

RETHINKING THE TRANSFORMATION OF LIBERAL DEMOCRACIES:  
CAN PARTICIPATORY BUDGETING DEEPEN DEMOCRACY?

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## DECLARATION OF ORIGINALITY

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## ABSTRACT

Rethinking the Transformation of Liberal Democracies:

Can Participatory Budgeting Deepen Democracy?

Democracy is a vast concept that is almost like a living organism since it evolves and changes throughout history and various experiences. As for nowadays, it has started to be considered as liberal democracy due to the impact of Western societies to world politics. However, this mainstream concept has several problems. The criticisms of liberal democracies lie at the heart of this research study. The representation crisis will be the focus among all the criticisms. The possible transformation of liberal democracies towards a more deepened and deliberative model will be examined.

This research recruits Habermas's deliberative democracy model and examines if this model can be a guideline at transforming the liberal democracies. However, deliberative democracy receives many criticisms for being an abstract and theoretical concept rather than a concrete one. This thesis examines whether participatory budgeting, that was born as a public administration model in Latin America in the late 1980s, can be seen as a more concrete and institutionalized version of deliberative democracy. Different examples of participatory budgeting are presented with their success and failure stories, commonalities, and differences. The aim is to discuss the linkage between participatory budgeting and the deepening of democracy.

## ÖZET

Liberal Demokrasilerin Dönüşümünü Yeniden Düşünmek:

Katılımcı Bütçeleme Demokrasiyi Derinleştirebilir mi?

Demokrasi neredeyse canlı, tarihle ve muhtelif deneyimlerle gelişmekte olan çok geniş bir kavramdır. Günümüzde ise, Batı toplumlarının dünya siyasetine etkisi ile de daha çok liberal demokrasi olarak algılanmaya başlanmıştır. Fakat bu ana akım kavramın birtakım sıkıntıları vardır. Yıllardır çalışılmakta olan liberal demokrasi eleştirileri bu araştırmanın da temeline oturacaktır. Bu eleştirilerin sunumu esnasında, temsiliyet krizi üzerinde durulacak ve liberal demokrasilerin daha derinlikçi ve müzakereci bir modele dönüşümünün mümkün olup olamayacağı sorgulanacaktır.

Tam da bu noktada, bu araştırma Habermas'ın müzakereci demokrasi modelini ele alır ve bu modelin günümüz liberal demokrasilerinin dönüşümünde uygun bir kılavuz olup olamayacağını inceler. Habermas'ın temellendirdiği bu demokrasi modeli oldukça teorik, hatta zaman zaman soyut bir kavram olmasıyla eleştiriler toplamıştır. Bu bağlamda, bu modelin kurumsallaşması ve somut bir hale bürünmesinde, 1980lerin sonunda Latin Amerika'da bir kamu yönetimi modeli olarak doğmuş olan katılımcı bütçeleme dikkatleri çeker.

Bu araştırma, katılımcı bütçelemenin, liberal demokrasilerin daha derin ve müzakereci bir modele dönüşümünde bize bir kılavuz olup olamayacağını sorgular. Bunu yaparken basta Latin Amerika olmak üzere dünyadan değişik uygulama modellerini, başarılı ve başarısız uygulamaların benzerliklerini ve farklılıklarını irdeler. Ve en temeline bu uygulamaların demokrasi ile temel bağlantısını tartışır.

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## CHAPTER 1

### INTRODUCTION

*“We have to revive utopia.*

*We have to recreate the illusion.*

*We have to reconstruct the future from the limitations of our own times.”*

(Tabare Vazquez, 2015)

The powerful words of the ex-president of Uruguay, Tabare Vazquez during his speech in his party’s congress right after his second-time election as President of Uruguay in 2015 emphasize utopia and reconstruction. This thesis focuses on contemporary liberal democracies and first examines the reasons for the loss of legitimacy of such regimes. There are disappointments with our democracies today. Even the democracies in the most developed countries of the world fail to exercise the core principles of a democratic regime. We observe that the inhabitants or even citizens of today’s democracies are facing challenges concerning the core norms and principles of democracy. It is essential and meaningful to praise democracy, especially knowing that there are still countries where the notion of the constitution and the fundamental institutions of democracy are not in practice. However, also, it is crucial and necessary to challenge contemporary liberal democracies.

First, this thesis provides a brief history of the development of the concept of democracy and presents different models beginning with ancient Greece. My aim is to show that democracy is not just an abstract concept but is a tangible and visible structure

with its institutions and principles. Second, I will discuss the criticisms of liberal democracies with a focus on how democracies could be deepened. When Habermas (1994), for example, wrote about deepening democracy in Europe, he claimed that for a deeper democracy there has to be full participation in almost every single step of the decision-making process. For Habermas, communicative action, political public sphere, and deliberative publicity are necessary for a deep democracy. The objective of this chapter is to present the Habermasian model as a sort of guideline as to how liberal democracies ought to be transformed to address the contemporary challenges.

To provide a conceptual discussion of a possible transformation for the liberal democracies, we will focus on the concept of deepening democracy through decentralization and empowering participation. This thesis examines a relatively recent model of a public administration, participatory budgeting, that first emerged in Latin American countries. As there are successful implementations of participatory budgeting today, I will examine whether it is a process through which liberal democracies can be deepened. I will examine the commonalities and success patterns in both similar and different cases where participatory budgeting is implemented. However, the main objective will be to present participatory budgeting as an instrument to relieve the current crisis of the democracy rather than providing a textbook for implementation or a blueprint. Therefore, this research will present Porto Alegre's participatory budgeting experience as a case study, but also, it will provide examples, patterns as well as failures from different cities in the world. The main scope of this research is to address whether it is possible to institutionalize participatory budgeting to render current democracies more participatory, deliberative and legitimate.



This research argues that the participatory budgeting projects directly impact the level of participation and legitimacy in current democracies. Therefore, these projects empower democracy at the local level. The main hypothesis is that there is a positive correlation between participatory budgeting and empowering democracies.

## CHAPTER 2

### LIBERAL DEMOCRACY AND ITS CRISIS

#### 2.1 Liberal democracy

Today what we perceive from liberal democracy is its direct relation with certain norms and principles such as the idea of representativeness. This idea came out as an outcome of 19th-century reassessments. These reassessments do not only refer to ancient Greek democracy but also post-American and post-French revolutions and yet the conditions of living in a modern society (Coleman, 2011, p. 3).

Manin (1997) attempts to describe contemporary democracies today through the terminological differentiation of representative and direct democracy. He explains the historical evolution of representative democracies by the English, American, and French revolutions. Interestingly, the very people of these societies did not initially perceive their governments as a form of democracy (Manin, 1997, p. 162).

These historical developments have introduced new concepts such as the institutionalization of markets, liberal economies, rearranged structures of several social statuses in society. Then, the members and the groups of society have become the subject of respective liberation through principles like equality, individual rights, and modern law (Coleman, 2011, p. 3). It is crucial to understand these historical developments and develop new concepts in order to understand what makes today's democracies liberal democracies.

To begin with, it is important to state that there is not direct link between the concept of democracy and liberalism. In the concept of democracy, we look for equality, the direct relationship and mutuality between a ruler and a ruled, whereas in the concept

of liberalism we look for individualism, the concept of liberty (Wiley, 2016, p.18).

While the concept of democracy is more related to the collectiveness of the individuals, the concept of liberalism focused on the individuals themselves. Therefore, the direct link between democracy and liberalism is difficult to build. We can think it as while there is a society and a concern on how to govern it, on the other hand, there are the personal and individual interests and rights to be protected. Liberal democracies are born to deliver this governance in practice. By protecting the individual rights and interests, they also ensure all the democratic institutions taken in place concerning the general will of the society.

To combine these two abstract concepts into one administrative model, to realize a liberal democracy in other saying, there are some requirements. As some of these requirements, we often observe following concepts in liberal democracies; elections, rule of law, separation of powers, multiple political parties and political elites, established and institutionalized market economy etc. Although these concepts appear to be very irrelevant to each other, they constitute the components of liberal democracies and they all matter at a certain point when it comes to the disappointments of the model.

It is quite common that in liberal democracies, associating political decisions with individual liberties and rights is the critical concept. Therefore, this democracy model has a distinction from the old idea of democracy. The accumulation of political thinking since ancient Greece will present us today's liberal democracies where direct participation is rarely possible and popular. However, since the late 20<sup>th</sup> century, both literature and socio-political events show us that there is a tendency to downsize the territories to be governed to ensure direct participation. If we are to examine the concept

of liberal democracy and how to deepen or empower them, we first need to see where the liberal democracies fail, and where the disappointments start.

According to Cunningham (1990), liberal democracy is not an easy concept to describe due to the reason of different theoretical approaches at explaining it. Some approaches benefit from ethical theories, including egalitarianism or utilitarianism. However, what Cunningham recognizes at the definition of liberal democracy is that the concept was established around specific values such as liberty, equality, and democracy. Though, he also emphasized the fact that not all the liberal democrats necessarily put the concept of equality as a core value (Cunningham, 2002).

What makes a state a liberal democracy is not its regime. As there are republican liberal democracies like Germany, there are also constitutional monarchies as adopting liberal democracies such as Canada. Also, there are both presidential and parliamentary systems among the examples of liberal democracies such as the United States and the United Kingdom. Therefore, the best way of understanding liberal democracies will not be focusing on their governing system or historical background but will be focusing on the core principles such as individual rights or representativeness (Coleman, 2011, p.11).

Liberal democracies often present the concept of democracy where there is a vast territory with an enormous amount of people living on, and those people get to choose representatives who will rule them. Therefore, it will not be incorrect to associate the concept of democracy with the actual representative democracy looking at most of the modern democracies today.

Again Cunningham (1990) also presents the direct relations between liberal democracies and the concept of representations during the criticism of liberal democracies. “Many critics of liberal democracy doubt that it is well suited to generate

such commitment, since liberal democrats typically favor representative democratic and party-oriented politics conducive to a passive, spectator attitude on the part of the populace.” (Cunningham, 1990, p. 103).

Liberal democracies are also based on limiting political power but for empowering the individual rights and liberties where the private space is very significant. Another vital point about liberal democracies, which is directly related to the characteristics as mentioned earlier, is their political economy. Economic models in liberal democracies are usually shaped around these limited political power and individual rights. The state regulation over economic policies is limited, whereas the privatization and liberalization of the sectors and policy areas are prevalent practices. Since these sectors and policy areas are directly related to the people, and the political economy is something very much embedded in people’s everyday lives, there is often a crisis. This crisis is due to the lack of state regulation in these areas simply because there is a tendency to have a vast gap between people who have better access to these services and the others who lack this opportunity. This is only a simple criticism towards liberal democracies, since the usual practice in liberal economies are the market economy.

Roberts (2016) explains how the concepts of academic approaches towards democracy studies have been changing in the past 50 years. While the primary concern of democracy used to be its existence, core concepts like elections, viability, etc. now it has become its quality, significance, or its nature. Roberts (2016) presents this remarkable transition from the viability of democracy on the importance of it in the political landscape. By doing so, he provides a comprehensive explanation of the South. What he calls as third-wave democratization, perhaps, can correspond with the need for progressive amendments for liberal democracies in the world today. Roberts (2016)

often addresses the importance of Latin America in a new era towards the democratization period concerning the neoliberal economic and historical impacts in this geography. Although the economy is in the heart of the criticisms of liberal democracies, the following chapter will focus on the criticisms of liberal democracies, focusing on more political and social aspects than the economic ones.

## 2.2 Criticisms of liberal democracy

Since the 1980s, liberal democracy has started to be criticized. There are many criticisms which touched upon different components and repercussions of the liberal democracies. Some popular ones can be summed up as the following: firstly, together with the rise of globalization and multiculturalism in societies, the liberal democracies fail to respond to all of the citizens' demands and needs in an equal way. There is and will always be a crisis related to minority groups and their representation (Taylor, 1994). These minority groups can be connected to specific cultures, religious or ethnical backgrounds, and there are some structural changes made in the governments to cover these gaps of representation. To this end, some countries established several quotas for the representation of underrepresented groups such as indigenous people, women, ethnic and religious minorities (Bird, 2014; Devlin & Elgie, 2008). However, in this case, liberal democracy as a concept does not protect itself from the misused implementations. However, again, it is the will of people who tend to transform the liberal democracy with structural and institutional changes based on country dynamics. Also, apart from the cultural differences, there is a risk and threat for people from different socio-economic backgrounds to be or not to be represented. In other words, liberal democracies existentially tend to fail to protect the right of representation for people coming from

different classes in a society. If the middle classes or upper-middle classes constitute the majority of the nation by numbers, political elites, and political parties will formulate their policymaking around the general interests and needs of these majority groups. Yet, minority groups will have a risk of not being represented in politics.

This situation brings another criticism for liberal democracies. The political parties are supposed to have a duty of formulating a bridge between people and the state, but in liberal democracies, we observe that the political parties do not have such concern. Rather, they mostly focus on building political elite and intellectuals, public figures, which will impact the majority of people to vote for them. This situation is a significant existential threat to the principal norms of democracy. Liberal democracies tend to mechanize the tasks of political parties by giving them a mission to compete with other political parties to win. Yet, people often feel non-represented or confused about the options they have in a voting catalog of the political parties. Since it is more like choosing a representative among a bunch of options, people tend to get a-politicized or remain indifferent about politics. Though the policy agenda is very much embedded in their lives. This situation is undoubtedly not a one-time event but more likely presents a process. Liberal democracies then tend to lose their legitimacy.

