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Governance challenges by *participatory budget* in the Italian municipalities

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**Abstract.** The paper explores the phenomenon of participative budget (PB) in Italy, inspired by insights and reflections on public governance, participation and inclusion of citizens in the local authority expenditure decisions. It illustrates and discusses the survey results of a sample of municipalities that, since some years, use the PB as an approach to program resource allocation. In particular it focuses on the characteristics of the context in which PB has encountered practical implementation, the way by which it was realized, the most common type of intervention and, finally, the critical situation in the units of analysis. The conclusions give way to considerations of what actions still need to promote, so that PB can really be seen as a tool for an effective management.

**Keywords:** governance, participatory budget

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1 Introduction

In the last twenty years, the public sector has been characterized by innovative processes and managerial tools with new visions and trends (Hood, 1991; Rhodes 1996a; Lapsley, 2008). Among these, a logic of participation and citizens’ involvement has emerged with the aim of diffusing the adoption of new forms of governance and promoting the sharing of public choices. The need to build a system of participating mode of citizenship and collaborative governance appears pressing in order to connect policy effects with both expectations and needs of different social groups by discharging accountability (Newman et al., 2004). If the new public management theory has revised the role of the citizen by assimilating it to that of a customer in a “marketized” Public Administration, a new emergent vision makes the citizen an active subject in a process in which the citizen’s role is integrated with government and based on a new vision of the accountability paradigm (Hummels 1998; King et al. 1998; Goetz and Jenkins, 2001; Ackermann, 2004). Consequently, the very concept of public governance should benefit from the enrichment deriving from the direct involvement of citizens in public decision-making, thus stimulating the activation of accountability processes in which politicians, managers and citizens are fully involved (Bekke et al. 1995). This represents a starting point for new theorizations as well as multilevel governance (Rhodes 1996; Stoker 1996; Box 1998; Pierre e Stoker 2000; Irving e Stansbury 2004; Soma e Vatn 2010) or collaborative governance (Newman et al. 2004; Fung and Wright 2001; Fung 2006)

Among the heterogeneous instruments of the so-called participative democracy, undoubtedly, the participatory budget plays an important role both for the impact exercised on society as a whole and for the involvement of several social groups generated in the initial phases of the resource allocation process, in the executive phase and in that of control. “At the heart of such initiatives is the right to increase councillors’ decision-making, with more localized citizen involvement in determining resource allocations” (Mitlin, 2004:6).

From a review of the literature it is possible to observe that several experiences can be found in those poor areas of the world in which the citizens’ involvement in public decision-making is encountered as an useful support for the construction of a priority scale taking into account political needs, social and economic differences in the civil society (Eberlei, 2001, 2007). But these initiatives have also begun to spread in the most industrialized countries with the adaptation of both methods and instruments to the context requirements, so that it is now possible to discuss how this has come about and what the concrete effects are (Ebdon 2000; Gaventa 2004; Lehtonen 2006, Sintomer et al. 2008).

In Italy, an increasing number of municipalities are implementing participatory budgeting, so this appears as a good starting point for some interpretative reflections and empirical observations.
This paper explores the relationship between Local Government governance and citizens’ participation in the policy choices, and aims to answer the following questions: 1) how does the PB in the evolutionary forms of public governance? 2) can the PB establish itself as a management model? what are the main benefits and criticalities in the implementation in the Italian municipalities?

The first section of the paper is dedicated to the theoretical framework based on governance, participative and deliberative democracy. The second section is devoted to the instruments mainly used in the implementation of citizen’s participation. The third section focuses on the participatory budget. The fourth section examines the case of some Italian municipalities involved in the participatory budgeting. Finally, discussion and conclusions.

2. Governance and participation

From the point of view of the public management theory that, over the last two decades, has supported changes in both the organization and structure of the public sector, firstly it is possible to observe the ethical dimension that has focused on the relations and integration between administrators and citizens and, in general, between policy-makers and stakeholders (Beck-Jörgensen 1993; Bourgon 2007; Bryer 2007). The reforms have sought to transform the culture of public organizations, which includes encouraging employees to think of citizens as customers to be served instead of clients to be managed (Saarelainen, 1999).

The theories of new public management (NPM) have paid excessive attention to the possibility of exercising market control rather than democratic control, thus emphasizing the customer profile of citizens and reducing their political role (Hood, 1991, Ferlie et al., 1996; Ackerman 2004; Lapsley, 2008). The NPM has acted as a driving force in proposing a model of effective and efficient public administration and successively the perspectives for public governance have led to the construction of a model of quality (or the State participatory), based on the "integration of internal and external stakeholders in the process of formulation of public policies" (Kickert 1997). In this sense it’s persuasive the orientation of those who argue that it is not possible to explain the governance without making a direct reference to the citizens as an active part of public decisions and, therefore, as a direct partner of policy makers (King et al., 1998: 324).

