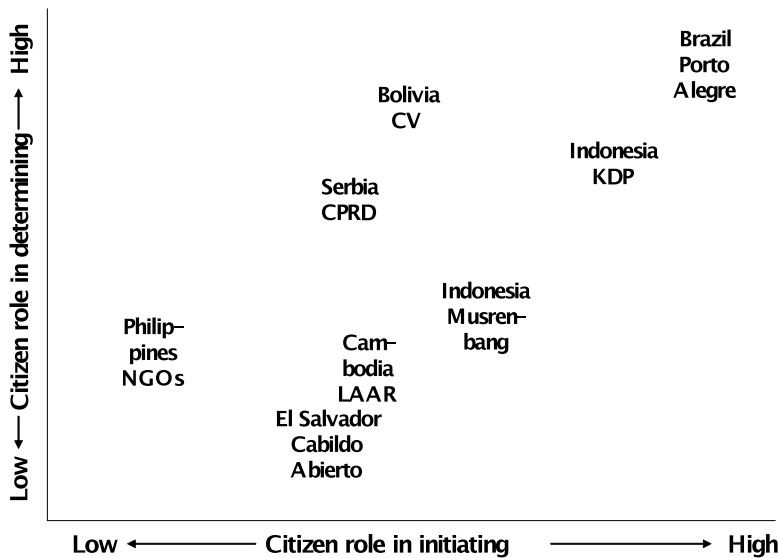
Two dimensions for citizen involvement

If the key aspect of PB is the extent to which ordinary citizens decide how to allocate part of a local government budget, we can rank our eight case studies along two dimensions, as in Figure 1. The first dimension is the citizen role in *initiating budget priorities* (the horizontal axis) and the second is the citizen role in *determining local budget allocations* (the vertical axis). In Porto Alegre, citizen groups meet to set priorities, sort them out and consolidate them into an investment package, which the city council then implements, and then at the end of the cycle, citizen groups review the results; in short, they (and their elected representatives at successively higher levels) both initiate proposals and determine how those proposals fare in the budgeting process. In contrast, citizens met to devise a wish list of priorities in El Salvador's *cabildos abiertos*, but had no role after that in determining or even influencing the actual allocation of local investment funds. Thus Porto Alegre scores high on both dimensions in Figure 1, while El Salvador ranks modestly on the initiating (horizontal) axis but at the bottom on the determining (vertical) axis.

³⁴ Indeed, part way through LAAR, the 'M' in CMC was changed from Monitoring to Mobilization, reflecting a more realistic view of what the CMCs were actually doing.

Figure 1

Direct and indirect citizen participation in budget allocation



Other experiences fall mostly inbetween Porto Alegre and El Salvador. In Cambodia, the Citizen Monitoring Committees worked as outreach agents for the elected Commune Councils by organizing open local meetings to establish investment priorities. They then had the chance to advocate for different projects at council meetings (though there was little indication that they utilized this opportunity). So Cambodia would rank about the same as El Salvador on the horizontal scale but a bit higher on the vertical scale in Figure 1. In the Indonesian Musrenbang process, those present at successive levels of village and subdistrict chose representatives to take their priorities to the next tier and these people could then argue their case at that level. So the Musrenbang would rank somewhat higher than Cambodia or El Salvador on both dimensions. With Indonesia's KDP programme, though, the citizen committees actually decide on investment allocations, so it ranks higher on both dimensions.

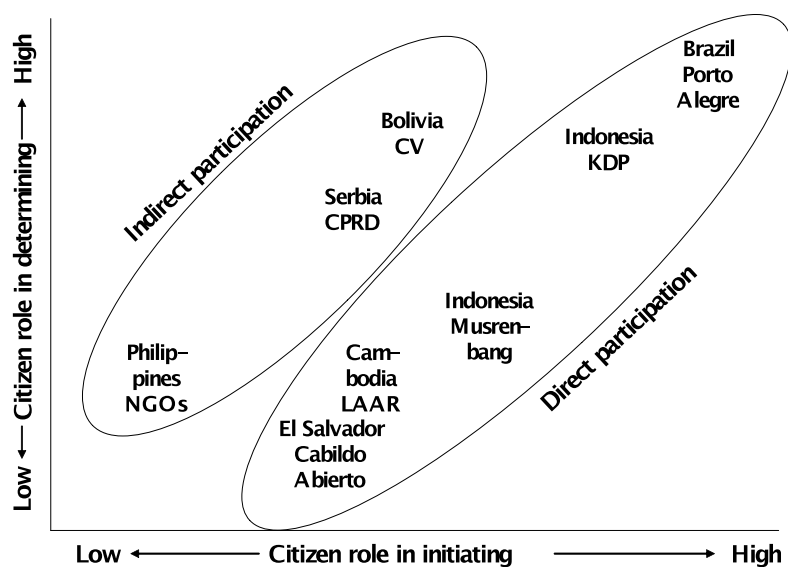
Philippine local government units at all levels were mandated by the 1991 Local Government Code to invite the NGO community in their jurisdiction to choose fully 25 percent of the membership of the statutory bodies that deal with public investment programmes and selecting contractors to implement such programmes. To the extent (which varied considerably) that local governments complied with the mandate, NGOs would find themselves in a strong position to influence budgetary allocations. Citizen participation, however, occurred only at one remove; while the NGOs claimed to represent constituencies composed of citizens (women, farmers, traders, slum dwellers, etc.), those represented did not get to participate directly in the budgetary process at all. In Serbia, there was somewhat more citizen involvement, in that attendees at an initial meeting chose members of a Citizen Committee, but then it was the CC itself that decided on the projects to be proposed. On the project determining side (vertical axis), the CC then met with the elected local government, final-

ized the programme after some negotiation and handled the contracting, all with some guidance from the USAID implementer. Accordingly, Serbia would rank higher on the vertical axis. Finally, the Bolivian *Comités de Vigilancia*, selected by the officially designated OTBs, had the sole authority to decide on a municipality's investment programme, to monitor the results and to lodge actionable complaints about the elected council's implementation of its projects. This might even amount to more citizen power than the COPs have in Porto Alegre.³⁵

Direct and indirect participation

By now a second pattern has emerged, as appears in Figure 2. Citizens in Porto Alegre, Indonesia, Cambodia and El Salvador had a *direct* participatory role in that they initiated the first round of budgetary allocation at an open public meeting. But citizens in the Bolivian, Serbian and Philippine cases had only an *indirect* role in that they respectively selected, elected or were at least nominal members of groups that were involved in determining budgetary allocations.