The next criticism is also very much related to the former ones, but it more refers to an ongoing and inevitable circle of failures. Since liberal democracies support majority-oriented policymaking in the political parties, and since these political parties will grow their political elites accordingly, there will be an inevitable circle at the governmental level. In this circle, political parties will occupy the governmental organs and even tend to transform them according to the interests and requests of the majority. This situation undermines the core norms and principles of democracy. It does not only

attack the notion itself, but it will also change the structural and institutional components of the democratic governments. The political parties which produce and seek only majority-oriented politics will first attempt to capture the judicial, executive, and legislative organs of the government. Often, constitutions tame state apparatus and restrain the political elite from taking over any core principles of democracy such as separation of power (Habermas, 1994, p. 7).

In more detail, Greiff (2000) presents criticism of liberal democracies in three main points. Firstly, there is a conceptual crisis by the definition and nature of liberal democracy. The individual concept of liberalism is a natural threat to the idea of a community where are contractual relations between community members instead of the solidarity or sense of belonging together. Secondly, as Cunningham recognizes, Greiff (2000) also talks about the equality crisis as one of the problems of liberal democracies. It is almost a historical fact that liberalism emphasizes the civil and somehow political equality. However, there is not a solid structure or resource that the liberal democracy establishes to ensure, enjoy, and protect this equality. In a similar vein, the main objective of liberal democracies is not to realize equality but to realize liberty . In that sense, Barber (2003) asserts on the debate of equality and liberty as follows:

Since equality involves less what we owe to others than what they owe to us, it is put aside whenever it interferes with liberty. Men, though created equal, are created not for equality but for liberty and for the right to secure the safety and pleasure of the self.” (p. 78).

As another criticism from Greiff, there is a crisis of representation in the liberal democracies. Greiff (2000) also states that liberal democracy is generally understood and approached with the concept of representative democracy as follows:

The fact that the democratic component of liberal democracy came to be understood in terms of representative democracy has led to a generally apathetic



citizenry all too ready to let its representatives do the work of governing, some of which citizens should be doing themselves. (p. 399)

He also presents real-time examples of this representation crisis from the current liberal democracies in the world. Like in the United States, we know that there are historical events like racial block voting in elections (Greiff, 2000). This example can be very significant since the United States is presented as a pioneering example when we are to talk about liberal democracies.

Although all these criticisms are valuable at finding solutions on how to overcome the existing problems of liberal democracy and then to deepen democracy in general. Maybe, the problems and solutions lie within the nature of the political system itself, particularly the political economy of liberal democracy. While looking at the political economy of liberal democracies, it is easy to observe neo-liberal practices and policies as a common method applied by each singular case. Especially after the economic depressions and crisis of the late 1970s, the Western countries seem to find solutions based on neo-liberal policies (Holman, 1995). When one of the criticisms of liberal democracies is about the plight of equality, we conceptually think that this emerged inequality is a product of the representation crisis and the inability of the constitutional and institutional capacities in liberal democracies (Fraser, 1995). However, perhaps the question to be asked here would rather be the following: where does this inequality come from? Is there any gap between the well-off and the worse-off in a society in terms of economic materials? How is the liberalism or neo-liberalism is embedded in the very every-day lives of the citizens?

When we read the globalization theories, for instance, we see the imperfect balance in the world concerning the political economy. The dependency theory or the

world system theory attempt to explain how neo-liberal economies eliminate the governments from the economic decision-making process and yet create all sorts of socio-economic and political crisis such as an enormous amount of inequalities (Wallerstein, 1974; Chirot & Hall, 1982). In this sense, can we blame the nature of liberal democracies? Or should we look at the root of the concept; liberalism itself? If states are to intervene less to the economy if the neo-liberal markets are to self-regulate themselves, why would simple citizens get together to participate in the decision-making process of any policy area directly? If liberalism is this embedded to the political and social lives yet how the market is this much disembodied, how can we expect community members to get politicized and seek for their roles in decision and policymaking processes? The crisis of liberal democracies is undoubtedly not only one. Moreover, the main objective of this research is not to focus on the criticism of liberal democracies. However, it is incredibly significant to define the meaning of neo-liberalism in the liberal democracies because the political economy cannot be differentiated and be analyzed independently from the concept of democracy. Therefore, if we are to talk about criticisms of the current model, we also need to look at the idea from a broader perspective.

Although the liberal democracy could be presented as a malice model, a model to be replaced with a new one, this research study will attempt to take the core principles of it and to find a way of transformation. There will be several questions marks thrown, and yet we will try to find responses for each by scanning the critical figures of political thinking. Some of the questions can be summed up as the following: How come people get more disconnected from the democratic institutions as a repercussion of the neo-liberal policymaking? How do liberal democracies fail to prevent this disconnectedness

between people and the administrations? Furthermore, how is this legitimacy crisis related to the other criticisms of the liberal democracy?

Starting with the early 1970s, with the rise of the economic crisis, the political regimes and structures began to be criticized. For many people, the capitalist system was a solution for economic development, whereas, for many others, this sort of political economy was considered as a devil. The capitalist or neo-liberal economic policymaking, regardless, was focused both as a solution or a repercussion. The liberal democracies and how they failed to prevent the financial crisis were discussed a lot.

There are several attempts in the literature which tried to make sense out of the current disappointments about liberal democracies and neoliberal policies. As one of them, Habermas reread the crisis from a different perspective.

### 2.3 Habermasian critique of liberal democracies: legitimacy crisis

According to Habermas (1988), there is a crisis when the political sphere intervenes in the public sphere to overcome the economic and financial crises. He gives a comprehensive discussion about late capitalist societies and the role of the states in these societies. According to Habermas (1988), with the rise of capitalism, the role of the state has changed: The state and its institutions no longer keep the core norms and principles of democracy. Instead, the state keeps reproducing methods and equipment to sustain the neoliberal economy. This intervention of states and its institutions in the public sphere is considered as a crisis of legitimacy. Therefore, we cannot talk about the ethical and principal values of democracies in late capitalist societies (Habermas, 1988).

Habermas (1988) explains how this legitimacy crisis evolved in modern states and how the governmental bodies are shaped to reproduce it. This crisis lies under the

relationship between the capitalist system and the state. As a result of this legitimacy crisis, all state institutions are designed to serve in favor of the neoliberal political economy in order to ensure the succession of the system instead of reflecting and protecting peoples' will and needs. In that sense, this legitimacy crisis emerges as a result of the disconnectedness between the decisions taken by states and the will of citizens. Habermas (1992) clearly explains this dichotomy as the following:

The arrangement of formal democratic institutions and procedures permits administrative decisions to be made largely independently of specific motives of the citizens. This takes place through a legitimation process that elicits generalized motives— that is, diffuse mass loyalty—but avoids participation (p. 36)

If there are norms and values produced in a society where the political sphere is dominating the public sphere, we cannot claim the legitimacy of these norms and values. These norms and principles do not belong to the will of people in that society, but they are just produced and promoted by the political elites (Habermas, 1992).

According to Habermas (1992), even though there was a perfect representation system established in today's liberal democracies, there would be still a fundamental legitimacy crisis between representatives and the citizens because of the lack of participation of citizens in decision-making process. And yet, this crisis is based on the methodology of the decision-making process, and any pre-process coming before the decision.

Perhaps, to understand this argument in a more concrete approach, we can replace the norms and principles with political decisions. When we talk about norms and principles, it is usually more challenging to imagine how they have emerged in the first place. For Habermas (2002), decision making and yet policymaking process in the liberal democracies show the state and the governments as they are programmed to

cover the interests and needs of the public. However, while governments are formed of bureaucratic institutions to respond to public interests and needs, the realization of the decision and policymaking are way remote from the people who constitute those interests and needs. In other saying, the government and all its bodies, such as legislative or executive organs theoretically make sure the interests and needs are covered. However, how they ensure, it is problematic. In this sense, we can go further and describe the state as bureaucracy since it is formed of the tools and institutions to serve the only purpose, allocating resources and committing governmental organs at the public's service.

What Habermas -and many other scholars- criticizes liberal democracies is that attributing rationality to the state institutions and political elites at covering and seeking public good will be rather tricky by electing representatives every couple of years (Habermas, 1992, p. 123). In this sort of democratic system, there is no platform when the decision takers directly correspond with the subject of these decisions, which are the citizens. Moreover, most importantly, there is also no sphere where these subjects of the decisions, the citizens, can produce, transform the decisions. However, citizens do not participate in the political sphere in the decision-making process. Then, we cannot talk about legitimacy in the system.

There are also some repercussions of the legitimacy crisis in a society, according to Habermas. As long as there is this disconnection between decision takers and the people, there will be an inevitable motivation crisis from people at participating in politics (Habermas, 1992, p. 74-75). The legitimacy crisis will lead to a motivation crisis, and yet there will be a-politicization among people. Since they feel like political, social, and economic decisions are taken at another level (for instance at a political

sphere), and since there is no direct passage for an ordinary citizen to join that level, there will not be any motives for people to attempt to transform those decisions. This is the reason why, although there is a correctly working representation system in liberal democracies, there is a fundamental problem concerning people's motivation towards politics.

#### 2.4 The normative model: deliberative democracy

Habermas does not only detect the crises of liberal democracies but also builds a comprehensive model for rethinking democracy. Despite the legitimacy crisis in liberal democracies, Habermas also offers a road map, including fundamental changes within liberal democracy, in order to transform it from a malfunctioning system into a more deepened and democratic one. In that sense, Habermas (1994) focuses on two requirements for this transformation: The first one is the normative requirements. These requirements are often related to discourse theory and human nature. He presents us with how human action is supposed to be like in order to realize normative discourse and communication (Habermas, 1994).

Furthermore, the second necessity is related to a structure of publicity in a society. While this is also normative speaking, on the other hand, it refers to more institutional and tangible aspects of society. Eventually, his necessities will guide his followers to a new form of democracy (Habermas, 1994, p. 8).

It would not be so incorrect to call Habermas's understanding of democracy as a communicative democracy. As he emphasizes on the significance of communication at expressing and transferring the will of people, he gives an example at an individual level. According to Habermas, to take rational actions and decisions, there must be

communication held. Simply because a decision can only be a rational decision (or an action can only be a rational action) when another party comprehends and recognizes it (Habermas, 2001, p. 35).

Yet, there is supposed to be an intersubjectivity and an integration process while a decision taken. As an individual who is able to influence or affect the other individuals while there is communication, he also inevitably is influenced or affected by the other subjects. This undeniable nature of communication makes the decisions naturally affected by all the subjects on the platform (Habermas, 1989, p. 248).

Habermas (1989) in his discourse theory, presents the significance of communicative action over the material action. According to him, in material action - and yet in material decision-making processes- there are technical regulations that are based on empirical information. We can associate this material action with the decisions taken as top-down methods in a society where there is no deliberation or integration between subjects, but instead, there is a direct doctrine from one of the parties to the others. However, in the communicative action, on the other hand, there is an integration that recruits symbolism and recognizes different subjects and their natures. There is a more critical way of communication in the material action where we tend to listen and obey the powerful one. As in communicative action, there is a process with deliberativeness where listening to each other will naturally grow consensus rather than domination of one party over another (Habermas, 2001, p. 23-24).

Habermas (2001) presents this normative and yet necessary nature of communication to attack the crises of liberal democracies. The lack of communicative action in liberal democracies naturally slows down their deliberation process if not jeopardizes it at all. There is almost no integration, and all the decisions and policies

made are based on the domination of one subject, the decision takers, over the other, the citizens.

According to Habermas (2001), the weakness of communicative actions in liberal societies also creates weak public spheres for the community members. The public sphere and the normative principles of it stay at the heart of the democracy concept, which Habermas wishes to have (Habermas, 1989). To have his model of democracy in effect, or to transform what liberal democracies fail to provide, the existence of a substantial public sphere is needed.

The existence or appearance of people in the public sphere is only possible with their identity of being a citizen in the current societies (Habermas, 1989). The rightfulness of being a member in the public sphere is only there when the members act according to rules and regulations which were there in the first place. So, these rights and regulations were not put there necessarily out of deliberation. Here, Habermas criticizes the distinction between the political sphere and the public sphere. The public sphere is supposed to be political while it is not in the current societies.

The civil society, for instance, is just a made-up platform for people to show their interests and present their requests to the administrations and governments, but it is constrained. The borderlines of civil society disturb Habermas (1989) in a sense that people should recruit different identities there as if the identities should change from one sphere to another, from household to streets, from squares to parliaments. He rejects the fundamental distinction of the spheres as it does not work for any purpose but differentiating the spheres to enable the public to get away from politics and policymaking (Habermas, 1989). Here, we should immediately diagnose the threat towards the core of democracy as a concept.



Habermas (1992) claims that electoral systems, representative yet liberal democracy, provide a platform to change the political elite who will be in charge of the bureaucracy. However, they do not provide a platform to fundamentally solve the legitimacy problem, such as removing the domination of one subject over another or such as replacing the material action with communicative action. There then, Habermas (2001, p. 25) rightfully requests the communicative action, which seems to be limited in the civil society, to be pulled and carried (also even to be embedded) to the political public sphere that he draws the lines of. Only in this way, the political public sphere will invite community members to participate in the policymaking directly. The political public sphere is open to everybody, and there is intersubjectivity in this sphere where no domination or oppress should take place from one subject to another. The societal norms and values are designed, yet the collective political decisions are taken through the communicative action.