However, what has taken a non-negligible meaning, together with the key principles of effectiveness, efficiency and accountability, is the transparency in the action of the public administration. In terms of a strong concept of responsibility, transparency is powerfully rooted in the phenomenon of participatory democracy, and can be reached only by providing highly organized tools for citizens’ activism in the political process (Newmans et. al., 2006). It is also strongly related to the concept of self-governing, according to which citizens do not have only an
impact on the services delivered by the public administration but also take part in the production process, firstly as co-decision-makers on “what” and “how” to produce, and, secondly, as co-producers of the service (Beck-Jörgensen, 1993; Sjöblom 1999).

A complementary perspective is provided by the stakeholder theory (Freeman, 1984, 1994; Jones and Wicks, 1999). The concept of stakeholders in the public administration assumes a wide meaning compared with private firm, as all the individuals or their social and economic groups are holders of a “stake”, which derives from their role in society. Stakeholders are not primarily seen as actors who can influence the organization’s continuity, but as individuals and groups who have a legitimate claim on the organization to participate in the decision-making process simply because they “can all affect or be affected by the organizations actions, policies, and practices” (Hummels, 1998:1408). It assumes that an organization (public or private) has a series of constituent groups depending on the context of the activities it operates. By highlighting the ways for a change through the development of a new administration model based on cooperation, collaboration and integration, this implies an overrun of what is traditionally indicated as a sort of bipolarism where citizens and administrators as antagonists (Stoker 1996b; Kickert 1997; Newman et al. 2004). In this regard, the use of the term “co-governance” suggests properly that the borders between state and civil society are vanishing (Goetz and Jenkins, 2001; Ackerman, 2004).

2.1 Participatory and/or deliberative democracy

In the field of public policy two different paradigms are proposed: the participatory democracy and the deliberative democracy. The “participatory democracy” considers participation as a tool to give a voice to weak individuals, marginalized or traditionally excluded, through social movements or associations. For example the participatory forums have the purpose of putting pressure on public administrations in order to obtain a redistribution of resources, greater social justice or a change in the policy guidelines of the governments. This is usually considered a dual-type relationship regarding two different categories: on the one hand, the people, or rather, the less privileged individuals with homogeneous interests; on the other hand, the policy maker, at national, regional and local level (Eberlei, 2007, Bobbio, 2002a). The method of pressure corresponds to an idea of participatory democracy which is supported by social movements and is reflected in the “participatory budget” experiments carried out in the Latin American countries (or in those countries whose economies are particularly disadvantaged). The most famous example is provided by Porto Alegre, frequently mentioned in the literature on the participatory budget (Abers, 1998; De Sousa Santos, 1998; Allegretti, 2000; Harnecker, 2003)

In contrast, the method of comparison, which coincides with deliberative democracy, is based on the assumption that civil society has a pluralist nature. It does mean participation as a comparison
of dialogic nature, between citizens which have conflicting ideas, different points of view or opposing interests, in order to draw up common solutions and to find a common ground or, at least, to clarify the terms of the conflict for finding a common ground of action. The relationship is no longer of dualistic type between a people (homogeneous) and administration, but is rather a multi-voiced dialogue in which the public administration assumes a neutral role and is equal to the other actors (Chambers 2003; Gastil e Levine 2005; Ebdon e Franklin 2006a; Lehtonen 2006).

Comparison and co-decision represent two crucial moments in validating the deliberative process, which are not longer guided only by elected bodies, but are determined by a majority, built for a specific purpose and therefore, legitimized to choose. This may be seen at the summit of the deliberative model, with an integration of actors, representatives and citizens, involved in decision-making. As Chambers claims (2003:308), “the difference between the theory of deliberative democracy and other theories of democracy is consequently locus. Deliberative democracy is ‘talk-centric’ not ‘voting-centric’”.

The comparison model is close to the idea of deliberative democracy so that the essence of democracy is not the count of the votes of pre-established positions, according to the principle of majority, or the negotiation between interests, but is a dialogue based on discussion between all the involved parts. The experiences referring to the deliberative democracy theory are based on two essential points: the use of comparison argued and the inclusion of all the interests and points of view that are affected by the social actors. In essence, in the model of participatory democracy the citizens are invited to take part in the debate, by giving opinions, suggestions; in the deliberative model they are directly involved in the decision-making process and are able to determine the outcome (Heimans, 2002).

There are several theoretical frameworks that explain the phenomenon, from the studies of Pateman (1970) on the type of interest - partial or total - as so are the empirical evidence found out, depending on the specific contexts in which they have been developed. On the one hand, the analysis of the studies conducted by international organizations (World Bank, IMF, etc. ) on the issue of stakeholder participation in the implementation of Poverty Reduction Strategy (Eberlei, 2001, 2007; Gaventa 2004; Wampler and Avritzer, 2006), highlights the diversity in the ways of interaction between political actors and citizens, according to the phases of the policy cycle. The different stages of participation change from place to place and can take the form of progressive actions ranging from information sharing to consultation, joint decision, partnership and, finally, control (OECD 2001; Gramberger 2001). On the other hand, studies conducted in the most advanced democracies dealing with the issue of participation as an evolution of the forms of governance, while not neglecting the differences and criticalities emerging in the application of the tools used (Ebdon, 2000; Gbikpi 2005; Ebdon and Franklin 2006b; Bryer, 2007; Howell-Moroney and Handley 2010). In Europe, the concept of participation is supported by the White Paper on
"European Governance" of 2001, which drives towards the adoption of more open and shared decision-making mechanisms, relying essentially on both the principle of horizontal subsidiarity and the autonomy of organization. Contributions from policy studies (OECD, 2001) consider that engaging citizens in policy making is a core element of good governance, and contributes to build public trust in government, by raising the quality of democracy and strengthening civic capacity. Because of its direct interest in the problem at stake, this study deserves a more detailed analysis. Horizontal subsidiarity and autonomy are significant because the first legitimizes the autonomous initiatives of citizens in the “alliance” with the administration in order to resolve problems of collective interest and the second, in its relational dimension, establish a pluralistic society in equal relationships between different centers of interests, both public and private" (Arena, 2006: 82; Bobbio 2002a, b).

