

Innovations in Participatory Local Governance

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1. Introduction

In *The Laws*, Plato talks about the ideal size of the polis as being 5040 households, because it is divisible by all the numbers between 1 and 10, meaning that citizen obligations and municipal functions could be assigned to groups of the appropriate scale in order to facilitate what we would today call governance. Plato also served as what today would be called an expert consultant to write a model constitution for the city of Syracuse, then a Greek colony in Sicily. Participation played a prominent role in his vision, though it was scarcely the kind of Tocquevillean democratic participation we think of today.⁶⁰ Perhaps fortunately, neither scheme was ever implemented, but Plato's record shows us that innovative ideas for participatory governance have been placed in civilization's suggestion box for a very long while.

More recently, since the start of the international development effort that began in the 1950s, new ideas for participation have been a staple of thinking and practice in the general enterprise. After democracy's 'Third Wave' began to pick up serious steam toward the end of the 1980s, innovations in participation have proliferated, especially in the governance sector.

This chapter will open with a brief exploration of participatory innovations in the development field generally over the last several decades. A second section will present a number of case studies focusing on innovations in participatory governance in Bolivia, Brazil, El Salvador, the Philippines and Serbia. While there have been examples at the macro level (e.g., party-list elections in the Philippines, popular budgeting in Mauritius), the great bulk of experience has been at the local level, and accordingly the focus here will also be on local governance.⁶¹ The third section will pull together patterns

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⁶⁰ At best, Plato thought that ordinary citizens should be allowed limited participation in governance, primarily to ensure their loyalty to the state and to forestall them from falling prey to demagogues who might lead them to overthrow the more talented elites who should be entrusted with managing the important affairs of state. See Polin (1998: esp. 144-145). Aristotle was considerably more generous, holding participation by all citizens to be necessary in order to maintain state stability through a balance between classes (Polin 1998: 189-90 &ff).

⁶¹ Interesting participatory innovations have also come elsewhere in the development field, as with the World Bank's process for putting together its series of Poverty Reduction Strategy Papers in recent years. But the attention in this essay will center on governance matters, not on developmental strategies.

and lessons emerging from the case studies and the final one will draw out some lessons, which hopefully can inform future efforts at innovations in participatory local governance.

However, before beginning, a couple of brief definitions are in order. 'Participation' will refer to citizens apart from the state, whether as individuals or in groups, playing a significant role in the governance process. 'Governance' will mean the whole range of state sector activity as it fits together, including branches of government at all levels, though I will be focusing exclusively on the local level.

2. Innovations in participatory development since the 1940s

Over the course of the development epoch beginning shortly after World War II, both donors and developing countries themselves launched many programs and projects embracing a participatory component of one sort or another.⁶² Innovations have been legion. Here I will touch on just a few of them to provide a background for the kinds of innovation that were taken up during the last couple of decades in which democratization has become a key component of almost all development strategies. The first great innovation in participatory governance in the era after World War II came with the Community Development (CD) program in India and its successor Panchayati Raj. The program began in 1946 when Albert Mayer, an American town planner, convinced Prime Minister Jawaharlal Nehru of the soon-to-be-independent nation to sponsor an experiment to promote development by responding to 'felt needs' at the village level with expert technical advice and investment in such areas as agriculture, public health and sanitation, education, transportation, and so on.

The experiment appeared to succeed, and within a few years CD spread to the entire country, but as it expanded, the program bogged down badly in bureaucratic inertia. A remedy came in the form of Panchayati Raj, which *inter alia* included village mass meetings (*gram sabha*) and elected local councils (*gram panchayat*) that would superintend the whole local development process. A good, stiff dose of popular participation through elected governance structures, it was hoped, would force CD to become more responsive and accountable. Beginning in 1959, the new program rapidly grew to extend over the country just as CD itself had done earlier. This effort failed as well, however, becoming captive not so much to the bureaucracy as to local elites, who easily won village elections and seized the opportunity to redirect governmental largesse to themselves, as Gunnar Myrdal scathingly

⁶² For an analysis of participatory initiatives stretching back into the colonial period, see Cornwall (2006).

showed in his 1968 critique, *Asian Drama*.⁶³ However, even though it had demonstrably failed to employ citizen participation effectively as a means to effect accountability in governance, the basic concept of bottom-up citizen participation came to be – ebbing and flowing over the years – a central component of development programs.

A second round of enthusiasm for participation emerged in the course of the 1970s and especially the 1980s, inspired in good part by the influential work of Robert Chambers of the Institute for Development Studies at Sussex, who pioneered interest in including intended beneficiaries as fundamental to project design in rural development.⁶⁴ In large part inspired by Chambers, what amounted to a school emerged, focusing on participatory development, and emphasizing bottom-up approaches, empowerment for marginal strata (including especially women), and emphasis of ‘local people’s knowledge’ over bureaucratic expertise.⁶⁵ None of this work, however, devoted much specific attention to issues of democracy or democratic governance.

That was to come in a third phase of participatory innovation, overlapping with its predecessor but nonetheless quite distinct in its origins and impact. This third movement, which is still very much with us, began life as a donor initiative in Central America in the mid-1980s, when the Reagan administration realized that strengthening human rights in El Salvador would be a better Cold War strategy than continuing to give unlimited support to the abuses perpetrated by the regime in power. This effort turned into the US Administration of Justice program in several Latin American countries and then moved to other regions after the fall of the Marcos dictatorship in 1986 and the rapid changes beginning to occur in the Communist bloc countries toward the end of the decade.⁶⁶ By the mid- or later 1990s, virtually all the major donors but the World Bank had in place democracy support programs emphasizing participatory governance, and many developing countries had launched participatory governance initiatives on their own.

This most recent round differed from its predecessors in several major respects. Whereas community development emphasized only the local level, the democratization movement covered the whole governance spectrum from village to national legislature. While the second phase focused on promoting participation in the project cycle, its successor has dealt with the much more fundamental process of governance itself.

⁶³ Myrdal (1968). For a detailed analysis of Community Development and Panchayati Raj, see Blair (1982).

⁶⁴ See especially Chambers (1983); also influential was Cornell University’s Rural Development Committee (see for instance Uphoff et al. 1979).

⁶⁵ The participatory development school’s literature as well as its impact has been huge, even inspiring a volume-length critique of participation as ‘the new tyranny’ in development thinking (Cooke & Kothari 2001). But see also the riposte volume edited by Hickey & Mohan (2005).

⁶⁶ See Carothers (1999) for a succinct account of these developments.

3. Innovations in participatory local governance: case studies

The case studies presented here cover several regions, with three from Latin America (Bolivia, Brazil and El Salvador), one from Europe (Serbia) and one from Asia (the Philippines). Two of the programs began as decentralization initiatives launched by the central government, one as a purely local effort, and two as donor-sponsored post-conflict projects. Three involved only indirect or representative participation, one included only direct citizen participation, and one incorporated both types. All devolved some degree of resources, while three devolved significant accountability mechanisms and four a significant degree of power to the local level. After a brief presentation of the salient features of each case in the present section, an analysis of these and other aspects will follow in the next one.

A word on methodology would be appropriate. In four of the five countries covered here I have done field work for USAID, visiting Bolivia, El Salvador and the Philippines each at least twice between 1994 and 2000, and working in Serbia in 2004. In one way or another, my task in all these assignments was to assess ongoing USAID programs and strategies dealing with local governance, so I was able to visit a number of local government bodies and interview citizens and government officials, as well as digest considerable USAID documentation, civil society material and academic literature. I have never visited Brazil, but fortunately the literature on the Porto Alegre experience is voluminous, even intimidatingly so for this deservedly famous experiment, so I have relied on it for my analysis.

One last characteristic of all five experiences to be noted is that all were considered quite successful in their time. It can be argued that failures have their lessons to offer, and certainly the world track record contains a great many failures to choose from. But within the constraints imposed by the limited space of a short essay, it seems best to focus on what appears to have worked rather than on what might have worked or could have worked under different conditions.

Brazil: participatory budgeting in a major city

In 1989, the Partido dos Trabalhadores (Workers' Party or PT, which is the party of current President Luis Ignacio Lula da Silva) leading a Popular Alliance coalition, won municipal elections in Porto Alegre, a city of some 1.3 million people at the time in southeastern Brazil. This leftist PT-led coalition, which held office until the election of 2004, took advantage of the decentralization features of the country's new 1988 constitution to institute a Participatory Budget (PB) process called *Orçamento Participativo* in 1989. By the mid-1990s, the PT coalition under the leadership of mayor Olivio Dutra and his successors had put the new system largely in place, although it has evolved somewhat since then.

The city is divided into 16 regions and below that into neighborhoods, where the PB process begins with public meetings at the outset of the annual budget cycle. Citizens debate the previous year's municipal efforts, determine priorities for the upcoming year, and elect delegates to the regional meeting, at which neighborhood proposals are prioritized. Citizens also debate issues and elect delegates to five 'theme' or sectoral panels, covering areas such as transportation, education, health and taxation.

The delegates within each region elect two higher-level delegates (and 2 substitutes) to the citywide Conselho do Orçamento Participativo (COP, or Participatory Budget Council).⁶⁷ Each theme panel likewise elects 2 + 2 delegates. The COP's function is to consolidate and prioritize all the proposals from regions and theme groups, based on a formula that weights investment toward the poorer regions of the city. Altogether, about 15% of the total budget is allocated to investment, with the rest going to recurrent (establishment) costs.⁶⁸ Of that, 15% about half goes to the priorities established through the PB process. Toward the end of the cycle, the COP proposals go to the municipal council for deliberation and approval, with the council proceedings being monitored by delegates of the COP, regional councils, et al. In general, the council makes few changes to the COP's proposals. The COP then monitors implementation of the year's budget.

The COP's weighting system (also called a 'budget matrix') needs some brief explanation. Citizen preferences, carried forth by the elected neighborhood delegates, are debated and discussed at regional meetings, and then are combined with 'statistically measured need' (the degree of previous access in relation to need, for example, proportion of streets unpaved, housing units lacking sanitary water, etc.) and population size. Each of these three factors is given 1-5 points and the score then added up for each region. The 16 sets of regional preferences (and the theme preferences) are then put together at the COP meetings into a consolidated municipal budget. (Wainwright 2003; also Avritzer 1999). As can easily be imagined, the whole system is quite complex and requires a good deal of technical support from the municipal executive office to function properly. A whole array of technical offices has been set up to provide this support, in particular the municipal planning and coordinating offices (Santos 1998).