Habermas (2001, p. 63) talks about the concept of consensus, which emerges out of deliberation. When this deliberation takes the place of representativeness, the liberal democracy can turn into deliberative democracy concerning Habermas's jargon.

Here we can one more time claim that Habermas does not only detect the problem of the liberal democracies but also attempts to solve the problem by introducing a deliberative mechanism for it. According to him, the communicative action naturally opens a road for deliberativeness, and this deliberative mechanism relieves the democratic deficits (Habermas, 2001, p. 202). To solve the crises of liberal democracies, he introduces the republican and intersubjective model of democracy, which was inspired by ancient Greece in early history. He prefers this republican model over the liberal model, which inherits the electoral systems and competition. Therefore,

according to Habermas, this deliberative democracy can never be exercised through limited and reductionist instruments, institutions, and processes such as elections (Benhabib, 1992).

Instead, this can only be achieved and enjoyed once it is recognized as a platform and process where volunteer and natural participation can be institutionalized for the people. In this normative platform, citizens do not seek their individual interests, rights, and liberties only under the liberal democracies, but they are also a part of a collective and political whole with respect to the republican models. They are both. Habermas (1989) describes the model where the constitution guarantees individual rights and liberties. The negative freedoms are protected. Moreover, the constitutional framework is drawn to sustain the democratic components and also to maintain communication in the first place. Because establishing robust constitutional rights will make sure that the communication and deliberation within the democratic process are preserved.

Although Habermas draws a picture as he romanticizes the collective action, he finds the secret ingredient of a successful government as the institutionalization of the communicative methods right before the collective action of the people.

There is no doubt, his attempts at re-legitimizing the liberal democracy are criticized in the literature as well. These criticisms of deliberative democracy are rather valuable. In order to further explore if deliberative democracy can be presented as a solution for crises of liberal democracies, it will be essential to understand its criticisms. The following section of this study will present some core criticisms of deliberative democracy.

## 2.5 Criticisms for deliberative democracy: is it a feasible model?

Habermas talks about deliberative democracy where the political public sphere is realized at its finest, but then he misses to talk about the core principles of democracy and how the institutions should be responsible at protecting and promoting them. While he gives the full description of the public sphere of this ideal democracy, he, for instance, does not mention the responsibility of transparency or accountability of the local governments. Though this is quite important, despite the significance of the political public sphere Habermas builds for us, as long as there is no trust from citizens towards their governments for their ideas and opinions to be respected at the political level, the deliberative democracy cannot be realized.

The biggest concern from the scholars and political thinkers is that the proposed model of Habermas's lacks the empirical components. In other words, the description of his deliberative democracy is found way too abstract for many people, yet it is not something tangible or easy to imagine. What are the institutions of this model that we can think of if there is any? How easy is it for people to draw the framework of deliberativeness?

One of the criticisms comes from Gould (1999), who requests to know the detailed map of the political public sphere that Habermas gives as a recipe at including all the cultural and political differences in society. According to Gould (1999), these differences are problematic by nature, and it is not an easy job to include them all in one sphere without drawing concrete borders of it. He also asks how possible in practice to cover all the cultural differences to the decision making in an equal way. One of the criticisms made to liberal democracy was its tendency towards inequality. So, Habermas's proposal does not seem to solve it entirely, either. However, it is crucial here to approach Habermas's suggestion as a significant theory on discourse rather than

a pragmatical textbook on how to ensure liberal democracies more democratic. Gould (1999) also gives credit to Habermas's discourse theory in this sense.

Yet, another criticism for Habermas's political public sphere and deliberative democracy comes from the feminist readings. As the feminist approach focuses on the political and social space of women, particularly how women are being excluded from such spaces, it seems that Habermas's normative and ethical proposal of democracy appears to look aside when it comes to the source of the problem. Benhabib (1992), for instance, thinks that Habermas's theory fails to recognize the domination of men over women, whereas the whole crisis was about the domination of one subject over another in the decision-making process. In other words, although intersubjectivity is a crucial component of Habermas's work, it seems to turn a blind eye to the problems of women subjects. Men's domination over women in the society is an unavoidable fact, and since there is no recognition for this domination from Habermas's side, the crisis cannot be solved, yet it would most likely be reproduced again. This domination does not only exist from man to woman but also from an old to a young, from a rich to a poor, from one race to another or from a local to a migrant. Since there is no concrete recognition of the dominating subjects over the dominated ones, intersubjectivity and discourse theory on equality seems to remain as an abstract and non-feasible concept.

It is important how we approach Habermas's deliberative democracy in this sense. If we consider his deliberative democracy as if it ignores the liberal democracy and attempts to rebuild it, then we should shoot many questions. How feasible is it? What are some concrete institutions of this new model of democracy? However, if we approach Habermas's deliberative democracy as if it accepts the fundamental principles of liberal democracy but attempts to empower the weak points where it fails to keep its

promises, then the theory is a remarkable work. It opens a dialog; it provides a rich platform where the new discussions on several essential concepts like a public sphere, communication, citizenship, or publicity can take place.

Habermas gives us a recipe for a democratic model. However, there are some normative conditions for realizing this model in real life. In this model, human rights are supposed to be rarely violated. The domination among the subjects rarely happens, and yet where the deliberative communication will lead populations towards a collective decision despite the fact all their differences. However, we do not live in such a society where things are crystal clear when it comes to strong concepts like human rights or oppression. Also, Habermas (1994) accepts the fact that sometimes discourse leads to another problem in the society where we expect it to be the way of solving the problems. There is not one linear line at detecting the issues and yet describing the solutions. Again, while working on empirical models, the feasibility of the democratic institutions, or at least identifying the failures of the current democratic governments, deliberative democracy can help us drawing our path.

At this point, what makes Habermas's work distinctive is not its feasibility. However, the fact that it presents a widespread criticism of the current models, also the fact it attempts to find solutions. Habermas's work also tries to recruit discourses and arguments from the ethical studies while looking for an answer. What we imagine during his readings is a model that has relatively more egalitarian frames than any other proposed democracy model. It aims to solve the representative crisis of the liberal democracies by removing the conventional representativeness but introducing the deliberativeness. It tries to include all cultural and social differences in an equal way in his political public sphere. The conditions of Habermas's model of democracy appear to

be the only way to achieve a deepened and empowering concept of democracy.

However, it is not an easy job to build this transformation of the public sphere over night.

Perhaps the solution is within. To provide a sphere where all the participants will be able to express themselves without feeling oppressed or dominated by the other parties, we do need an open and free dialog. Perhaps, to ensure the protection of individual rights and liberties, we do need a constitutional recognition of these rights with respect to liberal democracies. To follow the implementations and violations in such a system, we need to build up institutional structures. Establishing institutional structures is the only way empowering and deepening democracy. Nevertheless, this is the only way of making Habermas's deliberative democracy less abstract but more concrete.

Habermas presents us with a normative model of deliberative democracy, and he builds a solid groundwork for it in his political theory. However, in order to understand it better and establish a direct correlation between his deliberative democracy and a public administration model such as participatory budgeting, it might also be useful to look at the following literature who might build on his job.

Here we meet Seyla Benhabib. Again, with respect to her political theory, Benhabib also dreams about a 'better' democracy, which she calls disruptive if not deliberative. She gives direct references to Habermas in her work called *Habermas and Unfinished Project*, and this work can provide us a better understanding of the possible correlation between Habermas sort of democracy and participatory budgeting: "My conclusion will be that communicative reason, and discursive democracy need

supplementing by an appreciation of the pre-discursive and non-discursive levels on which power and alterity circulate...” (Benhabib, 1997 p. 221).

It is not that difficult to detect that she is addressing a sort of instrument, a model which will initially support the idea of discursive or deliberative democracy in the making. We shall imagine such an instrument or an institution that will appear during the modern democracies, although they are non-discursive. Also, this supplementary instrument should allow a platform in which power (decision-making) and alterity (diverse citizens) can get together. Perhaps she is not luring us back to the criticism of liberal democracies, or she is not giving a hint for participatory budgeting directly. However, again, this interpretation would not be meaningless concerning the discussion and remarkable link between both Habermas’s and Benhabib’s political theory and participatory budgeting.

It is important to examine whether there are any instances where deliberative democracy is practiced? Here we see participatory budgeting, appearing to occupy the literature as an exciting example of Real Utopia thinking (Baiocchi and Ganuza, 2014) in transforming liberal democracies. The following section will be providing a full description of the participatory budgeting model as an instrument of local democracy. By doing so, we will first present a descriptive framework, a case study will follow the description, different examples from the world will be presented, and a comprehensive literature review will be provided.

## CHAPTER 3

### PARTICIPATORY BUDGETING AS AN INSTRUMENT

#### 3.1 The definition and the unit of analysis

Gianpaolo Baiocchi, who is holding a principal place in the literature when it comes to the studies on participatory democracy, defines the participatory budgeting as a simple idea, a learning process. The simple idea “that ‘ordinary citizens’ should have a direct say in public budgets that impact them” has been adopted in as many as 1500 cities throughout the world (Baiocchi and Ganuza 2014, p. 30). As New York city council explains: “Participatory Budgeting is a democratic process in which community members directly decide how to spend part of a public budget. It’s grassroots democracy at its best” (Davidson, 2018, p. 553). In other words, participatory budgeting is a decision-making process, in which ordinary people rather than elected officials participate in how to allocate the public funds and expenditures (Su, 2017).

One of the most significant characteristics of participatory budgeting is that the method of deciding how to allocate the budget gives community members a word where they would be left aside in any other non-participatory system. This way, they get to design the policy areas and transform the policies. Since participatory budgeting is a recurring process rather than a one-time method, it also enables sustainability in participation.

Speaking of remarkable characteristics of participatory budgeting, another one strikes as providing a platform, a public sphere, for community members who are the subject of different orientations and cultures. It gathers people who would never get



together otherwise. Since budgeting is the goal, participatory budgeting is a great way to invite people to sit down together to discuss a topic that matters for all.

What we observe in current models is that the decision making bodies, whether a government in a country, or a management team in an institution, have authority, and they are not always accountable, responsible, responsive or transparent. The subjects of these decisions end up not trusting the decision-making bodies. Participatory budgeting has the potential to relieve this trust deficiency. Those who are affected by specific policies become the actual actors of the policymaking process, and this way, the transparency is built naturally.

In order to more precisely describe participatory budgeting, it is perhaps necessary to understand its analytical dimensions. There are almost no limits when it comes to drawing the lines of participatory budgeting implementations. Even though the model has risen as a public administration model in Latin America, it does not necessarily remain within the cold walls of public institutions. There are fascinating examples where participatory budgeting is implemented today. For instance, there is an example of a prison where participatory budgeting started to take place in early 2019 in Milan, Italy. The main objective of ‘Idee in Fuga’ in Milan has risen as being able to provide a platform for detainees living in the same compound at deciding how to allocate the prison budget based on their needs and interests.<sup>1</sup>

Another striking example is from elementary schools in Brazil. Since participatory budgeting is a quite well-known phenomenon in the country, the participatory budgeting projects are implemented not only at the city or municipality

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<sup>1</sup> <https://participedia.net/case/5978>

level but also at the public institution level. OP Crianca, Children's Participatory Budgeting, is a recent development where the elementary schools are involving students and parents in the decision-making mechanisms of the school budget.<sup>2</sup>

These examples alone are sufficient enough to prove that participatory budgeting can be implemented anywhere, not only because they are the first known participatory budgeting implementation in a prison or a school, but also it strikingly shows that the unit of analysis need not be restricted to the municipal or local government level. There can be examples from different units such as non-governmental organizations, schools, universities, and companies. The necessary characteristic that makes a participant an actor in participatory budgeting is that they become a subject of a common budget. Therefore, depending on the objective of implementation, any group of people can be categorized as participants. This these will focus on participatory budgeting processes at the municipal level. As the decentralization of public administration both in economic and political levels is a fundamental step in deepening democracy, examining the city level is important.<sup>3</sup>

Often, participatory budgeting is referred to as citizen participation: citizens are involved in the process of decision making on how to allocate the city budget. The literature focuses on identity-based unit of analysis while describing the actual actors of participatory budgeting. Even though the people who are living in a city and who are the subjects of the city budget are not necessarily citizens by law, this research study will

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<sup>2</sup> <http://www.recife.pe.gov.br/educacao/op.php>

<sup>3</sup> The definition of a city can be understood and interpreted differently in different countries. Often, there is headcount reference: what makes city a city is the number of people living in the area. Sometimes, it is the administrative structure of the governing bodies. Since the legal and administrative structures and institutions of cities can differ from one country to another, municipalities can be the main platform of the participatory budgeting implementations. Regardless, what this research focuses on the following sections will be the city level yet very sometimes the state level in some examples of federal structures.

take citizenship as a de jure requirement for examining participatory budgeting implementations. Although there are and will naturally be de facto non-citizen actors, especially in cosmopolitan cities where participatory budgeting takes place, this research will focus on the citizens. The main objective of this research will not be exploring politically correct terminology but rather to draw precise lines of a linkage between participatory budgeting and deepening democracy concerning the deliberative democracy model of Habermas. As for the sub-groups of citizens who are participating in the participatory budgeting projects in different cities, the narratives will be interesting to look at. The different age groups, different social and economic backgrounds, even gender, play an important role in citizen participation for participatory budgeting projects in different examples.

