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1,762 Participatory Budgets: A Methodological Approach

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Abstract

Since its inception in Brazil during the 1980's, participatory budgeting has been consolidating as a tool for citizen participation for local governments in Europe and, especially, in Spain. Two fundamental approaches have been observed: the first is an approach that defines participatory budgeting as a formula for strengthening social capital and promoting democracy based on social groups or citizens; the second, without abandoning the other goal, emphasizes public policy planning, especially decision making.

Both approaches are stimulating a renaissance of local organizations and more transparency in local policies, involving increased citizen control over local governments and political leaders. However, some problems are emerging, mainly because of the insufficient integration between the models of participatory and representative democracy. One key problem is the risk of participatory budgeting being captured by organized interests and lobbies close to local governments. Another important issue is the question of why participatory budgets, as well as other participatory instruments, have been essentially confined to local governments. We should, therefore, reflect on the actual socio-political relevance of participatory budgets. Finally, we shall critically assess different methodologies used in various participatory budgeting processes, pointing out some of their limitations and benefits.

1. Democracy and citizen participation

It is a commonly accepted that the population of democratically advanced countries has a low opinion of its political leaders and its public institutions. This has been demonstrated in numerous surveys and, in a more obvious manner, in electoral participation, which is reaching high levels of abstention in Europe and Spain, and even greater ones if we look at the largest cities and their metropolitan areas. We could conclude that citizens do not feel well represented by democratic institutions and, although we might not assert that an important level of disaffection toward the democratic system exists, there is much citizen discontent with the way in which democracy is exercised.

We find ourselves with an initial issue that has not been completely resolved, as on the one hand, citizens feel a certain or great indifference from the way in which representative democracy works, but on the other hand, they continue to value democracy as the best system for living in society. The conclusion cannot be to value democratic legitimacy more than institutional attachment, as it would be difficult to argue that the first is independent of the second. It is more likely that a low valuation of institutions generates high levels of abstention and it seems that this can affect the degree of individuals' support for democracy. In any case, it is evident that it is necessary to analyze this aspect more deeply.

An issue over which there is a high degree of consensus is that the accountability of governments and their receptiveness to the demands of citizens have worsened. It can be stated that this is the cause, along with other factors, of the disaffection of citizens with their public institutions. The public may see governments and the political parties that sustain them as private agencies that no longer manage general interests, but rather those of a limited number of groups.

Certainly surveys leave no doubt in this respect when citizens are asked for their valuation of politics, politicians and that of principal social organizations such as business associations or trade unions; but there is also no doubt, and it is even more evident in the solutions adopted by governments to address their low valuation, where the true depth of their weakness can be seen. Thus, in recent years different governments, but particularly at the local level, are revising their relationship with the public, which is reflected in letters to citizens, integrity plans, codes of ethics or codes of good government. The reinforcement of ethical political and administrative behavior and the emphasis on transparency and responsibility reveals the weaknesses of current governance and the true role of the citizen in it.

Accepting the diagnosis, the cure has focused on the solutions mentioned, reinforcing ethical values, transparency and political responsibility, the construction of ethical infrastructures and in the very reformulation of democracy. This has been done from different positions, ranging from substituting actual representative democracy with participatory democracy, to introducing new social interests in the formulation of policies and public priorities. What is clear is that the most radical visions have been in developing countries where the political and administrative institutions of the state function very poorly or simply do not exist; having little to do with the European political system or with that of other democratically advanced countries. Thus, it is possible that the insistence on establishing participatory models in Europe, whose origins are found in countries with low institutional and democratic development, is for ideological or other reasons.

The emphasis on the greater legitimacy of participatory over representative democracy and on the supplantation of the state by social networks tends to be supported by, among others, radical movements and political parties. These find in their strong support for participatory democracy a way of more effectively influencing society than through the channel of elections, in which they tend to obtain very limited results. Their proposal is that public decisions be adopted outside of representative bodies, or that such bodies ratify commitments obtained in diverse participatory forums.

This extreme vision is substantially qualified by the dominant position with respect to participation which sees it as a reinforcement of the legitimacy of democracy. However, that this position is dominant does not mean that for some collectives holding this position that the radical vision does not act as a goal to set, although in a utopian form. The common position on citizen participation maintains that its establishment should strengthen representative democracy so that it is more transparent, open and inclusive. In this way, the possible risks that could result from introducing new interests and groups into the formulation of policy or in their participation in the system would be compensated for because these policies would be better accepted by the public.