Both models reflect the transition from a traditional view—which puts in antithesis public administration and citizens (as the bipolar theory suggests) with public administration, as the protagonist of the political scene - towards a vision in which the citizens become co-protagonists in the decision-making processes. The transition of groups and individuals from antagonism towards forms of collaboration can thus be understood as the maximum expression of the joining of skills made available by the citizens and relevant interests usually managed by political forces. This reveals the changes in western democracies, where it is established that the traditional political decision-making process (i.e., elections) needs support, in the sense that other mechanisms, besides the elective path, should be implemented in order to engage the stakeholders in making public policies. This does not cancel the election as an expression of democratic participation; on the contrary it prolongs the legitimacy of the electoral mandate.

3. Participatory budget as an instrument of shared governance

Among the different forms that currently seem develop the paradigm of deliberative democracy, the participatory budgeting (PB) approach, in which interests of the participants intersect and integrate, seems to have reached a certain degree of success, keeping its original features and treating predefined arguments on which decisions have to be made (Berner 2001; Gret et Sintomer 2002; Bobbio 2002a; Sintomer et al. 2008) . In this approach, citizens and/or organizations in civil society are actors in the decision-making process together with the representative bodies.

Participatory budgeting (PB) allows the citizens of an area (neighbourhood, regeneration or local authority area) to participate in the allocation of part of the local Council’s or other statutory agency’s (health services, police) available financial resources. PB aims to increase transparency, accountability, understanding and social inclusion in local government affairs. PB applies to a
varying amount of the local Council’s budget and the actual process is developed to suit local circumstances. (PB Tool kit, 2008:4)

PB directly involves local people in making decisions on local spending and priorities for a defined public budget. PB processes can be defined by geographical area (whether that refers to a neighbourhood or to a larger area) or by theme. This means engaging residents and community groups in discussions and voting on spending priorities, making spending proposals, and voting on them, as well as giving local people a role in the scrutiny and monitoring of processes and results, in order to inform subsequent PB decisions.

The legitimacy of the power to manage the common resources (local spending) of the collectivity derives from the mandate granted by the citizens to the elected representatives. However, in this historic phase, which is characterized by a scarcity of public resources together with the presence of strong social pressures, the complicated and complex system of rules determines conditions that undermine the representative mechanisms. So, it generates a deep split between both consensus and/or political opportunity and the capacity of the public administration to respond to the real needs of the community. The participatory budget as a tool mainly used in areas of the world that are particularly depressed economically are characterized by strong social contrasts, seems to be a solution in western countries to improve the performance of public services. The main factors inspiring the PB approach in Latin America have reference to: scarcity of resources, fiscal decentralization, need for transparency in policy and resource allocation (Roberto, 1996; Heimans, 2002; Cabannes, 2004; Afonso, 2006). PB is not a document but a pervasive process engaging all those who have an interest in public administration. The reference to local government is frequently mentioned as a cause of the various bottom-up experiences that have been increasing in many countries. PB does not reverse the roles in local government but creates a synergy in the knowledge of public interest between politicians and citizens.

The process of PB generally requires citizens to be engaged in decision-making. It extends the succession of stages of the cycle annual budget formulation and approval which afford investments and projects to be allocated to the emerging local needs. In the participation process for the budget formulation, procedures and activities are not scheduled and, on the basis of indications from the experiences already gained in different countries, it is possible to design a sort of prototype of the process articulation as follows: 1) preparation of feasibility studies to support the evaluation of the investments or projects; 2) proposal for the areas concerning the participatory process; 3) monitoring process in the budget approval; 4) monitoring in the budget management with specific reference to the priorities; 5) monitoring the provision process (competitive tenders, contracting); 6) monitoring services provision for the public works. Given the citizens’ involvement, PB creates opportunities for greater effectiveness in the distribution of public funds and increases social cohesion. According to the advocates of PB, this implies citizens’ empowerment and
promotion of public learning; democratization of macroeconomic policy; integration among different social groups; co-shared economic and social growth. (Heimans, 2002:10). The risks in the adoption of instruments such as PB is that “people may view PB as just another bandwagon” while it is a new way of planning and budgeting. Therefore, the risk is that may be a mystification of the participation tool (Wampler and Avritzer, 2004).