Today, there are about 1500 cities across the globe that implement participatory budgeting projects (Davidson, 2018, p. 553). The main objective of fulfilling these projects is often to enable the city governments to become more democratic and to get them close to the citizens. In order to understand how this objective works, understanding the source of the participatory budgeting project is necessary. Therefore, we should start with Porto Alegre where it all started 30 years ago.

### 3.2 The case: Porto Alegre

Starting from Brazil's democratization period in the late 1980s, different regions of the country, together with a robust left tendency among the political parties, gave its first product in a southern city called Porto Alegre in 1989. As a concept the participatory budgeting or in its original language "Orçamento Participativo" found its place in the literature with the Porto Alegre example. Participatory Budgeting emerged as a

successful outcome of the democratic reforms in 1985, which attempted to reduce corruption, favoritism in public administrations in the city of Porto Alegre. Therefore, the city has a crucial role in the history of participatory budgeting in the world. Perhaps, in order to understand the emergence of participatory budgeting, it is quite significant to understand Porto Alegre itself.

Porto Alegre is the capital of Rio Grande do Sul, which is the southernmost state of Brazil with almost 12 million inhabitants. The capital itself has about 1.4 million inhabitants (Piper, 2014, p. 58). Numbers doubtlessly will be significant when we try to go into details of the mechanism; for many people, imagining participatory and inclusive models regarding democracy seems quite utopic for highly populated regions.

When the Workers Party (Partido dos Trabalhadores, PT) started to gain popularity in Brazil in the late 1980s, the big cities and regions were getting more iconic and vital for left-oriented policies. The Workers' Party started to win some of the big cities in the late 1980s, and even some states such as Rio Grande do Sul. The poor-oriented policymaking, egalitarian, and socialist orientation of the party affected the public opinion in the state of Rio Grande do Sul in a positive way concerning the public sphere. When the party first introduced the participatory budgeting in Porto Alegre, the historical background of the state and the city had a critical role in supporting the new budget making method.

Practically speaking, the participatory budgeting system built in Porto Alegre based on a pyramidal structure with the following main components; the regional assemblies (called Rodadas) in 16 different districts in the city which will work on a particular theme, the Forum of Delegates (Forum de Delegados), the council of participatory budgeting (Conselho do Orçamento Participativo, COP) (Sanchez-Pages

and Aragones, 2009). The Rodadas played an essential role in attracting community members to the forums where most of the popular and crowded participation happened. It is perhaps crucial to underline that these assemblies were open to any citizen, and before each consecutive meeting in Rodadas, the community would organize preparatory meetings. Then, the meetings at the Rodadas were mostly spent by prioritizing the demands and requests, and by electing delegates for Forum de Delegados and councilors for the COP.

While there was a public sphere introduced to the members, the decisions on the proposals to be taken to the upper body were taken by the majority rule. Each region was to select five priorities out of several policy areas. The Forum de Delegados was designed to have about 1000 delegates and representatives. The Forum was holding a function of a bridge between the Council (COP) and the community members, citizens in other words. Just like an executive body of a governing structure, the Forum of Delegates also committed the duty of monitoring the implementations of the decided budget and informing the public (Sanchez-Pages and Aragones, 2009).

It is also important how those delegates and councilors were chosen and allocated in these bodies. Typically, such delegates and councilors would be directly assigned by the local government. As for the Porto Alegre experience, any citizen could be found eligible to become a delegate for the Forum. Although any citizen could become a delegate, the participation rate for the candidates was carefully considered, and the forum candidates were highly expected to participate in the Rodadas actively. This situation also shaped the political behavior of the citizens who were to come and state a political opinion in the meetings. If they wanted to make sure to transfer the decisions taken in the lower body of the system to the higher ones, they were to get

elected as a delegate, and yet in order to be elected, they needed to participate in the meetings regularly. The circular structure at participation created both trust and sustainability in the system in general. Finally, in the COP, where the final drafts of budget proposals were drawn, counselors were preparing to propose their drafts to the city government in concrete structure and details (Santos, 1998).

The literature on federal electoral systems will immediately suggest that the hierarchical structures in federations always go vertically higher when it comes to decision making. Therefore, it would not be so radical to think that it is always easier to build such a participatory system in federations rather than unitary states. Since federations have the vertically climbing structure in the state and federal government levels, it would not make it difficult to plant the seeds in the people's mind at assembly or city council level in the making.

According to Goldfrank (2007a), the party design and the culture of opposition in Brazil also had a lot to do with the emergence of participatory budgeting in Brazil. The innovative and citizen-oriented policies and promises which the Workers' Party (PT) in Porto Alegre adopted between the 1990s and 2000s have already started to shape the institutional structure of the city. This structural transformation enabled the citizens to be able to participate and enjoy the firsthand representation of their very own ideas and proposals. Together with the political culture in Brazil where people's political opinions always were outspoken, and demonstrations always occupied streets, participation level got up in no time (Zhang and Liao, 2011, p. 282). Here, it would not be too much of a statement to say that political culture and the politicization level of the public has a critical role in the success of implementations of participatory models. If we ask people

to join the assemblies to state an opinion, before anything else, they should be able to have something to say, and yet they should be willing to say it.

Porto Alegre is an important example of political participation. However, this is also the case of nearly 200 other Brazilian municipalities where PB was implemented. Souza (2001) argues that the democratization era in Brazil, the process of decentralization and the constitution of 1988 opened the way to more participatory, flexible, and independent region politics (Souza, 2001).

Also, when we look at Brazil's administrative structure, we can quickly notice that the executive bodies initiated all related budgeting policies both at state and federal levels. This structure of Brazil enables experts and technicians to be able to draft budget proposals (Zamboni, 2007). In comparison to the unitary states, where the budgeting policies are drafted and implemented by the ministries of economics behind closed doors, Brazilian regions' shift to the participatory budgeting would be somewhat easier. This statement for sure does not mean that budgeting proposals were written directly by trade unions, non-governmental organizations, or civil society organs before the participatory budgeting implementation in Brazil. There was at least an interrelation between citizens and the decision-makers, but there was not a structure that can explicitly involve all the mentioned actors.

Speaking of civil society actors, what makes south of Brazil important in participatory approaches was also the existence of rooted civil society culture and social activism in the region (Abers, 1998). Porto Alegre and other big cities in the South never adopted neo-liberal policymaking even when related to the budgeting (Goldfrank, 2007a).

On the other hand, opposition parties to the Workers' Party claimed that participatory budgeting would naturally bring high rates in taxes and budget cuts when it comes to the implementation of proposed drafts. However, civil society actors worked hard to create awareness and pushed local governance to spare investments for the realization of the participatory budgeting not only in Porto Alegre but in many big cities of Rio Grande do Sul throughout the late 1990s and early 2000s (Goldfrank and Schneider, 2006).

It is not difficult to observe what participatory budgeting projects led to in the city of Porto Alegre at the administrative and political levels. Simply looking at the political data and statistics will be sufficient. Nevertheless, the Workers Party and its sharply risen success since the first days of participatory budgeting will be self-explanatory; "it proved politically efficacious: the PT administration was comfortably re-elected in 1992, 1996, and 2000, each time advertising the PB as the centerpiece of a mode of governance that benefited the "whole city" (Ganuza, 2012, p. 6).

Also, the increase in accessing vital services and infrastructural changes in Porto Alegre will allow us to look at participatory budgeting from a citizen perspective. The first seven years of participatory budgeting implementations in Porto Alegre, the number of households with access to water services rose from 80% to 98%; the percentage of the population served by the municipal sewage system rose from 46% to 85%; the number of children enrolled in public schools doubled (Santos, 1998).

When we examine the participants in the Porto Alegre experiment, we also observe different impacts of participatory budgeting over the people who are coming from different socio-economic backgrounds. For instance, the worst-off regions of the city, called Ilhas, happens to have equal decision weight as the wealthiest region called



Centro. When we look at these two different regions, we see that Ilhas has about 5000 people while the Centro has about 300.000 people (Santos, 1998).

In order to provide such equity in participatory budgeting councils, the political and cultural structure should support the main idea behind participatory budgeting projects. This is only possible where there is strong and reliable commitment from the political elites. When we look at the Porto Alegre experiment, we see the main objective was to involve citizen participation in the councils, especially citizens from modest household incomes. The statistics show that almost 40% of the citizens who are participating the Rodadas in Porto Alegre have a limited income if not entirely minimum wage. The ratio of minimum wage earners in Rodadas constitute almost one-third of the total numbers (Baiocchi, 2005). Therefore, we can also come to a conclusion saying that Porto Alegre is a live example of a successful implementation of participatory budgeting for regions with high disparities in income.

Baiocchi and Ganuza (2016) provide a comprehensive explanation of how the participatory budgeting experiences in Porto Alegre could successfully involve different sub-groups among the citizens, especially considering the variety of different economic backgrounds. In the very beginning, the idea was simple; the representatives from different clubs, churches, and associations were to come together under the structure of a forum to formulate and design proposals. However, what the participatory budgeting experience in Porto Alegre turned into was a very inclusive and ‘open to any citizen’ sort of meetings in the end. The initial idea of civil society proposing has drastically turned into the ultimate execution of a public sphere.

What exactly led to this change? How did participatory budgeting institutions invite ordinary citizens? The urban social mobilization in Porto Alegre was always in

conflict with the administration. There were urban-related demonstrations and strikes from ordinary citizens, and usually from the minimum wage earners. The bus services issue to start with got something more significant with the Workers' Party-run demonstrations in June 1989, which eventually involved bus drivers, conductors, rather than citizens. Two main groups were intercepting against the administration, ordinary citizens who demanded better bus fares and services from the governors and bus drivers who sought better wages from the governors (Baiocchi and Lerner, 2016).

Baiocchi and Ganuza (2016) find this interception quite interesting for participatory budgeting experience in Porto Alegre. Simply because every single time the administration attempted to respond to the demands and requests from citizens' side, they knew they needed to include all the sub-groups of the citizens.

Even though some neighborhood associations felt that the administration would not address their demands and requests due to the citizenry approach. In spite of this concern, the participatory budgeting institutions could successfully welcome all citizens. The condition was to give the neighborhood associations leadership status in the councils, yet these associations begin to run the councils (Baiocchi and Ganuza, 2016, p. 138-140). Therefore, in Porto Alegre's experience, the very first experience of participatory budgeting in the world, there was an inclusive and ultimate citizenry perspective in the institutions.

### 3.3 Other Latin American examples

Wampler (2008) presents a comprehensive study on participatory budgeting for mainly eight Brazilian municipalities, starting from Porto Alegre, Ipatinga, Recife, and Belo Horizonte to Santa André, Sao Paulo, Blumenau, and Rio Claro. Mainly what he

presents us is the most successful cases such as Porto Alegre and Ipatinga and the causes of their success alongside the relatively less successful and even failed ones. He gives credit to mayoral support and institutionalization of the participatory budgeting processes in the successful models (Wampler, 2008). When we read the success stories, the institutionalization of the model is a perfect pattern. We see that it is not only about building physical assemblies but also having them gain institutional culture, logos, names, full-time employees, secretariats, and adding new terminologies to the municipality culture. These minor changes grew on the idea of participatory budgeting in the background, yet again the public was dragged towards the institutional culture.

Brazil's democratization process and introducing participatory budgeting in different municipalities resulted in a constitutional change in the country. This structural change should be accepted as a pattern if we are to examine success stories not only from Brazil but also from different corners of the world. Brazil's Constitution in 1998 introduced a variety of different tools in order to empower civic voice and increase participation as well as increase access to social services (Peruzzotti, 2012).

Nevertheless, not only the democratization period of Brazil came up with a participatory budgeting model as a tendency to localize the governance, but also other Latin American countries did experience the same transformative democratic tendencies. Since it first circulated through the Workers' Party in Brazil, primarily through the networks of the political parties and political and social acts, the participatory budgeting started to get spread around and throughout Latin America. As a result, hundreds of municipal participatory budgets were implemented in several Latin American countries such as Peru, Argentina, the Dominican Republic, and Bolivia. Until the beginnings of the 2000s, when participatory budgeting took international attention in the freshly

established alternative forum called World Social Forum in Brazil in 1991, Latin American cities were trying to get the most benefit out of Brazil's example in one way or another (Baiocchi and Ganuza, 2014).

Just like Brazil, Colombia experienced institutional and constitutional amendments to deepen the participatory mechanism in 1991 (Peruzzotti, 2012). The constitutional change in Brazil in 1988 was providing several instruments to promote to hear public opinion more as well as developing access points to social services such as healthcare, social assistance, urban services, etc. These social services were mainly related to urban needs, and yet they were being discussed in the city assemblies. As we can evaluate this radical and jurisdictional effect of the assemblies in Brazil, Peruzzotti (2012) also finds similarities in the Colombian constitution, which happened to have amendments and reforms in 1991. The constitution in Colombia in 1991 created 29 different types of participatory policy implementations, including a consultative body of a council, local administrative juntas, committees formed by citizens, and even planning councils for indigenous populations in some regions. Not many years later, together with the collapse of the Soviet Union on the other side of the world, Latin American countries reacted to this collapse of world polarization with the unfortunate rise of violent and neo-populist politics. Colombia, for instance, with the paramilitary organizations and violent guerilla in 2003, had public opinion disengagement from the participatory implementations which were presented earlier following Brazil (Nylen, 2003). Perhaps, Colombian failed model of participatory budgeting can be explained with this reasoning.

