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(In) stability, a key element to understand participatory budgeting: Discussing Portuguese cases.

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(In) stability, a key element to understand participatory budgeting: Discussing Portuguese cases.

Abstract

Much has been said about Participatory Budgeting. Still, how to make it a successful and long-lasting experience remains open for debate. Studies have advanced in analyzing many PB “features”, discussing its capacity to promote transparency, empowerment and accountability. However, little was said about its capacity to maintain continuity over time. With the increasing number of experiences all over the world we can observe that not always the numeric growth represent the emergency of strong and stable experiences. Many Participatory Budgeting experiences are implemented but after a short time disappear from the local political agenda. In this paper we analyze the Portuguese Participatory Budgeting panorama discussing the phenomenon of fragility and volatility that many PB have faced in this country. We argue that the explanatory power of some apparently important variables, such as ruling party change, is very limited. Finally, based on the empirical discussion we propose an analytical model that may help to understand the dynamics of this phenomenon in Portugal and other countries. We think that identifying “fragility” points is an important step for enhancing Participatory Budgeting experiences.

Keywords

Participatory Budgeting, Democratic Innovations, Policy stability

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Introduction

Over the past ten years, participatory budgeting (PB) has been considered by much of the academic literature, as well as by the political discourse, as one of the higher expressions of democratic innovation in local governance (Abers, 1998; Avritzer and Navarro, 2003; Santos, 2003; Fung and Wright, 2004; Gret and Sintomer, 2005; Baiocchi, 2005; Allegretti and Frascaroli, 2006; Wampler, 2007; Ganuza 2008). In fact, within the range of all different participatory instruments, PB stands out for its capability to generate a concrete decision-making space beyond representative elections. It fosters new spaces of deliberation while enlarging people's capacity to discuss political topics related to complex areas of intervention such as those of financial and economic management of public institutions. Furthermore, it helps to "democratize" policy arenas long considered the domain of highly skilled elites. That explains why PB is now being promoted worldwide as a preferred venue for public deliberation, especially in the aftermath of the recent international financial crisis.

If we take a worldwide panorama of participatory budgeting experiences (Cabannes, 2004; Sintomer et. al., 2010), we see that many cities implemented PB for only a short period of time, while several other experiences disappeared after a considerable number of years. Although the range of positive results that the new democratic experiences can achieve is relatively wide (Putnam et. al., 1993; Bowler et. al., 2006; Blanco et. al., 2011), the process of disappearance is intriguing and challenging to analyze. In this paper we discuss the phenomena of instability and propose some conceptual elements that may help to understand the *different paths* that may explain why PB programs have been discontinued. We develop the concepts of *Fragility* and *Volatility*, demonstrating how their nuanced use can help us to understand why multiple Portuguese cases have been abandoned. Over the past twelve years Portugal has had more than 50 experiences of PB, and most of them have suffered from drastic changes or have been completely abandoned. This article is one of the first to directly consider why PB programs are modified or cease to exist.

Background and guiding concepts

Undoubtedly, the growing widespread interest in PB as a pivotal tool for promoting innovation in local (and in some rare cases even supra-local¹) governing due to the existence of well-functioning and more radical experiments. This is the case for several Brazilian cities² and some other scattered experience in other countries³ where specific features, outputs and impacts of Participatory Budgeting have attracted scholars and international organizations (e.g., the World Bank, UNDP or OCDE) interested in their

¹ See Sintomer and Talpin (2011).

² E.g., Porto Alegre, Canoas, Belo Horizonte, Recife and Fortaleza.

³ E.g., Villa el Salvador (Peru), Seville and Santa Cristina d'Aro (Spain), Grottammare (Italy), Rosario and La Plata (Argentina), Chengdu and Zeguo (China).

understanding and dissemination.

Generally, PB is associated with a large spectrum of goals and outcomes that range from promoting accountability and good governance (Shah, 2007; McNeil and Malena, 2010) to fostering high-intensity democratization (Santos, 2003) and increasing social justice in resource redistribution processes (Marquetti et al., 2007). It can also generate a highly diverse set of models, adapted to specific contexts. The diversity of possible “glances” at specific PB experiences reflects a widespread belief, of both decision makers and scholars, that democratic participatory innovations are particularly important when they address specific failures and democratic deficits in the representative policymaking process (Fung, 2006), thus somehow intervening onto some of the “unfulfilled promises of democracy” (Bobbio, 1987).

In the last two decades, participatory budgeting has expanded into more than 1400 cities all over the world (Sintomer et. al., 2010). It has diversified into hundreds of different configurations, tightly linked to context-specific needs and interpretations of the general idea of PB. In conceptual terms, this has generated an uncertainty, as to whether a PB should be considered a rigid “standard procedure” or a series of “principles” which could be locally adapted. If we accept this second perspective, participatory budgeting could be seen as an “ideoscape” (Appadurai, 1991), signifying a political model that travels globally but only exists through local appropriation, which continuously modifies the model itself.