As the literature confirms, other elements against PB may arise from: uncertainty and information asymmetry; improving performance of programming and control systems; possibility that PB may be boycotted by local interest groups; possibility that it is seen as yet another top-down process and thus as an imposition.

In these activities it is reasonable to think about the joint attention paid by both public administration and citizens to budget performance.

PB involves citizens and political forces in collaboration, therefore it has the prerogative to include in the resource allocation process those who traditionally are not involved in political decisions. There are really no universal rules about the application of PB. The methodologies may vary depending on the local authority and its requirements. So there are rules which determine the percentage amount of resources to entrust to the citizens’ decisions.

With reference to the theoretical framework of this paper, a first question relates to whether PB is an instrument of participative democracy or of deliberative democracy.

Many contributions to the literature tend to highlight two different profiles in the PB approach. “The experiences fall between simple consultation with citizens, whereby the executive and legislative branches retain all the power, and deliberative experiences, in which the decisions of PB councilors have real power and are endorsed by the municipal council” (Cabannes, 2004:28; cfr. Heimans, 2002).

The implementation of PB would demonstrate that the democratic and transparent administration of the financial resources is a powerful and very appropriate way to avoid corruption or deviation of the public funds, generating popular public participation.

The first PB experience was launched by the workers’ party in 1989 in Porto Alegre, capital of the Brazilian State of Rio Grande do Sul with 1.3 million inhabitants. The workers’ aim was to fight serious problems related to power concentration, resource waste, political affairs and corruption. The Porto Alegre experience led the way for similar experiences all over the world (Abers, 1998; De Sousa Santos, 1998; Allegretti, 2000; Gret and Sintomer; 2003, Harnecker, 2003).

New PB initiatives are also flourishing in Peru, Ecuador, Colombia and, as well in some European cities. In the last ten years many countries have followed the Brazilian experience in PB. Over 300 Brazilian municipalities have been implementing PB between 1989 and 2004, and cities in at least 30 other countries also have adopted PB (Wampler and Avritzer, 2005; Cabannes, 2004). The phenomenon has also caught on in Europe, where there are different rules in the various countries
because PB does not imply a definition of rules but is a philosophy permeating the process of elaboration. In the UK, for example, experiences of PB began to catch on in the cities of Salford and Manchester in 2000. A 2008 report by the PB unit - a project of the charity Church Action (Participatory budgeting in the UK: values, principles & standards, 2008) – claims that 22 pilot projects have led to some form of participatory budget. The objective is to ensure that by 2012 each local authority area should have a PB.

4. The Italian way towards citizens’ participation

As in most European States – according to the OECD report 2009 Focus on Citizens: Public Engagement for Better Policy and Services - also in Italy, in the last few years there has been the introduction of some forms of citizen participation, in particular in the Municipalities. There are also experiences that have launched a regional form of participation, by codifying methods and tools. This is the emblematic case of the Tuscany Region, which approved a law in 2007 whose content promotes regional instruments of deliberative democracy (Floridia, 2008; OECD 2009).

Other experiments are in progress in other regions (Lazio Region, Emilia-Romagna Region)

In general, the administration of the local authority recalls closely the concepts of participatory democracy and deliberative democracy and particularly the small-size municipalities are more involved than others. The citizens’ participation can occur either on the initiative of the public administration itself, or on the initiative of individuals or associated groups. This was also confirmed by the reform of Title V of the Constitution in 2001, in art. 118 “The State, regions, metropolitan cities, provinces and municipalities promote the autonomous initiatives of citizens, either individually or in association, in activities of general interest according to the principle of subsidiarity”.

In line with the constitutional principle there are other legislative provisions that, by promoting the communication of the public administrations, for ensuring transparency and accessibility to the acts and procedures, guarantee some form of participation.

Traditionally, the local governments stand out since they represent a privileged area which have a direct relationship with citizens, either for the territorial dimension, but especially for both the relevance and incisiveness that the local policies have on the citizens’ life. So, the possibility of launching some form of citizens’ participation in the decision-making process is undoubtedly more frequent in a town of small-medium dimensions rather in a larger one. It should be added that the advent of ITC and the start of e-Governance projects simplify the accessibility to the public administration by the use of web sites (for example online forums, wikis) and speed up the dialogue between public and institutions. It is the substance of the policies and the immediate
tangibility of their effects to involve citizens by pushing them towards forms of organization where they can take an active part in the dialogue and be present in the choices relating to resource allocation.

The recent reforms in Italy have introduced new figures of responsibility and have embedded in the public rules principles of efficiency, effectiveness and economy that did not previously feature in any law (Donato, 2010). This change has strongly contributed to move their culture towards the dissemination of a management logic based on results, at the top of which there is the principle of accountability of the organizational units in the achievement of the objectives.

The new managerial approach has meant a revolution in terms of prevailing strategic objectives, using the human resources as the main source of competitive advantage, in a management process which sees the co-sharing of objectives within the organization and a tendency to continuous improvement.