Comparing other Latin American countries with Brazil, such as Bolivia or Peru, we observe that they went through more mandatory policies on participatory mechanisms like in Colombia rather than relying on civil society actors, volunteer,

activists, or their political culture as it was the case in Brazil. These countries in Latin America established participatory institutions as a result of the adoption of national legislation, which forces the inclusion of participation by articles on the local level (Peruzzotti, 2012).

Peru has introduced obligatory participatory budgeting as a component of top-down decentralization reforms. Rather than the political culture in Peru, historical aspects and political needs of the time forced Peru to come up with instruments that will promote participation. Peru's participatory budgeting experience, unfortunately, ended up with unkept promises and President Fujimori implemented neoliberal policies. Nevertheless, Fujimori's traumatic leftover in Peru did not allow community members to participate in the agendas even at the local level. There were perhaps institutions to promote participation, an elite, top-down order, but not much deliberativeness (Peruzzotti, 2012).

As another example of the institutional and forced application of participatory and decentralized policymaking, Bolivia stroke radically when Popular Participation Law was enacted in 1994. This law was to divide the whole country into 320 municipal governments. This situation can be considered as another top-down order, and the logic behind this was to provide feasible platforms for local governance, where municipalities would be empowered and encouraged to produce rural policymaking. This law did not only divide the Bolivian territory but also invited social organizations to join the committees (Peruzzotti, 2012). Bolivian example of decentralization and participatory budgeting also tended to be slightly flexible and open to the citizens. However, its decentralization experience only remained within the national legislations, even though it extended to some level of multilateral organizations (Hernandez-Medina, 2007).

Another Latin American country that attempted to implement participatory budgeting in Latin America is the Dominican Republic. The participatory budgeting experience in the Dominican Republic is very interesting, according to Hernandez-Medina (2007). He builds his reasoning around four main aspects.

First of all, participatory budgeting in the Dominican Republic has started as a process of consultation in the small municipality of Villa Gonzales in Santiago province in 1999. Already in 2003, five different municipalities were implementing participatory budgeting, and a year later, in 2004, this number rose to thirty municipalities, which represents 29% of the total population of the Dominican Republic. Therefore, we can easily state that the Dominican Republic has jumped into participatory implementations relatively more rapidly than the other Latin American countries (Hernandez-Medina 2007).

Secondly, the participatory budgeting in Villa Gonzalez has been designed around the idea of decentralization that does not only mean empowering the local governments but also attempts to institutionalize this concept of decentralization by different actors, local communities, different and vulnerable group members, etc. Notably, the participatory budgeting in Villa Gonzalez has attempted to counteract the historical weakness of local governments by empowering the civil society actors who were not that impactful in the past (Hernandez-Medina, 2007). We also observe Villa Gonzalez's experience in participatory budgeting to become one of the first gender considerate and women participation friendly models (Hernandez-Medina 2007).

As for the third aspect of the participatory budgeting in Villa Gonzalez and yet other Dominican municipalities, we observe the rise of capital investment with the early implementations of the participatory budgeting in small communities. We see the

investment and sources spared for participatory budgeting at the local level. Year by year, this spared budget was increased (Hernandez-Medina 2007).

Finally, the Dominican Republic's geo-political location also mattered. Since the country was isolated from the rest of the mainland of South and Continental America as a part of the Spanish-speaking Caribbean country, it had a particular political situation (Hernandez-Medina 2007). The Dominican Republic was a representative of these island countries when it comes to networking with the rest of the region. Not only being geographically isolated from the Central and South America but also getting culturally estranged from the French-speaking neighbor, Haiti, as well as the other English-speaking nations in the Caribbean region. Therefore, the Dominican Republic highly depended on all possible means of communication in order to feel connected to the rest of the Latin American Spanish speaking mainland. Nevertheless, not only non-governmental but also governmental organs of the country encouraged technology and communication methods to be connected with the rest of the region. When the participatory budgeting hit Latin America as a new and innovative instrument of governance, among the other Caribbean countries, the Dominican Republic was relatively a quick and rapid follower.

Despite the fact that the Dominican Republic had specific characteristics both based on internal dynamics and external factors, we once again read the blueprint implementation of Porto Alegre in Villa Gonzalez as well. The other significant characteristics of the local government in Villa Gonzalez are the activist and partisan nature of the governors, mayors, and the cabinet in the city. These all affected the country's participatory budgeting experience affirmatively (Hernandez-Medina, 2007).

Speaking of the continental South American countries; it would not be possible to present a comprehensive Latin American literature review on the participatory budgeting if we omit Argentina. When Rodgers (2010) tries to give a comprehensive background on the emergence of participatory budgeting amid a political and economic crisis in Argentina in 2001, he gives credit to the social movements against the rise of neo-liberal policies in Argentina ending with a demand of more participatory and transparent governance model. Again in Argentina, the weak institutionalization of the opposition, the social and political culture and the party designs played a significant role in responding the public's demand for participatory budgeting however the Argentinazo (the name given to the crisis in Argentina in 2001) played perhaps more critical role to trigger the creation of the space for participatory budgeting in a contingent but temporary way (Rodgers, 2010). While Rodgers (2010) examines the participatory budgeting emergence in Buenos Aires, he looks at the main reasoning from the perspective which he calls 'political economy.'

Like in Brazil's example, we also observe an institutionalized workers party in Argentina: The Central de Trabajadores Argentinos (CTA). This party was founded in the early 1980s, started to organize people around certain political norms and ideas via its instruments like think-tank foundations, supported trade unions, etc. This situation was significant at the emergence of an organized and institutionalized civil society in Argentina very similar to Brazil. From 1995 onwards, the party was the go-to destination for many workshops, panels, seminars, lectures about participatory budgeting, yet they were holding a quite big archive of documentation, mainly referring to success stories from Brazil. The 1996 amendment of the constitution, that recognizes Buenos Aires as an autonomous city also shows the significance of the CTA. This amendment of the



constitution officially recognized the participatory elements of democracy and paving the way for participatory budgeting. Rodgers reads the amended constitution very carefully, where Article 52 specifies participatory budgeting: “The participatory character of the budget is established. The law will fix the consultative procedures regarding the assignation of resource priorities” (Rodgers, 2010, p. 8).

Despite these remarkable annotations to the participatory budgeting in the city’s constitution, the participatory budgeting could not escape from the wrath of ‘being there due to the economic instability’ in the first place. Therefore, we should note that the concrete institutionalization of the city constitution and its directives to the participatory budgeting were much less explicit and less obvious (Rodgers, 2010) than the main reason for its birth.

Following the implementations of the capital, the Socialist Party in a city called Rosario in Argentina declared that they launch participatory budgeting in 2002 right in the middle of political and economic crisis as well. This way, also in Rosario, the participatory budgeting turned into a response to the widespread distrust for politicians and other representatives from public institutions and government bodies: this was a reaction towards the representative democracy, which seemed to prove itself to fail (Holdo, 2016b). Local politicians tried to restore and rebuild the trust of citizens by encouraging and inviting them to participate in the decision-making processes in the municipalities. According to Holdo (2016b), Rosario’s relatively successful participatory budgeting experience can also be explained by the measures of non-cooptation simply because cooptation in case of participatory budgeting would mean to reserve seats in the councils for the supporters of the incumbent party (Wampler, 2007). However, unlikely in Rosario, political sympathies and ideological orientations towards the incumbent

party were entirely irrelevant to the concept of participation. Like Holdo (2016b, p. 407) observes, Rosario's councils, "Councilors' independence served the interest of both the government and the participants."

Before we are done with Rosario, the city also deserves to be mentioned in the participatory budgeting literature as it had an approach called 'gender budgeting.' City councils of Rosario were explicitly encouraging women to participate in the decision-making process, therefore, to reserve more rooms for the gender-sensitive policymaking.<sup>4</sup>

Although the participatory budgeting examples are quantitatively the most significant and remarkable in Buenos Aires, it is also theoretically significant in other cities like Rosario. Though, these two cities were not the only ones in Argentina's participatory budgeting experience; cities like Cordoba, La Plata, San Miguel, San Fernando, Moron, Necochea, Comodoro Rivadavia, Bella Vista, San Martin, Godoy Cruz, and Campana municipalities established participatory budgeting following the capital and Rosario (Rodgers, 2010) by mid 2005.

According to Peruzzotti (2014), there are similarities between Argentina's and Uruguay's participatory budgeting experiences. Just like in Argentina, in Uruguay as well institutionalization of the participatory budgeting was not holding a critical point in transforming the governmental bodies yet public opinion but more like emerging as a

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<sup>4</sup> Rosario is still considered as a successful implementor of the participatory budgeting by many platforms. Indeed, the city holds assembly meetings regularly and invites citizens to participate, not only that but also they use media channels to share the decisions taken and policies implemented. In order to see the 2018 Participatory Budgeting Report of Rosario, you can go to <https://www.rosario.gob.ar/web/gobierno/presupuestos/presupuesto-participativo/resultados-del-presupuesto-participativo-2018> .

natural result of the urgent needs of change, trust builder or the necessity of political economy.

However, Goldfrank (2007b) helps us differentiate Uruguay's Montevideo example from Argentina by instead defining its unique failures despite the fact of its similarities with Porto Alegre in Brazil. The participatory institutions in Montevideo indeed assisted the rise of the concept of transparency and service monitoring but failed to generate sustainable and widespread citizen activism. This big failure could not save Montevideo from failing the participatory budgeting itself. The reasons lie under this lack of social activism could be explained by the resources and capital investment of the local governments as well as the level of decentralization in the national authority. These practical reasons drew the limits of the ability to establish a progressive, meaningful, and sustainable participatory institutions which are to encourage and attract lasting citizen involvement (Goldfrank, 2007b). Although Porto Alegre and Montevideo had similarities in their federal governments allocating resources to the local level by utilizing the jurisdictional channels, in Porto Alegre, the existence of active opposition to the left tendency party did not exist as strongly as in Montevideo. Montevideo, in the end, happened to be the riverbed of the strongly institutionalized opposition parties. They would question the resources allocated to the local government and challenge participatory budgeting with the high rates of taxation, whereas Porto Alegre was not as challenging as Montevideo in terms of Workers' Party oppositions.

Speaking of a strongly institutionalized opposition in the region and its effects on the implementations of the participatory budgeting, another doomed to fail experience comes from Venezuela's Caracas. As in Caracas too, the incumbents' participation programs were challenged and yet derailed by the strong opposition. Although there

were interrelations between three city's workers' parties in Porto Alegre, Montevideo, and Caracas, only one over the two cities of participatory budgeting experiences seemed to be successful. By analyzing these three cities in detail, we find commonalities and distinctions. As for the commonalities, we can say that since the left parties in those cities did share not only solidarity but also their knowledge and know-how on many policy agendas, the experiences of participatory budgeting as well concur in these three cities.

As for the distinctions, Goldfrank (2007a) argues in his work which provides participatory budgeting lessons from Latin America that once the participatory budgeting was implemented in Porto Alegre, Montevideo and Caracas more or less at the same time, the opposition was severe and merciless in these two cities but not in Porto Alegre. In Montevideo and Caracas, participatory budgeting was found rather dangerous for economic stability and also was considered and criticized to become the persistence of representative democracy by established opposition bodies, political parties. The participatory budgeting was not approached as an efficient way of realizing governance with the public, including but was considered as an anti-democratic, inefficient, and chaotic process. In the end, the arguments from the oppositions of Caracas and Montevideo were that the participatory budgeting model was to provide further power to the unrepresentative volunteer participants rather than giving it to the democratically elected, therefore politically eligible actors, such as municipal employees, officers, professionals.

When we look at the different examples of participatory budgeting in of Latin America, it is not that difficult to follow the pattern. We will try to list only some of the commonalities here to acknowledge the Latin American pattern. The highly polarized

world in the late 1960s with the Cold War, enabled one of the parties of this polarization, the Soviet Union, to launch a sort of ideological base in Latin America towards the other party, the United States. The military regimes that governed the South American context were attempting to implement neoliberal policies. The collapse of the Soviet Union in the 1990s changed the game in Latin America as well. The US no longer supported dictatorships as it did during the Cold War and a wave of democratization began in Latin America as well.

Historically and culturally bonding experiences of the Latin American countries and cities did leave not only an impact on the party designs and institutionalization of governance but also left a massive impact on people themselves. Again Goldfrank (2007b) discusses the political activism in the public sphere playing a pivotal role in spreading participatory implementations throughout the Latin American region. The fact that people were feeling historically and culturally bonded to each other against injustices, unjust implementations of the totalitarian junta regimes have encouraged them to participate more in the assemblies. In this sense, we observe that Latin American populations were not completely demobilized by the military regimes which sought to transform society and politics. Goldfrank (2007b) emphasizes the importance of political activism when it comes to the early implementations of the participatory instruments at the local level. There is no doubt; these early implementations require the public's enthusiasm and support in order to sustain their existence. When we look at Brazil's example, we see that activism is always there, if not only politically. The community members tend to gather and get together around a particular topic; religious conservatism or even their unconditional love for football can mobilize society. On top

of this cultural activism, there are political gatherings and organizations which enable civil society actors to organize urban meetings.

On the other hand, when we look at the Buenos Aires example of participatory budgeting after 2005, we see a radical drop at citizen participation in the city councils. This situation immediately raises questions regarding the motivation for participation earlier. Was it due to the political activism citizens shared in solidarity, or was it due to the economic crisis in the country where nobody else knew what to do rather than just joining the assemblies to get to know what was going on?