Although it cannot be affirmed that representative governments are not, through participation, looking to strengthen electoral participation, it is probable that their ultimate aims are to achieve greater support for their public actions, although at the cost of losing part of the initiative, strengthen kindred groups and achieve better electoral results. The current complexity of governance means that governments are increasingly having difficulty in making successful decisions, which means they need explicit support for their decisions and participation seems a good avenue for achieving it.

The result of the deficiencies of current representative democracy, of the weakness of governments, of the opacity of current governance and the interest of specific groups in profiting from participation, has been the extension and gradual institutionalization of

participation. In Spain participatory mechanisms began to become widespread in large cities starting in 2003, being based in great part on previously existing reality, but also pointing a way forward for local government that there is now no going back on, even for the most skeptical.

It should be pointed out that the solution for counteracting citizen disaffection is essentially limited to the measures identified and rarely is the central core of political institutions, such as the electoral system or the system of existing parties questioned. Nor do we see, in general, a change in the style of governance and of relating to citizens beyond the making of statements or some formal regulation. Perhaps this is a way of legitimating the most radical positions of participation, while the more institutional postures are included in the exercise of power, although at levels that do not question the general system's exercise of power or get to the positions which truly shape society. This happens for two reasons, because participation is related to aspects which are not relevant to the exercise of power and because it takes place at the local level.

It can be concluded that citizen participation as currently established does not present an excessive risk to institutions and political power, that it does not threaten the status quo. The price in loss of power is manageable because of the image projected of government with a greater sensitivity toward citizens' needs, in addition to presenting the advantage of sharing responsibility for decisions in which the cost of being wrong is high, although what is at risk is normally not of great transcendence for society. For organized groups involved in mechanisms of participation it means institutional inclusion along with other already traditionally existing groups. These, although they have to share part of their institutional and social influence, are also favored by the incorporation of new actors, as they are also provided with additional legitimacy due to the image that the public has of them.

2. Characteristics of participation. Politics and society

Participatory budgeting shares, to a great extent, the characteristics of citizen participation. These characteristics are extracted from direct observation of reality, as it is not possible to objectively measure the phenomena of participation due to the difficulty of carrying out comparative studies of utility beyond those obtained from the declared values of citizens regarding concepts that still remain unconsolidated such as social capital or social trust.

Studies show that participation is not widespread and that it differs based on age, gender, educational level and social class. Thus, the profile of the "participating individual" in Spain is a middle-class man with an average or high educational level. At the same time, there is a sector of the literature which argues that "those that participate are always the same," in other words; there exists an associative overlap among those that belong to social organizations. Nor is it strange that members of institutionalized organizations such as trade unions or political parties also belong to these same organizations, both members that have achieved representation on their respective elective bodies as well as those that have not. In this case multi-membership could be understood as a way of obtaining influence and social support beyond formal avenues of representation.

Influence is another characteristic that significantly qualifies participation. If it is necessary to deflate the figures of individuals that are participants in an association, party or trade union, it is even more necessary to look at the difference between militancy and influence over the decisions of an organization that tend to pertain to its leadership. Certainly, it is demanded of social organizations that they function democratically, but on many

occasions we find that such democracy is a mere formalism, reduced to the determination of, or election of, an organization's leadership. In this way, not all participation is democratic, nor does the mere membership in an organization guarantee influence in the decisions that it makes, nor, in the case of intervening in public decisions does the base of the association or organization have to be taken into account. This impacts on the interest that citizens have for joining organizations and social groups.

The participation of social organizations is also conditioned by the openness of political power. There is a tendency in the scientific literature which grants a limited role to the state in the determination of social capital. Without going into an issue of great importance - the role of the state and its institutions in the social structure - we can state, as has been done for several decades now, that the phenomenon of social inclusion established by political power is of great importance in determining the interests and groups participating in power. This approach is often attributed to a neocorporative focus, understood as the relationship of the state to certain interest groups that intervene in all the negotiating processes which establish the public interest. What is certain is that the experience of participatory budgeting shows that it is local governments which determine its establishment, its reach, the form of participation, the interests and, on many occasions, the organizations which participate in negotiation.