In this sense, if some experiences of PB can be regarded as “advanced or excellent,” this is related to their broader vision, the empowerment they promote (measured, for instance, by percentage of the budget they refer to) and their organizational complexity, and also to their capacity to maintain continuity over time. This is especially important since a large part of the literature points out that participatory budgeting, despite its potential incisiveness to transform local politics and policies, has often demonstrated a higher level of fragility and volatility than other participatory tools (Avritzer and Navarro, 2003; Cabannes, 2004; Sintomer and Allegretti, 2009; Sintomer et. al., 2010).

By *fragility* we refer mainly to permanent interruptions in the experiments causing different phenomena of brittle fracture, that is, cases where PB experiences are abandoned or discontinued. However PBs do not always disappear suddenly; sometimes they suffer a drastic change in their impacts/coverage in a short time. When those transformations are in the direction of diminishing a PB incidence, than we can consider that there is *volatility*. These “downgrading” changes can be, for instance, a temporary suspension; an important alteration of the organizational models (e.g., migrating from a model of PB where citizens have the right to make their voice be heard and to vote their preferred priorities for investing public resources, to a merely consultative process based only on voice); and a drastic shrinking of the number of thematic sectors of policy and/or the amount of

resources that the PB affects.

In fact, here, the term *volatility* refers to drastic changes that can affect negatively the potential of a participatory budgeting process to promote positive outcomes, i.e., its incidence. However, since PB is widely recognized as an evolutionary tool in itself, not all changes it can suffer are in the direction of moderating or shrinking its incidence. So, a systematic path conceived to upgrade the quality of a process should not be considered as *volatility*. We will develop this idea further on during this essay, based on what we can learn from Portuguese cases.

Undoubtedly, the general perspective provided by existing literature points out a series of recurrent reasons that could explain the fragility and disappearance of many PB experiments. These are mainly linked to the central role of political will of local ruling authorities in guaranteeing the success of any participatory budgeting exercise (Avritzer and Navarro, 2003; Allegretti and Herzberg, 2004; Borba and Lüchamann, 2007). The centrality of a factor as the political will can turn a PB process more “vulnerable” than other more institutionalized participatory processes prove to be. This is especially true given that, in the majority of experiences around the world, PB is usually implemented as “a public policy and not an institutional instrument” protected by the normative framework, and therefore it lacks the intrinsic stability that other democratic instruments (such as voting) may have (Alves, 2012). Even in the rare cases in which PB is enforced through a ruling law – as in the case of Peru and Dominican Republic – the weight of the political commitment variable seems to strongly affect the quality and the capacity of innovation of a specific process (World Bank, 2009; Allegretti 2012). It would be simplistic, however, to consider the abandonment of PB experiences as a necessary consequence of dramatic political changes. Analyzing Brazilian cases, for instance, one can find both situations: those where a clear correlation between electoral overturn and the interruption of a PB process exists and others where local citizens’ sense of ownership over this tool has reduced its dependency on the ruling coalition’s political will (Ribeiro et. al., 2002),.

As we will later discuss based on Portuguese cases, the phenomenon of *volatility and fragility* does not seem to be related to a party turnover during the electoral process of its representative local institutions. Our goal, here, is to provide a more comprehensive analysis of the phenomenon of PB’s disappearance and profound change. We want to understand the different dynamics related to processes of PB *fragility* and *volatility*, as well as to develop a clearer understanding of the paths that lead participatory budgeting experiments to be discontinued.

Such a goal is not a simple one, especially since many experiences lack documentation, and data sources for interrupted processes must rely on “rescuing the memory” of different (and sometimes unknown) actors. As a comparative study on the interrupted PB experiences of Niteroi and S. Gonçalo, Brazil, proved, the attempt of reconstructing a process “a posteriori”

can be misleading in two ways: (1) a tendency to romanticize and mythologize the events, thus over-emphasizing the positive aspects and outputs of the experience and minimizing problems, limits and difficulties; (2) a tendency to completely delegitimize the past experience, cancelling even its fruitful aspects (Preissler, 2010).

Notwithstanding, it is vital to start an academic discussion on the *non-linear scale* that marks the development of several experiments of participatory decision making and the tendency of some of them to fade along the way; in fact, only through the comparison and interpretation of “lost experiments” can they avoid falling into what Santos (2008) calls “the waste of experience.” Due to the methodological constraints mentioned above, our essay is a *grounded reflection*, which could help focus on some central issues related to the disappearance and profound change of some participatory budgeting experiences. We chose to develop a synthetic descriptive model, which can help to read some transformation of PB models in time, and try to apply it to the reading of a specific national context of PB experiments. The reader must be aware that this reflection is an initial step in this direction and there are many limitations to be addressed in future works that may aim to verify what we found useful for the Portuguese case, in other contexts/countries/experiences.

Specificities of the Portuguese experiences of participatory budgeting.

