

# Participatory Budgeting and the Philippines: A Cursory Survey of Selected Participatory Budgeting Experiences the Philippines

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## List of Acronyms

BuB	Bottom-up Budgeting
CSO	Civil Society Organization
DBM	Department of Budget and Management
DILG	Department of Interior and Local Government
DSWD	Department of Social Work and Development
GPB	Grassroots Participatory Budgeting
KALAHI-CIDSS	<i>Kapit-Bisig Laban sa Kahirapan</i> -Comprehensive and Integrated Delivery of Social Services
LGU	Local Government Unit
LPRAP	Local Poverty Reduction Action Plan
LPRAT	Local Poverty Reduction Action Team
MDG	Millennium Development Goals
NCPC	Naga City People's Council
NGA	National Government Agencies
NGO	Non-Government Organization
PB	Participatory Budgeting
PT	<i>Partido dos Trabalhadores</i> (Workers' Party)
RPRAT	Regional Poverty Reduction Action Team

## Introduction

Participatory Budgeting (PB) is a relatively novel mechanism of budgeting, initially developed for local governments, which takes into consideration the direct inputs of civil society in the budget process. Citizens are empowered to deliberate and negotiate the allocation of the budget through defined participation methods, while the resources being allocated in this manner subject to

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certain criteria, both defined by the participatory institutions and pertinent government authority (Wampler, 2007, p. 21; de Sousa Santos, 1998, p. 468).

PB has been implemented in over 1,500 cities in Latin America, North America, Asia, Africa and Europe from its beginnings in Porto Alegre, Brazil in 1989 (Participatory Budgeting Project, 2014). In the Philippines, various manifestations of PB have existed, both initiated by Non-Government Organizations (NGO) Local Government Units (LGU), and National Government Agencies (NGA) which yielded results ranging from failures to outstanding successes.

Several issues surround the concept of PB. While it facilitates the strengthening of democratic institutions through increased citizen participation in government processes, the efficacy of making available such venues for participation are largely constrained by factors such as pre-existing socio-political conditions such as elite-dominated politics, lack of funds to carry out public projects, or lack of enthusiasm in the part of the citizenry.

PB likewise has moved from being confined in scopes of LGUs, and moved towards application in national government contexts (Wampler, 2007, p. 24). In Indonesia, the *Musrenbang* (*Musyawarah rencana pembangunan* or public forum for development planning) was initiated following the implementation of decentralization laws in 2003 and 2004 to elicit and consolidate local priorities for state investment (Blair, 2012, p. 11), while the Philippines has the similar Grassroots Participatory Budgeting (GPB), formerly Bottom-up Budgeting (BuB), which allows citizens to identify projects to be carried out in their locality, that will be funded by the national government (Abad, Roxas II, Soliman, & Rocamora, DBM-DILG-DSWD-NAPC Joint Memorandum Circular no. 4., 2013), through a structure specified by the program.

Participatory Budget in the Philippines is manifested more notably in the Naga City experience, but also in the KALAHYI-CIDSS program of the Department of Social Work and Development, which provided the inspiration for the national government to conceptualize a PB on

a national scale, the GPB. While international observers, and citizens in the country, as well as those within the locality, have their own positions—both positive and negative—regarding these PB implementations, it is important that knowledge on discourse of PB be understood: its history, experiences and implementation around the world, for us to gain a proper context of analysis when considering the Philippine experience.

## **The Beginnings of Participatory Budgeting**

Participatory Budgeting is widely credited as first conceptualized in Porto Alegre, Brazil, in 1989, through the efforts of the *Partido dos Trabalhadores* (Worker's Party; hereinafter referred to as PT), following the impetus brought about by the reestablishment of democracy in 1985 and the subsequent creation and effectivity of the 1988 Constitution of Brazil. However according to Souza (2001, pp. 161-162) some form of participatory policy was already enacted in the Piracicaba Municipality, in São Paulo, as well as in Lages, Santa Catarina in a study conducted from 1977-1982; as well as in three (3) other municipalities in Minas Gerais, in another study conducted from 1983-1988. This observation is also shared by Goldfrank (2010, p. 93), wherein “municipal governments in Lages (Lesbaupin 2000), Boa Esperança (Baiocchi 2001b), and Pelotas (Goldfrank and Schneider 2006), submitted their budgets for public discussion.”

