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**Participatory Budgeting in Córdoba: a Policy Approach to  
Strengthening Democracy in Latin America**

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**Participatory Budgeting in Córdoba: a Policy Approach to  
Strengthening Democracy in Latin America**

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**Professional Report**

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## **Abstract**

# **Participatory Budgeting in Córdoba: a Policy Approach to Strengthening Democracy in Latin America**

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Participatory budgeting (PB) is a governing mechanism whereby citizens decide how to allocate part of a local budget. It promises greater accountability, efficiency, and citizen participation in the budgetary process with minimal cost and effort. The process is in place in hundreds of cities in Latin America, but what is unclear in the scholarship is what factors and pre-conditions determine its success. This case study of Córdoba, Argentina is useful for analyzing whether a consideration of pre-conditions is useful in predicting success.

This study isolates the primary influential factors to determine why only 10% of projects have been completed and participation rates are declining by: examining the

structure, funding, history, and political and social context of participatory budgeting; comparing Córdoba to other similar countries that have adopted participatory budgeting; conducting key informant interviews; and participating in PB workshops.

Of the pre-conditions identified in the study, waning political will and political distractions most influenced the evolution of PB in Córdoba. Despite these setbacks, key individuals both inside the government, such as Director of Participatory Budgeting Jorge Guevara, and outside, such as the members of the GPPC, operated as a web to generate social capital where institutional knowledge and political will were lacking. The presence of such a web suggests that given the opportunity, PB in Córdoba may yet improve and thrive.

I conclude by recommending a strategic planning methodology as a means for cities to independently evaluate their participatory budgeting performance.

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## **Chapter 1: Problem Statement and Methodology**

Academics and policymakers alike have hailed participatory budgeting (PB) as a tool for promoting greater citizen participating and civic awareness; however, it has been implemented across Latin America with mixed results (Wampler 2007). Participatory budgeting is a governing mechanism whereby citizens decide how to allocate part of a local budget. The primary goals of participatory budgeting are straightforward: greater participation and greater efficiency at meeting citizens' needs (Wampler 2007, 40). The challenge rests in the significant diversity of structures and processes that fall under the definition of participatory budgeting. Various interpretations of PB, especially as practiced in Porto Alegre, the Brazilian city that named and publicized it, abound. Yet studies of how PB is practiced, especially outside of Brazil, are only beginning to emerge (Goldfrank 2006, 1). Because the number of cities implementing participatory budgeting is relatively low, and PB as a process has only existed for at most twenty years, there is little consensus about what determines its success or failure, or even which structures and practices guarantee a greater likelihood of success. The experience of the city of Córdoba, Argentina provides an example that allows for an analysis of participatory budgeting and its challenges. Such an analysis, including the city's successes and failures in implementation, will hopefully be of use to cities considering adopting participatory budgeting.

This professional report will review the literature addressing participatory budgeting, focusing on participation and efficiency; examine how it has been implemented in Latin America and Argentina; and then analyze Córdoba's case. I will locate Córdoba's example among similar cities in the developing world that have adopted

participatory budgeting and make comparative statements to rank Córdoba's approach against approaches taken elsewhere in Latin America. Finally, I will recommend improvements in the participatory budgeting methodology of Córdoba that will be useful not only to the city but to other cities as well. Foremost of these improvements is the development of an evaluation rubric for policymakers that allows goals, resources, and outcomes to be recorded and analyzed.

### **CITIZEN PARTICIPATION**

Greater citizen participation and greater efficiency are the twin goals of participatory budgeting. Citizen participation is a cornerstone of democratic governance, and, logically, greater citizen participation results in greater democracy. Measuring participation rates involves more than just counting individuals, although this is also important. Citizens choose not to participate in activities they feel are a waste of time. By bringing citizens in contact with government officials and giving them some degree of decision-making power and authority to voice their own needs, participatory budgeting has the capacity to increase participation, particularly in countries that have only recently implemented democratic institutions and structures after a dictatorial or authoritarian past (Vásconez 2006, 2). Greater participation also demonstrates to the government what concerns are important to the community when deciding how to allocate funds, making them more efficient overall.

### **EFFICIENCY**

Meeting citizens' needs with greater efficiency requires two sub-goals to be successfully met: greater accountability to citizens by building trust, and greater transparency of governmental processes through dissemination of information (Caddy 2007, 18). Citizens must feel not only that their needs are being heard but that their

feedback results in more effective solutions. It is obvious that greater efficiency and greater participation can and should be mutually reinforcing—as citizens witness projects being built, they will feel greater trust in the government and will be more likely to participate and voice their own needs. These two goals are not exclusive to participatory budgeting; after all, democratic governments have struggled to achieve both since antiquity, and there are endless ways to achieve them.

Argentina is an interesting case study in participatory budgeting because, at the time of this publication, democratic structures have only been in place for twenty-six years after a violent and tumultuous dictatorship, and public figures at all levels of government are experimenting with mechanisms for greater professionalism, transparency, and continuity (Tecco 1997). Participatory budgeting was first adopted in Argentina in 2003 but has only recently achieved critical mass, growing quickly and across the country due to greater communication between municipalities (Clemente 2004). By some counts approximately thirty Argentine municipalities use participatory budgeting (Red Argentina de Presupuestos Participativos). However, the differences between municipalities in terms of structure, funding, and participation rates are often striking. Córdoba was the third municipality in Argentina to adopt participatory budgeting, which it did in 2008 (La Voz del Interior, 2008). The two cities that preceded it, Rosario and Morón, are considered models of success and provide the basic structure for many of the Argentine municipalities that have since adopted participatory budgeting, including Córdoba (Concejo Deliberante de Santa Rosa). Why these cities had success and Córdoba did not will be explored further in this study.

The tension in the scholarship rests between the desire to find a single universal participatory budgeting structure that can be implemented in all municipalities, and the

recognition that every municipality has its own individual characteristics and culture that can cause the adopted participatory budgeting structure to work more or less successfully. The goals of participatory budgeting, participation and efficiency, are nebulous concepts that cannot be measured quantitatively. How much participation is enough? Should it be measured on the aggregate (number of people participating) or individually (how much are citizens effectively contributing)? What is the appropriate balance between participation and efficiency? These questions remain important for PB scholars. For this reason, observing the increase or decrease of participation and efficiency can serve as a qualitative but useful method of evaluating a city's implementation of participatory budgeting.

Using levels of efficiency and participation as measures of PB success, Córdoba has not achieved either greater participation or greater efficiency in the two years since it adopted participatory budgeting. Instead of feeling greater civic awareness, Córdoba residents feel disillusioned and frustrated. I argue that frustration and declining participation are indicators that PB projects have not been completed in a timely manner. Indeed, only 10% of all projects planned have been implemented, and the most popular projects have not been implemented at all. I identify this to be the result of declining political will, a lack of sufficient training, and an unwillingness on the part of the municipal government to promote institutional knowledge or community linkages. I also believe that extraneous events such as municipal employees' union strikes and political infighting served as distractions and took resources away from PB.

My conclusions are based on archival research, conference and meeting observation, and key informant interviews conducted during the summer of 2008 and winter of 2009. I received a great deal of help from the members of the Grupo Promotor

de Participación Ciudadana (GPPC), the Junta de Participación Vecinal of CPC Monsignor Pablo Cabrera, municipality civil servants, and city council members and their staff in obtaining documents related to the participatory budgeting process, including drafts of ordinances, meeting minutes, transcripts, publicity materials, and project matrices. Archival research also included newspaper clippings from La Voz del Interior newspaper.

While my research observations are limited to Latin America in general and Argentina in particular, there is nothing about participatory budgeting or my conclusions that is exclusive to Latin America or to developing countries. Municipalities all over the world, for example, can experience a loss of political will, a poorly-implemented policy, or weak social capital. Increased participation and efficiency are ongoing challenges to all democratic societies. Participatory budgeting has become widespread in Europe, Asia, Africa, and elsewhere in North America, and has the potential to spread beyond the few municipalities that practice it in the United States. My research merely seeks to make the practice of PB a more professional, successful, and transparent endeavor, regardless of location, by examining the detailed case of one municipality.

## **Chapter 2: Theoretical Background**

Participatory budgeting is a tool for improving participation and efficiency. As such, the measurement of participation and efficiency can serve to evaluate the success of participatory budgeting. Here I will review the literature concerning how participatory budgeting can improve accountability through efficiency and participation. I will then review the literature on participation in general, followed by a more specific review of the literature on participatory budgeting. This theoretical approach provides a foundation for an explanatory framework that will guide the following chapters in the analysis of participatory budgeting in Córdoba.

While increased citizen participation and increased efficiency appear at first glance to be divergent goals; in fact, they are two of the many goals that fall under the general umbrella of accountability. Accountability is the recognition by the state of the needs of the public, and a willingness and capacity to meet these needs (Tulchin 2004, 296). Democratic institutions such as free and frequent elections, the rule of law, and a system of checks and balances provide the structure that makes public servants and policymakers accountable to the public and provides the foundation of good governance (Léautier 2007, xiv). However, many developing countries, including democracies, continue to “suffer from unsatisfactory and often dysfunctional governance systems that include rent seeking and malfeasance, inappropriate allocation of resources, inefficient revenue systems, and weak delivery of vital public services” (Léautier 2007, xiii). In other words, such governments lack both a recognition of the needs of the public and a capacity to meet those needs. The challenge for governments in the developing world is

increasing accountability to the public, by improving efficiency and increasing participation.

Municipal governments, due to their size and proximity to citizens, are in a unique position to develop policies to increase accountability. At the same time, their effectiveness is contingent upon sufficient autonomy and capacity to perform responsively to citizens, factors that may or may not be in place at the subnational level (Tulchin 2004, 306). The two next sections will examine the types of policies that increase accountability.

### **SOCIAL ACCOUNTABILITY**

Accountability as it pertains to the state can be divided into two types: social and political accountability. In reality, social and political accountability are two sides of the same coin: the former brings the people to the government, and the latter brings the government to the people. The World Bank defines social accountability as “an approach towards building trust that relies on civic engagement” (Caddy 2007, 15). Further, the Bank lists three major justifications and types of mechanisms for social accountability: scrutiny, proximity, and engagement (Caddy 2007, 6). Scrutiny practices focus on the disclosure and dissemination of government information for review by the public (Caddy 2007, 18). Such measures could include providing transcripts of municipal meetings on an e-government website. Proximity initiatives are undertaken primarily by the government to build a closer relationship between the state and citizens but which fall short of citizens ever actively engaging in the decision-making process. Such processes often take the form of consultations, whereby citizen opinions, views and concerns are collected on previously identified issues (Caddy 2007, 19). Finally, engagement processes effectively incorporate citizens into government decision-making processes.



This third mechanism for social accountability, engagement, is the most difficult to achieve, and requires the other two mechanisms (scrutiny and proximity) but does not necessarily flow from the successful practice of them. While a government could function reasonably well and efficiently by realizing projects that encourage scrutiny and proximity, engagement is the deepest form of participation, generating a richer quality of the democratic experience. The benefits originating from greater citizen participation in civic life are too numerous to list here, but include improved transparency, oversight, and more and better-quality services (Caddy 2007, 1).

### **Participation and Social Accountability**

In light of these benefits, it is unsurprising that democratic governments are always looking for new mechanisms to increase and strengthen participation (Tulchin 2004, 306). The idea that associational life “produces public goods in terms of widely-shared practices and values such as solidarity, trust, and public-mindedness” is nothing new, and Fox traces it back at least as far as Tocqueville (Fox, 4). However, as a body of literature in the social sciences it has achieved a new life in the past decade due in great part to Robert Putnam’s seminal classic *Bowling Alone*, which discusses the relationship between what he calls “social capital” and good governance (Putnam 1993; Putnam 2000).

Putnam found that the strongest predictor of institutional performance is the prior density of horizontal civic life in the society (Fox, 6). The denser the horizontal networks in the form of neighborhood associations, group memberships, community activities, and public interactions, the more likely citizens will be able to cooperate for mutual benefit generally. As a result, areas with weak social capital will also have weak government institutional performance.

Not all scholars agree with Putnam on the unequivocal benefits of social capital, or on the linear relationship of strong social capital leading to strong local governance. As Jonathan Fox explains, the causal relationships between good local governance and citizen participation are unclear:

there are important differences between more and less-institutionalized forms of participation; some protest movements can lead to hyper-mobilization and paralysis of government, while others encourage greater accountability and provoke the creation of new channels of participation. Yet once achieved, more-institutionalized citizen participation may or may not have any influence over public policy, especially if one looks beyond the most local levels (Fox 1995, 3).

From both an academic and public policy perspective, the lack of clear linear causal relationships between the exercise of citizen participation and the consolidation of good local governance is very inconvenient. In order to understand the relationship, Fox asks, “When and how does citizen participation contribute to good governance? When is citizen participation a cause of more accountability and responsiveness, and when is it an effect?” (Fox 1995, 3). His description of “reciprocal causality” is complicated, but likely accurate, and gives agency to both citizens and public figures in terms of contributing to accountability. Unlike the World Bank’s government-focused approach and Putnam’s society-focused approach, Fox allows government and society to work in tandem.

Putnam identifies a clear linear relationship from state of civil society to state of governance that does not work the other way around. As such, it cannot explain the ways in which the government can shut down participatory spaces and civil society through repressive methods such as fear and violence (Fox, 10). These limitations, however, do not keep Putnam’s theory from being immensely appealing to social scientists as well as policymakers. As Woolcock writes, there is sometimes a temptation among social scientists to fall into the “social capital” trap: the idea of social capital is both appealing

and promising precisely because it offers a potential strategy for obviating concerns of historical or economic determinism while bridging theoretical and disciplinary divides (Woolcock 2006, 31). Putnam takes a concept, social capital, which already has several specific uses in the disciplines of sociology and philosophy, and leaves it purposely vague and undefined. In this way, social capital provides something for everyone: it can be defined as the social relationships in which rational actors engage for mutual benefit; the non-contractual elements of contract that determine when and how commitments to action will occur; or the non-rational social ties that hold communities together (Putnam 2000; Woolcock, 2006).

There is also disagreement over whether social capital is the actual ties and norms binding individuals together, or the moral resources such as trust; the “medium” or the “message,” as it were (Woolcock, 31). Nonetheless, such theoretical vagueness has not stopped scholars from attempting to measure levels of social capital (Goldfrank 2006, 51). Such studies also leave out the presence of negative social capital, in the form of gangs promoting criminal behavior and strong ethnic enclaves that prevent cross-cultural networks (Thoumi 2003, 69). In any case, the theory of social capital runs the risk of trying to explain too much with too little, and a useful analysis of the relationship between civil society participation and good governance must move beyond this simplistic approach. For these reasons, any study that attempts to peg a particular outcome to the presence or absence of social capital should do so with caution.

#### **POLITICAL ACCOUNTABILITY**

The theory of social capital is improved significantly when it is relaxed to allow the influence of governmental institutions and practices on civil society, in less linear and more symbiotic ways. Governments can and do create environments where participation

is both encouraged and discouraged, and an important element of fomenting positive relationships between citizens and their government is working towards strong political accountability. Political accountability is the acknowledgement of responsibility to the public by the government, public figures, and civil servants (Fox, 10). Simply put, this is the type of accountability where the government is brought closer to the people.

A major tool of policymakers in Latin America for promoting political accountability in the past few decades has been to decentralize administrative powers to local entities. Decentralization was a response to two separate but related trends: the call for democratic consolidation and institutions following the return to democracy of some countries, and the transition from import-substitution industrialization economic structures to neoliberal free-trade structures as a result of IMF-advocated structural adjustment programs. These programs led national governments to cut costs by delegating responsibilities to the regional and local levels (Peterson 1997, 3). In response, Peterson details the rise of a new kind of mayor with private sector experience, “assertive in introducing the idea of a more entrepreneurial, self-reliant city” (Peterson, 15). Changes in the management style of the mayors will be the major impetus for cost-effective institutional changes that include prioritizing a skilled workforce and improving central-level grants (Peterson, 29).

Peterson views decentralization as a generally positive strategy, noting that the current efforts at decentralization have increased citizens’ expectations that they have a right to participate in municipal government, but also warns that decentralization must remain flexible and that calculating the right management level for each responsibility is still important (32). The professionalization of municipalities has been uneven in Latin America, due to the fact that decentralization measures were mostly implemented from

the top-down as a means to reinforce or regain legitimacy in the eyes of the populace, with only secondary attention given to deepening democracy, if at all (Selee 2004, 10). Like Peterson, Selee recognizes that decentralization in and of itself is unlikely to deepen democracy unless it is accompanied by policies promoting rule of law, flourishing of civil society, equitable investment of resources, and effective coordination at all levels of government (Selee 2004, 373). In countries with histories of strong regional elite power, decentralization can reinforce enclaves of authoritarianism and resistance to social changes. Selee points out that in poor areas where significant inequalities exist, and where the protections of the central state are far away, elites easily exploit political processes. Such inequality in the civil society is at least partially the result of political decisions, and influences the types of participation that result in the society.