The social/institutional panorama

Portuguese political power is structured in different spheres: National (elected with high level of authority), Regional (usually not elected, with few functions and responsibilities⁴), and Local Authorities (elected, with their own properties and finances, permanent staff, etc.). The elected local authorities are divided into municipalities and sub-municipal spheres called *freguesias* – decentralized political/administrative bodies derived from the former territorial divisions of church parishes.

Today, the local administrative structure of Portugal is composed of 308 municipalities, subdivided into 4259 parishes (*freguesias*). In Portugal the local authorities are generally the level that adopt PB programs, but there is considerable tension with the parishes (*freguesias*), which usually claim that they were supposed to be the only institutions in charge of participation and proximity democracy.

Two generations of Participatory Budgets

Even though the Constitution of Portugal (Art. 2) envisions “*the strengthening of participatory democracy*” as a central goal of the Rules-of-Law State, the promotion of the participation of citizens in public matters did not happen as intended. The implementation of participatory processes like

⁴ Except in the case of Madeira and the Açores Islands, where an elected Regional Government exists.

PB, that imply adopting new, more democratic and transparent forms of government, represents a clear paradigmatic change in respect to the traditional concentration of powers assumed by representative spheres. It must be added that the political context is characterized by a large dissatisfaction towards institutions and a rising abstention during elections (53% in the 2011 presidential elections).

In the last decade more than 50 experiences of participatory budgeting emerged, following the pilot-experiment that occurred in the semi-rural municipality of Palmela in 1998-2000 (Granado, 2010). A detailed, chronological analysis of PB development in Portugal shows that most parties across the political spectrum, including the independent movements that govern some local authorities, are open to these new forms of democratic experimentalism, even if in the beginning the main promoter of PB was CDU, an alliance between the Communists and the Green Party (Allegretti and Dias, 2009).

It is worth noting that Portugal has experienced two main waves of participatory budgeting experiments, which were very different in nature, quality and distribution across the country. As Dias (2010) argued, they showed two very different “*genetic codes*.”

In the first generation (active between 2002 and 2006, and mainly promoted by leftist party forces: communist and – more rarely – socialist local governments), cities experienced mainly “consultative processes,” where people were invited to discuss problems and proposals, but the mechanisms of decision-making on investments were left to the sole responsibility of local governments. Those experiences were mainly based on face-to-face participatory mechanisms (public meetings) aimed at creating a proximity democracy and strengthening institutional legitimacy. The *freguesias* that promoted PB often backed it as a tool of “political negotiation” with their municipalities, seeking to expand their ability to defend and obtain specific investments in their territories. In those cases, PB processes were usually concentrated in the last quarter of the year, a period so close to final budget approval that little room was left to incorporate citizens’ contributions. These experiments generally failed to present final documents and to allow citizens to monitor the implementation phases of public works. Almost no framework or methodological clarification existed regarding the organizational process and the “rules of the game.”⁵

As far as the second generation of PB experiences (from 2007

⁵ In terms of *time*, cycles are extended for longer periods, in some cases throughout the entire year. This serves to complexify the discussion on proposals, leaving more time to technical analysis, correction of possible mistakes and priority voting. Also, new experiments include more careful tools for monitoring, assessing and evaluating the process, as well as spaces and devices allowing citizens to follow the implementation of co-decided measures. Finally, guiding principles and procedures for participation are clarified and often linked to “charters of values” that allow the process to evolve and not be *frozen* by stiff cages of rules aimed at guaranteeing to everybody equal access to the process and its benefits.

onward) is concerned, the majority of processes became “co-decisional.” Participants had the right to prioritize the list of investments to be implemented, within a pre-decided amount of resources dedicated to the PB. Usually, a larger range of different means of participation (meetings, questionnaires, Internet voting, etc.) are used in the same process in order to better outreach to and attract a larger diversity of inhabitant profiles and lifestyles. Some *freguesias* developed completely autonomous PB processes (Table 1), focused on their tasks, competences and budgets, including some of the most advanced experiences of co-decisional PBs in the country.

Between the two “generations” of PB, a widespread training campaign was undertaken by academic institutions and NGOs (through a project funded by the EU⁶). It played an important role in diffusing “a new concept of PB” based on typologies directly inspired by South American examples. Following this project – recognized as a best practice by the international Equal program – almost 20 local authorities started to develop or transform their PB model. This was also related to Portugal’s increasing visibility in international networks of participatory practices.⁷

The present panorama of Portuguese PBs is still marked by several weaknesses, such as the absence of ruling documents amended by the participants (unlike in Spain and Brazil, Portugal only has one case of a self-ruling document revised by citizens: that of Condeixa); the “top-down” origin of all the existing PBs; the still very small amount of money distributed by each PB⁸; the absence of criteria to stimulate an equal redistribution of resources according to goals of social justice; and the fact that the deliberation occurs only in relation to the pre-decided resources dedicated to the PB. This last element differs from other countries, where PB tries to promote a larger awareness of the general municipal financial situation and affects other debates related to planning and several sectorial policies that interrelate with requests presented by citizens in the participatory budgeting process.