These examples predating the 1989 of Porto Alegre are also done in municipalities controlled by the *Movimento Democrático Brasileiro* (Brazilian Democratic Movement, a right-leaning political party), as was stated by Souza (2001, pp. 161-163) and Goldfrank (2010, pp. 92-93), contrary to the usual stipulation that PB is (strictly) associated with the left, like parties such as PT. Likewise, PT “experimented with citizen budget not only in Porto Alegre but in several of the 36 municipalities it won in the 1988 elections, including Ipatinga, João Monlevarde, Piracicaba, Santo André, and Santos” (Abers, 1996 in Goldfrank, 2010 p. 93), as well as two other very similar

participation programs in Ciudad Guyana in Venezuela and Montevideo, Uruguay (Goldfrank, 2010, p. 93). The fact Porto Alegre may be the birthplace of PB notwithstanding; it has the richest academic literature of all early PB implementations, encompassing political, social, historical, and economic dimensions, which is essential for acquiring an understanding of the concept of participatory budgeting beyond technical details.

Brazil is a society “with a long tradition of authoritarian politics;” a highly marginalized popular class manipulated by the social and economic elite through populism and clientelism, giving rise to a highly unequal society (de Sousa Santos, 1998, p. 462). This condition steadily worsened as the state failed to address these issues. Popular movements began to blossom in the light of these social issues, riding on the democratic transition movement that characterized the late seventies; these heralded the twilight of the military administration, culminating into an indirectly-elected President in the person of Tancredo Neves in 1985. One such movement that came into being was the *Partido dos Trabalhadores* (PT). However, even with the democratic institutions set in place and the country free from a military administration, Brazil still suffers from the same social ills: patronage practices, social exclusion and corruption (Wampler, 2007, p. 23).

As was stated earlier, PB began in the municipality of Porto Alegre as an experiment of the recently-installed PT leadership in the municipality. The general need of the people for substantive democracy, along with a strong popular movement culture as well as a platform of government that will address their needs allowed the PT to secure the municipality of Porto Alegre. Wampler (2007) , seconded in Souza (2001, p. 165) states that “[PT’s] campaign was based on democratic participation and ‘inversion of spending priorities’”—spending the money on the poorer segment of society where it is needed the most, rather than the middle and upper classes. In an effort to achieve immediate results in poverty alleviation and to enrich Brazil’s fledgling democracy, NGOs, social movements, and political parties have turned to the ideas, values, and rules associated with PB (Wampler, 2007).

The PT administration inherited a bankrupt municipality with a disorganized bureaucracy (Wampler, 2007). In the period from ascension to office until PB was named as it is known to date, *Orçamento Participativo* (or Participatory Budgeting), the administration experimented with different approaches that will see to this promise of giving to the people a more participative governance and greater spending on social needs, while working within and/or addressing financial constraints; henceforth PB was developed.

A mechanism to discuss and define the priorities with the public was specified; this yielded a very long list of demands for infrastructure and services. To properly prioritize these demands, a criterion for project selection was improvised; either by selecting the most common requests, or by prioritizing neighborhoods with the best participation, or by prioritizing technically-desirable projects (PB Unit, 2014, p. 2). Due to the inherited disorganized government, lack of financial resources, and more importantly lack of mobilization of the poor, the government's promise was not delivered and the administration lost popular support (Souza, 2001, p. 165; PB Unit, 2014, p. 2). The initiatives were not received well by the public initially, with only less than 1,000 participants from 1989-1990 (Wampler, 2007, p. 24). Community organizers were then set to disseminate information on PB and to seek out new leaders for the PB processes (Souza, 2001, p. 165) in order to increase participation and understanding of the process. People became more familiar with the model and its cycle, and more people are able to identify the results with PB, which brought more people to participate (Wampler, 2007), consequently allowing the PT to secure the leadership of the Porto Alegre municipality thereafter (de Sousa Santos, 1998, p. 466; Souza, 2001, p. 165). Participants' numbers soon rose to 8,000 upon the reelection of the PT in 1992, increasing to more than 20,000 people a year (Wampler, 2007, p. 24; 33). The government was able to meet 100% of its commitments; although there were backlogs (Wampler, 2007, p. 35). A study by Marquetti in 2002 (Wampler, 2007, p. 36) confirms that PB in Porto Alegre had a "significant distributive effect" as the poorer regions received more investment resources in PB, compared to the 70s-80s wherein it was

largely allocated to middle-class neighborhoods. The local leadership of Porto Alegre has continuously improved the PB system to cater to the needs of the citizenry; the system becoming so popular with the people to the point that the municipal government is spending around 380 USD per capita (around 570 million USD for Porto Alegre's 1.5 million population), significantly higher than most PB implementations in the South American region<sup>2</sup> in 2003 (Cabannes, 2004, p. 34), with 200 million USD spent in infrastructure projects, which corresponds to the whole infrastructure budget allocation.