The objectives must therefore be shared by politicians and managers. The environment in which the organization operates is dynamic, not always predictable but subject to financial constraints, depending mostly on the stability pact and the federalist approach which is progressively unhooking the system of local finance from central government funding. The need for accountability arises from a process of change in the culture of public administrations concerned with the social aspect of the management. On the one hand, attention has to be paid to economic principles and on the other to ethical ones by opening the way for new considerations about the perspectives of transparency and performance improvement. The latter have a natural place in the annual budget (Lapsley, 2008). In this respect, the same recent reform on the control and evaluation system in the public administration (by decree n. 150, 2009), based on fundamental concepts of performance and transparency, will have an impact on local authorities.

In the light of this recent innovation the role and the meaning of PB should be interpreted by considering it as a dynamic process in which politicians, civil servants and citizens are involved. That surely may influence P&C system and the way politicians and public manager discharge accountability. The degree of inclusiveness, the importance of participation in decision-making processes, their extension, the channels of communication and the evaluation mechanisms are unquestionably the keys to a successful PB experience. Further PB may also support the local authority in facing the difficulties and constraints currently present in the system of public finance. The quotas of resources can indeed find a counterbalancing effect in the possibility for citizens to co-decide the programs with the areas of intervention. In that perspective, PB represents an opening of the local authority to direct participation of citizens in making decisions about the public investment. It sets up a participatory process of debate on the budget of the local authority that continues generally during the whole year.
The challenge of the P&C system consists precisely in its capacity for adaptation and depends upon the elasticity of response to the context of reference. It is thus a fertile ground for allowing citizens participate in decision-making. It enables a cyclical transition from strategy to programming, managing and reporting, by providing in each of these steps appropriate forms of control. So doing programming extends in a horizontal span and is able to predict what will happen at every step. In this succession forms of interaction between politicians and citizens, public officials and citizens may take place in a traditional way (for example with forms of questioning in municipal councils) or with innovative instruments. The implementation of P&C systems requires not only a certain degree of innovation in the instruments used, but also a change at the organizational level, through the involvement of all the operational units and the coordination of all activities. This implies a redefinition of the strategies and a change of management in a results-oriented logic. In addition, the complexity of the control system impacts on the quality of the external information, by improving the exercise of responsibilities and the guarantee of greater transparency that comes from the public (Garlatti e Pezzani, 2000; Hinna, 2004; Pezzani, 2005). The need to comply with accountability, considered one of the main factors underpinning the path of deliberative democracy, is part of that change in the culture of public administrations which considers as the aspects of economy as the ethical aspects of management, by opening the way for new reflections on the perspective for improving the performance of the local authority. This is a tool that allows for comparison and the sharing of common objectives, and can be seen also as an instrument for the reduction of potential social conflict.

5. The research

On the basis of the previous theoretical framework and by taking account of the spontaneous initiatives of some municipalities, the research has set up by formulating a series of questions that have engaged the development of an empirical survey focused on a set of Italian municipalities that have acquired considerable experience on the participatory budget.

The survey was carried out, in 2010, by paying attention to the selection of municipalities, either well-documented in the literature or for having placed the project details on their own websites. The keyword inserted for their detection was “participatory budget”.

Once intercepted municipalities, a subsequent skimming was based on the fact that those included had gained the experience of BP by replicating it at least two years. Thus we got a group of twelve municipalities that is certainly not exhaustive, but it should be considered indicative for an analysis that shows what are the typical characteristics of the phenomenon. Overall, the study has been aiming to understand what are the stages of the BP process, to ascertain if there are clear benefits of the experiences of BP and to detect obstacles that still need to be removed. One of the survey
limitations is the partiality of the information obtained. It results in one-sided view of the local entity. In order to have an integrated view of the phenomenon we are aware that it is necessary to gather information on the side of the citizens, crossing, and then developing the results obtained. This could be the subject of the continuation of the research. The semi-structured questionnaire contained twenty items related to the following areas: 1) the context; 2) the ways to involve citizens; 3) the process; 4) the objectives and results. This was followed by the identification of internal managers of the municipal offices, to which the questionnaire was administered by telephone through interviews that, in a large amount of cases, were given the option to avail of further nuances of the process.

5.1 Findings

The procedures of the PB are very different and depend on the context where the process has been implemented. The experiences are almost all addressed towards progressive experiments that have highlighted the strong points of the PB. These consist mainly in adjusting its rules so that the process can always adapt to the characteristics of individuals, by reestablishing the relationships among the different institutions and groups of the civil society. It is considered a tool of aggregation, by which to discard old forms of policy for guaranteeing a transparent administration. In fact there are different experiences even if, through the networks for the exchange, as in the case of the URBAL program, it is to build a consciousness of mutual benefit (between public administration and civil society). Moreover, in a few years, some experiences are trying to formalize the process, in order to make sure a certain continuity and to develop particular skills in the field but, above all, with aim of practicing more and more a “legitimizing policy”, after the electoral vote. In this perspective the PB is used as an instrument putting in relationship the representative democracy with some moments of the so-called deliberative democracy. In other words, the PB function might be said to be a catalyst of all the forms of participation in public choices, characterizing unbiased criteria and co-shared with the citizenship, above all regarding the fundamental document of expenses for the administration cycle (i.e., the budget). There is no unambiguous model applicable in every situation, but each public administration can adapt the PB process to its own cultural context.