Reflections on PB instability in the case of Portugal

As of 2012, there are 18 active PB programs out of the 64 experiences of PB that were implemented over the last ten years in Portugal.⁹ They are

⁶ See www.op-portugal.org

⁷ Portuguese institutions co-founded the World Platform of Participatory Budgeting and are today in charge of consultancies for the creation of PB experiments in Sweden, in Mozambique’s capital and in several cities in Cape Verde.

⁸ To have an idea, one can consider the three biggest PB in the year 2011: in Lisbon 5 million Euros were distributed through PB (1.1% of total investments, but then reduced to 2.5 million in 2012); in Cascais 2.2 million Euros (which represented 4.4% of the municipal investments); and in Odemira 500,000 Euros representing 2.6% of overall municipal investments. The children’s PBs distributes even less: 20,000 Euros in Trofa; 50,000 in Lisbon; and 150,000 in Condeixa.

⁹ The number 64 includes all the experiences developed between 2002 and 2012, which lasted at least one year (municipal PBs, PBs of *freguesias* and PBs for young people and schools).

located in 16 different administrative areas.¹⁰ Only 4 of these processes are carried out at the parish level, while the other 14 occur at the municipal level. Out of the PBs currently ongoing, 13 are co-decisional. This represents a significant shift in the model compared to the past. In fact, if we take as an example the year 2008, 19 experiences out of 21 were consultative, and only Lisbon and Sesimbra were involving citizens in voting their priorities for investing public resources. Thus, in a couple of years, the co-decisional model has grown from 9.5% of the experiences to around 75% of the PBs in Portugal.

The two types of PB differ in regard to their impact on the decision-making process. Consultative models are conceived as “selective listening” (Sintomer and Allegretti, 2009) where participants are asked to give their opinion on possible investments, but the final call on which proposals to take into account is made by the Mayor’s Cabinet. On the other hand, a co-decisional model displaces the decisional process to the PB itself where (by many different methodologies) citizens can give a say on the final budget design (regarding the percentage/amount designated to PB). Coherently, the first type of processes usually do not have a pre-defined amount to be discussed (in the form of a “devolved budget”), nor do they have a specific set of rules which define citizens’ access to discussion arenas or procedures according to which the consensus on investment priorities will be built; while the second type, the co-decisional one, meets those criteria.

The current panorama of PB in Portugal can be characterized by a series of specific elements. First, there is an increased territorial dispersion. While the earliest generation of PBs was particularly concentrated in the southern region, with a more significant presence in the Setubal Peninsula and the Alentejo, the current map shows a wider dissemination of such processes, with foci of interest in the Algarve, in the Lisbon Metropolitan Area, the Minho and Tras-os-Montes. Second there is an emergence of “clusters” of PBs in different regions of the country, which indicates the central role of cross-influences between neighboring initiatives. This is also supported by our qualitative data (interviews, etc.). Finally, a large number of PB experiences are promoted by local authorities governed by conservative majorities.

Despite the growth of the co-decisional model, the link between the “two generations of PB” is also characterized by the abandonment of a significant number of PB programs. In 2009 (an electoral year) 13 were interrupted and only 1 restarted in the following year.¹¹ By 2012, almost all the consultative PBs of the first generation had been discontinued, and it is unlikely that they will be restarted. This indicates a possible correlation where PB experiences that were more capable of creating empowerment tools,

¹⁰ The municipalities of Lisbon and S. Brás each organize two different processes, one being specifically dedicated to schoolchildren.

¹¹ Palmela, but in a consultative version that granted even less authority to citizens than the previous model.

facing the growing crises of legitimacy of public institutions, were less fragile along the way (a sort of “Darwinian selection”). The city of Sesimbra constitutes the only PB that started as co-decisional and suffered an interruption (after a brief period – 2010 – in which it was restarted as a consultative process). The majority of the new experiments started as co-decisional, except the cases of the municipalities of Lisbon and Amadora, which decided to adopt the co-decisional model later on.¹²

In Table 1, it is possible to visualize the panorama of Portuguese PBs’ fragility at the sub-municipal level (parishes/*freguesias*), while Table 2 relates to the municipal level; the second table also shows if a PB was consultative or co-decisional.¹³ The tables show discontinuities and interruptions of the Portuguese PB since the first experiments in 2002. They help to illustrate the phenomenon of abandoning of several experiences of participatory budgeting and other different phenomena of instability, as the temporary interruption of some experiences during the years of local elections or the implementation of “pilot projects” that sometimes had no follow-ups.

Table 1
Continuum of Portuguese PB at parish/*freguesia* level (2001-2012).

■ Co-decisional PB □ Consultative PB

Number of parishes with PBs	2003	2004	2005 *	2006	2007	2008	2009 *	2010	2011	2012
One	■	■	□	■	■	■	□	□	□	□
One	■	■	■	■	■	■	□	□	□	□
One	□	□	□	■	□	□	□	□	□	□

¹² In Amadora, in accordance with the ongoing project “OPtar” an important variable that explains this “model-shift” is the dissatisfaction among participants.