The focus on political networks formed by the interaction of numerous actors is important in describing the complexity of governing and the number of actors who intervene in it. However, that many actors participate does not mean that all are of equal importance, that they intervene in all the phases of public policy, that they act on the same levels of government, or that they maintain stable relationships. Nor does it mean, and this is of great importance, that these networks substitute for the legitimacy of representative political institutions and their ability to advance public policy.

What we can conclude from this is that influence is separate from participation and that citizens in countries such as Spain participate in a limited manner in social organizations. In other countries this participation varies, but even in the best of cases it is difficult to argue that we find ourselves in an historical moment involving the disappearance of the model of representative democracy and its replacement by another based on social networks that enjoy the legitimacy of the majority of citizens. It seems more sensible to state that these networks strengthen the governing model, particularly at the local level, by aiding in achieving greater effectiveness in policy results and greater citizen attachment to political institutions. In addition, the state has an important or determining role in the formation and maintenance of these networks.

There is a final issue which links politics to the society, and that is the conception of the individual. In participatory approaches emphasis is on the importance of the individual assuming an active role in society, but not any role, but rather one of a political nature. The individual should intervene in common affairs, putting forward his/her positions and contributing to collective decisions. It could be said that in a sort of return to the Greek polis, the individual is only a citizen if he/she is *homo politicus*, for whom political participation is an obligation more than a right. Presenting participation from this perspective, doubts arise about the appropriateness of subsuming the complexity of the concept of the individual, or even that of the citizen, to his/her political role. At this point, we ought to ask what problem participation is seeking to resolve.

The life of the individual is more than just politics; life in society is more than just participation, and not all participation is political. It is likely that for a large part of the

citizenry, perhaps the majority, an effective representative system is preferable to a participatory system. After all, democratic legitimacy rests on ceding individual sovereignty to political institutions chosen by and responsible before the citizenry. This has come about historically because of the effectiveness of the representation of all individual interests through the formation of a general or public interest. The substitution or alteration of the current representative model for another requires representation that is at least equal to that which exists. What is wrong is not the foundation of the representative model, but rather its effectiveness. In this sense it is reasonable to think that the great majority of citizens prefer other activities in place of political participation, as it is well understood that “professional” institutions exist to represent their interests. It is a different issue whether these institutions and their members fail, are unwilling to assume their duties or divert their aims in their own interests.

From what we have discussed the following objectives for citizen participation have emerged: increasing the effectiveness of the representative system, the substitution of representative democracy by participatory democracy or the evolution of the former into the latter, increasing citizen attachment to political institutions and to their representatives and lastly, greater success in political decisions. To reach each one of these objectives requires the establishment of a specific strategy, the use or combination of different participatory instruments and the orientation of actions derived from participation toward the desired objectives. However, these objectives often appear to be vague, at least for government entities. If this were not the case, the justification for participation would come from its very nature, that is, as a deepening of democracy. In this sense, it should be pointed out that it has not been demonstrated that more participation strengthens democracy or that the quality of democracy improves if, for example, there is greater involvement of citizens in elections or if respect for minorities and citizens that are not part of social organizations is guaranteed.

In conclusion, citizen participation presents an important deficit in representation, greater than the weaknesses found with representative democracy as it has less legitimacy and acceptance, which can, in part, explain the lack of implication of individuals in participation. Another explanation is that individuals understand that personal and social life is more than just politics, although they do contribute in the most varied ways, from fulfilling obligations that are socially and publically imposed, to ensuring the reproduction of social institutions, though not necessarily by being active in an organization. Perhaps the expectation is that the representatives they choose and the institutions that they maintain act based on the interests and expectations of the public.

3. Participation and public policy

It is common to associate local government with such expressions as “government closest to the people” and “school of democracy,” or see local services as “tangible and close” to the public. These expressions refer to the basic, essential or natural character of local government in comparison to higher levels of government. They are an attempt to transmit the idea of its greater connection with the public to whom they provide basic services, at the same time as extolling the more direct relationship between the public and local political leaders. The message is directed at other levels of government, to claim more powers and funding, precisely to respond to citizen demands which, it is argued, are first manifested before local authorities rather than regional or state authorities, which may be true in small and medium-sized towns. This approach has unquestionable practical effects as it, for example, justifies in Spain the provision of improper services, in other words, those that are not attributed, or not clearly so, to the local level by the division of powers among territorial authorities.