In addition to functioning remarkably well as a process over more than a decade, PB can count a number of other achievements. First, it has brought in many new participants, particularly among the poor. One estimate (Koonings 2004) holds that something like one-third of the poor population has taken part in the process. Others are more modest, for example, city officials reporting that about 8% of the city's total population participated in the 1996 cycle (Fung & Wright 2001). However, by any standard, the figures

⁶⁷ PB details in this paragraph come from Koonings (2004).

⁶⁸ Selee (2005) reported the investment portion at 20% by the mid-1990s.

are impressive.⁶⁹ More importantly, perhaps, the poor appear not just to have attended meetings but to have actively participated, for example speaking up just as often as the non-poor (Baiocchi 1999). Such participation carried over into elected office, as is evident in Table 1. While the poor and less educated are not represented on these bodies quite in proportion their part of the general population, their attainments at elected office have to be reckoned as extraordinary. PB does seem to have provided something of a Tocquevillean education in local-level schools of democracy.

Table 1: Election winners at various levels in Porto Alegre, 2002
(Source for data: CIDADE 2006)

Citizens as a percentage of				
	General population	Regional PB delegates	COP members	Municipal councilors
Low-income people	39%	26%	24%	22%
Primary education or less	64%	57%	50%	39%

Second, PB has replaced a patron-client political structure in which citizen loyalty went upward and political largesse came downward in return with a budget system based on neighborhood wants and objective needs. Pork patronage, in fact, has been virtually eliminated as the scope for discretionary budgeting has decreased for the municipal council members (Koonings 2004). Lest it be thought that the new system is simply building a patronage base of a different sort, Baiocchi found no statistical correlation between PT voting strength and geographical investment patterns, contrary to what would be the expected outcome in a patron-client political system.⁷⁰

⁶⁹ Compare complaints of low and falling American political participation (e.g., Putnam 2000; also Schlozman et al., 1999), or in a more comparable setting, the estimates of plunging political participation in Eastern Europe within just several years after the Communist collapse. In Poland, for instance, citizens attending a public meeting dropped from 13 to 7% between 1990 and 1995, while those participating in a political rally slid from 9 to 3% (Plasser et al. 1998).

⁷⁰ He found a zero-order correlation coefficient (r) of .0117 between these two variables (Baiocchi 1999).

In a third and related achievement, PB shows that it is possible to overcome the disincentives to cooperate that characterize a patron-client system. More specifically, poor people had to see themselves as gaining in public services and investments sufficiently to outweigh the transaction costs, risk of embarrassment, time spent, and so on, in the PB process (see Abers 1998, 2000). In doing so, Baiocchi (1999) observes, PB ‘offers a particularly successful resolution to the problems of equity in distribution among unequals.’

As an impressively successful experiment, Porto Alegre’s PB system has been widely copied. Within Brazil over 100 municipalities have taken up PB reforms, and several states as well in the country’s federal structure (Selee 2005). The system has spread elsewhere as well; Brautigam (2004) provides examples from Chile, Costa Rica, Ireland and Mauritius; Selee (2005) notes municipalities in Guatemala and Mexico. And a USAID-supported program has introduced the approach in faraway Indonesia (Nachuk & Leisher 2006).

There are some constraints. For one thing, money, as ever, helps considerably. Porto Alegre is among the richer Brazilian cities in one of the richer states, enabling it to raise the revenues needed for PB. Second, the city possesses a state machinery that can deliver the goods and services the PB process calls for. And third, it has been able to avoid the kind of capture by elites and vested interests that has stymied decentralization initiatives elsewhere. PB would be less likely to succeed in poverty-stricken areas with more unequal income distribution such as Northeast Brazil.

There is also criticism that the decentralization effort that created PB has also caused serious coordination problems for the city of Porto Alegre. For instance, sewage disposal was a very high priority, and by 2001 or so some 80% of the city had been covered in with the sewage network. This eliminated a great deal of the drainage problem, but no investment was made in sewage treatment, resulting in untreated waste flowing into the main city water source, Lake Guaíba (Wainwright 2003). There is no central political brain directing things, but rather a collection of decentralized regional brains doing so with consequent confusion (Wainwright 2003).

Also, one must wonder with Brautigam (2004) whether PB is in effect setting up a parallel structure usurping the proper role of the legislature – substituting for the constitutional institutions of representative democracy. She asks whether the best answer to corrupt and/or clientelist institutions is to bypass them (as with participatory budgeting) or to reform them to enable them to fulfill their constitutional mandate to design and manage public spending.

Finally, there is the more theoretical question of deliberative democracy. Is Porto Alegre a case of ‘empowered deliberative democracy,’ as Fung and Wright claim (2001, 2003)? Or is it something more predetermined and confined? This topic constitutes something of a side issue in the present

paper, but is nonetheless intriguing within the context of participatory innovation. Accordingly, a brief discussion is appended separately as an Annex at the end of the paper.

Bolivia: local checks and balances

When Bolivia launched its Popular Participation Law (PPL) in 1994, it undertook one of the boldest reforms anywhere in the history of local governance. A country which had systematically excluded its majority indigenous population from meaningful political participation for some five centuries suddenly embarked on a plan to devolve significant resources and responsibilities to its citizens at the local level, along with several avenues for citizens to participate in local governance and demand accountability from those they chose to exercise that governance. This was, in the words of one close observer of Latin American democratization, indeed an ‘audacious reform’ (Grindle 2000).

The PPL, epitomizing Heller’s (2001) notion of a ‘big bang’ decentralization initiative, at one stroke introduced a number of major reforms. To begin with, it divided the entire country into 311 municipalities - up from less than 30 recognized municipalities – with council elections every 4 years. The number of sub-national elected positions increased from less than 300 to more than 2900. Second, the PPL devolved responsibility for health, education, sanitation, irrigation, and roads *inter alia*, accompanied by a guaranteed transfer of 20% of national tax revenues to the municipalities according to population, of which 85% must be spent on investment, as opposed to recurring costs of administration.⁷¹ Third, it established a parallel municipal structure called a *Comité de Vigilancia* (Vigilance Committee or CV) in each municipality charged with preparing investment plans as well as oversight of the council’s implementation of investment. CVs were given authority to lodge actionable complaints (*denuncias*) of council malfeasance to the national Senate, which at its discretion could withhold central funds from the municipality. CVs could also bring charges against a mayor in his/her first year in office.

Fourth, the rural CVs were to be filled with representatives from some 13,000 now officially recognized geographically-based community organizations (*Organizaciones Territoriales de Base* or OTBs, each selected according to the organization’s mores and customs *usos y costumbres*) for two-year terms. In urban areas, the CVs were composed mainly of representatives selected by *juntas vecinales* (neighborhood councils), which were also given territorial monopoly over a discrete geographical area. Finally, the PPL pro-

⁷¹ The contrast here with Porto Alegre requiring 15% of local funds to go for investment is striking. Obviously, the definition of ‘investment’ must vary greatly between the two countries.

vided a process (the *voto constructivo de censura* or ‘constructive censure’) whereby minority mayors (whose party had not received an absolute majority of votes at the last election) could be unseated by a council vote.⁷²

Collectively these reforms established two paths for direct citizen participation (choosing members for the council and the CV) and at least four for indirect participation through their representatives (for the council its normal business and its censure votes, and for the CVs their regular work and the *denuncias*).⁷³

The PPL brought a number of advantages to the municipal level. First, the two-fifths of the population that had been without any official governance structure at all now had elected and accountable councils, along with substantial budgets. Even the municipalities that had been allotted government grants (except for the especially pampered capital of La Paz) received increased allocations (Blair 2001). Second, the new system provided a school for democracy, especially for the poor. Grootaert and Narayan (2001) found in their detailed study of four municipalities that people from the poorest quintile assumed leadership positions in the OTBs as often as those in the top quintile. Third, associational investment paid off, again especially for the poor. Joining and participating in associational life brought a greater return than other activity, even education (at least in the short run), and this was more so for the poor than the rich (Grootaert & Narayan: 2001). Fourth, municipalities could and did decide how to allocate their funds. While the larger and richer towns that had been favored prior to the PPL tended to spend their new money on urban amenities like streetlights and new municipal offices, smaller and poorer localities invested more heavily (by about 3-to-1) in human capital sectors like education and health (Grindle 2000). Lastly, the CV structure appeared to give grassroots OTB organizations some leverage vis-à-vis local elites, who tended to have more influence with the town councils (Grindle 2000).

There were some notable downsides as well, however. For one thing, the territorial nature of the OTB/CV setup meant monopoly representational rights were given to just one OTB in each canton, which almost always went to some longstanding (though not officially recognized) men’s organization, leaving the equally venerable rural women’s associations with even less power than they had before. Secondly, the *voto constructivo* procedure quickly escalated out of hand. Bland (1999) estimated that over half the 311 municipalities had replaced their mayors at least once during the first elec-

⁷² This skeletal outline of the complex system set up by the PPL draws on Blair (1997), Bland (1999), Grindle (2000), and Hiskey & Mitchell (2003).

⁷³ In addition, a further reform in 1997 gave each citizen two votes for the national legislature – one for an at-large, proportional representation system typical of Latin American countries, and the other for a *diputado* representing a single-member district as in a Westminster system. See Blair (2001).

toral term established by the PPL. It is small wonder that Hiskey & Mitchell (2003) in their survey found a marked decline in respondents' confidence in local government where such changes had occurred. Third, despite efforts by USAID and other donors to bring CV members up to speed on municipal planning, budget monitoring and the like, these new office holders tended to find themselves in over their heads with their new responsibilities. Finally, the fact that they were expected to work pro bono while the council members held paid positions understandably grated considerably.

Two other developments are somewhat harder to interpret in terms of helping or harming Bolivian society. First, there has been an indigenization of consciousness. On the basis of surveys Gray Molina (2003) reports a combination of increased ethnic self-identification in both urban and rural areas, combined with a decline in indigenous language use. It seems not unreasonable to attribute much of the change to the PPL's impact. In a second trend, Grindle (2000) found central control over political parties diminishing as local candidates, as well as having to pay for their campaigns, crafted them around local issues in order to get elected.