The observed experiences reveal that the joining element is the location of some fundamental steps in the construction of PB, such as: emerging needs, priority voting (all participants brainstorm a list of ideas), verification of feasibility and insertion of specific expenses in the annual budget. In detail, every Municipality interviewed has been trying to adapt the process to the demands and characteristics of the participants and to what the administration would really like to achieve.
The Context

Since the municipalities were chosen exclusively on the basis of the indispensable condition that they had completed a PB experience, their characteristics are heterogeneous as regards the number of inhabitants and the composition of the population.

Figure 1 – Set of Municipalities with PB experience in 2008

Firstly, the data about PB come from small and medium-sized municipalities (54%) and only 5 (46%) are provincial capitals. The geographical area mostly concerned is North Italy. Almost all of the municipalities are run by centre-left governments, under which it has been chosen to apply the participatory budgets. Only in the case of Grottammare (AP), and Isola Vicentina (VI), the government is represented by a civic list, composed of individuals not belonging to any political party.

The experiences of PB started on average in 2003, even if, in the case of Grottammare, the procedure had already begun since 1994, although it had not been formalized (it is the oldest PB experience in Italy). In the majority of cases, the option of introducing the PB has been a political choice, proposal by the Mayor and counselors, while presenting the electoral program. In 1994 in Grottammare, a citizens' movement, called "solidarity and participation" was set up, which aimed to resolve the problem of the local policy "abjection". In this specific case the citizen movement has introduced a civic list and has designed an instrument similar to PB, to engage the citizenship in the decision-making process. Also in Udine the idea of introducing the PB is a bottom-up initiative. The citizens who have submitted a draft included in the URBAL program of the European Commission, which promotes interchange and cooperation between the European Union municipalities and those of Latin America. Among the municipalities surveyed the Udine PB is the most recent
experience, given that it has sought its implementation during 2008. The other experiences date back to 2003.

In most cases the Italian case that inspired the PB (Castel Maggiore, Isola Vicentina, Ivrea, Modena and Vimercate), is Pieve Emanuele (MI), which was one of the first Italian municipalities to implement a participatory process, thus maturing a large experience in this field. Among the international experiences, the inspiring PB case is that of Porto Alegre, as well as those of the Latin America (Bel Horizonte-Capoliveri), with which the Italian town has engaged a relationship of interchange and cooperation, within the European programs.

It is important to highlight the role that some municipalities such as Modena, Ivrea and Castel Maggiore have had a great role in spreading the experience. Through seminars and congresses, they have been proposed moments of comparison among local authorities which have activated or would like implement experiences of participative democracy. The aim was to make known, analyze and compare the various experiences, so as to develop cooperation between institutions and improve and disseminate the forms of participation. In some cases, in which a large resonance to the communication was given for empowering participation (for example in Ivrea), the Municipality has joined the work table “URP of URP”, on the topic “communicate the participation”, by focusing attention on the aspects of communication in the context where citizens are included in the decision-making process. Through a comparison of analogous experiences there has been an attempt to deepen the role that communication plays in the PB implementation, both in general and in relation to the different phases that characterize the co-shared processes.

In all the cases surveyed the PB process has been formalized as a new management tool by means of specific regulations. This is subjective compared to any experience, but only in Castel Maggiore and Udine the attention has been paid for including the PB in the “accounting rules” of the institution. In Grottammare, instead, they chose not to make it formally official, thus providing it a greater flexibility and opportunity of innovation, without schemes restricting its opening and effectiveness. The idea is found also in the philosophy that inspired the pilot experience in Porto Alegre, even if not all of the studies confirm this. The absence of a rigid formalization allows an annual review of the procedural rules and makes the PB process independent of the administration in charge and, in some aspects, to be hardly reversible.

Collaborations with other local authorities have been initiated especially for spreading the experience and for a comparison, but it is not a very common practice (only four municipalities). In most cases, a special office is activated to manage the PB steps and it’s properly called “Participation Office” (Bergamo, Grottammare, Modena, Reggio Emilia, Udine). In the other cases it is related to the financial service (Cinisello Balsamo), or social policies service (Ivrea). Rarely, the PB management is embedded in the Communication Office (Trento, Vimercate), or in the Financial services (Castel Maggiore, Isola Vicentina).
**Rules for citizens’ involvement**

The main forms of citizens’ involvement for bringing them closer to the public administration choices are questionnaires during the periodical quarter assemblies, the institution of a participation office, posting flyers, the continuous updating of the municipal web site. In particular, in Ivrea a “Suggestions” box was opened, as well as an area on the website for sending proposals, comments and suggestions on how to achieve and improve the process of citizen participation; in Bergamo some citizens were interviewed and small focus groups (with a maximum of ten people) were organized; Reggio Emilia distributed a tabloid newspaper describing the various stages of the process to all families resident in the quarter where the PB was implemented. The instruments used to involve citizens frequently are: the grid of priorities and votes, the operational plan, as an instrument of resources allocation to each project, questionnaires and polls, postcards (Ivrea), modules of proposals (Bergamo).

