

Participation, Transparency and Accountability:  
Innovations in South Korea, Brazil, and the Philippines

Brian Wampler

[bwampler@boisestate.edu](mailto:bwampler@boisestate.edu)

Report written for the Global Initiative for Fiscal Transparency

Executive Summary:

Citizen participation in budgetary and other fiscal processes has been expanding at international, national, and local levels over the past 15 years. The direct participation of citizens, it is hoped, will improve governance, limit misuse of public funds, and produce more informed, engaged citizens. At the national level, reformist governments now encourage the direct engagement of citizens during multiple moments of the policy cycle—from initial policy formulation to the oversight of policy implementation. Reformist governments hope to take advantage of increased citizen participation to increase their legitimacy, thus allowing them to change spending and policy priorities, increase state effectiveness by make public bureaucrats more responsive to citizens and elected officials, and, finally, ensure that the quality of public services improves. During the 1980s and 1990s, many subnational governments took advantage of policy decentralization to experiment with new institutional types. Direct citizen participation has been most robust at subnational levels due to the decreased costs and the greater direct impact of citizens on policymaking.

In this report, sprawling concept of participation is broken down into four categories: Voice, Vet, Vote, and Veto. This approach permits us to better conceptualize the significant variation in the degree of authority exercised by citizens in budgetary and fiscal processes. Research conducted for this report finds that voice and vet are the most commonly extended forms of participation, with vote and veto being added to the mix when the institutions have been established more recently and when civil society organizations (CSOs) are involved in designing the new polities.

The main purpose of this report is to examine how three countries, South Korea, Brazil, and the Philippines, have made extensive efforts to create new institutions and policies that encourage the participation of citizens and CSOs in complex policy processes. South Korea developed an institutional arrangement based on policy experts, CSOs, and the Korean Development Institute. Brazil uses a model that relies extensively on the participation of citizens at multiple tiers of government. Finally, the Philippines use a mixed model that incorporates citizens and CSOs at national and subnational levels. The Global Initiative for Fiscal Transparency commissioned reports on these countries to better understand participation in national-level budgetary and fiscal policy arenas.

This report provides background information and analysis for members of the Global Initiative for Fiscal Transparency regarding the how countries, international coalitions, and international organizations have designed institutional reforms that allow for greater transparency and participation. Political reformers seeking to incorporate greater numbers of people into policymaking venues face a series of challenges. These include: (1) asymmetrical access to information as well as differing skills base to interpret information; (2) the difficulty of decision-making when groups grow in size; (3) a reduction in the importance of any single participant due to the greater number of participants; (4) political contestation over who has the right to participate; (5) who are the legitimate representatives of different groups; and (6) higher organizational costs (time, money, personnel). This report maps out how new participatory institutions and programs that are designed to help governments and their civil society allies draw citizens directly into decision-making processes.

To explain the variation in the type of participatory experiences now used by different countries, we identify four factors that most strongly affect the types of participation-oriented reforms as well as the results. These four factors include: (a) presidential-level support for reform, (b) the configuration of civil society, (c) state capacity and (d) the geo-political direction of reform (top-down/center –periphery vs. bottom-up/periphery/center. It is the combination of these four factors that most strongly explains the type of institutions adopted in each of these countries. This approach should help GIFT members and other interested readers draw from these experiences as they begin to think about how to adapt institutions for other social and political contexts.

## Introduction

The direct inclusion of citizens in budgetary and fiscal processes is intended to improve the quality of governance, public goods provisions, state effectiveness, and civil society engagement. There are three principal sources behind the effort to expand the role of citizen participation. First, citizens, non-governmental organizations, social movements, and community-based organizations are increasingly demanding greater participation in policy and political fora long dominated by national governments, international organizations, and private-public partnerships. Citizens and civil society organizations (CSOs) clamor for access to information, for the right to participate in public meetings, and the ability to monitor project implementation. CSOs advocate for the direct participation of citizens and CSOs in fiscal processes because, they often believe, the active engagement of civil society will help pressure governments to follow through on their commitments to open government, open budgets, and create transparent policymaking processes. Many CSOs expect, quite reasonably, that improvements in participation and transparency will enhance accountability, improve governance, and deepen the quality of democracy.

Second, reformist politicians and public officials, seeking to leverage the legitimacy and capacity of an organized civil society to solve pressing social and policy problems, are also promoting citizen participation. These officials have both policy and political incentives to directly incorporate citizens into participatory institutions. Direct citizen participation can provide additional legitimacy to help reformist governments alter budgetary priorities. The ongoing participation also provides a constant flow of signals between the national level government and CSOs, thus reducing information costs for the government. Reformist governments also promote participatory venues because this helps them to build a base of political support that may be activated during electoral processes. Finally, direct citizen participation can help national-level elites monitor policy implementation at the local level, thus increasing the likelihood that a government's policy reforms are implemented correctly. By incorporating citizens in process to monitor subnational and lower-tier public officials, state capacity can be improved because there is an additional accountability mechanism created.

Third, international organizations (e.g., World Bank Group, International Labor Organization, UN Habitat) are also likely to advocate for the direct participation of citizens. One reason is that international organizations seek to improve state capacity, which is increasingly recognized as being necessary to help countries obtain their developmental goals. Participation improves state capacity by changing the type of quality of inputs while also allowing citizens to engage in oversight of project implementation. International organizations also advocate for increased citizen participation as a means to empower citizens and CSOs and to generate denser networks of social capital. It is hoped that citizens and CSOs will be in a better place to hold governments accountable, thus increasing the likelihood that financial resources provided by donors will have a positive effect.

A common thread that runs through these organizations (CSO, governments and international organizations) is that they seek to design institutions that mobilize citizen participation to solve pressing policy and governance problems. Institutional designers have created a broad range of institutional rules and policies that address a wide range of social and policy problems; in each case, institutional designers attempt to create institutional incentives that permit citizens and government officials to work together. The direct participation of citizens is encouraged not because there is some sort of intrinsic good associated with the full engagement of citizens but

because it is believed that the direct engagement of citizens and CSOs can improve the quality of governance and improve people's lives. Participation is a core part of the solution rather than being some abstract public good.

Improving the quality of participation is increasingly intertwined with efforts to promote transparency in the functioning of governments, states, and public-private partnerships. Improving transparency requires action by public officials to provide timely and pertinent data that can be used by citizens and CSOs. However, transparency efforts need to be linked to participation because the release of data is just the first step. Participation is vital to ensure the quality of transparency because process of deciding what information is pertinent and what is a timely schedule for release is best not left to the discretion of government officials. More broadly, participation is necessary so that the information made available can be used to produce alternative policy proposals and solutions. After all, a "data dump" of information in the context of a disengaged or disinterested civil society means that "openness" will not result in improved government policies. Citizens and CSOs represent the demand-side of the policy debate, thus placing alternative issues on the political agenda.

"Supply-side" and "Demand-side" are concepts that have been modified to fit into the broader social development field. "Supply-side" refers to the policy initiatives launched by governments and international funders in order to solve policy problems. "Demand-side" refers to the policies initiatives and demands advanced by citizens and CSOs. Thus, in the broader frame of this report, "Transparency" can be conceptualized as what states and governments need to supply in order to enhance accountability. "Participation" can be conceptualized as the actions that citizens and CSOs need to carry out in order to enhance accountability.

Enhancing accountability involves changing the interactions among public officials, citizens and CSOs. Government officials must be willing to allow their actions to be scrutinized by non-state actors. These same non-state actors must be willing to invest the time and energy to carefully analyze the government officials' activities. Accountability is more likely to be established when government officials understand that they have a competitive and political edge to gain by opening themselves up to closer scrutiny. Governments may be more willing to promote transparency in those areas where they believe that open would be politically advantageous, which means that citizens and CSOs must pressure government officials to release broader sets of data.

This report was commissioned by the Global Initiative for Fiscal Transparency and has two key goals. First, this report introduces an analytical framework that allows policymakers and activists to better analyze the wide range of ways that citizens and CSOs can participate in budgetary and fiscal processes. To capture the varieties of participation, this report develops and applies a framework that captures four different facets of participation. The purpose of introducing this framework is to capture the range of ways that citizens and CSOs are incorporated into policymaking venues.

The second purpose is to highlight policy initiatives in Brazil, the Philippines, and South Korea. The report applies the analytical framework to these three countries, thus demonstrating how and why these countries adopted different institutions and policies. GIFT commissioned reports on each of these countries. Brazil's report was written by a team led by Dr. Marco Antonio Texeira, the Philippines was written by Dr. Francisco Magno, and the South Korea report was written by

Dr. Won-hee Lee and Dr. Jung-sung You. The main findings of each country report are included in this synthesis report, but interested readers are encouraged to read each country report to develop a more nuanced understanding of the roots of reform and the complexities of institutional change.

### **Varieties of Participation: Voice, Vet, Vote, and Veto**

Citizens engage in a variety of institutional and extra-institutional forms of participation. In democratic regimes, citizens vote to elect representatives at local, regional, and national levels. Citizens may also vote in special elections, such as referendums, plebiscites or recalls. Citizens also seek to influence powerholders by working within institutions and using activities such as lobbying, organizing petition drives, and presenting specific policy proposals. Participation is thus an ongoing activity in which citizens mobilize collectively to promote their interests. Of course, there is wide variation across political societies regarding the extent to which citizens are able to influence formal policy-making. Beyond institutions, contentious and protest politics are additional strategies used by citizens to place their claims on government officials, in front of their fellow citizens, and into the public eye (public sphere). Contentious politics tends to be used most frequently by groups who lack regular access to public institutions or have inadequate forms of political representative (Arab Spring, citizen mobilizations in Turkey and Brazil in 2013).

There are four facets of participation that are useful for our purposes: **Voice, Vet, Vote, Veto**. Each facet captures a different type of participation that can occur within formal participatory processes. Establishing these four facets was inspired by Arnstein's ladder of participation (1969) and Fung's work on deliberation and participation (2006). Of course, citizens use these participatory venues but they also use other venues such as voting, contentious politics, lobbying, and community-building. But our focus is on how citizens participate in budgetary and policy processes.

**Voice**—The ability of citizens to express ideas, preferences, and opinions within and parallel to formal state-sanctioned bodies. At the broadest level, citizens and CSOs exercise voice to expand the range of issues that are being addressed by public officials. More narrowly, citizens and CSOs draw attention to specific problems. Deliberative forms of public decision-making can be used to allow citizens to express their policy processes. The formal meetings allow citizens and CSOs to strengthen their civil society networks as well as be included in existing policy networks.

**Vet**—The ability of citizens to review documents and information provided by government officials. These documents may include policy proposal, bidding contracts, revenue collection, ongoing implementation of public works projects, and finally, project completion. Citizens need to have a base of skills to evaluate the information provided in the documents and they must then have the skills to engage with public officials over the meaning of the information provided.

When citizens have the ability to vet government proposals, their voice may be more targeted and policy-driven. The vetting process allows citizens to engage public officials and stakeholder on the specific policy issues.

**Vote**—Citizens vote on policy proposals that emerge from civil society or from the government. A “binding” vote would be the strongest form of vote; it entails a public vote being translated into direct action. A “consultative” vote might be on general policy lines. Citizens and CSOs have a more direct impact on policy when they are able to express their preferences through state-sanctioned votes.