Merely recognizing the role government involvement can take in promoting participation is not enough. “Direct government initiatives to induce citizen participation can also lead to new forms of electoral clientelism,” Fox warns. “Many would agree that institutional channels for direct community participation are most likely to work best where citizens are already well-organized. The problem is that there is no guarantee that spillover effects will benefit the majority who usually remain unorganized” (Fox, 12). Fox proposes that governments do best at promoting civic participation when they “enable public environments” to change the broader context within which citizens decide to participate, encouraging the formation of more autonomous, long-lasting citizens’ organizations (Fox, 12). He recommends governments work to reduce disincentives to participation by ensuring access to fundamental civil and political rights (he calls this “shoring up the democratic floor”) and by bolstering positive incentives to participation by encouraging both the reality and the perception that citizen action can actually

influence important governmental decisions (“opening more democratic doors”) (Fox, 13). Where participatory budgeting fits into this broader discussion of civic participation will be explored in the next section.

### **WHAT IS PARTICIPATORY BUDGETING?**

Participatory budgeting has emerged from the social accountability, political accountability, and participatory bodies of literature as a practice for achieving all three goals. In terms of social accountability, participatory budgeting has the capacity to fulfill all three mechanisms for social accountability (scrutiny, proximity, and engagement), which explains its appeal. Participatory budgeting brings together local governments and civil society, strengthening both. Finally, it promotes transparency and professionalization of local governments.

The literature on participatory budgeting goes beyond citizens and governments in identifying the benefits bestowed on those who adopt the practice (Serageldin et al. 2004, 36). Scholars identify benefits also to civil society organizations, non-governmental organizations, and the business community. The benefits to municipal governments for implementing participatory budgeting, as described by PB scholars, tend to fall into four major categories: 1) PB builds a base of political support, 2) achieves a more equitable distribution of scarce resources, 3) fosters public learning, and 4) promotes transparency in government (Wampler, 40). Citizens feel an increased sense of empowerment as they are emboldened to participate, many for the first time. They enjoy increased access to information regarding governmental responsibility, policy, and policy-making. Finally, they observe an improved relationship between participation and quality of services provided. Civil society organizations which are able to build broader networks of supporters into social and political coalitions, mobilize resources, and influence policies

(Wampler, 42). Through PB, non-governmental organizations (NGOs) can act as mediators between the government and citizens, and provide necessary oversight and advisory services while promoting goals of transparency and citizen empowerment (Wampler, 43). Finally, businesses benefit from participatory budgeting because it reduces the risk of government corruption, promotes transparency, and increases efficiency. Particular businesses may also benefit financially depending on the types of projects implemented (Wampler, 43).

These benefits are, of course, dependent on cities that adopt and implement participatory budgeting structures that promote political and social accountability. However, as Goldfrank says, “interpretations of PB, especially as practiced in Porto Alegre, the Brazilian city that named and publicized it, abound. Yet studies of how PB is practiced, especially outside of Brazil, are only beginning to emerge” (Goldfrank 2006: 1). Whether municipalities that adopt participatory budgeting actually achieve these benefits is one of the problems of studying the practice or recommending it as a “cure-all” panacea for societal problems and weaknesses. Participatory budgeting has had mixed success and it remains a controversial practice for several reasons. Because the process is so new, there is no definitive research that explains why it is successful in some cities but not others. Cities develop PB for very different reasons, and these reasons influence its structure and rates of participation. Most Latin American municipal governments that adopt the practice do so as a transparency and accountability measure, as many of these countries are former dictatorships that lack strong civic participation. However, in places like Europe and Canada, citizen participation is already strong, and PB is merely one of several mechanisms in administrations’ governing toolbox. For this

reason, participatory budgeting takes on different structures for developed and developing countries.

Scholars have examined municipalities that have adopted the practice, often developing lists of necessary political, social, and economic pre-conditions for successful participatory budgeting (Wampler 2007; Fölscher 2007; among many others). Such lists are developed through a combination of democratic theory and case studies of municipalities that have adopted PB. Commonly-accepted political pre-conditions include democratic governance (Wampler 2007; Fölscher 2007), openness to political debate (Paul 2005), recognition of the legitimacy of government (Spahn 1998), willingness and capacity of the state to make budget info available (Wampler 2007), and separation of executive/legislative responsibilities. Social pre-conditions include an independent media (Paul 2005), diverse civil society groups, and the ability of many different types of people to participate that broadly reflect the composition of the general population (Moynihan 2007). Legal pre-conditions require the existence of enabling legal networks and the guarantee of basic freedoms (McGee 2003). Finally, economic pre-conditions that have been identified include adequate financial resources to fund projects selected by citizens and technical assistance available from local and national governments and from international NGOs (Fölscher 2007; Shaw 2007, 2).

The “list of pre-conditions” approach has its positive and negative attributes. Even as scholars disagree on the necessary conditions for successful PB, one benefit of such lists is universality: lists of pre-conditions foster a sense of optimism that once such pre-conditions are achieved, participatory budgeting can be successfully implemented. They provide a jumping-off point to analyzing whether a government is implementing participatory budgeting for the right reasons, and can hint at future challenges.



There are also three major problems with this pre-conditions literature approach. First, it fails to define the “success” of participatory budgeting. Second, some approaches in the literature are context specific; for example, several identify good pre-conditions for democratic societies in general, or good pre-conditions for the functioning of all types of organizations and mechanisms, not just participatory budgeting. The difficulty for researchers studying participatory budgeting in municipalities of developing countries is differentiating “good civil society and governance in general” from specific pre-conditions for participatory budgeting. Third, what constitutes participatory budgeting is very broad. According to the International Budget Partnership, “the minimum criterion for a program to be considered participatory budgeting is the direct involvement of citizens involved in making some budgetary decisions” (International Budget Partnership). The practice can range from electronic voting on several government initiatives to receiving government subsidies for community projects. While participatory budgeting promises true engagement, in practice it can fall within areas of scrutiny, proximity, or engagement between the government and its citizens (Caddy, 6). How can success be defined or pre-conditions identified if participatory budgeting mechanisms differ so greatly from one city to the next? From another perspective, such lists also sound hopelessly deterministic; unless certain conditions are met, municipalities will not have successful participatory budgeting. Indeed, a UN report lists the conditions under which participatory budgeting should not be implemented (UN-HABITAT 2004). Such an approach is also exclusionary: municipalities that clearly lack other democratic institutions or participatory structures are left out, effectively marginalizing and excluding them even further and preserving participatory budgeting only for those municipalities that already have stronger democracies and civil society. What such

exclusionary approaches fail to realize is the power of participatory budgeting as a mechanism to foster the openness, legitimacy, and group diversity that are identified as pre-conditions. In other words, even places where these preconditions are not met might still be fertile ground if PB is done with that in mind.

The variation and diversity of participatory budgeting mechanisms and communities immediately show why lists of pre-conditions are unhelpful to understanding participatory budgeting, and why a comprehensive approach of examining both civil society and governmental factors that contribute to participatory budgeting is preferable to an exclusive focus on one factor or the other. A Putnamesque study of civil society or a World Bank study of governance cannot fully comprehend the many ways governments and citizens can interact with and relate to each other. However, discarding the list of pre-conditions approach could be construed as an admission that no “best practices” exist in the world of participatory budgeting, at least not yet. Furthermore, some pre-conditions just seem logical; participatory budgeting cannot be expected to function in circumstances of war, political tumult, or widespread corruption and distrust. The fact that pre-conditions must exist incentivizes scholars to identify those conditions.

Pre-conditions aside, other scholars examine the characteristics of the participatory budgeting structure itself, looking for clues to success in the descriptions and regulations that organize it. The structure can be analyzed based on 1) entities that will make decisions and carry out the responsibilities of PB, 2) the decision-making process, and 3) the funding sources for projects. The structure of participatory budgeting can play a significant role in the realization of the goals of social accountability, political accountability, and participation.

## **Decision-Making Entities**

Both citizens and the government are decision-making entities in participatory budgeting. How citizens and government officials are organized within participatory budgeting is important to the creation of “enabling public environments” (Fox, 12). Including both citizens and the government in the participatory process is easier when decision-making spaces are small. Subdividing municipalities to bring government closer to the people has been recommended for greater participation. Borja extols the importance of “zonification” at the level at which the population within each zone is relatively homogeneous and the idea that

The smaller and more homogenous the territorial units, the easier it is to articulate participation through decentralization and get interested parties to intervene directly in municipal politics (Borja 1987, in Tecco 1995).<sup>1</sup>

Borja also develops a framework for determining which responsibilities are best to decentralize. Responsibilities should be decentralized 1) if the cost at the lower level is not significantly higher than at the higher level; 2) if the problem being addressed can be isolated geographically; 3) if the decentralization would result in a higher quality of service provision, and 4) if the functions and capabilities being decentralized will strengthen participation, cooperation, and integration of citizens (Borja 1984).

On the government side, participatory budgeting represents a significant change in the way government officials and civil servants engage with citizens, and municipalities often respond to PB by reorganizing specific departments to reflect the new relationship with citizens, as well as to anticipate longevity and consolidation of the participatory budgeting structure beyond the administration in place when it is implemented (Baiocchi 2006). The degree of reorganization depends on many factors,

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<sup>1</sup> My translation

including the level of government oversight over citizen decision-making, and the percentage of the budget that is considered part of the participatory budgeting process (UN-HABITAT 2004, 40).

Many governments attempt to ensure the permanence of PB by developing ordinances that guarantee participatory budgeting (Saltos 2008; UN-HABITAT 2004, 33). Ordinances are useful because they can stipulate measures that correct historical social and economic inequalities, such as requiring gender parity in all decision-making bodies (Corina Echavarría, interview with the author, Córdoba, 5/21/08). At the very least, the budgeting and accounting office must guarantee that citizen projects are included on the yearly budget and that the budget is transparent and freely available (UN-HABITAT, 35). The city must also decide where funding for participatory budgeting is coming from, and make sure the pipeline towards the projects is in place (UN-HABITAT, 42). Public works' offices must be equipped to assist citizens with assessing the feasibility of projects. The creation of a participatory budgeting or citizen participation department is also recommended if one does not already exist. A final key government-side structural adaptation is the creation of training and capacity-building programs for citizens (UN-HABITAT, 30). However, all of these regulations are merely suggestions; an overly structured participatory budgeting process runs the risk of improving efficiency at the expense of opportunities for participation.

### **The Decision-Making Process**

Participatory budgeting structures run the gamut from ones with few to ones with many opportunities for citizen participation. For this reason, it is difficult and perhaps unnecessary to try to comprehensively describe the various processes that cities adopt. However, considering that participatory budgeting seeks to provide a space of true

engagement between the government and citizens, a basic description of a truly engaging process is useful. The Porto Alegre, Brazil example will be explained in further detail in the next chapter but serves as a model of “best practices,” keeping in mind that many factors play into Porto Alegre’s success besides the structure (Goldfrank 2006, 12).

### ***Porto Alegre’s Decision-Making Process for PB***

Porto Alegre’s PB process selects projects to be implemented during a single budgetary year. Over the course of a year, citizens meet in their respective zones (Porto Alegre is divided into four zones) and decide what concerns they wish to address (UN-HABITAT, 35). Territorial or thematic delegates are selected from each zone to meet at the city level and vote on which projects to fund (UN-HABITAT, 36). Next, a Participatory Budgeting Committee made up of delegates works with the municipality to finalize the list of projects. They then send the list of projects to the city or municipal council, which usually approves with list with no modifications. Ultimately, the rules of procedure are evaluated and adjusted for the following year and monitoring commissions are named which will oversee the implementation of the projects (UN-HABITAT, 37)

What is clear from Porto Alegre’s example is that citizen participation is sustained through all steps of the decision-making and implementation process, from deliberation of projects to evaluation and oversight. The Porto Alegre case demonstrates that increased efficiency and increased participation do not have to be contradictory goals, and that the regulatory tools of municipal governance can help, not hinder, participation.

### ***Funding Sources and Financial Methodology***

These and related topics of participatory budgeting and its benefits have been well-covered by the literature. Often left unexplored are the ways in which funding sources, and where participatory budgeting projects fit into the overall budget, can

significantly impact how participatory budgeting is carried out (Goldfrank 2006, 15). In most reports of participatory budgeting, the amount of funding is presented as a percentage of the total budget or a dollar amount and the source of funding is absent. Because identifying funding sources is less theoretical and more an application of theory, few scholars spend time on the “nuts and bolts” of building the financing structure and the role it plays. However, it can be an important factor in determining the success of PB; the funding source must be chosen carefully to fit with the goals of participatory budgeting and the need for trust and transparency in the process. There are two categories for understanding funding of PB: 1) who will fund it (just local government, inter-governmental transfers, help from NGOs or international organizations); and 2) where it will show up on the budget (public works, some type of fund, liquid assets, etc.). The two categories are obviously interrelated but for the present they will be analyzed individually.

### ***Who will Fund PB?***

When implementing PB, public officials must be clear about where the money will be coming from. Due to differences in budgeting processes across countries, and municipalities’ constraints in raising revenue, it is difficult to make sweeping recommendations on which types of funding sources should be used (Goldfrank, 33). Officials should take into account the security and stability of the funding sources in order to ensure PB will continue despite unexpected budgetary shortfalls. Funding for PB can be own-source funds from the local government, transfers from the state and national levels, or grants from international governing and diplomatic bodies.

Municipalities that lack the legal or practical capacity to raise taxes can rely on transfers from the central government, although such an approach raises its own

challenges, particularly “extreme dependency on unreliable and stingy central government transfers” (Schneider and Zuniga-Hamlin 2005, 17, in Goldfrank, 33). International loans and grants for participatory budgeting are rare but not unheard-of and are usually designated for technical cooperation (Inter-American Development Bank, [www.iadb.org](http://www.iadb.org)). Few cases exist in which international finance (i.e. loans or credits) is approved by the Participatory Budget Council, although community organizations and NGOs sometimes receive funding to “administer the public resources assigned to the projects and priorities voted upon” (UN-HABITAT, 49).

Municipalities with the authority to levy and collect local taxes or generate other local forms of revenue have several options for indentifying funding sources and reflecting them in the budget. Most participatory budgets are limited to planning short-term expenditures, given that most budgets only appropriate funds for the coming year (UN-HABITAT, 48). However, the decision to allocate participatory budgeting within the annual municipal budget is not necessarily a drawback. First, it has the benefit of only taking into account current assets, making it more likely that the projects will be implemented and funded. Second, it provides a deadline for the implementation of projects in the short term. Nevertheless, the annual budget allocation does constrain some types of PB projects, which is why some municipalities have expanded the cycle for carrying out expenditures to two years to facilitate the implementation process. Other cities have participatory budgets every other year. Long-term participatory budgeting is rare, but the UN points to the examples of Montevideo and some Brazilian cities that invite participation in multi-year investment plans and budgets (UN-HABITAT, 48).

Funds can come from many places within the municipal budget. Within current assets, resources can be allocated from funds designated for a particular agency or department, such as social welfare, public works, or education, depending on the goals of participatory budgeting and the types of projects anticipated (UN-HABITAT, 42). Cities can also allocate a percentage of the municipality's liquid assets instead of tying funding to any one fund. Again, the most important factor is that public officials identify a stable source of funding that matches the goals and thematic areas of participatory budgeting as it pertains to the municipality and citizens' priorities. An unstable source of funding could cause projects to be underfunded, undermining the success of PB and citizen confidence.

#### **DEVELOPING A WORKING MODEL FOR ASSESSING PB SUCCESS**

Taking into consideration all of the factors that go into implementing participatory budgeting, a common theme running throughout the PB literature is that setting up PB the right way is very important to its future success. However, determining the success of PB also requires defining what constitutes failure. The next two sections will explore the traps participatory budgeting can sometimes fall into, and what participatory budgeting cannot do.

#### **When Participatory Budgeting Goes Wrong**

Thus far, this chapter has served to better understand why citizen participation and efficiency are important to democracy and are the primary goals of participatory budgeting. Critical to the development of an evaluative method of analyzing participatory budgeting is returning to its primary goals of increased participation and efficiency. In what situations does participatory budgeting achieve increased participation and efficiency?



The cataloguing of possible benefits of participatory budgeting is based on the assumption that the correct decision-making structure, process, and funding structure will act as catalysts to the generation of such benefits. However, scholars have also identified situations where participatory budgeting has failed, or performed below expectations. Such cases can be useful not only for analyzing case studies of PB, but also as possible complications for policymakers to keep in mind when designing PB structures for implementation in a specific municipality. Certain municipalities have greater risk from one of these scenarios than the others. It is also important to keep in mind the limitations of PB itself.

### ***Risks to Participatory Budgeting***

The following list describes several possible outcomes of PB where participation and/or efficiency were not improved, or were worse-off as a result. The list is not exhaustive and was developed from case studies in the PB literature as well as my own observations in Córdoba. PB can fall victim to any of these outcomes. The pressure to understand why such outcomes befall municipalities has resulted in the “list of pre-conditions” approach.

- Risk of low citizen participation rates. Citizens often call for greater transparency but far fewer are willing to get involved in public affairs, assuming that the tasks that ensure accountability and reinforce democracy will be performed by others. Willingness to participate is dependent on two criteria. First, as perceived costs to the citizen associated with participation rise, willingness to participate decreases. These costs can be monetary (cost of transportation to attend a meeting, cost of childcare) or non-monetary (time spent away from family or doing something else). Second, as perceived impact on decision-making rises, willingness to

participate rises (Caddy 2007, 28). Program managers must take these criteria into consideration when developing participatory budgeting.