Together, these two patterns helped fuel local grievances that led within a decade to a complete changeover at the top of the Bolivian political system. Local grievances among *cocoleros* (coca growers) in the Chapare region led to a small grassroots party winning control of 11 municipalities in the 1995 elections, an achievement that then led to a successful run for their leader in the subsequent national congressional elections of 1997 (Grindle 2000). That leader, Evo Morales, directed the expansion of the *cocolero* discontent into a nationwide campaign against privatization of water provision and energy resource policies that in 2003 drove the president from office. Ironically the very same president, Gonzalo Sánchez de Lozada – who in a previous term had been the lead protagonist for decentralization. Morales' movement toppled the succeeding president as well, and toward the end of 2005, after a special presidential election, he assumed the presidency itself. It would not be too great a stretch to say that the Popular Participation Law of 1994, intended to stimulate grassroots participation among a long neglected indigenous population, quickly became so successful that an indigenous movement gained control of the national government itself.⁷⁴

The Philippines: civil society as an inside player in local governance

The Local Government Code (LGC) of 1991 launched an explosion in participatory governance in the Philippines – an 'audacious reform'⁷⁵ argu-

⁷⁴ For a prescient analysis of PPL's counterproductive impact on elite attempts to widen political participation, see Gray Molina (2003: esp. 358-362). Also Mainwaring (2006).

⁷⁵ The phrase is from Grindle (2000), who employs it as the title of her book dealing with Latin American governance reforms.

ably approaching Bolivia's Popular Participation Law of 1994 in its determination to devolve meaningful authority and resources to the citizenry. As with the Bolivian PPL, the Philippine LGC also required a champion at the central level to shepherd the legislative package through the legislative process. Senator Aquilino Pimentel took on that role, with support from President Corazon Aquino (Barns 2003). On the supply side of local governance, the LGC devolved service delivery functions in such areas as health, education and environment, while allocating an automatic 40 percent of internal revenues to pay for them. In addition, some 70,000 central government employees were also transferred down to local levels to staff the newly devolved activities.

On the demand side, the LGC mandated full NGO⁷⁶ participation in all 'local special bodies' or statutory committees at the various levels – *barangay* (village or urban neighborhood), municipality, city and province – to include membership in committees overseeing health, education, 'peace and order' (not the police, but important nonetheless), and perhaps most importantly, 'Prequalification, Bids and Awards' (local construction and service delivery contracts). In addition, NGOs were to constitute fully 25 percent of the voting members of the Local Development Council (local planning functions) at all levels.⁷⁷ In effect, civil society – the so-called 'third sector' of organized life in distinction from the state and private sectors – was to move partly in with the first sector.

Nationwide, the new local governance system has attracted much enthusiasm, and, as can be readily imagined in a country so given to unfettered debate and self-criticism as the Philippines, it has been subjected to withering criticism.⁷⁸ But for purposes of the present essay, the reforms are best understood and analyzed through an examination of the country's best case. Individual sub-national governmental units were free to go further than the LGC required, and by all accounts the most daring experimenter was Naga City, a municipality of about 140,000 inhabitants located some 450 kilometers southeast of Manila in southern Luzon. Here mayor Jesse Robredo⁷⁹ led the city to undertake an exceptionally bold effort to include civil society participation in urban management, and it is here that the present section will focus.

In 1995, a city ordinance invited all NGOs meeting minimum accreditation standards⁸⁰ to join a new Naga City People's Council (NCPC), which

⁷⁶ The LGC also authorized local government units to officially accredit NGOs.

⁷⁷ Barns (2003) gives a good, straightforward account of the LGC reforms.

⁷⁸ See for example Legaspi (2001), Barns (2003), Capuno (2005).

⁷⁹ Mayor Robredo ran into the three-term limit in office and had to step down in 1998, but then won re-election to a new, fourth term in 2002, replacing an incumbent who had largely continued Robredo's work while in office.

⁸⁰ The accreditation standards consisted mainly of a year's prior existence, proof of past activity (to preclude 'suitcase NGOs' from infesting the program), offices and by-laws, a financial statement, etc.

would then have the exclusive right to appoint representatives to all city government bodies (excluding the city council itself), not to exceed 25% of their total membership. The NCPC representatives were entitled to participate, vote and introduce legislation in all committees. The system gradually expanded, so that by 2004, the NCPC consisted of 105 accredited organizations in 13 sectors, which varied from transport workers and the urban poor to senior citizens, business people and academics. Its representatives sat with full rights on some 29 standing committees of the city legislature as well as 14 'special bodies,' generally with one or two delegates to a 5-to-12 member group, though NCPC members constitute fully half the membership of the city's Investment Board and its Urban Development and Housing Board. Each of the city's 27 barangays also has a people's council, modeled on the NCPC.⁸¹

The NCPC has gone about its task with a concerted effort. In addition to participating on all the committees, boards and special bodies mentioned just above, it has drawn up a list of 150 things that the city government does for its residents, describing how citizens may access each service and naming the official in charge of each one. The list was printed in 25,000 copies (for this city of 140,000 inhabitants) including translations into Bikolano, the local language.

The city also has widened its efforts to provide accessibility and transparency. In December 2001 it launched an 'i-governance' program featuring both printed and online guides to city services and specific persons and offices (with maps) to be contacted for them. (Rodriguez & Min 2003). The guidebook is also available electronically and citizens can contact government offices by internet or by text messaging (the popular form of electronic communications in the Philippines). The city has started 'cyberbarangays' – village kiosks where citizens can use the internet for free or subsidized rates. (Naga City Govt 2004).⁸²

In terms of impact on city decision-making, the NCPC can point to some real policy achievements. For example, by employing both its inside track on the committees and its outside ability to mobilize the citizenry, it was able to frustrate a city scheme to relocate a garbage dump next to poor neighborhoods and to stall the seizure of agricultural lands for a golf tourism condominium.⁸³ Furthermore, Naga City's achievements have not gone

⁸¹ See Naga City Government (2004); also ADB (2004).

⁸² This digital availability may sound like an arrogantly elitist gesture for a developing country, but in fact the high Philippine educational levels should make it a highly suitable locale for such an approach. Some 42% of the population had graduated from secondary school as of 2003, and functional literacy for 1994 (latest year available) was reckoned at 86% for the province in which Naga City is located, just a bit above the national average of 84% (HDN 2005).

⁸³ For an analysis of these examples and the Naga City experience more generally, see Blair (2004).

unnoticed; it has won an impressive number of national and international awards for both city and mayor since the 1995 ordinance was promulgated.

At the same time, Naga has shown some significant problems. For one thing, the NCPC does not include all the critical sectors that might legitimately claim a voice in civil society. Professional associations and civic groups like the Jaycees and Rotary are excluded, for example. The City Development Committee, viewed as key in the original LGC legislation, has yet to attain the mandated 25% NGO membership, and some of the required sectoral committees have not been set up so far. These are forgivable shortcomings, perhaps, amid the plethora of other bodies already in place that would overlap with these committees, but lapses nonetheless.

More importantly, there seems little public awareness of the new arrangements. A study undertaken in 2003 found little knowledge of the NCPC or the links between the NGO community and the city government, even within the NGO community itself, outside the circle of direct participants (Escandor 2003). A series of opinion studies conducted over the 1996-2000 period by the main USAID contractor supporting implementation of the LGC code found Naga City respondents scoring lower lowest or second lowest among all the project sites when asked whether their main concerns were being addressed by their local government (GOLD 2000). At least two explanations are possible for this apparently disturbing finding. One is that Naga City's NCPC simply didn't deliver the goods, so far as meeting people's priorities were concerned. However, it could also have been that the dynamic openness and willingness to listen to citizens characterizing Jesse Robredo's mayoralty, plus the efforts of NCPC to incorporate representation from all elements into public discourse, collectively led the citizens to expect much more from local government than their compatriots elsewhere. Thus even though Naga City may have been delivering more, citizen expectations were so high that municipal performance inevitably fell far short.

A different possible cause for concern emanates from the very purpose of Naga City's 1995 ordinance in building closer links between NGOs and local government. As the Asian Development Bank put the matter: 'The traditional inputs in making the government listen to the voice of the people, such as mobilizations and rallies, take much of the time and resources of civil society organizations with uncertain [and] unsure results. In contrast, the avenues offered for participation through direct involvement in government meetings and discussions produce the needed results with less resources and at the same time strengthen the capacities of the people to engage the government.' (ADB 2004).

But can it become too easy for civil society organizations to deal with government? Can the civil society community become an inside player within the state structure without changing the nature of the political game itself? Can the 'third sector' be autonomously representing the interests of its constituencies vis-à-vis the state if it becomes part of the state? Even if

the state is benevolent, which seems to be the case in Naga City, can NGOs retain their autonomy under such circumstances? Such questions arise in particular when one considers that the NGO representatives serving on all these bodies are most likely the best and more able leaders in the civil society community. If they are in danger of being taken into camp, what will happen to the rest of civil society? As Bill Cooke (2005) might put it, can NGOs work inside the state system without being co-opted by the state?

El Salvador: mass meetings to direct local investment

In 1986, the government of El Salvador, then caught up in a brutal civil war, introduced a new municipal code, which among other things resuscitated an institution from the colonial era called the *cabildo abierto*, or open town meeting. The new regulations called for mayors in the country's 200-plus municipalities to hold a *cabildo* every three months, to which all citizens, as well as NGOs and community groups would be invited. Its function would be to ask citizens to specify and prioritize infrastructure needs so as to guide local government in its investment decision-making.⁸⁴

Shortly afterward, USAID employed the *cabildo* institution⁸⁵ as the mechanism for allotting municipal reconstruction grants during the then-ongoing civil war, thinking that its efforts would thereby gain popular support and even (though the term had not yet come into use) build 'social capital' in a war-torn country. Its Municipalities in Action (MEA, after the Spanish version of the acronym) program stipulated that all local projects supported would have to be first proposed in *cabildos abiertos*. That the program enjoyed popular support was attested to by the apparent fact that no MEA infrastructure project was attacked during the years between program launch in 1986 and the end of the war six years later (Wilson et al. 1994). As hostilities wound down and came to an end through the Peace Accords of 1992, the program was extended to areas that had been controlled by the opposition side during the long war (1980-1992).

By the time MEA had finished its work in 1994, it had completed more than 8600 local projects, spending some US\$135 million, mainly focusing on roads, schools, water and electricity, and operating in all 261 municipalities of the country (most of which were rural areas with less than 20,000

⁸⁴ For an analysis of the *cabildo abierto* and the USAID program built upon it, see Blair et al. (1995).

⁸⁵ So far as can be discerned, the *cabildo abierto* provision in the 1986 municipal code was developed independently of any direct American link, though the US was certainly heavily involved in El Salvador's political life at the time and may well have had some connection with it. Thus it is difficult to ascertain to what extent the *cabildo abierto* was a genuinely indigenous creation. See Blair et al. (1995).

inhabitants).⁸⁶ By the program's end, about 80% of the total required cabildos were being held, and over 200,000 citizens were attending them.