Without mentioning one more essential component of the commonalities in Latin American regions, we would not complete this difficult task of mapping the patterns out. When Hernandez-Medina (2007) talks about the Dominican Republic's experiences in participatory democracy in general, he emphasized the critical component that existed in the country at a time. This situation, we believe, can be considered in almost every single one of the Latin American countries: the very well set and organized network of the Municipalistas.

He calls it an "associative network" when talking about the Dominican participatory budgeting implementations. It briefly refers to the linkage between state reformers and civil society actors. According to his work, "Dominican and Latin American 'municipalistas,' people and organizations self-identified as promoters of development at the local level, play an essential role in promoting the participatory budgeting model in Latin America and Spain" (Hernandez-Medina, 2007). There are several examples to be shown in the region: Ibero-American Union of Municipalistas (IUM), the Latin American members of the International Union of Local Authorities, and the Inter-American Network for Democracy, etc. These members who belong to

specific communities and organizations helped to increase knowledge and know-how on the concept of participatory budgeting. They also shared knowledge and experience on how to implement it. They do not only produce the knowledge themselves but also spread the information first in the intergovernmental level of local governments and then in the interregional level of the national governments. This diffusion enabled the other regions to be aware of the most recent implementations, failures, structural models, even local policies on how to invite and encourage citizens to come to join the assemblies. Perhaps, this unique opportunity the Latin American countries had, will remain as a secret ingredient in the participatory budgeting recipe where the other regions may have but not necessarily in the very same way with the Latin American communities.

Speaking of the cultural commonalities in which the language is, for sure, having an important role. In any public sphere in the making, language must be accepted as one of the game-changer components. Brazil, as a Portuguese-speaking country, has a unique place among all the other Spanish speaking countries and neighbors around in Latin America. However, organizing internationally visible events -such as World Social Forum, which was initially held in Brazil- enabled a comprehensive interpretation and translations of the current implementations in Brazil to the international area as well as vice versa. The Forum opened up a conversation, a dialog, a correspondence, an exchange for both Brazil and the other participants.

Also, Spanish speaking countries have a unique opportunity to be understood by other Spanish speaking communities. Their resources are easily seen and accessible, publications on participatory models, the party manifests or proclamations, the institutional design of the public bodies and local government organs are easily read and shared. This situation alone is the reason why participatory budgeting was not found as a

difficult topic to be understood in Spain also in Europe, not much time after its first emergence in Brazil in Latin America.

### 3.4 European examples

The participatory budgeting started to strike as a famous model not only in Latin America but also in the international arena in the mid-1990s. The notions of civic engagement as a piece of equipment for modernizing the governance and administration began to be more significant in Europe at the time based on the annual report of OECD in 2001.<sup>5</sup> There was a need for change, and decentralization in local policymaking was a promising alternative.

Participatory budgeting was actually introduced to the UN Habitat Istanbul meeting in 1996 and recognized to be the best practice. The participatory budgeting was described as a sequence of meetings premised on universal participation and a just and transparent decision-making process (Ganuza, 2012). In the international arena, the participatory budgeting started to be understood as an instrument which can help to improve the administration rather than setting a new form of administration and governance. There was an existential misinterpretation of the participatory budgeting as if it is a sort of tool to assist representative democracy in the fiscal reforms and policies.

This situation was not a failure, in any case. The dialog had just been opened, and the participatory budgeting started to attract more attention from the international 'municipalistas' but naturally first in Europe. Beyond Latin American implementations of the participatory budgeting, Europe became the first continent that actually

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<sup>5</sup> [https://www.oecd-ilibrary.org/economics/oecd-annual-report-2001\\_annrep-2001-en](https://www.oecd-ilibrary.org/economics/oecd-annual-report-2001_annrep-2001-en)



understood and adopted the participatory budgeting. Ongoing discussions and civil society initiatives together with the progressive European politicians, the participatory budgeting was seen as a new model of participatory democracy. Public administrators and local governing bodies were inviting citizens to get more politically active and join the participation process. There were supposed to be some legislative changes in many of the European countries to enable citizen involvement. Some of the examples to build these legislative components can be the following: Local Government Act (2000) in the United Kingdom, Proximity Democracy Law (2002) in France, Local Government Modernization Law (2003) in Spain, and Local Democracy Law (2002) in the Netherlands (Ganuza, 2012).

There were several objectives the governments wished to achieve by establishing above mentioned legislative organs such as establishing transparency, showing responsibility and commitment to the public, increasing the degree of participation in the local governments and improving accountability, which European governments lacked for a long while. In a decade from 2000 to 2010, from only a few participatory models in the pocket, Europe had up to 200 different experiences throughout the whole continent (Ganuza, 2012).

When we look at Europe, we see the participatory budgeting models being implemented in different motivations and initiatives in different countries. For example, the examples from the UK are introducing participatory budgeting as an instrument for public administration and community development, whereas the examples from France and Portugal show that participatory budgeting was understood as an instrument to bring citizens closer to the government. The implementations in Germany, on the other hand, gives us an idea about how German institutions took the concept to carry out further

developed administrative machinery. Also, in Sweden, the participatory budgeting experiments since 2009 were about reactivating the community relations with the welfare state, which was under attack by severe cutbacks due to the economic crisis (Ganuza and Ernesto, 2014).

On the other hand, in Spain, we see the first implementers of the participatory budgeting were from the conservative right, which is surprising knowing that the concept was born in Brazil with the influence of leftist parties and intellectuals. We can say that the overall journey of participatory budgeting in Spain was faster than any other country in Europe. Since the first examples of participatory budgeting were introduced in 2001, when we came to 2010, Spain was the pioneer country of Europe with the number of participatory budgeting models. However, the economic crisis from 2011 on the center-right and the conservative political elites adopted the participatory budgeting implementation and used it as a sort of tool in shifting the learning process of the local government to the public. We observe several small cities and counties of the cities where the conservative parties are historically and traditionally in power implement somehow participatory budgeting in the municipalities. Girona, as a Catalan city, had Santa Cristina d'Aro, where the community members had a tradition to attend the municipality councils regularly. Madrid has Getafe as a countryside urban where the cultural diversity and difference were relatively low in comparison to the Capital itself, and Getafe had intense political activism in the urban assemblies. When we go to the South of Spain, Seville stood as an Andalusian city, where the historical richness was remarkable, but again center-right was influential at empowering the participatory budgeting (Ganuza, Carratala, Frances, 2018).

However, since the economic crisis in 2011 had caused a remarkable budget cut of many local Spanish municipalities, the participatory budgeting models and expenditures spent for the community assemblies begun to be considered as unnecessary tools causing extra expenditures. The economic crisis led to a political transformation, and especially in relatively more prominent urban and suburban zones, their participatory budgeting experience almost stopped. Together with introducing a new set of municipal elections in 2015, the political landscape and structures of the many municipalities in Spain were shifted once again, the left-wing parties this time started to gain power as a sort of reaction to the crisis and political problems. This transformation has affected the participatory budgeting in both conceptual and institutional level. Thus, when we had nearly 150 participatory budgeting projects in 2009 in the country, there were only 80 in 2003 (Ganuza, Carratala, Frances, 2018). Perhaps it is also important to emphasize that these 80 projects were representing the cities and counties with less than a thousand inhabitants or members.

Ganuza and Frances (2012) provide comprehensive research about the dissolution of the participatory budgeting projects in Spain, where the deliberative structure was eliminated and there was a return to the representative one. Talphin (2011) also provides an argument that says the bias in participation and the lack of plurality and multiculturalism might have caused the diminishment in the participatory budgeting projects in Spain.

Perhaps, among all the other countries in Europe, Spain was expected to have a unique place at implementing the participatory budgeting processes in the country concerning its cultural and linguistic bonding to Latin America. Nevertheless, Spain was not the only one.

In the UK, the participatory budgeting projects were designed and organized by the local authorities when they allocate the budget to the communities. The administrative structure of the participatory budgeting projects was different in England. Local organizations usually made a request to the local government about a sum of budget to be allocated to their regions and communities. By doing so, they came up with a budget proposal over a particular policy area in the region. These proposals usually involved citizen participation in the suburb assemblies, where they discussed the allocation of the budget for a particular project (Pateman, 2012).

To be more precise, we can take a look at the Edinburgh example of participatory budgeting. The participatory budgeting project was introduced in Edinburgh as an instrument of a new public management model (Brun-Martos and Lapsley, 2017). In Edinburgh, several small participatory budgeting projects were introduced since 2010, and these projects were held in cycles. There are several different objectives at presenting the participatory budgeting process to the citizens. For instance, the city government aimed to get contributions from the elderly population in the city. The older adults were invited to the rounds held in the city councils, and they were presented several different projects mostly related to austerity and belt-tightening. The level of participation was terrific, and the interviews held with the participants show that those people started to feel more significant and connected to their city government. There were other examples of the participatory budgeting projects which were supported by the Edinburgh Voluntary Organizations (EVOC), they declared their motto for the participatory budgeting projects as 'Our voice is being heard at last' (Brun-Martos and Lapsley, 2014 p. 8). Apart from the local organization and citizen initiatives, it was also remarkable from the city government of Edinburgh as well since the local government

developed a habit of enabling the budget proposals and projects publicly. Thus, all the proposals and decisions taken were open-sourced to the city inhabitants in Edinburgh. This situation was quite a reform concerning empowering transparency in the city. Furthermore, the Scottish government has accepted the participatory budgeting projects developed in Edinburgh to go for a 10-year public administration plan in the city in 2011 (Brun-Martos and Lapsley 2014).

As for Germany, the participatory budgeting projects were more to innovate the public administration structures and institutions as well as sometimes to justify austerity in the cities. As the first implementation of participatory budgeting, Mönchweiler, a small city with no more than 5000 inhabitants, was a pioneer in Germany as it started to institutionalize participatory budgeting in 1998 (Schneider and Busse, 2018, p. 2). Together with Mönchweiler, other small towns and cities started to design similar models. Since Germany has a federal structure that supports implementing local models and instruments more structurally and institutionally, North Rhine Westphalia and Bertelsmann Foundation introduced the project called 'Bürgerhaushalt in Nordrhein-Westfalen' which was at the beginning of the 2000s. This project is accepted as a significant step toward participatory budgeting in Germany as it provided a better understanding of what participatory budgeting actually was. Later on, the phenomenon moved to the capital of the country, the city of Berlin, in 2005. When it came to 2010, 96 municipalities were implementing the participatory budgeting in Germany (Schneider and Busse, 2018).

It is not possible to draw a pattern in Germany like in the UK or in Spain where specific characteristics are there for the participatory budgeting projects. In Germany, there were small municipalities as well as relatively bigger cities implementing the

participatory budgeting models at the local level. The federal structure of the country, as well as the historical lessons learned were influential in the design and implementation of participatory budgeting. In other words, Germany approached the participatory budgeting concept as a welfare tool, almost as an instrument to equip the local governments.

Moving from central Europe toward Eastern Europe and to Asia, we observe different models of participatory budgeting. Ukraine, for instance, has a new relationship with the participatory budgeting projects, although the concept was introduced in Ukrainian cities almost two decades later than Germany and three decades later than Brazil.

In a city called Chernivtsi, which is located in southwestern Ukraine, the city government launched the participatory budgeting model in 2016. When the new and young mayor came to power in Chernivtsi, in 2015, the primary motivation of his government at launching this deliberative model was to encourage civil society for further collaboration in policymaking (Volodin, 2018, p. 6). The city councils where the citizens participated in the meetings showed their support to the newly elected mayor by increasing the participation rate remarkably. Then the legal structure was built in September 2016 only five months after the participatory budgeting was accepted in the city government. The participation system in Chernivtsi was equipped with innovative and technological tools where the citizens could go to the city council anytime and submit a budget request by filling a simple form. The next council meeting would consider these valid requests, and proposals would be discussed in detail to be or not to be included for the next budget cycle (Volodin, 2018).

### 3.5 United States and Canada

Not only in Europe but also in the United States and Canada, there are some persuasive examples of participatory implementations. It is interesting but not wholly surprising to observe some examples from the United States since the country is divided into states and even states are divided into counties and cities, the administrative structure allows for a platform for participatory budgeting.

In the United States, there are growing numbers of cities where the participatory budgeting is becoming more and more popular. When participatory budgeting was first introduced in Chicago in 2009, it was a brand-new thing, and it was not a coincidence that it happened in Chicago where political activism and participation is relatively more significant than other similar cities (Davidson, 2018, p. 555). By 2015 there were approximately 250 participatory budgeting projects across the United States. In 2009 Josh Lerner, Michael Menser, and Gianpaolo Baiocchi established a foundation called the Participatory Budgeting Project. It is a non-profit association, perhaps the rise of the numbers for the participatory budgeting projects in the United States can be explained by this foundation since they mainly focus on Canada and the United States.<sup>6</sup> These three intellectuals met in the 2005 World Social Forum in Brazil and wanted to take the knowledge and know-how of Porto Alegre to the United States and Canada. In their manual, private organizations, city governments, non-governmental organizations as well as the citizens can learn about participatory budgeting, how it can be implemented, how the sustainability can be ensured, how the participation can be encouraged and increased. They also provide a map for the United States and Canada to present the cities

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<sup>6</sup> <https://www.participatorybudgeting.org/mission/>

and municipalities, which either implement direct participatory budgeting or implement its core principles.<sup>7</sup>

The main objective of this foundation is to empower the idea that citizens can decide together on how to allocate public money. They have so far empowered more than 400000 citizens to directly participate in the decision-making process on how to spend more than 300 million USD public funds in almost 30 cities in the United States and Canada.<sup>8</sup> Among all these cities, Chicago, New York, and Vallejo as the most notable examples. Chicago already strikes as being the first example in the United States, but also Chicago's example is important as it reinforced the legitimacy in the local governance in a very institutional platform. Since 2009, Chicago's 49<sup>th</sup> Ward today is the longest-running participatory budgeting project in the United States, which has been allocating at least 1 million dollars of local funding each year. Along with the participatory budgeting projects, also a yearly process of allocation infrastructure investments was installed by the Mayor in 2011 (Davidson, 2018, p.558). Chicago's example was also so significant as it was an example for the following six municipalities which introduced participatory budgeting in the United States. The success of the first model played a role in overall participatory budgeting experience in the United States and also in Canada.