In the municipalities of Bergamo, Castel Maggiore, Grottammare, Isola Vicentina, Ivrea, Reggio Emilia and Udine the administration has launched training courses for citizens and public officials, to improve the approach to this experience and to ensure the proper conduct of the participatory process. These training sessions are carried out, in particular, during assemblies. In particular, in Udine, initial conferences have been activated to find out more about the experiences of Brazilian city of Santa Maria Rio Grande do Sul, with which Udine has established a cooperation inside the URBAL project. In these meetings the experience was presented, the origins, what results were achieved in the years of management citizen involvement, what have been the main problems encountered for the implementation of the participation system, what are the characteristics of the participation process and what are the needs of future amendments to the budget system participation. Subsequently, training courses were set up for public officials, politicians and citizens, in order to develop concrete proposals for the PB implementation.

In Ivrea pilot meetings were organized with the trade union representatives and four associations which play an important role in the economic context of the territory in order to discuss the experience of past and on-going participation. As regards the age groups of the participating population is not very accurate since some of the municipalities have not carried out a monitoring process. On average, it is possible to say that the most involved residents fall into the 45-55 age band. Since this is especially important if one considers that young people, the most important resource to enable the process to really affect a cultural change in programming, is not very present. In the case of the quarter of Bergamo (Redona), characterized by an intense social activity, the participation of young people is linked to other kinds of initiatives already launched in the territory between clubs of young people and public administration.
In the town of Modena the participation of young people was greater in the historic center, while in the other constituencies the needs were represented by an adult segment. The places made available for the citizens to carry out the assemblies were places of constituencies, town halls and even private premises.

Themes and criticalities of the PB process

In the municipalities of Bergamo, Castel Maggiore, Ivrea and Udine, the participatory process takes place over the whole year, from January to December. In other municipalities, instead, the process is concentrated in the second half of the year, after the formal approval of the budget. The subjects discussed are chosen according to the citizens’ preferences and their emerging needs in Grottammare, Isola Vicentina, Ivrea, Reggio Emilia and Udine. Instead in Bergamo, Castel Maggiore, Cinisello Balsamo, Modena and Vimercate the themes that will be discussed on assembly and among those in which will vote the proposals, shall be selected by the mayor and by the Municipal Council, and are more the themes of culture and leisure, public works and environment. In the Municipality of Trento the themes are chosen by a committee, formed by the mayor, three assessors and by the representatives of constituencies. On the one hand, this choice is made to avoid the citizens’ proposals going beyond both the competences and resources of the administration, but on the other hand it may be so restrictive that it discourages the public from proposing measures to implement. For that reason, even if the proposals are not present in the predefined areas of intervention and therefore they cannot be discussed in this occasion, a list of them will still reported to the competent bodies. Generally to assign predefined themes for addressing participation offers a clear point of reference and reassures the citizenship, above all in the preliminary approach to PB.

In Castel Maggiore there are two types of assemblies: public assemblies, open to all, and thematic assemblies, reserved for associations and organisations in the area, concerning education, the regional economy, the nonprofit sector, the area of production and commerce, trade organizations and unions. Also the number of assemblies carried out is rather variable but in any event, beyond the assemblies for listing the emerging needs, other assemblies are made to for getting a feedback information about what the administration has actually done for implementing feasible actions.

In the quarters of Ivrea, Isola Vicentina and Modena the costs linked to the PB procedure were attributed to a specific item inherent respectively to services for the participation, to the “Participating Isola” project and a specific one for the participatory budget. In all the other
experiences analyzed, specific items and relative costs are divided according to department, with the other items of the various sectors concerned.

In Modena the proposals emerging from the assemblies are subject to an examination by means of tables of territorial comparison, so the administration may assess the financial and technical feasibility. In Reggio Emilia, as well as in Grottamare, the evaluation is entrusted in the technical work tables, involving all competent leaders in the field, the project team, the representatives of each quarter and the citizens' delegates appointed during the meetings. The work table shall submit to control the proposals on the basis of two factors, the technical and legal feasibility and the compatibility of the acts already adopted; finally, estimates costs and time of implementation.

The area of co-decision on which major projects were achieved, as in most of the experience examined, is that of Culture and leisure (73%); immediately after Public Works (64%) , Welfare (64%), Environment (55%), Safety (37%) Mobility (37%). This shows how the PB may be used for investment in infrastructure even if it requires at the same time a great capacity for alternatives selection that often the respondents/participants do not have. As a result, with reference to these areas the BP represents a test bench of legitimization and a guide in the choices that the political bodies have to translate in action.

Figure 2 – Participation Areas

With reference to the PB investigated, firstly it emerged the need to clarify what the areas of competence were with reference to the proposed measures, mistakenly charged to other institutions. Contextually politicians (and their delegates) had to dissolve the initial mistrust, by launching issues and stimulating participation. In fact, in the most recent experience, several
obstacles depend on the difficulties encountered to explain how the PB proposals have to be submitted, where these are required. Often this does not lead to a successful path.