¹³ This is an updated and reformulated version of a table first published in the handbook *72 Frequently Asked Questions about Participatory Budgeting*, UN-Habitat, 2009:20. For updating the table, we cross-referenced the data provided by the National Observatory at the website www.op-portugal.org, the database of the “OPtar” project, and the raw data used for the paper “Panorama Nacional dos Orçamentos Participativos em Portugal” presented by Nelson Dias at the conference Participação e Sustentabilidade + de 20 anos depois in the Cupola dos Povo of the Rio+20 Forum (18-19 June 2012), kindly offered by the author.

One										
Two										
Two										
Five										
One										
Three										
One										

*Year of Municipal/Parish Elections

Comparing the two tables, it is possible to observe that the lack of continuity of participatory budgets is higher at the parish level, possibly due to weakness of authority and a chronic lack of resources, which leads more likely to high levels of frustration among the participants when they discover that only a few not-very-expensive priorities can be implemented. It is worth underlining that some PBs experimented at the parish level (e.g., Carnide in Lisbon¹⁴ and Castelo in Sesimbra) were suspended soon after their municipal governments decided to start a process at the city level.

¹⁴ As Allegretti and Torquato (2010) underlined, Carnide is the only district which has been able to have at least an investment approved every single year of the Lisbon PB. The Executive District Cabinet played a strong role mobilizing its citizens through Internet and local assemblies (Sintomer and Allegretti, 2011). However, is hard to say that Carnide “cancelled” its PB: it could be better to describe this disappearance as a process transformation that made some principles of PB flow into other participative devices, letting a strong commitment of the District Government flow into a strong role in Lisbon’s participatory budgeting process.

Table 2
Continuum of Portuguese PB at municipal level (2001-2012)¹⁵.

■ Co-decisional PB □ Consultative PB

Number of cities with PB	2002	2003	2004	2005 *	2006 **	2007	2008	2009 *	2010	2011	2012
One											
Three											
One											
One											
Two											
One											
One											
Three											
One											
One											
One											
One											
Six											
One											
Three											
One											

*Year of Municipal/Parish Elections

**Lisbon’s extraordinary election of the Mayor and the Mayor’s Cabinet.

What explains the disappearance of PBs in Portugal? One can notice that the “critical” period of time regarding PB longevity is concentrated between 2008-2009 and 2011-2012. The main factors that most likely account for the end of PB programs are connected to economic factors (dramatic shrinking in state transfers since 2008), changes in the political agenda (as is the case of the majority of communist-led municipalities¹⁶), or a drastic overturn in the political arena (such as change of the ruling party through elections). However, there is a fourth factor, an “internal” variable, whose explanatory power must be tested. The disappearance of PBs in Portugal appears to be related to the organizational model adopted. In fact, it seems clear that PBs that adopted a co-decisional approach to decision-making became more “solid” over time, in comparison to consultative PBs, which tend to disappear along the way. Such different performance could have many explanations, but mainly involves different levels of public support and satisfaction that the two

¹⁵ Thirteen other PBs were not mentioned in this table. Most of them only lasted one year and were all consultative. In the current year (2012) three co-decisional PBs started but were also suppressed: Aveiro, Portimão and Condeixa.

¹⁶ In 2008, the new Secretary of the Communist party, Jeronimo de Sousa, opened the way to eliminate PBs from the list of priorities of innovations to be experimented with (unlike what happened in the previous decade).

models can gain. Nevertheless, the Portuguese panorama reveals that, even when a PB faces the same set of variables, outcomes are not necessarily similar. Therefore, many apparently “obvious” indicators of fragility tend to prove insignificant when tested empirically.

When we examine the impact of the financial crisis on the longevity of Participatory Budgets in Portugal, the outcome does not seem to be conclusive. Although one can observe that in 2011 there was a deepening in the interruption of several PBs (possibly affected by the increase of cuts in State transfers justified by the debt crisis), qualitative data seem to put this conclusion on hold. In fact, similar cities facing similar conditions, such as Sesimbra and Santiago do Cacém, show different motivations for abandoning PB. In Sesimbra PB had started in a parish and then expanded to all the municipal territory, adopting a co-decisional model, the first in the country, applied to 5% of the municipal investment budget. Since then Sesimbra’s PB suffered a series of *downgrading* modifications until it became a merely consultative model. On the other side, Santiago do Cacém’s PB experience (which began in 2004 and continued steadily afterward) was “suspended” in 2009, due to the elections. Despite the same party coalition reelected, the participatory process was never restarted. Officially, the financial crisis was used to explain the decision,¹⁷ but multiple factors emerged from interviews to the local administration to explain that decision: the main one being the parallel “suspension” of Palmela PB, whose technicians had been pivotal to support the small PB team of Santiago. In both cities the staff dealing with PB was split into different consultative processes.