## **Beyond Porto Alegre**

It was stated earlier that PB was done in other municipalities in Brazil in parallel with Porto Alegre, in as much as 36 other municipalities it won in 1988; as was the other two implementations alongside Porto Alegre outside Brazil. PB spread from those into more municipalities and local government units within Brazil, as well as in the Latin American region (Cabannes, 2004, pp. 29-38), mainly implemented by left-leaning parties in their respective territories. Likewise, PB has spread to parts outside South America, such as Europe, North America and Asia (Ibid.). PB has reached the Philippines, as seen in the experiences of Naga City, the KALAHI-CIDSS Program and the Grassroots Participatory Budgeting Program.

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<sup>2</sup> Porto Alegre's 380 USD per capita is followed by Mundo Novo's (most probably of Mato Grosso do Sul, Brazil) more than 175 USD per capita; the rest of the examples cited in Cabannes (2004, pp. 34-35) are within the range of less than 5 USD to 40 USD per capita.

# The Participatory Budgeting Process

## *General Principles*

Despite the promises of participatory budgeting as a process, PB can only be enacted within a given setup, and are dependent on several factors for it to be successful. Firstly, PB cannot supplant an entire budget formulation system (i.e. it is impractical to have a budget fully deliberated by PB) but only on specific budget items or category, mostly on decisions regarding infrastructure investment (Souza, 2001, p. 167) or citizen service provision. Secondly, budgeting, as in most part of the world, is “only an authorization of expenditure on priorities,” in which fulfillment in the part of the executive is conditional (Ibid). Thirdly, most PB implementations are within municipal-level governments only, but there are also PB programs in state and provincial levels (Wampler, 2007, p. 24). Lastly, as noted by most literature, PB is not a clear-cut or a set of strictly defined processes and institutions, and implementation per municipality or state territory highly varies<sup>3</sup>; the factors, preexisting conditions, and contingencies should also be accounted in considering the dynamics of PB in these LGUs, when comparing with other implementations<sup>4</sup>; in this note, a line up of actions and processes that describe most participatory budgeting programs is proposed, usually in this order. This description is mainly based<sup>5</sup> on Wampler (2007), Souza (2001), Goldfrank (2010), Cabannes (2004), de Sousa Santos (1998) and to some extent Blair (2012), as well as in examples mentioned elsewhere in Parts II and III of Shah (2007):

- (1) The territory is divided into regions based on certain factors, e.g. geographic, legal, economic distribution, and intended action and emphasis areas.

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<sup>3</sup>...such as the institutions and participants involved, mechanisms for and extent of participation, budget items or categories included in the PB process, and others.

<sup>4</sup> See Souza (2001) and Cabannes (2004) for more discussions on the dimensions involving PB implementations.

<sup>5</sup> The first five authors stated have observations dealing with Porto Alegre; some authors in this quintet have other implementations in mind when describing the general PB process, such as Belo Horizonte (Wampler and Souza), the greater Brazilian-Latin American PB experiment and implementation (Goldfrank and Cabannes), and the PB beyond the Latin-Americas (Goldfrank, Blair, Fölscher, et al.).

Definitions and constraints are conceptualized<sup>6</sup>, either in consultation with the public or otherwise, which will serve as a guide for the rest of the process.

- (2) Meetings sponsored by the government are held throughout the budget cycle, covering points such as disseminating information regarding the program and policy priorities of the government, election of delegates, and general oversight among others. Public deliberation and negotiation are also done between participants and the government over the policies and resources.
- (3) Proposals are collated and a set of priorities are agreed upon by the government and the participants.
- (4) Representatives drawing from the regions vote on the final projects to be ratified by the local councils as part of the budget. Local councils and the executive may or may not have veto powers over the proposal submitted under the PB program.
- (5) Execution of PB PAPs is facilitated by the local executive pursuant to pertinent legal frameworks; evaluation by PB PAPs is undertaken by citizens and/or citizen groups which become part of the public documentation with regards to the PB program. The documentation will then be used for the next round of PB program to fine tune the PB implementation, whether in the mechanisms, criteria, and/or institutions involved; or in the execution side of the PB PAP.

