

Participatory Democracy in Latin America: A Comparative Analysis

*Clemente Forero-Pineda*¹

Introduction

This article is about political change in developing countries. It deals with reforms of democratic institutions, in societies where patrimonialism, clientelism and corporatism characterize political relationships.

In the last two decades of the twentieth century, many countries of the world adopted decentralization policies². Decentralization was viewed as a way of closely detecting the needs of the population for the design of governmental action, a means of citizen control of the public sphere, and a recognition of regional and, especially, local autonomy³. In general, however, decentralization transferred power solely from central to regional or local governments, not to citizens.

A parallel trend towards the implementation of participatory mechanisms also took place during this period. Arguing major drawbacks in the institutions of representative democracy, disaffection for political parties, and the need for decentralization to go beyond local governments so as to reach small communities and citizens, participatory mechanisms were adopted in many of these countries.

This paper compares three distinct structures of participatory democracy that have been adopted in Brazil, Bolivia and Colombia. It establishes the scope and magnitude of collective action granted to participatory mechanisms; analyzes their conflicts with previously set structures of representative democracy, and makes an appraisal of their stability and chances of continuity.

The three countries share common traits in the design of citizen participation mechanisms: they were developed in conjunction with decentralization, though the two

¹ Professor at Universities of Los Andes and El Rosario in Bogotá, Colombia. The author acknowledges financial support from these two institutions. Carlos Sepúlveda and Martha Mendoza provided valuable research assistantship. Many local and national Government officials, members of participatory councils and committees, and researchers in Bolivia, Brazil and Colombia accepted interviews and were generous with their time and ideas. The author received especially valuable suggestions for the analysis from Carlos Sepúlveda, Martha Mendoza, Regina Birner and Luis Fajardo; Carlos Hugo Molina, Felipe Caballero, Guillermo Justiniano, José Mirtenbaum and Mario Galindo in Bolivia; Luciano Fedozzi, André P. Cordeiro and others at Gaplan-Porto Alegre, F. Sánchez and María do Carmo Carvalho in Brazil; John Sudarsky, Carlos Córdoba, Jeanneth Hernández, Ernesto Parra, and Guillermo Cardona in Colombia.

² Actually, "out of the 75 developing and transitional countries with populations greater than 5 million, all but 12 claim to be embarked on some form of transfer of political power to local units of Government." Dillinger (1994), p. 1.

³ Forero et al. (1997).

reforms were not always simultaneous; the main decisions at stake concerned public investment; deliberation mechanisms rather than voting mechanisms were implemented as the central instruments of participatory democracy, though in some cases referenda and mandate revoking elections were also authorized, as complements of representative and participatory institutions.

There is consensus among the actors interviewed in each of these countries that the reforms have improved the quality of public decision-making. Improvements are in general related to changes in information flows and incentives: incentives for obtaining better information have been embodied in decision-making, and have fostered a longer-run vision in public officials; revelation of citizen preferences has improved, and officials have more incentives to inform the public about their projects. Structural reasons also appear to be related to the improvements in the quality of decision making. In a context of patrimonialism or clientelistic politics, citizen participation seems to be more efficient than checks and balances among elected representatives, in terms of getting government action closer to citizens demands, controlling government and preventing or detecting corruption.

There are substantial differences in the forms adopted in each country for participatory democracy. The formal design and informal practice of participatory arrangements differ considerably from one to the other, leaving room for a comparative perspective centered on why some mechanisms rather than others were adopted in each of the three countries.

In the next section, the essential differences among different classes of democracy are outlined. A bi-dimensional criterion to distinguish between democratic forms is proposed. Different forms of participatory democracy are then analytically defined. The three following sections interpret the national background of participatory democracy reforms in each of the countries under study. The remainder of the paper is devoted to comparative analysis. A comparative table is first presented, showing similarities and differences of participatory schemes in the three countries, in different analytical dimensions. Then, focus is brought into institutional keys revealing the dynamics of each scheme and speculating about the sustainability of each specific form of participatory democracy. Conclusions are offered attempting to find general conditions for sustainability and invoking the relevance of the cases studied for a few more theoretical issues.

Direct, Participatory and Representative Democracy

Democracy may be viewed as a set of political institutions and behaviors, jointly ensuring certain conditions that have been the object of a long debate among theoreticians. Bobbio (1992) defined a *real* democratic process as one “involving a very large number of members of the group, respecting majority rule, and where those called upon to decide consider real alternatives and are in a position to select any of them. For that, Bobbio considers necessary that “those who make decisions are guaranteed rights of freedom of

opinion, speech, assembly, association etc.”⁴. A liberal State guaranteeing these rights is both a historical and theoretical precondition for a democratic State. Sartori (1994) formulates a set of conditions that political institutions must meet, for a society to be considered a democracy: “a free society, non oppressed by a discretionary or uncontrollable political power, neither dominated by a closed and restricted oligarchy, and where those governing respond to those who are governed. According to Sartori, there is democracy “when there exists an open society where the relationship between governors and those governed is understood in the sense that the State services citizens and not the opposite, and that government exists for the people and not vice versa”⁵.

Three main forms of democratic institutions are usually referred to in the literature: direct, representative and participatory. The definition of each class is usually made in reference to a specific historical model of political institutions. However, a large body of political theory has been built around abstractions of those historical situations. In the past decade, reflection about democracy has been renewed and criteria making distinctions between these forms have been developed.

Bobbio (1997) makes a distinction between representative and direct democracy according to whether or not deliberation is made by citizens or their representatives. “Representative democracy means that collective deliberations (...) are not made directly by those forming part of the collectivity, but by persons elected for that purpose” (p. 52). The non-existence of an intermediary is set as a condition for direct democracy: “...between deliberating individuals and the deliberation where they are involved there is no intermediary”.