As mentioned before, elsewhere in the world a common explanatory variable for a PB disappearance is usually linked to sudden changes in the political ruling structure, that is, a shift of the ruling party after elections. However, when we test this variable on the Portuguese case, the results show no significant correlation between elections and abandoning PB. However, the electoral year seems to have some weight in the dismissal of many PBs, since most participatory experiences were abandoned in 2009/2010, even when the same party won the elections for the next term. This temporary suspension could “cool down” the process, opening room for its final interruption.

The above brief analysis helps us to reflect on how – in the Portuguese case – many structural variables that elsewhere affect the sustainability of PBs seem to have little explanatory power here. It also shows that not all disappearances are the same, and similar contingencies can generate different paths of resistance or interruption. In the following section of this paper we will try to scale up our reflections and – taking advantage of other cases of interruption of PB experiments – we will try to suggest some conceptualizations that could possibly help to better understand and analyze some of the ongoing changes in the status of PBs which are affecting not only Portugal, but a broader range of local experiences around the world.

¹⁷ Bulletin Municipal of Santiago do Cacém nº 10, October, 2007, p. 4.

Fragility and volatility: Developing a more nuanced approach

PB is a tool that is constantly facing and overcoming obstacles that can be either internal (such as political will) or external (electoral overturns or financial crises, for instance). This can determinate a set of changes and adaptations, or could even lead to a PB complete disappearance. This process is related to the concepts of *fragility* and *volatility*. In the following pages, we will propose some insights on the “movements” faced by PB, which can be connected to those concepts.

The phenomena of *fragility* and *volatility* of PB experiments occur through the disappearance of PB but can also take different forms in the alteration of a PB model or cycle. In this sense, we propose a “conceptual exercise” to create a more *nuanced* panorama of the different possible “statuses” of participatory budgeting experiences. This can help to build a better overview of “discontinuities” that occurred between the first and second generation of PBs in the Portuguese context. In a broader sense, it can enlighten the panorama of phenomena linked to the longevity of participatory budgets and help us to imagine some “hypothesis of future” for each specific PB, taking into account that the “disappearance” can be an event with many veneers.

The chart below provides an overview of the conceptual scheme we are proposing here, in term of *fragility* and *volatility* of PBs.

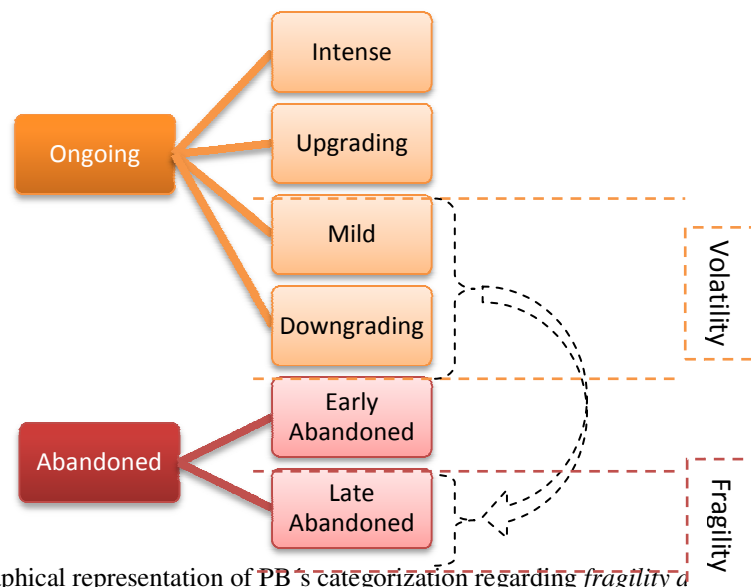


Chart 1 Graphical representation of PB's categorization regarding *fragility* and *volatility*

Our categories illuminate a wide range of different paths that can occur when observing PB programs' transformations or disappearance. In this perspective, the first distinction we need to address is between ongoing

processes and abandoned processes:

Ongoing – refers to any process of participatory budgeting which is concretely underway.

Abandoned – depicts the *inanimate* status of a process which for some time concretely existed, independently from how we might judge its quality, liveliness, performances, outcomes and/or impacts. This status can refer to a temporary condition (the switched-off phase of an intermittent experience) but, judged at the present point, gives to the observer the clear impression of *inactivity*, allowing us to imagine that this will be a permanent condition which declares the “death” of the previously existing experience.

However, it is clear that reality is much more complex than what the classification of a PB as “existing or not existing” can reveal. Therefore, to make this discussion more reader-friendly, we will further explain our interpretation of the concepts of *fragility* and *volatility*, starting from the first one, which seems a phenomenon more intuitive, and thus easier to describe.

