

Supporting Post-conflict Democratic Development?

External Promotion of Participatory Budgeting in El Salvador

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Summary. — The following pages provide, first, a rare examination of the external promotion of participatory budgeting (PB), in this case through US-financed local government development projects in post-war El Salvador from 1994 to 2005. Second, I examine the success of the PB activity by investigating the degree to which PB has been sustained nearly five years after its initial utilization. I compare this case of external PB promotion against endogenously developed Latin American PB experience. External practitioners face the same constraints as those advocating home-grown efforts. PB's sustainability and benefits are circumscribed, I find, yet such gains are nonetheless important.

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1. INTRODUCTION

For over two decades now, countries throughout the developing world have adopted innovative processes for incorporating citizen priorities into local government decision making on public investment. Involving varying degrees of government–citizen deliberation and negotiation, these efforts are most commonly known as participatory budgeting (PB). PB is often closely associated with decentralization and with new conceptions of state–society relations; it is, in effect, a delegation of authority to the sub-local level or to the citizenry itself.¹ Like decentralization, moreover, PB is aimed at promoting both democratization and state modernization. PB proponents strive to foster public learning and an active citizenry by engaging communities directly in governance processes. They hope to achieve social justice and a more collective approach to governing through improved policies and resource allocation. They also see PB as a vehicle for promoting improvements in government administration (Wampler, 2000, p. 2).

PB has been incorporated into national law in countries as diverse as Uganda, Peru, and Indonesia. It has been instituted locally by political leaders acting on their own or as part of a larger political movement. The promotion of PB in municipalities led by the Workers' Party in Brazil, where PB as we know it began in 1989 and has since been adopted by hundreds if not thousands of municipalities of multiple political persuasions, serves as the outstanding example of the local approach. In addition, international development agencies, through innumerable projects, have widely adopted PB as a mechanism for promoting democracy, participation, and development. Their how-to manuals or guidelines for PB development are readily available for the interested party (IBP, 2009; UN-Habitat and MDP, 2008; United Nations, 2005).

Such popularity has naturally generated a wealth of scholarly and practitioner interest in the motivation, practice, and impact of PB. The academic literature on PB in Brazil is extensive and overall scholarly attention continues to increase (see Abers, 2000; Chirinos, 2004; Goldfrank, 2006, p. 13; Shah, 2007; Wampler, 2007b). Among the countries studied are Bolivia (Bland, 2000); Peru (Chirinos, 2004, 2009); India (Heller & Chaudhuri, 2007); Indonesia (Fernandez, 2004); South Africa (Yusuf, 2004); and Uruguay (Canel, 2001; Goldfrank, 2007). Bilateral and multilateral agencies are the

source of project case studies, analysis, and reports on the use of participatory budgeting practices worldwide. As the following pages demonstrate, drawing from the work of both scholars and practitioners allows further examination of PB's potential as a means of promoting state and democratic reform.

This article adds an insightful case study to the literature on PB. It examines the introduction of participatory practices, culminating in PB, in post-war El Salvador under an eleven-year series of local government development projects financed by the US Agency for International Development (USAID). It is a rare attempt to analyze PB outcomes as promoted by an external entity in a small, centralized country.² By examining the features of the Democratic Local Governance Activity (DLGA), as the USAID project was known, against the guiding standards for PB as drawn from country experiences around Latin America, we can consider the differences between an externally promoted approach and one adopted endogenously. I investigate the context for the emergence of PB in El Salvador, the core characteristics of PB as introduced by the USAID project, and PB's implementation in the projects' 28 partner municipalities. As the technical manager of DLGA, I bring first-hand experience with the project.³ My central argument is that the sustained use of the process in this case especially is a valuable measure of PB's success. Through an investigation of the status of PB in each DLGA municipality four and a half years after the project's termination, I assess the degree of PB's continued application. I find that its sustainability is limited but important and that the DLGA's ability to convince local leaders and communities of the value of PB probably facilitated its continued utilization in a third of the cases. My second finding is that despite the reputed influence of international aid agencies in the

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developing world, we see no appreciable difference between internally and externally adopted PB with respect to the contextual and institutional conditions required for success.

The following section of this essay describes the standard features of PB as practiced in Latin America and details the current scholarly consensus on the determinants of PB's success. This part also discusses how DLGA addressed each of these design and institutional concerns.⁴ Section 3 provides the Salvadoran context for the emergence of local government–community interaction and eventually PB following the conclusion of the civil war and initiation of a successful democratic transition with the 1994 elections. Section 4 describes the approach implemented in a selected group of 28 municipalities from 2002 to 2005 under the DLGA. Section 5 examines the evidence for and against PB's sustainability and institutionalization in the 28 municipalities and, lastly, the conclusion draws together the findings of the study.