- Projects run the risk of capture by interest groups, because “such processes can hide the undemocratic, exclusive or elite nature of public decision-making” (Shaw 2007, 1). As a result, they can purposely or inadvertently promote clientelism in government decision-making while purporting to be more participatory and using public funds for elite interests. Bartholdson et al. explains that

Particularly in the Bolivian lowlands, municipalities have been controlled by elites in the urban centres and the needs of the rural indigenous population have been marginalized ... The political manipulation of the new ostensibly participatory institutions has had clearly negative effects on the actual practices of citizen participation in municipal budgeting (Bartholdson et al., in Goldfrank 2006, 25).

- Narrow focus of projects diverts attention from more pressing issues. Participatory Budgeting’s focus on developing and funding projects ignores systemic problems that contribute to poverty and inequality. It also inhibits public learning if the public is focused heavily on completing a specific small project (Wampler, 45).
- Structures can cause citizen dependence on elected officials. Research has shown the importance of strong political will to the success of participatory budgeting. However, strong government oversight can lead to frustration and a feeling of helplessness on the part of citizen participants.

### ***What PB Cannot Do***

While some of the above scenarios can be fixed by particular actions being taken by the government, others are simply the result of not understanding the PB process, or

what it can be expected to accomplish. The following is a list of things PB cannot be expected to do.

- Substitute for good governance. Citizens are not trained civil servants, nor do they have the breadth of resources the government does to solve community problems.
- Avoid the consequences of macro-politics of adjustment imposed at the federal level. As Baierle writes, “No matter how fiercely the deconstruction of the public sector is fought at the local level,... cities still control only a thin slice of the national public budget” (Baierle 2003, 303-304; in Goldfrank 2006, 42).
- Undo existing corruption within the government.
- Exist where there is open opposition to it by public officials. As Teixeira notes, A study of 103 Brazilian cities with PB during the 1997-2000 period showed that in 28% of the cases, PB was discontinued either by the initiating or the subsequent administration (Chaves Teixeira ND: online; in Goldfrank 2006, 23).

Over the course of this chapter, I have attempted to critically analyze the bodies of literature that sustain and support participatory budgeting, moving towards a method of evaluating PB based on participation and efficiency. All scholars have their own rubric for the societal and structural conditions that determine the success or failure of participatory budgeting, although some of this differentiation is based on the fact that the goals of PB are not universally understood or shared. The reliance on such matrices can sometimes ignore the human aspect of PB, and the fact that individuals are responsible for implementing political and social practices. The interactions of communities cannot be reduced to hierarchies of social capital or degrees of transparency. It is perhaps this

human focus that can help move beyond the “list of pre-conditions” approach to a more comprehensive and flexible model of evaluating and understanding PB. Indeed, it appears I am not alone in this conclusion: Wampler concludes that while the results of participatory budgeting mechanisms have been mixed, programs that have endured for five years or more display many of the benefits (increased public learning and active citizenship, social justice, and administrative reform) that led to their implementation, even if the projects themselves are not very successful (Wampler 2007, 49). The difficulty in proving this theory is that, given the short political life spans of many programs and politicians, PB is often not given the opportunity to display these benefits before they are abandoned either by an incoming administration seeking to purge the outgoing administration’s pet projects, or by impatience with the lack of successful projects. While a people-focused analysis is more complicated and less transferable than a checklist of pre-conditions, it also has the potential to truly capture Fox’s “reciprocal causality” model and highlight the mutually beneficial relationships between political and social actors. Here is where a case study approach, looking at the specific context behind the implementation of PB, serves to illuminate the personal and political decisions made by people with differing agendas, pressures, and beliefs.

I have attempted to show in this chapter how political theories of democracy, accountability, and civic participation have shaped the adoption and study of participatory budgeting. Theories about the role of government in promoting social and political accountability, the relationship between citizens and their government, and the consolidation of democratic governance all converge in the development of participatory budgeting as well as determining its goals and structure. Finally, a delineation of the limitations and risks of participatory budgeting provide the constraints within which PB

success can be defined. However, a theoretical approach that defines success is not sufficient for the goal of improving the success of PB; how the theories actually work in practice is the subject of the next chapter.

Chapter 3 will focus on the history of participatory budgeting in Latin America, looking at how the practice has evolved over time and how this process has influenced the structure adopted in Argentina and specifically Córdoba. Theories about the goals of participatory budgeting, the ways the process can go wrong, and the limitations of PB, which I have introduced here, will be put to the test when analyzing specific cases across Latin America.

## **Chapter 3: Practical Background: Alternative Approaches Across Latin America**

This chapter will examine the history of participatory budgeting in Latin America and Argentina, providing a more empirical approach to the theoretical framework developed in Chapter 2, and a context for the detailed analysis of the city of Córdoba in Chapter 4. Such an approach not only considers the history of participatory budgeting, but the political and social environments within which they emerged. Utilizing the theoretical framework developed in Chapter 2, this chapter will look at whether specific cases in Latin America in general and Argentina in particular fulfill the mechanisms of accountability (scrutiny, proximity, and engagement), how they are set up and who makes decisions at each step, and if they secure satisfactory and stable funding sources. Further, I will examine cases where participatory budgeting was abandoned or failed.

### **HISTORY OF PARTICIPATORY BUDGETING IN LATIN AMERICA**

While there is some dispute over when participatory budgeting began and who developed the idea, most agree that the first experiments took place in Brazil. The most famous case, in Porto Alegre, Brazil, began in 1989 (Goldfrank 2006, 5). It was implemented in the Rio Grande do Sul capital by the newly-elected Workers' Party, who sought a means to tackle financial constraints, provide citizens with a direct role in the government's activities, and invert social spending priorities (Wampler 2007, 24). Over the years, Brazilian citizens formulated and modified the structure of participatory budgeting to better engage residents at the local level. Since then, the process has spread across Latin America and has undergone various changes along the way (Cabannes 2004, 27).

The evolution of participatory budgeting follows three general “waves” that differ based on the time period in which they were adopted and the philosophical and political underpinnings that characterize their adoption and implementation.<sup>2</sup> I also locate the cases within the general themes proposed in the last chapter: accountability, distribution of decision-making power, and funding sources to provide an overview of participatory budgeting in Latin America.

In the middle to late 1980s, around the same time as Porto Alegre’s PB structure was emerging, other cities in Venezuela and Uruguay were experimenting with participatory budgeting; together these experiences constitute what could be considered the “first wave” of participatory budgeting (Goldfrank 2006, 4). At least originally, PB was conceived of by leftist political groups such as the Radical Cause in Ciudad Guayana, Venezuela and the Broad Front in Montevideo, Uruguay who, in opposition to the political parties in power at the national level, wanted to mobilize around social movements occurring at the time (Goldfrank, 6). During the “second wave” of participatory budgeting, center and center-right groups also adopted the practice and it began to gain national and international attention (Goldfrank, 6). National governments used participatory budgeting for decentralization purposes and to receive debt relief funds (Goldfrank, 7). Bolivia, Nicaragua and Guatemala all adopted national legislation regulating participatory budgeting, but such nation-wide edicts were generally less successful than programs developed and maintained at the local level (Goldfrank, 7).

What has characterized the most recent “third wave” of participatory budgeting in Chile, Argentina, Paraguay, Panama and elsewhere is a top-down organization that relies on legislation and a formal structure using existent social channels, relying on the

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<sup>2</sup> CIGU (2006) also divides the history of PB into three stages, but in a different way.

inclination of public figures to call meetings and disseminate information (Goldfrank, 20). National and international organizations have lauded the PB practice for its capacity to strengthen democracy and complement economic and social development, and have invested in consultation and analysis of best practices to spread the practice across the globe (Goldfrank, 13).

### **DO MOST PB STRUCTURES CLASSIFY AS SCRUTINY, PROXIMITY OR ENGAGEMENT?**

At the time of this writing, participatory budgeting has been in practice for twenty years. While implementation has generally followed three waves, the structures have been modified in response to cultural and political idiosyncrasies in different municipalities. Within countries, the structures of participatory budgeting can be very different (Ribeiro Torres, Ana Clara and Grazia de Grazia 2003). As Cabannes notes, “a challenge in analyzing the wealth of PB experiences is the uniqueness of each experience” (Cabannes, 29). Where PB experiences fit within the World Bank’s mechanisms of accountability (scrutiny, proximity, engagement) depends on how and why participatory budgeting was implemented in a given municipality (Caddy, 6). In many cases, processes that are labeled participatory budgeting are not as participatory, or engaging, as they could be. By taking a more empirical approach, I will examine not only how cities have used PB to increase participation in general, but also how some have sought to correct past inequalities by increasing the participation of historically marginalized groups.

The least participatory mechanisms fall under the category of practices that increase “scrutiny.” Scrutiny involves the dissemination of government information and fiscal transparency (Caddy, 6). Ideally, all citizens should be given the opportunity to review budgetary information, and important projects are being undertaken in places like



Mexico to distribute budget information (Caddy, 9). While this is a step in the right direction, transparency alone is not enough to qualify as participatory budgeting. True participatory budgeting entails a sustained partnership in action between citizens and the state, rather than merely increased presence, and thus falls between proximity and engagement. I review a few examples of each type of structure. It should be noted, however, that not every municipality with participatory budgeting that falls within the proximity and engagement range satisfies the requirement for scrutiny. Several still suffer from a lack of transparency:

While the mayor's office is generally in charge of PB throughout Latin American experiences, the accessibility of rules and information tends to be much greater in Brazilian than non-Brazilian experiences (Goldfrank, 20).

Proximity initiatives are undertaken primarily by the government to build a closer relationship between the state and citizens but which fall short of citizens ever actively engaging in the decision-making process. As mentioned in the previous chapter, such processes often take the form of consultations, whereby citizen opinions, views and concerns are collected on previously identified issues (Caddy, 19). Many cities in Latin America allow for some degree of citizen input before the budget is approved, but these processes lack citizen oversight, or binding guarantees to respect residents' input (TNI 2006). This process does not fit the definition of participatory budgeting provided in Chapter 1, because it does not involve citizens deciding how to allocate part of a budget. Indeed, a Transnational Institute report indicates,

In Latin America [participatory budgeting] is practised— depending on how one defines it— in between 250 and 2,500 municipalities. The smaller figure refers to those cities where the process was implemented as a local government initiative, while the larger number would include all the municipal governments recently required by national laws to consult civil society on budget priorities, as is now prescribed in Bolivia, Nicaragua, and Peru (TNI 2006).

Harvard University's Center for Urban and Development Studies published a report in 2004 classifying the first experiences in Brazil with citizen involvement in budgeting, with the exception of Porto Alegre, as essentially consultative, and thus examples of proximity (Serageldin et al. 2004, 20). At least one of the initial cases, Santo Andre, Brazil, began as a consultative exercise but has since evolved into an engagement process (Oliveira 2008; Acioly et al. 2002, 20).

From the above cases, it is reasonable to conclude that only a small number of municipalities practicing PB achieve true engagement. Nevertheless, engagement should be the goal of participatory budgeting. Engagement processes effectively incorporate citizens into government decision-making processes, and all participatory budgets strive to this goal of incorporation. Engagement can be measured in four ways: 1) to what degree do citizens and public officials interact in the development and deliberation process? 2) How many opportunities are there for citizen participation in the structure? 3) How much of the budget is deliberated? 4) Finally, is an effort being made to include traditionally excluded populations?

### **To what degree do citizens and public officials interact?**

During the first wave of participatory budgeting, engagement was successful because mayors were often responding to social mobilization and saw PB as a revolutionary process linked to socialism (Goldfrank, 9). As mentioned earlier, Brazil relied on direct democratic structures to attain as high a level of participation as possible. As a result,

The rate of participation in participatory budgeting in Porto Alegre is also impressive. Once the process started to show results— three or four years after its introduction— the number of participants grew dramatically. By 2004, some 20,000 were attending the first round of meetings, many of them for the first time.

A conservative estimate is that ten percent of adults in the city have at one point participated (Baiocchi 2006).

Brazil's PB structure allows for continual engagement between the municipal government and the residents, and rules are constantly negotiated. In contrast to Porto Alegre's situation when it adopted PB soon after the fall of the Brazilian dictatorship in the late 1980s, most Latin American municipalities adopting the practice have enjoyed democracy for thirty years or more. Nevertheless, the need for processes that allow citizens to engage with government officials remains high (Cabannes, 28). The easiest way for this engagement to occur is by eliminating the distance among citizens, as well as between citizens and the state.

In accordance with Borja's recommendation, the vast majority of participatory budgeting processes in Latin America begin with a subdivision of some kind, either territorially by dividing the municipality into smaller zones, or by dividing funding among thematic areas (UT-HABITAT 2004, 43). Such a zone system facilitates the project-based budgeting, which was launched in Porto Alegre. Porto Alegre hit on a major breakthrough when they developed the idea of project-based budgeting. In this way, concrete infrastructure projects can be targeted and implemented quickly, resulting in more trust being built. This type of budgeting also introduces citizens to what responsibilities and tasks the government actually has authority over, provides greater diversity of delegates to municipal-wide councils, and sees that the areas with most need are targeted (Wampler 2007, 38; UN-HABITAT 2004, 43).

### **How many opportunities are there for citizen participation in the structure?**

The level of engagement of citizens in the budgetary process is not only measured by who participates, but how many steps of the decision-making process involve citizens. In the most common examples of participatory budgeting, community members select a

representative body through meetings or assemblies to investigate possible projects, and then develop proposals to present to public authorities who then provide technical assistance. How citizens participate in the generic PB model is detailed in the following list describing the year-long budgetary process.

Step 1: Citizens meet in Neighborhood Assemblies to discuss possible projects and select representatives to the municipal or zonal plenaries (UN-HABITAT, 49). In most Brazilian experiences, and a few others, delegates are elected to the zonal level, who then elect councilors to the municipal level. The Council of the Participatory Budget (COP), or its equivalent, is the central body, and determines the decision-making system, the criteria for allocating resources, the number of plenary meetings, and themes for discussion.

Step 2: Representatives chosen by the neighborhood assemblies come together in municipal or zonal plenaries to prioritize projects from across the municipality or, in the case of Brazil's thematic commissions, meet to develop city-wide proposals (UN-HABITAT, 48).

Step 3: Representatives work with administrative staff to finalize budget. At this point, delegates work with city staff familiar with public works and the budget process to draft project proposals (UN-HABITAT, 48). This is either at the municipal or zonal level. In Brazilian municipalities, the COP finalizes the budget to present to the Municipal Council (Cabannes 2004, 28).

Step 4: Citizens vote to approve the final projects. This process can be more or less participatory. Once the matrix of all the projects is completed, it either is voted on by the delegates, by residents of the zone, or by residents of the municipality (UN-HABITAT, 48). Not all municipalities have a final voting process, however.

Step 5: Citizens engage in inspection and oversight of the implementation of the projects. For this implementation phase, there is a great deal of diversity in how Latin American municipalities delegate responsibility of oversight. Most participatory budgets designate specific bodies for dealing with their implementation. Such oversight bodies have included the same elected delegates who oversaw the participatory process, specific oversight commissions, independent citizen organizations, social organizations, neighborhood councils, or city-wide monitoring assemblies (Cabannes, 39).

Besides the structural opportunities for participatory decision-making described in the above five steps, Brazilian cities have shown themselves to be more open to modification of the structure and allowing residents to self-regulate than elsewhere in Latin America. Cabannes (2004, 40) points out that while in most Brazilian cities PB is internally regulated, outside Brazil, “PB has been regulated and institutionalized by municipal resolution, decrees, laws or constitutions.” However, in general Brazilian PB has been far less structured than elsewhere (Goldfrank, 20). Even as municipalities adopt Brazil’s structure, they abandon the informal, consultative atmosphere that brought it about.

Replacing the informal consultative PB are the more regulated, formal, consultative designs focused on pre-existing civil society organizations implemented in places like Bolivia, Nicaragua, and Peru (Goldfrank, 40). There is an emphasis on a legal foundation for PB, by explicitly including it in municipal ordinances or strategic plans (Goldfrank, 20). A legal framework is beneficial because it can immediately put in place the requirements for inclusion of marginalized groups and prevent total overhaul during changes in administration. However, they also remove the important engagement that

results when residents and public officials work together to develop rules, and when citizens take control of the participatory process.

### **How much of the budget is deliberated publically?**

Engagement can also be measured in terms of percentage of the total budget that is deliberated by residents. Whereas most cities put forward between 2% and 10% of the budget for participatory budgeting, a few cities have put forward uncommonly high percentages of the budget for debate. These cities include Cotacachi, Ecuador with 72%, and Mundo Novo, Porto Alegre and Campinas, Brazil with 100% of the budget under deliberation (Cabannes, 34). The amount of the budget that is deliberated has little to do with the relative wealth of the municipality in terms of budget-to-inhabitant amount (per capita), and in fact poorer municipalities like Cotacachi regularly outspend other, more famous, cities like Belo Horizonte (Cabannes, 35). The UN advises that while more funding or a greater percentage is better than less,

What matters is that the amount is transparent, regardless of how limited it is, the reasons why it is limited are clearly explained and understood, and the public defines clear rules of the game for its allocation (UN-HABITAT, 49).

### ***How is the budget allocated?***

Most cities use project-based budgeting to introduce participatory budgeting and develop trust and familiarity with the process. In comparison, thematic budgeting is better later into the process, when citizens understand the capacity of the program and are comfortable with determining more general priorities for the municipal or city government (UN-HABITAT, 45). Indeed, ten years after developing project-based budgeting, Porto Alegre adopted thematic budgeting and allowed residents to participate in one or both assembly processes (Cortina 2001). Faced with complaints that participatory budgeting “is only for the poor,” Porto Alegre adopted Thematic

Assemblies in 2001 to address city-wide problems and issues of health, education, recreation, and safety (Cortina 2001).