Discussing Fragility

As discussed in the beginning of this article, *fragility* is related to a process of disappearance of a participatory budgeting project, that is, its complete abandonment. Although understanding what the concept of *fragility* refers to is not difficult, when we try to understand how this works in reality, the classification becomes a harder exercise. In fact, which process can be considered “abandoned” is not always clear. This is related not only to defining whether the process is only on *standby* (since an apparently abandoned PB can always be brought back to life, depending on political will). But it can also be challenging to clearly understand what happens when the programs are abandoned, due to the lack of research information and documentation on these “abandoned” processes. In this sense, we can consider that there are two sub-categories for classifying the abandoned PB, and they are strictly related to the time of its disappearance. If it occurs in the pre-implementation phase, one can talk about an [a] “**Early Abandoned**” case. If it occurs post-implementation, one can talk about a [b] “**Late Abandoned**” case. These typologies are defined below:

Early Abandoned: A process that was never really implemented. There is often a discussion on the possibility of its implementation by the local powers, and formal steps are taken to bring it to life. These cases range from the existence of formal rules conceived to guarantee the universal access and the sustainability of the PB process in time, to the creation of specific offices or of a political delegation (an alderman or a council member specifically assigned to the implementation of PB).

This category of proposals puts emphasis on the *need to start a process that achieves the highest possible impact* but the ambition to

achieve some sort of “abstract perfectionism” of organizational design becomes an obstacle in itself to the reality of the process. The lesson here is that a more realistic approach is needed; governments shouldn’t be hamstrung by their desire to create the perfect PB. Rather, they should be open to modifications and change.

Later abandoned: This type depicts the status of a process which existed for at least one cycle but was later stopped. If such a condition is only temporary (let’s say, for just a year) it will coincide with the status described in the ongoing sub-category “*downgrading*” (as we will see later on) and is not an “abandoned” PB.

The *abandoned* PBs can also be subjected to an important internal distinction depending on how the process that leads to a PB “disappearance” occurs. To explain this phenomenon, we add a third dimension related to the institutional approach regarding the public policy. Depending on how the interruption is announced, a PB can be categorized as **Officially Abandoned PB** (i.e., formally suspended), or **Abandoned by Omission** (i.e., when a PB vanishes with no further notice). The first correlates with an experience that is officially declared as a “concluded experiment.” As far as is possible to deduce from existing literature (especially Ribeiro, 2003) this form of disappearance, often resulting from a “brittle fracture,” is the most frequent outcome of political turnover in the local administration structures. In the case of PBs, “Abandoned by Omission” occurs when a program is suspended with no official information given on what will happen in the future.

In Portugal, two cases can illustrate a PB “Abandoned by Omission.” The first is Alvito, already mentioned as the only PB to be interrupted by the entrance of a new political coalition in October 2009. The second is the PB of Odivelas (a city in the Lisbon metropolitan area), which operated well in 2008, was repeated with less success in 2009 during the electoral year, and then suspended in 2010. In 2012 the mayor declared the intention of reopening a cycle of PB but radically modifying the model to dedicate it just to younger generations (Gomes, 2012), but this still hasn’t happened.

Analyzing Volatility

The phenomenon of *volatility* (that in some cases may lead to *fragility*) is rather more complicated to explain. *Volatility* is a concept related to still *ongoing* processes. However, not all ongoing processes are volatile, so we must refine the concept and apply it to *ongoing* PB programs to truly understand what defines a volatile process.

When dealing with the longevity of a PB, we find that there are two main indicators to take into account: the first is related to its continuity over time.¹⁸ The second is related to the model itself: co-decisional or consultative.

¹⁸ Participatory Budgets, as the name suggests, are related to public budgets which, in general, are regulated in a year-based cycle. Usually PB follows the same cycle over time, but not

Considering those elements we can describe four different types: a linear PB that can be “**intense**” or “**mild**”; and a PB that experiences “**upgrading**” or “**downgrading**” changes.

An “**intense**” PB is one that has adopted a co-decisional model and has been continuously maintained. If a PB has also not suffered interruptions, but was born as a consultative (voice only) experience, with little outcome in terms of citizens’ empowerment, than we define it as a “**mild**” PB.

However, many ongoing PB programs are not always *constant* over time. It is most likely that a PB suffers important changes to adapt to different contingencies. When these changes happen, they can have two very different directions. If the changes mean adopting an “evolutionary” and “progressive” perspective, we may say that the PB started to follow a path of **upgrading**, thus experimenting via a series of intensifying alterations. So, **upgrading** refers to an ongoing process of participatory budgeting that presents some methodological changes (compared to previous editions) that may or may not change the overall PB composition, but are always set with the goal of amplifying its coverage.

In the case of Portugal, the transition faced by Lisbon PB in 2008 represents an interesting example of an **upgrading** PB, when it changed from a completely Internet-based experience to a combination of ICT tools and public face-to-face meetings. This has not changed the overall format and essence of the process, but surely constituted an intensifying movement towards a more accessible process for all citizens.

On the other hand, a PB may face a **downgrading** situation. This happens when a set of moderating alterations takes place in the direction of diminishing the potential impact of the participatory process. This can be translated into unexpected “pauses,” or into important differences regarding the decisional design (for instance, reducing funds available for PB projects, or transforming a co-decisional process into a merely consultative one). The degrees of radicalism of such changes can be very different, ranging from temporary alterations (imposed by external factors and conjunctures) to real “U-turns,” which can represent a partial reconfiguration or even a permanent and progressive “stepping-back” of the process.