Secondly, there are some communication difficulties due also to the gap between citizens and administrations which often are not able to get people involved in participation.

For example in the municipality of Isola Vicentina, the project of BP was used as a tool to build a scenario, by defining a long run plan in which the actions indicated by citizens in assemblies were consistent with the project, in order to save resources and to maximize the social utility. The PB experience has not been successful and the citizenship has not seen the implementation of those projects as compared to the initial forecasts.

In the town of Modena, instead, the assemblies have been spread in a non-homogeneous manner, without continuity and in this case, emphasis was placed on the low quality of the proposals that were viewed as a sort of “shopping list”. Consequently, in 2008, the PB was suspended because of problems in the constituencies, from both political and organizational points of view. The principal obstacle seems to be derived from the representative bodies that have seen in PB a sort of field invasion, that is an obstacle in the regular flow of the decision-making process. Without abandoning the way to participation, that is always seen as an opportunity, the administrators tried to address the technical difficulties deriving from the non-inclusion of PB in the procedures of the municipality and chosen to give priority to targeted interventions. From 2010 onwards is in fact proposed a new path focused on municipal areas that tries to involve those social groups, in particular young people and migrants, which traditionally have been very active in public life. The process hesitate in the detection and selection of projects considered to be worthy and compatible with their inclusion in the programming documents to be translated into financial expenses in annual budget. Among the cases analyzed, those of Cinisello Balsamo and Isola Vicentina experiences have been completely abandoned.

Figure 3 – Difficulties in implementation
5 Conclusions

If from the theoretical point of view the BP gets its justification in the development of democratic dynamic and represents the most allusive procedure of deliberative democracy, from the operative point of view the PB approach represents a method to improve the performance of a municipality. Its depends on the tenacity and the conviction by which it is implemented and, especially, on the impact that may have internally and externally. Unlike management tools that are only recently introduced into the culture of the local government, the BP imposes itself as a path to have a multifunctional impact, acting in several directions. It acts on the political level and consequently on both the financial and management levels. From a political perspective the PB gives its greater contribution to enable the decisions on investment policy in the territory and on themes of common interest where the citizens’ preferences are mediated by the policy capacity of government, the involvement of political bodies and the reaction of the public personnel responsible for the coordination of all activities related to the PB process.

This may create a strong strategic value with the aim of advantaging the investment planning and the annual budget operations. At the financial level, the PB enables citizens to take part in the resources allocation process, although in most cases it reserves to citizens only a residual investment quota, or even anchored to a so specific investment, that the procedure doesn’t appear convincing, in comparison with the arising overheads costs. In this regard, the participation affects only investment expenses for the benefit of the entire community (i.e. public works etc.). Besides, it would be doubtful to imagine that co-decisions may relate to the resources allocation regarding the
current expenditure. In such a way the PB becomes an instrument for ensuring significance to the financial management of the investments, according to the principles of transparency, efficiency and effectiveness.

From the organizational and management perspective the process makes impact inside and outside the institution. Inside, the PB is an instrument for innovation that primarily affects the financial area and the communication one. Both areas should coordinate for the execution of the operations of citizens’ involvement and document completion. This requires the deployment of a set of skills that are able to support the high flow of information generated and the interaction of the main players in the various phases of participation. No activation of a proper process may provoke the approach’s failure. Successful PB experiences are largely the result of a path undertaken by small municipalities, which are intrinsically facilitated by many more relationships rooted in the social tissue than larger municipalities have. In this last case, the cohesion of the plurality of interests is more difficult to reach. In the municipalities with a greater population density, not infrequently the PB process takes place by a territory partitioning in quarters or districts, and its coordination often involves just a few parts of the city. In order to play a key role, BP must not be a simple consultation, but a true voluntary process of opening from the administrative apparatus to participation, by sharing of decision-making process and control with citizens. Only by this way the PB may be an effective instrument of deliberative democracy and a strengthening of the programming process, so getting a positive impact on governance. The experimentation of PB in Italian municipalities not only showed an important educational content and a capacity to mobilize resources by spreading the concept of active citizenship through a more dynamic vision of democracy and its effects, but it has also helped to improve the transparency of the process, by stimulating a greater awareness of the concept of accountability for both the political bodies and the public managers. Further, almost all the administrations were allowed to make social pacts inclusive of the most vulnerable members of citizenship, and to increase the political consensus. In this sense, the PB represents an instrument of strategic choices, supported by a co-sharing of difficulties, expectations, objectives and benefits, in the medium and long term.

Finally by the research findings, it’s possible to observe how the culture of BP is still spreading and the real advantages, out of trend and fashion, have to be measured. As for any other management tool of innovation, both a real formalization and a statement of rules are unthinkable, because this could seriously question its meaning, by erasing any potential benefit. The implementation of PB is not the construction of a instrumental model but arises as the construction of a relational model able to simplify the choices and the tasks of public decision-makers, with the involvement of the users of these choices.
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