Cabannes' (2004, p. 33) mentioned four (4) dimensions of PB in her article, which provides a context for the discussions in Participatory Budgeting: (1) budgetary or financial; (2) participatory; (3) physical or territorial; and (4) regulatory and legal.

The budgetary or financial dimension refers to the money that is subjected to the PB process. As was mentioned earlier, participatory budgeting only covers a part of the entire budget that is

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<sup>6</sup> ...such as, but is not limited to: who are allowed to participate; what kinds of projects are allowed to be proposed; what is the budget ceiling for projects; to what extent are the citizens allowed to participate in the budget process, etc.

being allocated by the government, usually those which will directly affect the citizens, such as goods and service provision, and infrastructure. The participatory dimension is the extent, which is the quality and quantity of citizen participation that is allowed in the PB implementation. The physical dimension is the geographical constraint or jurisdiction of the implementation, while the regulatory and legal dimensions are the pertinent statutory frameworks which govern the conduct of the implementation. Discourses on PB and its implementations revolve usually around these dimensions:

### ***Participation***

Participatory Budgeting is a very different approach in government budgeting as it veers away from the traditional, government-controlled and specified budgeting and increases the decision-making powers and/or participation of the citizenry in the budget process (Souza, 2001, p. 165). Observations in government budgeting stated in Souza (2001, p. 171) are as follows:

*First, budgetary matters have always been surrounded by too specific and coded a language and dominated only by a few bureaucrats, making it difficult for most people, including politicians, to understand, let alone ordinary citizens. Because this budgetary expertise has always been the work of a few bureaucrats and politicians, it has allowed the negotiation of vested interests, sometimes leading to corruption.*

PB makes for a more substantive democratic system, since it de-mystifies the budget process and brings it to a level that, not only can be understood by the people, but also something that is directly tangible or interacted with by them; PB destroyed the “mythos” and cleared away the perception of “esotericism” surrounding government processes. Also, it allows for programs, activities and projects (PAP) which are more responsive to the needs of the citizenry; the items in the budget being specified by the citizens themselves. State capture by elites is highly inhibited if not

altogether eliminated in the system<sup>7</sup>, as it is transparent, and the power to determine directly the course of the tax money paid to the government is availed to common people, making the best part of the money of the state work for those who need them most.

### ***Transparency and Accountability***

PB also allows the government to exemplify the virtues of transparency and accountability (Souza, 2001, pp. 171-172). Citizens know what they should get, as they are the ones who proposed the budget items; they will be notified if their proposals are modified or rejected, based on grounds agreed upon by the government and the people (such as the project not making it to the priority quota, or if the project is financially prohibitive, etc.). Likewise, the government needs people to be able to identify the fruits of the PB processes, thus the need for a more transparent budget processes and documents for them to see that PB worked for the people.

Also, some PB implementations incorporate monitoring functions of the progress and completion of PAPs under PB either through the citizens themselves, or through NGOs, which will facilitate the function. The data collected from these monitoring activities will be used for evaluation processes for the next round of implementation (for projects) and as feedback mechanisms (for programs and activities).

### ***Responsiveness***

Due to budget items specified by the citizens themselves, the PAPs conducted by the government are those that are seen by the citizens that will directly address the needs they require as of the moment. However, the government cannot fulfill each and every budget item proposal

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<sup>7</sup> The threat of clientelism interfering in government process is not necessarily and directly addressed by PB; PB only made possible for citizens to interact and participate directly in government processes, and not through (the elite) patrons, as in a patron-client (PC) setup. Nevertheless, elites may still try to subvert the system by either pressuring or influencing the occupants of government positions to accede to their demands instead of the people through various means, or if the clientelist relationship is deeply entrenched in society, the citizens will not opt to participate in PB but instead remain in the PC setup.

through PB due to variety of reasons, such as budget constraints, technical considerations, and functional issues, to name a few; a deliberation process is instituted therefore in order to allocate the limited funds for the best projects put forth by the citizens (Wampler, 2007, pp. 26-31; Souza, 2001, p. 167). Citizens grade their proposals according to priority, and proposals with higher priority and satisfying technical criteria shall be executed first.