Regarding the Portuguese panorama, an example of a radical “*downgrading*” can be found in the case of Sesimbra, whose co-decisional binding process was transformed in 2010 into a merely consultative and non-binding procedure. In 2011 Sesimbra discontinued its PB. This shows how the “**downgrading**” process is connected to PB’s *volatility*. From the cases observed in Portugal, we can say that when a process of **downgrading** happens the most likely outcome is that the process will be abandoned later on.

We suggest that our typology should be read as part of a

always. Here, the difference regarding the periodicity is not as important as its clarity and previous compromise.

“longitudinal classification,” whereby PB programs must be seen in their totality (starting from the present moment and going back retrospectively). In fact, as we saw, an **abandoned PB** can return after a period of time, which would mean that what once might have initially been considered an abandoned case should be considered a temporary **downgrading**.

Final remarks

Participatory budgeting, which in recent years has been spreading all over the world, is widely considered an important tool for fostering democratic innovation. Despite a remarkable growth in absolute numbers, PB expansion has been marked by the sudden *disappearance* of many experiences, for which the reasons are often complex and unclear. The literature tends to list the capacity to maintain continuity across time as one of the key elements defining the intrinsic “quality” of a participatory budgeting experiment. Therefore, volatility and fragility become central phenomena to be taken into account to better understand the changing panorama of PB experiences.

In this paper we analyzed PB programs in the Portuguese context in the hopes of improving our understanding of how and why these programs disappear. We developed a set of conceptual classifications to improve our understanding of the phenomena of instability. The conceptual process we proposed to analyze the “disappearance phenomenon” is best understood from a longitudinal perspective rather than an analysis confined to a specific time or space. As highlighted in other studies mentioned, PB is often implemented as a public policy that lacks, in most of the cases, legal institutional protections that would provide it with a more intrinsic stability.¹⁹ Therefore, disappearance is not a rigid status, but rather a process that can be co-influenced by multiple factors.

We described the Portuguese panorama as a succession of two different waves of experiments: (1) a “first generation” of ideologically-driven PBs which adopted a *merely consultative* (or a *selective listening*) model without any binding power, having little impact in terms of citizens’ empowerment; and (2) a “second generation” of mainly co-decisional experiments, with a “binding weight” on at least the slice of investment resources devolved to participatory budgeting.

Our data shows a stronger incidence of instability especially related to the first wave of PBs, which did not transfer any decision-making power to citizens. Being that it was widely felt that such a choice contributed to their instability or disappearance, the majority of PBs from the “second generation” are co-decisional models, which appears to explain their longer duration.

It is important to highlight the fact that in the case of Portugal the large of numbers of interrupted PBs during the last decade (today less than

¹⁹ See Alves (2012).

1/3 of the experiences attempted are still alive) cannot be clearly connected to traditional explanatory processes, such as electoral overturns of the ruling party. Out of the entire series of cases of PB disappearance mentioned in this article (between 2002 and 2012), only one case can be connected to such a situation. Unlike in other countries, such as Brazil, where studies have shown a tight link between the fragility of PBs and the political setting, in Portugal almost all the abandoned experiments were interrupted by the same party/coalition (and often under the same mayor) that started participatory budgeting. Such an observation should not drive us to the conclusion that in Portugal that parties do not matter.. Empirical data from the Portuguese context suggests that in the period 2002-2012 different factors – other than party alternation – played a pivotal role in defining PB longevity.

Chart 1, above, helps to identify changes over time. The stability of the last wave of Portuguese experiences is due to their strengthening of the co-decisional dimension, but also due to their capacity to adapt to the impact of external factors negatively influencing their existence and sustainability. The first generation of Portuguese PBs was not only *more limited in scope* but also marked by a *rigidity* of the first organizational conception marked by **mild** models that proved to be more **fragile**. On the contrary, ongoing examples have not only *upgraded their scope* (for example, raising the amounts discussed in PB, or adding goals of social justice, resources redistribution, administrative modernization and the fostering of a better social accountability), but they also demonstrated themselves to be more *adaptable*, able to update their “internal” rules and their organizational models when these prove to be inadequate to face “external” challenges to their stability.

From this perspective, two final reflections must be added. First, from our analysis it is not possible to mechanically assert that PB is inherently unstable, but rather that it includes some factors of potential *fragility* and *volatility* that individual cases can combine differently so to minimize or maximize their risk. Second, our approach focuses mainly on the transformation of PB experiences, but there is a large spectrum of “positive” phenomena and changes that can operate in the direction of strengthening PB experiments that we only mentioned briefly. Studying these possibilities (partially emerging in our analysis like a “negative” of a photograph) can undoubtedly help to provide additional information for still-existing practices and for future participatory budgeting exercises still to be shaped. The purpose would be to aid the program so that they can be stronger, and sustainable in the face of changes imposed by a different set of constraints.

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