Bobbio defines participatory democracy as an intermediate form. Sartori (1994) also considers it a form between direct and representative democracy (p. 75). Neither of these authors makes a formal definition of participatory democracy, though Sartori defines participation as “taking part personally, an active taking part that is properly mine, decided upon and freely looked for by me...Participation is putting oneself into motion, not being put in motion by others (mobilization)” (p. 74).

Nino (1996) emphasizes a different criterion to distinguish among forms of democracy. This criterion is deliberation, viewed as a process where preferences and opinions are not static, but evolve through interaction. Deliberative democracy is one allowing inter-subjective, free and egalitarian discussion, and the exchange of ideas in order to make a collective decision (p.161). Though the conditions are difficult to meet in real political processes, the possibility of deliberation on the part of those ultimately concerned by decisions (citizens) allows Nino to distinguish between deliberative and non-deliberative democracy⁶.

It is nonetheless useful to separate and jointly consider these two criteria (intermediation and deliberation), and propose, on that basis, a classification of forms of democracy that

⁴ Bobbio (1997), p. 24. The first edition of this book is dated 1984.

⁵ Sartori (1994), p. 23.

⁶ Bobbio and Sartori made reference to deliberation, but Nino (1996) developed best this criterion.

may clearly distinguish between direct, representative and participatory forms of democracy (See table 1). Pure direct democracy implies citizen deliberation and no intermediaries; it is the case of the agora and of founding constitutional processes. Representative democracy occurs when there are intermediaries and there is no deliberation among citizens; within this large category, one may include parliamentary or presidential regimes, etc. A first type of participatory democracy is obtained when there are both citizen deliberation and intermediaries; these intermediaries usually complement the decision-making process. In referenda, there are neither citizen deliberations nor intermediaries. According to this classification, referenda are not a direct form of democracy but a class of their own, because there is no process of citizen deliberation, allowing the change of opinions or preferences.

A finer classification of forms of democracy is also useful to characterize the models of participatory democracy existing in the three countries under study. The main additional criterion is whether citizens act independently and on their own, or whether they interact with some authority or Government. This criterion gives rise to considering three types of participatory democracy: In type P-I, there are no intermediaries and there is deliberation, but democracy is not direct, because an elected authority interacts with citizens in the process. In type P-II, there is deliberation among citizens, there are intermediaries, and they interact with an authority or Government, elected through the channels of representative democracy; it will be shown below that this is the case of Colombia, Bolivia and Brazil in the second stage. In type P-III, there is deliberation of citizens and there are intermediaries, but there is no relationship with an authority; it is the case of some federative constitutional processes.

(TABLE 1)

Further distinctions among types of participatory democracy emerge when introducing other criteria. In types P-II and P-III of participatory democracy, one could introduce a distinction between participatory democracy with intermediaries that are openly elected among citizens, and processes where these intermediaries are elected or designated by corporative organizations. This distinction will allow to differentiate between the three countries under study. Also, in schemes where elected authorities are present, one could make a difference between participatory processes where Government convokes participatory bodies and assemblies, and processes where the initiative is left to these bodies or to citizens.

In any case, formal political institutions found in real societies are combinations of the forms of democracy defined above, and subtypes that would emerge from the introduction of further, lower-rank criteria.

There is a two-way relationship between democratic institutions and the behavior of citizens that is necessary to sustain these institutions. Institutions are usually found to bind a set of behaviors and define an ethos associated with that particular rule, and the

evolution of institutions appears to occur within the boundaries set by previously existing institutions and interactions among individual behaviors⁷.

Parallel to the evolution of a formal democratic rule, informal institutions consolidate and evolve, giving shape to political-cultural systems that often survive changes in formal rules. For the purpose of this comparative analysis, it seems useful to make a clear distinction between the formal democratic rule of a society and its informal political-cultural system, even though there are usually some key tenets in the formal legal arrangement that reinforce the informal political-cultural system.

According to different historical analyses, patrimonialism, clientelism and corporatism respectively define the political practices of Brazil, Colombia and Bolivia⁸. These simplifying characterizations are the objects of debate in each country, but they are a useful reference for analyzing the impact of formal democratic reforms, such as the introduction of participatory democracy instruments, on those informal but entrenched institutions, widely perceived as the origin of corruption phenomena.

Fedozzi (1999) characterizes patrimonialism in Brazil following the definition developed by Weber (1992). Patrimonialism emerges from the patriarchal (domestic) domain; it is oriented by tradition, and exerted as a right in its own: "... the political administration is considered a personal matter of the sovereign, and for this reason there is no clear differentiation between the public and private spheres" (p. 42). The sovereign puts the administration in the hands of another individual whom he trusts, and this relationship is fractally reproduced between levels of administration and between the administrator and the citizen. This context allows for arbitrary action on the part of the administrator; justice is provided based on of personal considerations, and a system of prebends is set up (Weber 1992 p. 188).

Clientelism in Colombia "is characterized as the private appropriation of public resources with political ends" (Leal et al. 1994 p. 47). According to these authors, clientelism is the modern, evolved version of *caciquismo*, where the resources involved in political exchange were the private resources of the *cacique* or landowner. That primitive political relationship evolved towards clientelism, where resources are not private but public. "Modern political and merchant clientelism is fed by the State and sustained by the ancient and well diffused social value of loyalty". One could enrich this characterization by saying that, in the most recent phase of representative democracy, an exchange of votes against private favors financed with public resources takes place. Beneficiaries of those favors may be either individuals or communities that are small relative to the size of the constituency⁹. Sudarsky (2001) views Colombian clientelism as a modern form of neo-patrimonialism. He emphasizes the lack of independent access of citizens to the political center, and the chain reproduction – first in the economic, then in the political spheres – of patron-merchant relationships. Specific and generalized exchanges

⁷ Hodgson (1999), p. 19.

