

Participatory Budgeting in Portugal – standing between a hesitant political will and the impacts on public policies

Nelson Dias, Simone Júlio, Vânia Martins, Vanessa Sousa & Filipa Biel

Participatory budgeting emerges as a response, albeit partial, to the crisis of democracy

In his speech celebrating the 42nd anniversary of the 25th April Revolution, the current President of the Republic recalled the frankly positive balance of the Portuguese democratic system. On this occasion, he highlighted the processes of decolonization, democratization, European integration and restructuring of the economic system. Marcelo Rebelo de Sousa claims that the benefits are felt in strategic issues, such as the stability of the political regime, political parties and government systems, and also in the fundamental rights, freedom of speech, and civic organization.

As he himself acknowledges, this legacy, nevertheless, goes hand in hand with a marked loss of confidence in political players and in how democratic institutions operate, in their ability to care for the common good and to respond to the needs and expectations of the people. This very popular perception is confirmed by the European Social Survey's data for 2014, according to which Portugal is the country with the lowest confidence levels in the system. For example: i) 39.1% of the Portuguese men and women consider that the political class is not at all interested in what the people think; ii) 26.2% is completely sceptical about the Parliament's actions; iii) 40.7% lack confidence in politicians. These are indicators that, when combined with others, such as high voter abstention rates, prove there is a

process of lassitude in the country's still young democracy.

It was in a context of a deceleration of the democratic enthusiasm, with a confirmed downward trend in electoral participation rates, that the first Participative Budgeting (PB) initiative in Portugal emerged in Palmela. It was launched in 2002, 26 years after the first local elections¹ and during the 8th term for local government bodies.² On that occasion, the abstention rate was very close to 40%, which would progressively increase to 47.4% in 2013 and 45.03% in 2017, the highest figures registered in the country.

This correlation is important because the emergency and development of PB in Portugal is closely related to the breach of trust in the system and its main political agents, assuming itself as an attempt by the State to respond, albeit partially, to the need to rebuild dialogue and grow closer to the population.

The inexperience regarding PB, the still shy aspiration of those elected to promote an effective sharing of power, as well as the lack of knowledge of the Portuguese society about these processes, dictated the conditions for the first ten PB initiatives,³ having opted for a consultative drift, according to which people could submit proposals, but the decision-making power would continue to be on the side of the elected.

With the progressive growth of electoral absenteeism and due to the failure of the consultative PBs – due to the inability to generate confidence in the populations – the first deliberative experiences appeared in 2007 and 2008,⁴ respectively in Sesimbra and Lisbon, in which the municipalities began to decide part of the municipal investments through public voting. Only in 2012, that is, in the second half of the third term under the PBs in Portugal, did this type of process – which should have been the only one that could be designated as Participatory Budgeting – became the majority for the first time. This period was also marked by the very strong public financial crisis and the consequent Troika in the country, which greatly contributed to the Portuguese society losing trust in institutions and political agents, thus reinforcing the need by some authorities to create mechanisms

1 They took place on December 12, 1976.

2 That took place between 2001 and 2005.

3 Conducted between 2002 and 2006, during the 8th and the beginning of the 9th terms of the local authorities.

4 During the 9th term of the local authorities.

for greater participation and dialogue with the population.

At the risk of simplifying a necessarily complex reading of the many variables that influence this reality, it seems important to conclude that, as the electoral participation decreased, the PB initiatives in Portugal increased, which curiously implied a more intense civil and political activity, due to the annual characteristic of these practices, and more extensively, due to the increasing number of people involved. As an example, about 1,250 finalist projects of all the PBs in operation in 2016 registered about 350,000 votes, which represented a value close to or higher than the electoral result achieved by some political forces in the last local elections.⁵

Figure 1 Evolution of the voter abstention rate in municipalities and number of PBs in Portugal



Caption

— Voting Abstention Rate (Town Halls) — Number of PB per term
 → Entry in Force of the Term Limitation Law → Troika entry in Portugal