Figure 2
Direct and indirect citizen participation in budget allocation



As would be expected, the degree of citizen involvement in initiating proposals is significantly higher in the direct participation examples than with the indirect cases (indeed, there is something of a tautology here). In contrast, there is not much difference between the direct and indirect groups on the vertical axis, meaning that the type of participation doesn't appear to have much role in determining how money will actually be spent.

The overall conclusions here are, firstly, that direct participation in budget allocation does not

35 Of course, one must keep in mind that the designated OTB in each municipality included only one group, typically a *campesino* (male peasant) constituency, leaving out others, so it would be more accurate to say that *some* citizens enjoyed a good deal of power in having their chosen representatives decide the allocations.

guarantee any real citizen role in determining how funds are spent on public investment (the two vertical spectrums are quite similar) and secondly, that systems with only indirect participation can have about as high an impact on such investment as those with direct participation (Bolivia and Porto

Alegre are at about the same level on the vertical axis). The first conclusion is scarcely surprising; the second is more interesting and, arguably, significant.

For the remainder of this section, Table 2 should be useful as a guide to the discussion.

Table 2
Participatory budgeting in eight settings

Type	Country & programme	Year introduced	Key characteristic	Source of innovation	Source of political will	Technical assistance	Parallel governance structure	Risk of elite capture
Decentralization	Brazil Porto Alegre	1989	Participatory LG# budgeting	Domestic	Local champion	High	Yes	Low
	Bolivia PPL	1994	Checks & balances in LG	Domestic	National champion	USAID pilot	Yes	Med
	Philippines LGC	1991	NGOs inside LG units	Domestic	Central govt champions	Some USAID pilot	No	High
	Indonesia Musrenbang process	2004	Participatory prioritization	Domestic	Central	None	Yes	High
	Indonesia KDP	1998	Bottom-up project decisions	Donor	Donor	High	No	Med
	Cambodia LAAR	2005	LG-citizen intermediary structure	Donor	Donor	USAID pilot	No	High
Post-conflict	El Salvador Cabildos Abiertos	1986	Mass meetings	Domestic & donor	Donor	Some USAID	No	Med to high
	Serbia CRDA project	2000	Non-govt spending authority	Donor	Donor	Some	Yes	Unclear

LG = local government

Innovation origins and motivations

Our examples show a mixture of domestic and donor origins. Porto Alegre, the Bolivian PPL, the Philippine LGC and the Indonesian Musrenbang were all homegrown, while the Cambodian CMCs, the Indonesian KDP, and the Serbian CCs were donor creations, with the Salvadoran *cabildos*, a mix. Motivations differed considerably. Incoming mayor Olivio Dutra saw PB as an instrument to build a constituent base for the PT in Porto Alegre, and incoming president Gonzalo Sánchez de Lozada likewise viewed the PPL as a way to build support for his political party.³⁶ The Philippine LGC had its champion in Senator Aquilino Pimentel who pushed its creation through the legislature, but it can be seen more as part of the overall reaction to the centralization of the Marcos regime, deposed in 1986. Similarly, the Indonesian Musrenbang process can be interpreted as a part of the *Reformasi* drive to repudiate the highly centralized Soeharto era that ended with his overthrow in 1998.

The donor-led programmes had their own motivations, of course. The USAID office in Cambodia was looking for some initiative to counter the increasingly authoritarian trajectory and democratic decline afflicting the country under Prime Minister Hun Sen and his CPP, and LAAR seemed a way to increase accountability at the governmental base. In Indonesia, the World Bank, reeling from the heavy criticism then being leveled at its large-scale transmigration and dam building programmes, was looking for something that would represent a change of direction to a more people-centered approach (Guggenheim 2006: 119–121 &ff). USAID's CRDA project operated in all Serbia's districts,

seeking to fuel what it hoped was a post-Milosevic demand for democracy and to aid in bridging the ethnic divisions that lingered after his ouster in 2000. Finally, USAID's MEA programme in El Salvador reinforced what had started as a government effort to generate allegiance to a reconciled political system after the peace accords of 1992.

The importance of political will

Wherever it has been introduced and to the extent that it has been successful, PB has meant a major change from the usual way of doing business in making budgetary decisions. This in turn has meant discomfiting significant numbers of people from the positions of power and in many cases also rent seeking that they had enjoyed. Such disruption needed a champion if it was to occur. In Porto Alegre, incoming Mayor Olivio Dutra supplied the necessary political will, as did President Sánchez de Lozada in Bolivia. In the Philippines, Senator Aquilino Pimentel championed the passage of the LCG, with support from then-President Corazon Aquino. Without these champions, it is doubtful that reforms would have occurred. The introduction of the Musrenbang process in Indonesia in 2004 was overshadowed by the first direct presidential election held the same year, and the program's origins are somewhat obscure in the literature, but as noted elsewhere it was evidently part of the *reformasi* wave of the early post-Soeharto era, which saw many reforms seeking to reverse the dictator's New Order structure.

The authority and determination to move the other four examples along came from their donors, USAID in the Cambodian, Salvadoran and Serbian programmes, and the World Bank with the KDP.

³⁶ To the extent that this interpretation is true, the strategy did not succeed. By 1999, his party had lost about a third of the municipalities it had held in 1995 (Altman 2003: 87). More significantly for him and his party, the PPL system facilitated the rise of Evo Morales, whose movement ousted Sanchez de Lozada and his government altogether in 2005. See also Kohl and Farthing (2006: 149 &ff).

Technical assistance and participatory budgeting

Overall, to judge from Figures 1 and 2, PB appears to do best in Porto Alegre and the Indonesian KDP. On this admittedly impressionistic scale, the Bolivian CVs rank a little higher than the KDP on citizen determination but, as noted in the case study, the citizen role is indirect. CV members are chosen by one designated OTB which represents only one section of the whole community. In contrast to Porto Alegre and the KDP setup, it is the CV members who determine investment priorities, not the constituency from which they are selected, to say nothing of the entire community. Thus the CVs rank significantly lower on the horizontal citizen initiation measure.³⁷

How is the preeminence of Porto Alegre and the KDP to be explained? The most obvious answer is that they have better funding. Porto Alegre is a relatively wealthy city in a relatively wealthy Brazilian state, while the KDP has been one of the Bank's more generously supported programmes, with some \$US 1.2 billion spent thus far and the figure is increasing. But the real answer lies in where the money has been spent: on technical assistance (TA), as shown in Figure 3.