Exercising robust forms of vote requires institutions that first build voice and vet processes. Citizens and CSOs are able to exercise more dynamic and informed participation if and when they use vetting and voice process to

**Veto:** Citizens and citizens have the authority to reject policy proposals, year-end reports, and audits. This authority is a type of vote, but is different because citizens and CSOs are not voting for specific policy proposals but they are rejecting government programs and activities. We can conceptualize these as being similar to a Presidential veto whereby the president reject legislation approved by the legislative branch.

Veto obviously builds on voice and vet. Citizens CSOs must make extensive use of their “vet” authority to understand government proposals. Voice is a helpful mechanisms to generate support inside and outside of public arenas.

In sum, these four concepts provide the means to assess how institutions permit citizens and CSOs to engage in fiscal and budgetary policymaking. Citizens and CSOs exercise very different types of authority across participatory institutions. In some cases, citizens have the authority to express their opinions and interests, which is an important advance. In other cases, citizens are much more actively involved in monitoring the implementation of public goods and social services, which is also an important advance. The four facets of participation enable us to capture how government reformers and their civil society allies are able to engage each other in new and innovative ways at different moments of the policy cycle.

## **Civil Society**

A wide range of citizens and CSOs are interested in participating in complex policymaking tasks. These actors include individual citizens, civil society leaders representing specific communities, leaders of broader social movements, policy think-tanks, and, finally, policy and legal experts. Each of the aforementioned groups is distinct from government officials, but we need to strongly emphasize the heterogeneity of the different actors who represent “civil society.” Each of these actors has a very different type of legitimacy, which is directly related to their knowledge base, their type of policy expertise, and the deliberative/moral basis of their claims. A common political dispute in participatory institutions involves the question, “Who is the legitimate representative of civil society?” There are no easy answers to this question due to the heterogeneity of civil society. Governments implementing new participatory institutions need to

place this question at the fore of discussions as they seek to build support for new participatory institutions; governments and CSOs need to adapt existing institutions to address questions that have long been at the fore of democratic participation: Should decisions be made by majority rule? How can the interests of minority voting groups be addressed? Should participation be based on the individual or the group? What knowledge is necessary for participants to make decisions? When should participatory institutions defer to elite and expert opinion? Should citizens be able to block the initiatives of government officials? If so, what are the specific parameters?

At subnational levels, many participants are more likely to be ordinary citizens who have extensive knowledge of local conditions but have weaker technical skills. These leaders leverage local knowledge to help public officials make better decisions regarding the allocation of scarce resources. Programs that emphasize the direct involvement of citizens in local decision-making process include “Community-Driven Development” and Participatory Budgeting. Locally-based community leaders also derive their legitimacy from their ability to mobilize their fellow citizens.

At the national-level, there is greater emphasis on technical, legal and policy-specific knowledge. As a result, it is far less likely that citizens from low-income and low-education levels will directly participate. There are two interesting facets to how these individuals are likely to participate. First, ordinary citizens are included in local-level events that are linked to national-level events. There is a scaling-up process, whereby citizens participate in local forums but their ideas and interests are then carried into state and national-level forums. Second, citizens express “voice” in very broad terms, allowing them to be supportive of general policy priorities. There can be great variation in the type of voice that citizens can exercise, from voting on the selection of specific public work works to voting on broad, general priorities.

Direct participation in national-level policy and budgetary debates are much more likely to involve NGOs and social movements that seek to represent the interests of specific communities or policy communities. Ordinary citizens are less likely to participate at the national-level, although ordinary citizens can participate in nation-wide processes. NGOs often seek to become the public face of interests that are not adequately represented in policy and political debates. They seek to combine policy expertise with an ideological/moral commitment to transforming. Policy experts are another group of non-state actors who are likely to directly participate. These citizens, often university professors and think-tank researchers, have a base of legitimacy based on their formal knowledge. They may position themselves as being non-partisan policy experts or they may position them as well-informed experts who are advocating on behalf of specific policy issues.

Finally, civil society and citizen participation includes a wide range of actors within different skills, interests, and capacities. We should expect that the difference in knowledge and information citizens is quite distinct. But we also need to recognize that it is possible to draw on different types of knowledge at different points of the policymaking process. Some decisions and participation modes may be best left to citizens at the point of policy implementation whereas other policies may require specific knowledge that requires the involvement of highly trained CSO staff.

Thus, it is a reasonable expectation that the adoption of participatory institutions will be accompanied by ongoing debates regarding who should represent civil society. As these programs consolidate and grow in importance, groups that feel as though their interests are not properly represented will likely clamor for policy changes that increase their voice and vote. Thus, we should expect that governments and their initial group of CSO allies will need to be willing to change how citizens and CSOs are able to participate.

## **Scaling-Up**

Incorporating citizens and CSOs/NGOs into national and international decision-making processes remains a hard-to-solve policy problem. As participation scales up, to the national and international from the local, it becomes more difficult for individual-level citizens to be able to participate directly. Participation by individuals at subnational level often appears to be more feasible than at the national-level due to (1) lower information costs, (2) ability for participant to see the impact of their participation, (3) smaller numbers of potential participants and interests represented, and (4) lower organizational costs.

As participation scales upward, CSOs are likely to become the “voice” of civil society. Political reformers seeking to incorporate greater numbers of people into policymaking venues face a series of challenges. These include: (1) asymmetrical access to information as well as differing skills base to interpret information; (2) the difficulty of decision-making when groups grow in size; (3) a reduction in the importance of any single participant due to the greater number of participants; (4) political contestation over who has the right to participate; (5) who are the legitimate representatives of different groups; and (6) higher organizational costs (i.e., time, money, personnel).

How might we know that a CSO is a legitimate representative of a broader range of CSOs? What is the process through which CSOs are empowered to act on behalf of citizens or other CSOs? Government officials, selected through their country’s political rules, carry a degree of legitimacy that they are often unwilling to share with citizens and CSOs. Social movements have the legitimacy of large numbers of people. Most CSOs, especially those advocating on behalf of specific policy issues, don’t have a simple way to demonstrate the legitimacy of their claims. This problem is exacerbated when CSOs rely on resources from international sources, creating an opportunity for government officials to attack CSOs as being the agents of IFIs or Foundations.

From a policy perspective, the challenge is to design participatory processes that induce a wide-range of citizens and CSOs to participate while simultaneously recognizing that they are one additional voice struggling to be heard in a complex policy-making process. Brazil, South Korea and the Philippines illustrate how governments are adopting different strategies to incorporate citizens and CSOS. The participatory programs set up in all three countries are crafted to tap into multiple voices emanating from civil society. This problem is more acute at national and international levels than at the local level because there are a wider range of CSOs who believe that they should have access to formal decision-making venues.

With regard to representation, an ongoing problem faced by CSOs is degree to which they are representative of broader constituencies. Many CSOs claim to be working on behalf of particular groups or policy issues (e.g., sustainability) but there is no real way to verify those claims. Electoral mechanisms are often used in representative democracy as a means to hold leaders accountable as well as to provide a clear source of legitimacy for elected officials. Most CSOs lack these clear accountability mechanisms, which makes it difficult to renew leadership. One strategy to side-step this dilemma is to acknowledge that CSOs' claim to be representative of larger publics is based on their policy expertise, their advocacy work on behalf of groups typically excluded from elite decision-making, and their long-time engagement in the policy arena.

From a policy perspective, the challenge is to design participatory processes that allow CSOs to demonstrate how they are representative of broader publics and constituencies. This may involve the use of elections, relying on elected officials to appoint well-known groups, or through a long-term commitment to the policy arena.

Finally, the issue of which CSOs are able to participate in new decision-making fora is highly contested. There will be limited number of spots available for CSOs to participate. We would expect government officials to encourage the participation of CSOs that they are their allies. Government officials would likely resist the participation of CSOs that are aligned with political groups that are hostile to the incumbent government. A real dilemma for the scaling-up of participation is the selection process of CSOs.

From a policy perspective, the challenge is to design participatory processes that allow for multiple voices to be included. This might involve incorporating interested CSOs into different moments of the process. It might involve asking independent policy experts to score the independence and capacity of participating CSOs. There is no simple formula that allows us to certify whether a broad range of CSOs are included in new decision-making venues, but this must be on our agenda.

Governments and their civil society allies would do well to start by asking the "so what" question. What is the problem that participation could help to solve? Is it corruption? Weak empowerment? Closed policymaking processes? Political exclusion? These problems can be addressed through different institutional arrangements. This report should enable GIFT and its working relationship with the Open Government Partnership to have a better sense of institutional arrangements that would permit governments and CSOs to design institutions that meet their needs.

## Major international initiatives

The Global Initiative for Fiscal Transparency is part of growing international movement that focuses on transparency, participation, and accountability. Over the past twenty years, international coalitions, international organizations, and country-level governments have been increasingly open to these three interrelated themes. Our research team identified six categories of international coalitions or organizations that seek to engage citizen participation in the policy-making process. Given the diversity of the coalitions and organizations, we find that there are wide differences in how the six different types of organizations incorporate citizen participation.

Table 1  
Participation, Transparency, and Accountability Movement

Type	Examples	Facets of participation
International coalitions: Strong government involvement	Open Government Partnership; Extractive Industries Transparency Initiative	Voice and vet
International coalitions: Strong CSO involvement	World Commission on Dams	Voice, Vet, Vote and Veto are included
Development Banks	World Bank <ul style="list-style-type: none"> <li>• Demand for Good Governance</li> <li>• Community Driven Development</li> <li>• Poverty Reduction and Performance Management</li> </ul>	Local-level opportunities for voice, vet, vote and veto; Greater inclusion of “Demand-side” policies
United Nations	International Labor Organization; UN Habitat	ILO 169 requires voice, vet, vote and veto; UN Habitat provides local-level opportunities for voice, vet, vote and veto
Trade Organizations	WTO, NAFTA	Legal, expert-oriented voice; increasing vet
Sporting Association	IOC, FIFA	Limited voice and vet at international level; Local committees set rules for local participation

This overview highlights that there are three broad categories of participation used by these organizations

- Limited voice with some vetting
  - CSOs may be able to register complaints, attend public hearings

- CSOs gain access to basic information
- Voice and vet
  - CSOs and, sometimes, citizens, have the ability to access information that they can use to inform the ideas and interests they are able to convey in public, deliberative processes.
- Voice, vet, vote, and veto are combined.
  - CSOs and citizens are able to engage in prior consent mechanisms processes.
  - Citizens can vote on specific issues.

In our research review, we found that the direct incorporation of CSOs during the planning stages of new international body is strongly correlated with increased citizen participation. For example, the International Labor Organizations was set up in the 1940s with the tripartite involvement of UN member states, labor organizations and private corporations. On the other extreme, the World Trade Organization was set up with no formal involvement of CSOs, which helps to explain why CSOs have such limited formal involvement in the WTO.

GIFT cuts across the first three categories due the founding membership of the International Budget Partnership, the World Bank Group, the International Monetary Fund, and the governments of Brazil and the Philippines. This provides a unique opportunity for GIFT to leverage the political and policy strengths of three different types of institutions. The countries, international organizations, and CSOs working with GIFT should be able to look to the World Commission on Dams, the International Labor Organization, the Open Government Partnership and the Extractive Industries Transparency Initiatives as the most viable models for reform.