### ***Funding sources***

The Centro Internacional de Gestión Urbana (CIGU) notes that the most common source of funding for participatory budgeting in Latin America is the designation of a specific percentage of general funds to participatory budgeting. Because participatory budgeting tends to be implemented at the municipal level, municipal funds are generally used exclusively (CIGU 2006).

A second method of financing participatory budgeting that is common in Latin America is the use of a single fund designated for a particular purpose, such as social development or education, or for a particularly project such as renovating the municipality's plazas (CIGU 2006). Cities that fall into this funding category include Córdoba, which is analyzed in upcoming chapters.

In contrast, Peru, the only Latin American country with a national law regulating local and regional participatory budgeting, utilizes a transfer system from a centralized Municipal Compensation Fund (CIGU 2006). This is mostly due to the fact that while Peruvian municipalities have the authority to collect taxes, they lack the capacity to do so (Goldfrank, 33). Other countries that finance local participatory budgeting with national funds run into problems with favoritism stemming from Latin America's long-standing practice of clientelism, made stronger through decentralization. In the case of Guatemala, Goldfrank writes, "Although fiscal decentralization has increased in recent years, Guatemalan municipalities are still relatively poor, dependent on less than transparent national transfers, and heavily indebted. Transfers have increased since 2000, with the availability of HIPC II funds. It is the departmental governments, with their

appointed leaders, which receive the largest share of these investment funds and may withhold funding from municipalities where the elected mayor is from a different political party,” leading to obvious problems for participatory budgeting tied to such fickle funding sources (Puente and Linares 2004, 245-246; 248). Guatemalan local officials must also deal with bureaucracy and favoritism in the process of applying for funding:

Mayors must produce three separate budgets to obtain transfers for public investments, and political criteria reign for the distribution of funds for two of these transfer sources (Chavez 2001, 5-6; in Goldfrank, 27).

There is some evidence that participatory budgeting can improve tax collection rates, as “the short-term visibility of projects and services as a result of PB tends to also modify the citizen fiscal culture” (CIGU 2006).<sup>3</sup> Not all studies have found similar influence on tax revenue collection, however (Spada 2009). Such an improvement could, in theory, naturally increase the dollar amount of funds available for participatory budgeting (Cabannes 2004, 36). Cabannes cites the examples of “Campinas, Recife and Cuenca, where tax revenues increased significantly in a very few years; and Porto Alegre, where property tax delinquency dropped from 20% to 15% and, in less than ten years, property taxes grew from 6% to almost 12% of the municipality’s revenues” (36).

### **What is being done to include historically excluded groups?**

The inclusion of historically excluded populations can be either legally mandated or part of informal social expectations. In the case of Porto Alegre and much of Brazil, no legal basis is required to give marginalized populations a chance to participate or be part of the leadership (Cabannes, 40). Participants in Porto Alegre, by and large, “lack secondary education, work in manual or service jobs, and earn well below the city

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<sup>3</sup> My translation



average. Women and Afro-Brazilians participate at high rates, as do residents of poor areas” (Baiocchi, 2003). Cabannes describes

Recife’s PB which has a committee dedicated to women, a singular experience at the global level. Barra Mansa and Icapuí have been pioneers in introducing the perspective of children and youth, and this is now being experimented with in Recife, São Paulo, Goiania, Mundo Novo and Alvorada (38).

In Belém, delegates are elected to represent each specific committee: “women, blacks, indigenous, homosexuals, elderly people, adolescents, children, disabled people and those who observe Afro-Brazilian religions” (Cabannes, 39).

Outside of the Brazilian experience, various cities are taking affirmative action to foster the participation of women and other historically excluded groups. However, most of these are legal requirements, mandated at the point the ordinance was approved. Ilo, Peru has established a system of quotas to ensure that 50 per cent of the delegates are women, and at least three of them are part of the directive committee of the participatory budget. In Rosario, Argentina, at least one-third of the councilors must be women. Besides mandating participation of marginalized groups, participatory budgeting processes themselves can also be inclusionary.

Different municipalities invite different levels of participation. While Brazilian structures generally invite individual participation, “other Latin American cities tend to favor participation through representatives of existing organizations” (Goldfrank, 21; Cabannes, 36). Others may allow all citizens to offer project ideas, but only elected citizen delegates may vote on them and finalize the budget (Goldfrank, 21). While all of these processes fall under the purview of engagement, clearly some are more widely engaging than others. All of these elements can be used to judge the success of specific municipalities’ participatory budgeting processes in effectively engaging the public.

## **Where has PB failed?**

The previous chapter examined theoretical scenarios in which PB failed to increase participation and efficiency. Perhaps the most interesting cases for researchers studying best practices are the actual cases where participatory budgeting has failed, failed to catch on, or been abandoned. In his study of Brazilian cities with PB, Paolo Spada looks at the number of cities (with populations larger than 50,000) that have abandoned PB (Spada 2009). From 1992 to 2008, 382 municipalities adopted PB in Brazil, while at the same time 120 municipalities abandoned the practice (Spada, 10). Similar transnational and regional studies have not taken place, which means any examination of why cities abandon participatory budgeting must be done on a case by case basis. Wampler identifies the Brazilian cities of Blumenau and Rio Claro as examples where PB failed due to lack of mayoral support (Wampler 2007). However, Wampler also questions the utility of identifying “best practices” or looking for universal patterns in the reasons why particular cities failed to successfully implement PB (Wampler 2007). Certainly, context plays a significant role in how and why cities are successful or not.

## **WHAT IS THE ARGENTINE CONTEXT OF PARTICIPATORY BUDGETING?**

Within the Argentine context there are several notable structures. The study of a single country’s experiences with participatory budgeting is useful because it controls for culture and population, as well as legal and economic regulations. The differences that result are therefore based on the particular social and political culture of each municipality, and can include structure, how many people are participating, if they have ordinances, how many projects are proposed, what percentage of the budget is set aside for the projects, how many projects are completed, funding structure, municipal structural

changes, etc. However, most PB structures in Argentina basically follow Rosario's example, detailed below.

### **Participatory Budgeting in Rosario**

The municipality of Rosario, in the province of Santa Fe, is the third largest city in Argentina after Buenos Aires and Córdoba. It was the first city in Argentina to implement true participatory budgeting, in the sense that it allowed for universal, city-wide participation of citizens. Prior to Rosario, several municipalities (including Córdoba) had experimented with deliberative planning and/or micro-planning in specific neighborhoods and areas, excluding others.

#### ***To what degree does PB in Rosario promote accountability?***

Rosario adopted participatory budgeting in 2002 when it was approved by city ordinance. The ordinance has been modified twice, once in 2005 and once in 2006. Rosario's city ordinance specifies how funds are to be allocated and what the decision-making structure would be. The city was already divided into six zones, which made decentralization of PB easier (Gobierno de la Municipalidad de Rosario).

Below the zone level, the ordinance specified a district level where neighborhood assemblies would take place. At the neighborhood assemblies, residents draft possible project ideas, hold elections to determine the most popular, and elect delegates to the district-wide meetings (approximately seventy for each district). The delegates work with bureaucrats to develop the projects. Then the delegates return to the neighborhood assemblies and residents vote on the projects (Gobierno de la Municipalidad de Rosario). The delegates are also responsible for oversight of the projects and their implementation.

Since the implementation of PB in Rosario, participation has increased due to increased efforts taken by the municipal government to engage the public. In 2005, an

estimated 7,000 people participated in PB, out of a total population of 1,161,200. In 2006, Rosario implemented electronic voting for projects (Directorio del Estado 2006). In 2009 the number of citizen participants increased to 8,700. The city has also made an effort to include marginalized groups by inserting language into the ordinance requiring exact gender parity in the Concejos Participativos de Distrito. According to the Banco de Experiencias Locales website, in 2004 the Participatory Budgeting for Youth began allowing teenagers to vote on their own projects. For the past few years, the city of Rosario has set aside 30 million pesos to finance participatory budgeting projects, which, due to shifts in Argentina's economy, falls between 5% and 3.28% of Rosario's total municipal budget (Miatello 2008).

### ***Other Examples of PB in Argentina***

Only a few cities in Argentina that claim to practice participatory budgeting have structures that vary from Rosario's example. The municipality of Morón uses liquid assets, and thus does not set aside any particular percentage of the budget for participatory budgeting (Municipalidad de Morón). The city of Reconquista is the only Argentine city that differs substantially from the Rosario model by adopting a subsidy program in which NGOs and neighborhood associations develop projects and are tasked with implementing and overseeing the projects, with little government input.

### **WHAT DOES THE PRACTICAL ANALYSIS OF PB CONTRIBUTE TO THE LITERATURE?**

Through this chapter I have attempted to identify what is being done through participatory budgeting in Latin America and elsewhere in Argentina to achieve accountability, shared decision-making responsibility between the city and the residents, and secure sources of funding. While Brazil and Porto Alegre will always remain the models for successful participatory budgeting as a result of being the first country and

city to adopt the practice, we have seen great diversity in structure, history, funding possibilities, and levels of accountability. Even as Porto Alegre's structure solidifies, other cities have the flexibility to modify the structure in response to cultural, political, and economic differences. One major difference between the Porto Alegre model and the Rosario model is the adoption of ordinances and regulations, defining the PB structure before it is set into motion. At the same time, some commonalities among successful cases have emerged from this overview, and should be kept in mind as we move to a critical analysis of participatory budgeting in Córdoba in Chapter 4.

## **Chapter 4: In-depth Case Study: Background and General Information about Córdoba, Argentina**

The following case study is meant to ground the theoretical approach introduced in Chapter 2 and the practical approach in Chapter 3. In this chapter I intend to provide a political, geographic, and cultural background of the city of Córdoba, the history of participatory budgeting in the city, why it makes a useful case study, and the methodology I used in studying it. Apparent in Córdoba's case is the influence of the Porto Alegre and Rosario PB structures. This chapter provides the context for a more critical analysis of Córdoba's participatory budgeting structure in Chapter 5.

### **WHY CÓRDOBA?**

The province of Córdoba has been relatively wealthy since its foundation in the 16<sup>th</sup> century as a stopping point on the trade route between Bolivia, where precious metals were mined, and Buenos Aires, where they could be shipped to Europe. It has strong agricultural and industrial sectors, particularly in automobile and aeronautical manufacturing. Córdoba is a midsize city (approximately 1.3 million inhabitants) with many of the typical characteristics of city governance after the Argentine military dictatorship of 1976-1983: a decentralized structure and division into regional zones, well-educated and trained civil servants, and a progressive political climate with significant political will in favor of participatory budgeting. The structure of participatory budgeting in Córdoba also mirrors that of Rosario and Porto Alegre, with a few modifications. In short, it is an average city with a typical participatory budgeting structure. This chapter introduces Córdoba as a case study, and introduces the methodology I used in my field research. It outlines some of the benefits and problems I

witnessed in anticipation of recommendations I will make in Chapter 5. Córdoba's lack of significant extremes in terms of political climate or participatory budgeting structure allow broader assertions and recommendations about what can make participatory budgeting more successful.

## **RESEARCH METHODOLOGY**

I observed the participatory budgeting approval process and first zonal plenaries during the summer of 2008. In 2009, I returned to see how the process was coming along and saw the final steps of the second cycle of participatory budgeting and the finalization of the projects by the delegates and approval by the city council.

### **Interviews**

Between May 2008 and July 2008, I conducted twenty-one interviews with members of the Grupo Promotor de Participación Ciudadana (GPPC), other NGOs, Centros de Participación Comunal directors and sub-directors, municipal civil servants working on drafting participatory budgeting legislation, current and former municipal directors and secretaries, neighborhood association leaders, community leaders, and city council members.<sup>4</sup>

In June and July 2008 I attended the first meetings of the Juntas de Participación Vecinal in several CPCs (the structure of Córdoba's PB system will be explained later in this chapter). They include CPC Guiñazú, Monsignor Pablo Cabrera, Villa Libertador, and Ruta 20.

In December 2009, I participated in the second annual meeting of the Argentine Network of Participatory Budgets, held in Córdoba. I spoke with public servants from all

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<sup>4</sup> The Centros de Participación Comunal, Grupo Promotor de Participación Ciudadana, and Juntas de Participación Vecinal will be explained in greater detail on pages 52, 57, and 60 respectively.

over Argentina discussing various aspects of their participatory budgeting structures and the challenges they faced. Also I observed four meetings of the Executive Board of the Junta de Participación Vecinal of the CPC Monsignor Pablo Cabrera to discuss the matrix of projects to be included in the 2010 Budget. On December 14, 2009 I attended the City Council's yearly Public Forum on the Budget to observe members of the GPPC and the Executive Board of JPV of CPC Monsignor Pablo Cabrera confront the city council on the lack of action on the 2009 projects and the possibility of modifying the participatory budgeting structure.

### **Archival research**

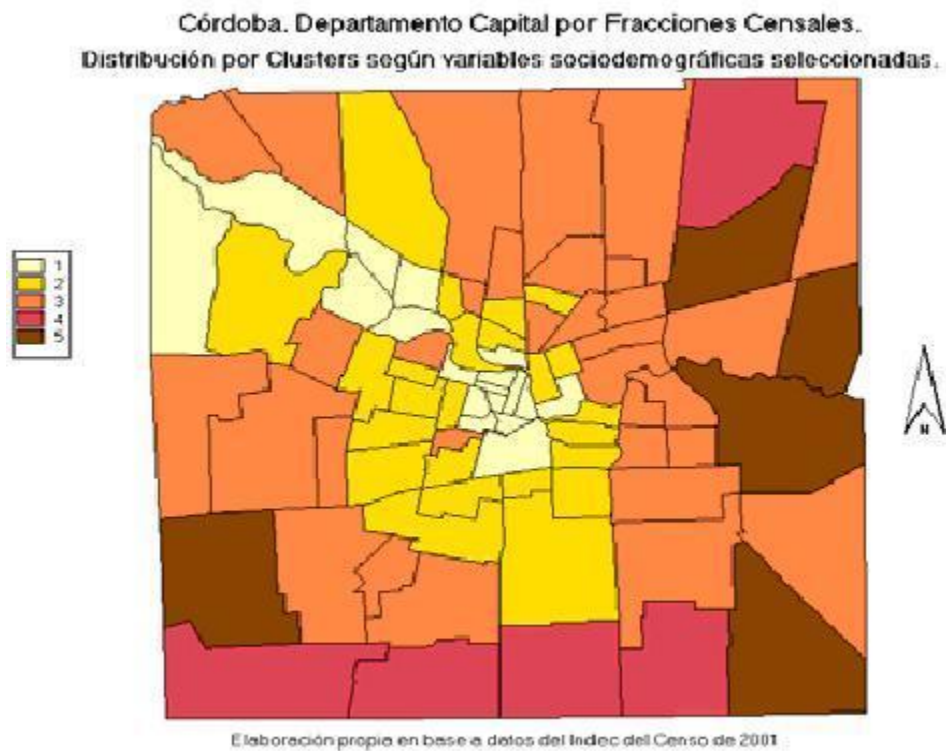
I received a great deal of help from the members of GPPC, the Junta de Participación Vecinal of CPC Monsignor Pablo Cabrera, municipality civil servants, and city council members and their staff in obtaining documents related to the participatory budgeting process, including drafts of ordinances, meeting minutes, transcripts, publicity materials, and project matrices. Archival research also included newspaper clippings from La Voz del Interior newspaper.

### **GENERAL INTRODUCTION TO CÓRDOBA**

The borders of the municipality of Córdoba, shown in the map on the following page, create a circular shape. The following map shows roughly the geographic distribution of socioeconomic status (SES) within the city. The quintiles, ranging from highest SES and palest color, to lowest SES and darkest color, create a pattern where highest status is concentrated within the city center towards the northwestern part of the city, while low status is distributed around the periphery of the city. Such a pattern of spatial segregation is not uncommon in cities across Latin America, but it does create challenges for increasing participation and equality across income levels (Peláez 2006).



Illustration 1: Population divided by SES at the neighborhood level



Source: Pelaez, 2006 based on INDEC, 2001 data.

### Important Actors

While socioeconomic distribution is important, too great a focus on context can result in an analysis that is overly deterministic, ignoring the ability of individuals to change and influence their surroundings. The following individuals are important to understanding the development and operation of participatory budgeting, as well as the political structure and history in the city of Córdoba. I provide a brief description of each individual here, but go into greater detail later in the chapter. I have also included several

political parties to show the evolution of Cordoba politics from a party-based to a coalition-based system.

**Daniel Giacomino**— Mayor of Córdoba for term 2007–2011, former vice-mayor for Luis Juez and tapped to succeed him. Both mayors belong to the Frente Civico y Social Coalition Party, which Juez founded. Giacomino has a master’s degree and spent a year studying abroad in the United States. He campaigned to bring professionalism and transparency to the city, and made participatory budgeting a key part of his election campaign.

**Jorge Navarro**— Secretary of Citizen Participation. Navarro worked under the former mayor (Luis Juez) as a CPC director and was Giacomino’s mayoral campaign chief of staff. He is responsible for implementing Giacomino’s plan for participatory budgeting in the Community Participation Centers.