Source Own

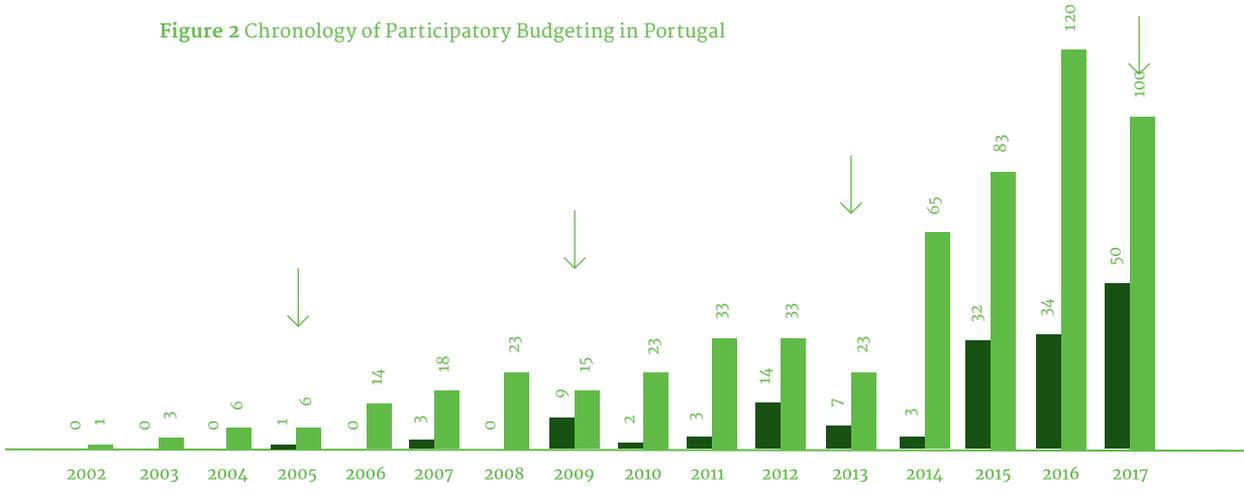
A significant growth in processes but an intermittent political will

After a hesitant start, due to the consultative characteristics of the first cases, Portugal became, in only 15 years, the country with the highest percentage of municipalities that has experimented or is developing PBs, on a voluntary basis - namely 46 %.⁶

5 PPD/PSD-CDS-PP (379 thousand votes), Groups of Citizens (344 thousand), CDS-PP (152 thousand), BE (120 thousand).

6 This does not include Peru and the Dominican Republic, where the implementation of Participatory Budgeting is mandatory by law.

Figure 2 Chronology of Participatory Budgeting in Portugal



Caption

● suspended ● Actives — Mandates → Electoral years

Source: In Loco

From the previous chart, we can see that in addition to the instability of the PBs, their growth dynamics is cyclically interrupted in the electoral years. This means that several mayors prefer suspending the initiative in these situations, usually using as arguments:

- i) the idea of safeguarding the process, by avoiding electoral contagion,
- ii) the uncertainty about the results and the decision not to compromise investments that can only be assumed and carried out by the new officials.

The opposite is also true, that is, there are municipalities that decide to keep the PB operational, justifying that: i) the Portuguese population is mature enough to distinguish between voting on campaign projects and electoral choices, ii) there is a broad political consensus on the positivity of the process, and the newly elected must respect the results of the PBs, by implementing the winning investments. Of the two positions mentioned, the first is clearly the majority. This means that even excluding situations of post-election democratic alternation in the municipalities under analysis, there is a significant trend in Participatory Budgeting (91.2%), with a maximum duration of 1 to 4 years.⁷ This indicates that it is the same councils that initiate Participatory Budgeting that after an electoral act decide not to resume them.

⁷ The terms in office for town halls in Portugal have duration of 4 years.

Table 1 Longevity of Participatory Budgeting in Portugal – 2002 to 2017

Longevity of PBs	Formal		Parish PBs		Youth PBs		Total	
	No.	%	No.	%	No.	%	No.	%
1 term / 1 to 4 years	101	84.9	55	94.8	61	98.2	217	91.2
2 terms / 5 to 8 years	14	11.8	3	5.1	1	1.6	18	7.6
3 terms / 9 to 11 years	4	3.5	-	-	-	-	4	1.2

Source: own

This is an element of enormous relevance in that it shows weaknesses in the sustainability of these processes. In other words, the growth of participatory budgeting processes in Portugal is significant, but its duration is very short, showing that the political commitment to the consolidation of this mechanism and its continuous improvement is still very fragile.

This could mean that the political willingness to experiment has been significant in terms of the number of cases reported, but is not steady enough to ensure higher levels of quality of PBs and their institutionalization as a standard practice in Portuguese municipalities.