The previous approach conflicts, in the Spanish case, with the concerns of citizens in relation to services and with their preferences for budgetary allocations. Thus, in the last twenty five years among the principal problems of the country pointed out by the public we will not find one that is tied to public services provided exclusively or principally by local government. These tend to be unemployment, terrorism, crime, economic problems, housing and immigration. Regarding preferences for budgetary allocations, in diverse surveys these tend to be health, education, housing, public safety and pensions. It is clear that all of these concerns are tangible and close to the public, in addition to being of great importance and priority. Of all of them the local level has partial competence for public safety and housing, although the development of policy and the great majority of measures related to these concerns originate at higher levels of government. It must be remembered that the budget of all local administrations in Spain does not come to 15 percent of the total for all government, which gives us an idea of the size of local government. Finally, the enormous dispersion of the population and means must also be taken into account, Spain having more than eight thousand municipalities with the great majority having less than five thousand inhabitants.

If we look at citizen participation again, we can see that it is often planned around activities and public services that the public does not see as priorities, which does not mean – and it is important to emphasize this – that participation is not important in the life of the community. In other words, citizen participation almost exclusively affects the execution of policy, although it may take place during the stage of policy formulation. Participants can co-decide, but on the execution of services and activities and normally not on policies related to social structure. The development of such policies is conferred in the division of territorial power on the autonomous communities and the central state government.

In this way, participatory budgeting has a bearing on a series of aspects which, without doubting their importance to the community, have low relevance from the perspective of the individual citizen in relation to the preferences for action or public spending that he/she has expressed. Thus, participation in the provision of facilities or installations for a neighborhood has less importance than a high capacity road for easing traffic congestion or a highway under the competence of the autonomous community or the state, although the first, unquestionably, impacts on the quality of life of the citizens that utilize them. As another example, an economic revitalization plan for a district has less impact on economic life and employment than income or monetary policy that is carried out at the state level and by the European Union.

What is being raised here is that the decisions which shape a society, the true public policies, those that structure society in a predetermined and desired manner tend not to be found at the local level. Nor do we habitually find at higher levels mechanisms for citizen participation. Hence, it can be stated that citizen participation, at least in the Spanish case, is based on activities and public services of low public importance. Of course, in the case of local governments of large cities, their capacity for maneuver allows them more involvement in aspects of the lives of the citizenry of greater importance, particularly regarding certain infrastructures and facilities.

If we look at the division of competencies among the different levels of government we can see that there exists a decision-making centre situated on the different rungs of the state and in the European Union, in which the Autonomous Communities participate in a varied though generally limited manner and local powers participate only infrequently. (Evidently, this participation is different in the case of large Spanish cities and small municipalities.) As a result, social organizations that act at higher levels have a greater capacity for intervention in public policy than those that are situated at lower rungs. This

produces a sort of hierarchy of participation that is connected to the different range of policies and their division among the different territorial levels.

For example, all three levels of government, the central state, the autonomous or regional and the municipal, are involved in urban planning; the first through the regulation of the territory and through the diverse and numerous projects that are planned across it; the second because it is where plans are initially approved, and the last because it is where proposals are made and definitively approved. Participation in the levels and phases of processing of urban zoning plans is quite different in each phase and at each level and can have different consequences for the final approval of the plans. Organizations that can participate at the higher level can determine, for example, the territory that can be developed; those that act on an intermediate rung can determine the reach of a concrete plan and intervene in the alteration, approval or rejection of the proposal of the municipal government; while those that act on the last rung can intervene in the initial proposal of the plan.

We can conclude that participation on the local rung is over executive powers which in many cases are conditioned, in general, by regulations or financing from entities on higher rungs. These powers have a low level of importance to citizens and the participation of social organizations in them is conditioned by the prior participation of other organizations on higher rungs. In some cases these organizations can be territorially structured and act hierarchically. It could be said that, in general, there is little participation in public policy, it being essentially limited to the local level, and that it tends to be related to the execution of policy or is during the implementation stage and that there is an institutional hierarchy derived from the division of competencies and from the organization of social organizations along territorial and representative levels. In this sense, for example, neighborhood associations do not have the same level of institutional representation as trade union organizations. The latter, in the Spanish case, have access to varied institutional forums, while the former are limited to the municipal level and to matters specific to that level.