⁸ See Fedozzi (1999), Leal (1989) and (1994), and Molina (1994) respectively for characterizations of patrimonialism in Brazil, clientelism in Colombia and corporatism in Bolivia.

⁹ Forero et al. (2000).

characterize political relationships: favors are exchanged against favors or votes, and favors are given as proof of loyalty (Mauss 1967). Following Scott (1972), Sudarsky establishes a correspondence between forms of patrimonialism and stages of economic development. At present, clientelism appears to be the prevalent structure in the country, though in certain urban regions his research shows an evolution towards modern republicanism. According to Sudarsky, the political-cultural system is vaccinated against open political representation of interests. This might explain the very low rates of identification of elected politicians by their constituencies, which he finds in his study. Representative democracy is accordingly weak.

Molina (1994, p. 16) understands corporatism in Bolivia as the rule defining who participates in political decision-making through a process of cooptation. Following Duverger (1970), he defines cooptation as a process by which “predecessors indicate successors, or a group of notorious leaders indicate who will fulfill certain functions, once a public procedure of validation is carried out”. Such a process of public validation is seen by Molina as an “election among the elected”, preventing the access of outsiders to power. According to the author, this has allowed the control of resources without public supervision, while maintaining a certain level of social order. Cooptation has survived from ancient political systems to modern formal democracies by maintaining power in the hands of a few rulers. Under this corporatist rule, the elected does not owe to his electors but to those who designated him as a successor (p. 18). In the case of Bolivia, separation of powers has reproduced cooptation in the legislative, the judiciary, public control organizations and, most importantly in what Molina views as “real power factors”: the Armed Forces, the Catholic Church, the *Confederación de Empresarios Privados*, Parliament and the *Central Obrera Boliviana* (p. 19). In the absence of strong political parties, the search for consensus among these “real power factors” is repeatedly called upon to solve social and political crises¹⁰. This structure is replicated at the regional level of the *departamentos*.

There are connections between clientelism, patrimonialism and corporatism. The prevalent political relationships in each of these countries actually show combinations of these phenomena. In Brazil and Bolivia, Fedozzi and Molina respectively detect exchanges that can be characterized as clientelistic. Sudarsky (2001) relates Colombian clientelism to neo-patrimonialism. In recent political crises in Colombia, different authors have pointed out forms of corporative power and rentism of corporate groups¹¹. From an analytical point of view, the distinction and characterization of these three polar characterizations remains useful for analyzing the impact of newly created participatory institutions.

¹⁰ The historical observation of the case of Bolivia made by Molina meets the definition of a neo-corporatist society developed in an Italian debate, reported by Bobbio (1997): “...they defined neo-corporatist society as a form of solving social conflict using a procedure, that of the agreement among large organizations, that has nothing to do with political representation and, on the contrary, is a typical expression of interests representation” (p. 32).

¹¹ See for example Wiesner (1997), especially the chapter on education, and Garay (1999).

Participatory Budgeting in Brazil

The Brazilian Constitution makes only an indirect mention of participatory democracy, without defining public decisions that could be its object or the mechanisms by which citizens. Participatory democracy has developed in the last 13 years, mainly in municipalities where a political party that has converted it into one of its banners has won local elections.

A number of experiments of participation took place at the end of the seventies and beginning the eighties¹², as a way to put pressure on federal and state levels controlled by the military. Cities like Lages, Piracicaba and a few others in Minas Gerais created community centers and opened consultative processes with the population between 1977 and 1982. These experiments were not fully successful, and indifference on the part of the Federal Government, as well as lack of party continuity in the local level, are blamed for the lack of success and continuity. Many experiments in local participatory budgeting took place in relation to three events: (a) the increase in local revenues brought by the 1988 Constitution; (b) the decision made by most state capitals to reform their finances and overcome their chronic deficit; (c) the arrival into power of leftist local leaders grouped under the Workers Party.¹³

Two of the most remarkable experiences of participatory democracy in Brazil have in the cities of Porto Alegre and Belo Horizonte, where models of *Participatory Budgeting* were implemented. In Porto Alegre, the process started in 1989 and in Belo Horizonte in 1993. Today, according to a survey of Polis (cited in Paiva 2001), an estimated 140 municipalities are involved in participatory budgeting. Mayors belonging to the Workers Party govern in 71 of them¹⁴. According to Polis, these experiences have been unequal in terms of rates of participation of the population, commitment of authorities, continuity and results. Sao Paulo has joined the process of participatory planning in 2001, after the election last year of a mayor affiliated to the Workers Party. Its participatory budget is centered on education and health, sector which cover about 20 % of the investment budget of the largest city of South America. Rio Grande do Sul has implemented a State process of participatory budgeting, in the past three years. In 2001, a total of 281.000 citizens participated in open participatory budgeting assemblies, regional forums and State council sessions, in 497 municipalities and the 22 regions of the State¹⁵. Sector planning at the national, state and local levels is being carried out in health and in education, today with declining support from the national Government (Polis).

Porto Alegre presents one of the most evolved and stable systems of participatory budgeting. It has existed since 1989 and is followed as a model by other cities and small towns adopting participatory budgeting. Citizen participation is run in two stages. The

¹² Especially in municipalities governed by the MDB (Brazilian Democratic Movement).