It was hoped that with the affirmation of deliberative PBs, which were authorized after 2012, they would gain greater political strength and sustainability, contrary to the previous trend of high mortality rate of the consultative processes. The longevity of this tool has somewhat increased, but not enough for the PB to consolidate, so far, as a differentiating governance brand.

From the reading of these data, it is possible to verify that many elected were curious with the PB, as a device of dialogue with the society, but they did not convert to this model of participation. At the root of this “waiver” there are multiple factors, which sometimes coincide in the same autarchy, reinforcing each other:

- Weak investment in communication and mobilization of people, with the process registering very low levels of participation, which are interpreted by those elected as lack of interest by the population;
- Delays in the implementation of winning projects, with municipalities in this situation opting to suspend the PB, with the “promise” that this will be resumed after correcting the temporary deviations in the implementation of investments;
- Methodologies that are not very consistent and incapable of generating confidence in people, such as PBs heavily based on Internet platforms and without a specific bet on the face-to-face relationship.

All of the above situations show that the PB has not been a political priority, with inflexible support from the local leadership, a variable that is known to be indispensable to the success of an initiative like this.

Another of the elements that should be analysed is the emergence of the electronic platforms supporting the PBs. These were decisive, at least in the first years of operation, for the generalization of the idea that the adoption of a participatory budgeting process is very simple and linear, being enough, to a large extent, to create a webpage that allows the submission of proposals of the citizens and the voting of the finalist projects. The products of these companies have been dubbed “turnkey” as a PB solution that is ready-to-install on computers as an easy deployment for technicians and no risk to the elect. This path, which can be dubbed the “fast PB”, neglected essential elements for the sustainability of these initiatives, among which: i) the conceptual and methodological training of the teams, ii) a diagnosis of the territory taking into account, for example, the population profile and the appropriateness or otherwise of the use of new technologies in such an initiative, iii) the realization of an institutional diagnosis, that allows to know the competences and availabilities existing inside the entity for the development of the different phases of the PB, iv) the design of a campaign to communicate and mobilize people for the process; v) the establishment of a permanent monitoring and evaluation system.

Existing companies in the market have supported the development of 56% of signalled experiences. According to an analysis carried out, it is possible to conclude that PB initiatives that use e-platforms as the centre of the participatory process have an average longevity of 3 years, which is shorter than the duration of a mandate.

By comparison, the most sustainable PB initiatives are those that add to the political will and the commitment of the technical staff to contract external consulting to assist in the design, development and evaluation of their initiatives.

The PBs carried out by the respective promoters, without resorting to any platform or external support; show longevity close to 2 years.

Confidence grows more circumscribed

Through a reading of the different stages of the Portuguese autarchies regarding their degree of commitment to the promotion of citizen participation, it is possible to identify three major groups:

i) a majority that only complies with the legal requirements, triggering the traditional public consultations, when they are obliged to it, ii) a collective, with an oscillating evolution, that has been voluntarily extending the spectrum of citizen participation to other areas of governance, with a clear focus on participatory budgets, iii) the few who are trying to follow a path, still unknown, of multiplying the tools of participatory democracy, in some cases the concern to reach levels of articulation between them.

Contrary to the previously presented trend, it is possible to find - in the second and third groups - some successful PB initiatives, where investment in the process has been determinant to reach more expressive levels of participation and longevity.

According to the monitoring processes carried out over the years to several of these cases,⁸ it is possible to conclude that a dynamic of rebuilding confidence in the institutions promoting PBs is underway. This is also true in the political and technical commitment to the initiative, and in that this tends to be stronger in the “loyal” participants, who regularly adhere to the different editions of the OP in their respective regions. Here we can see that trust is the result of a continuous and gradual dynamic, not in line with temporary or short-term participative initiatives. In the study under analysis, about 3,000 participants were surveyed on the following dimensions:⁹

- Belief in the accomplishment of the approved projects and in the fulfilment of the deadlines;
- Perception of the degree of transparency of the PB;
- Knowledge and clarity of rules;
- Consideration of the PB as a positive contribution to the development of the territory;
- The PB as a result of the autarchy’s capacity for innovation;
- The PB as a tool for disseminating initiatives in the territory.

⁸ Participative Budgets of Cascais, Alenquer, Ponta Delgada, Águeda, Caminha, Lousã, Penacova, and Lagoa (Algarve).