**Diego Bedacarratz**— Director of Participatory Budgeting under Giacomino from 2007-2008. He works under Jorge Navarro.

**Jorge Guevara**— Director of Political Project Management in 2007, promoted to Director of Participatory Budgeting after Navarro in Summer 2008.

**Luis Juez**— Mayor of Córdoba from 2003 to 2007. Founded the Frente Civica y Social coalition party. He tapped Giacomino to succeed him as mayor.

### **Important Parties**

**Union Cívica Radical**— Radical Civic Union Party. Historically a very popular party in Córdoba; has its roots in the Socialist party that formed during the turn of the 20<sup>th</sup> century with the arrival of Southern Europeans to Argentina. Generally considered the “liberal” party.

**Partido Justicialista**— Also known as the Partido Peronista. Named after Juan Domingo Perón, president of Argentina during the 1950s. Generally considered the “conservative” party.

**Frente Cívico y Social**— Social and Civic Front Party. Emerged in 2003 when Luis Juez was elected mayor of Córdoba and is the party of current mayor Giacomino.

### **Background of political situation**

Argentina’s history has been one of tension between the government and its citizens; civic engagement existed only insofar as it did not challenge the status quo as defined by the military. The years following the most recent dictatorship of 1976-1983 saw a return to representative democracy and the rise of several related institutional and administrative arrangements meant to consolidate a framework of representative democracy and civic participation. These arrangements, which took place primarily in cities, demonstrate a new urban administrative philosophy that sees citizen participation not as a hindrance, and not even as a positive means to an end, but as an end in itself. The arrangements, as detailed by Peterson and others, included a mix of decentralization measures tied to the strengthened role of the city mayor and city council positions, the articulation of strategic city plans to identify short and long-term goals, and an increased focus on governance and civic participation at the local level (Peterson 1997). The greatest improvements to governance in Argentina that have taken place since the country’s return to democracy are at the local level; they include the strengthening of the municipal government, the professionalization of the positions of mayor and city council members, and a willingness to allow administrators the flexibility to develop their own governing systems and programs. The municipalities have made significant inroads in solving some of the major urban problems of Argentina.

## **Professionalization of municipal governments**

Part of the rationale behind strengthening the role of the mayor and the city council during the 1990s and 2000s came from the desire to increase political accountability, efficiency of goods and services distribution, and the cost-effectiveness of governmental projects. Shortly after returning to democratic governance in 1983, Argentina adopted political decentralization measures to counteract the massive concentration of power under the dictatorial regime, and economic decentralization measures to curb hyperinflation and satisfy the requirements for World Bank loans. Argentina, which was already a federal republic, decentralized more responsibilities to its twenty-three provincial and 1,719 municipal-level governments (Argentina Municipal). The province of Córdoba added two amendments to the Provincial Constitution in 1988 and crystallized their decision in decree 1174/88, which lays out “el proceso de transformación de las estructuras del Estado por el que un poder central transfiere un conjunto de competencias y recursos a ámbitos territoriales menores del Estado para que estos los gestionen en forma autónoma en el marco de la legalidad vigente y supone la ampliación de poder efectivo” (Armesto 1992)

The political and economic decentralization processes provided greater management autonomy to the municipalities, promoted regional development, and promoted citizen participation in the political process (Armesto 1992). These reforms have given municipal governments a great deal of autonomy, allowing local constituent assemblies to enact individual municipal charters, as the municipality of Córdoba did in 1995 (Nickson 2001). However, they did not address the significant financial burden such autonomy would create; in 1987, nine of thirteen municipalities in Córdoba provided fewer than 50% of their total budget costs (Armesto 1992). For this reason, the

law of co-participation 7644 mandated that higher government levels contribute financially to the needs of lower governments (Armesto 1992). In 1997, 14% of Córdoba Province's revenues were allocated to the municipal level (Clemente 2004, 50). This co-participatory funding scheme was intended to assist municipalities with raising capital for projects; in practice it has fomented a system of patronage at all levels of Argentina's federal system, influencing the success of municipalities' planning initiatives. Whereas the institutions of a stable bureaucracy can be set up without input from the provincial and national levels of government, sub-national governments have less autonomy for raising the levels of capital required for projects, programs, and the physical infrastructure of the bureaucracy. Beyond what governments can generate from local tax revenues, municipalities rely on revenue-sharing and funds transfers from the provincial and national government levels in exchange for taking on the new decentralized responsibilities. Municipalities must in effect bargain with the higher levels for funding, causing party politicking to become extremely important.

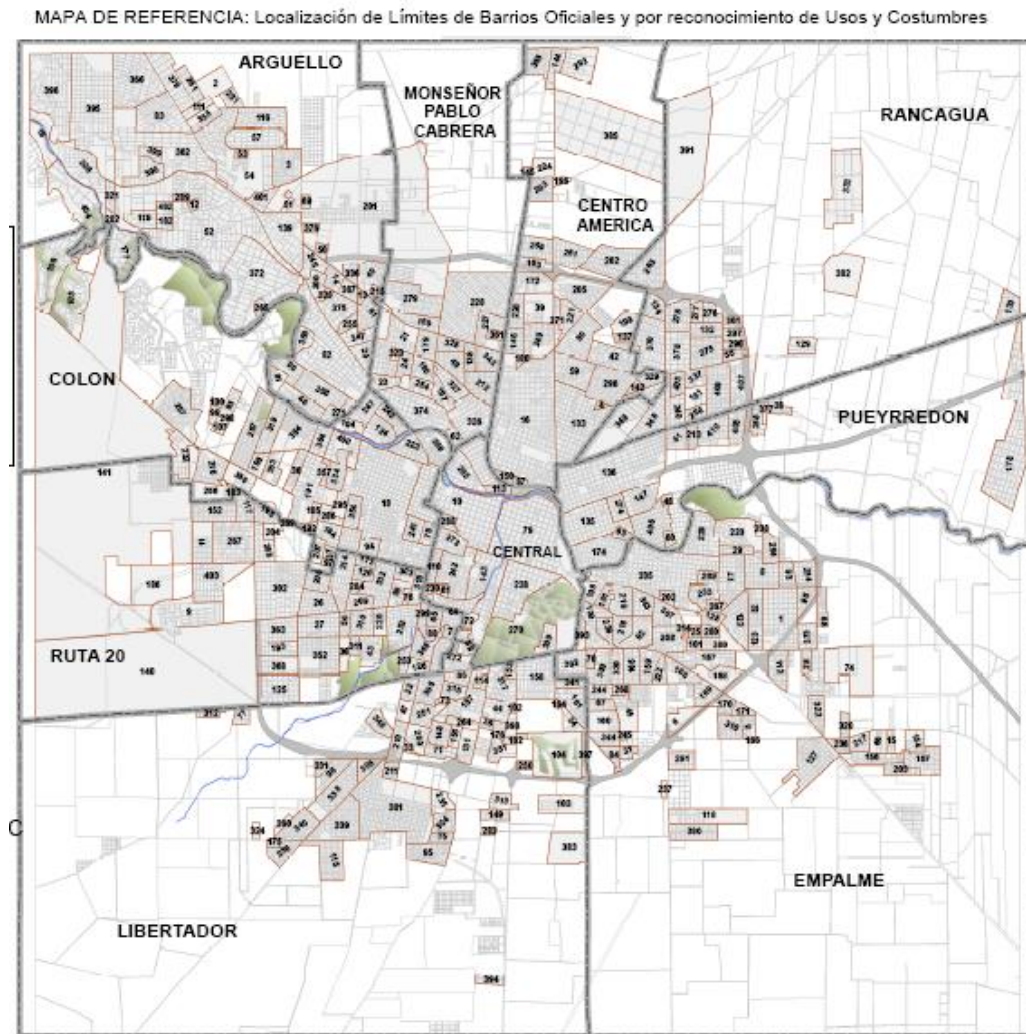
### **Decentralization**

The process of decentralization in Córdoba from the municipal to the sub-municipal level began ambitiously and with significant political will. In 1994 the government inaugurated the first of what would eventually be eleven zones, forming a radiating pattern from the city center that created jurisdictions containing portions of the inner city and portions of the periphery, each sporting a beautifully designed cultural center called a Community Participation Center (Centro de Participación Comunal, or CPC). At each CPC, citizens can “pay taxes and bills, obtain a driver's license, attend an emergency health clinic, visit the post office, and register complaints about basic municipal services” (Nickson, 8). There have been plans to decentralize road repairs and

public lighting to the CPCs as well (Nickson, 8). However, the current responsibilities undertaken by the CPCs do not exhaust their potential. The CPCs were intended to be centers of public participation and civic development, where neighbors could engage their government at the local level and carry out strategic planning goals (Tecco 1997, 115). Illustration 2 is a map showing the jurisdiction of the CPCs in Córdoba except for CPC Guiñazú which is located directly north of the city. Three of the four CPCs I visited during my research are visible on the map: Monsignor Pablo Cabrera, Villa Libertador, and Ruta 20.

Illustrations 1 and 2 demonstrate the distribution of socioeconomic status in the city and the distribution of the CPC jurisdictions. Comparing the two maps demonstrates the intersection between context and human action, how individual policies and actions can improve or worsen societal conditions.

Illustration 2: Map of CPC distribution in Córdoba



Source: [www.cdcordova.gov.ar](http://www.cdcordova.gov.ar)

### National and Local Political Climate

For most of the 20<sup>th</sup> century, Córdoba has been associated with a single political party, the Unión Cívica Radical. This changed during the financial crisis of 2001. Cynicism and anger over political corruption at all levels led Argentines to take to the

streets with pots and pans, protesting dishonest officials and demanding their resignations. In response, the political scene changed significantly at the national and local scale. At the national level, individual politicians have broken away from the two major parties, the Partido Justicialista and the Unión Cívica Radical, moderating their ideologies and creating new coalitions. At the local level, the Frente Cívico y Social coalition emerged in Córdoba in 2003 when Luis Juez successfully combined the Partido Justicialista platform with some Unión Cívica Radical ideas to gain 60% of the vote in his campaign for mayor. While politics in Argentina has always leaned heavily towards personality politics, the coalition system blurs and obscures party platforms, thus exacerbating the tendency for voters to support a particular politician rather than a party. As a result, citizens are more likely to express allegiance to, for example, “kirchnerismo,” named for Presidents Cristina Fernández de Kirchner and Néstor Kirchner, or “juecismo,” named for Mayor Luis Juez.

The churning of the political atmosphere at the national level has exacerbated cracks in the provincial and municipal levels. Politicians at the lower levels must carefully determine where to form alliances to recoup the greatest benefit from clientelism at the national level through “co-participatory” funds. While the Unión Cívica Radical party is popular in Córdoba, the co-participatory system rewards party loyalty from the highest to the lowest levels of government. In 2007 and 2008, Giacomino faced Partido Justicialista politicians in the governor and president’s seats, who are more likely to reward fellow PJ loyalists than UCR or coalition-affiliated policymakers.

### **History of Participatory Governing Experiments in Córdoba**

Faced with the same decentralization process as Porto Alegre, Córdoba’s government decided to micro-plan in 1994 (Tecco 1996, 5). The first attempt to enact



participatory budgeting ended in failure when the mayor, Germán Kammerath, was impeached for corruption in 2002 (Guillermo Marianacci, interview with the author, Córdoba, 6/9/08). Later, during the Juez administration (2003-2007) there was also an attempt to engage in micro-planning (Fernando Pacella, interview with the author, Córdoba, 5/27/08). However, this micro-planning approach was highly controlled by the municipality and lacked a participatory element and was only practiced in specific regions, not throughout the city (Diego Bedacarratx, interview with the author, Córdoba, 6/02/08). It was implemented through the neighborhood associations which shut out the NGOs and general citizenry (Valeria Perez, interview with the author, Córdoba, 5/21/08)

### **Existent political participation**

Córdoba has historically enjoyed strong public participation and civic engagement, albeit in the form of reactionary measures such as protests, petitions, and road occupations. Tecco is adamant that the government plays an important role in developing the structures that foment civic participation and the circumstances for positive engagement of the population in political decision-making (2006; 223). The period following the financial crisis saw a rise in participatory movements, emerging around issues such as participatory budgeting, impeachment of particular government officials, and a general sense of consolidating a network of citizen participatory channels for representation and engagement with the government (Echavarria, 2006).

There is very little trust in public institutions: 73% of individuals surveyed for Transparency International's Global Corruption Barometer in 2007 felt the government's efforts to fight corruption were "ineffective." Argentina ranked 105th in terms of perceived transparency in 2007, its worst ranking since 2004 and far below its surprising pre-crisis ranking of 57 in 2001 and mid-crisis ranking of 70 in 2002 (Transparency

International, 2007). While such surveys do not measure actual corruption levels, they provide a lens for understanding the relationship between the government and its citizens, and why strong civil society does not necessarily translate to strong government-public ties.

### **Background of civil society**

Argentina's urban civil society is strong but lacks the capacity to engage in the political process. For this reason, the relationship between citizens and the government is mostly antagonistic, taking the form of protests and media-friendly confrontations and exhibitions. During the 2001 financial crisis, piqueteros (picket-liners) teamed up with caceroleros (protesters who bang on pots and pans to get attention) to form a massive protest on the Casa Rosada. Meanwhile ahorristas (savings account holders) met up in the financial district for picnics, even though there was a lockdown on access to bank accounts (Kaiser, 180). While it is heartening to see Argentine citizens playing a political role beyond the occasional election vote and adopting these clever protest strategies, local governments thus far have not been able to integrate the population into the political process through meaningful structures where they can voice their grievances but also enact real change and feel like they are a part of the process.

Immediately following the economic crisis, Asambleas Populares (Popular Assemblies) began to emerge in response to the frustration felt by many Argentines over the refusal of the government to listen to citizens as well as the corruption perceived at every level of government. These Assemblies used the techniques of consensus, equal participation, respect for differences, and solidarity as a response to the individualistic, clientelistic and divisive status quo (Hintze 2006, 56). However, Assemblies were short-lived, for unclear reasons. It is possible that their angry, spontaneous nature did not

translate well into long-term participatory engagement avenues. It is also possible that they lacked the political support of the municipal government, which, given their reactionary *raison d'être*, is understandable.

Where the Assemblies failed to deliver, there is evidence that some citizen-created structures have had more success in bringing particular issues to the attention of the government. I will highlight two examples in Córdoba.

Events taking place before and during Giacomino's candidacy in 2007 created the necessary agenda stream for implementing the practice. There was increased understanding on the part of non-profits and watchdog groups that they would have to gain allies in the government to bring about the changes they wanted instead of standing outside and protesting. In response to the 2001 financial crisis and the general frustration over corruption at all levels of government, Córdoba saw the emergence of the Red Ciudadana Principio del Principio (The Beginning of the Beginning Citizen Network), a network of local NGOs and community activists to bring about greater responsiveness of political officials to the public. Many current bureaucrats in Giacomino's administration, and particularly within the Department of Citizen Participation, are friendly with members of Red Ciudadana, which has drifted apart into smaller groups and is now more of a "spiritual network". The perception of openness in the administration is very important and Red Ciudadana members are often personally invited to attend meetings and the get-togethers that follow. Since then, former Red Ciudadana groups have been watching Giacomino's administration closely to keep the participatory agenda on track.

The Grupo Promotor de Participación Ciudadana (GPPC) was one of the small groups that emerged as a result of the Red Ciudadana. Its membership is made up of four former teachers who are committed to representing the people and being their own

independent government watchdog group. They are often invited to political meetings and are referred to affectionately as *los viejos* (the old guys). As Echavarria explained, the members of GPPC have cultivated close relationships with local politicians that “allow all doors to be opened to them whereas they shut the doors on other people” (Corina Echavarria, interview with the author, Córdoba, 5/21/08). After the impeachment of Mayor Kammerath in 2002, they and other groups immediately began petitioning the government to be more participatory. They energized other NGOs, and together they were able to make participatory budgeting one of the goals of the Strategic Plan for the city of Córdoba in 2004 out of fifty-four total goals, a huge success in promoting more inclusive democratic institutions. However, they were disappointed when Luis Juez promised to introduce participatory budgeting, only to substitute it with tightly-controlled, top-down micro-planning through neighborhood associations. The GPPC members used the Juez administration to reorganize and make new contacts, hosting Citizen Participation Forums in 2005 and 2006 to discuss strategies and bring new NGOs into the Red Ciudadana fold. They saw the election of Giacomino as a second chance to do it right.

The GPPC were optimistic about the willingness of citizens to participate, but are worried that “because of the lack of understanding of participatory budgeting in the government, there is the danger of the project being compromised or corrupted for political ends” (GPPC, interview with the author, Córdoba, 5/15/08). They said they trusted Director of Participatory Budgeting Diego Bedacarratx, and Secretary of Citizen Participation Jorge Navarro, but also recounted stories of meeting with other members of Giacomino’s cabinet, holdovers from Juez’s administration and coalition supporters, who purposely mixed up their usage of the words “Juntas de Participación Vecinal” and

“neighborhood associations” to gently remind the GPPC that they were initially loyal to Juez and micro-planning through neighborhood associations (GPPC, interview with the author, Córdoba, 5/15/08).

### **DEVELOPING PARTICIPATORY BUDGETING: THE EXECUTIVE TEAM**

During the 2007 mayoral campaign, the members of GPPC asked all of the candidates to sign a transparency pledge, “For a Sustainable Córdoba,” with several promises, one of which was participatory budgeting (Ricardo Bellagarde and Carlos Scicolone of GPPC, interview with the author, Córdoba, 5/15/08). All the candidates signed, and it was ratified by the mayor, Daniel Giacomino, on 12/19/2007 shortly after he was sworn in (La Voz del Interior, 12/19/07). From that point, Giacomino set about creating a team to bring participatory budgeting to Córdoba.