¹³ In 1988, 32 mayors belonging to leftist parties were elected; in 1992, 53; and in 1996, 115.

¹⁴ In 2000, the Workers Party gained elections in 187 municipalities and 5 states (Esnal 2001). This means that not all mayors of that party practice participatory budgeting.

¹⁵ Governo do Estado de Rio Grande do Sul (2000) and interview with Director of Participatory Planning of the State.

first starts with a meeting where local government officials present an open audience with general information about the city budget. Sub regional and thematic plenary assemblies follow. Sub regional open assemblies determine their own investment priorities.

Towards the end of the first stage, popular assemblies elect delegates, and delegates then elect counselors. In a second stage of the process, delegates and especially counselors play a determining role. The Board of Counselors articulates the investment budget. District Budget Forums establish "priority lists" of infrastructure projects in each investment category. The City Council approves a global budget, but the Board of Participatory Counselors, in close negotiation with local Government officials, defines specific projects.

The process is at all times run in the presence of local Government officials, who convoke and have a strong initiative in the whole participatory process. Nonetheless, the fact that priorities are set by open assemblies and that delegates and counselors are not elected until the process is well advanced, makes the first stage a process that one can characterize as *Type I participatory democracy*, as defined above. The second stage is more akin to *Type II* because of the prominent role elected counselors play in budget decisions.

Popular Participation in Bolivia

The Popular Participation Law¹⁶ was drafted in 1994. Decentralization and participatory democracy were implemented simultaneously. Two hundred new municipalities were created. There were only 114 before 1994, and covered only the urban fraction of the territory. Actually, only 24 of them did function¹⁷. The central Government initiated important transfers of resources to municipalities, and citizen participation in the planning and budgeting process was a condition imposed on all local Governments. The stake of popular participation is the development plan of the municipality, which includes the budgeting process, but stresses the definition of medium- and long-range development strategies.

13.300 popular organizations of peasants, indians and urban dwellers started to participate, and have elected delegates to local *Vigilance Committees*¹⁸. These are authorized by the law to initiate legal action against local mayors, with the purpose of suspending the transfer of funds from the Central government to the municipality, in the event of irregularities. This gives them a large power in the determination of local investments. However, the lack of gradualism in this punishment has proved to be an important difficulty¹⁹, sometimes preventing its efficient use. From the start of the process, popular participation was viewed as a complement of representative democracy,

¹⁶ Law 1551, April 20th, 1994.

¹⁷ Molina C. H., interview July 26 2001.

¹⁸ Ministerio (2000), p. 369.

¹⁹ Interviews with C. H. Molina; M. Galindo; the vice-president of the La Paz Vigilance Committee, and the president of the Santa Cruz Committee, July 2001.

and was intended to integrate indian and farmers' communities to economic and social decision-making²⁰. Indians have gained local power in some small municipalities, where the population is composed of an overwhelming majority of ethnic groups; in other locations, they are in minority, and conflicts have arisen; in a few municipalities (Convención, for instance), political agreements have been reached between indians and mestizos²¹.

The formulation of municipal development plans has the purpose of identifying social demands at each level in three stages: diagnosis, definition of a strategic vision of development and setting priorities on demands. In the entire process, committee's members are directly involved. The final result of the deliberation may not coincide with the plan approved by the City Council, but that is one case where the participatory Committee may initiate legal action for the suspension of transfers to the municipality²². The City Council may in turn apply the "Constructive vote of censorship", a mechanism to revoke the election of the mayor by the City Council. Other large projects, especially those funded by international sources, require a participatory tag.

The planning process starts with a promotional workshop organized by local authorities; it is followed by diagnostic workshops; sub-local (district-level) validation and definition of district priorities; a municipal workshop aggregates district-level demands and negotiates them with the authorities; a technical team systematizes diagnostic, elaborates a program proposal and an execution strategy; finally, a city workshop validates the proposal²³.

Planning at the department level is today in the hands of provincial leaders. Each Department has designed its own consultation process. The National Development Plan is drafted by the central Government, and consultations are made with sectors and regions.

In all phases of the participatory planning process, representatives of social organizations are the main actors. Open assemblies may take place, but decisions are made by those previously elected as members of the Vigilance Committees. Participatory democracy in Bolivia may thus be characterized as *Type II participatory democracy*, according to Table 1.

The stake of the planning process is the entire municipal investment, though rigidities in the budget process may actually reduce the proportion of public resources determined by participatory processes. The central Government transfers 20 % of its income to municipalities. An estimated 38 % of total public investment is today carried out locally and therefore subject to participatory deliberation²⁴. An important part of resources coming from foreign debt alleviation in 2001 will also be invested locally and discussed by Vigilance Committees.

²⁰ Galindo (2000).

²¹ Interview with C. H. Molina, July 2001.

²² Ministerio (2001b). p 45-46.

²³ Galindo (2000).

²⁴ Interview with F. Caballero, July 2001.

Participatory schemes have had an unequal development in different regions. In small towns there is usually more popular participation than in large cities. Nonetheless, in Cochabamba the process has been strong from the start; in La Paz, the creation of sub-districts may improve relatively low rates of participation observed today; small municipalities have started to associate. At the beginning of the process, mayors succeeded in co-opting the members of the participatory committees. Later, a reform giving independent funds for committees to operate (Law 2028 of 1999, creating the Social Control Fund) is judged to have increased their independence²⁵.