4. Approaches to participatory budgeting

Participatory budgeting has gradually become the participatory instrument par excellence and in which a series of other instruments can be integrated, such as Agenda 21, forums, Citizen Consultations, committees, electronic participation, strategic planning or referendums. Its elevation as a reference for participation and proof of the willingness of local governments to be open to citizen participation is due to its origin in Brazil in the 1980s and its connection there to the transition from a dictatorial government to a democratic one; to the initial models becoming paradigmatic – Belo Horizonte, Porto Alegre – and spread by the radical European left that presented them as alternatives to the state; to its aid in combating the loss of credibility of current governance; to its periodicity; to its, in some cases, being connected to strategic and budgetary planning; to its contribution to the consolidation of democracy in some Latin American countries; to its involving tangible and budgetary commitments from local governments; and in recent years to its having gradually converted into a non-ideological product.

The approach to participatory budgeting can be based on looking for an improvement in the results of public administration, especially in the process of defining priorities and in the adoption of decisions, or in the strengthening of democracy and social capital. Both are compatible, although one tends to have more weight than the other depending on the orientation looked for in the establishment of participatory budgeting processes.

Improvement in the results or the performance of government is looked for in participatory budgeting through the establishment of specific and well defined commitments between social organizations and the municipal government. The process is governed by a greater transparency and by the principles of responsibility and accountability to the public. In this sense, it is compatible with the dominant approaches in public administration since the 1980s, and more recently with the new public service current, and the role of the client or citizen and the need to satisfy him/her stands out. In Latin America this objective is of great importance in the fight against corruption, in reducing clientelism and in the adaptation of governing to new social challenges. In the case of Europe, the results vary according to the experience of each country, although participatory budgeting has not been a determinant in the modernization of public administration.

The “managerial” approach also considers the transfer of the needs of social actors to government with greater efficiency. It looks to provide an adequate response to the demands of the population, through the reorientation of public resources toward the provision of services and construction of facilities and through infrastructure projects that satisfy the demands and needs of the public. In Latin America, participatory budgeting has become a mechanism of the popular classes to permit investment in favor of the poor and to satisfy basic needs that are not covered. In the case of Europe, there are very few cities that have established criteria which have permitted them to correct the imbalances or social deprivation that would allow them to speak of a logic of distributive justice.

The more “democratic” approach looks to encourage new relationships between local government and citizens that translate into more pluralist and participatory forms of governing and that, as a result, increase social capital and social trust. Participatory budgeting is perceived in many European cities as an instrument for deepening democracy and facilitating the involvement of citizens in public administration. In the case of Latin America, whose widespread democratic opening developed in the 1980s, this mechanism has become an opportunity to plant the roots of direct or deliberative democracy in the collective conscience.

In conclusion, participatory budgeting, from its flexible and adaptive nature to the different social and institutional realities, has become an instrument that is in tune with the most pressing needs of representative democracy, such as the loss of legitimacy of institutions and political leadership, the lack of transparency in governing and lack of accountability among political leadership. At the same time, it can be seen as an instrument for improving the results of public administration and for making decisions which are supported by the public. Perhaps these are the keys to its success, though we might also add its facility for adaptation which permits its acceptance without it leading to questioning the exercise of power and the balance among “traditional” political actors.

5. Methodological characteristics for the establishment of participatory budgeting

In studying participatory budgeting one of the striking aspects is the lack of information over the dimension of the phenomenon, even in the case of experiences which began some time ago. This is not to say that there is a lack of transparency, but rather, as has previously been mentioned, that there is a lack of knowledge about the reach, the economic amount, the policies and actions really included in participatory budgeting. If not much objective data is found on its real functioning or its impact on the quality of democracy and public policy, we have to look deeper for the reason for its incessant spread.