When Giacomino was picking his citizen participation team, he looked for the right combination of experience and loyalty. Jorge Navarro, his campaign chief of staff and former director of one of the CPCs, had also worked as a journalist and then assisted in the development of participatory budgeting in a small section of Buenos Aires (Jorge Navarro, interview with the author, Córdoba, 6/27/09). Navarro had his own hiring philosophy in mind and strongly favored experience. He tapped Diego Bedacarratx, a member of a young militant contingent of the Partido Justicialista party, to the position of Director of Participatory Budgeting. Bedacarratx studied the participatory structures in Rosario and Porto Alegre and determined that using the CPCs would be the easiest way to incorporate PB in Córdoba. Navarro convinced Giacomino to hire Jorge Guevara as the sub-director of Political Project Management. Guevara had been a political staffer and active member of Córdoba’s Socialist Party, and would now work with Navarro and Bedacarratx to design, monitor, and evaluate projects (Jorge Guevara, interview with the

author, Córdoba, 6/26/09). He and Navarro had met through involvement with the Red Ciudadana and participated in budgeting training sessions together in 2007. Guevara used the metaphor of “paint by numbers” to describe Navarro’s team-building philosophy (Jorge Guevara, interview with the author, Córdoba, 6/26/08). Navarro’s choice to favor experience over party loyalties resulted in a well-designed ordinance and a dynamic team. It did not earn him many friends in the administration. “It’s very difficult for politicians to understand the point of participatory budgeting,” Bedacarratx explained. “They just see it as taking their power away” (Bedacarratx, interview with the author, Córdoba, 6/02/08). Bedacarratx knew they were doing things differently in Córdoba but believed strongly in the ordinance. If it passes, “we will be the only city with a legally binding ordinance for implementing participatory budgeting. Rosario, Porto Alegre... none of them has one” (Bedacarratx, interview with the author, Córdoba, 6/02/08).<sup>5</sup> Even as it was constructed, the Department of Citizen Participation was looking like a department set apart from the rest of the administration. This “apartness” would become a liability for participatory budgeting in the months to come.

#### **DEVELOPING PARTICIPATORY BUDGETING: ORDINANCE APPROVAL AND DEPARTMENT SHAKE-UP**

On April 23, 2008 the city council approved a municipal executive order to create Juntas de Participación Vecinal, which were tasked with the responsibility of “operating or taking part (intervenir can mean either one) in the participatory budgeting process” (Ordinance 11448, Article 12, clause 2). The ordinance passed by a vote of 25 in favor and only three against (Ciudad de Córdoba, 4/23/08). Once the vote had been settled and the Juntas de Participación Vecinal were underway, Giacomino engaged in a thorough

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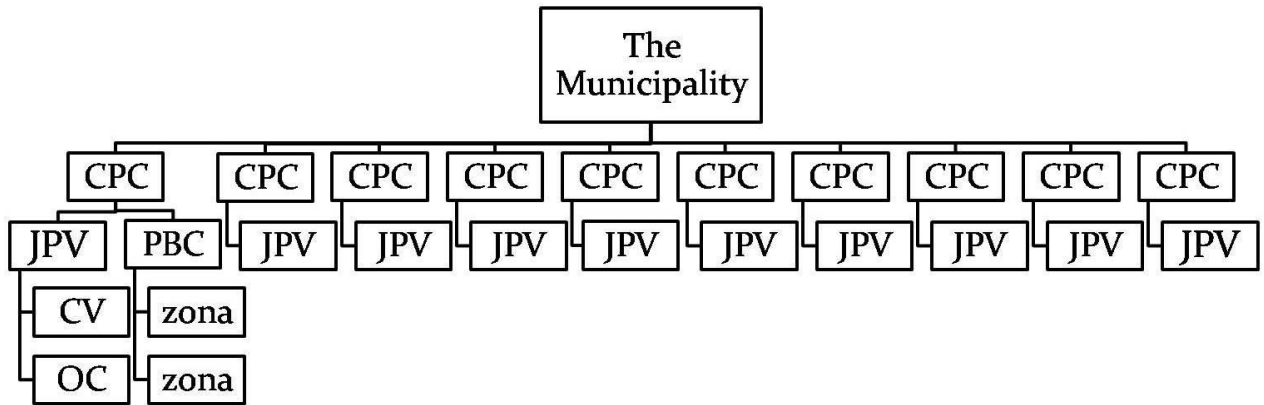
<sup>5</sup> Author’s note: this is inaccurate; Rosario approved its PB ordinance #7326 in 2002 (Municipality of Rosario).

“cleaning” of his administration, releasing several Luis Juez sympathizers from their secretarial positions and replacing them with more obvious Giacomino supporters (*La Mañana de Córdoba*, 6/4/08). Several department bureaucrats resigned as a result of the sweep. One of the more surprising victims was Jorge Navarro, whom Giacomino asked to step down from his position as Secretary of Citizen Participation. Navarro was replaced by Guillermo Luque, a former Secretary of Communications and schoolmate of Giacomino with little participatory budgeting experience. Navarro still controlled most of the initial Junta meetings as they progressed during June and July 2008 but has since left Córdoba’s political scene. At the end of July 2008, the city council approved an ordinance that laid down the structure of participatory budgeting and the relationship between the Juntas de Participación Vecinal and Córdoba Participatory Budgeting (Regino Lopez, interview with the author, Córdoba, 12/9/09).

#### **STRUCTURE AND FUNCTIONING OF CURRENT SYSTEM**

The structure of Córdoba’s participatory budgeting, as described in the two approved ordinances, has two parts, which loosely interact. How the PB structure is organized is shown graphically in Illustration 3.

Illustration 3: Córdoba's PB Structure



CPC: Centro de Participación Comunal

JPV: Juntas de Participación Vecinal

PBC: Participatory Budgeting Council

CV: Neighborhood Association (Centro Vecinal)

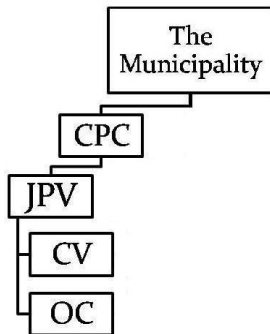
OC: Community Organization (Organizacion Comunitaria)

### Step I: Juntas de Participación Vecinal

The Juntas de Participación Vecinal (JPV) and Participatory Budgeting Councils (PBC) both work under the jurisdiction of each CPC and involve the director and sub-director in planning decisions. Illustration 3 indicates the JPVs and PBCs are made up of very different groups of participants. The Juntas de Participación Vecinal are made up of representatives from neighborhood associations and community organizations, as shown in Illustration 4.



Illustration 4: Structure of the Juntas de Participación Vecinal



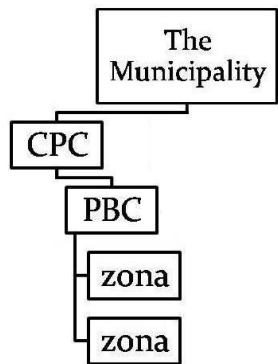
The first step for participatory budgeting was to convene and set up the twelve Juntas de Participación Vecinal, each made up of the neighborhood associations and social organizations located within each Centro de Participación Comunal (CPC) jurisdiction. Members of each Junta meet twice a year in Zonal Assemblies, where they choose delegates to the executive board, as well as representatives for various thematic commissions (e.g. sports, faith-based activities, parks and green spaces). According to the ordinance, social organizations and neighborhood associations must have equal numbers of representatives on the executive board, as well as gender parity of the representatives and their runner-ups. Members of the Juntas must be at least sixteen years old. The Executive Board meets throughout the year with the thematic commission representatives and carries out various projects, including working with the participatory budgeting delegates. The Executive Board of the JPV can propose its own projects to the municipality without requiring input or a vote from residents.

At the end of the year, a second Zonal Assembly is held to discuss the work of the JPV and make any modifications to the internal rules of the JPV. The Executive Board also drafts and presents a report on the group's activities to the mayor.

One of the responsibilities of the Executive Board of the Juntas de Participación Vecinal is to call the first Participatory Budgeting Neighborhood Assemblies to order, at some point between April and June. The structure of the Participatory Budgeting Assemblies and their relationship to the municipality is demonstrated in Illustration 5. While both the JPVs and PBCs operate under the jurisdiction of their home Community Participation Center, the JPVs bring together representatives from community organizations and neighborhood associations, while the PBCs allow the direct participation of citizens.

## Step II: Participatory Budgeting

Illustration 5: Structure of Participatory Budgeting



Each CPC zone is further subdivided into two or three neighborhoods. Residents of the neighborhoods meet in assemblies to discuss problems in the community. Participation in the assemblies and voting privileges at the neighborhood council is limited to residents eighteen or older.

Once problems have been identified, residents vote on the projects in Neighborhood Councils. The ordinance requires that residents vote for four neighborhood projects, as well four delegates (two women and two men) to act as neighborhood representatives to the Zone Workshop (Taller de PP). However, some

zones have different policies: publicity documents from the CPC Ruta 20 mention that the number of delegates from each Neighborhood Council is dependent on the number of participants at the Council, in a ratio of one delegate for every twenty participants.

In August and September, representatives from the neighborhood assemblies come together in Zone Workshops, where they work with municipal staff and CPC staff to determine the feasibility of projects that will be presented to the city council. Once the projects are finalized, they are incorporated into an annex of the General Budget for the City to be enacted the following year.

**How the Juntas de Participación Vecinal and Participatory Budgeting fit together:**

Municipal Executive Order #11448, approved in 2007 to create the Juntas de Participación Vecinal, specifically mentions their role in “operating or taking part in the participatory budgeting process” (Ordinance 11448, Article 12, clause 2). Before the Neighborhood Assemblies meet, the JPV Executive Board directs a survey of possible problem areas and presents them at the Neighborhood Assemblies, where they are debated. The JPV also assists in the organization of the Neighborhood Assemblies and Councils at the beginning of the year and budget cycle. Finally, the JPV oversees the development and completion of projects through the Oversight Commission.

It should be clear from Chapters 2 and 3 that the inclusion of the JPVs is a highly unusual participatory budgeting structure. In Córdoba’s case, I saw both benefits and drawbacks to this structure. The following two sections, focusing on the events taking place in the Monsignor Pablo Cabrera and Guiñazú CPCs, show how the JPV structure influenced the outcomes of participatory budgeting in the city.

## **Observed outcomes of participatory budgeting first cycle and partial second cycle**

### ***CPC Monsignor Pablo Cabrera***

Over the course of three weeks in December 2009, I observed the activities of the CPC Monsignor Pablo Cabrera in more detail than the other CPCs. The reason for this was that none of my interview subjects seemed to know if any other JPVs were still holding meetings. During this time, I noted several positive elements. First, the JPV has regular meetings, sometimes meeting several times a week, to discuss any community projects currently being implemented, neighborhood events, or to plan the PB neighborhood assembly call to order. There was regular attendance of at least twelve participants at each JPV meeting I observed. Participants expressed that they experienced better distribution of information from the municipality and CPC through the JPV. I also witnessed some improvement in citizens' ability to communicate with members of the bureaucracy such as CPC directors and some elected officials. Delegates of the neighborhood assemblies were able to hold meetings with Jorge Guevara, the director of participatory budgeting, to discuss concerns.

Delegates of the neighborhood assemblies and the JPV Executive Board of CPC Monsignor Pablo Cabrera also solicited guidance from Carlos Scicolone of the Grupo Promotor de Participación Ciudadana (GPPC), who assisted all meetings I observed. At the GPPC's coaching, several residents of the CPC presented their concerns to the city council Public Forum on the Budget on 12/14/09.

While I was not able to observe the activities of the participatory budgeting process, it is heartening to note that the second cycle of projects has been deliberated by delegates, finalized, and accepted by the city council for inclusion in the 2010 general budget.

Despite these positive signs, I also noted several worrisome characteristics in Monsignor Pablo Cabrera's PB process. Participation in both the Junta de Participación Vecinal and Participatory Budgeting structure is waning. From the first JPV Zonal Assembly of 2008, with nearly 100 participants, to the last Zonal Assembly of 2009 with twelve, participation has declined considerably. This is due in part to frustration that, at 12 months since the first round of projects was approved and included in the municipal budget, less than 10% of projects had been completed (a figure confirmed by interviews with Corina Echavarría 12/5/09, Carlos Scicolone 12/6/09, JPV meetings, and the city council Public Forum on the Budget 12/14/09).

Whatever the case, the fact that 2009 projects are not even close to being realized has caused frustration and meeting turn-out is poor as a result. When an emergency delegate meeting with Jorge Guevara was called, only five of the eight delegates bothered to show up. When meetings were called, it was difficult to determine if they were JPV assemblies, Executive Board meetings, thematic commission meetings, or PB delegate meetings because the same people showed up to each.

### ***CPC Guiñazú***

The case of CPC Guiñazú underscores the importance of political will and strategically-placed liaisons and citizen advocates. CPC Director Fernando Pacella pointed out that of the eleven original CPC directors at the time the JPVs and participatory budgeting process were being set up, nine have since been replaced (Pacella, interview with the author, Córdoba, 12/18/09). By the time of the publication of this report, Pacella will also no longer be working as CPC director, bringing the total number of original CPC directors from 2007 still serving in 2010 to just one. The director of CPC Monsignor Pablo Cabrera had also been replaced by December 2009. While the

CPC directors do work at the discretion of the mayor, this loyalty to the mayor prevents the directors from being advocates and establishing trust of the citizens. It also prevents the generation and dissemination of institutional knowledge, which is particularly important for such a complicated PB structure to function. Success in participatory budgeting requires the participation of people who know and are comfortable with the rules, as well as memory of what has been attempted and what has been successful in project proposals. Just as at CPC Monsignor Pablo Cabrera, only about 10% of the CPC Guiñazú projects from the 2009 budget had been completed at the time of the interview (Pacella, interview with the author, Córdoba, 12/18/09).

The Monsignor Pablo Cabrera and Guiñazú cases point to two separate problems plaguing participatory budgeting. In the Monsignor case, frustration with the process has led to falling participation rates. In the Guiñazú case, the CPC director has been isolated by the rapid turn-over rates of other CPC director positions in the city, preventing him from being able to share ideas and best practices, in a sense stunting the growth of institutional knowledge.

#### **EXTENUATING CIRCUMSTANCES: GIACOMINO-JUEZ CONFLICT, MUNICIPAL EMPLOYEE STRIKES**

Thus far, I have focused on the role of PB's structure in Córdoba's success or failure. However, this approach leaves out clear influences that are not directly linked to PB. These I consider to be "extenuating circumstances," but they can also be understood as "extraneous variables," the presence of which blurs the direct causal relationship between the structure and implementation of participatory budgeting.<sup>6</sup> At least two cases have created problems for PB by, in the first case, distracting the municipality and particularly the mayor from focusing political will towards PB as well as creating

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<sup>6</sup> I will go into greater detail about extraneous variables in the next chapter.

political enemies within the municipality and the City Council, and second, creating a situation where resources cannot be allocated to PB.

### **Giacomino-Juez conflict**

Mayor Giacomino was hand-picked by Juez to serve as the Frente Cívico candidate in the 2007 elections, so for a time he was able to rely on Juez supporters in the City Council to back his proposals. As expected, both the Housing and General Legislation Committees approved the PB ordinance. Unfortunately, after the City Council approval, the Frente Cívico coalition rapidly deteriorated. Several political gaffes increased tensions between the party factions of Juez supporters and Giacomino supporters. Giacomino's Secretary of Citizen Participation, Jorge Navarro, pointed out during an interview that "Neither Marti nor Juez did anything about neighborhood planning," angering Juez supporters and embarrassing Giacomino (Sos Periodista 2008). His comments only exacerbated fissures within the administration and further isolated him and his department from the rest of Giacomino's staff. "Other cabinet members don't trust the Secretary of Citizen Participation," Ricardo Bellagarde of the GPPC said bluntly (Bellagarde and Carlos Scicolone of GPPC, interview with the author, Córdoba, 5/15/08). Meanwhile, Juez has undermined several of Giacomino's unpopular but necessary budget initiatives by pressuring Frente Cívico-affiliated councilmembers to vote against them. As the JPVs were being set up in 2008, Juez was denouncing Giacomino as a traitor to him and his party (Pablo Cristino, Cadena 3 newspaper, 9/11/08). From 2008 to 2010, the Juez-Giacomino animosity has tainted other areas of public life, consuming most of Giacomino's time and attention, as he cannot even rely on members of his own party to support his agenda.

## **Municipal Employee Strikes**

This Juez-Giacomino conflict has bled into other areas of the Giacomino administration and has drawn attention and resources away from participatory budgeting. Since Giacomino became mayor of Córdoba in 2007, he has been at odds with the municipal employees union, SUOEM (Sindicato Unión Obreros y Empleados Municipales). The union has demanded several salary increases, which the administration has denied (Cadena 3, 2/18/2009). In response, city employees have engaged in strikes that have lasted most of 2008 and 2009. Meanwhile, former mayor Luis Juez has aggravated this conflict as well (El Clarin, 7/20/2009). The municipal employees striking means non-union employees must scramble to cover their responsibilities, and Giacomino must expend energy and time negotiating with the strikers. This means fewer employees to work on the projects of PB.