Participatory planning in Colombia

The Constitution of 1991 created the National Participatory Planning Council, and one Territorial Council in each of the 32 departments and 1067 municipalities. It also created a National Participatory Planning System. A decentralization process that had started in the middle of the eighties was reinforced and transfers of central resources to local Governments for investment, especially in health and education, were significantly increased. Law 152, approved by Congress in 1994, defined composition and functions of these Councils in more precise terms, though limiting the design originally intended by the Constitutional Assembly²⁶. Plans are initially drafted by the Executive (at the municipal, departmental and national levels), discussed by Participatory Councils, reviewed by the Executive, and then approved by the Legislative body of each level.

Representatives of regions, population fractions, and economic, social and educational and cultural organizations are members of these councils and convoke their constituencies. They are appointed by the Executive (mayor, governor or President), out of three of candidates proposed by social organizations. They prepare non-compulsory concepts on developing plans prepared by the Executive for the nation, departments and municipalities. No legal coercive instrument sustains their oversight of plan implementation. Nonetheless, the political influence of these councils has at times gone beyond their purely recommendatory functions, both at the national level and in those localities where counselors maintain a close relationship with their constituencies. Other democratic reforms have complemented participatory planning. Popular initiatives may be submitted to referenda; mayors and governors are now elected and citizens may revoke their election; if elected, these officials are legally bound to follow the programs they had presented when they were candidates (programmatic vote). The concepts of the council about development plans are recommendatory but in the case of territorial plans (*planes de ordenamiento territorial*) require the council's sanction to be approved.

Participatory planning councils have had varied experiences. In some localities and departments, they have simply played the formal role of drafting an approving concept. In others, substantial modifications of plans have followed recommendations by

²⁵ Same interview.

²⁶ Angarita (1997).

participatory councils. Conflicts between participatory councils and City councils, Departmental assemblies and national Congress are also frequent.

Estimations of the number of participants in the planning processes of Colombia are well below the numbers of participants in Bolivia and Brazil²⁷. The limited power of an otherwise constitutionally defined structure partly explains this narrower participation. An adaptive reaction of various Governmental agencies “fearing a concentration of power in the councils of the National Planning System, has been the proliferation of sector participatory councils with no force or cohesion”²⁸. Participatory planning councils, on the other hand, have had an important influence on the programmatic agendas of mayors. In 2000, in more than one hundred municipalities, participatory planning councils persuaded several or all candidates for mayor in each municipality to sign agendas agreed upon in participatory assemblies. Guerilla and right-wing paramilitary groups have usually been hostile to participatory democracy and have weakened decentralization through violence exerted on elected mayors²⁹.

Though participatory councils customarily convoke open popular assemblies at all levels, appointed counselors make decisions. The scheme may thus be considered as *Type II participatory democracy*. The fact that counselors are not elected but appointed by the executive branch of Government, from three at each level substantially restrict participatory democracy. A *National Participatory Planning System*, gathering councils and appointed counselors from all levels countrywide, has had an autonomous development, and was initially convoked by the National Participatory Planning Council.

Comparing institutions

A comparative description of the features of participatory democratic mechanisms in Brazil, Bolivia and Colombia is now presented. Different dimensions are used for this purpose, allowing to comprehend similarities and major differences between these schemes.

The three countries share common traits in the design of participatory democracy mechanisms. Colombia and Bolivia have unitary Constitutions claiming decentralization as a principle, while Brazil is a Federation of States. Nonetheless, participation was developed in conjunction with decentralization reforms in the three countries; decentralization seems to be a necessary precondition of participatory democracy, since the level where it seems to work best is local. Deliberation is present as a mechanism to obtain consensus. The main decisions at stake concern public investment. Changes in information and incentives have occurred: incentives for obtaining better information have been embodied in decision-making, and have fostered a longer run vision in public officials; revelation of citizen preferences has improved, and officials have more

²⁷ Consejo Nacional de Planeación (1999).

²⁸ Forero (2000), p. 13. Eleven sector-bound participatory systems have been created by central Government agencies.

²⁹ Forero (2000).

incentives to inform the public about their projects. Principles invoked to justify participation are similar: better identification of social demands, development of synergies, governance, and transparency in decision-making and in the execution of projects. There are, nonetheless, substantial differences in the (formal) design and (informal) practice of participatory democracy in these countries.

The Colombian scheme of participatory planning is a Constitutional mandate; in Bolivia, it is a mandate of the law, and in Brazil it is the policy practiced by a national political party in more than one half of the local jurisdictions where it won elections (mayors from other parties have also adopted participatory budgeting). The ranking of participation in the legal pyramid, however, is not necessarily directly related to the stability that can be anticipated for these processes, given the high frequency of Constitutional reforms in Colombia.

In most Brazilian cities, the process starts with direct citizen participation in open assemblies, and becomes representative towards the end of the first stage. In Colombia and Bolivia, participation starts with the election of representatives from sectors and sub-regions. Even though it is customary that these representatives hold public hearings, it is not a functional characteristic of those schemes, as it is in Brazil.

In Colombia and Bolivia participation is centered on development plans (their budgetary consequences included), while in Brazil citizens decide directly on the budget, without a formal planning process. In practice, Bolivian Committees have had an important influence on the budgets, but it has not been the same in Colombia.

In Bolivia and Brazil, citizen will is mandatory at the local level, while in Colombia it is not. In the latter case, participatory bodies are bound to use their political influence and citizen pressure to induce governments to accept their recommendations. But the way to make citizen will mandatory is not the same in Bolivia and Brazil. The main power of participating citizens in Bolivia is the possibility they have to suspend the transfer of funds from the central Government to local executives. It is reinforced by the possibility that City Councils have to revoke the election of the mayor by the Council, through the “constructive vote of censorship”³⁰. The procedure to enforce the suspension of transfers is complicated. The City Council, the Departmental Assembly and even the national Senate have to intervene. This may take six months and sometimes one year, just as the reversion of the suspension that has to go through a similar process, once the cause of the suspension has been removed. In Brazil, the power of participatory assemblies and councils stems from a voluntary concession of the mayor, who accepts to cede to participating citizens his power to propose a global budget to the City Council and his power to choose specific projects to execute that budget.