## **Section 2: Case Studies**

Many national-level governments now allow citizen participation in budgetary and fiscal processes. To gain a more nuanced understanding of how national-level countries are engaging citizens, we selected three countries for further analysis: South Korea, Brazil, and Philippines. This case selection has proven to be fortuitous because each country is now using a broad array of programs to better promote transparency, participation and accountability. We should note that these countries are on the cutting-edge of reform, which helps us to understand the possibilities and parameters of change.

There are several noteworthy similarities among the three countries that help to explain why the government officials and CSOs are leading the effort to broaden participation and transparency. All three countries had authoritarian regimes in the 1960s, 1970s, and 1980s, transitioned to democratic regimes in the late 1980s, witnesses the renewal of civil society, promulgated new constitutions and promoted extensive decentralization.

Table 2: Key Similarities

	South Korea	Brazil	Philippines
Year of New Constitution	1988	1988	1988
Decentralization reform	1995	1988	1991
Renewal of Civil society	Labor and student opposition during late 1980s	Mass-based participation to military regime during 1980s	Mass-based opposition to President Marcos during 1980s

Democratic Transitions: South Korea, Brazil and the Philippines all transitioned to democratic regimes during the 1980s. South Korea's had a military-led government that was dominated by General Park Chung-hee (1963-1979). General Park's time was office was marked by broad expansion of South Korea's industrial base, the strengthening of the state, repressive control over society, and a hardline approach toward North Korea. During Park's 18 years in office, South Korea moved away from a poor, agricultural-oriented economy to a more sophisticated industrial base (Kohli 2004).

Brazil experienced military authoritarian rule from 1964 to 1985. During this period, there was no single strongman, as in South Korea and the Philippines. Rather, a series of military generals served as president, thus helping to distribute power and authority more broadly across the federal structure. During the late 1960s and early 1970s, the military government oversaw rapid economic growth (The Brazilian Miracle). The military authoritarian regime was most repressive during the 1967-1972 period, but many military officers sought a slow transition back to civilian rule.

The Philippines experienced authoritarian rule from 1965-1986. President Ferdinand Marcos was first elected in 1965 and then re-elected in 1969. He imposed martial law in 1972, thus greatly restricting personal freedoms and consolidating authority in his office. President Marcos deepened connections to the United States, providing support during the Vietnam War. President Marcos's government was plagued by massive corruption and the expansion of military official into a broad range of business affairs.

The degree of state building was sharply different across the three countries. President Marcos expanded and centralized authority in his own hands, but he didn't strengthen basic state institutions. The Brazilian military strengthened institutions that were of particular strategic and political interests, but they largely neglected building social service institutions. General Park built a strong and capable state, worked closely with private capital, and invested in basic social services. In sum, a fundamental difference of the countries is how each authoritarian regime built its local state.

Renewal of civil society In South Korea, students, labor organizers, and an opposition political party led the renewal of civil society. According to Sun-Hyuk Kim, "most scholars of Korean

democratization have subscribed to the view that Korea's democratic transition was primarily mass-driven" (Kim, 2000: 4). Mass protests, according to Kim, exacerbated disagreements within elite politics, leading to constitutional reform and democratization.

In Brazil, a broad-based movement of "new unionism," students, and social movements led the renewal of civil society. Demands for protection of basic human rights, democratization, and the extension of citizenship rights were the broader meta-frame. Brazil's transition was initiated by the military in 1974, but CSOs shaped the pace and the depth of the reforms.

In the Philippines, there was limited development of an oppositional civil society. Unions were weak, strong repression fragmented incipient civil society organizations, and there were limited student protests. However, there was considerable elite contestation, most notably from Benigno Aquino, Jr., a long-time political rival of President Marcos. Aquino returned to the Philippines from self-imposed exile in the United States; he was removed by military officers from the plane when he landed. Marcos was assassinated on the tarmac. From 1983 to 1986, there was an effort to organize civil society opposition to Marcos. In 1986, a presidential election was held, which Marcos claimed to win amidst wide-spread allegations of vote fraud. In response, high mobilization of civil society and intra-elite conflict pushed President Marcos from power.

In sum, Brazil and South Korea's renewal of civil society were similar to each other. Both countries experienced a growth of union, student, and social movement organizing. Civil society mobilization was much weaker in the Philippines, although there was a strong response to the assassination of Benigno Aquino, Jr.

Decentralization and New Constitutions: The promulgation of new constitutions and the decentralization of resources and authority to subnational governments are intertwined in all three countries.

In South Korea, the 1988 Constitution was passed, thus establishing a transition to democratic rule. It was approved by 93% of the population in 1987. It was a revision of the existing constitution rather than an overhaul. There are two key differences that distinguish this constitution from its predecessors. First, there is a greater emphasis on individual rights. Second, they established a Constitutional Court, thus establishing an independent body that would be specifically charged with assessing constitutional issues. Full local autonomy began somewhat later, in 1995, and allowed for the direct election of governors, mayors, and legislators.

In Brazil, a new constitution was written by a group of sitting legislators. The 1988 Constitution decentralized service delivery provisions to states and municipalities, allowed for direct participation of citizens in formal decision-making venues, and established a wide range of social rights. Many of the rights included in the document are "aspirational," inasmuch they are policy goals (e.g., right to education, right to housing) rather than guarantees of specific rights and freedoms. Decentralization was supported by conservative, traditional legislators who sought to increase their control over local politics, especially in rural areas, as well as by leftist groups who understand decentralization as a means to empower citizens, deepen democracy and promote innovations.

In the Philippines, newly elected President Corazon Aquino established a Constitutional Commission, charged with drafting a new constitution. The Philippines Constitution follows the

model of the United States, with the traditional three branches of government. The 1988 Constitution expanded the set of constitutional guarantees for individual rights and there was limited extension of social rights. Importantly, the 1988 Constitution provides for increased political autonomy for local governments. This decentralization would be further extended in 1991.

Election of Reform-oriented Presidents: Each country has elected presidents who are strongly committed to the participation and transparency agenda. In South Korea, Presidents Kim and Roh, were members of the political opposition. During their time in office, they established a series of institutional reforms that promote participation. In Brazil, President Cardoso (1995-2002) focused on transparency mechanisms with limited support for participation, while Presidents Lula (2003-2008) and Dilma (2009-) focused much more extensively on participation reforms. In the Philippines, President Aquino (1986-1992) and current President B Aquino took the most strident steps reform of basic institutions.

There are several key differences among the countries that must be highlighted. First, state capacity varies greatly, which is an important difference regarding the ability of public servants to promote transparency and participatory programs. In more capable states, public servants have the resources and training to provide timely services as well as run programs that incorporate citizens. South Korea has the most capable state. The rapid industrialization of the 1960s and 1970s depended on the extensive involvement of the state.

Brazil's state capacity is much more mixed. In some policy arenas (e.g., building regional jets; launching satellites), the state is highly successful at achieving its goals. In other areas (e.g., basic education, housing), the state has been unable to achieve its goals. The Philippines have the weakest state capacity of the three countries. The state struggles to provide basic goods in vast swaths of its territory. Therefore, given the importance of state capacity, we would expect South Korea to have data-oriented transparency programs that allow for different types of participation.

Table 3: Key Differences

	South Korea	Brazil	Philippines
State Capacity	High	Mixed and fragmented. High variation across regions and policy arenas.	Mixed and fragmented. High variation across regions and policy arenas.
Social Cleavages	Low	Moderate to High	High
Human Development Index, 2012	.909	.730	.654
Civil society Technical at Time of Democratic Transition	Moderate	Moderate to low	Low
Current Civil society Technical Capacity	High	Moderate	Mixed—Small cluster of NGOs with high capacity

Second, citizens’ access to public goods and national income varied significantly over time and across the three countries. South Korea, of course, industrialized from the 1960s through the 1980s, producing a middle class as well as a relatively well-paid working class. Basic education was provided by the state during industrialization. As a result of the economic growth, there are fewer intense cleavages among the Korean people than in Brazil or the Philippines.

Brazil also experienced tremendous economic growth in the 1960s and early 1970s, but the 1980s are commonly known as the “lost decade.” The 1990s brought economic stabilization and limited growth. Brazil has famously grown over the past 15 years. Just as in South Korea, the 1960s industrialization produced a middle class as well as a relatively well-paid working class. But Brazil is infamously known as one of the world’s most unequal countries, with high levels of wealth and deep poverty. Poverty is deepest in rural areas, in the North and Northeast of the country, and among migrants to urban areas. Good quality K-12 education is largely provided by private markets; the state has been unable to provide decent public education to a majority of its citizens.

The Philippines have not achieved the level of industrialization of Brazil or South Korea. The Philippines has boomed economically for much of the past decade, in large part due to remittances spent by Philippine citizens working overseas. The Philippine state has been less successful at promoting inclusive growth and broad access to education and health services. Of the three countries under review, the Philippines has the highest levels poverty, stark divisions between rural and urban, significant cleavages in a multi-ethnic society, as well as religious conflict among the Catholic majority and a Muslim minority. There are two armed groups that seek separation (Muslim groups in south) or regime change (armed leftists).

The Open Budget Survey, administered by the International Budget Project, offers an excellent opportunity to compare these three countries. The data demonstrate that South Korea has made

the most progress adopting institutional reforms that promote citizen participation. The Philippines have recently adopted a number of positive reforms. Interestingly and perhaps a bit ironically, a world-wide leader in participatory reforms, Brazil, has made very little formal progress in promoting citizen participation in national-level fiscal processes.

Table 4  
Open Budget Survey, 2012

	South Korea	Brazil	Philippines
Overall Score on Index	75	71	48
Participation Score	92	36	53
Formal requirement for public participation	Exists and is strong	Exists but could be improved	Exists but could be improved
Mechanisms developed by the executive for participation during budget <b>planning</b>	Exists but could be improved	Exists but could be improved	Exists but could be improved
Mechanisms developed by the executive for participation during budget <b>execution</b>	Exists and is strong	Does not exist	Exists but could be improved
Feedback by the executive on use of inputs provided by the public	Exists but could be improved	Does not exist	Exists but could be improved

Source: Open Budget Survey Index 2012; International Budget Project

Table 4, above, captures the variation among the three countries. South Korea has institutionalized a series of changes that now allow citizens to participate in fiscal policies. As the case study below demonstrates, this is an expert-based participation rather than the direct involvement of ordinary citizens. Brazil scores relatively high on the Open Budget Survey Index, but ranks much lower on the participation component of the index. From the vantage point of participation, this is a surprising finding because Brazil is an incubator of participatory innovations. Finally, the Philippines scores higher on the participation score than the overall score, which illuminates that the national government has now implemented a series of programs and policies that specifically draw citizens into fiscal issues.

Overall, this case selection is fortuitous due to an interesting combination of similarities among the three countries as well as key divergences. The similarities (Table 2) among the three countries help to explain why each is on the cutting-edge of reforms. And the differences (Tables

3 and 4) help us to account for the variation in how each country adopted new policies and institutions.