Serious PB is a great deal more complex than showing up for a meeting and expressing preferences for public investment. As should be clear from the case studies, the programmes in which citizens really do have a strong voice in determining what gets done with public funds require more citizen time and energy than the wish-list efforts. The initial meetings take longer, the review of the previous year's work that begins the next year's cycle requires greater resolve and the special delegates

need to show greater commitment. They may also become involved in contracting and supervising construction. And as anyone who has been involved in voluntary work for a community enterprise knows, it is difficult to keep up the necessary enthusiasm to sustain the activity. Public virtue can be its own reward for only so long.

But enthusiasm and commitment are not by themselves enough to make PB work. There also has to be expertise in dealing with designing, planning, budgeting, supervising, monitoring, etc. These skills are often in short supply, particularly in developing countries. In short, a healthy quantum of TA is needed to make PB succeed. Porto Alegre's various algorithms for weighting neighbourhood needs against poverty levels, past allocations, sectoral balances, coordinating services and the like all require much outside expertise, which the municipality can fortunately supply through its budget planning office, the *Gabinete de Planejamento* (Santos 1998). Likewise, Indonesia's KDP requires adequate quantities of TA to make the system function and these are supplied by the World Bank.³⁸ It would be hard to imagine the Bolivian CVs finding similar skill sets readily to hand.³⁹ The TA has also had a long run in Porto Alegre and the KDP: almost 20 years in the first case and well over 10 in the second.⁴⁰

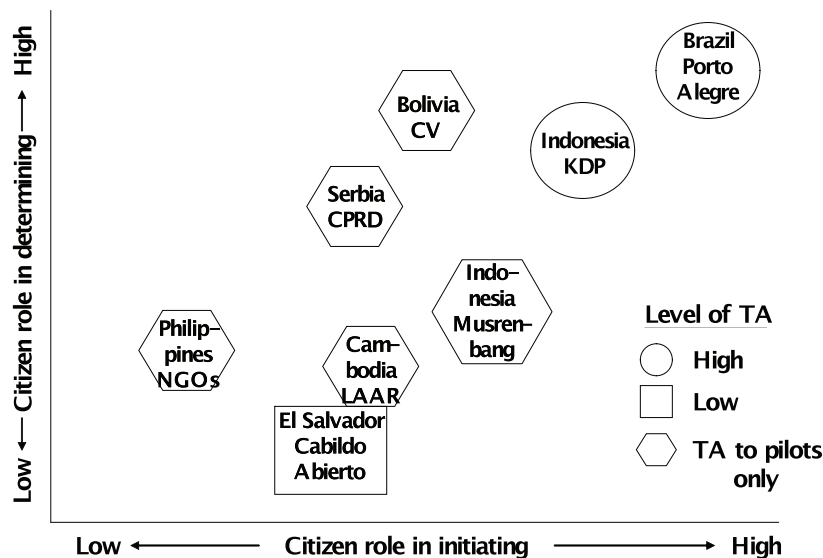
37 My strong sense from field observation in Bolivia and Indonesia is that the quality of the Bolivian investment outputs has been lower than with the KDP, but this is only an impression.

38 Woodhouse (2005); Guggenheim et al. (2004: 15) mention 20 percent of KDP project costs going to technical assistance at one point in the project.

39 Grootaert and Narayan (2001: 61) note the need for technical assistance to local governance in this connection. One estimate held that more than 85 percent of the CV members were illiterate (Can Cott 2000, cited in Altman 2007: 83). One unfortunate result of this feeble CV capacity is that a great many CVs farm out their planning responsibility to NGOs or consulting firms (Bartholdson et al. 2002: 28–29; this was also my own observation during field visits in the mid- and late 1990s).

40 Moreover, the KDP itself was the successor to a similar (but much smaller) pilot effort begun in 1997 (Guggenheim et al. 2004: 1).

Figure 3
 Technical assistance given to PB systems



Our other six cases received some TA, each in connection with a USAID assistance programme. For Serbia and El Salvador the programmes were nationwide, covering a very large portion of Serbia's communities and virtually all of El Salvador's. In both cases there was some minimal TA in the form of reviewing the projects selected for technical soundness, but virtually none was provided to guide the participatory process itself. In Bolivia, the Philippines and Indonesia's Musrenbang process, the decentralization programmes themselves were nationwide with little or no TA to the municipalities, but USAID supported pilot projects that did provide quite extensive TA to selected locales (25 out of more than 300 in Bolivia, 60 out of 450 in Indonesia and 200 out of over 40,000 in the Philippines). In Cambodia, there was only the pilot – there was no national programme to create CMCs everywhere – but the USAID project footprint was intentionally large, covering over 20 percent of the country's commune councils. As will be discussed below, there were some attempts to create a self-perpetuating structure to continue TA provision after projects ended, but given USAID's disinclina-

tion to study the legacy of its old programmes, it is not known how these efforts fared over time.

Parallel governance structures

A number of our case study programmes set up what amounted to parallel structures of governance, in effect displacing the local government system already in place. In Porto Alegre, the COP decided how the city would spend its development investment funds, a function generally exercised by local elected councils. True, the Porto Alegre council did have the prerogative of rejecting the COP's plan, but invariably it approved whatever the PB system came up with. In Serbia, the Citizen Committees decided on projects, and while the elected councils could in effect veto a project by refusing to put up its 25 percent matching share, the more common experience appears to have been that the council went along with projects of marginal value to the municipality in order to 'leverage' the other 75 percent of construction cost from the CC. In Bolivia, the CV decided on the investment plan and then monitored it, while the elected council only

implemented it, subject to sanctions from the CV. Finally, the Indonesian Musrenbang was also new, stapled onto the local governance structure set up several years earlier.⁴¹

This brings us back to Deborah Brautigam's (2004) complaint that PB tends to insert new mechanisms that in essence displace elected local government bodies that have been constitutionally charged with making decisions on local public investments. Her question is whether the energy and funding going into the new structures might better have been devoted to correcting the defects of the old ones, given that the old ones will still remain in place. This is, of course, an old question, going back most directly to the American administration of Franklin Roosevelt in the 1930s when it was busily creating new national government agencies to take up activities that old bureaucracies were judged incapable of handling. And in the history of public administration, the question surely goes back to the Roman empire and probably considerably further back.

The answer in the Brazilian case is that it would have been extremely difficult to convince the traditional elected councils to reverse old habits and redirect public funds away from neighbourhoods that had previously contributed more taxes, more campaign support and more votes toward areas that had provided less support to council members. It was more feasible to set up a new structure, apart from all the encrusted tradition in which state investment was exchanged for votes and support.