In Bolivia, the process starts with the election of representatives of grass-root organizations and sub-district representatives to the participatory process. In Colombia, three of candidates are proposed by civil society organizations of each sector and the Executive picks counselors among those candidates. In Brazil, the Executive convokes an

³⁰ An analysis of the use of this instrument countrywide is made in Ministerio (1999a).

open assembly of citizens. Priorities are discussed in these assemblies and, after that, delegates and counselors are elected. In a second stage, elected counselors approve the budget proposal made by the mayor, based on the participatory exercise.

Conflicts between mayors and participatory bodies are more frequent in Colombia and Bolivia than in Brazil³¹. One could advance some reasons for that. One is that the Constitution and the Law make it compulsory for all mayors in the country (and in the case of Colombia, governors and the President) to submit their plans to participatory bodies. In Brazil, it is the decision of the mayor to cede part of his power to citizens. Given that participation is a right in Colombia and Bolivia, and a concession of the Executive in Brazil, claims of participants are more prone to conflict in the first two countries.

In Brazil, there have been few attempts to coordinate the action of different local participatory budgeting processes. Except for exchanges of experiences and a minimum level of coordination between state and municipal participatory budgeting in Rio Grande do Sul, the processes have been carried in total independence. In the case of Bolivia this has been different. Departmental planning involves representatives from participatory committees at the local level. More importantly, some municipalities are forming *mancomunidades*, allowing them to undertake larger scale investment common projects. However, national planning is mainly a Governmental exercise with little consultation of non-governmental associations. In the case of Colombia, a National Participatory Planning System exists. The inability of Central Government to coordinate regionally and locally elected governors and mayors has opened a possibility for participatory councils of the three levels to promote coordination, and some initial steps have been taken in this direction³². Still, coordination among levels of participatory planning and between neighboring municipalities and departments seems to be an unsolved problem in all three countries.

There are costs of the political process of participatory democracy. But, as the Bolivian experience shows, the share of these costs that Governments have to assume is very low compared to the amount of public investment decided upon through participatory processes. The cost of supporting the process, paying consultants and providing education to participants, has been of 16 million US\$. 7 more millions have been spent in planning, accounting, and education of local officials. This is a small fraction of investments for 2.000 million dollars that have been discussed in participatory bodies in the past seven years in Bolivia³³. National participatory planning cost the Colombian Government only US \$ 750.000 in the presidential term 1998-2002³⁴.

³¹ See Ministerio (1999b) and IEPRI (1996) p. 19 for analysis of these conflicts in Bolivia and Colombia respectively.

³² Forero (2000).

³³ Interview with F. Caballero, July 24th 2001.

³⁴ Consejo Nacional de Planeación Participativa.

Information and Incentives

Participatory planning and budgeting are instruments allowing to solve both information and incentive problems of the political system of these countries. Participatory planning modifies information equilibria. It has been shown that decentralization improves overall information availability for decision-making³⁵. However, the implicit assumption of that argument is that local agents are either individuals or else units with an internal governance structure that perfectly ensure the transmission of information from individuals, families or small sub-communities to that “local” level. This is actually not so in practice. Decentralization, even when decision-making power is transferred to elected local authorities is not a sufficient condition to reach all the information available to citizens within that local unit. On the other hand, participatory mechanisms often include social control devices. As a larger group of citizens gets in closer contact with budgets and plans, their appraisal of authorities performance improves, setting an incentive for better government.

Citizen participation is thus a mechanism improving revelation of preferences and their use in public investment decisions. In an analysis of the Bolivian decentralization experience, that went hand in hand with participatory democracy reforms, Faguet (2000) showed both an improvement of the quality of public investments and the increase of budgets allocated to social sectors, especially education and health. Though it is not the case in all places, the repeated election of mayors from the Workers Party in Porto Alegre and many other municipalities in Brazil show satisfaction with the procedure on the part of voters. Reciprocally, the Workers Party keeps Participatory Budgeting as a political banner. Local public officials attribute the political yield of this policy to a closer two-way communication with the population, in those cities where participatory budgeting is practiced³⁶. In Colombia, changes in development plans by mayors, governors and at the national level, have resulted from criticisms expressed in the concepts of Participatory Planning Councils³⁷. Both citizens are better informed about projects being carried out and about limitations of the budget, and public officials gather more precise information on specific demands of each sub-region or district.

Elected Governments practicing participatory democracy have better political incentives. Political networks flourish in the case of Porto Alegre, where participatory budgeting is commonly associated with the party promoting it. Also, a greater visibility of Government action is ensured across the population and on the media.

Participating citizens have the incentive of influencing public expenditure and ensuring it brings benefits to their own community. Many leaders of participatory processes have been later elected as mayors and, in at least five cases, governors in Colombia. The

³⁵ For a review of this literature, see Forero et al. (1997), chapter 3.

³⁶ Interviews with Coordinator of Gaplan in Porto Alegre, and Coordinator of Participatory Budgeting in Sao Paulo, July 30th and August 1st 2001.

³⁷ IEPRI (1996), p. 21.

presidents of two vigilance committees in Bolivia expressed in interviews that popular participation could be the starting point of their political careers³⁸.

Initial conditions and permanent traces on institutional design

In all countries studied, initial conditions played an important role in shaping the specific form of participatory democracy adopted. Circumstances and apparently temporary situations left permanent traces on participatory schemes.