### ***Effectiveness***

The effectiveness of any given participatory budgeting program is measured mainly in terms of the translation rate of projects proposed by the citizenry, and the quality and extent of translation (i.e. how much of the original plan was actually carried out based on the specifications agreed upon in the PB processes). The citizenry must be able to identify the projects borne out of the PB efforts, lest the latter will fail due to lack of popular support, as could be inferred from the experience of Porto Alegre (Wampler, 2007, p. 24; Souza, 2001, p. 165). The ramifications go beyond the program; it includes the administration which championed it. Administrations suffer from lower political approval when projects fail, while conversely they enjoy support and approval when projects succeed and are able to meet goals. This affects their ability to continue the PB program and the corresponding level of participation that will be given by the citizens.

### ***Scalability***

It is logical to assume that direct participation becomes progressively harder as more participants become involved in a given process. Facilitating interactions become more tedious if a greater amount of communication processes has to be moderated or managed. As most of the literature suggests, PB is largely limited to implementations within local governments. However in the case of the Philippines, PB has either been a national government initiative, such as the

KALAHI-CIDSS project of the DSWD (Asian Development Bank, 2012, p. 1), or a national-scale implementation, such as the Grassroots Participatory Budgeting (Department of Budget and Management, 2014, p. 2). GPB will be discussed in more detail in the succeeding chapters.

## **Participatory Budgeting in the Philippines**

PB implementations in the Philippines identified in the literature are the Naga City Participatory Budgeting Program, KALAHI-CIDSS and the GPB or Bottom-up Budgeting. For our discussion, we shall only be tackling the case of Naga City and the more recent Grassroots Participatory Budgeting.

### ***Naga City***

The Naga City PB experience, and the subsequent rapid progress and development that have taken place in Naga City are widely attributed to Mayor Jesse Robredo (Angeles, 2007, p. 298). However, the circumstances which elevated Robredo to the Chief Executive position of Naga City is quite familiar and seemingly antithetical to his subsequent actions while in power. Robredo is a nephew of the leading political dynasts of Bicol Region, Luis Villafuerte (Kanakawa, 2004, pp. 37-40, in Angeles, 2007, (p. 300)). He was fielded as a mayoral candidate in order for Villafuerte to be able to secure the city against a political rival, Raul Roco, yet another resonant name in Philippine politics (Ibid). However it was evident that albeit Robredo initially dependent on kinship-based patronage politics in his entry, it was evident that his actions veered far from the usual lack of commitment to delivering genuine service and increasing participation that is characteristic of these kinds of politicians.

### ***Reforms and Innovations***

Mayor Robredo introduced several innovations which increased transparency, accountability, and citizen participation in government processes of/in the local government. The most notable of which is the Empowerment Ordinance of 1997 (Angeles, 2007, p. 303; Ilago, 2005, pp. 65-66; Fölscher, 2007, p. 173). The ordinance allowed the creation of the Naga City People's Council (NCPC), composed of citizens, business people, and Civil Society Organizations (CSO), which allowed the people to be able to participate in budget and legislative processes to a greater effect, alongside existing institutions, such as the city council. The NCPC allows for representation in all city government bodies and significant participation through direct observation, voting and introduction of legislation whenever and wherever applicable (Blair, 2012, p. 7; Ilago, 2005, p. 66). The NCPC was the institutionalization of people's direct involvement in all aspects of governance.

However, the NCPC, while providing the explicit legal framework for a participatory governance system can take place, is not the only factor which made the whole participatory budgeting experience possible and commendable. Alongside the establishment of a genuine participatory framework for the people, "the city government also conducted multilevel consultations on priority development and holds citywide referendum on local issues," as well as ensuring the people had access to accurate information, and the extent of their rights. (Fölscher, 2007, pp. 173,186; Angeles, 2007, pp. 304-306) This made sure that the people of Naga City are well-equipped and informed to participate in governance of their city.

### *Effects*

The reforms enacted by Robredo yielded many fruits. The most evident of them all was the reclassification of the then-municipality into a city in a very short span of time. Likewise, the average household and per capita incomes and unemployment rates are much better the regional as well as national averages, and poverty incidence in Naga City was 10% lower than Metro Manila levels. (Angeles, 2007, p. 306). Beyond averages however, inclusive and equitable growth were also

evident in Naga City. At least ten per cent of the annual budget is dedicated to programs for the urban poor (Ilago, 2005, p. 67), and by 2001, housing and resettlement projects of the city government catered to 6,940 urban poor households, representing 27% of the city population (Angeles, 2007, p. 309). Huge leaps in the Education sector were also made by the Robredo government. Shortfalls by the Department of Education (DepEd) in terms of school materials, equipment, facilities and personnel was successfully provided for by the local government through the combination of allocation of special funds which have specific development allocation guidelines and a highly-involved and inclusive process that gathered parents, teachers and other stakeholders to determine, and in certain cases even provide for the needs of the Naga City Educational System (pp. 310-314).