Only six years later it was launched in Chicago, New York City Council members came up with a firm proposal to have participatory budgeting implementations in their district in 2011. New York is one of the most rapidly growing states in the United States concerning implementing participatory budgeting models. In 2017 there

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<sup>7</sup> <https://www.participatorybudgeting.org/case-studies/>

<sup>8</sup> <https://www.participatorybudgeting.org/mission/>



were already 27 districts in the state of New York where the participatory budgeting was directly implemented, and this meant over 30 million dollars were allocated through the decision-making process involving community members.

Another striking example from the United States is from the other side of the country, from California. The city of Vallejo in California introduced participatory budgeting program right after 2008 as a solution attempt to the bankruptcy they were experiencing (Davidson, 2018, p. 559). There were specific budget assemblies established in order to communicate with community members and also to generate project ideas out of the discussions. Then, there would be delegate meetings that would invite participatory budgeting volunteers to develop further the ideas that were generated in the budget assemblies. This situation would mean to have more officially written proposals at the delegation-level, and those proposals would be presented to be voted in the city-wide ballots. In Vallejo's example, we observe a structure very similar to Porto Alegre in terms of the institutions and proposal making (Davidson, 2018).

Countries like the United States, with a high level of multiculturalism, diverse populations on the one hand, and federal system on the other, would have a unique challenge at adapting the models like participatory budgeting. While the legal and administrative structure allows city governments to build another body that will be participatory budgeting-specific, the social structure of the society, high level of migration, diverse cultural aspects like religion, political orientation, or even language make it more challenging to convince people to participate. Perhaps, this is why Baiocchi and Lerner (2007) respond to the question as to whether participatory budgeting is possible in the United States by claiming that the answer is very political. They already assume that the urban in the United States, unlike in Canada, Brazil, or

even in African societies, are having difficulties at re-thinking, imagining ‘another world is possible.’ However, this does not necessarily mean that it is impossible to implement participatory budgeting in the United States. Municipalities such as Burlington or Seattle, rather than Chicago or New York examples, attempted to develop such participatory mechanisms at least to open a dialog (Baiocchi and Lerner, 2007).

Canada’s participatory budgeting adventure started relatively earlier. Since 2001, there was an ongoing debate about how to realize participatory budgeting in some of the urban zones of the country. Mainly at the beginning of the 2000s, there were four notable examples in Canada: Guelph in Ontario, Toronto, Vancouver, and Montreal (Baiocchi and Lerner, 2017, p.10). However, this alone does not mean that the solid examples of participatory budgeting in Canada are limited to those four cities. The opposite way around, the structure was already somehow inserted into the local governance: for instance, British Colombia built first city assemblies in 2004 and Ontario in 2006 (Pateman, 2012, p. 9).

Compared to the Southern cities in the region (like in the United States); it is not difficult to observe more institutionalized social services and infrastructure as well as stronger concepts of the welfare state in the Northern cities. City governments in Canada, especially in those four main destinations mentioned above, were very responsive to the citizen requests as much as the legal and administrative structure, allow and support them.

We can sum this situation up as in Canada, the core principles of institutionalized democracy, such as transparency or accountability or responsiveness, were not a massive problem as it was in the Northern regions of the Americas. This situation alone can be a good instance for Canadian urban populations being more interested in the participatory

models. Also, political participation, multicultural dynamics, and easy access to social services such as healthcare or education in Canada, ensures both motivation and impacts of the projects like participatory budgeting and their direct linkage to the deepening democracy stronger and more accessible.

### 3.6 The future of participatory budgeting: tendencies from Turkey

Without a doubt, there are other examples of participatory budgeting in the world. To declare that a city or a municipality implements participatory budgeting projects, we need to observe some institutions and structures established by the local authorities. However, there are many examples in the world that these structures are not necessarily established. The reason can either be the political and administrative design or be the political and social culture that does not allow to institutionalize such decentralization.

Speaking of participatory budgeting tendencies in miscellaneous geographies, in Turkey as an example, there are civil society initiatives, think tank foundations, and research centers that attempt to encourage political elites and governors to apply models similar to participatory budgeting. For instance, TEPAV (The Economic Policy Research Foundation of Turkey) has published a report in 2007 that the participatory budgeting was introduced to the municipalities as an instrument for good governance. It is also important to see such initiatives from foundations as they are the ‘municipalistas’ in the Turkish example. Perhaps, they are not the first-hand implementers, but they are the intelligentsia to provide knowledge. They have a significant role in making public and local governments understand what participatory budgeting is.

Although it does not directly address participatory budgeting, Arguden Governance Academy’s Scorecard for Municipalities appears to promote core and

fundamental values of participatory democracy for Istanbul municipalities (Arguden Governance Academy, 2018). In their publication, they address the Istanbul municipalities' and districts' public administration methodologies, and they give them scores based on the main principles of good governance concept. What makes this research remarkable is the fact that it opens up a vast dialogue for municipalities where concepts like transparency, encouraging meaningful participation, and accountability in a very large city like Istanbul.

The publication points out the significance of city councils and designing the institutional framework in empowering participatory models. "Municipalities should increase the level of participation in the governance of their decision making processes, by means of City Councils and in terms of their participatory institutional culture." (Arguden Governance Academy, 2018, p. 56).

Although countries like Turkey seem to need more time to understand and adjust public administration models such as participatory budgeting in the making, we can claim that there are definite tendencies from different actors in society. In this sense, it would not be too optimistic to state that the first official implementations of any participatory budgeting projects are not far away.

Therefore, the main issue here is not implementing a participatory budgeting project in a city. Officially or legally speaking, the participatory budgeting can be designed overnight. Again, it would not be so difficult to copy a blueprint recipe from another example of participatory budgeting from the world. Nevertheless, it would be a top-down institutional model where the concern would only be to implement it. However, the concern should be implementing the core values and principles of participatory budgeting. We should first understand how participatory budgeting can be

related to the concept of deepening democracy. We should first acknowledge the link between participatory budgeting and transforming liberal democracies towards a more deepened and empowered concept. The following chapter will link participatory budgeting processes with the concept of deepening democracy.

## CHAPTER 4

### DISCUSSION

#### 4.1 Participatory budgeting corresponds with deliberative democracy

Knowing all the criticisms in today's liberal democracies and being introduced to this relatively recent public administration model of budgeting making, it will not be challenging to find a correspondence in between. There must be a link, a relation between the concept of empowering democracy and participatory budgeting. We know that the participatory budgeting touches upon a critical topic of democracies at the very least: talking about more direct participation. However, the question to be asked here is, "is this link between empowering democracy and the participatory budgeting strong enough to go ahead and claim the model as a pioneer in this transformation?" In order to respond to this question, we shall look into a few essential items in more detail.

The Porto Alegre example alone presents us with a unique characteristic of public meetings. The first-hand meetings in Rodadas in Porto Alegre are based on direct citizen participation, and citizens do rule these meetings. As there is no political elite, a representative, or an officer at this level, we can easily claim that the first stage of the participatory budgeting meeting in Porto Alegre can be conceived of a deliberative process. This deliberative process shows significant similarity with Habermas's deliberative democracy model.

Habermas (1989) suggests that the debate should initially start between individuals. This conversation should focus on actions and policy areas, and it should be inclusive that every citizen should be able to feel free to join and state an opinion. Also, there cannot be any oppression, any room for domination from one of the participants.

Porto Alegre's Rodadas example is an excellent example of this sort of pure publicity. Baiocchi and Ganuza (2014) comprehensively explain the communicative dimensions of participatory budgeting projects in Porto Alegre. Assemblies and open meetings in Rodadas do reflect directly in the town's yearly budget. Most of the democratic and equal discussions, and yet deliberation, takes places in Rodadas.

Already, many participatory budgeting projects start with the same motivation and carry similar characteristics with this publicity. However, are the participatory budgeting projects sufficient at constituting the political public sphere with all its necessities? Baiocchi and Ganuza (2014, p. 6-7) recognize some distinctions between participatory budgeting projects and Habermas's democracy model. In Habermas's ideal political public sphere, there are two phases. In the first phase, individuals get together with their communicative action, and they constitute the fundamentals of a conversation. This conversation is not something institutional. This conversation does not have an agenda, usually. It is spontaneous and usually random. Then, it begins to formalize a public opinion from its raw sense. That moment this publicity affects the public institutions and political agenda.

Moreover, there is a second phase. While there was a causal discussion, it turns into formal and institutional public opinion. It is almost possible to talk about these two phases separately in Habermas's public sphere. However, in Porto Alegre, we do not observe this distinction. The main objective of these meetings is to build the bridge between fund holders and subjects of the fund. Therefore, there is a merged phase where the ordinary citizens constitute formal conversations to be presented directly to the upper level and eventually to be approved by the government. There is an existential concern in participatory budgeting at addressing all the concerns and proposals directly to the

government. “In a purely Habermassian sense, the influence of citizens on government is highly contingent on their ability to frame a problem and mobilize allies, and the separation between rulers and the ruled is wide. Participatory Budgeting, instead, aimed to rationally translate bottom-up demands and structure the nature of those communications according to procedures” (Baiocchi and Ganuza 2014, p.6).

Going back to the core of the problem: Habermas’s legitimacy crisis idea for liberal democracies, there are already direct correlations built in the literature between ‘bringing legitimacy back’ idea and the participatory budgeting. Davidson (2018), for example, explicitly mentions bringing legitimacy back to the city when he explains Vallejo’s participatory budgeting experience. In order to ensure this legitimacy, they realized that they had to give more power to the people, the community members. Davidson (2018) reads interviews conducted with the citizens of Vallejo. People were feeling more in power at establishing the guidelines at the funds spending of their city. This argument also automatically covers the motivation crisis of the people in liberal democracies since the motivation crisis in contemporary liberal democracies entails apolitical populations, lack of trust for political elites, and lack of political reliability. Habermas (1989, p. 148) was complaining about the a-politicized public, therefore there is a risk for a non-intense publicity. Vallejo’s participatory budgeting example appears to prove the opposite.

Going into specifics of Habermas’s idea of transforming democracy towards a more deliberative model, we have learned that the structural transformation requires a political public sphere. This transformation can only be realized from bottom to up. In other words, the realization of a political public sphere can only be possible with the direct and volunteer participation of the community members. On the other hand, this



transformation of the public sphere to a political platform requires deliberativeness according to Habermas (1989). Participation alone will not be sufficient to realize a political sphere without the deliberation. In this sense, Holdo (2016a) gives participatory budgeting a credit at being a deliberative project, not only a participative one. Because participatory budgeting is designed as a platform where the talk-based approaches to the political struggles and conflicts take place.

Let us remember New York's participatory budgeting projects concerning the details of the requirements for Habermas's model. According to Su (2017), the participatory budgeting projects in the state of New York have led to several outcomes. One of the most significant ones was that those projects created an expanded civic engagement with more people's participation, and this also includes the marginalized groups. We can relate the marginalized groups' involvement in the process with Habermas's intersubjectivity and communicative action theory. As he wished in his ideal political public sphere, there would be intersubjectivity where the all the citizens are welcomed with their differences and characteristics, instead of top-down policymaking, it seems that New York state has made substantial progress at achieving that thanks to its participatory budgeting projects.

Su (2017) also continues to present achievements of New York's participatory budgeting projects: they also enable the community members to come up with new community leaders as a natural outcome; this way, the projects gained an institutional identity in the administration. Again, remembering Habermas's political public sphere, it is significant to move any opinion in the public sphere to the political and administrative level in an institutional way. The leaders, committees, forums, councils who were born

right within the participatory budgeting implementations can be excellent examples of this institutionalization.

Going into more detail of the New York example, Su (2017) argues that participatory budgeting projects in New York have created a sort of sphere where the community members could get together with the other community members and civil society organizations in the State. Therefore, intersubjectivity was made possible not in one level (citizens) but also with others participants and actors like civil society organizations, non-governmental and non-profits, and community centers.

Speaking more about structural transformation and institutionalization of the political public sphere, looking at only the Porto Alegre example will explain to us a lot. How the city government established political organs and bodies out of public discussions is quite significant. The assemblies which people are attending are not just simple buildings; those buildings are representing publicity that Habermas would look for in a society. Apart from Porto Alegre, in many other cities that adopt the participatory budgeting, we see institutions specifically built for budgeting discussions, and these are not only limited to the councils and assemblies.