It could give the impression that the justification of the advantages of participatory budgeting is axiomatic, along the lines argued at the beginning of this article. Certainly

participatory budgeting is seen as an instrument that can improve the quality of democracy at the local level and as a way of projecting a style of governing closer to the citizenry on the part of political leaders that adopt it. It may even be said that it is almost the only resource with practical results that has been used in recent years to modify local governance. In some cases it represents the culmination of other participatory processes and in others, as the dominant tendency today, it is integrated into them.

Although, as mentioned, there is no confirmed data on the results of the experiences with participatory budgets, there does exist a series of constant features obtained from the observation of Spanish examples:

- They are used exclusively in municipal governments.
- They do not affect the total budget, but rather a small part that is previously set by the local government.
- They do not include expenses for personnel or for maintenance of the administration.
- In general they affect small maintenance projects and, sometimes, those of installations.
- They involve a limited number of citizens, which tends to vary and rotate from year to year.
- Indirect participation through organizations dominates over direct citizen participation.
- They do not often entail evaluations of actions or indicators of achievements, process or impact.
- They tend to be annual.
- The degree of institutionalization associated with the existence of a specific regulative framework is variable, but low.

An international comparative study of participatory budgeting reveals the enormous range of what is understood by it and what it encompasses. Thus, we find cities of more than three million inhabitants, such as Buenos Aires or Madrid, and small towns; participation can be direct, as in the Latin American model, or indirect or mixed, as it tends to be in the European model; it may follow a territorial or sectorial logic or a combination of both; it can consider a pre-established quantity of money or not; it can present a high degree of institutionalization or a low one; direct citizen participation can be very low, around one percent of the population, or around 15 percent. The conclusion is that there is no single existing “participatory budgeting” methodology. Starting from a reference such as Porto Alegre, variations and adaptations to the different cultural, institutional and political realities of each country or even each local government have been made; in addition, the impact of the personalities of the political leaders of each participatory budgeting process cannot be ignored.

The European, and particularly the Spanish, participatory budgeting experience permits us to establish a series of reflections that can, in good part, also serve for the rest of the processes of citizen participation, and can serve to introduce participatory budgets.

1. Institutionalization and socialization of participatory budgets.

Participatory budgeting, more than initiating a route for displacing representative democracy, is becoming a way of reinforcing it. It does not necessarily represent a change in the way in which political power relates to citizens and the society. At this point, it can be stated that the gradual extension of participatory budgets in local governments has not meant that they contain a significant or even relevant proportion of the general budget. Nor is there data to state that the incorporation of this

participatory instrument has brought with it the use of other instruments that directly involve citizens beyond the budgeting process.

The use of participatory budgets can mean a change in the way in which public power relates with citizens, or not. It does not necessarily imply that local governments become more open, for example, to acting with greater transparency or that there is greater accountability toward the electorate. It is clear that a local government which introduces these participatory mechanisms can be in a better position than others that do not do so to be more transparent and responsible, but this does not mean that they are going to be.

It is very likely that political culture and institutional variables have greater weight in the reach and characteristics of participation than the use of particular instruments, or even than the personality of a concrete political leader that promotes them. This could explain why the reach and essential characteristics of participatory budgets in a specific country, like Spain, are very similar if we look at the different ideologies governing in the town halls and why they do not produce other changes in the way governing is understood.

2. The political and social relevance of participatory budgeting

Participatory budgets affect policies and implementation and actions that are not, in general, of great importance to the public. This may be one reason for the lack of interest that they raise and their limitation to the local level.

In the case of Spain, the introduction of participatory budgeting has not significantly altered the political cultural. Electoral abstention in the municipal governments where it has been introduced has not been reduced and we do not observe in such places – or there is no data – a greater appreciation among the public for local political institutions or their leaders. This leads us to conclude that there are other more significant causes which bear on these factors beyond citizen participation. Among them are found the real desire of the political parties to deepen democracy and to self-limit their own weight in the political and social life of the country.

An example of what is being argued here can be seen in the lack of extension of participatory phenomena, and more concretely, of participatory budgeting, to territorial levels with responsibility for actions, services and policies of greater importance to the life of the population. This fact would seem to indicate that citizen participation and some of its instruments, such as participatory budgeting, are accepted by the political system, and not only the parties, as long as they stay in the “school for democracy” at the municipal level.