### *Legacy*

Probably the most notable achievement is the enduring legacy of participatory governance that Mayor Robredo has left for the people of Naga City. To date, Naga City remains as a model case not only for PB but participatory governance in general. Even after Robredo left the post of Chief Executive of Naga City and later on taken the responsibility of leading the Department of Interior and Local Government, PB practices are still practiced and refined in the city, and the government and people of Naga City, still remains committed to the ideals of transparency, accountability and participation to date.

### ***Grassroots Participatory Budgeting***

The Grassroots Participatory Budgeting (GPB) Program, formerly Bottom-up Budgeting (BuB) program, is an inter-agency effort to reduce poverty incidence from 26.5% to 16.6% by 2015 in accordance to the Millennium Development Goals (MDG). The program will utilize participatory budgeting principles in order to “take into consideration the development needs of poor cities/municipalities” and come up with budget items that will fund programs, activities and projects

(PAPs) for poverty alleviation. The then-BuB was instituted through the issuance of the DBM-DILG-DSWD-NAPC Joint Memorandum Circular no. 1, series 2012, in March 2012, which provides for the general principles and mechanisms of the BuB. (Abad, Roxas II, Soliman, & Rocamora, 2012)

The GPB differs from most PB implementations in such ways that (1) PB implementations are usually done in the local government level (Wampler, 2007, p. 24): the GPB is a National PB program, which will be explained later in detail; (2) GPB is a top-down initiated PB implementation, compared to most PBs which are initiated at most the local executive level (as in the case of Naga City), or from civil society initiatives. The GPB is probably inspired by the successes of the KALAHI-CIDSS program, another PB top-down-initiated implementation, but on the other hand concentrates on local-level projects.

#### *Funding*

GPB-participating National Government Agencies (NGAs) are required to give priority to the funding and set aside at least ten percent (10%) of their budgets for programs and projects to fund GPB projects (Abad, Roxas II, Soliman, & Rocamora, 2012, p. 7). Participating LGUs are also required to provide at least 5% (for lower class municipalities) up to 30% (for Highly Urbanized Cities [HUCs]) counterpart funds for each identified priority project. (Abad, Roxas II, Soliman, & Rocamora, 2012, p. 11)

#### *Qualifications*

For the part of LGUs, they may only qualify for the GPB if they are a recipient of DILG's seal of Good Housekeeping, a separate awards system for compliance with basic local government standards, as well as passing a DBM assessment of the LGUs Public Financial Management systems. An LGU must not also have unliquidated cash advances from participating NGAs. (Ibid.)

Local Governments are expected to implement their GPB projects, subject to the qualifications stated above, as well as having the technical capacity to do so. In the case of any disqualification, the project will be implemented by the concerned NGA. Likewise, poorly implementing LGUs will not qualify for the next year's GPB. (Ibid.)

#### *Process*

The process begin in “social preparation:”

*This includes various capacity-building activities in order to ensure that the communities in the focus LGUs will have a clear understanding of how they can provide inputs into policies and programs that affect their lives and for community members to meaningfully participate in local governance. They may also conduct community consultations and workshops as part of this preparation. (Abad, Roxas II, Soliman, & Rocamora, 2012, p. 4)*

Here the citizenry are prepared and equipped to be able to participate in the GPB process. The participating LGUs are expected to collect and collate relevant information, statistics and data for poverty reduction planning. (Ibid.)