### **Brazil: Mass-Based Participation and Multi-Channel State-Building**

Multiple reform efforts over the past 20 years, led Presidents Fernando Henrique Cardoso, Luis Ignacio Lula da Silva, and Dilma Rouseff, have expanded the number, quality and capacity of the Brazilian state to promote transparency and to encourage participation. There has been a dazzling array of institution building in an effort to promote transparency and participation. As noted above, Brazil has a fairly capable state, which means that there is a fairly solid institutional structure that new institutions can be built on and, importantly, that the state provides a wide range of policies that citizens and CSOs seek to influence.

President Cardoso (1995-2002), working within a neo-liberal economic framework, focused his reform efforts on downsizing the state, privatizing state-owned companies and banks, and requiring that states and municipalities clean up their financial houses. Within the framework of this report and the broader GIFT project, we should note that President Cardoso focused more extensively on transparency-related reforms, with some emphasis on participation. The Cardoso administration helped implement the “Fiscal Responsibility Law,” which required subnational governments to spend federal transfers in specific ways (25% on education and 25% on health care) as well as to establish transparent accounting mechanisms. Brazil’s 1988 Constitution allowed for citizen participation and accompanying legislation began to require participation in a couple of areas. Thus, the Cardoso administration oversaw the expansion of participatory institutions but didn't wholeheartedly embrace the expansion of participatory institutions.

Presidents Lula da Silva (2003-2008) and Dilma Rouseff (2009-) took a different reform track, one that has much more strongly emphasized participation, and, to a lesser degree, transparency. Their reform efforts have focused on building the institutional structures that will permit citizens and CSOs to participate in formal decision-making processes. The most important advances are the expansion of the public policy management councils and public policy conferences. Citizens and government officials work together to promote new policies.

### **Participatory Innovations**

During the 1990s and 2000s, Brazil greatly expanded the number of participatory venues, thus allowing citizens to engage in a wider range of policymaking venues. There are now four types of participatory institutions that allow citizens to engage in budgetary processes: Participatory Budgeting (mainly municipal), Public Policy Management Councils (Federalist structure, from municipal to state to federal), Public Policy Conferences (Federalist structure, from municipal to state to federal) and pluriannual budget planning (Federal, State and local).

Brazil’s political system has a strong executive system. The legislature can successfully block the executive but legislators face significant difficulty acting as equal partners in the governing

process. In the decentralization and reform efforts of the past thirty years, there has been a greater emphasis to engage citizens to improve governance. Most of the reform efforts have focused on bringing citizens officials directly into programs housed in the executive branch.

Participating Budgeting:

Participatory budgeting is a year-long decision-making process through which citizens negotiate among themselves and with government officials in organized meetings over the allocation of new capital investment spending on public work projects, such as health care clinics, schools, and street paving. It is mainly adopted at the municipal level, although one state (Rio Grande do Sul) has adopted it at two different moments. Several hundred municipalities voluntarily adopted a participatory budgeting program in the 1990s or 2000s; between 2001-2004, upwards of 25% of Brazil’s population lived in a city with PB (Wampler and Avritzer 2005). Participatory budgeting is the best-known participatory program outside of Brazil (Abers 2000, Avritzer 2002 and 2009; Baiocchi 2005; Goldfrank 2011; Nylen 2003; Wampler 2007). When PB is adopted, it is quite common for significant adaptations to be undertaken to create a better match between rules and local conditions (Baiocchi et al 2011).

Our research and policy field has benefited from the careful tracking of participatory programs since PB was formally launched in 1990.

Table 5  
# of PB programs per mayoral period  
Municipalities with at least 50,000 residents

Mayoral period	Total PB cases	Total municipalities	% adopting
1989-1992	11	448	2%
1993-1996	30	484	6%
1997-2000	63	495	13%
2001-2004	136	545	25%
2005-2008	126	575	22%
2009-2012	112	604	19%

Source: Spada and Wampler; Avritzer and Wampler 2005

Table 5, above, demonstrates the spread of PB between 1990 and 2012. Half of the PB cases were administered by Workers’ Party governments, which highlights the centrality of the PT to the adoption of PB as well as the willingness of other political parties to adopt this new program.

PB programs have successfully drawn low-income, undereducated citizens into leadership positions (Wampler 2007; Avritzer 2009; Baiocchi 2005; Baiocchi et al 2011). Evidence from Porto Alegre and Belo Horizonte also suggests that the majority of ordinary participants are also from low-income households. Thus, the broader body of evidence demonstrates that PB programs are achieving their goal of inducing new actors into formal policymaking venues.

Aldemir Marquetti conducted pioneering research in this field. Marquetti drew from the city of Porto Alegre to demonstrate that public work projects selected through OP were being allocated to the poorest neighborhoods. Marquetti argues “an analysis of the 1990-2004 period shows that PB has a redistributive effect: the poorest regions received a greater number of public works and social service on a per capita basis. Priority was given to the poorest regions of the city in the distribution of public investments, which represents an important change in how the state acts as well as the type of public policies adopted” (2009: 53). Marquetti’s work thus demonstrates that PB can be used to allocate resources in novel ways.

To overcome the pitfalls associated with single-case studies, several studies apply quantitative analysis to large-N case studies. Research published by the World Bank shows that participatory budgeting is positively and strongly associated with improvements in poverty rates and the percentage of houses with access to indoor plumbing and piped water (World Bank Report, 2008, pp. 86–92). Mike Touchton and Wampler studied the impact of PB on a range of social and government performance indicators among cities with at least 100,000 residents between 1990 and 2008.

“Our study of Brazilian municipalities shows a positive relationship between participatory budgeting and three critical aspects of any effort to improve well-being. First, our research connects the presence of PB to increases in healthcare and sanitation spending, an important first step in improving outcomes. Second, our research connects PB to decreases in infant mortality- an important outcome. Finally, our research identifies a potential explanation connecting healthcare spending to healthcare outcomes under participatory budgeting: the increased number of civil society organizations in municipalities practicing participatory budgeting” (Forthcoming, Comparative Political Studies).

In sum, the changes in spending priorities, in conjunction with the new institutional format, indicate shifts in basic governance. This evidence demonstrates what many proponents of PB had long asserted: PB programs would change spending priorities and produce new forms of governance.

### **Public Policy Management Councils**

These are established at local, state, and federal levels of government in a variety of policy arenas. As of 2011, there were at least 65,000 municipal councils in existence (Barretto 2011). There are now at least 300,000 citizens elected to these positions; they are volunteering this time to be involved in these state-sanctioned policy-making bodies. It is probable that many of these councils performed at very low levels because the majority of the councils have been implemented in municipalities with less than 15,000 residents. Many councils are now required by the federal government as a condition for the transfer of federal funds.

#### **Council Framework and Rules:**

Distribution of seats: It most often the case that government officials comprise 50% of the councils and that civil society comprises the other 50%. Civil Society is most often a

combination of social movements, community-based organizations, and unions. There can also be limited representation for private companies and policy experts.

Fiscal Authority: Council members, typically, must approve the proposed budget within their policy arena. This gives them the authority to alter or, potentially, reject budgets proposed by mayors, governors and presidents. We should note that the 50% composition of executive appointees on most councils means that this the veto (rejection) is unlikely. Councils members must also approve the previous year’s fiscal report, without which the local government may not be eligible to receive federal transfer. Finally, governments may need to reallocate resources among different budget lines. Importantly, the government doesn’t have to go to

The evidence on impact of these institutions is limited, and, where it does exist, suggestive of limited influence on policymaking outcomes.

Table 6  
Public Policy Management Councils in Brazil

	1999	2006	2009	2011	Required
Education	5010	3760	4403	4718	Yes
Health Care	5425	5541 (2005)	5417	5553	Yes
Kids	3948	4622	5084	5446	Yes
Child Protection Services	3011	5167	5472	5521	Yes
Social Assistance	5036	5497 (2005)	5527	5527 (2009)	Yes
Fundef/FUNDEB	--	5372	5267	5462	Yes
Local Schools	5425	5541 (2005)	5417	4243	Yes
School Nutrition		5375	5466	5303	Yes
School Transportation		2165	2201	1367	No
Bolsa Família			3761		
Environment	1176	2039 (2004)	3124		No
Watershed		2829 (2004)	1428		No
Housing	439	979 (2005)	2373	2360	No
All Others	2943	9141	10,284	5057	No
Total	32,413	58,028	65,224	50,557	

Source: IBGE and MUNIC 2011; Barreto 2011: 225.

Table 6 above demonstrates the explosion of councils over the past twenty-years in Brazil. The number of councils doubled between 1999 and 2009. This increase was partially induced by the federal government, as the fiscal transfers often require that municipalities had public policy management councils.

The evidence in Table 7, below, clearly demonstrates that the voluntary adoption of councils is taking place in larger municipalities. Interestingly, there is a steady and consistent increase in the percentage of municipalities adopting or more councils as the municipality grows in size. The evidence in these two tables indicates that medium and large municipalities across the country are voluntarily adopting participatory institutions.

Table 7  
Voluntarily Adopting Councils

Municipality Size, by # of residents	No councils	One council adopted	More than 2 councils	Total Municipalities
Less than 5,000	791 (61%)	429 (33%)	83 (6%)	1303
5001-10,000	641 (53%)	470 39%	101 (8%)	1212
10,001-20,000	627 (45%)	557 (40%)	215 (15%)	1399
20,001-50,000	333 (32%)	383 (37%)	327 (31%)	1043
50,001-100,000	50 (15%)	84 (26%)	190 (59%)	324
100,001-500,000	5 (2%)	26 (11%)	214 (87%)	245
More than 500,000	1 (2%)	1 (2%)	36 (96%)	38

Source: IBGE and Munic 2011; Barreto 2011

In sum, this evidence demonstrates that mid-to-large sized municipalities are adopting a broad number of participatory venues. Adopting and building new democratic institutions is thus more related to the size of the municipality than its region. The implication of this finding is that democratic institutions are being built in those cities where most Brazilians live.

National-level council system: One way to measure the extent to which public policy management councils are embedded in a broader interlocking system is to assess the degree to which councilors believe that they can positively affect other institutions. Brazil's Applied Economics Institute, a government research center, administered a survey to national-level councilors that included three questions pertinent to the concept of interlocking institutions: (i) Capacity to influence the National Congress; (ii) capacity to influence the ministry in which the councils is housed (e.g., national health council in Health Ministry); and (iii) capacity to influence other ministries. Most significantly, the survey results demonstrates that "Nearly 75% of the councilors believe that they have a 'significant' or 'very significant' impact on the relevant agency"(IPEA 2012: 47).

Table 8  
National Councilors' perceptions of their influence on other institutions  
% reporting

Councilors' Policy arena	National Congress	Ministry	Other ministries	Civil Society Organizations
Social Policy	35	71	42	61
Human Rights	50	66	63	69
Economic Development	31	73	38	65
Infrastructure and	32	88	39	56

natural resources				
-------------------	--	--	--	--

Source: IPEA 2012: 72-73.