⁹ On a scale of 1 to 6, where 1 corresponds to the lowest level and 6 to the highest level of confidence, participants’ scores are mostly between levels 5 and 6

Figure 3 Average evaluation of the degree of confidence of participants in the process according to their experience in the PB



Caption

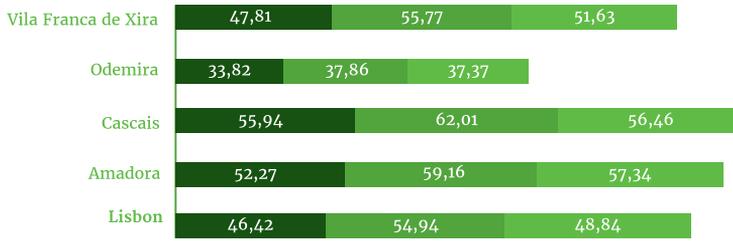
● First time participant ● Has participate before

Source In Loco

The data presented is of great relevance, but it cannot be generalized to all cases or to all the activities of the municipalities that promote Participatory Budgeting. The degree of citizens' civic and democratic maturity allows them to clearly distinguish that the PB represents only a percentage of public money, in most cases a very small one, and a limited field of action of local governments, leaving out of this equation the remaining budget, projects, measures, and public policies.

It is this understanding of the scope and of the span potential of a PB that allows concluding on the non-existence, at least for now, of a direct relation between the adhesion indexes that are increasingly more expressive to the processes and levels of electoral participation. In other words, the existence of a PB, however successful it may be, is not sufficient to reverse the high abstention trend. This increased widely between the local elections of 2009 and 2013, i.e.: during the most severe period of the crisis that Portugal went through, not leaving aside the municipalities with the Participatory Budgeting of greater longevity in the country.¹⁰

¹⁰ This sample includes the Participatory Budgeting of Lisbon, with 11 years, and those of Cascais, Amadora, Odemira, and Vila Franca de Xira, with 8 years of uninterrupted operation.

Figure 4 Electoral absenteeism in municipalities with PBs with greater longevity in Portugal**Caption**

● 2009 ● 2013 ● 2017

Source In Loco

The realization that the errors of governance, which led the country to the need for international aid, would be offset by austerity policies on wages and social rights, overwhelmingly overtaken any countercyclical stimulus aimed at reconstructing dialogue and trust. In other words, the mistrust is structural, while the gains obtained from the PB, despite important, are circumscribed. From another perspective, when people decide to participate, they mainly believe in their act of citizenship and not necessarily in the elected politician.

In summary, Participatory Budgeting are contributing to increase trust in institutions but they are not, and could not be, because of their limited size and scope, which are decisive in reversing the abstention behaviour of the Portuguese population. This means that people make a complete differentiation between the PB and the electoral acts, thus counteracting the mayors who suspend PB initiatives for fear that partisan campaigns will infect participatory processes.

Bearing in mind the context of progressive alienation of people from politics, and the fact that the main objective of PBs in Portugal is to rebuild trust in institutions, it is only natural that the commitment of the elect in strengthening these participatory dynamics and in the credibility of governance in general has to go beyond the timid investment and often move back, similarly what happened so far. In other words, the gains of trust with the PB are proportional to the political will of those elected to move from the PB as experience to a policy of participatory governance.

In order for the PB to be a counter-cyclical mechanism, a partial contribution to overcoming the participation deficits and the crisis of democracy, it must be strengthened in terms of its deliberative quality and sustainability, as well as tools for participation and transparency to other policies and areas of governance.

Participatory Budgeting are reaching more specific rather than comprehensive audiences.

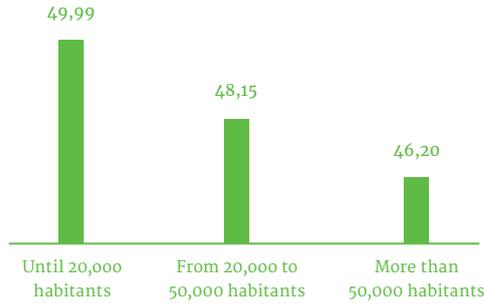
From the monitoring study carried out over several editions of PBs, referred to in the previous point, it was possible to outline the profile of participants in the processes under consideration.¹¹

Their average age is 48 years old, which tends to decrease as: i) the population size of clusters increases; ii) it goes from North to South, including in the latter group, the case of Ponta Delgada, in the Azores. In practice, this means that in municipalities with less than 20,000 inhabitants, the average age of participants is about 50 years old. In the territories that have between 20,000 and 50,000 people, the average age is 48, while in municipalities with demographic expressions higher than the previous ones, the age decreases to 46 years old. In terms of geography, the age of the participants in the PBs in the North is 53 years old, while in Ponta Delgada, in the Azores, this drop is significant, to 43 years of age. In any of these cases, the younger layers of the population remain quite far from these processes.