This could indicate, if not a loss of political will, a loss of political capital. Giacomino lacks consensus in his administration, and lacks support in the legislature. Juez, who once chose Giacomino to succeed him, has become his loudest opponent.

## **HOW CÓRDOBA CHALLENGES PB**

Why the projects have not been completed is not entirely clear or definitive, but the scenarios described above point to a few explanations. The city government was shaken up by yearlong protests and strikes by municipal employees for higher wages (Bedacarratx, interview with the author, Córdoba, 12/4/09). Because municipal staff was limited, insufficient guidance was provided to the PB delegates drafting the projects. Thus, the projects were poorly designed and lacked feasibility (Guevara, interview with the author, Córdoba, 12/14/09). Due to Mayor Giacomino's choice to replace most of the trained bureaucrats with political appointees unfamiliar with PB, the process lacked



leadership and expertise at all levels (citizens, JPV & PP meeting with Jorge Guevara, 12/14/09).

Based on this lack of training, municipal staff was unable to provide sufficient guidance on the projects, allowing delegates to draft projects that were too complicated, too costly, or that lacked feasibility. This led to a situation where projects were finalized in the Zonal Workshop, then left out of the final report prepared by the municipality to be approved by the city council (JPV meeting 12/9/09, meeting with Jorge Guevara 12/14/09).

An analysis of the challenges of PB in Córdoba would be incomplete without examining the Juntas de Participación Vecinal, a truly unique aspect of the city's PB structure. JPVs provide a separate set of participatory mechanisms for organizations and neighborhood associations apart from the PB process undertaken by citizens. So far it is unclear what the affects of the JPVs have been on the performance of the PB structure as a whole. The Juntas de Participación Vecinal may benefit participatory budgeting by providing it with an element of legitimacy, potential longevity, and protection from partisan politics. The Juntas de Participación Vecinal were mentioned specifically in the Carta Orgánica Municipal, the municipal constitution, in 1995 (Municipalidad de Córdoba). The Juntas de Participación Vecinal provide an outlet for neighborhood associations and community groups to be represented and to feel they have not lost power. Professor Corina Echavarría and the GPPC both said that creating a single zone-wide oversight body would be way to prevent the neighborhood associations from co-opting the participatory budgeting process (Echavarría, interview with the author, Córdoba, 5/21/08; GPPC, interview with the author, Córdoba, 5/15/08).

It is not difficult to see PB functioning independently of the JPVs. There are two options for Córdoba to improve the relationship between these bodies; eliminating the JPVs altogether, or strengthen them. Once the JPVs were eliminated, the previous year's PB delegates to the Zonal Workshop could be tasked with calling the next year's neighborhood assemblies and Council to order. If strengthening the JPVs is a priority, the city could increase the length of time JPV Executive Board members serve in their positions from one year terms to two year terms, so that they are more knowledgeable about the process and can guide citizens through the PB process.

Continuing the subject of restricted participation in Córdoba's PB structure, I observed few opportunities for citizen participation and decision-making. Residents are consulted, but do not have the final say in the projects that get chosen. Residents were not able to vote up or down the projects that come out of the Zonal Workshop, as they were in Rosario's PB. However, increasing opportunities for citizens to participate cannot counteract the damage inflicted by unfinished PB projects. When projects are not being done, residents cannot see any benefits to participation.

Looking at this list of challenges, Córdoba's structure and lack of implementation of projects does not classify it highly on the list of approaches taken by other Latin American and Argentine municipalities. The challenges must be balanced against several of the elements that I observed in the Córdoba case that suggest it could end up successful in the long run if it is allowed to continue. These elements are detailed below.

### **THE ROLE OF SOCIAL CAPITAL IN THE SUCCESS OF PB**

In Chapter 2, I introduced Wampler's controversial thesis that "programs that have endured for five years or more display many of the benefits (increased public learning and active citizenship, social justice, and administrative reform) that led to their

implementation, even if the projects themselves are not very successful” (Wampler 2007, 49). While participatory budgeting in Córdoba has only existed for two years and two budgetary cycles, the city has benefited from public learning, active citizenship, and social justice from PB. Despite the lack of completed projects, PB in Córdoba has generated a group of dedicated citizens willing to engage with the municipal government, instead of merely demonstrating and protesting it.

The one positive note in the midst of disappointment is that, through their participation in the Juntas de Participación Vecinal, the neighborhood associations and social organizations through this process have grown closer together. The social linkages created in 2001 through the Red Ciudadana Principio del Principio, even though they eventually only became “spiritual” links, were still there, and remained as people shifted around the Córdoba political scene (GPPC, interview with the author, Córdoba, 5/15/09). Some people became city council members, others became journalists, and others joined the municipality. Despite other authors who think the use of existing social frameworks prevents the creation of new forms of representation (which perhaps it does), the use of social organization and neighborhood associations gives citizens a supportive crutch through the process, knowing that the familiar organizations are representing them. It is also a simple way of disseminating information, which encourages as many people to participate as possible.

The problem with the idea of social capital as it is currently understood by scholars is that it uses the imagery of a thick blanket of social fabric, when my observations did not suggest the presence of one. Instead, I argue that social capital in a form more akin to a net or spiderweb of linkages can be just as strong and is a more realistic depiction of the relationships that exist in the municipality. I met specific

individuals, including Carlos Scicolone of the GPPC, who worked tirelessly on the basis of the belief that what they were doing was important. Jorge Guevara was another such person. After a meeting in which the JPV and delegates of the PB gave him a verbal thrashing over the course of two hours, one of the delegates suddenly became somber and said to Guevara, “You know, you’re the only one who really takes us seriously. Everyone else in the municipality, you say you’re a member of the Executive Board of the JPV and they just laugh you off. You actually listen to us, and we appreciate everything you’ve done” (meeting, 12/14/09). The “blanket” understanding of social capital would dismiss the linkages demonstrated in the above exchange as not being representative of social capital, while a “web” understanding recognizes that even fragile linkages across the city can be powerful and potentially create a PB backbone.

The evidence from Cordoba suggests that social capital works more like the networks described by Granovetter (1983) and Woolcock (2001). My research has shown that it is this network of individuals throughout the city committed to the cause- GPPC, Jorge Guevara, some CPC directors- that will be the key to the success of PB in Córdoba. Where this diverges from traditional theories of social capital is that instead of a blanket of social interactions, my research reveals the presence of a web; just enough individuals in key places that want to make it work. The JPV, along with Carlos Scicolone of the GPPC, worked incredibly hard, and were extremely dedicated, which makes the failure to implement the projects all the worse. The municipal government needs to hold up its end of the “engagement” bargain if it wants participatory budgeting to last.

## **CONCLUSIONS**

This chapter has examined the structure, funding, history, and political and social context of participatory budgeting in a progressive mid-size Argentine city. The goal was to determine if certain patterns or results emerged that followed or differed from our theoretical approach and our empirical regional approach. I found that while social capital and the political history of Córdoba and Argentina are important, other factors such as the social networks and the existence of political distractions like the Giacomino-Juez conflict and the SUOEM municipal employee union strikes were far more influential in understanding the evolution of PB in Córdoba. Understanding such factors is crucial in identifying the independent and dependent variables responsible for the lack of PB projects completed, as well as for identifying possible solutions. Chapter 5 will provide further insight into whether Córdoba is a typical or unique case in the participatory budgeting literature.

## **Chapter 5: Lessons from the Córdoba Case Study**

In Chapter 5, I will examine what the Córdoba case study contributes to the broader discussion of how PB can succeed in countries like Argentina, and cities like Córdoba. This analysis is bolstered by the theoretical frameworks of democracy and participation introduced in Chapter 2, as well as the history of PB in Latin America in Chapter 3 and the history of Córdoba's PB structure in Chapter 4.

### **LESSONS FROM CÓRDOBA**

Answering a question like, “why did participatory budgeting in Argentina fare so poorly?” requires an understanding of the process that took place. The tools to help understand the process can be found in basic statistical theory. Independent and dependent variables are terms used in statistics to define a process (Webster's Unabridged Dictionary 2001, 534). The dependent variable is what is studied and expected to change when the independent variable is altered. Scholars of participatory budgeting are familiar with the concepts of independent and dependent variables even if they don't use those terms; the idea of “pre-conditions” assumes a process in which variables are manipulated to create a desired result. However, those same scholars tend to use a more simplistic rather than statistical framework to describe the pathway to PB success. A simpler model posits that if the identified pre-conditions are present, PB will be successful. If they are not present, PB will not be successful. A statistical explanation takes into account probabilities of success. Using a statistical framework, as more pre-conditions are present, the likelihood that PB will be a success increases. If the conditions of the field within which PB operates are altered in some way, this will cause PB to be successful or not. I believe such an approach creates a balance between the scholarly

desire for universality in PB, and the diversity of regional and local characteristics that make each PB process unique. I will attempt here to apply the concepts of independent and dependent variables to concretize the lessons from the Córdoba case study.

### **How has Córdoba's PB Situation Fared? Identifying the dependent variable**

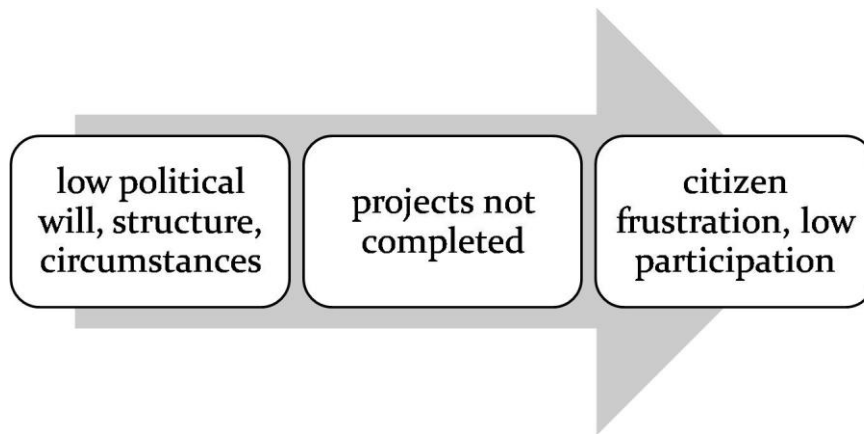
Dependent variables are the events studied and that are influenced by the independent variables. In other words, what has happened, and what is observable, in 2008, 2009 and 2010 as a result of participatory budgeting being implemented in Córdoba? Two budgeting rounds have been completed and two sets of projects have been outlined. Various sources have claimed between 10% and 40% of projects from the first cycle (approved in December 2008) are yet to be completed. Of the original \$20 million pesos set aside for PB projects, \$8 million has either not yet been spent on neighborhood improvements or has been diverted to other purposes (Pandolfi, 2/22/2010). Participation rates have declined, and citizens are frustrated when they design and vote on projects, only to be told later than the projects are not feasible. These are all dependent variables, since they are observable results. The next step is determining the cause, or independent variables.

### **Why haven't projects been implemented? Identifying independent variables**

How did Córdoba's PB situation go sour so quickly? By sour, I don't mean that it has failed necessarily. Citizens I interviewed are frustrated that many of the things PB promises— improved transparency, accountability, participation— have not come to pass in Córdoba. Instead, PB has resulted in the dependent variables I mentioned earlier: the lack of money being spent on projects, and the lack of projects being completed. According to statistical theory, independent variables are manipulated and a change in the dependent variable is observed, thus underscoring their causal relationship. Further

underscoring the causal relationship between the independent and dependent variables are indicators, which demonstrate the strength of the causal relationship. Illustration 6 shows how I believe the independent variables (low political will, structure, and circumstances), affected the dependent variables (projects not completed), and resulted in the consequences of citizen frustration and low participation rates. Such a model, by examining the particular circumstances of Cordoba, is a break from the traditional pre-conditions approach to analyzing PB success.

Illustration 6: Independent Variables, Dependent Variable, Indicators



Frustration and low participation rates are consequences of PB projects not being completed on time or at all. In the twenty-four months since the Juntas were set up and eighteen months since the first Neighborhood Assemblies, Córdoba has realized a minimum of projects (Germán Pandolfi, *La Voz del Interior*, 2/22/10). The lack of completed projects is the dependent variable. There are several possible reasons why the projects were not completed, all of which are its independent variables. I have identified the following as possible independent variables that contributed to projects not being completed: 1) characteristics of the city itself, 2) the structure of PB adopted by the



municipal government, 3) the declining political will of bureaucrats and the mayor himself, and 4) circumstances that served as distractions and/or took resources away from PB, such as the Giacomino-Juez conflict and the SUOEM union strike.<sup>7</sup> I will examine each independent variable to determine its influence on the PB outcome.

### ***Characteristics of the city***

Córdoba, as mentioned earlier, is the second largest city in Argentina, and has a population of 1.3 million inhabitants (www.cordoba.gov.ar). No other municipality that practices PB in Argentina has a population of that size. It is possible that the governments of large cities simply cannot handle the one-on-one contact required for participatory budgeting to function. However, I listed several characteristics of Córdoba that could help pull the city through the initial PB failure, for example, high social capital, high population density, strong civic awareness, a progressive political atmosphere, and highly educated populace.

### ***The Structure***

The structure of PB that Córdoba chose to adopt, JPVs notwithstanding, was similar to that implemented in Rosario, Morón, and Porto Alegre, three cities where participatory budgeting has been successful.

Here is where critical analysis of the JPVs is crucial. The possible role of the JPVs was considered in Chapter 4 as a means to distract neighborhood associations and community organizations from co-opting the PB process from residents. But what about the role they could play in promoting citizen participation? As it stands, the JPVs serve

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<sup>7</sup> Unfortunately, the case study does not lend itself to the quantitative analysis that could show conclusively the relationship each of the independent variables I have described above has on the dependent variables. However, by using the observations made in Chapter 3 about participatory budgeting in other countries and cities, I can extrapolate the likelihood that each of the independent variables is the culprit.

no real purpose beyond having yearly committees and calling the neighborhood assemblies together. If Executive Board positions had two-year terms, they could provide representatives with the opportunity to exert true leadership. As it stands, the requirements of membership (must be a representative of a registered social organization or neighborhood association) prevents interested citizens from taking a more at-large role in participatory budgeting.

Córdoba's structure includes a single voting opportunity for residents, which may influence participation rates. Residents are consulted, but do not have the final say in the projects that get chosen. It is possible that if residents were given the opportunity to vote up or down the projects that come out of the Zonal Workshop there would be greater participation throughout the annual PB cycle.

### ***Political Will***

As others have stated before me, political will is necessary not just at the point when participatory budgeting is approved but also throughout implementation (Wampler 2007). The municipal government must be willing to transfer power from the central hub to the decentralized units, which the Giacomino government has not been willing to do. Politicians must have the political will to want to push projects through, without having to worry about the political ramifications.

At least initially, there were many people in place who wanted PB to succeed. Political will is a tricky variable because it is not just an independent variable but is also a dependent variable: the decline in political will and inability to construct the projects is likely due in part to circumstances that had nothing to do with PB: it was in part the product of the distraction of the municipal employee strikes, the political battle between Giacomino and Juez that took place in both the city council and the executive branch, and

the lack of training or recognition of the complicated nature of creating the infrastructure projects that citizens proposed.

Political will is also important for developing and maintaining institutional knowledge. Municipal staff turnover, particularly of CPC directors, prevents the creation of institutional knowledge and development of community linkages with the municipality. While it is impossible to hire people anticipating their ability to fill this role, removing advocates and experts for political reasons undermines the apolitical role of participatory budgeting and undermines the generation of deep institutional knowledge.

### ***Apparently Unrelated Circumstances***

As mentioned in Chapter 4, non-PB-related political situations can complicate the adoption and implementation of PB. The conflict between former mayor Luis Juez and current mayor Daniel Giacomino, as well as conflicts with the SUOEM municipal workers' union, distracted Giacomino from the participatory process and led him to fire and replace municipal employees at a rapid rate, seriously weakening institutional knowledge.

### ***Can PB Succeed in Municipalities like Córdoba?***

If this Professional Report had been a statistical analysis of participatory budgeting, it would have required a statistical regression be undertaken to see how strongly the dependent variables were influenced by the independent variables. Because my analysis lacks quantitative data, I must attempt to prove the causal relationship by looking at how the independent variables influence other cities with PB. Do size, level of citizen involvement, political history, etc. matter? Can I compare Córdoba's case to all other cases of PB in Argentina, or Latin America? The following section will examine

characteristics that I have identified as independent variables of Córdoba PB process and compare them to other cities that practice PB. The variables I will examine for other cities are the same I examined for Córdoba: characteristics of the city (demographics, politics, and history), the structure of PB adopted, presence or absence of political will, and any noteworthy but unrelated circumstances that may act as extraneous variables on the PB process.

### Characteristics of the City

#### 1. Demographics

Does the size of the city matter to the success of PB? While Córdoba is the second largest city in Argentina, it is neither the biggest city practicing PB, nor that much larger than other Argentine cities practicing PB. Porto Alegre, Brazil, with 1.4 million inhabitants, is larger than Córdoba and is considered one of the most successful PB cities. Other Brazilian cities with larger populations than Córdoba include Belem (1.4 million), Belo Horizonte (2.4 million), and Recife (3.7 million). Of Argentine cities, Rosario is only slightly smaller than Córdoba, with almost 1.2 million inhabitants. La Plata in Buenos Aires has approximately half a million inhabitants. However, after La Plata, the average size of municipalities in Argentina that adopt PB is around 100,000 inhabitants (Red Argentina de Presupuestos Participativos). From this analysis, it is clear that a city's size does not determine success or failure.