This data demonstrates that national councilors believe that their political engagement through the council has a positive and significant effect on the ministry that they are inserted. The arena in which the councilors perceive that they have the weakest influence is on the national congress. In the context of Brazil’s relatively strong executive branch, this demonstrates that the councilors’ perceptions are in line with the strategies employed by legislators. It is far more important for those interested in attempting to create policy change to align themselves with the executive branch than it is to align themselves with the legislature.

We can also conceptualize institutions being linked through the activities of specific individuals. Individuals are ligatures between federal, state, and municipal councils as well as well between each level of government and the complementary institutional agencies. Evidence to demonstrate these linkages are few, but we do have a few examples. At the national level, evidence from a survey administered by IPEA in 2010 among 737 of Brazil’s national-level council members demonstrates that the overwhelming majority were currently serving on another council or had previously served on a council (IPEA p 23). In addition, 70% participate or had participated in other council, which indicates that the council members link different parts of the new participatory architecture. Finally, nearly 90% of the respondents assert that they have extensive contact with their bases (IPEA 2013: 3) This is additional evidence that demonstrates that the councils are linked to a broader spectrum of organization.

In sum, the evidence presented demonstrates that national health care councilors view themselves—and the councils—as being embedded in a broader policymaking environment. These councils are not isolated but are part of a growing fabric of interlocking institutions.

### Pluriannual Planning Process

When Lula campaigned for the Presidency in 2002, he committed his party to establishing a country-level Participatory Budgeting process. Once the Workers’ Party was in office, President Lula backed away from this commitment. In the 2012 Open Budget Survey, Brazil scored poorly because the government choose to emphasize participation in the realm of the multi-year planning process rather than in the annual budget. Presidents Lula and Dilma promoted participation in the multi-year planning process, which helps to establish priorities for each presidential administration. This process occurs in an executive’s first year in office (2003, 2007, 2011) and applies to the rest of the executive’s term in office and the first year of the subsequent administration.

The participatory model used in 2011 builds on the national-level public policy management councils. The Ministry of Planning is responsible for convening a series of meetings over the course of the year (May, October, November). The Ministry of Planning is responsible for providing the necessary information (vet) and establishing the general themes around which their work would be organized: (a) Economic Development, Administrative reform and Infrastructure; (b) Social Development; (c) Eradication of Poverty and (d) Rights and Citizenship.

The first round of meetings (May) focuses on proposals made by civil society organizations. In the most recent version of the pluriannual plan (2012-2015), delegates were selected from states and national public policy management councils. There were 350 civil society delegates. At a national meeting, the civil society delegates divided into work groups where they developed policy proposal around the aforementioned themes.

In the second round of meetings (October), the government provided information about which projects are included in the PPA. In 2011, 77% of the proposals were incorporated into the Federal Multi-year plan and another 20% were partially incorporated. Thus, just 3% of the CSO proposals were not included in the multi-year plan. The final stage of this process involves setting up a monitoring process of the multi-year plan. Thus, the CSO participants involved in the process would monitor government implementation.

The evidence is this last PP demonstrates that citizens' and CSOs' decisions can be incorporated into policymaking processes. We lack, however, data on whether the decisions made in pluriannual plan will be implemented by Brazil's federal government.

### Policy conferences

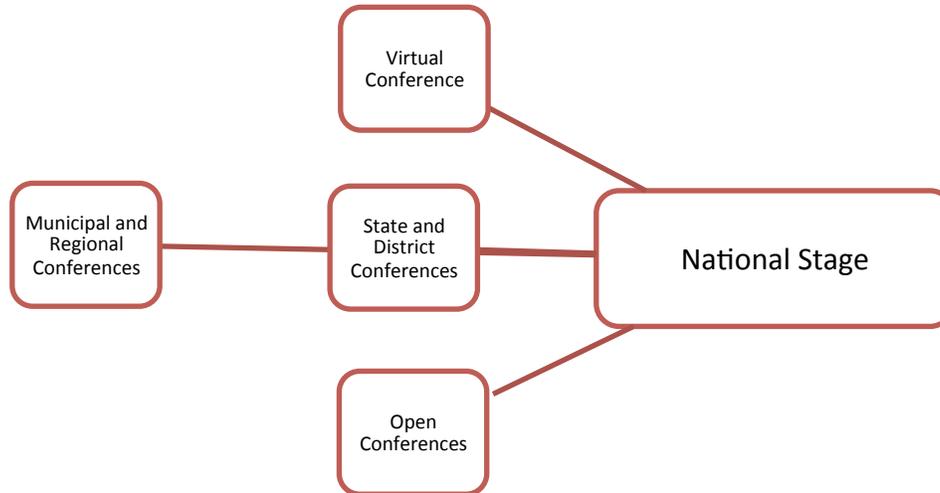
During the 2003 and 2010 period, between 5 and 7 million people participated in the 74 national policy conferences (Pogrebinschi, 2012 10; Avritzer 2012: 12). Most of the participation occurred at the municipal level. There has been an explosion of research on national conferences in the past 5 years. I have not conducted any of my own original resources on national conferences, but I believe that these institutions fit quite nicely into the broader scheme of interlocking institutions. From a civil society or "interface socioinstitucional" perspective, the millions of Brazilian citizens now participating in a policymaking process that links federal, state, and municipalities (Pires and Vaz 2011).

Thamy Pogrebinschi has made the most systematic effort to show a potential impact, attempting to show how the conferences affect the policies of the executive and legislative branches. She argues "Our data reveals that 69% of deliberations during President Lula's government focused on the duties and responsibilities of the executive branch (2012: 26)." Thus, if the conferences were having an effect on the policy agenda of the executive, we would expect to find a response. In a different paper, Pogrebinschi documents: "In 2003, when national conferences only addressing human rights of children and adolescents took place, 12 presidential decrees relating to those issues were issued. In 2009, after each minority group had its own issue-specific national conference, the number of presidential decrees that matches conferences' guidelines increased to 224" (2012: 23-24). This is compelling evidence to suggest that the executive branch is drawing from the conferences as it sets policies.

In 2012, the Brazilian government held the first National Conference on Transparency and Social Control. More than 150,000 people participated at various levels. The institutional design on the conference is laid out in Figure 1.

Figure 1

Institutional design of 1<sup>st</sup> National Conference on Transparency and Social Control



Source: Teixeira et al

The principal result of the 1<sup>st</sup> CONSOCIAL was the consolidation of a document with eighty proposals/guidelines, prioritizing at least ten in each thematic area of the conference. The intention was that the proposals and guidelines of the conference process formed the foundation of a National Plan on Transparency and Social Control. Therefore, the final report of the 1<sup>st</sup> CONSOCIAL was forward to the public authorities of the three levels of government. The institutional design structure used above is representative of national policy conferences used over the past decade.

### Open Budget Survey, 2012

Brazil's low "participation" scores in the 2012 Open Budget Survey (see Table 3, above) are best explained by two factors. First, that national government of Brazil invested significant resources into building a mass-based participatory system. Within these new participatory formats, there are ongoing deliberations around policy and budgetary issues. Many of these programs take place at subnational levels. However, these were not directly built into the national-level budgetary process. Brazil incorporated millions of people into multiple venues, whereby they could debate on policy issues, but they were not directly involved in federal budgetary processes.

The second reason that Brazil scores poorly on the participation index is that the national government has been unwilling to fundamentally reform national-level budgetary processes. From a policy standpoint, this is a reasonable position because the public policy management

councils and the national conferences address these issues. However, from a political perspective, we can see that the federal government uses the national budget to help build stable majorities in Congress. Thus, Brazil's multi-party system and the executive's desire to create a stable governing majority has discouraged the past three presidents (Cardoso, Lula, Dilma) from significantly changing national-level budgetary processes.

### Voice, Vet, Vote, and Veto in Brazil

**Voice:** The Brazilian national government has greatly expanded the level of voice in the political system. Citizens and CSOs have a broad range of institutions in which they participate to have their voices heard. Millions of citizens participated in 80+ policy conferences and more than 300,000 citizens are elected to public policy management councils. Finally, hundreds of thousands of citizens directly participate in Participatory Budgeting programs. There is more limited voice in the annual budget process as the government sought to incorporate citizens into the multi-year planning project.

**Vet:** Brazil's sprawling federal state makes it difficult to clearly establish the extent to which transparency is being developed. We can see increased transparency in the Fiscal Responsibility Law, the Transparency Portal of the Supreme Audit Institution, and the Federal Ombudsman.

**Vote:** Brazilian citizens and CSOs have several different types of vote. In the council system, they have the ability to vote on new policy proposals. There are formally established councils at the municipal, state and federal levels. Citizens can also exercise vote in the conference conferences, although people are voting on general policy priorities rather than specific, binding policy proposals.

**Veto:** Citizens elected as representatives to the national public policy management councils can reject government policy proposal. This power of a veto is not absolute, but requires that a majority of councils form a voting bloc in opposition to the government's proposals. On a practical level, this is a daunting task, but the possibility of deliberation and debate induces both governments and citizens to be prepared to debate and negotiate over policy proposals.

### **Conclusion: Brazil's Mass-based participatory reforms**

Brazil's significant expansion of participatory venues has its roots in the renewal of civil society and the emergence of new, reformist political parties. From 1995 through today, Brazil has had three Presidents (5 mandates) that have sought to alter the institutional rules to promote participation and transparency. Thus, elected presidents have leveraged a fairly capable state and a modern constitutional framework to advance an agenda that promotes participation and reform. A key limitation is that these three Presidents have been largely unwilling to reform national-level budgetary processes. Citizens and CSOs do participate in budgetary debates, but those occur within specific policy arenas rather than being focused on national-level policies. What are the key lessons?

First, strong commitments from three successive presidents was a central reason while Brazil has been able to engage in reform. Although President Cardoso (PSDB) and Presidents Lula (PT) and Dilma (PT) are partisan rivals, a common thread that runs through their time in office is an effort to redesign policymaking processes to promote transparency and participation. As noted above, these reform efforts were much more timid in the area of the national-budget. Brazil's Federal government now uses a multi-channel approach to engaging the public. Some of the new institutions mirror Brazil's federal structure, with policy engagement occurring at state, local and national levels (i.e., policy conferences, public policy management councils). Other new institutions processes occur across the federal government (i.e., multi-year planning process).

Second, participatory programs were first tried at the local level. These innovations were derived from the joint efforts of newly elected municipal governments and their civil society allies. The renewal of civil society during the 1980s produced a broad number of activist citizens who are willing to engage in these participatory venues. The wide-spread mobilization moved inside state institutions. Institutional change was thus initiated at subnational levels. This allowed local politicians and their civil society allies to create policy programs that match their policy and political needs. President Cardoso's administration supported the national-level health councils, but the dramatic expansion of programs really took place under Presidents Lula and Dilma.

Third, having a capable state is vital because it permits the "supply-side" part of participation to function well. Preparing information and holding broad numbers of participatory institutions is demanding, especially in a large country of 200 million citizens. This is also important because the Brazilian state has the capacity and the financial resources to implement projects debated during the participatory processes.

## **South Korea: Institutional Restructuring and Expert-based participation**

South Korea has experienced dramatic changes in transparency and participation since its transition to democratic rule in the 1980s. The changes were initiated during the late 1990s under Presidents Kim Young-sam (1993-1998), Kim Dae-Jung (1998-2003) and accelerated under Roh Moo-hyun (2003-2008).

