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Governments all over the world are facing the common challenge of retaining, and in some cases repairing, the trust of their citizens. Countries have had to do more with less and as services have been scaled back, public confidence has taken a battering and needs to be rebuilt.

One way of doing this has been around for decades. Participatory budgeting (PB) was pioneered in Porto Alegre in Brazil almost 30 years ago. It offers the public a say on how funds are spent and has quickly grown in popularity. In 1989 fewer than 1,000 citizens in the city took part; last year, about 50,000 people did.

World Bank research has found that PB in Brazil boosted access to amenities for needy groups and reduced poverty. Research has also found that the municipal governments in Brazil that adopted PB spent more on education and sanitation and saw infant mortality rates drop.

Globally, PB has been widely trialled by local governments and is formally supported by major international organisations, such as the IMF, OECD and World Bank. Figures from 2015 found more than 1,500 instances of PB being used around the world.

Attention is now turning to whether PB can work at the national level to engage citizens in a different way.

### **Beyond the bellybutton**

For the first time last year, Portugal rolled out a national PB programme in an attempt to bring central government closer to the public. It comprises three ways of engagement: one main national initiative; one youth participation programme; and one focused on schools.

With the help of municipalities, who have years of PB experience (there are more than 130 local processes in Portugal), meetings across the country were set up for people to participate.

Two phases are involved: the public develop and propose projects, which can have a national or regional scope, during the first four months of the year. During the second phase over the summer, the public then votes on which projects they want to see money spent on.

Ahead of the voting stage, however, the government reviews proposals and rejects any that clash with political objectives, and merges any that might overlap.

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*Giovanni Allegretti, Centre of Social Studies, Coimbra University*

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The Portuguese government wanted to fight “sofa democracy”, Giovanni Allegretti, senior researcher at the Centre of Social Studies at Coimbra University in Portugal, tells *PF International*. So, the public meetings, which take place in theatres, libraries, youth centres and town halls encourage people to get up, leave their houses and discuss where money is best spent. This connects people at local level but also beyond, Allegretti says. Citizens are encouraged to “think beyond their bellybutton” and propose projects that will benefit the country more generally, particularly in the areas of science, culture, agriculture and lifelong learning.

Proposals, which can also made through an online portal, have ranged from spending more on culture to equipping kindergartens with technology to teach young children about robotics.

In Portugal’s schools, pupils get to propose and vote on their own minor projects, such as small ‘green shelters’ outside. Educational institutions are given approximately €1 per student from the government to finance the projects they choose.

The central government pot that the public can influence on is relatively small, just €3m in the first year, while this year it has increased to €5m – approximately the same size as the local PB pot in the coastal town of Cascais last year. To put it further into perspective, the city of Paris pledged to allocate €500m for PB between 2014 and 2020.

But Allegretti explains that the important part of PB is the debate rather than the value of funds allocated.

“It is not just about who wins [the central funding] but about being heard and enabling the ideas to come forward,” he says. “It is about linking people and the national government.”

Mistrust in government is particularly evident in Portugal where electoral abstinance is high – in 2011, 44% of citizens declined to vote in elections. Allegretti argues that citizens find PB a lot more attractive and want to take part.

Kenya has highlighted the importance of public participation in its new constitution, which was implemented in 2013. Andrew Kubo Mlawasi, principal budget officer at Tacita Taveta County Assembly, explains that the state cannot make decisions without consulting the public, and at the local level, PB is a key part in how the counties allocate their funds.

He says there is a benefit to having the public involved and understanding where money is going and why.

“Awareness is the greatest tool of any economy or country,” Mlawasi explains.

However, he adds that accountants and other specialists are consulted to advise on technical and complex areas of national fiscal policy, such as taxation.

“That is different to the local level [in Kenya] where it is an open forum for everyone to participate,” he says.

### **Securing success**



### **Leading questions: dog walkers might not consider wider needs when making decisions on where to allocate resources Photo: Shutterstock**

However, successful implementation of PB raises a number of questions and. Ileana Steccolini, professor of accounting and finance at Newcastle University, says representation, inclusion and government responsiveness can all be hard to ensure. People may feel their proposal has not been considered, they may feel unrepresented or unwelcome in the meetings or they may come to believe the government has failed to demonstrate how public input was used.

Another problem is the public may lack the knowledge and expertise to make sound decisions on public spending.

“The risk is that some decisions may be easy, but what if the public has to decide on vaccinations or other [issues] that could be harmful to some though beneficial to others?” says Steccolini.

She points out that if you ask the public whether they want funds to go to playgrounds for children or parks for dogs, most dog owners will vote for the latter without considering where the need may be.

The World Bank’s OpenGov team disagrees and tells *PF International*: “there is no reason to think that citizens could not make decisions as good – or even better- as they are typically done by national governments”.

Allegretti dismisses concerns that the public will cause government to make ‘wrong’ decisions, given the power of veto the government retains. He argues that other countries such as Taiwan, Estonia or Slovenia, could soon follow Portugal’s lead and introduce national-level PB initiatives.

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The Open Budget Survey 2017 found that, in general, public participation is in decline. Vivek Ramkumar, senior director of policy at the International Budget Partnership, which runs the survey, says: “If these trends continue, governments will inevitably become less accountable to their citizens and this can have major consequences on the use of scarce public resources, but also – and perhaps more importantly- it will exacerbate inequality and contribute and enhance public mistrust in government.”

Ramkumar stresses that PB is important, whether at a national or local level, for all countries to consider. “It is not necessary for every citizen to participate in every budget decision that is made,” he says.

“But it is necessary for governments to change their mindsets on how budgets should be developed. This will ensure that citizen’s priorities are being reflected.”

PB brings with it big challenges of inclusion and representation and successful implementation is not necessarily cheap. Time will tell if Portugal’s experiment will pay off and help boost transparency.

One thing is certain: governments need to rebuild trust and listen to their citizens. PB could be one way to do this, if the political will is there.