In Serbia, the imperative for the USAID mission was to get things moving quickly on the ground to

show that society could pick itself up again after the previous regime's collapse and resuscitate the infrastructure. Here too it was just easier to start a new machinery than to revive and improve the old one based on the local councils that had been in place since Yugoslav times.

Bolivia did not face the choice between working with the old structure and creating a new one. Since before the PPL, only 38 municipalities had existed and the rest of the country's territory had no local government. The PPL's authors could therefore have given planning authority to the 273 new elected councils, which would more authentically have represented the populace than the CVs with their base in the OTBs. Presumably the PPL's authors wanted to devise a structure of checks and balances with their new local governance dispensation.

A fourth parallel system came with the Musrenbang structure in Indonesia. Local councils were created as elected bodies in 1999 as part of the post-Soeharto reforms and so had been in place for only a few years when the Musrenbang system was introduced in 2004. Five years would seem too short a period for the councils to have become so debilitated that a parallel system for soliciting citizen input was needed. However, five years may have been long enough for central government reformers to realize that elected local councils were inadequate for loosening the power of the country's premier planning agency, Bappenas, and its district level counterpart, the Bappeda, which had long held local governance in a centrally controlled straightjacket. So Musrenbang would be the therapy for loosening the hold of the planning apparatus. If my speculation is correct, the scheme did not succeed. This was, as noted above, because the priorities emerging from the Musrenbang process were ultimately forced to fit the frame established by the Mid-term Plan. This, in turn, was basically the product of Bappeda, which was itself following planning templates constructed in Jakarta by its parent agency Bappenas.

41 Indonesia's Musrenbang process was also a parallel system with its successive tiers matching those of elected councils, but since its preferences had to fit into the mid-term plans devised by the elected executive and his planners, there was little if any displacement. And the KDP did develop a parallel system, but it was funded by the World Bank's programme, not by funds that would have otherwise been allocated by local government units. USAID's Cambodian programme and the Salvadoran *cabildos* were not so much parallel structures as devices to solicit some public input. The Philippine NGO inclusion in local government committees was the opposite of a parallel device.

The risk of elite capture

Ever since Gunnar Myrdal's (1968) devastating critique of India's decentralization programme in the 1960s, it has been clear that elite capture has been one of the two principal hazards facing any devolution initiative.⁴² A risk assessment on this account would thus seem essential for our cases. Porto Alegre appears well insulated in this regard with its highly structured PB process reinforced during its first 16 years by committed PT mayor's a combination is reported to have essentially eliminated pork patronage (Koonings 2004: 85–91). And although the PT has since lost electoral control of the city, its well-organized party cadres should be able to detect and publicize any developments strengthening the hand of local elites.

The Indonesian KDP has had significant grassroots protection through the large number of poor participants at the planning meetings. A better safeguard could nevertheless come through the programme's 'blind contract' with the journalists' association, which gives the latter a *carte blanche* to snoop into any project activity on its own initiative. However, to date there appears to be little evidence that this media check has proven effective.⁴³ Bolivia has its parallel structure of accountability with both the CVs and the municipal councils, both of which are granted sanctioning authority; this should give some protection against elite takeover, but a lack of expertise (and even literacy, especially in the CVs) is likely to limit their watchdog capacities. In Serbia, USAID's program emphasized infrastructure construction more than social capital building, so elite capture would not have been too difficult (e.g.,

in steering contracts to particular firms). The risk of elite takeover in these three cases would have to be rated medium.

One would hope that El Salvador's maturing two-party system (the former insurrectionary force won the presidency in 2009 and already controlled most of the municipalities) would provide a buffer of competitive politics against elite takeover there. However, the country's winner-take-all local electoral system gives the winning party all the seats on the municipal councils for its entire term and this creates dangerous temptations. Under these circumstances, elite capture would be somewhere between medium and easy.

In the remainder of our cases, the possibility would have to be rated fairly easy. Naga City and some others are surely exceptions, but the long history of local bosses and caciques in the Philippines is not going to be overturned through the Local Government Code.⁴⁴ The Musrenbang system faces a different sort of elite takeover; the danger is not so much local oligarchs but the local field offices of the central planning agency, Bappenas. Together with the Ministry of Home Affairs, this agency still enjoys considerable influence. In Cambodia, although it perhaps tries to solicit citizen input, the CPP – as the dominant political party controlling 98 percent of the commune councils – ultimately controls budgetary allocations.

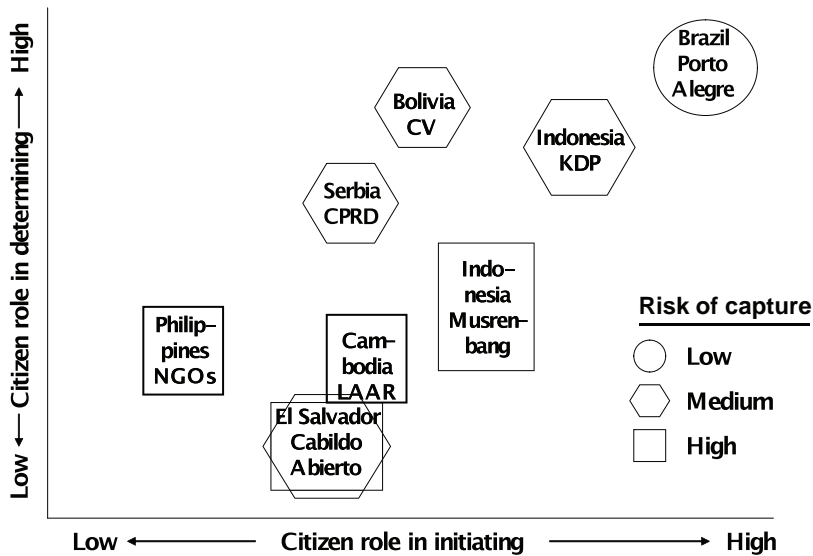
The risk of elite capture appears to be related to the level of citizen influence in PB. This becomes clear in Figure 4, where programmes of low or medium risk rank higher on citizen initiation and determination, while those with higher risk rank lower on both dimensions.

42 The other main danger has been reluctance from the centre to devolve any real power (among the many analyses of these two risks to decentralization, see Manor 1999). A good example of this latter problem is the role of Bappenas and Bappeda in continuing to exercise control over local planning in Indonesia.