Three watershed events produced significant momentum for budget transparency and participation: The democratic transition in 1987, the introduction of the full local autonomy in 1995, and the financial crisis and change of government parties in 1997. The democratic transition in 1987 played a decisive role in enhancing participation in political process by empowering the citizenry and the legislature. The introduction of local autonomy laid the foundation for development of public participation in local affairs, including participatory budgeting. Local autonomy empowered grassroots local NGOs, and the monitoring of the budget waste and the practice of participatory budgeting spread throughout the country over time.

During the democratic transition in 1987, many CSOs were created and citizens' demand for transparency in government increased. Among the newly organized CSOs, Citizens' Coalition for Economic Justice (CCEJ) and People's Solidarity for Participatory Democracy (PSPD) were particularly active and influential. In the context of civil society renewal, Korea also has a long history of bureaucratic dominance. The power of bureaucracy over civil society was overwhelming. It has been very difficult to change the relationship between the bureaucracy and civil society. The situation began to change in 1987 with the democratic transition. But more dramatic changes were made beginning in 2003 with the inauguration of a liberal reform-minded president.

With this historical background, many of the participatory mechanisms were made under the administration of President Roh (2003-2007), who chose "participatory government" as the guiding theme of his administration. The intense involvement of the Roh administration now means that these institutions will face changes in their relative importance when there is a change in the president. For example, some advisory committees created under President to improve the budget process were abolished under President Lee.

This illustrates that improvements in budget transparency and participation are not always constant; we now see that the institutional change led by the reformists presidents and their civil society allies was not strong enough to prevent significant setbacks when the conservative government took power. This shows the weakness of executive constraints, or legislative checks over the executive, in Korea. In particular, the president can quite easily exploit legal loopholes and use presidential decree power to make legal exceptions to promote his or her agenda.

## **Principal Innovations**

Over the past twenty years, South Korea implemented a series of initiatives that expand how and where citizens and CSOs can engage in budgetary and policy decision-making processes. This was initiated at the national level by the administration of President Kim Young-sam (1993-

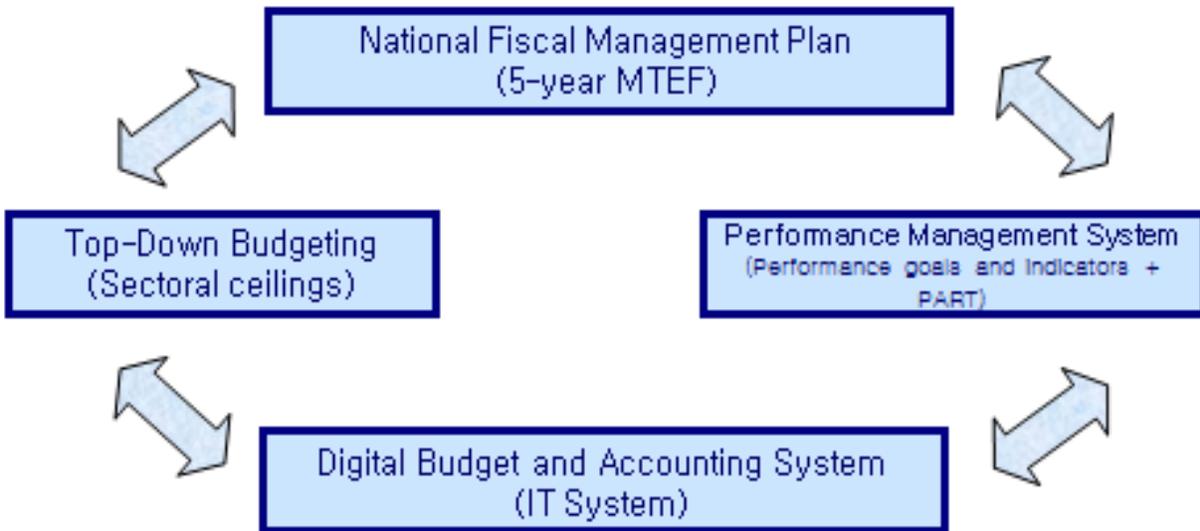
1998). *A distinguishing feature of South Korea's participation and transparency system is the direct involvement of policy experts and policy-oriented CSOs.* Although there are a series of consultative public hearings in which citizens can participate, South Korea has developed a technical, elite-oriented decision-making process. To support the technical, expert-based policymaking process, democratically-elected presidents drew on the policy expertise of the Korean Development Institute to produce information and analysis of ongoing fiscal policies and outcomes. The inclusion of the Korean Development Institute represents an attempt to leverage the legitimacy of a highly capable state institution to broaden the policy proposals being considered by national-level elites. It appears that South Korea's reformist presidents sought to use independent policy experts (university faculty, scientists, NGO leaders) as a countervailing balance to a powerful, entrenched bureaucracy. In order to change South Korea's policy direction, Presidents need to encourage the development of alternative sources of policy knowledge. However, authors Lee and You argue in their report prepared for the Global Initiative for Fiscal Transparency, "it is questionable, however, if such participatory opportunities stipulated in the National Fiscal Act of 2006 are *meaningfully*, as opposed to superficially, provided by the relevant government agencies and if civil society organizations and the public really use these opportunities *effectively*." (Lee 2013: 3). Thus, one problem of from South Korea development strategy is that there has been limited involvement of the broader public in these new venues. Civil society engagement in fiscal and budgetary processes is contingent on how elected presidents choose to engage the public rather than being demanded by the public.

### **Participatory Innovations**

During the 1990s a series of political reforms encouraged the development of policies and institutions that promote participation and transparency. These new programs include (a) new financial transaction system (1993), (b) Freedom of Information act (1996), (c) budget efficiency awards (1998), (d) project feasibility studies (1999), and (e) Citizen Audit system (2000). There was thus an incremental expansion of new institutions. This is different from Brazilian case where many of the initial participatory innovations were from the outside (local) to the center (federal).

President Roh (2003-2008) led a major expansion in the use of participatory and transparency institutions, which under the "Three plus one" fiscal reform effort. This reform effort, initiated in 2004, built on the previous institutions. Roh made public participation the cornerstone of his administration. The "Three plus one" reforms are interrelated as part of an effort to rebuild the state both systematically and comprehensively. The four components include: National Fiscal Management Plan, Top-Down Budgeting, Performance Management system, and Digital Accounting System.

Figure 2



National Fiscal Management Plan (NFMP): This is a 5-year fiscal management plan designed to present the national policy visions as well as the agency-specific expenditure programs in the medium-term perspective. The NFMP is a rolling plan that is subject to adjustments each year. Second, participation involves NGOs, professors, and policy experts from the initial stage of formulation. Third, the NFMP is submitted to the National Assembly for deliberation and final approval.

NFMP is formulated from February to June. At the last stage, a public hearing is held, in which professors, private sector experts, researchers at government-affiliated think tanks, and CSO staff are invited by the government to deliberate over the plan. In 2013, the hearing was divided into 7 sessions: macro budgetary policy, local finance, welfare, education, industry, agricultural, and R&D. After a draft was prepared, there was a public hearing on June 12, 2013. Each of the seven sessions was attended by 6 civil society representatives including professors, researchers, and experts. The hearing was open to the public and broadcast by TV.

However, the technical deliberations are usually hard for the general public to understand. Although the budget deliberations are made available to the public, there is little participation of ordinary citizens. These meetings are not aimed at selecting specific projects but focus on broad forecasting and policy targeting, which means that there is not enough room for the general citizens to participate.

Top-Down Budgeting The budgetary process was divided into two steps as part of the Top-Down budgeting system. In the first stage, the central budget agency sets the ceilings by sector, and in the second stage line ministries allocate the budget for programs in detail within the ceilings. With this new procedure, the national plan and budget are effectively connected with each other in accordance with the ceilings authorized by the cabinet. In each step of the process, there is an advisory committee for consultation, of which members are outside experts and CSO staff.

Performance Management system: With the introduction of performance management, agency programs and projects are subject to review every three years. Ministries carry out program monitoring and program review, a program self-assessment. If inappropriate or wasteful spending is found from the monitoring and review by ministries, the central budget agency can request an in-depth review. The central budget agency can directly carry out a program meta-evaluation and reflect the results in budgeting for the subsequent year. Thus the evaluation process has two stages; self-evaluation by line ministries (policy experts participate in evaluation committees) and meta-evaluation by the central budget agency.

The Digital Brain: Digital Brain System is an advanced platform for managing the budget. The primary purpose of establishing Digital Accounting System was to build a budget accounting system for performance management of fiscal operations in the public sector. Another purpose was to improve the credibility of the government by introducing double-entry bookkeeping and accrual accounting that include assets, debt, and cost information as well. It also tried to integrate and connect fiscal information systems in line ministries, local governments, and public enterprises. With these policy goals, a new fiscal management paradigm has been developed to ultimately enhance efficiency, transparency, and public participation in the national fiscal management by providing relevant information. The government created a new office “Budget and Accounting System Reinvention Office” to design a new system in consultation with Ministry of Planning and Budget, Ministry of Finance and Economy, Ministry of Government Administration and Home Affairs, and Board of Audit and Inspection.

**Figure 3**  
**Digital Budget & Accounting System**



Source: MoSF (2009).

Even though there is no mid-year review process, the broader fiscal policy process is open to the public. The government publishes the Year-End Report. And the Audit Reports for all ministries are combined and published in a book and open to the public. All of these reports are available to the public through the Digital Brain System, which then helps to inform citizens' preferences and the quality of the voice they express.

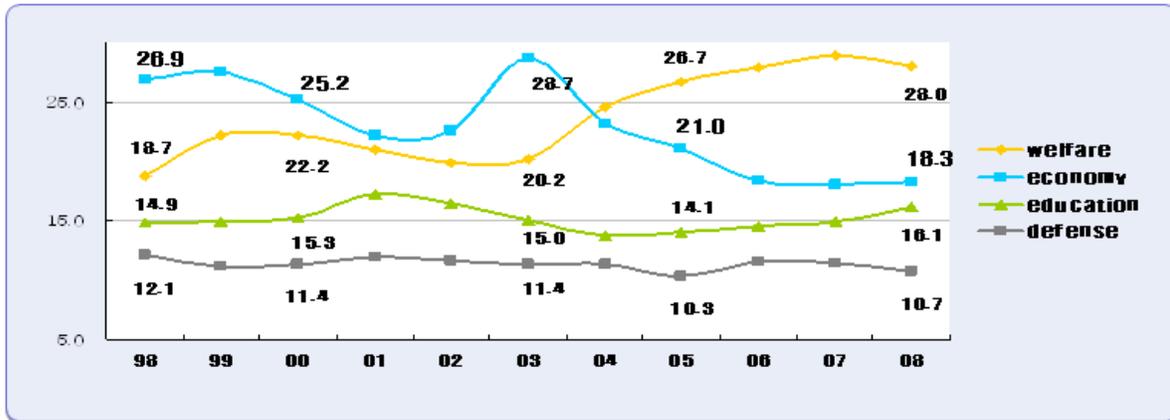
#### Outcomes:

Professors Lee and You write in their commissioned report: "Budgetary priority in Korea was given to national defense until the 1960s and then to the economy until the 1980s. During the late 1990s, there were apparent attempts to change budget priorities. President Kim Dae-Jung tried to increase social welfare budget, but it still did not surpass the budget for economic development. Further efforts were made by President Roh Moo-Hyun, and the welfare budget surpassed the economic development budget during his term. This kind of budgetary reallocation reflected the fiscal demand from citizens and NGOs. In particular, the demand for social safety net was accelerated after the financial crisis in 1997."