3. The play on different territorial levels.

Participatory budgets can be conditioned by higher territorial levels and the social organizations that act on them. The nature of the execution of local competencies in Spain, means that it is the higher territorial levels that adopt decisions on the public policies which shape society, with a varying, though clearly insufficient participation of local power. Among these decisions we find the financing and financial regulation of local government entities, which condition their capacity for action.

The division of public policy creates a dual territorial hierarchy: one which orders the different governments according to their position in the phases of public policy, and one which orders the social groups which intervene in the different policies and phases themselves. The combination of the two hierarchies produces the result that the majority of the groups that intervene in participatory budgeting are found at the base of the hierarchy of social organizations.

4. The transmission of political discredit.

The low esteem that institutions and political leaders have can be transmitted to the groups that participate with them and to the participatory instruments that they use. The population also gives a low assessment to trade union and business organizations, which are undeniable actors in the neo-corporatist participatory model. This risk is perceived by the less institutionalized social organizations, which may feel that closer relationships with local governments can mean a loss of independence and lead to the adoption of their logic of the understanding of governance and the exercise of democracy. This can mean an insufficient involvement of participating social organizations in participatory budgeting.

5. General interests vs. private interests.

The public can see that participatory budgeting interests certain concrete collectives while it is opaque to the majority. The actual number of participants, as has been said, is generally very low and the groups that promote participatory budgeting are small and with low membership. This fact may be ignored and the representative legitimacy of local governments improperly transferred to the organizations that participate in them. That formally all citizens can participate does not mean that those that do represent the totality of the citizenry. If this occurs or if participatory budgeting were to be perceived in this way by the public, it could widen the gap between citizens and political institutions and imply a distancing of the public from new forms of participation.

In any case, there is a clear asymmetry of legitimacy between elected representatives of local government and the representatives of organizations involved in participatory budgeting and even the citizens who participate as individuals. The first group has had democratic and representative legitimacy conferred on them; the second group brings to the participatory process the mandate of their organizations or their individual positions. Said in other ways, the first group must defend the public or general interest, while the second group does not have to do so; the first must represent all the citizens, including those that do not participate, the second only their own interests.

6. Participation, initiative and responsibility.

Decisions on the initiative of participatory budgeting, its reach, the interests called to be preferably represented, the modalities of participation, budgetary content and entries or activities affected correspond primarily to local government. The asymmetry of legitimacy should have clear effects on the initiative of the process and on the responsibility for the results. Given that it is not possible for participatory budgeting to replace the mechanisms of democratic representation, it seems coherent that the initiative and accountability falls on democratically elected political representatives.

The origin of the decision to establish participatory budgeting in a local government can be very diverse. It can be found in the electoral program of the governing party or coalition, in a commitment from the government or the mayor, in a citizen movement, in the imitating that many municipal governments do, or in any other origin; but the adoption of the initiative and the subsequent process are political acts that commit the local government and its leaders to the electorate.

The process of adopting decisions and the execution of participatory budgeting, in which many different actors can intervene, should not be confused with

the nature of the process, which is political, and the means involved, which are public. It is true that, as has been pointed out, participatory budgeting can be very complex and involve many interests, but this is also true of other activities and local policies. Think of urban policy or the environment in which other levels of government also intervene.

Participatory budgeting can improve the effectiveness of decisions that local governments make, helping them to succeed and even to spread the responsibility among the participating groups and individuals, but it can not mean that citizen participation substitutes for political responsibility, fundamentally because the deficit in representation has not been resolved.

The result of participatory budgeting redounds to the debit or credit of the diverse participants, but the responsibility is that of the local government, as it is the institution that has been conferred with democratic legitimacy, and it alone has to be held accountable for its actions before the public at the polls.

7. Complex and technical processes of variable social impact.

Processes of coordination of participatory budgeting tend to be very difficult and the end results may have little to do with the original proposals. Observation of the participatory processes reveals that they tend to have a complex methodology with many phases and different degrees of intervention from organizations and individuals. To this must be added the creation of forums or assemblies organized by neighborhood, district or other divisions which brings additional complexity to the process and means that there must be phases of selection for the proposals that will end up in a relatively reduced list of priorities for investment or action.