43 Personal communication from Scott Guggenheim (cf. Guggenheim 2006).

44 See for example Hutchcroft (1991).

Figure 4
Risk of elite capture



Achievement and sustainability

Some of the initiatives mentioned in the previous paragraph did reasonably well in their time. In the two post-conflict programmes, a rapidly constructed Serbian system of citizen committees did complete several thousand projects based on citizen input. Similarly, the Salvadoran programme was established in each municipality, with citizen input, and these eventually completed more than eight thousand projects. However, the Serbian CRDA's CCs were limited to the life of the project; there was no reason for them to continue after the funding ran out. And while the law on *cabildos abiertos* persisted in El Salvador and stipulated that these should meet quarterly, it is unlikely that they carried out much work after the end of MEA.

As for the pilot projects, USAID's Democratic Development and Civic Participation project in the 1990s made good headway in 'capacitating' (to use a forced translation of the Spanish verb commonly used, *capacitar*) the CVs in Bolivia. Its Philippine Government and Local Development (GOLD) project was tightly constrained from the start in

PB terms. Citizen participation, which consisted of NGO representatives serving on local government bodies, was even more indirect than in Bolivia or Serbia but where local political leadership was accommodating and encouraging, as it was in Naga City, there was real citizen input. The USAID Local Government Support Project in Indonesia worked in its 62 pilot districts with the executive, elected councils and civil society organizations to promote more interaction with the Musrenbang process, and the project made some progress in strengthening the successive Musrenbang tiers and moving more citizen demands through its structure. The Cambodian Local Administration and Reform project initially showed mixed results in its efforts to build Citizen Monitoring Committees that were to elicit community input for public investments, but it developed a learning curve as the project went into successive years.

Some of these pilot projects may have survived the lifetimes of their respective donor-supported projects. USAID's Bolivian project produced an ex-

cellent manual to guide the CVs and elected councils (DDCP 1999). The GOLD project generated a large number of practical publications,⁴⁵ and more importantly conscientiously created six Centers for Local Governance to provide TA and training to local governments and NGOs on a fee-for-service basis after GOLD shut down in 2000.⁴⁶ The LGSP effort in Indonesia⁴⁷ worked to assist many of its implementers (mainly located in local universities) to become post-project service providers as well. And the Cambodian LAAR is hoping that at least some of the province-level NGOs it contracted to provide TA will follow a similar path.

Unfortunately, there is no real way to ascertain whether any of these sustainability hopes have been realized, because USAID has thus far shown virtually no interest in post-project study. Once a project closes down, so does USAID interest in it.⁴⁸

Programme impact

Typically in these programmes, a prominent goal is some kind of empowerment for the poor through political participation. A couple of them have been in place long enough to make some assessment of this. Boulding and Wampler (2009) find some evidence of political participation for PB in Brazil, as

do Cameron (2009) as well as Grootaert and Narayan (2001) and Grindle (2000) for Bolivia. In both countries, at least some poor people have attained a degree of agency in the local political arena. An additional (sometimes unstated) goal has been poverty alleviation. Boulding and Wampler (2009) do find a small reduction in the incidence of extreme poverty over PB's first decade.⁴⁹

Thus far, assessments of more general wellbeing in terms of life expectancy or literacy, show little indication that PB has had any effect in Brazil or Bolivia. Boulding and Wampler find no statistically significant correlations, nor does Cameron in his more qualitative study. Likewise Indonesia's KDP shows no improvement in school enrollments, though an evaluation did show increased access to health care and movement out of poverty for the lowest income quintile, as well as higher consumption for the lowest income quintile (Voss 2008).

As far as I know, the other programmes in our sample never undertook (or at least never released results of) any studies of this sort. This paucity of knowledge of programme impact can be traced in part to programme brevity (what, after all, can one show in terms of wellbeing improvement after five years?), but also to a lack of interest in longer term programme impact.⁵⁰

In sum, there is some evidence for PB enhancing empowerment through participation, and less

45 The GOLD project, implemented by ARD as the contractor, was one of the best ever documented decentralization efforts. It ultimately yielded a CD with hundreds of project documents (ARD 2001).

46 In doing this, GOLD was following the path set in a number of eastern European countries when USAID and the Soros Foundation set up 'intermediate service provider' organizations to continue offering expertise to civil society organizations and local governments after the post-Communist foreign aid programmes closed down.

47 LGSP also produced a trove of useful publications that will be of post-project value. Its publications are available on the project's website (LGSP 2009c).

48 USAID has some interest in learning from current experience; it conducts mid-term and final evaluations of selected projects. However, it has evinced no enthusiasm for learning from past efforts by, for instance, sponsoring a study of the legacy of the GOLD project at three or five years after closure. Such analyses would be invaluable for learning what works over time and what does not.

49 In their survey, they found a reduction in 'indigent poverty' of just under one percent that could be associated with PB in 64 Brazilian municipalities. One might ask whether Porto Alegre, as pioneer, had made more progress in this regard. However, the authors report that the number of years a municipality had been using PB was far less significant than whether or not it had adopted PB (Boulding and Wampler 2009: 128).

50 There may be a change at USAID if the recommendations made by a recent study team are taken seriously. The authors urge that programmes in the democracy sector be evaluated with randomized sample populations of target and control groups being assessed before and after the project in order to assess impact (Goldstone et al., 2008). It would be exciting to review (or participate in) such studies, but the project time and cost required to undertake them would be prohibitive. It is also doubtful whether such scrutiny would be applied to longer term programme impact of the sort I am concerned with here.

though still real indication of its efficacy in poverty alleviation, but none so far for any impact in improving wellbeing. It can be argued that PB's time span has been far too short to expect any real and enduring signs on wellbeing, and that furthermore, given the Western countries' own experience in improving wellbeing, citizen empowerment is the place to start on what has to be a long term drive to achieve it.

Policy implications for participatory budgeting initiatives

A number of observations arise from this analysis of eight cases, and these should be useful in considering future initiatives in participatory budgeting.

Direct and indirect participation. PB systems which involve citizens directly do give them a greater role in suggesting public investment activities than do those that use indirect representation. However, direct participation does not necessarily ensure greater influence over what activities will be undertaken. Indirect PB schemes can do just as well on the latter score (Bolivia and Serbia vs. Porto Alegre and KDP).

Source of innovation. Domestically initiated PB systems obviously have a better chance of lasting than do those set up by donors, but this does not necessarily mean they are more effective on that account (Philippines and Musrenbang vs. KDP and Serbia).

Political will. Where there exists political will to forge a PB system, it usually derives from a single champion rather than an interest group, association or class (Porto Alegre, Bolivia, Philippines).