In 1993, a survey including over a thousand respondents showed impressive citizen confidence in the program. Of the sample total, 27% had attended at least one *cabildo abierto* at some point. Among those who had attended, 96% responded that those in attendance had asked for a project at the meeting and 61% reported that the requested project had in fact been built. Some 85% said that they were satisfied with having attended and fully 94% that they would attend another *cabildo*. Among the entire group of respondents, 92% knew of a project built through the program, and almost half of those (41%) knew of a project that had been selected at a *cabildo* meeting. Over three-quarters (77%) said their family had directly benefited from a project. Altogether, 58% of total respondents thought the *cabildos* had either a high or medium importance in identifying projects to be built. Some 88% of the total believed that mayors convened the *cabildos* principally to find out what people wanted. Perhaps most interestingly, all the responses mentioned above were almost identical among residents of formerly 'conflicted zones' (that is, where the opposition exercised control during the civil war or the area was so ridden by conflict that no *cabildos* could be held; these amounted to 45% of the sample total) and non-conflicted zones (55%).⁸⁷

As with any development enterprise, the *cabildo abierto* approach had problems. First, its scope was strictly limited to identifying local infrastructure projects. Actual decisions on which projects were to be built were made by the municipal council, whose meetings were virtually always closed.⁸⁸ And though citizens often contributed labor to projects, they had no role in managing implementation or evaluating the finished product. It followed that people felt considerably less than fully included in decision making. In the survey mentioned just above, fully 59% of respondents said they had only low opportunity to participate in local government, and only 44% believed the mayor kept the community informed about project progress. The citizen role, then, comprised little more than making wish lists.

In addition, each project was a stand-alone construction enterprise, with little overall planning or coordination effort (and obviously no citizen

⁸⁶ Data presented in this and the following paragraphs are from Wilson et al. 1994: *passim*). In El Salvador, as in most of Latin America (including Bolivia after the Popular Participation Law was introduced in 1994), the entire country is divided into municipalities.

⁸⁷ Data in this paragraph from Wilson et al. (1994). Córdova et al. (2004) provide similar data for more recent years.

⁸⁸ Actually, the 1986 municipal code established a mechanism for participatory decision-making in the form of a *consulta popular*, which amounted to a binding local public referendum, but this device was rarely if ever employed by municipal councils (Blair et al. 1995).

participation in municipal strategy, e.g., deciding whether health or primary education should be the top priority). And finally, as with so much donor-assisted infrastructure work, no attention was given to operation and maintenance of the facilities constructed. Still, for a country that had just recently passed through a horrific conflict killing 80,000 people over the course of a dozen years (as well as creating as many 500,000 refugees and a million internally displaced persons in a country of less than five million people), the survey data discussed here represent a high level of participation, as well as trust in municipal governance.

A follow-on USAID project during 1993-1999 comprised a pilot effort which *inter alia* sought to open the previously closed council meetings to the public, a step that would encourage public participation in the second, third and fourth steps of the policy cycle. But this encountered serious resistance from mayors and council members, who proved reluctant to open their meetings to the citizenry. A mid-term evaluation pinpointed the reluctance as stemming more from council members' fear of exposing their ignorance about the complexities of municipal finance than from anxiety about being held accountable (Wilson et al. 1996). But from a more historical perspective, the resistance seems to fit in all too well with the winner-take-all structure of municipal elections in El Salvador, whereby the party with a plurality of votes gets all the council seats plus the mayor's office, leaving opposition parties entirely bereft of any official presence at all in municipal affairs (see Blair et al. 1995; also Bland 1994). The resulting pattern of monopolization of office and secrecy would be hard to break under any circumstances.

A second USAID pilot follow-on in 2000-2002 sought as one of its goals to tackle the municipal council issue. It experimented with open council meetings, offering extensive training sessions to councils willing to try out the idea, which found a wide range of acceptance, with some among the 12 pilot municipalities opening all their council sessions to the public but others not willing to open any (RTI 2002; RTI 2005). Later on, municipal council sessions became somewhat more open, and a 2004 poll (Córdova et al. 2004) indicated that 9.6% of respondents had attended one within the past year, a percentage not too much lower than that for *cabildo* attendees (12.5%). Córdova's 2004 survey found that even though 65% of respondents thought municipal officials paid little or no attention to what people asked for at the public meetings, over half (51%) believed that municipal government responded best to community needs, as compared with only 13% selecting national government, 4% the national legislature and a full 22% asserting that 'no one' responded to local needs. (Córdova et al. 2004)

In sum, the *cabildo abierto* did open a useful channel for citizens to express their needs to local government (that is, reveal their preferences), and a fair number made use of this new avenue. Later on, and with considerable donor prodding, some municipal council meetings became more open as well. But there is little indication that popular participation went beyond the level of submitting requests to local authorities.

Serbia: community confidence building through participation

In the wake of united Yugoslavia's disintegration during the 1990s, international donors set up various post-conflict programs designed to mitigate the effects of the serial upheavals that had taken place and to begin rebuilding capital both physical and social. USAID in Serbia sponsored two such programs, both of them designed to encourage significant citizen participation.

The first effort belonged to USAID's Office of Transitional Initiatives (OTI), created in the Clinton administration as a rapid-acting, quasi-autonomous division that could move in quickly and get programs up and running without being subjected to all the contracting, procurement and accounting regulations that had long rendered USAID itself a relatively slow-moving organization. OTI was to be a cheetah, leaping into action on a moment's warning, as compared with the ponderous USAID bear that eventually brought more strength to the job, but at such a torpid pace that the opportunity to be decisively effective might well have disappeared. To enhance OTI's rapid-action capability, it operated quite independently of the regular USAID machinery, usually reporting directly to Washington rather than to a resident agency field director, and often working out of a different set of offices as well in the country to which it was assigned.

OTI began its Serbian operation as the Democratic Transition Initiative (DTI) after the departure of Slobodan Milosevic in October 2000, and phased out in November 2002. During these two years, DTI's main activity was to set up some 177 Community Impact Projects (CIPs) throughout the country. The CIP program's essence lay in conducting town meetings to identify community priorities and establish Community Development Groups to select particular projects (largely infrastructure rehabilitation and replacement) for funding, on condition of matching funds being provided by the *mesna zajednica* (local municipal government). Except in southernmost Serbia where many Albanians lived – in some places with local majorities – there does not appear to have been much emphasis on promoting interaction or dialogue between formerly contesting ethnic groups. Altogether DTI spent just over US\$5 million on these community projects with matching funds coming in approximately equal amount.⁸⁹

Overlapping with OTI/DTI was a much larger program operated directly by the USAID office in Belgrade, called Community Revitalization through Democratic Action (CRDA), launched in July 2001 and spending US\$200 million over the ensuing five years. The five implementing NGOs were each assigned a region of the country, in which their initial task was

⁸⁹ Details in this paragraph draw mainly on Cook & Spalatin (2002). Actually OTI had an earlier program starting in July 1997, but this had been suspended with the NATO bombing campaign in the latter part of 1999, and the program operated from outside the country until returning after Milosevic's fall in 2000.

within 90 days to identify 60 communities for their work, set up citizen committees (CCs) that were to include ethnic minorities and women, and start at least one community-driven infrastructure-oriented project in each site. The NGO contractors, who had initially been allowed a much longer start-up period to scope out their fieldwork designs, were surprised by this sudden imposition of a rapid-start approach, but quickly switched gears to comply with their new orders.⁹⁰

By early 2005, CRDA had taken up work in some 450 communities and another 130 'clusters' incorporating more than one community, located in 100 municipalities all over the country. Over 3,000 projects had been completed at an average cost of about US\$ 40,000 (Czajkowska et al. 2005). In the typical project, a CC determined its community's top priority, put together a proposal that involved negotiating with the local government unit for some matching funds (an average 25% was stipulated), and received funding from CRDA to contract out the work.

USAID had three major goals for CRDA. The first objective was to build a decentralized 'base of knowledge and skills that would create a demand for democracy from the ground up....[that] would be impossible to resist' (Sneed 2006). The second was to promote interethnic tolerance that would help move Serbia out of the isolation enclosing it in the immediate post-Milosevic era and into better relations with the outside world (Sneed 2006). A third and more politically practical goal in the context of domestic American politics was to establish a quick track record that would convince the US Congress to continue funding this relatively large-scale program against a historical record of rapidly shriveling Congressional interest in supporting post-conflict rehabilitation programs (Merritt 2006).

A mid-term assessment of the program found that CRDA had in fact stimulated citizen participation, which included women and minorities as required. Further, the program had provided models and experience in intergroup consensus building that encouraged new community leaders to emerge. But in general, the evaluators found, CRDA tended to emphasize physical infrastructure over the more subtle goals of building social capital, increasing tolerance and mobilizing demand for democratization. Physical product had become more important than social process. The CRDA approach did provide some experience in democratic practice, but there seemed little spillover into other local activities, nor was there much evidence of a citizenry becoming more politically active. (Czajkowska et al. 2005; Sneed 2006).

⁹⁰ Merritt (2006) offers an insightful account of CRDA's launch. The quick-launch challenge was made all the greater for the contracting organizations by the low public repute that foreign NGOs suffered from at that time, stemming from Milosevic's vilification of them toward the end of his reign (Gordy 2003).

Within USAID, CRDA was hailed as a great success. It was the USAID director in Serbia who, after his experience with a similar effort in Lebanon, had transformed CRDA from its initial measured start-up pace into the 90-day quick-launch effort into which it developed. This approach in turn became the template for an even larger infrastructure rebuilding initiative in Iraq, and the USAID director from Serbia moved up to take over the mega-program that unfolded there (Merritt 2006).

But as for the CRDA project itself, if one parses its title, it could be said that while Community Revitalization did attain considerable success, Democratic Action came up much shorter. There were several reasons for this mixed record. First, there was the imperative to show not only swift, but measurable results. This stemmed in part from the reality of Congressional scrutiny in Washington, as mentioned earlier, but also from USAID's own internal requirements for measurable results that had been instituted in the 1990s during the Clinton administration, a part of the 'managing for results' enthusiasm that swept the donor community at that time.⁹¹ Needless to say, physical infrastructure is much easier to measure (and the units of measure are more easily understood) than interethnic confidence building or citizen involvement in local governance.

A second factor lay in USAID's internal management and operating style leading to a failure to learn from experience. It is often observed that there is little institutional memory in the international development field, and that consequently we keep reinventing what we should have been able to learn from studying past experience. Certainly this is true for participation, as Cornwall (2006) aptly observes, in large part because development professionals necessarily move about so frequently from one posting to another.⁹² This maxim on institutional memory proved itself true a fortiori in the Serbian case.