The Local Poverty Reduction Action Team (LPRAT), is composed of the LGU Chief as its chair, and composed of CSO and government representatives. It is responsible for the formulation of a Local Poverty Reduction Action Plan (LPRAP), which will include the Priority Poverty Reduction Projects (PPRPs), synthesized from the data collected in the preparatory steps. The PPRP shall be countersigned and endorsed by the participating CSOs before it can be considered for inclusion in the NGA's GPB allotment, as proof of genuine participation in the participatory process. (Ibid., p. 5) It will be then approved by the LGU's City or Municipal Council, to be submitted to the Regional Poverty Reduction Action Team, composed of Regional NGA officers and CSO representatives, for final checking and endorsement to the NGA concerned. The NGA then includes the approved PPRPs in their budget proposals for inclusion in the General Appropriations Act (GAA), the law

that details the financial priorities of the government for the given year. After the legislation and implementation of the GAA, funds become available and the PPRPs enter the implementation stage. CSOs and LPRAT leaders are responsible for the monitoring of PB projects in their jurisdiction (Abad, Roxas II, Soliman, & Rocamora, 2012, p. 13).

### *Results*

The GPB program was able to create 595 LPRAPs out of 609 participating LGUs for the 2013 Budget Preparation, while it produced 1,226 LPRAPs out of 1,233 participating LGUs the 2014. In the year 2015, the GPB program succeeded to produce LPRAPs for all the 1,633 participating LGUs, out of the at least 1,715 LGUs (excluding Baranggays, which are included in the GPB through their respective municipalities), almost a 95% coverage of LGUs. However, the turnover rates of projects implemented under the GPB is notably low: there had been 1,841 completed projects in 2013, corresponding to 23% of all 2013 GPB projects, and another 1,976 in progress, corresponding to 25% of all projects for the year. In 2014, there had only been 161 completed projects, 1% of all PPRPs identified during the year, and another 731 on going, which represent around 4% of the PPRPs for the year. (Department of Budget and Management, 2014) It can be inferred that the GPB program is having problems in the implementation of its PPRPs: More than 4,000 projects, corresponding to more than 52% of all PPRPs formulated by LPRATs were not implemented in 2013 and almost 17,000 projects, corresponding to roughly 95% of LPRAT recommendations did not push through in 2014.

On the other hand, the Philippines won the 3<sup>rd</sup> Gold award of the inaugural Open Governance Partnership awards in 2014 for the GPB (Awards, 2014).

### ***The Discourse of Participatory Budgeting in the Philippines***

The discourse of PB in the Philippines is fairly well-developed, with a wealth of best practices and negative experiences in the line of PB implementations.

Naga City still remains as the benchmark of PB implementations in the Philippines. Boasting almost a decade's worth of experience and practice in PB, Naga City is constantly updating and innovating in the realm of Participatory Budgeting and Governance. There is a wealth of literature of analysis and comparative studies of the Naga City PB experience which sheds light on the positive and negative sides of it was done. On the other hand, the Grassroots Participatory Budgeting program is a mixed bag; while it gained recognition abroad for its potential, much remains to be seen in terms of it actually doing what it sought to do in the first place: implement projects formulated through the PB process.

The Naga City PB experience was largely successful, enjoying significant improvements and results in terms of people's satisfaction and support, as well as development indicators (Angeles, 2007, p. 306). In theory, and so far in the experience of the City, the instituted reforms in governance practices are still holding and the commitment to participatory governance, both by the government and the people, are still existent. For the side of GPB, being a neophyte PB implementation, there are not much literature aside from those provided by the government that gives us a clear picture on how it really impacts, both numerically and experientially, the lives of the Filipino people participating in the GPB.

### *Issues*

Several authors raised very important issues in the course of their analysis of the various PB implementations not only in the Philippines, but also other PB processes around the world. Blair (2012, p. 8) puts forth the question whether NGOs (or CSOs<sup>8</sup>) "can retain their autonomy" in terms of providing a genuine participation experience in PB. He implies that the PB implementation in

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<sup>8</sup> ...whichever the case may be, as both are allowed to participate in both PB implementations in Naga City as well as the GPB.

Naga City may have been successful due to a genuine desire from the key political players to practice participatory governance, but this may not be the case in other PB implementations. NGOs, and as a logical extension CSOs, as we have experienced in the recent times, have been used by political elites for their own ends, as in the case of the Priority Development Assistance Fund controversy. Dummy NGOs were allegedly created in order to illicitly siphon funding from the PDAF, and sponsors in the congress have a cut for their troubles. While PB opens the avenue for participation to the general public through CSOs and NGOs, it is through the same channel by which interested parties might enact state capture. An intentional government, however and wherever PB is implemented, must ensure genuine representation of the people by placing justifiably stringent accreditation measures for participating CSOs and NGOs<sup>9</sup>, else PB will be reduced into merely an alternative avenue for state capture (Fölscher, 2007, p. 183).