Importance of technical assistance. For citizen groups to have a real impact on budget decision making, significant TA will be needed (Porto Alegre, KDP). Effective PB is not cheap.

Lessening democracy. Parallel structures can substitute for what are judged to be ineffective elected local councils (Porto Alegre, Bolivia, Musrenbang, Serbia), but they are inherently less democratic.

Elite capture risk. The greater the citizen role in initiating and determining budget allocation, the lower the risk of elite capture of the PB process (Porto Alegre, KDP and Bolivia vs. Philippines, Cambodia, Musrenbang and El Salvador).

PB's impact. Even after two decades of experience, relatively little is known about the impact of PB on empowerment, poverty alleviation and wellbeing. This is largely because of donor disinterest in following up impact over time.

REFERENCES

- ABD (Asian Development Bank), 2004, 'People's Participation in Governance: The Naga City People's Council Experience', Paper for *Regional Seminar on Local Governance and Pro-Poor Service Delivery, 10–12 February, Manila*.
- Abers, R., 1998, 'From Clientelism to Cooperation: Local Government, Participatory Policy and Civil Organizing in Porto Alegre, Brazil', *Politics & Society*, 26 (4), pp. 511–537.
- Abers, R., 2000, *Inventing Local Democracy: Grass-roots Politics in Brazil*, Boulder, CO: Lynne Rienner Publishers.
- Ahmad, R., & Thébault Weiser, E., 2006, *Fostering Public Participation in Budget-Making: Case Studies from Indonesia, Marshall Islands and Pakistan*, Manila: Asian Development Bank and the Asia Foundation.
- Altman, D., & Lalander, R., 2003, 'Bolivia's Popular Participation Law: An Undemocratic Democratisation Process?' in Hadenius, A., (ed.), *Decentralisation and Democratic Governance Experiences from India, Bolivia and South Africa*, Stockholm: Almqvist & Wiksell International. Pp. 63–103.
- Antlöv, H., Brinkerhoff, D.W., & Rapp E., 2008, 'Civil society organizations and democratic reform: Progress, capacities, and challenges in Indonesia', Paper presented at the 37th Annual Conference, Association for Research on Non-profit Organizations and Voluntary Action, 20–22 November, Philadelphia.
- ARD (Associates in Rural Development), 2001, *USAID Support to Philippines Local Governance, Governance and Local Democracy Project 1995–2001, GOLD: USAID*, (Compact disk available from Gerry Roxas Foundation, 18th floor, Aurora Tower, Araneta Center, Quezon City, Philippines).
- Asia Foundation, 2006, *REG: Pilot Project on Institutionalizing Civil Society Participation to Create Local Pro-Poor Budgets*, Report for Asian Development Bank, San Francisco: the Asia Foundation.
- Avritzer, L., 1999, 'Public Deliberation at the Local Level: Participatory Budgeting in Brazil', Paper for *Deliberative Democracy Conference, University of Wisconsin, January 2000*, Accessed 26 August 2006, available at: www.ssc.wisc.edu/~wright/avritzer.pdf
- Baiocchi, G., 1999, *Participation, Activism, and Politics: The Porto Alegre Experiment and Deliberative Democratic Theory*, Madison, WI: University of Wisconsin, Department of Sociology, Accessed 26 August 2006, available at: www.ssc.wisc.edu/~wright/Baiocchi.pdf
- Barns, J. R., 2003, *Engaged Governance: An Overview of the Philippine Experience*, Accessed 1 April 2010, available at: <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan014414.pdf>
- Batholdson, Ö., Rudqvist A., & Widmark, C., 2002, *Popular participation in Bolivia, Colombia and Peru: A synthesis of three studies*, Stockholm: Sida, Department for Latin America.
- Blair, H., Booth, J., Córdova, R., & Seligson, M., 1995, *Civil Society and Democratic Development in El Salvador: a CDIE Assessment*, USAID document PN-ABU-449, Washington, DC: USAID/PPC/CDIE/POA.
- Blair, H., et al., 2008, *Local Governance Support Program: Evaluation Report*, Washington, DC: Management Systems International for USAID/ Jakarta.
- Blair, H., Herman, R., Čosić, D., & Galaty, M., 2004, *Strategic Assessment of Civil Society and Political Processes for Serbia*, Report for USAID/ Serbia, Washington, DC: Management Systems International.
- Blair, H., 2001a, *Civil society strategies assessment in the ANE Region: The Philippines*, Occasional Papers Series, Office of Democracy and Governance, Bureau for Democracy, Conflict and Humanitarian Assistance, Washington, DC: USAID.

- Blair, H., 2001b, *Civil Society Strategies Assessment in the LAC Region: Bolivia and El Salvador*, Occasional Papers Series, Office of Democracy and Governance, Bureau for Democracy, Conflict and Humanitarian Assistance, Washington, DC: USAID.
- Blair, H., 2001c, 'Institutional pluralism in public administration and politics: applications in Bolivia and beyond', *Public Administration and Development* 21 (2), pp. 119–129.
- Blair, H., 2008, 'Innovations in Participatory Local Governance', in: UN Dept. of Economics & Social Affairs, Division for Public Administration & Development Management, *Participatory Government and the Millennium Development Goals (MDG)*, New York: United Nations Publications.
- Bland, G., 1994, *Local and Intermediate-level Government Electoral Policy in Latin America and the Caribbean*, Washington, DC: World Bank.
- Boulding, C., & Wampler, B., 2009, 'Voice, Votes and Resources: Evaluating the Effect of Participatory Democracy on Well-being', *World Development*, 38 (1), pp. 125–135.
- Bräutigam, D., 2004, 'The People's Budget? Politics, Participation and Pro-poor Policy', *Development Policy Review* 22 (6), pp. 653–668.
- Brillantes, A. B. Jr., 2007. 'The Philippines: Civic participation in Local Governance – Focus on Subnational Budgeting and Planning', *World Bank Public Sector Governance and Accountability Series*, 39498, pp. 49–66.
- Calavan, M., Barr, A., & Blair, H., 2009, *Local Administration and Reform Project: Mid-term Evaluation, Report for USAID/Cambodia*, Washington, DC: Checchi & Company Consulting.
- Cameron, J. D., 2009, 'Development is a Bag of Cement': the Infrapolitics of Participatory Budgeting in the Andes', *Development in Practice* 19(6), pp. 692–701.
- Capuno, J. J., 2005, *The Quality of Local Governance and Development under Decentralization in the Philippines*, Discussion Paper No. 0506, University of the Philippines, School of Economics, Accessed on 30 August 2006 at: www.econ.upd.edu/.ph/resput/dp/pdf/DP2005-06.pdf
- CIDADE (Centro de Assessoria e Estudos Urbanos), 2010, *Data on participatory budgeting in Porto Alegre*, Accessed 2 April 2010, available at: http://ongcidade.org/site/php/op/opEN.php?acao=dados_op
- Cooke, B., 2005, 'Rules of Thumb for Participatory Change Agents', in: Hickey, S., & Mohan, G. (eds.), *Participation: From Tyranny to Transformation? Exploring New Approaches to Participation in Development*, London: Zed Books, pp. 42–55.
- Córdova Macías, R., Cruz, J. M., & Seligson, M. A., 2004, *The Political Culture of Democracy in El Salvador, 2004: Perceptions and Realities of the Salvadoran Population*, USAID document PN-ADB-409, Nashville, TN: Vanderbilt University.
- CPE (Center for Popular Empowerment), 2009, *Participation, Accountability and Transparency (PAT) Ordinance of Quezon City passed by City Council*, 9 September 2009, Accessed 31 March 2010, available at: <http://urbangov.wordpress.com/2009/09/08/participation-accountability-and-transparency-pat-ordinance-of-quezon-city-passed-by-city-council/>
- Czajkowska B., et al., 2005, *Assessment of the Serbian Community Revitalization through Democratic Action Activity (CRDA)*, Report for USAID Serbia and Montenegro.
- DDCP (Democratic Development and Citizen Participation Project), 1999, *Ciudadanía en la Participación Popular: Guía para Facilitadores*, La Paz: DDCP.
- USAID Democratic Reform Support Program (DRSP), 2009, *Decentralization 2009: Stock Taking on Indonesia's Recent Decentralization Reforms, Update*, Jakarta: USAID DSRP.