Regarding school education, three important conclusions are highlighted: i) the training of the participants increases as the population level of the agglomerates grows, ii) the educational level of those involved is higher than the average registered in municipalities with PB and in the country. For example, 31.8% of the people involved in these Participatory Budgeting have a higher education, whereas in the municipalities under study and in Portugal they stand at 17.7% and 13.8% respectively, iii) the individuals involved in the PB processes in the North and Centre regions are the least educated (55% and 51.5% with secondary and higher education, respectively), compared to those in Ponta Delgada with the highest (74.5% have secondary and higher education). From these data, it is clear that Participatory Budgeting are mobilizing, above all, people with higher levels of training, possibly also the most enlightened ones, while revealing the need for a strategic reflection on communication mechanisms and dissemination used in these processes.

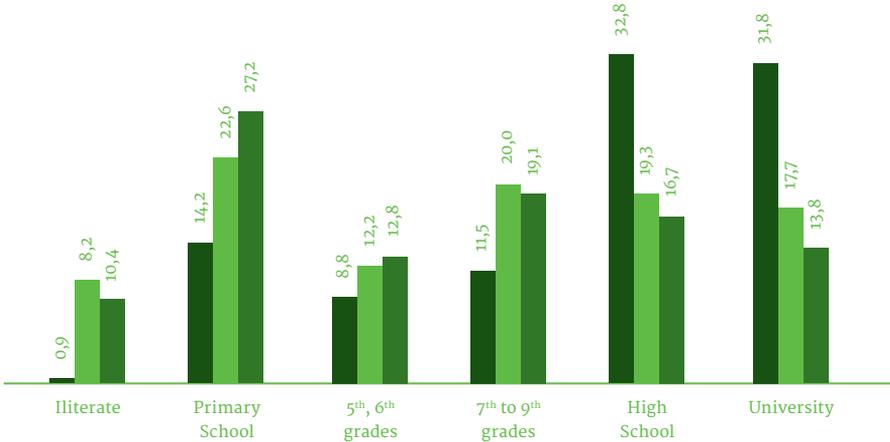
¹¹ This data refers to the participants in public participation meetings, where they present, debate, and prioritize proposals for their Participatory Budgeting.

Figure 5 Average age of participants according to the size of the municipality



Source In Loco

Figure 6 Participants in the PB sessions, Residents in Municipalities with PB and country according to the level of education



Caption

● Participants in PB sessions ● Municipalities PB ● Portugal

Source In Loco

About 55.3% of the participants in the Participatory Budgeting under study are mostly male, which is contrary to the more feminine trend of the population of these municipalities (52.7%) and of the country (52.6%).¹² It should also be pointed out that the territories with a demographic dimension of more than 50,000 inhabitants have the most significant participation of women in the PBs (47.8%), but it remains below that of men. Gender inequalities are thus also felt in the access to these processes, which apparently aim at creating more

¹² INE, 2016

universal conditions of participation. This is a dimension with impacts at various levels, among which the typologies of investments prioritized in each participatory budget, in as much as it is known the greater sensitivity of people of the female gender to the social areas, which, despite some cases of success, tend to be minimized in relation to other types of projects.

When analysing the situation of the respondents in relation to economic activity, it is verified that the majority is employed (58%), or retired (20.3%). The unemployed and the students do not respectively exceed 5.9% and 5.7% of the participants.

Considering the associative profile of the respondents, it is concluded that although an important part has a previous history of associative involvement:

- i) it is in medium-sized municipalities (from 20,000 to 50,000 inhabitants) that there is a greater linkage between participants and social organizations (50.6%),
- ii) the regions of the Centre (48.7%) and Lisbon and Vale do Tejo (49.4%) have the highest levels of relationship between the respondents and the collective of the third sector of the respective territories,
- iii) it is in the age groups up to the age of 24 and from 35 to 64 that the associative involvement reaches the highest values.