During its two-year run, the DTI program made considerable progress in rebuilding small-scale infrastructure, but relatively little headway in strengthening interethnic social capital or promoting democratic participation in the places where it worked. Even so, it did gain considerable experience in organizing community meetings, selecting local committee members, and so on, as Merritt (2006) points out. Yet when CRDA commenced operations, it ignored virtually everything that DTI had done. Furthermore, while it is reported that some 70% of the communities where DTI worked were absorbed into CRDA (Cook 2002), no effort was made to hand over

⁹¹ Congressional oversight and USAID's interest in showing quantifiable indications of success were of course related. For an analysis of this period, see Blair (2000).

⁹² As opposed to academics, who stay in place at their institutions for much longer, and recall – perhaps too often – insights they had first arrived at decades previously.

– or receive – any activities from the one enterprise to the other.⁹³ But OTI operated autonomously from the rest of USAID, and the new USAID director in Serbia evidently had little interest in allowing his contracting NGOs for the successor program enough time to assess local realities and DTT's experience before starting work at full bore. Thus was George Santayana's aphorism once again demonstrated that 'Those who cannot learn from the past are doomed to repeat it.'

A final problem for CRDA lay in what appeared to be a lack of interest on USAID's part to continue any part of the program beyond the official 'life of project.' Some of the contractors tried to make such provisions to ensure that their progeny survived in some form, but there was evidently no concern for this at the USAID office in Belgrade, reported the mid-term project review (Czajkowska et al. 2005), an opinion that accords with my own observations while in Serbia. It was as though each USAID activity were a stand-alone enterprise, unconnected to what came before or after.

4. Analysis

Our five case studies of innovation in participatory local governance lend themselves to several dimensions of analysis, which I have tried to capture in Table 2. The discussion in this section will lead to a presentation of lessons learned in the last one.

What were the major innovations?

All five cases dealt with budget and finance at local government level, most of them directly by introducing some participatory component into the budget allocation process by adding some new component to it. More specifically, the Brazilian arrangement (1989) was one of *participatory local government budgeting*,⁹⁴ calling for neighborhood citizen discussion to review performance and establish investment priorities followed by election of delegates to carry forth those priorities to higher levels. The key idea for Bolivia (1994) was to introduce a *check-and-balance structure* in the form of the comité de vigilancia to act as a check on the municipal council by determining investment priorities, entrusting the council with implementation and then monitoring results.

⁹³ The disconnect was such that when I visited Novi Pazar, the central town in the Sandžac region, where Bozniaks form the dominant ethnic groups (and where there was great need for interethnic confidence building between them and the minority Serbs), in mid-2004, less than 2 years after the end of DTT's efforts there, no one in the CRDA office had any idea that there had ever been such a program in the same town.

⁹⁴ To help organize the development of the argument in this section of the paper, the italicizations refer to the cell entries in Table 2.

The main Philippine innovation (1991) inserted a representative NGO *presence inside* local statutory bodies that formed a part of the municipal governance structure, thereby adding new ways for citizens to gain access to local decision making and hold local government to account. In El Salvador (1986), *mass meetings* were the vehicle by which citizens could directly influence government decision making by making their investment priorities known. In Serbia (2000), locally recruited citizen groups actually *determined spending priorities* for their municipalities, opening a new channel for popular participation in governance that hopefully would bring hitherto marginalized elements to the decision-making process and thereby build interethnic public confidence.

Innovations and the policy cycle

In his introductory essay, Siddiq Osmani writes of the policy cycle stages: policy revelation; policy formulation; policy implementation; and finally monitoring and evaluation. How do our five cases perform with respect to these stages? Table 3 will focus the discussion here. The Brazilian and Bolivian cases show the best performance. The PB process in Porto Alegre determines priorities (preferences), formulates investment policies, monitors their execution and evaluates them in the subsequent annual cycle. The Bolivian CVs do much the same thing in their annual cycle. They decide investment priorities each year as well as prepare investment plans for the municipal councils to execute, and then follow the councils' performance. Moreover, in both these cases, a sanction is available to censure any council malfeasance. For Porto Alegre, the sanction is somewhat indirect, operating through the public meeting process. Citizens attending the annual meetings get feedback from the COP, which helps inform their decisions on whom to elect to the regional council for the ensuing year.

Table 2: Innovations in participatory local governance – five case studies

Decentralized type				
		Brazil – Porto Alegre	Bolivia – PPL	Philippines – LGC
Innovation	Year introduced	1989	1994	1991
	Key characteristic	Participatory LG# budgeting	Checks & balances in LG	NGOs inside LG units
Origins	Source of innovation	Domestic	Domestic	Domestic
	Motivation	Rewarding party base	Building party base	Variety
Reasons for success	Political will & sustainability	Local	Central	Central & local
	Devolution to participatory bodies*	Pwr Res Acct	Pwr Res Acct	Pwr Res
	Other key success factors	Planning details & tech support	Dual accountability	NGO experience & maturity
Impact on elected council		Displace budget function	Preempt budget function & check	Influence
Pitfalls	Local elite takeover	Difficult	Medium	Easy
	Other problem	Council displaced	Council displaced	Civil society co-opted

Post conflict type			
		El Salvador – Cabildos Abiertos	Serbia – CRDA project
Innovation	Year introduced	1986	2000
	Key characteristic	Mass meetings	Non-govt spending authority
Origins	Source of innovation	Domestic & donor	Donor

	Motivation	Allegiance & reconciliation	Building interethnic confidence
Reasons for success	Political will & sustainability	Local & external	External
	Devolution to participatory bodies*	Res Acct	Pwr Res
	Other key success factors	External funding	External funding
Impact on elected council		Petition	Replace budget function
Pitfalls	Local elite takeover	Medium	Unclear
	Other problem	Cabildo impotent	Council displaced

LG = local government

* Manor’s (2004) three requisites for successful decentralization (power and authority; resources; accountability)

In addition, it is safe to say that these same activist citizens will be those most likely to vote and influence their neighbors’ voting preferences in subsequent city council elections. In other words, citizens participating in the PB process gain an enhanced though indirect influence over the policy cycle. In Bolivia, that influence is much more direct. A CV dissatisfied with a municipal council’s performance can lodge an official complaint (requiring a response) with the national Senate, as well as bring charges against a mayor in some cases. Thus it makes sense to add a column for sanctions to the right side of Table 3, showing a minor effect for Porto Alegre and a major one for the Bolivian CVs.

Table 3: Policy cycle stages in participatory local governance: five case studies

Key to cell entries: X = major role x = minor role

Type	Locale	Participatory innovation mechanism	Policy cycle stages				Sanctions
			Preferences	Formulation	Implementation	M&E	
Decentralization	Brazil – Porto Alegre	Participatory budgeting process	X	X		X	x
	Bolivia	Comités de vigilancia	X	X		X	X
	Philippines	NGOs on local special bodies	x	x	x	x	
Post--conflict	El Salvador	Cabildos abiertos	x				
	Serbia	CRDA -- -- Citizen committees	X	X			

The Philippine system putting NGO representation on critical municipal government committees gives civil society an inside seat in all four stages of the policy cycle, but unlike their counterparts in Porto Alegre and Bolivia, the NGOs never have a determining role, only a participatory one that may (or may not) give them some influence in the cycle (whence the smaller entries in Table 3). At the same time, the scheme does provide for potential influence at all four stages of the policy cycle, the only example to do so.

Salvadoran *cabildos abiertos* are given a role in expressing preferences, but their part is a small one – making suggestions without any power or even influence to turn their priorities into policy. They do not have any role beyond that. The Serbian CRDA citizen committees in contrast did have the power to establish preferences and turn them into policy, commandeering municipal matching funds in the bargain, because the USAID-supported program took its direction from the committees.

Where did the systems come from? Innovation origins

In an international development community where so much of the conceptual innovation comes from well-financed Western research institutes and academic locales, it is worth noting that the majority of the experiments considered here were homegrown. Three cases were *domestic* in origin, one *donor-driven*, and the remaining one mixed, as indicated in Table 2. The Porto Alegre experiment may have had some external advisors along the way – there certainly has been extraordinary foreign interest in it – but the design and the financing were basically internal to the initiative.

The Bolivian Popular Participation Law did not have any outside involvement in its gestation, so far as I have been able to determine. However, it did have some foreign support from USAID, which sponsored a Democratic Development and Citizen Participation project in the late 1990s providing assistance to 18 (later 25) of the country's 300+ municipalities, as well as to the responsible ministry in La Paz. In addition, there were other donors, which by one reckoning in 1997 had pledged some US\$ 64 million to support the PPL (Blair 1997). The Philippine Local Government Code of 1991 was also an indigenous product with (again, so far as I was able to tell) no foreign contribution to its origins, but the donor role in its implementation was probably more intense than in the Bolivian case, in the form of USAID's Local Development and Assistance Program (LDAP) and its Government and Local Democracy project (GOLD),⁹⁵ as well as assistance from other donors, in particular the Canadian International Development Agency.

⁹⁵ The GOLD initiative, which ended in 2001, was one of the best-ever documented USAID projects, leaving behind a CD containing several hundred reports and documents. See ARD (2001).

El Salvador's *cabildo abierto* institution appears to have been indigenously created, but was so massively supported by USAID during and after the civil war that in its implementation it was essentially a foreign program carried out through a domestic governmental agency. This was even more so in the case of Serbia's Community Revitalization and Democratic Action effort, which had no domestic element in its creation or design, and in addition was implemented not through existing local government bodies but through an altogether new structure, the citizen committees.

Why were these experiments launched? Initial motivation

Political innovations of any kind do not occur in a vacuum, if only because whatever structure is already in place benefits some elements, most often at the cost of others. Centralized bureaucracies benefit the bureaucrats at the top of the system, while centralized budgetary allocations benefit not only the bureaucrats but also the politicians involved, who can thereby nurture their patronage networks. Indeed, this pattern of benefits goes a long way in explaining why so many decentralization schemes fail: Both bureaucrats and politicians want to hang on to the power, career paths and openings for corruption that come with centralization, and politicians in addition want to keep their patronage operations in place.⁹⁶

In Brazil, the Workers' Party had long campaigned on promises to do more for the poor, and when it emerged victorious in the 1989 municipal elections, the chance came to *reward the party base*. Participatory budgeting became the vehicle chosen for this purpose. The Bolivian calculus was somewhat less direct. The Movimiento Nacionalista Revolucionario (MNR or National Revolutionary Movement) winning the presidential election of 1993 found its main support in the rural areas, and the PPL showed promise of *building the party base*, as O'Neill demonstrates at some length (O'Neill 2005). Shifting the balance of investment resources from the main cities to the smaller towns and the countryside offered a path to do just that.