Another point was raised regarding CSOs, this time by Angeles (2007, p. 314), whether CSO and state linkages “initiated by the state are more sustainable and conducive to community-building than those that organically develop outside the aegis of state influence.” The author was led to this idea because of Naga City’s experience wherein Robredo, the key player in the PB implementation in Naga City, was seen to have possibly “influenced the character of civic organizations, and in turn, [...] enhance the politics of governance and planning towards more participatory and democratic direction...,” consistent with Wampler’s (2007, p. 46) observation that PB is dependent on the actions of the local chief executive. Again, this statement might have been influenced by the positive participation of CSOs in the PB activities of the city, but elsewhere this might not necessarily be the case. Again, we reiterate the point made earlier that CSOs and NGOs can and may be used for state capture, and in the absence of a strong check against possible abuse (in the case of Naga City, a

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<sup>9</sup> ...A danger evident in the GPB, as the discretion for CSO and NGO accreditation lies on the authority of the Local Chief Executive (Abad, Roxas II, Soliman, & Rocamora, 2012, p. 12); however the election of CSO representatives in the LPRAT are determined by an election (Abad, Roxas II, Soliman, & Rocamora, 2013, p. 7).

strong-willed and genuinely committed Robredo), it will certainly go the way of state capture due to the deeply embedded patrimonial-clientelist culture in Philippine politics.

The importance of legal framework to ensuring the effectiveness of Participatory Budgeting implementations resonate in multiple literatures (Fölscher, 2007, p. 183; Ilago, 2005, p. 75). The Empowerment Ordinance of 1995 (Blair, 2012, p. 7; Ilago, 2005, p. 66) laid down the rules for engagement of the people through the NCPC, while the Joint Memorandum Circulars issued by the Department of Budget and Management (DBM), Department of Interior and Local Government (DILG), Department of Social Work and Development (DSWD) and the National Anti-Poverty Commission (NAPC) (Abad, Roxas II, Soliman, & Rocamora, 2012) provided for the same via the LPRAT, and RPRAT, to a certain extent. Ilago (2005, p. 66) takes it further by asking whether participatory budgeting should be incorporated in national legal framework through the amendment of the 1991 Local Government Code (compared to a local legislation as was done in Naga City); the answer was both a yes and a no: institutionalizing PB will make it imperative for local governments to involve civil society and the community in the budgeting process, but on the other hand the very same experience of Naga City, a non-mandated mode of participation (at least not in the national level) was found to be more successful compared to existing mandated stipulations in the Local Government Code.

The successes of a PB implementation are largely defined by its results, and future implementations rest on the track record it makes along the way (Souza, 2001, p. 165). Naga City was successful in creating a consistent track record of reforms and improvements through a combination of projects that really work and functional information dissemination strategies (Angeles, 2007, pp. 304-305). However in the case of the GPB, while it shows great promise because of increasing participation throughout the years it is beset by very low project turnover rates. Especially for projects that are implemented by the respective LGUs, the people will eventually lose interest in the GPB because they will never be able to validate their input through the experienced

output. Although on the other hand, it can be argued that GPB is merely a tool for increasing participation in budgeting only, and that implementation is a very different issue altogether and is not within the scope of the GPB, especially when approached from the perspective of the DBM, whose concern is merely consolidating and facilitating budget processes.

## **Conclusion**

Participatory Budgeting has shown promises of delivering a substantive democratic governance experience by increasing citizen involvement in governance. It allows for a venue for the people to truly appreciate how government works, and to experience services that directly cater to their needs. Also, it is an effective in deepening citizenship consciousness by bridging the exercise of citizenship and its accessible effects to an individual and general society. However, as all processes, Participatory Budgeting works within overarching premises; notably in the Philippine case, the prevailing patrimonial-clientelistic political modes, related with this is the culture of impunity of civil servants with respect to public resources, the relative apathy of the citizenry to public issues, and either the seeming lack of collective memory for the shortcomings of government officials, or our generally forgiving attitude with regards to these matters. We must recognize that Participatory Budgeting, despite its promises and apparent successes, will not work without enforcing a genuine change on how actors in governance—which includes us—see the whole government institutions and their roles in it. Change can be initiated at whichever side, as the collective Participatory Budgeting experience tells us; whether from the National Government, or the Local Chief Executive, or from concerned parties such as Civil Society or Non-Government Organizations; but for change to truly take place, it must happen simultaneously and gradually in all sectors of society.

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