- Fedozzi, L., 2007, *Perfil Social e Associativo: Avaliação e Expectativa sobre o Futuro do Orçamento Participativo de Porto Alegre. Análise Histórica de Dados*, Observatório De Porto Alegre, Ufrgs E Tomo Editorio, Mimeo, Cited in World Bank, 2008.
- Fung, A., & Olin Wright, E., 2001, 'Deepening Democracy: Innovations in Empowered Participatory Governance', *Politics and Society* 29, (1), pp. 5–41.
- Goldfrank, B., & Schneider, E., 2006, 'Competitive Institution Building: The PT and Participatory Budgeting in Rio Grande do Sul', *Latin American Politics and Society*, 48 (3), pp. 1–31.
- Goldfrank, B., 2007, 'Lessons from Latin America's experience with Participatory Budgeting', In: Shah, A. (Ed.), 2007, *Participatory Budgeting, Public Sector Governance and Accountability Series*, Washington, DC: World Bank, pp. 91–126.
- Goldstone, J. A., et al., 2008, *Improving Democracy Assistance: Building Knowledge Through Evaluations and Research*, Washington, DC: National Academies Press.
- GOP (Government of the Philippines), 1992a, *Local Government Code of 1991, Republic Act No. 7160*, Manila: Department of the Interior and Local Government.
- GOP (Government of the Philippines), 1992b, *Rules and Regulations Implementing the Local Government Code of 1991, Republic Act No. 7160*, Manila: Department of the Interior and Local Government.
- Grindle, M. S., 2000, *Audacious Reforms: Institutional Invention and Democracy in Latin America*, Baltimore, MD: Johns Hopkins University Press.
- Grootaert, C., & Narayan, D., 2001, 'Local Institutions, Poverty, and Household Welfare in Bolivia', *Policy Research Working Paper 2644*, Washington, DC: World Bank.
- Guggenheim, S., Wiranto, T., Prasta, Y., & Wong, S., 2004, 'Indonesia's Kecamatan Development Program: a Large-Scale Use of Community Development to Reduce Poverty', Paper for *Scaling Up Poverty Reduction: A Global Learning Process and Conference, Shanghai, May 25–27*, Jakarta: World Bank.
- Guggenheim, S., 2006, 'Crises and Contradictions: Understanding the Origins of a Community Development Project in Indonesia', in: Bebbington, A., et al. (eds.), *The Search for Empowerment: Social Capital as Idea and Practice at the World Bank*, Bloomfield, CT: Kumarian Press, pp. 111–144.
- Hutchcroft, P. D., 1991, 'Oligarchs and Cronies in the Philippine State: The Politics of Patrimonial Plunder', *World Politics* 43 (3), pp. 414–450.
- Kohl, B., 2003, 'Nongovernmental organizations as intermediaries for decentralization in Bolivia', *Environment and Planning C: Government and Policy*, 21, pp. 317–331.
- Kohl, B., & Farthing, L., 2006, *Impasse in Bolivia: Neoliberal Hegemony and Popular Resistance*, London: Zed Books.
- Koonings, K., 2004, 'Strengthening Citizenship in Brazil's Democracy: Local Participatory Governance in Porto Alegre', *Bulletin of Latin American Research*, 23 (1) pp. 79–99.
- Kristiansen, S., Dwiyanto, A., Pramusinto, A., & Putranto, E. A., 2008, 'Public Sector Reforms and Financial Transparency: Experiences from Indonesian Districts', *Contemporary Southeast Asia*, 31 (1), pp. 64–87.
- Legaspi, P. E., 2001, 'The Changing Role of Local Government under a Decentralized State: The Case of the Philippines', *Public Management Review*, 3 (1), pp. 131–139.
- LGSP, 2008, *Notes on implementation of Local Government Work Plan (RKPD) Musrenbang in certain Districts and Cities in 2008*, Jakarta: LGSP National Office Participatory Planning Team.
- LGSP, 2009a, *Local Governance Support Program: 2008 Annual Report*, Jakarta: LGSP National Office.