When, in 1989, the Workers Party gained power in Porto Alegre (Brazil), the city was in the middle of a financial crisis. 98 % of the budget remaining after paying the debt went to paying the bureaucracy³⁹. The political banner was that of “inverting investment priorities” and expectations of change were widely diffused among community organizations and the workers movement. The decision of the elected party was to discuss the financial situation in the public arena and ask the population to help finding a way out of the financial crisis. The center of the discussion was then the annual budget. Participatory budgeting was thus devised for the discussion of annual budgeting. Even today, the center of the discussion is the budget for next year, though meetings have started to discuss strategies of development covering a wider horizon. Cities adopting participatory budgeting in more recent times, such as Sao Paulo, have also put an emphasis on annual budgets, perhaps because the experience of other municipalities has been built around this stake.

In Bolivia, popular participation took place simultaneously with decentralization. A positive feedback for both processes resulted from this. Participatory democracy, in the form of vigilance committees, was seen by mayors as associated to fund transfers from the central Government and, in two thirds of municipalities, to their recognition as such. Bolivia had been late to decentralize its Government, but this came to be an advantage: popular support for decentralization is large and participatory planning seems to be quite solid. The two processes sustain each other, and make it more difficult, though not impossible, to reverse the reforms.

When Colombia drafted a new Constitution in 1991, the composition of the Constitutional Assembly was peculiar. First, the call for election prohibited that members of Congress be elected to this Assembly. Second, a guerilla group (M-19) had signed peace and was at the top of its political popularity. Many reforms included in the new Constitution reflect the absence of traditional political classes in the Assembly. One of them is precisely participatory democracy. As a result, when this new leadership left room for the old to take over Parliament (the old circuits of electoral power weighted heavy since the first parliamentary elections after the new Constitution, and the M-19 lost many of the seats it had in the Assembly), a process of counter-reform started to take place. Hearings of the Congress in 1995 show the mistrust of parliamentary politics for participatory democracy, which some view as a competition. Also, a movement towards

³⁸ July 24th and July 26th, 2001.

³⁹ Interview with Gaplan Coordinator,

decelerating the process of decentralization took place. The Constitutional mandate to increase the share of transfers to local and regional Governments was finally reversed in 2001, after several previous intents. In a way, the political situation in which participatory democracy and a deepening of decentralization were approved in 1991 was peculiar, and these reforms did not receive support from traditional leaderships, who felt had been “caught by assault” in 1991.

Other conflicts with representative democracy

This is not the only instance of confrontation between participatory and representative democracy, neither in Colombia, nor in the other countries under study. In Colombia, the relationship of the Executive with the participatory planning councils presents a wide variety of situations. Some mayors have made important changes to their own development plans in response to recommendations by participatory councils; others have refused to pay attention to suggestions from these bodies. In one city, the participatory council drafted a plan different from that of the mayor, and the City Council decided to approve the participatory plan rather than the draft of the Executive.⁴⁰

In Bolivia, the main confrontations of vigilance committees are with mayors. In 1997 and 1998, a total of 250 processes were initiated by vigilance committees against mayors⁴¹. Instability of mayors has been identified as a chronic problem, often associated with the existence of popular participation schemes and the “constructive vote of censorship”⁴². This instability may also be seen as a positive result of this new institutions, for problems of mismanagement of corruption that traditionally did not reach the public are now the object of citizen debate.

In Brazil, conflict between mayors and participatory budgeting councils are not common. However, *vereadores* (members of the City Council) often try to introduce in the global budget they approve projects of their own interest that have not been approved by the assemblies in regions and districts⁴³. Mayors obtain the support of the participatory budgeting council to reject these changes.

Ambiguity, Policy Risk and Sustainability

In a study on *Audacious Reforms* in Latin America, Grindle (2000) wonders why, if participatory reforms increase ambiguity and risk about decision making in the future, political leaders are still willing to support them. The reason why this author believes ambiguity and risk increase with this type of reforms is that “They generally expand the number of people who are making decisions about the distribution of political power, the number of political offices available, and the possibility that distinct parties or interests can capture or claim these positions. Thus, they increase the competition over future

⁴⁰ Sudarsky (2001) has shown for the case of Colombia that there is no observable relationship between “a weak participatory democracy and a dislocated representative democracy” p. 272.

⁴¹ Ministerio (1999b), p.20.

⁴² Ministerio (1999c), p. 23.

⁴³ Council of Participatory Budgeting, session of July 31st 2001.

possibilities to maintain power or influence policy” (p. 24). The question could also be put in global terms. Does participatory democracy raise overall uncertainty, risk and ambiguity? Some decisions by participatory bodies in these countries would show that a straight answer to this question is not easy.

In Colombia, in 1995 the National Participatory Planning Council discussed about rural security cooperatives, a policy proposed by the Government to help self-defense initiatives of medium and rich peasants. Despite the representation in the Council of a very varied set of sectors, ranging from labor unions and peasant organizations to corporations of industry and agriculture, the initial polarization of the discussion opened into a consensus, deeper and more objective analysis of the issue and the consequences of this policy. In the newly inaugurated process of participatory budgeting in Sao Paulo, the easy election of four counselors out of 41 delegates in one sub region of the city contrasted with the difficulties to obtain consensus in the neighboring sub region, where six delegates had to elect four counselors. These experiences cast doubts about some aspects of that question, as they show that diversity does not necessarily mean more difficulty to obtain consensus. The collegiate and deliberative process of decision making of assemblies, councils and committees might actually foster continuity of policy, though – as suggested by Grindle – the individual interests of politicians are not secured under the new institutional settings.