#### 2. Politics

All of the municipalities of Argentina are governed democratically. As mentioned in chapter 2, municipalities in Argentina have benefited from a greater professionalism in governance and particular in the strengthening of the role of mayor.

Of the municipalities that have adopted participatory budgeting, all relied on a mayor or mayoral candidate that valued professionalism, transparency, and accountability. Beyond these comparisons, however, it becomes more difficult to assess political similarities and differences. All countries in Latin America are democracies. Some are conservative and liberal, if such categories are even useful in describing the political climate in most Latin American countries. Therefore, this category is not useful in understanding the success of PB across and between countries in Latin America. Where it might be useful is in examining multiple cities over time and shifting politics which, unfortunately, is beyond the scope of this study.

### 3. History

The study of multiple cities over time bleeds into the topic of history, and how it can shape a population's sense of community or constraints on the government's ability to exert control over the population. Ostensibly, most of the cities in Argentina share a similar political and social history. In this category Córdoba might be better off than other cities because of its long history of citizen involvement in social movements against the dictatorships of the 1960s and 1970s. However, the feasibility of comparing cities' histories across Latin America or Argentina and being able to make broad generalizations seems low.

### The Structure

The structure of participatory budgeting, unlike the city characteristics, has potential for intra-national and transnational comparisons. However, simply comparing PB structures isolated from the societies in which they are practiced may ignore the agency of individuals making the decisions and adopting the structures that work best for

them. Such is the case with the PB structure in Córdoba. As a researcher trying to understand the structure, I found it difficult to grasp. The Juntas de Participación Vecinal seemed secondary and unnecessary to PB, I thought, serving merely to confuse citizens and thwart participation. No one I interviewed found this to be the case. Citizens did not voice a desire to change the structure to be either simpler or provide more opportunities for participation and voting, two indicators I had initially predicted. Juntas de Participación Vecinal aside, I found nothing in the structure itself that made it unlike that of PB as practiced in most other cities, including cities that enjoyed success in their PB process. Therefore, I conclude that the structure is not a critical factor for the lack of projects.

#### Political Will

Political will is one of those intangibles that resist quantitative measurement, particularly comparisons across countries and municipalities. However, the power that the mayor and city council possess, their ability to determine successful programs or drag their heels, cannot be ignored (Shaw 2007, 2). If political will can be measured, it is in the passing of time within a single municipality. Córdoba's PB began with significant political will, measured by the fact that all the mayoral candidates signed the GPPC's transparency pledge in 2007, that Giacomino put together the PB team soon after his inauguration in December, and that he visited the initial JPV meetings in 2008. Giacomino by 2009 lacked the political will, the bureaucratic support, and approval in the City Council to push difficult zoning and land-use projects through, which proved to be the most popular types of PB projects.

## Unrelated Circumstances

Unrelated circumstances can also be considered “extraneous variables.” In order to test the strength of the causal relationship between the independent and dependent variables that determine the fate of PB, these extraneous variables must be taken into account. While quantitative and statistical analyses are impossible to use in this case study (how does one quantifiably measure political will?), it is not impossible to test the influence of the union strikes and conflict with Juez on the case of PB in Córdoba. Removing these circumstances causes the failure of Córdoba’s PB to not make sense. One can reasonably assume that a mayor, who made PB a campaign promise and worked swiftly to develop a PB team, set up the structure, and implement it all within a few months of taking office, would not lose interest a year later if not for some important reason. The case does not make sense without these distracting circumstances being present, providing the necessary proof that, had these extraneous variables not been present, PB in Córdoba may have had a better chance of success. Without these apparently unrelated circumstances, it is likely that municipal employees would have the time and training to accurately determine the feasibility of projects, that projects could be completed quickly by municipal Public Works employees, and that the mayor could rely on the support of his party representatives in the City Council to approve the infrastructure projects citizens preferred over the social projects they received. The presence of unrelated circumstances explains why the above-mentioned situations and sustained political will failed to occur.

## Conclusions

By using a comparative approach to locate Córdoba’s PB process within the Latin American and Argentine PB experiences, I can further solidify my conclusions regarding

why PB in Córdoba was not as successful as in other cities. I can eliminate most of the demographic characteristics of Córdoba, its political structure and history, and Córdoba's PB structure itself, as not critical in explaining the failure of PB. Instead, the factors I identified in Chapter 4, political distractions and declining political will, are shown to be even more important when compared to other countries and cities.

In this chapter, I have attempted to analyze the case study in Córdoba using the three approaches in Chapters 2, 3, and 4. First, I identified the dependent and independent variables in the case, using data found in Chapter 4. Then, I analyzed the relationship of the independent variables to the dependent variable by comparing Córdoba's example to the examples of other Latin American and Argentine municipalities described in Chapter 3.

This Professional Report described how Córdoba's PB situation has fared in the eighteen months since its adoption in an effort to explain its failure where other cities have succeeded. Córdoba, in 2008, fulfilled most if not all of the political, social, and economic pre-conditions for successful participatory budgeting outlined in the literature. Nevertheless, in the twenty-four months since the Juntas de Participación Vecinal were set up, and eighteen months since the first Neighborhood Assemblies, Córdoba has realized the minimum of projects (Wampler 2007). The structure itself, despite the JPVs, was sound, and there were many people in place who wanted it to succeed. The decline of political will and inability to construct the projects is likely due in part to circumstances that had nothing to do with PB: it was in part the product of the distraction of the municipal employee strikes, political infighting that polarized the city council and executive branch, and the lack of training or recognition of the complicated nature of realizing the infrastructure projects that citizens proposed.



By identifying the goals of participatory budgeting as greater participation and greater efficiency, I was able to construct measures to evaluate the success of Córdoba's participatory budgeting process. To some degree, PB failed due to 1) extenuating circumstances and 2) anticipatable complications. However, I believe that this report also provides a sense of hope: where liaisons with the community have been allowed to flourish, significant goodwill and trust is generated, leading to higher participation rates. There is still time for Córdoba's participatory budgeting to be successful, and there is potential for greater research in the city.

However, identifying the independent and dependent variables that explain PB is not enough. For other cities that wish to develop PB, the important lessons from Córdoba's example involve preventing these distractions from affecting PB. Were the problems experienced by Córdoba just bad luck or were they avoidable? What are the lessons to be learned from Córdoba's PB experience? Such questions are the subject of Chapter 6, which also provides recommendations and possible evaluation measures.

## **Chapter 6: Recommendations and Evaluation Measures**

An important requirement of the LBJ Professional Report is to go beyond mere theory to develop pragmatic solutions to policy problems (The LBJ School of Public Policy). Chapter 6 will take the concrete lessons from Chapters 4 and 5, combined with the theoretical frameworks analyzed in Chapters 1, 2, and 3, to develop recommendations and provide evaluation measures that can be used for further analysis of participatory budgeting.

The United Nations' three-level civic participation scale was developed to measure the type of participation being exercised. The three levels are scrutiny, proximity, and engagement, with the ideal participatory budgeting experience fulfilling all three. As shown in Chapter 3, the majority of PB examples fall between the proximity and engagement categories in terms of the relationship between the state and its citizens. While engagement is considered the most engaging of the three categories, a program that fulfills this category does not necessarily fulfill the other two. Indeed, Goldfrank cites this as a problem in many cities, where the municipality and citizens work together to develop projects, but such openness in PB does not continue through the completion of projects, or to other areas of the bureaucracy (Goldfrank 2006, 20). Given its current troubles, it may not be reasonable to expect Córdoba's PB process to reach a point where it satisfies the UN's three categories of participatory mechanisms. However, that does not mean a road map is not useful, both for Córdoba and for other cities that hope to avoid Córdoba's mistakes.

Throughout this report, there has been a concerted effort to avoid the laundry list approach that can sometimes befall the PB literature when making recommendations. By

moving away from the theoretical approaches and focusing on a case study, I have isolated the six areas that could use the most improvement, with a focus on providing practical rather than abstract recommendations. I have ranked the following six areas of improvement and they are listed here from most pressing recommendation, to least pressing. This is not to say that promoting greater inclusiveness of historically marginalized groups, which happens to be recommendation #6, is not important. In a situation with several critical problems, there are other issues that must be resolved before inclusive programs can be implemented. The recommendations were developed for three specific goals: increase confidence in PB by executing projects, increase proximity by providing sufficient training, and increase engagement by allowing more opportunities for citizens to get involved in the PB process at all stages.

#### **RECOMMENDED COURSE OF ACTION AND IMPLEMENTATION SUGGESTIONS**

The following recommendations and evaluation measures have been developed on the basis of my research conducted in 2008 and 2009 as well as insights on public policy developed through coursework at the LBJ School of Public Affairs. Evaluation measures to determine improvements in participation rates and efficiency have been developed as well and are included in the following section. While non-PB-related circumstances contributed to its lackluster performance in Córdoba, I have focused my recommendations on the participatory budgeting structure and process itself to facilitate adoption elsewhere.

1. Develop training programs to familiarize everyone with the rules. This includes public figures, delegates, and associations. Training is important for everyone involved. Training for government directors and bureaucrats would prevent infeasible or inappropriate infrastructure projects from going through and being

- approved at the Workshop level. Such mistakes increase the frustration felt by citizens and feelings of the system's futility. Training for delegates and citizens means they will know the steps of the process and won't think that voting automatically means projects will be approved or implemented.
2. Keep project-based budgeting, but focus on social projects, not infrastructure. By focusing initially on social projects, leaders of PB can harness the enthusiasm and ingenuity of citizens as well as give them a sense of ownership and awareness. Social projects that only require funding, no bureaucracy, can be implemented quickly as a means to gain legitimacy. Examples of social projects include arts or technical training programs, after-school homework assistance programs, computer literacy, health and safety seminars, etc.
  3. Develop a system for modification of the structure, allowing for citizen input. Many cities, including Porto Alegre, allow annual citizen input on possible improvements to PB.
  4. The funding level of projects currently in Córdoba can stay the same, but must be channeled into the projects.
  5. Strengthen the JPVs as at-large oversight bodies, or get rid of them and give PB delegates greater power. PB structures elsewhere in Argentina and Latin America include thematic commissions as part of the structure, which could replace the JPVs.
  6. Continue to increase engagement of traditionally marginalized groups. Such approaches have been documented in places like Porto Alegre, which offers special councils for women, indigenous people, and children.

## **HOW TO EVALUATE PARTICIPATORY BUDGETING: A STRATEGIC APPROACH**

The following evaluation was developed on the basis of three questions. First, how can/should the success of participatory budgeting be measured? Second, what indicators and data are important? Finally, how can participatory budgeting structures better fulfill the UN's three mechanisms of accountability: scrutiny, proximity, and engagement?

As mentioned earlier in this chapter, the relationship between independent and dependent variables in participatory budgeting is difficult to determine because studies as yet lack the necessary quantifiable variables. To that end, I recommend the following strategic planning evaluation measures be taken to get a better idea of where and why PB has been successful, as well as what qualifies as "success" and "failure," two concepts I have struggled to define in this work. Quantitative measures can also show changes over time, revealing if any sort of self-perpetuating patterns or "tipping points" develop where the independent variables I identified earlier lose their importance in influencing the dependent variable; in other words, as citizens take on more responsibilities and become more familiar with the process, political will and structure cease to matter.

### **How to Use Strategic Planning to Evaluate Participatory Budgeting**

Strategic planning is a resource-allocation tool for businesses, organizations and governments to identify resources and how they can be spent most efficiently (GOBP: 2003). It is typically combined with program evaluation, looking at performance goals and comparing them to agency or program results, as well as looking at how well resources fulfill performance goals (GOBP, 4). The evaluation breaks the program process into inputs, outputs, and outcomes. By focusing on goals, strategic planning can move scholarship on PB "beyond incremental thinking to a more holistic perspective, to

rise above the organizational view to a global, public vision, and to transcend traditional functional and programmatic considerations to reach a more integrated system of governance and service delivery” (GOBP, 5).

Evaluating PB creates some challenges for strategic planning. A typical analysis conducted in strategic planning is the cost/benefit analysis, which creates a ratio relationship between the quantifiable costs and benefits of a program, typically in monetary terms. While such an approach can demonstrate areas of improved efficiency, which is one of the goals of participatory budgeting, it has difficulty in capturing non-monetary benefits such as increased participation. Another problem is that the two goals, efficiency and participation, can sometimes cancel each other out where the financial goals (decreased costs due to increased efficiency; increased costs due to greater participation) are contradictory. Another difficulty with using the cost/benefit ratio and setting efficiency as a goal is that PB, while it increases scrutiny which can theoretically decrease costs, is not a particularly efficient process. There are more efficient mechanisms that do not also seek to increase participation. Therefore, other techniques must be used to determine the effectiveness of the participatory budgeting program. Such techniques will focus on increasing proximity and engagement, using the same input, output, and outcome indicators. Because the goal of the program is citizen engagement, effort must be made to increase participation at every step of the PB process. Evaluation measures should include: Mission Statement; Functional Goals; Objectives; Strategies; Input Measures; Output Measures; and Outcome Measures. The following sections provide greater detail on each evaluation measure.

### ***Mission Statement***

A mission statement provides a concise statement of purpose. By defining the purpose of participatory budgeting, objectives, goals, and indicators of success can be identified. Defining the purpose also allows municipalities that adopt PB to analyze their success in terms of self-determined goals instead of relying on foreign definitions of what PB success looks like. A goal of PB could be to increase participation and increase efficiency in meeting citizens' needs.

### ***Functional Goals***

Goals represent the ends toward which the agency directs its efforts. A functional goal could be to increase participation of citizens through a participatory budgeting structure that involves the development of projects with public financing.

### ***Objectives***

Objectives are subsets of goals and represent quantified statements of all or part of a goal, requiring action statements. Objectives are tracked using outcome measures. Given the above goal, some objectives could include:

Set aside x funds for PB projects;

Provide x hours of training;

Increase participation by x amount;

Increase participation of x marginalized group by y amount;

Increase satisfaction of citizens with government in the following areas:  
transparency, accountability, accessibility, engagement;

Increase specific types of projects successfully completed, such as infrastructure.

### ***Strategies***

Strategies are operational statements that specifically define a way to accomplish an objective. Strategies are tracked using output measures. Strategies to accomplish the objectives listed above could include:

To increase the hours of training, hire x more employees;

To increase participation, advertise upcoming meetings at popular locations, create committees that are relevant to citizens' lives;

To increase participation of marginalized groups, examine how the current meeting structure does or does not facilitate participation. If necessary, change the meeting hour, the way election of representatives takes place, etc;

To increase citizens' perception that the government is increasing accountability and efficiency, develop and administer a survey;

To increase successful completion of specific types of projects, either change the funding source of infrastructure projects selected by PB to bypass city council approval, or be allowed to be completed through private contractors.

### ***Input Measures***

Funding amount set aside for PB from municipal budget

Professionals tasked to work on PB

### ***Outcome Measures***

State the public benefits associated with each objective

Number of projects funded and successfully completed

Satisfaction of participants and citizens as measured by voluntary survey



### ***Output Measures***

Output measures track an agency's effectiveness. Such measures could include:

Number of citizens participating in PB;

Number of citizens participating, by total number and number of first-time participants at each meeting;

Change in number of citizens present each year;

Percentage of female to male participants;

Number of leadership roles filled by women. Despite the fact that women often outnumber men in these forums, there is a tendency for elected leaders to be men. Some municipalities have attempted to correct this tendency by requiring equal numbers of men and women serving on governing boards.

Clearly, such a list of evaluation measures is by no means exhaustive. It leaves out several key issues; it is state-centric in the actions that can be taken; and the evaluation measures can only be taken if the government possesses the political will, which, given the low political will already apparent in Córdoba's case, may doom it from the start. Another problem is how to quantify many of the inputs, such as political will, which I have demonstrated can be extremely important and affect the success of PB. However, such temporary pitfalls do not eliminate the need for evaluation of PB and its effectiveness.

Strategic planning allows cities and municipalities to set their own goals, and even offers opportunities for citizen participation in determining how PB will be used and to what ends. Such an approach can hopefully provide a clearer vision for PB moving forward as it becomes a reality across Latin America and the world.

## Glossary

**Centros de Participación Comunal-** Community Participation Centers

**Frente Cívica y Social-** Social and Civic Front. Political party that emerged in 2003 when Luis Juez was elected mayor of Córdoba and is the party of current mayor Giacomino.

**Grupo Promotor de Participación Ciudadana-** four former high school and university teachers who have as their mission to serve the common good by participating in political meetings and events. They joined together formally as the *Red Ciudadana* broke apart in 2005.

**Juntas de Participación Vecinal-** Neighborhood Participation Assemblies.

**Partido Justicialista-** Peronist party. Named after Juan Domingo Perón, president of Córdoba during the 1950s. Generally neo-conservative in character.

**Red Ciudadana Principio del Principio-** The Beginning of the Beginning Citizen Network.

**Union Cívica Radical-** Radical Civic Union Party. Very popular party in Córdoba; has its roots in the Socialist party that formed during the turn of the 20<sup>th</sup> century with the arrival of Southern Europeans to Argentina.

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5/15/08

Valeria Perez, sub-director CPC Centro America 5/21/09

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