- LGSP, 2009b, *Local Government Support Program: Final Report*, Research Triangle Park, NC: RTI International for USAID Jakarta.
- LGSP, 2009c, LGSP publications website, Accessed 1 April 2010, available at: www.lgsp.or.id/publications/Index.cfm
- Manor, J., 1999, *The Political Economy of Democratic Decentralization*, Washington, DC: World Bank.
- McLaughlin, K., Satu, A., & Hoppe, M., 2007, *Kecamatan Development Program Qualitative Impact Evaluation*, Jakarta: World Bank.
- Merritt, J. S., 2006, 'Quick Impact, Slow Recovery? Funders' Priorities and the Local Realities of Transition Programming', in: Brown, K. (ed.), 2006, *Transacting Transition: The Micropolitics of Democracy Assistance in the Former Yugoslavia*, Bloomfield, CT: Kumarian Press, pp. 223–44.
- Moore, J., 2010, 'Spending out in the open for 49th Ward,' *Chicago Tribune*, 31 March, available at: http://articles.chicagotribune.com/2010-03-31/news/ct-oped-0331-democracy-20100331_1_49th-ward-government-budget-spending
- Myrdal, G., 1968, *Asian Drama: An Inquiry into the Poverty of Nations*, New York: Twentieth Century Fund.
- Naga City Government, 2004, 'Empowering the Poor: Key to Effective Pro-poor Services,' Paper for *Regional Seminar on Local Governance and Pro-Poor Service Delivery*, 10–12 February, Manila: Asian Development Bank.
- Ngoedijo, W., 2007, *Musrenbang as a Key Driver in Effective Participatory Budgeting: Key Issues and Perspectives for Improvements*, Good Governance Brief, July, 2007, Jakarta: LGSP National Program Office.
- Novy, A., & Leubolt, B., 2005, 'Participatory Budgeting in Porto Alegre: Social Innovation and the Dialectical Relationship of State and Civil Society', *Urban Studies*, 42 (11), pp. 2023–2036.
- O'Neill, K., 2005, *Decentralizing the State: Elections, Parties, and Local Power in the Andes*, New York: Cambridge University Press.
- Pabico, A. P., 2007a, 'Parables and paradox in devolution,' *iReport, Philippine Center for Investigative Journalism*, 31 January, Accessed 31 March 2010, available at: <http://pcij.org/stories/parables-and-paradox-in-devolution>
- Pabico, A. P., 2007b, 'People power thrives in Naga City,' *iReport, Philippine Center for Investigative Journalism*, 30 April, Accessed 31 March 2010, available at: <http://pcij.org/stories/people-power-thrives-in-naga-city>
- Pabico, A. P., 2008, 'Naga City's class act,' *iReport, Philippine Centre for Investigative Journalism*, 30 May 2008, Accessed 31 March 2010, available at: <http://pcij.org/stories/naga-citys-class-act/>
- Plasser, F., Ulram, P. A., & Waldrauch, H., 1998, *Democratic Consolidation in East-Central Europe*, New York: St. Martin's Press.
- Putnam, R. D., 2000, *Bowling Alone: The Collapse and Revival of American Community*, New York: Simon and Schuster.
- de Sousa Santos, B., 1998, 'Participatory Budgeting in Porto Alegre: Toward a Redistributive Democracy', *Politics & Society*, 26 (4), pp. 461–510.
- Selee, A., 2005. 'Deliberative Approaches to Governance in Latin America', Washington, DC: Deliberative Democracy Consortium.
- Shah, A. (Ed.), 2007, *Participatory Budgeting, Public Sector Governance and Accountability Series*, Washington, DC: World Bank.
- Sintomer, Y., Herzberg, C., & Röcke, A., 2008, 'Participatory Budgeting in Europe: Potentials and Challenges', *International Journal of Urban and Regional Research*, 32 (1), pp. 164–178.
- Sneed, C., 2006, 'Neutrality Empowerment, Gender: Fostering Democratic Culture in Southwest Serbia', in: Brown, K. (ed.), 2006, *Transacting Transition: the Micropolitics of Democracy Assistance in the Former Yugoslavia*, Bloomfield, CT: Kumarian Press, pp. 95–120.

- de Tocqueville, A., 2000 [1835], *Democracy in America*, ed. & trans. Harvey C. Mansfield and Delba Winthrop, Chicago, IL: University of Chicago Press.
- Van Cott, L., 2000, *The Friendly Liquidation of the Past: The Politics of Diversity in Latin America*, Pittsburgh: University of Pittsburgh Press, Cited in: Altman, 2003.
- Voss, J., 2008, *Impact evaluation of the second phase of the Kecamatan Development Program in Indonesia*, Jakarta: World Bank.
- Wainwright, H., 2003, *Reclaim the State: Experiments in Popular Democracy*, London: Verso.
- Wilson, P. A. et al., 1994, *Final Report: Evaluation of the Social Stabilization and Municipal Development Strengthening Project (MEA Project)*, Washington: USAID.
- Woodhouse, A., 2005, *Village Corruption in Indonesia: Fighting Corruption in Indonesia's Kecamatan Development Program*, Indonesian Social Development Paper No. 6, April 2005, Jakarta: World Bank.
- World Bank, 2008, *Brazil: Toward a more inclusive and effective participatory budget in Porto Alegre Volume I: Main Report*, World Bank Report No. 40144-BR, 29 January, Washington, DC: World Bank.

ICLD PUBLICATION SERIE

ICLD Working Paper series

NO 1, *Governance Dilemmas of Sustainable Cities*,

Joakim Öjendal & Anki Dellnas

NO 2, *Limits to Local Democracy: The Politics of Urban Governance Transformations in Cape Town*,
Marianne Millstein

NO 3, *Perspectives on Decentralization*, James
Manor

NO 4, *Sanctions, Benefits, and Rights: Three Faces of Accountability*, Merilee S. Grindle

NO 5, *Choice, Recognition and the Democracy Effects of Decentralization*, Jesse C. Ribot

NO 6, *Where Is Local Government Going in Latin America? A Comparative Perspective*,
Andrew Nickson

NO 7, *Engaging Civil Society to Promote*

Democratic Local Governance: Emerging Trends and Policy Implications in Asia, G. Shabbir Cheema

NO 8, *Citizen Engagement, Deliberative Spaces and the Consolidation of a Post-Authoritarian Democracy: The Case of Indonesia*, Hans Antlöv
& Anna Wetterberg

NO 9, *Real Democratization in Cambodia? – An Empirical Review of the Potential of a Decentralisation Reform*, Joakim Öjendal &
Kim Sedara

NO 10, *Participatory budgeting and local governance*, Harry Blair

ICLD Policy Briefs

NO 1, *Proceedings of the Workshop: State of the Art of Local Governance – Challenges for the Next Decade*, Bent Jørgensen, Anki Dellnas &
Joakim Öjendal

ICLD Swedish International
Centre for Local Democracy

Visiting address: Hamnplan 1, 621 57 Visby, Sweden

Postal address: P.O. Box 1125, SE-621 22 Visby, Sweden

FAX: +46 498 29 91 60

www.icld.se

ISBN 978-91-86725-10-5



9 789186 725105