Figure 7 Participants according to associative involvement and region

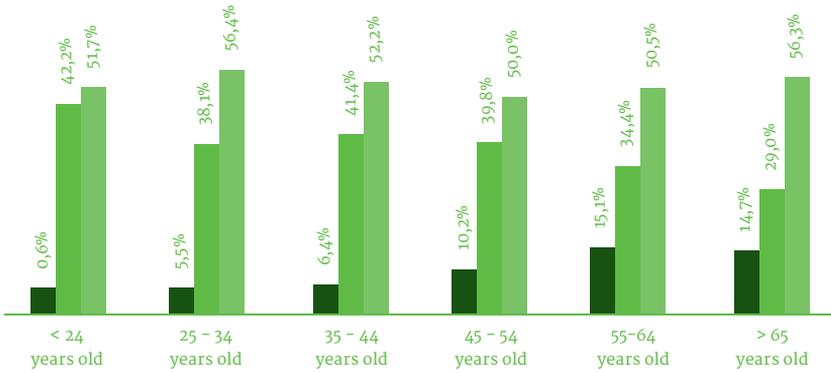


Caption

- Yes, but I'm not active
- Yes, and I'm active
- No

Source: In Loco

Figure 8 Participants by age group and participation in some social organization or association



Caption

● Yes, but I'm not active ● Yes, and I'm active ● No

Source: In Loco

There is a preponderant homogeneity when analysing the profile of the participants regarding the frequency of voting in national and local elections, and it should be pointed out that: i) about 6% assume that they “never” or “rarely” voted, ii) abstention rates are slightly higher in the Lisbon and Tejo Valey area, with 7.7% in the acts in question, iii) electoral participation is reduced as the age of the participants decreases, especially the 18–24 age group, with 23.9% and 25.4% responding that “never” or “rarely” voted, respectively at local and national level.

The data presented so far confirm two trends of the same reality: i) participatory budgets, however consolidated they may be, have not been enough to reduce structural distrust in institutions and, consequently, high electoral abstention rates, ii) PBs are able to mobilize a small proportion of the abstentionists for civic participation, showing a still limited potential for persuading people who, by their own determination, have distanced themselves from political participation. In summary, the degrees of trust obtained by Participatory Budgeting are mainly related to a “typical profile” characterized by being a man, aged 48, secondary school education, employed, linked to the associative movement, and active in electoral acts.

From multiplying processes to creating a participatory ecosystem

During these 15 years, the participants in PBs in Portugal decided approximately 100 million euros of municipal investments, of which about 98% were implemented by municipalities and the remaining 2% by parishes.

It is also interesting to highlight the dynamics around Participatory Budgeting with children and young people. There are 62 initiatives signed between 2006 and 2017, with significant impact in the last term. These experiences enabled the young people to decide on approximately 5.5 million euros for the execution of public projects, but more than the amount in question, what is relevant in these practices is the strong educational and formative charge for participation and for democracy, especially when this has been little assured by the main instances of sociability in Portugal.

The track of PBs in the country also allows concluding that, despite its strong dissemination throughout the national territory, there is a greater concentration in the metropolitan areas of Lisbon and Porto, where there have been 66 experiments so far, about 27% of the total. These two territories have more than 4.5 million inhabitants and a significant part of the municipalities with the largest population - those that proportionately have expressed a more expressive availability for the adoption of the PB.

In 2017, the country witnessed the birth of three Participatory Budgeting initiatives at the national level, promoted by the Government of the Republic, namely the Participatory Budgeting Portugal, the Portugal's Youth Participatory Budgeting and the Participatory Budgeting of Schools. These were followed in 2018 by the first regional process organized by the Government of the Autonomous Region (and insular) of the Azores. Portugal is thus the first country in the world with PBs at all levels of government - national, regional, and local.

These dynamics demonstrate the existence of a favourable context for multiplying PB, at different scales and through different types, providing the Portuguese population with multiple opportunities for participation, as is the case of the younger generations, who, in a single territory, can be invited to participate, integrate the young Participatory Budgeting of their municipality, the Participatory Budgeting of the school they attend, and also the national young Participatory Budgeting. According to data characterizing the profiles of the participants of the public meetings of the latter case,

about 20% to 25% assumed to have previously joined other PB initiatives that took place in their territories.