The largely personality-based Philippine parties did not have the same set of electoral incentives as in the Latin American cases. Instead, the sources of the Local Government Code of 1991 should be seen in light of the movement that deposed the highly centralized Marcos regime that had been deposed in 1986. The anti-Marcos drive itself evidently had enough momentum to carry over into a decentralization effort, and in addition there was a great deal of pent-up local demand for more power to the Philippine periphery (Rood 1998). Thus there was a variety of motives.

For our two post-conflict cases, motivation came mainly from hopes to *reconcile* the formerly hostile sides and generate *allegiance* to a common political system. El Salvador's municipal code of 1986 instituted the *cabildo*

⁹⁶ See Manor (1999), also Blair (2000).

abierto at first with the idea of building loyalty to a state fighting an insurrection, but then later on after the 1992 peace accords, USAID saw the *cabildo* as a device for promoting reconciliation as well. Somewhat similarly in Serbia, those designing the two American programs envisioned their community committees as mechanisms to fuel *demand for democracy* and begin *bridging the ethnic divisions* still besetting the country after 2000.

Critical factors in success

To the extent that these experiments worked, how can we account for their success? As is always the case with reforms shifting power and money around, nothing would have happened in any of our cases without commitment and determination from political leaders. Political will, then, had to be the *sine qua non* for determining success in these experiments. Important as it was, however, political will was scarcely the only factor involved. A second key component in each case was the degree of devolution involved – just what actually was made available to local authorities by the central government on which increased participation could have had an effect? Thirdly, in addition to political will and devolution, in each case at least one other critical factor was in play, as will be discussed below.

Political will and sustainability

In Porto Alegre, that political will was very *local*. Olivio Dutra, the incoming mayor in 1989, supplied the initial dose, and his successors carried it on for three more terms – long enough to thoroughly entrench the participatory budgeting system. In Bolivia, political will came directly from the top at the *center*, with President Gonzalo Sánchez de Lozada the primary backer of the PPL from the outset. Philippine political will also came from the top, with President Corazon Aquino offering full support, as well as influential members of the Congress. In Naga City's case, this support from Manila was greatly bolstered by Mayor Jesse Robredo, who considered amplifying the LGC with more participatory input as his personal mission. Thus the political will was both *central and local*.

For El Salvador and Serbia, the political will was essentially external in the form of substantial donor funding – US\$ 135 million in El Salvador and US\$ 200 million in Serbia, both large-scale programs by USAID standards, particularly for those the agency has categorized as democracy support initiatives in recent years. With such a level of foreign effort, the domestic central government could avoid any real commitment of political capital. In other words, no political will was needed.⁹⁷

⁹⁷ Municipalities were required to provide matching funds, however, which did imply some opportunity cost for them, certainly in the economic sense and perhaps politically as well.

Sustainability of the innovations discussed here is necessarily closely related to the political will that launched them to begin with. If the Porto Alegre experiment is to continue, it will have to be with the strong support of the incumbent mayor. This was not a problem for the first sixteen years, owing to four straight mayoral election victories for the Workers' Party. But in 2004 a new coalition won the vote and took office at the beginning of 2005. Maybe the participatory budget will continue on track, but if the new officeholders oppose it, or if they provide only tepid support, it will surely decline and wither. In Bolivia, President Sanchez de Lozada often insisted that his goal was to make the PPL 'irreversible' so as to secure its permanent continuation. But because he was limited to a single term in office, he was succeeded by someone else, who belonged to a different party and had different ideological preferences. The PPL did endure, though its status was demoted in La Paz and some funding was diverted to other purposes (O'Neill 2005). What will become of the PPL under the new President, Evo Morales, who acceded to office at the beginning of 2006, remains to be seen. Given that he and his party got their political start by electing their candidates to municipal governments, one assumes that the initiative will stay in place, but the picture is not yet clear on its fate. What is quite clear, however, is that support at the top will be needed to keep the PPL functioning at an effective pace.

There seems little doubt after a decade and a half that the Philippine LGC will remain in place and active. Likewise, one can be fairly certain that the LGC's provisions for NGO inclusion on Local Special Bodies and the Local Development Council will continue to be more or less observed. But the political will to make them vibrant and real must come from the local level; it cannot be enforced from Manila. Considering the long tradition of local *caciques* (bosses) so prevalent in Philippine history,⁹⁸ it would be foolish to insist that the remainder of the country is sure to follow the Naga City example.

The Salvadoran *cabildos* can be expected to endure on the books as an institution, and hopefully their 6% ration from the national budget will keep them occupied in prioritizing local needs. But the municipal councils were never required to listen to their lists even when USAID as principal donor could have insisted that they do so, and there is no reason to think this behavior pattern will change absent foreign impetus, particularly if municipal councils continue under the winner-take-all system of local elections, which facilitates operation in secrecy and away from outside input. Finally, the Serbian citizen committee structure under the USAID-funded CRDA was completely the creation of that project, and would not be expected to continue after the project's end in mid-2006.

⁹⁸ This tradition dates back into the Spanish colonial period, continued under the American administration, and has remained well ensconced after independence after 1946. See Anderson (1998), also Hutchcroft (1991).

Degrees of devolution

All our five cases involve some kind of decentralization, but what exactly was being devolved to local level? James Manor, a longtime student of the subject, posits three essentials that must be in place for a decentralization effort to succeed:

- adequate power and authority must be devolved
- adequate resources must be devolved (especially financial, though administrative resources must also be devolved, for example, control over officials working at local level)
- accountability to local residents must be ensured (Manor 2004).

Manor's focus was upon decentralization to local authorities, but in the present context we need to narrow our considerations to the participatory mechanisms under discussion. For all five cases, resources were made available. Bolivia, the Philippines and El Salvador all legislated formulas for allocating funds to the local level. The first two showed a significant generosity, guaranteeing 20% of national tax revenues and 40% of internal revenues respectively to local levels. The Salvadoran government was stingier at first, but then enlarged the allocation to 6% of the national budget in 1998.⁹⁹ In addition, all three countries allowed localities greater power to raise resources locally in the form of taxes, bonds, and so on.

Porto Alegre has also received regular allocations from the central government in Brasilia, but the greater part of its resources has come from raising local revenues – always a politically sensitive subject, but made considerably easier in Porto Alegre as a comparatively wealthy city in one of the wealthier Brazilian states.¹⁰⁰ Finally, Serbian municipalities received some funding from Belgrade, but the CRDA program dwarfed those contributions during the immediate post-conflict period. In short, shortage of resources did not pose a constraint for any of our case study cities during the period under analysis.

Power and authority were also devolved to enable our participatory mechanism to fruitfully deploy resources for the first three cases in Table 2, though imperfectly in two of the three. The PB process in Porto Alegre could and did decide budgetary allocations, and likewise the Bolivian comités did so as well. But while much effort was spent in making budgetary expertise available to regional and citywide PB councils in the one city of Porto Alegre, the 312 Bolivian CVs often did not possess the necessary technical capacity,

⁹⁹ During the MEA era, of course, these resources were greatly supplemented by USAID. Since each country used a different base to calculate these percentages, there is no way to compare their levels of generosity.

¹⁰⁰ Baiocchi (1999) comments on this as an important factor in Porto Alegre's success. See also Santos (1998).

especially in the smaller municipalities.¹⁰¹ Where they legitimately gained membership and thus access to the local special bodies (which was by no means always the case), the Philippine NGOs were positioned to influence decision-making within the local governmental units, but even then they were often hobbled by inexperience, local officials' unwillingness to take them seriously, and so on. In Naga City with its NCPC, NGOs did gain real influence, but this depended on political will in the mayor's office, not on the enabling legislation of the Local Government Code.

The CRDA's citizen committees did have the ability to allocate their funds and even beyond that the ability to compel local councils to commit their own resources in the form of matching grants, but of course this power was to last only as long as the USAID program continued in place. In contrast, the Salvadoran *cabildos* had only the power to make suggestions to the municipal councils; they could not ensure that the councils would take their priorities with any seriousness.

Accountability had a prominent place in the Bolivian and Brazilian initiatives. Bolivia possessed the strongest accountability structure, for its CVs could not only monitor the municipal councils but also discipline them by deposing mayors and lodging actionable complaints at higher governmental levels. Porto Alegre's COP monitored the city government's investment expenditure, with the latter required to justify its actions to the participatory budgeting body. If the justifications fell short of what the COP considered acceptable, it could take recourse to the media to publicize the disagreement and put pressure on the city to change behavior, though I have seen no evidence that things have come to such a pass thus far.

At a considerably less intense level, accountability was also a part of El Salvador's *cabildo* system, in that city officials were required to call the meetings every quarter and explain their actions since the previous *cabildo* had gathered. There appeared to be no real penalties for failure to follow instructions from the last public meeting, however. In the Philippines, local government units were not in any way accountable to the NGOs sitting on their committees, though as mentioned earlier, in Naga City the NCPC was able to mobilize its NGO constituency on the outside to supplement its attempts to influence official decisions on the inside. In the Serbian case, the citizen committees were not accountable to anyone except the USAID contractor providing the funds for the CRDA program.

Other key success factors

In addition to political will and devolution factors, each experiment had at least one other factor that proved critical to success. In Porto Alegre, the

¹⁰¹ A great deal of the focus in USAID's project supporting the PPL was devoted to helping the CVs build this capacity. Other donors sponsored similar efforts. See Kohl & Farthing (2006: 134-135, 139-140).

very *careful planning* that went into PB had to be the first critical factor, along with its implementation. In particular, the ‘budget matrix’ design that distributed investments in accord with previous availability and population ensured that the various municipal regions received equitable allocations. The second key ingredient was the *technical support* and expertise provided to all levels by the municipal executive office, which provided the information needed to make good choices and monitor progress.

In Bolivia, the *dual accountability* embodied in the combination of municipal council and CV provided a checks-and-balances mechanism allowing citizens two routes for exercising direction over their representatives. Both bodies had to answer to their constituencies at regular intervals,¹⁰² and both were subject to citizen input on a regular basis. Then the supervision exercised by the CV over the council provided another kind of check.

Placing NGO members on local governmental bodies most likely would not have succeeded at all in many – perhaps even most – country settings, for the NGO representatives would not have had the capacity to participate effectively as advocates and monitors for the civil society community. But the long track record of civil society activism at all levels in the Philippines meant a certain level of *NGO experience and maturity* that could be drawn upon to inform and guide their participation on the ‘local special bodies’ and to take full advantage when opportunities like those offered in Naga City might appear.