The dramatic change was made possible due to the Three plus One fiscal reform. When the dramatic increase in the ceiling for social welfare budget was given, many new programs were granted resources and existing programs could be expanded. This was possible because the Roh government was able to work with policy experts to demonstrate how the policy reforms would improve citizens' quality of life and not undermine core economic projects. Many NGOs that advocated social welfare could reinforce their activities, and the government reflected their voices under the direction of the liberal president. Therefore, it was the combination of the Top-Down System, National Fiscal Management Plan, and people's participation in budgetary process that changed the priorities of budget allocation. Figure 4, below, shows the shift in spending that resulted from President Roh's policy initiatives.

Figure 4

Expenditure by sectors during 1998~2008 (%)



Importantly, Lee and You assert that the institutional reform created the necessary institutional environment that would permit a change in government priorities. President Roh had considerable political interest to dedicate additional resources to social welfare programs. In order to translate the political will into policy change, he leveraged the national and international prestige associated with participation and transparency. Institution-building was thus part of a broader political and policy reform effort designed to change basic state priorities.

Under President Roh, the Korea Development Institute was charged with an additional responsibility, beginning in 2004: Collecting and publishing information that would strengthen the public debate. The KDI has been instrumental part of the state-directed development project that help South Korea develop into a middle-income country during the 1970s and 1980s. The KDI thus enjoyed tremendous capacity and legitimacy.

Overall, the Korean reform model has provided greater opportunities for CSOs and policy experts than for citizens. Ordinary citizens have greater access to information, but there are very limited means for them to directly participate in these new policymaking processes. The process is much more open and transparent, thus helping to shine light on the complexities of decision-making. However, rather than allowing direct citizen participant, there are a series of consultations in which policy experts and CSO staff deliberate over policy outcomes.

“The Roh Moo-hyun government (2003-07) further developed participatory mechanisms in various stages of budgetary process in the central government. It also promoted participatory budgeting in local governments that had been spreading by the initiatives of some reform-minded mayors and grassroots CSOs. However, the improvement in budget transparency and participation has not always been steady and the reform coalition between the reform-minded liberal presidents and the civil society was not strong enough to prevent significant setbacks when the conservative government took power and ignored some mechanisms for transparency

and participation. This shows the weakness of executive constraints, or legislative checks over the executive, in Korea.”

Importantly, President Lee (2008-2012) sought to limit the direct participation of CSOs and policy experts in the budgetary process. In his report on South Korea, Professor Wonhee Lee highlights the need to have a solid legal to the reform so that they are more strongly institutionalized. One presidential administration was insufficient time to put the reforms into action.

The 2012 Open Budget Survey Index ranks South Korea among the best countries in the world for its overall score as well as the top performer with regard to participation. President Roh adopted, during the 2003-2008, a series of cutting-edge institutional reforms that account for their strong performance. The clear advantage of this approach is that well-qualified policy experts are able influence national-level policies. This provides an important counter to an entrenched bureaucracy. However, this process doesn't really provide a role for CSOs and ordinary citizens. Policy discussions remain in the realm of political and policy elites, divorced from the everyday lives of ordinary citizens. This may help to explain why the two presidents following Roh were able to roll-back some of his initiatives. The absence of a strong civil society working on budgetary matters creates additional opportunities for presidents to act unilaterally.

#### Voice, Vet, Vote and Veto in South Korea

**Voice:** Participation by CSOs and policy experts is at the core of South Korea's budgetary and fiscal reforms. There are now multiple opportunities for CSOs and policy experts, both groups generally appointed by government officials, to engage in complex policy-making processes. Individual citizens may participate in a very limited number of public hearings; they are allowed to express their policy preferences in these venues. In country-level budgetary and policy-making processes, South Korea relies on policy experts and NGO officials to represent the interests of civil society.

**Vet:** The Korean Development Institute and the Digital Brain system now provides extensive information to citizens and CSOs. South Korea's highly capable state has been harnessed toward an effort to create more openness and transparency. This was especially true under Presidents Kim (1998-2003) and Roh (2003-2008), both of whom were reform-oriented presidents. Under the current president and her immediate predecessor, there has been a decline in support for the reforms advocated initiated by Kim and Roh.

**Vote:** A series of committees now allows appointed CSO officials and policy experts with the opportunity to provide voice. Perhaps most importantly, there is a national-level commission that allows CSOs and policy experts to vote on the final budget. This expands the pool of political actors who are eligible to directly express vote on budgetary issues. Policy experts thus have a significant and meaningful vote. However, there is no formal vote for ordinary citizens.

**Veto:** There are two different mechanisms that allow CSOs and policy experts to veto government projects. The national budget commission may reject policy projects. The feasibility commission can also reject projects. If projects do not meet specific metrics, an oversight

committee can reject the proposals. Policy experts, professors, and NGO specialists sit on these commissions.

### **Conclusion: South Korea's elite-based participatory reforms**

South Korea experienced a significant expansion of transparency and participatory institutions during the 1990s and 2000s. Three reform-oriented Presidents initiated a series of projects that restructured the internal organizational structure of the state and also changed how citizens and CSOs are incorporated into fiscal processes. South Korea's presidents sought to harness a highly capable state, a modern constitutional framework to advance an agenda that promotes participation, accountability and ongoing reform efforts.

The most significant advance in the South Korea case is that Roh presidential administration restructured the internal processes of the state to allow for greater participation and transparency as a means to advance a new policy agenda. This is an excellent example of rebuilding the state to allow government officials to achieve new goals and spending priorities. The Korean Development Institute was restructured so that highly technical civil servants would prepare feasibility studies and budgetary information.

Second, policy experts, professors, and NGO specialists are the principal "citizens" who engage with public officials. These officials are incorporated into the process at multiple points of the budgetary process. The participation of ordinary citizens is limited. The principal drawback to this approach is that government officials select who represents civil society. The lack of accountability mechanisms between civil society representatives and the broader society may sharply limit the extent to which CSOs can act critically and autonomously vis-à-vis the government. Thus, the weakness of the South Korean model may be the lack of clear lines of responsibility between the formal representatives and the broader public.

Third, under President Roh, local governments have been adopting Participatory Budgeting programs. This is the opposition trajectory undertaken by Brazil, where PB was first a subnational initiative. However, there continues to be limited engagement by ordinary citizens. This remains a process dominated by CSOs.

In sum, South Korea is noteworthy for the degree of institutional restructuring that now permits non-governmental participation in policy and budgetary processes. There are a number of broad opportunity that permit policy experts to directly engage governments over fiscal issues.

## **Philippines: Building a New State with Mixed forms of Participation**

The Philippines experienced the renewal and broadening of civil society during the 1980s as mass mobilizations helped bring down the Marcos Dictatorship. Over the past twenty years, there has been extensive variation in the commitment of the Philippines government to reform basic governance processes. The current government has the strongest commitment to expanding citizen participation and transparency. The direct engagement of citizens and CSOs is clearly a “mixed” case, falling between South Korea’s strong emphasis on CSOs and Brazil’s attempt to incorporate greater numbers of ordinary citizens.

Current President Benigno Aquino Jr campaigned on a reform agenda, seeking to end corruption and poverty. By linking corruption to poverty, Aquino seeks to draw attention to basic issues of governance. The Philippine government is now squarely tackling the issue of government corruption as part of its effort to improve the quality of governance. Importantly, the direct engagement and empowerment of citizens is a central component of the effort to improve the quality of governance. There have been a series of institutional reforms over the past three years, as the Aquino governments seek to build new institutions that will create the opportunity to alter spending patterns and improve governance.

The Philippines lacks the high level of state capacity of South Korea that might be used to legitimize their policy decisions. They also lack the wide-spread and extensive renewal of civil society as experienced by Brazil. The Philippines is also using a mixed participation strategy. They are combining mass-based participation, often at the local level, with extensive CSO engagement. The Philippines are less likely to use the citizen-oriented strategies of Brazil because of the greater social cleavages and weaker capacity of citizens to engage in policymaking. But they are less reliant on policy experts, as is the case of South Korea, because there is an explicit effort to empower citizens.

Led by President Aquino (2010-), “the administration hinged on “institutionalizing People Power in governance” to emphasize citizen engagement in the budget process. This area of citizen engagement would create venues for citizens not only to participate in budget preparation, but also expand their participation to other stages in the budget process. The move for citizen participation involves including people participation in all stages of the budget process or the whole budget cycle. In sum, the government seeks to open the government to the people” (Magno, GIFT report 43).

The Philippines government is a founding member of the Open Government Partnership. There are considerable steps being taken by government to increase both participation and transparency.

### Participatory Innovations: “Institutionalizing People Power in governance”

The 2010 election of President Benigno Aquino marks a clear shift in the priorities of the Philippines government. Aquino’s reform efforts built on an interesting array of reform efforts that preceded his time in office. First, the World Bank was instrumental in bringing a Community-Driven Development program to rural areas of the country (Labonne and Chase 2008). Community-Driven Development programs allow citizens to be directly involved in the

allocation of specific projects, which are funded with resources from the World Bank. These programs involve government officials in the programs. This means that participatory reforms were attempted in the rural areas with the explicit approval of the national government.

Second, CSOs in the Philippines began experimenting with ways to monitor corruption as well as the quality of project implementation. Road Watch is an excellent example of a CSO that used “participatory auditing” mechanism to counter misappropriation and misuse of public goods. There was the realization among CSOs that they would need to be the eyes and ears of the central government if they were to help reign in the corruption of public officials.

Finally, reform-oriented governments were elected at subnational levels. Naga City is the best example of a local government unit embarking on reform. Magno argues, “The case of Naga City demonstrates how its local government was able to make legal provisions of participation at the local level parallel to national legislation. Particularly, the local government sought to make participation more available at the local level since participation is usually observed in national legislation. Naga City’s 1995 Empowerment Ordinance has the objective to empower the people by the form of organizing themselves, thereby, participating in the responsibilities alongside the local government.” (Magno, GIFT report). Furthermore, Galing Pook, an NGO based in Manila, has run an “Innovations in Good Government” reform program for the past 10 years. This program, done in association with the Ford Foundation and Ash Center at Harvard University, has promoted good governance reforms. Galing Pook recognizes excellent among local governments in the Philippines as they seek to promote change. The 1991 decentralization efforts expanded the authority of local governments, thus making these a key site for experimentation and innovation.

Overall, this demonstrates that there were significant advances and innovations at the local level. A variety of different organizations—domestic CSOs, the World Bank, local government innovations—were experimenting with ways to improve governance. Increases in participation and transparency were used at the local level. The principal limitation was that the sitting Presidents for much to the late 1990s and the first decade of the 21<sup>st</sup> century did not dedicate significant time or political capital to reform.