2. PARTICIPATORY BUDGETING: PROCESS AND CONDITIONS FOR SUCCESS

Research on PB in Latin America in recent years allows one to distil the fundamental characteristics common to almost any PB process. There is no single PB model; rather, each application is determined by the particular political, social, and economic context within which it is applied (Wampler, 2000, p. 2). Yet there are a number of fundamental features that are common to every model, and these tend to drive the process forward. Though their points of emphasis differ somewhat, scholars have highlighted what they consider to be the principal characteristics.

At the core of the process is public deliberation and negotiation between participants and the government and among participants over resource allocation. The idea is to allow citizens direct involvement in budgetary and other policy decisions or at least indirect involvement through participation in non-governmental or community based organizations (NGOs or CBOs). A local PB council of some type is typically elected and established to oversee the process, make budget recommendations, and monitor implementation. In some cases, localities may devise new institutions to carry out the duties of the PB council. Brazilian municipalities, for example, usually elect PB delegates to manage the process. In most other countries, however, the process is designed to operate through the existing social and political institutions (neighborhood associations, parish councils, *etc.*); the institutional framework remains as is. Most cases, including the experience of DLGA in El Salvador, fall between these two extremes (Cabannes, 2004, p. 28; Goldfrank, 2007b; Wampler, 2007).

PB typically begins with a series of government sponsored meetings that will continue throughout the budget year to establish and sustain regular government–public engagement. The events serve to explain and organize aspects of the PB process, including distribution of information, policy proposals and debate, project prioritization, and oversight. The locality is divided geographically (or relies on existing political or territorial divisions) to facilitate organization of meetings and the eventual distribution of resources. The meetings also serve to establish criteria and a mechanism for measuring progress toward PB goals. Initially in Brazil, social justice was the primary motivation, and many consider objectives such as poverty alleviation critical to effective PB anywhere. Today, however, with more countries and development agencies involved, the list of objectives also frequently includes, among

others, improving the local administration, strengthening democracy, and building intergovernmental linkages (Goldfrank, 2007b; Wampler, 2007).

The next step in PB is the selection for financing and approval of the project priorities established in the government–citizen deliberations. Every municipality devises some means of distributing the resources according to its objectives for PB. In Brazil, poverty and infrastructure in high population areas are traditionally targeted, and the Quality of Life Index was established to allow for an assessment of relative needs of the municipal neighborhoods. Ideally, elected community representatives vote on all final projects, and the results are made public. Mayoral approval and delivery to the local council for its review and approval in whole or part follows. The executive-legislative relationship—the state of their working relationship—is an important variable in this regard (Goldfrank, 2007b; Wampler, 2007).

Once formal agreement on the plan is reached, the execution of the projects occurs over the course of the year or longer. The local administration's financial management, procurement, evaluation, and follow-up capacity now become the critical factors at play. Finally, like the process as a whole, implementation is overseen and evaluated for any necessary adjustments. Monitoring typically involves, as noted above, the neighborhood council or committees established for this purpose (Wampler, 2000).

(a) *Conditions for success*

Having outlined the process, and again drawing from the recent literature, we can detail the main determinants of the success of PB and consider how each was dealt with under DLGA. Four pre-requisites must be in place for the effective operation of PB (see Table 1; see also Cabannes, 2004; Goldfrank, 2007b; Wampler, 2007, 2008). First and foremost, the mayor (or executive) must be willing to delegate decision making authority to participating citizens (Wampler, 2008). That is, mayors must be committed to the process and procedures that are so much a part of PB. The mayor's administration after all is asked to carry out the various tasks involved; an uncooperative, manipulative, or inattentive mayor can easily undermine or stall the process. Experience has shown that mayors who take a progressive approach to governing—especially the indigenous, those with labor backgrounds, or those on the political left—are more supportive of PB. Conservatives tend to view PB as a usurpation of existing representative institutions, namely a legislative body or local council (Evans, 2004, p. 43; Goldfrank, 2007, p. 97).

In addition, the larger political and institutional context within which even committed mayors operate can restrict their ability to execute PB. The council may be able to block or revise the participatory budget, for good or ill, which naturally

Table 1. *Primary and secondary conditions for effective participatory budgeting*

Primary conditions: required

Mayor's commitment and political strength to institute the process
Access to financial resources for projects and programs
Political decentralization: election of local officials
Independent decision-making authority by participants

Secondary conditions: helpful

Organized and participative civil society
Technically qualified personnel to implement PB
Widely known or easily accessible rules for PB

Source: Cabannes, 2004; Evans, 2004; Goldfrank, 2007a, 2007b; Wampler, 2007, 2008.

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