This very complex process necessarily involves the adoption of technical and financial selection criteria that establish the viability of the proposals, which in some cases are not easy to communicate to all the participants and the general population. The result can be a certain opacity, though not necessarily looked for, derived from the very participatory process. This can reduce the participation of individuals, as well as those groups that have little resources, and can be an explanation for why so few citizens participate and why there is so much turnover. To this must be added the complexity and difficulty of seeing the connection between what is initially solicited in the participatory process, in a reduced territorial area, and what is finally agreed upon for the entire municipal area.

In addition, the benefits of participation have a bias based on, among other things, income and educational level of the participants and the beneficiaries of the measures. Some of the public needs of individuals with middle or high incomes are different from those with low income levels and, most importantly, can be satisfied in the market; therefore their participation may not receive the same recompense as others. In this sense, think of the type of actions and investments that are typical of participatory budgeting.

Finally, the reticence and lack of perseverance of the population makes achieving certain of the goals of participatory budgeting difficult, such as the civic and democratic education of the public.

8. New and traditional groups.

Participatory budgeting arouses the interest of organized groups that are present at the municipal level and is a source of growth of social capital. A clearly positive effect of participatory budgeting is the flourishing of new interests, of the groups that represent them and their institutionalization through their integration in the process

of negotiation. However, it must be pointed out that new groups tend to have a lower level of institutionalization than traditional groups in their participation of a conventional nature with local government. In addition, the opening of a new field of political interest, such as intervention in the prioritization of part of the budget, can awaken the interest of more institutionalized “traditional” groups of a neo-corporatist or other type.

The opening of participatory processes to new groups does not imply that they are going to intervene in other policy processes or at higher territorial levels, which normally condition their ability to take action. Groups such as, for example, trade unions or public employee unions, business organizations, or to a lesser degree, consumer groups, occupy a level of interaction with public powers at all territorial levels and tend to enjoy a relationship of exclusivity in their respective area. Agreements, for example, at the state or regional level on certain matters can condition to a great degree the specific content and reach of participatory budgets. In the same sense, public spending is conditioned by negotiating processes in which actors different from those that tend to intervene in participatory budgeting participate. In both cases, it is unlikely that these actors will accept sharing their power in public institutions willingly.

Despite the limitations just mentioned, the groups that participate in participatory budgeting can have influence on local government, even beyond their influence on budgets. Participation in the determination of the priorities of local government, although limited, means that stable participants obtain public recognition of their work and some of the attributes specific to organizations that intervene in governance. Hence, their role can broaden to other policies or actions of local government, precisely because local government recognizes them as interlocutors in some territorial areas. This implies an opening in the number of groups that intervene in governance, and this accommodation to new groups can generate tensions as their incorporation may involve a loss of influence for some already existing groups.

9. The selection of organizations by the state.

It is the most institutionalized groups that tend to be strengthened in the participatory processes. Participatory budgets demand a high level of involvement from organized groups and also from the public, which can lead to the exhaustion of individual participants and in the “natural selection” of organizations. It is likely that the most institutionalized and those with the most resources remain. The measures of local government to promote citizen association can be a determinant, as can allocation criteria which may favor certain groups over others.

The tendency of government is to develop relationships with groups that accept the institutional framework and present similar characteristics, such as an internal hierarchy and leaders that negotiate in a representative manner. The inclusion of groups in negotiations over budgets is, to a great degree, a prerogative of power that chooses some and not other interests and groups that represent these interests over others. To these criteria we have to add those of an ideological, cliental or other type that lead to favoring some groups over others.

10. The effect of participatory budgeting on citizen participation.

Participatory budgeting has, in many places, become a measure of the benefits of citizen participation. Its success can involve the spread of participation, but its possible failure can affect other instruments of citizen participation. A low relevancy of the content of budgets, their not being accompanied by other measures that

reinforce transparency, the responsibility of institutions and political leaders and not providing valid information about public administration and participatory processes to the public can all ruin the efforts of participatory budgeting.

The causes of possible failure or success, beyond the considerations mentioned or the management of the process itself, have to be found in the structure of the political system and the “traditional” actors that integrate it. The question is whether they are willing to incorporate different actors into the different processes involved in the exercise of power. If not, the importance of what is decided in the budgets and of participation itself at the local level will be low.

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