For both El Salvador and Serbia, that extra critical ingredient was the *external funding* provided through post-conflict assistance initiatives, in both cases from the United States (though in other post-conflict situations, different donors have performed a similar function). So long as that funding continued, the programs succeeded in providing needed infrastructure, but as the flow of external resources inevitably dried up, so too did the programs.¹⁰³

Downstream consequences of innovation: impact on elected councils.

Each of our innovations had consequences for what is constitutionally generally considered the key institution in local governance: elected local councils. These outcomes ranged from virtually supplanting the council’s budgetary function in Brazil, Bolivia and Serbia to merely becoming a new source of petitions in El Salvador. The Porto Alegre PB approach was arguably the most ambitious in this respect, *displacing* the elected council in three of Osmani’s four policy cycle stages, leaving the council with only an imple

¹⁰² The fact that, while the councils were elected, the CVs were formed in accordance with the mores and customs of the community meant that the latter were not always chosen by popular vote – potentially a significant weakness.

¹⁰³ See Schwartz et al. (2004) for an analysis of these patterns.

mentation role.¹⁰⁴ The CV in Bolivia was also charged with presenting popular investment priorities, but it had an even stronger role in overseeing the council's behavior than did the PB process in Porto Alegre, such that it could be said to *preempt and check* the council.¹⁰⁵ In the Brazilian city, monitoring consisted of officials reporting back to the citizenry at the initial public meeting in each annual cycle, whereas in Bolivia the CV had the power to unseat the mayor and denounce councils to higher authority.

The Philippine reforms of 1991 inserted an NGO presence in official government bodies, where they could *influence* decision-making but had no authority to determine or change it. In El Salvador, the *cabildos* in the end merely *suggested* priorities to municipal authorities without any way of influencing them to carry out those wishes. The Serbian citizen committees had a good deal more power than their counterparts in El Salvador, in that they did not just suggest investment priorities but rather as in Porto Alegre they *replaced* the elected councils' role in this task, rendering the councils into little more than rubber stamps, so far as capital investment was concerned.¹⁰⁶

Dangers for participatory innovation

Any change to accepted procedures or 'rules of the game' in effect brings possible pitfalls with it. In the worst case, the innovation might move things backward rather than forward along the dimension it was intended to advance, that is, participation might become more restricted instead of more open. Alternatively, while the innovation might indeed produce improvement in the expected direction, it could at the same time produce other side effects that significantly detract from the overall advance. We need to consider both types of pitfall.

Moving back instead of forward: local elite takeover

In addition to the problems of political will and bureaucratic opposition discussed above, the other principal reason for failure in decentralization initiatives has been local elite takeover. When political will is functioning at the top and bureaucratic hostility has been neutralized, some genuine devolution can occur, with power and resources flowing down to the local level. But without real accountability of local government to the citizenry, local elites

¹⁰⁴ The municipal council was nominally entitled to make changes in COP proposals but rarely if ever did so, reports Koonings (2004).

¹⁰⁵ Since the PPL created the CVs and municipal councils at the same time, the former did not displace the latter so much as preempt it from what would be its budgetary function in most other countries.

¹⁰⁶ In Serbia the councils could allocate their own funds as they saw fit, but given the general state of their finances after the conflict and the need to provide matching funds for the CRDA projects, they had few if any resources for investment after meeting ongoing expenses.

of one stripe or another tend to find their way into power and soon take over the apparatus in their own interest. Certainly this has been a regular pattern through the so-called development decades (Manor 1999; Blair 2000). Our five cases offer an excellent chance to test this assertion.

Porto Alegre shows a budgetary process accountable in two mutually reinforcing directions. First, the COP is constrained by the highly structured formula-driven process for budget allocations within which it must operate. Local priorities, 'statistically measured need' and population size are all combined into a 'budget matrix' that is applied across the entire city. Furthermore, the budget put together by the COP is rarely if ever changed by the municipal council, with the result that it has become virtually impossible to redirect government spending toward patronage. Pork, in short, has been fairly eliminated, in a process that is accountable to a set of objective regulations (Koonings 2004).

Second, if either the COP or the council (or the mayor) should begin to wander from the budget matrix rules, accountability can (and one assumes would) come through a multiplicity of devices. The media would spread the story, the annual neighborhood meetings at which officials must explain the previous year's activities could elect new delegates to the regional meetings,¹⁰⁷ and the citizenry could elect a new mayor and council members. Presumably the legal system is available as well for recourse. Any one or more of these accountability mechanisms could fail, of course, perhaps even several. But the wide range of them should go far to ensure probity in the PB process and prevent the kind of patronage and corruption that would lead to elite takeover. In these circumstances an elite takeover would be *difficult* at best.

In Bolivia, the dual structure of municipal council and vigilance committee should provide a constraint to elite takeover, for if the council succumbs, the comité can work as a check on it. The checking appears to go only in one direction, however. The CVs with their power to unseat mayors and file denuncias were intended to restrain the councils; but the councils do not possess any statutory powers to rein in errant CVs.¹⁰⁸ Accountability beyond what comes at election times, accordingly, hangs on the CVs. Various donors invested significant effort in the 1990s to strengthen these bodies, but given the large number of municipalities involved, many of them poor, rural areas with minimal literacy, it must be seriously doubted that all – perhaps even most – of them have attained the technical knowledge

¹⁰⁷ These elections take place every year in any event, and there is a two-term limit, ensuring a high degree of turnover in the post. See Wainwright (2003) for a lively account of the annual meetings.

¹⁰⁸ Although the council does have power to depose a mayor in the form of the voto constructivo, as noted earlier.

needed to supervise the municipal councils.¹⁰⁹ In the relatively wealthy terrain of Porto Alegre, it has been possible to create a budget planning office (the *Gabinete de Planejamento* or GAPLAN) to provide the expertise to PB bodies at regional and city levels, but Bolivia's 312 municipalities would have to be counted as another story altogether. The PPL system, then, provides some protection against elite takeover of local governance but scarcely an ironclad one. Viewed against a long history of elite dominance in Bolivia, these defenses would have to be graded *medium*, as in Table 2.

For the Philippines, Naga City should be able to prevent elite takeover so long as its progressive mayor stays in office, and when he eventually leaves there is reason to hope that the NCPC will have grown strong enough and have become sufficiently institutionalized that it can maintain its role and influence on policy making in his absence. But outside of Naga itself, the heavy hand of the oligarchic past has made its presence known in the form of municipal reluctance to include NGOs as required by the LGC, stacking the deck with handpicked favorites when they are included on the Local Special Bodies, failing to accredit NGOs, refusing to call meetings, or never forming the Local Special Bodies in the first place.¹¹⁰ There is, of course, accountability through the ballot box at election time, but this has not proved an adequate safeguard in the past. In a country where local bossism has been as much (and often more) the norm than the exception, it can be expected to return, if indeed it had ever departed. To be sure, some local government units will attain and keep democratic accountability, but many will not. It is an old story. Elite takeover must be rated as relatively *easy* in the Philippines.

Similarly, it is hard to see how the Salvadoran *cabildos* could be more than a very light bulwark against local oligarchs retaining or seizing control. Elites may be kept at bay, but the instrument for this is much more likely to be local elections, in which the former insurrectionary side has in recent years become a powerful legitimate political player, winning control over 76 of the country's 262 municipalities (including the capital city, San Salvador) in the 2003 election as well as becoming the largest party in the national Legislative Assembly. Of course, the FMLN (Frente Farabundo Martí para la Revolución Nacional) has its own elites, who could govern in their own interest and against the common will, a danger that would be exacerbated by the winner-take-all rule that excludes all but the victorious party from local councils. But the growth and deepening of a real two party system in El Salvador since the Peace Accords of 1992 should act as a preventive in many

¹⁰⁹ USAID, for example, developed an excellent practical guide to local governance procedures (DDCP 1999) and worked intensively with its 18 (later 25) pilot municipalities; other donors launched programs as well, but the needs were clearly much greater.

¹¹⁰ These failings are noted by Barns (2003), Capuno (2005), Legaspi (2001), and Ravanera (n.d.), among others.

cases, and the *cabildo abierto* could in fact play a useful role in local politics by providing an arena for the political opposition to question and criticize the party exercising monopoly control over local government. Admittedly, invoking party competition amounts to something of a *deus ex machina* where the *cabildo* participatory structure isn't strong enough to deliver the democratic goods, but it should be enough to award a *medium* grade to El Salvador.

For Serbia, however, there is no comparable potential salvation in sight as yet. The CRDA citizen committees, handpicked as they were by USAID contractors and thus without any accountability to the citizenry, would in all likelihood have become instruments of – or possibly accomplices in – elite control over time if CRDA itself had continued in place over several more years. The citizen committees were arguably suitable for jump-starting local economies whose physical and social infrastructures had crumbled, but without some formal accountability to the locality, they could not have been counted on for any long term protection against elite takeover. Can elected local governments take on the task, as may be possible in El Salvador? In the only local government elections since Milosevic's fall, the turnout was well under one-third in 2004, far below the previous year's parliamentary contest, which saw a turnout of over 59% (Grabanovic 2004a, 2004b). The parties seemed to be groping toward three coalition groups that – if they mature into stable entities – could provide the sort of durable competition that appears to have unfolded in El Salvador, but this has not happened yet. Unclear will have to be the grade for now.

Other dangers for local participatory governance

Any innovation brings with it costs, and participatory governance is no exception. Establishing a participatory mechanism to ensure citizen input into policy decisions means necessarily that others who had earlier been making such decisions will have relatively less voice than before. The change may well on balance be beneficial to the public interest, but the costs must be considered in judging that balance. For Brazil, Bolivia and Serbia, the cost lies in the democratic tradeoff. In Brazil and Bolivia, constitutionally elected bodies have been *displaced*, in what would elsewhere be their budgetary decision-making responsibilities, by parallel and competing bodies. For Brazil the PB regional councils arguably have as valid a set of democratic credentials as the municipal council, for their members are elected by all those in attendance at the annual PB meeting, and the apex citywide PB council's members are elected by the regional councils, a practice long a part of democracy's repertoire. But they are a different set of elected officials who have displaced the original budget decision-makers. The PB process with all its 'budgetary matrix' safeguards is less vulnerable to the distortions that corruption and patronage bring than the traditional councils, but they may have vulnerabili-

ties of their own, for instance the accusation that the neighborhood meetings are packed with party workers who steer the proceedings toward what the PT had intended to begin with (Wikipedia 2006). As Brautigam (2004) puts it, one might ask whether creating this new structure is really preferable to reforming the one already in place, endowed with legitimacy as the primary institution for local governance in Brazil.