It is quite possible to talk about even the unique and niche publicity of the participatory budgeting in many cities. In this sense, the participatory budgeting presents new and policy specific instruments and institutions to the political public sphere in its making: “Dozens of cooperatives, soup kitchens, mothers clubs, and cultural and other groups also existed. Federations arose to coordinate demands for urban services and participatory reforms: FACUR (Caracas), MOVEMO (Montevideo), and UAMPA (Porto Alegre)” (Goldfrank, 2007a, p. 153).

Participatory budgeting corresponds to the core aspects of the deliberative democracy model of Habermas by addressing every single one of them to a certain extent. The three main steps towards deliberative democracy can be addressed explicitly by the participatory budgeting projects as the examples from the literature demonstrate: the desired communicative action, the naturally created publicity, and, eventually, the institutionalized and structured public sphere. Participatory budgeting also seems to address the criticisms of deliberative democracy. The main criticisms of deliberative democracy were that it was not feasible and that it was not inclusive enough. We will explore further how this public administration model can cope with such criticisms.

#### 4.2 Participatory budgeting addresses the criticisms of deliberative democracy

One of the challenges at realizing the Habermas's political public sphere, acknowledging the criticisms towards his idea, was the unequal nature of the society. For instance, the feminist discourse read Habermas from such a perspective that no inequality was sufficiently recognized and paid attention to in his normative public sphere, although there was inequality between different groups of people (Benhabib, 1997, p. 241.242). These groups can represent a particular gender, age group, ethnicity, religious background, or merely different economic materials. The criticism towards Habermas's model was asking the following question: how is it possible to draw lines and specifics of a public sphere and yet a democratic model before pointing out these inequalities in the society? This concern is very valid and legitimate, and very surprisingly, the participatory budgeting experiences seem to show us an interesting outcome.

When Brun-Martos and Lapsley (2017) present us the participatory budgeting projects held in Edinburgh, they point out some interesting outcomes that emerged during the citizen interviews. One of the participatory budgeting projects in Edinburgh was focusing on the elderly population of the city with respect to involve their know-how and opinions of possible austerity policies in the budgeting. When these elderly group of people was asked about the opportunity that they had to state their opinion and yet to directly participate to the decision-making process, they state that they felt more involved to the process, unlike the previous models where the political elite decided the individual budget policies. The pilot projects for participatory budgeting in Edinburgh, which focused on the specific groups and encouraged their participation, might be used as a mediating instrument between particular groups, citizens, community members depending on the society dynamics Brun-Martos and Lapsley (2017) suggest. Based on the interview results they present, the people felt that there was equality reinforced during the participatory budgeting cycles.

When we look at Rosario, the Argentinian city, which today still seems to present a legitimate implementation of participatory budgeting projects, the city strikes among all the other cases as being a gender-friendly one. As Edinburgh focused on the elderly population in specific and particular participatory budgeting cycles, Rosario encourages women participation in the participatory budgeting councils by recruiting a quota system (Holdo, 2016b).

It is hope-giving to read stories like in Edinburgh or Rosario and carry the examples further at thinking of a city which can work on empowering equality and involving disadvantaged groups by building such a mechanism. The participatory budgeting, would be a great instrument at doing this simply because the budget is a topic

that is related to any citizen independently from their differences. A Christian or a Muslim uses the same bridge, a man and a woman take the same transportation mean to travel from point A to point B, or a socio-economically well of and a worse off is the subject of the same infrastructure of electricity or water system in a city. A city budget is a common field for all the citizens; therefore, for working on diminishing inequality, this commonality can be used.

When we look at the New York state again, which is a very multicultural and highly populated state, we see the inequality is always a hot topic. Also, considering the race-based political conflicts as well as the neoliberal policies in the United States, the concept of inequality is not a surprising topic. However, when they started to implement participatory budgeting in the state, the projects enabled the public spending to be more equitable (Su, 2017). The citizens stated that they felt the decision taken out of the participatory budgeting cycles, reflected more equitable decisions than the decisions taken by politicians. Since the decisions related to the public spending were taken behind the closed doors before the participatory budgeting projects, and since there was no transparency at declaring the numbers and funds spent each year, New Yorkers used to complain about the unequal expenditures and unjust distribution of the local budget. The participatory budgeting implementations seem to change this image of the state government in the eyes of the citizens. There is no doubt that this does not mean the inequality problem was solved in the United States with the participatory budgeting projects. However, perhaps it does mean something more valuable than a top-down solution. There was a bottom-up dialog between public organs and the citizens, which does not happen in regions like New York, where inequality is a big problem.

Also, Avritzer (2016, p. 174) points out a significant outcome of the participatory budgeting implementations in Porto Alegre: “The participatory budgeting acted to decrease regional inequality (in Porto Alegre).” He provides comprehensive research about the participatory budgeting effects in Porto Alegre specific to irregular housing and having access to fundamental sewage and water infrastructure. As a result, in about ten-year time, participatory budgeting diminished the significant amount of illegal access to infrastructure and irregular housing, according to Avritzer (2016).

This result from Porto Alegre is perhaps more important than the other examples where the participatory budgeting was deliberately implemented to involve disadvantaged groups in society. Because in the examples of Edinburgh or Rosario, we observe deliberate decisions from the institutions and city governments, which almost obliges citizen involvement. These particular citizens are often appeared to be vulnerable and marginalized groups in society. So, to increase equal participation, the city government took particular decisions involving those groups. However, in the Porto Alegre example, we see the direct impact of participatory budgeting to the economic gap between citizens living in the same city. In this sense, Porto Alegre can proudly declare that it is the closest empirical evidence for the fact that participatory budgeting implementations can have a positive effect on a fight with social and economic inequality (Piper, 2014, p. 55).

Moreover, this would create a better background for Habermas’s political public sphere and deliberative democracy. Going back to the criticisms for Habermas’s model, as his deliberative democracy was found too abstract and almost not giving any promises for feasibility, it is essential to find what the reasons are for his model being found not quite feasible.

As the deliberative democracy that Habermas attempts to build the structures of requires public trust towards the political level, we see that the participatory budgeting projects can address this requirement. The trust is an essential and critical concept here also for people to keep participating in the councils and assemblies as we see the Buenos Aires example and how the participatory budgeting failed due to the diminishing number of participants (Rodgers, 2010).

Many cities which started to implement participatory budgeting projects observed the significant and meaningful rise in trust level of the citizens: such as Porto Alegre (Wampler, 2004), New York (Su, 2017), Vallejo (Davidson, 2018), Villa Gonzalez (Hernandez-Medina, 2007), Montevideo and Caracas (Goldfrank, 2007a), and Chernivtsi (Volodin, 2018). Baiocchi and Ganuza (2014, p. 3) argue that “for conservatives, PB is to be promoted as fostering ‘community cohesion,’ ‘innovation,’ ‘social entrepreneurship’ and ‘restoring trust’ in government.” This statement perhaps can explain to us the reason why the right and conservative front adopted participatory budgeting.

## CHAPTER 5

### CONCLUSION

Although the literal meaning of democracy was expressed as ‘rule by the people,’ in today’s democracies, we observe more ‘rule by chosen representatives of the people.’ For our political culture, we happen to internalize the fact that the political elites and chosen representatives in their offices can be the genuinely viable actors at organizing and realizing democracy, while citizens and their direct involvement in politics, especially to the decision-making process, cannot be. Therefore, the emergence of participatory budgeting in Brazil can be considered as a sharp slap on our understanding of democracy (Wright, 2011 p. 38). It is almost a path towards a real utopia, so good to be accurate, but also works for more than three decades now.

On the one hand, there is a reality of a project which worked for more than three decades. On the other hand, there is an inevitable necessity for empowering democracy in the current examples of today’s world. There is no doubt; here, we should attempt to concatenate these two. Can all these empirical shreds of evidence of a project which worked, transform the way we envision democracy? Can participatory budgeting deepen democracy towards a more deliberative model like that of Habermas?

In order to answer these questions, we first should distinguish the two main dimensions of participatory budgeting. The participatory budgeting implementations do not always head to the same way or at least to the same extent. While there are examples of some level of decision-making power, in some other examples, this power seems to be very weak. As Baiocchi discusses in his early research on participatory budgeting, there are some implementations of participatory budgeting, which leads to perfect



publicity and deliberateness among the citizens, such as Porto Alegre example, along with the examples from Montevideo, and Caracas. However, this publicity alone does not necessarily get citizens the power of decision-making. Unless there is a political mechanism that will ensure the power of decision-taking to the participants of the city councils, it will be not be possible to talk about the deliberative democracy of Habermas.

Habermas's deliberative democracy is a mechanism for collaborative decision-making and policy development, which is explicitly reflecting the outputs of participants' deliberation. These participants are ideally the representatives of the population with respect to demographics and attitudes of the society. Briefly, deliberative democracy is more of a concept where inclusion, deliberation, and decision-making took place altogether. Habermas himself imagines a deliberative democracy that produces the policy agenda eventually out of city councils.

On the other hand, if the deliberation out of the city councils institutionalizes the political power for participants, then we can begin describing participatory budgeting as a pioneer for deepening democracy. As long as there is a decision-making power ensured to the citizens, and as long as the deliberation does not remain as political discussions, then the participatory budgeting projects empower democracy towards a model like Habermas's.

The impossibility of creating a single blueprint of participatory budgeting is a problem on the one hand. Let us remember the commonalities in Latin America concerning participatory budgeting implementations and how these commonalities changed their forms when we move to northern cities like in the United States or Canada. We had some similarities in the southern cities such as political activism, specific party design, administration, and institutionalization, as well as a military-

involved historical background. On the other hand, we had a welfare system, multiculturalism, a robust public sphere, and more liberal economic cultures in common in the northern cities. Both had success and failures concerning their commonalities and distinctions. When it comes to Europe, the commonalities become even less significant or meaningful. We have conservative parties promoting participatory budgeting, on the one hand, and the rooted welfare structure boosting up participatory budgeting projects on the other.

In this point, the political culture of the countries towards specific values and norms matter. In Turkey, for example, some municipalities attempt to implement participatory budgeting projects. However, as participatory budgeting requires a strong commitment to concepts like financial transparency, accountability, or responsive governance, some of the implementations get stuck by the bureaucratic procedures. Participatory budgeting is either not understood well at the central state level or is not preferred at all due to tendencies towards corruption (Koc, 2017).

Then there is a question which strikes here. “Do the motivations of the implementers of participatory budgeting project matter at this point?” Perhaps, some local governments are aiming to rebuild trust from the citizens’ side as it happened in Spain, and participatory budgeting is just perfect at restoring political trust as we observed in Californian example. Alternatively, some governments see participatory budgeting as a solution for the economic and financial crisis as Buenos Aires approached the model initially. Not negatively, but affirmatively, some governments take participatory budgeting as an opportunity to promote equality in the society like in Edinburgh or Rosario examples.

Regardless of the intention of the implementers, of the geographical, political, or cultural commonalities or differences, there are both failures and success stories. In the end, we observe that the significant parameter is whether participatory budgeting institutions enable decision-making power to its participants or not. Porto Alegre example shows us how the participatory budgeting structure in the city naturally and drastically provided decision-making authority to the ordinary citizens. This simple parameter is the reason why Porto Alegre today remains the case of participatory budgeting studies, yet the city is cited as the project which worked. Taking the Porto Alegre example and moving forward, there is even a more exciting part of participatory budgeting in theory. Participatory budgeting, regardless of being able to enable decision-making power or not, is a significant blow to our visions of democracy.

The model harmonizes very well and very naturally with Habermas and even helps us to understand Habermas. It also helps us to envision the possible transformation. Regardless of the geography, what really is essential at understanding participatory budgeting is the accumulation of knowledge and transferring this knowledge from one place to another. While it was easy for a Latin American city to approach participatory budgeting in the making, we see how it took time for participatory budgeting to travel all the way to Eastern Europe, for instance.

Furthermore, we also see how the core principles of it can emerge out of nowhere in one place in the world, although there is not a single official implementation of participatory budgeting. Therefore, we can easily claim two main aspects of participatory budgeting are empowering core values of democracy.

One is its practicality. The fact that participatory budgeting projects are limited to specific policy areas such as public expenditures, infrastructure, etc. it is feasible to

make progress. It is not like inviting people in the assemblies to discuss further political discussions or specific orientations and ideologies. However, it is inviting people in the assemblies to discuss the fundamentals of public administration. Moreover, it is not inviting all the citizens in a country which are the subject of the central government. Instead, it is addressing a smaller, decentralized local governance in the making. This situation also enables participatory budgeting easier to imagine conducting it.

The second aspect of participatory budgeting is its emerged intelligentsia. While we were talking about Spanish speaking municipalistas and intelligentsia in Latin America who carried the flag of participatory budgeting, we happen to realize that this intelligentsia is emerging in different corners of the world. Sometimes on purpose, sometimes not on purpose, we see that the participatory budgeting has created its community of intelligentsia, municipalistas, and think tank foundations. When Baiocchi and Ganuza established the participatory budgeting project for cities in the United States and Canada, this was evidently on purpose. However, on the other hand, we see that global forums on democracy begin to have specific workshops and panels on participatory budgeting where the various implementations are presented, and brainstorming is taken place. This alone is a precious thing as it means participatory budgeting is becoming a norm itself, producing value in the heart of the concept of democracy. Along with all the arguments, Baiocchi calls participatory budgeting a platform for learning (Baiocchi, 2014, p. 15). Furthermore, perhaps, what is more significant and exciting than a utopia, is the learning process.

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