The context in Portugal is thus very favourable for the creation of a “participative ecosystem,” characterized by the proliferation of processes, offering quite attractive opportunities for exercising citizenship and democracy. The continuation of this dynamic should, however, lead to greater organization and articulation between the different levels of government, so that multiplication is accompanied by articulation and, if possible, integration of initiatives, enhancing existing resources and increasing the impacts of these people, territories, and administrations.

In some participatory budgeting processes, not only part of the money is decided. It also influences the design of public policies

The impacts of PBs on management, society and territory have not been adequately analysed, thus preventing a broader and more complex reading of the shortcomings and benefits of these processes. Without being able to generalize, however, it is possible to affirm that in circumscribed cases the PBs did not remain for the opportunity given to the populations to decide a part of the municipal investments, which, in itself, already represents an important gain compared to the classic model of democratic governance.

An analysis of this level on these initiatives, however, reveals that they have become, in certain contexts, the main sensor of the municipalities for the understanding of the perceptions and positions of society on governance issues, thus influencing the design of some public policies.

The Municipality of Lisbon received, during the 10 years of PB, about 6200 proposals. This is undoubtedly the best barometer the capital could have for ideas for the development of the city. These are not just investments made by groups of people. It is inherent in these to identify problems, concerns, priority thematic areas, lines of thought on the direction to be given to certain public policies, among much other information.

In 2008, at the time of the first edition of the PB, the bike paths were residual in Lisbon. On this occasion, a strong movement of citizens won a project that aimed to create several cycle routes in the capital, as a mode of alternative transportation to motor vehicles. The

dynamics surrounding this theme was growing and the Municipality was not indifferent, having turned this idea into a structural policy, and it is likely that in the coming months it will reach 200 km of cycle paths throughout the city.

From the Municipality of Águeda comes another interesting example. One of the winning projects of the first edition of the PB was the creation of a support office for disabled people. The City Council recognized the importance of the subject under consideration and, after reflecting with the proponents of this idea, decided to carry out a broader policy, which provides: i) the provision of a sign language translator in the attendance to the public in the Municipality and in the parishes, as well as in Águeda TV and in certain public events, ii) the adaptation of your website to people with impaired vision, iii) the creation of Braille forms, iv) (ramps, elevator, automatic doors, seats in the auditorium and parking lot, etc.).

In Caminha, in the north of Portugal, the fishing community was organized for the first time as a social class to defend the repair of a quay and the installation of a crane for boats, a project worth 60 thousand euros. The dynamics of this group mobilized the local society and the Municipality itself for the need of requalification of the riverside front, being foreseen today an investment of over 1 million euros. The PB is, therefore, a process in which “works” decided by the citizens carry with them other “works”, directly influencing the public policies and investments.

In Cascais, where the most voted PB of the country is located, the Town Hall has been changing its institutional culture, changing procedures and forms of relationship with citizens. The significant success of this initiative has led the municipality to voluntarily launch new participatory processes, around the definition of policies and strategic documents, in areas such as health promotion, urban mobility, and education. What is particularly important in this dynamic

is that the participation is no longer restricted to the representatives of the organizations present in the territory and is now open to the whole population, assuming the many thousands of participants in the PB as a large panel of citizens who must be heard.

Although circumscribed, these are some examples that confirm that Participatory Budgeting can be a catalyst for change when taken seriously by administrations. With the PB and its effects, the modalities of dialogue between some municipalities and society tend to be a little more horizontal; the organic structures of certain municipalities have seen services dedicated to the design and management of participation processes; others began to adopt mechanisms to involve the population in their activities; various programmes competing for the elections have been inspired by proposals submitted by citizens in the PB; in some territories, civil society has appropriated itself in such a way from the process that it will be difficult for any government to have the audacity to interrupt or cancel it.

In cases of success, what seemed to be only a participatory mechanism, thought by the mayors as a mechanism for rebuilding the confidence of the citizens, based on the decision of a small part of the local investments, was so assumed by the populations that today it became a channel of direct dialogue for the discussion and definition of public policies, whose impacts on the territory are much higher than the projects decided within the scope of the own Participatory Budgeting. Looking at these from this new perspective becomes even more noticeable the enormous potential that these processes contain, which, when properly exploited, can contribute much more significantly to their own credibility and sustainability.