In the Bolivian case, the process for selecting the CV membership is likely to be somewhat less than fully democratic at the outset. It was La Paz that designated each of the 11,000+ OTBs that would be granted a territorial monopoly for each rural canton or urban neighborhood. A large portion of these organizations were peasant syndicates, indigenous bodies and the like, which did not at all necessarily include the entire population as their constituency. Moreover, in employing their mores and customs in choosing their delegates to the municipal CV, these OTBs may or may not have employed elections as their mode for selection. Thus at two levels, the selection process for CV membership was less than fully democratic. It follows, then, that the CVs displacing the democratically elected municipal councils in making budgetary decisions are highly likely to be holding considerably less than a completely democratic mandate. In short, the democratically elected municipal council has been displaced by a body that can exercise a check on it, which is probably a good idea, but when the checkers are less democratic in their origins than the checked, the local political system may be in danger. The CV constitute a kind of guardian system for the municipality, but to cite the old – yet still all too pertinent – Latin query, *Quis custodiet ipsos custodes?* (who guards the guards themselves?)

In Serbia as well, the elected councils were displaced by the USAID-selected citizen committees as the main budgetary allocation agency at local level. In its defense, USAID would no doubt argue that other considerations at least temporarily trumped representative democratic governance. Ethnic tensions were still threatening life and limb in many areas, social capital was at a low ebb, and citizen confidence in government capacity to deliver much of anything except violence had been sorely abused. The arrangement did indeed prove to be temporary, closing down in the summer of 2006. Even so, the citizen committee system could have been more participatory and more representative as well. Had the USAID contractors been allowed to follow through with their original plan to carry out a more deliberate and thorough assessment of each community before setting up the program, they might well have been able to create committees that would have supplemented and strengthened the municipal councils. As it was, however, the imperative to get the program up and running immediately obviated all such chances.

For the Philippines, the principal danger for local government units has to be *cooptation* of the NGO community. If the system functions as intended, the NGOs themselves have the power to select their representatives to the various local special bodies of the local government apparatus. Such an

arrangement should indeed make NGO relations with government much more straightforward and collaborative, greatly reducing transaction costs for both sides, as ADB (2004) observes. In addition, the high probability that the NGO slots on the local special bodies will be eagerly sought after will surely mean that the most able NGO leaders will obtain them. But can civil society proceed along this track very far without becoming coopted by local government? If part of the very definition of civil society includes autonomy of its organizations from the state, will it become something less than civil society, perhaps even a handmaiden of the local political structure? This was surely not the intent of the crafters of the LGC in the Philippines, nor of Mayor Jesse Robredo in Naga City, but it may be the outcome over the long term. For NGO community to function properly as a mechanism for society to provide policy input to government and help hold it accountable, it cannot be a part of government. The Philippine experiment should be given close scrutiny in the coming years with just this concern in mind.

Finally, the main problem for the Salvadoran *cabildo* remains what it had been from the outset, namely its statutory impotence. Even if the municipal councils hold a *cabildo abierto* every three months as required, they have no obligation to treat the emerging citizen input as anything more than suggestions that can be accepted or ignored in making local government decisions. And while council meetings could be made open to the public, virtually none have been – not surprisingly, given the closed nature of the winner-take-all election system.

5. Lessons for innovations in participatory local governance

The five cases presented here offer a number of lessons for future efforts to enhance participation in local governance.

Indigenous political will is critical

The first lesson has to be a return to that old developmental adage that political will at the top is critical to any democratic reform. If we can take ‘the top’ to mean the central or the local level depending on the case, then the maxim surely holds true for innovations in participatory governance. Little or nothing would have happened without the leadership provided by Olivio Dutra in Porto Alegre, Gonzalo Sánchez de Lozada in Bolivia, and Aquilino Pimentel and Jesse Robredo in the Philippines. International donors did bring financial support and technical assistance, but they played quite a subordinate part in the process. The real motivation and determination came from within. The point is well illustrated by the two post-conflict efforts in El Salvador and Serbia, where program effectiveness ended with the termination of foreign funding.

Mixed motivations for innovation may be helpful

Leaders in both Brazil and Bolivia had practical and self-seeking political agendas as well as visionary goals in pressing for their participatory governance initiatives. The PT leadership in Porto Alegre (and later in other municipalities and at state level) wanted to reward their political supporters by instituting a pro-poor system that would bring greater equity and at the same time nurture their support base in the polity. The Bolivian MNR sought to strengthen its main voter base in the rural areas that had previously never enjoyed elected self-governance.¹¹¹ These strategies did not bring permanent benefit to their initiators, for the PT eventually lost power after four terms and 16 years in office, while in Bolivia the turnabout was considerably more dramatic, as the very system President Sánchez de Lozada brought into being in the mid-1990s served as the germinating structure for the political movement that unseated him from office less than a decade later. However, had their sponsors not acted on the basis of their political self-interest, the reforms would most likely never have come into being.

With care, elite takeover can be prevented

The elaborate structural safeguards employed by Porto Alegre to maintain objectivity in its PB process stand as an impressive safeguard, first against corruption and perversion, and even more importantly against local elite takeover, which is the ultimate outcome when these pathologies seep in. Two other systems have produced some precautions – Bolivia with its CV restraints on the municipal council, and El Salvador with the vigor of its two-party system – but neither could be ranked on the same level of effectiveness.

Small settings bring democracy closer

Porto Alegre's PB system begins with neighborhood meetings at which citizens choose delegates to attend one of the city's 16 regional meetings. In the small initial setting, residents are much more likely to know and trust each other. The Bolivian OTBs also operate in intimate circumstances with territorial coverage of less than 600 people on average, so the personal level is, if anything, even more intimate than in Porto Alegre. Closer proximity between citizen and representative doesn't guarantee better accountability, of course, but it must help.

Resources per se are not enough

All five cases had adequate resources from either the central government or donors to carry out significant local activity, but this was not enough to

¹¹¹ In the Philippines, where politics was characterized more by individualism and local bosses than by stable parties, the same motivations did not appear to have been in play.

provide effective participatory governance. Only in Porto Alegre and Bolivia were sufficient power and accountability devolved to local authorities to facilitate such an outcome. The Philippine LGC devolved power as well as resources to the local government units, and in Serbia USAID granted the citizen committees the power to determine how project funds would be spent. However, in the former case the LGUs were not really accountable for incorporating NGO participation as envisioned by the LGC, and in the latter, the citizen committees were accountable only to their donor funding organizations, not to the citizenry. Manor's (2004) dictum is confirmed: All three devolutionary components must be present for a local participatory governance initiative to succeed.

Internal donor needs can lead to program distortion

The concern with reportable (read concrete and quantifiable) results displayed by USAID in its Salvadoran and Serbian programs probably acted as a significant constraint on participatory governance. While understandable (for all government organizations in a democracy have to answer to their elected overseers, in this case the American Congress), the need to report 'hard data' in order to please Congress meant that USAID staff focused on physical infrastructure as opposed to democratic progress that would have been much harder to measure credibly but could have had more long-term impact.

Bypassing elected bodies can be dangerous

In three of our five cases, new structures bypassed the elected structures customarily charged with determining public policy. Brazilian PB councils, Bolivian CVs, and Serbian citizen committees were all given authority to determine public expenditure, thus displacing their respective elected municipal councils. To be sure, adequate justification could be (and was) provided for what amounted to usurpation. But Brautigam's (2004) admonition is pertinent. What about those elected councils? Should they simply be overridden rather than reformed? From the available literature, it seems clear that no thought at all was given to the serious concerns that Brautigam raises. This gap in design should be rectified in any future effort considering such a displacement of elected bodies.

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Direct, representative and deliberative democracy

Democracy is frequently characterized as being either direct or representative. In the first type, citizens act in immediate contact with each other to make public decisions, whereas in the second they select delegates to represent their interests at some official legislative body to make such decisions. In some cases a choice can be made between the two types (e.g., academic faculty meetings of the whole or faculty senates with delegates and constituencies, traditional New England town meetings in addition to elected councils). However, in general, as scale increases, democratic practice becomes more indirect and representative. The Porto Alegre experiment offers a fascinating combination of direct and representative types, with the neighborhood councils a direct democratic proceeding, followed on at the higher levels of region and city.

Porto Alegre has also attracted a great deal of attention as an exemplar of deliberative democracy in action. In its essence, deliberative democracy holds that citizens in a community can, through discussion and dialogue, come to a consensus on group well-being and common needs that can supersede their individual wants and desires. As such, the idea poses quite a different democratic model from the standard pluralist advocacy approach favored in contemporary international development thinking. Instead of arriving at policy decisions through the contention of civil society groups (or individuals) arguing their own interests and then compromising to find acceptable ground among differing and opposing groups, the goal is to formulate a common interest through deliberation, sublimating individual and smaller group concerns within that larger interest. This is to be done within the state apparatus, not by applying pressure from outside, as in standard civil society thinking.¹¹²

Can Porto Alegre qualify as a deliberative democracy, as far as its PB process is concerned? Probably not in the strictest sense, for the citizens engaged in PB appeared to be very much concerned with individual, family and neighborhood interests such as water supplies, schools, streets and the like, rather than the common good. But as Mansbridge observes in her analysis of Porto Alegre, the PB process does appear to be inculcating in the participants a willingness to look at the city as a whole.¹¹³ If not a confirma

¹¹² There are many accounts of deliberative democracy, and now even a handbook has become available (see Gastil & Levine 2005). For two shorter explanations, see Fung & Wright (2001) and Daubon (2005).

¹¹³ Mansbridge (2003) in Fung & Wright (2003). A number of other articles in this same volume address aspects of this issue in Porto Alegre.

tion of deliberative democracy in action, Porto Alegre does seem to be moving many toward a larger view of the general welfare extending beyond their own individual or narrow group interests.

Bolivia and the Philippines both land on the representative side of the ledger, as does Serbia, but each in a different way. The Bolivian CVs are selected according to mores and customs of the community, which might mean elections in some places, peasant syndicate governing boards making decisions in others, and traditional lineages in still others. Philippine representation on the local special bodies (and the NCPC in Naga City) comes through NGO seats on these committees. In Serbia, the CRDA citizen committees were chosen by the USAID contractors. In all three cases, one can ask how truly representative these agents have been for their ultimate principals, the citizenry. The Salvadoran cabildos constitute a direct democratic component in the municipal governance system, but as we have seen their impact on municipal decision-making is limited at best.