Governance

An increasing weakness of national Governments is an observed trend in many countries of Latin America. The issue of governance in these countries is in the agenda of many political parties and independent candidates in the subcontinent. Participatory democratic reforms are one of the instruments considered or recently drafted in the laws of these countries, and one of the reasons invoked for this inclusion is governance. Large strategic projects, especially those that involve decentralized actions on the part of civil society, may have a better chance of success, if discussed and approved within the channels of participatory democracy. The information provided to the public in this process may make citizens receive the signals that are necessary to have their individual actions converge towards the macro-directions indicated by Governments.

Participatory assemblies, councils and committees are not only a scenario to build consensus between civil society and Government. They are also the arenas for the arbitrage of conflicting interests among different sectors of society. In participatory democracy, this arbitrage is not done through the channels of lobby to members of a parliamentary body, but in an open scenario. Inequalities in economic power may make less of a difference on political decision-making in a well-organized system of participatory democracy than in traditional representative democracy with lobby.

Participatory democracy vs. checks and balances

Patrimonialism, corporatism and clientelism are weakened by participatory democracy reforms. In the case of patrimonialism, public discussion of projects directly prevents arbitrary decision-making on the part of an Executive considering public issues as their own personal matter. The cost of prebends necessary for individual political survival increases as the number of participants is larger, and this makes patrimonialism less likely to be sustained by politicians.

Under clientelism, the number of persons and sectors to whom a local politician has to dedicate part of the budget in order to obtain their political support increases with participatory democracy, and induces a switch from offers of private benefits to offers of public goods⁴⁴. Also, it takes away the power of allocating resources to specific projects of those needing votes to be elected as political representatives. Both these changes would be in harmony with the emergence of modern political institutions. However, this result critically depends on a large number of sectors involved in the participatory process and a large number of grass-root organizations in each sector or, in the case of participatory schemes based on open assemblies and territorial rather than corporate election of delegates, large assemblies.

Corporatism is also challenged by participatory democracy, provided grass-root organizations are active in the participatory process and prevent corporate hierarchies to take over. In municipal scenarios this is more likely to occur. If participatory planning or budgeting is carried out at regional or national levels, the risk of representation by hierarchies with weak connections with communities and grass-root organizations is larger.

In practice, these analytical hypotheses are, at least partially, verified in the three countries under study. Public discussion of small investment projects in Brazil is effectively preventing the appropriation by *vereadores* of those public resources to obtain political gains⁴⁵. In the case of the more moderate participatory reforms of Colombia, in municipalities and regions like *Magdalena Medio*, where popular participation is large, the effect of participatory democracy on local investment is remarkable⁴⁶, and mayors and Legislative bodies respect recommendations of participatory councils. In municipalities where participation is poor and there is a weak development of civil society, the mere existence of participatory formal rules has proved to be innocuous⁴⁷. In Bolivia, though participatory vigilance committees are corporately formed, there is a great difference between traditional corporatism of powerful national organizations, with little popular base-support, and the participation of thousands of newly registered grass-root organizations in vigilance committees⁴⁸.

⁴⁴ Acemoglu and Robinson (2000) develop a model where an inverse relationship between the size of voting constituency and clientelism appears.

⁴⁵ As clearly shown in the session of July 31st 2001 of the Porto Alegre Council of Participatory Budgeting. The Council rejected several proposals by *vereadores* (members of the local Legislative chamber) to change the city budget.

⁴⁶ Hernández (2001).

⁴⁷ Forero (2000).

⁴⁸ According to C. H. Molina, this makes the difference between corporatism and the new participatory democracy institutions. Interview, July (2001).

One question is whether participatory democracy is dispensable for public decision-making and control. In large modern societies, this institutional design problem has been solved through institutions of representative democracy coupled with the separation of powers and a system regulated by checks and balances. This is often seen as the only way to diminish the risks of representative democratic institutions. However, when political relations have not evolved into contractual rules and civic republicanism - as it is the case of societies under patrimonialism, clientelism or corporatism - and when a cognitive gap prevents modernization⁴⁹, checks and balances are no guarantee for political institutions to be efficient. When public matters are taken as personal, as in patrimonialism, the checks and balances of a formal representative democracy rule may foster an oligarchy. When favors are exchanged for political support, and this relationship is accepted as part of the political game, there is no reason why it should not affect also controlling powers. When political power is in the hands of powerful exclusive corporations, private interests may collude in detriment of the public.

The experiences of Brazil, Bolivia and Colombia show that there are alternatives to the principle of checks and balances, which might weaken patrimonial, clientele and corporate relations. Instead of creating large and powerful control bodies, requiring themselves further control, vigilance committees and participatory councils may exert a more efficient control over Government, when the risk of collusion among powers is not ruled out. Besides control, participatory bodies ensure a better-informed process of decision-making. The diversity found in assemblies and collegiate bodies of participatory democracy has been shown to be an additional resource that might improve the quality of public policy. Nonetheless, formal participatory democracy may also fail as a regulatory system when the number of participants is small and when the relationship between participatory and representative democracy is weak.

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⁴⁹ Sudarsky (2001) emphasizes the importance of education as a precondition for the emergence of civic republicanism.

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TABLE 1

TYPES OF DEMOCRACY

	No citizen deliberation	Citizen deliberation
With intermediaries	Representative (parliamentary, presidentialist)	P-II. With interacting elected authority <i>(Colombia Bolivia)</i> P-III <i>(Federative Processes)</i>
Without intermediaries	Referendum	Pure Direct Democracy <i>(Brazil) 1st Stage Agora etc.</i> P-I. With interacting elected authority

Without Interacting Elected Authority

P-I, P-II and P-III are types of participatory democracy.