#### 2010 Election of new governing coalition

The election of President Benigno Aquino ushered in a period of extensive reform. First, the government changed the internal structure of the Presidential administration to better coordinate efforts to improve governance. The Cabinet Cluster on Good Governance and Anti-Corruption (CGAC) is directly involved in promoting citizen participation in policymaking and auditing mechanisms. Second, the government created a series of reforms that have dramatically increased the amount of information that citizens can access. The government has committed to creating a “Citizens’ Budget” whereby basic budget information is made accessible to interested citizens. Third, citizens are now induced to participate in national policymaking process. Fourth, the national country is supporting the use of direct participation at the local level.

The reforms in the Philippines appear to be most consistently aimed at solving two crucial problems. First, the participatory institutions are geared toward solving the problem of low

knowledge and limited engagement among CSOs and citizens. There is a deliberate effort to empower citizens. Second, there is also a specific interest in limiting government corruption. The most innovative reforms address both of these issues. These include Bottom-Up Budgeting, Budget Partnership Agreements, Empowerment Fund for Participatory Governance, Full Disclosure Policy, Seal of Good Housekeeping, and Citizen Participatory Audits.

### Bottom-Up Budgeting Approach

Bottom-Up Budgeting Approach has been initiated, modeled on Brazil's participatory budgeting. It is a top-down process (similar to Peru's participatory budgeting) led by the national government, rather than being adopted by subnational governments. Bottom-Up Budgeting focuses on poor, rural communities. The key component involves conducting consultations with community organizations to determine what public goods and social services are needed by local residents. As a result of these deliberations, Bottom-Up Budgeting helps define the budget of implementing agencies. Thus, citizens, CSOs, and public officials work together to select the projects for implementation.

The Bottom-Up Budgeting Approach creates Local Poverty Reduction Action Teams or LPRAT, which is comprised of the Local Chief Executive, National Government Agencies (e.g., Department of Budget Management) and local CSOs. Forty percent of the group must be women. Significantly, communities at the village level should be able to implement the BUB projects, which provides employment to local villagers. Previous experience with the Community Driven Development Approach, which includes participatory processes, makes it easier to implement the Bottom-Up Budgeting.

In 2013 a total of 595 poor municipalities used Bottom-Up Budgeting. In 2014, this expanded to 1126 municipalities. The level of funding also increased. In 2013, the government allocated US \$191 million dollars to these programs. In 2014, this increased to US \$464 million. The national level government has several incentives to expand their support. First, this changes the budget allocation processes at the local level, which permits the national government to side-step clientelistic exchanges. Second, the government creates "ownership" of proposed public policies among the local population, which should help to improve quality and decrease corruption. Third, the program enables the national government to work directly at the local level, thus helping to empower local CSOs.

### Budget Partnership Agreements

The Budget Partnership Agreements PAs are completed between national agencies and CSOs at the beginning of the budget process (e.g., proposal stage). The BPAs allow the national and CSOs to work together to decide on prior priorities but the CSOs are also involved to implement public works projects or to deliver social services. The BPAs thus place CSOs at the heart of new arrangements between the state and society. Our case study author, Francisco Magno, cites evidence that civil society participation has been difficult to achieve. This finding should not come as a surprise, since these programs were specifically designed to promote citizen and CSO

empowerment. It will, of course, be important to carefully monitor how the government is able to reach out to CSOs to expand the basis of participation.

The Bottom-Up Budgeting and the Budget Partnership Agreements are excellent examples of how the national government is attempting to empower citizens and CSOs by creating policies that directly incorporate them into policymaking process. It is the dual emphasis on citizens and CSOs that is distinct from Brazil (focus on citizens) and South Korea (focus on policy experts) is one of the most interesting innovations in the Philippines.

### Empowerment Fund for Participatory Governance

The Empowerment Fund for participatory Governance (EFPG) facilitates the giving out of grants which offers CSOs funding in order to support participatory governance processes as well as their capacity-building and community activities and projects. This fund supports poverty reduction for the poor and marginalized sectors and communities. It seeks to capacitate CSOs and other groups in involving themselves in participatory processes, in improving CSO and government partnerships at the local level, particularly in the areas of planning, budgeting, and implementation, and to harmonize NGO and government funding which lend support to CSO and government involvements at the sub-national level.

The EFPG lets qualified and accredited CSOs and NGOs function as intermediary fund managers who will become involved in grant agreements with the national governments. Those who do not belong to any network may pick the organization which complies with the criteria for accreditation. Through a Memorandum of Agreement they can become intermediary funding institutions. Also, they also arrive at sub-contractor agreements with involved organizations in project activities at the local level.

At the local level, local organizations implement projects with CSOs. These projects are implemented at poor sectors or areas of the community and funding as support is given to CSOs by the IMFs. The CSOs, on the other hand, remain accountable to the funds provided to them by their donors and private local funding institutions. These organizations also can become direct partners and project implementers. As projects are being implemented, the local organizations not part of any consortiums showing reliable records, can eventually apply for accreditation. In turn, the DILG provides technical assistance relating to the planning of projects to the local organizations. The empowerment projects require that CSOs will be represented in Local Special Bodies and other inter-local mechanisms.

### Seal of Good Housekeeping

The Seal of Good Housekeeping is an award system which is given to local government units who have exemplified the aspects of transparency, accountability, participation, and overall performance. The 2011 BLGS report states that “a total of 1,323 LGU comprising of 70 provinces, 110 cities and 1,143 municipalities passed the criteria set by the Seal” (p. 17). The LGUs must have sound fiscal management, and comply with the Full Disclosure Policy. This qualifies them to access the Performance Challenge Fund which provides financial support to be

used in the respective local governments' projects. These projects must be parallel to the Millennium Development Goals.

In 2012, new criteria had been created and it has three categories. These are bronze, silver and gold. The bronze category focuses on accountability and transparency, the silver category has the same focus as the latter, but emphasizes the delivery of services. The gold category includes the factors identified previously, includes an emphasis on a participatory system or mechanism. Annual targets have also been set from 2013 to 2016 which sought to increase the number of local governments eligible for the Seal of Good Housekeeping.

### Full Disclosure Policy (FDP)

The FDP is a major criterion for the Seal of Good Housekeeping (SGH). At the local levels of government (provinces, cities, municipalities), local officials have to comply with the full disclosure of information or fiscal documents. This information, if fully disclosed, promotes an informed citizenry regarding the budget and how it is being allocated, managed, and utilized. In order to promote this, the documents should be displayed in three places and in the FDP Portal (for viewing, downloading, and printing these documents) for public access. Also, these can be disseminated through traditional media and online (website). Memorandum Circular No. 2011-134 states that the Local Chief Executives must make these documents available to the media, civic, basic sector, and business groups. It is hoped that by 2016, all LGUs will have complied with the posting of vital documents of how they used their funds in the three conspicuous places (bulletin boards, traditional media and websites). The Full Disclosure policy Portal has been launched where budget information is disclosed online.

### Citizen Participatory Audits

In order to counter corruption, the Aquino government launched a Citizen Participatory Audit process. This experience builds on work previously carried out in the Philippines by CSOs such as Road Watch. Under President Aquino, there was an effort to institutionalize the oversight process. The Citizens Participatory Audit directly links interested citizens and government officials. Citizens gather information on the implementation of public works or social services. This information is then incorporated by government officials into their oversight procedures.

The Citizen Participatory Audit won the 2013 Open Government Partnership “Bright Spot” award for its innovative work. There were seven finalists who presented their work at the OGP London Summit in 2013. Participants at the OGP summit then voted to select the winning project. Thus, the Citizen Participatory Audit was selected as the top program from among a body of government officials and CSOs who were involved in the process.

### Open Budget Survey

In the 2012 Open Budget Survey demonstrates the robust set of reforms undertaken in the past several years. The Philippines has the second highest score in Southeast Asia, trailing only Indonesia. The Philippines present strong results in the areas of transparency and participation. The strong rating of the Philippines is due to the efforts of the current national government to devise institutions that incorporate citizens and CSOs at multiple points of the policy cycle. This ranking demonstrates that state rebuilding being done through the lens of participation, transparency and accountability.

### Voice, Vet, Vote, and Veto in the Philippines

**Voice:** There has been a renewed interest by the current presidential administration to increase citizen participation in budgetary and fiscal issues. CSOs have a greater role because many citizens continue to lack the basic capacity to effectively represent themselves in public formats. Current efforts to extend voice build on previous participatory institutions that were implemented at the local level.

**Vet:** The Philippine government is setting up a series of institutions that are partially fulfilling principles of the Open Government Partnership. This is a history of CSOs working on transparency and project monitoring (Road Watch; Concerned Citizens of Abra for Good Governance), which produces a more fertile ground for CSOs to engage in participatory audits.

**Vote:** There empowerment section of the People's Budget and the participatory audit system are increasing the ability of citizens to make decisions. In addition, CSOs have an opportunity to intervene at several different stages of the budgetary process.

**Veto:** At this point, I have been unable to identify any specific examples of citizens or CSOs being able to act as a veto point.

### **Concluding remarks**

The participation-oriented reform efforts in the Philippines have generated two changes. First, the concerted effort to directly engage citizens has successfully brought greater numbers of citizens into formal state-sanctioned decision-making bodies. These institutions started at the local level in the 1990s and 2000s because country-level politicians were not interested in political reform that promoted citizen participation. There has been a more recent effort, beginning in 2010, when current President Aquino sought to incorporate citizens in local and national decision-making processes. There has been very limited research conducted to date that demonstrates the impact of participation.

Second, the Philippines government has successfully established a series of new institutions that promote participation and transparency. Rebuilding the state by directly creating mechanisms for participation and transparency offers great potential to promote good governance and accountability. A key challenge faced by the current administration is the limited capacity of the state. We would expect that there will be incremental growth in the capacity of the state.

However, in comparison to Brazil and South Korea, the Philippines is at least a decade behind in terms of building an infrastructure that supports transparency and participation, which means that

meaningful policy changes will be seen in a couple of years. . South Korea had the benefit of a highly capable set of state institutions and two presidents in the 1990s committed to increasing transparency. Brazil had the advantage of having three reformist presidents (Cardoso, Lula and Dilma) who sought to expand transparency.

In the Philippines, the reform efforts of the current government are noteworthy for having established the institutional basis for increased participation. What is most interesting is that the national government is simultaneously building state capacity and civil society engagement. The state is being restructured with direct participation of citizens as the cornerstone of the project. These are not separate policy projects, but are mutually constituted.

### **Section 3: Beyond South Korea, Brazil and the Philippines**

The direct incorporation of citizens in fiscal and budgetary processes is occurring across the world, from the spread of participatory budgeting in Europe and Africa, to the use of Report Cards in India, to Community Driven Development programs throughout Southeast Asia. The breadth of the reform efforts suggests that participation in budgetary processes is now at the center of governments' efforts to rebuild state institutions. A common feature of these four program types is an emphasis on the direct participation of individuals and groups from poor and marginalized communities.

There are four principal types of programs that directly involve citizens:

- Community-Driven Development (World Bank):
  - “An approach to local development that gives control over planning decisions and investment resources to community groups (including local governments).” CCD core course
- Participatory Budgeting: Thousands of cities and districts across world
  - Citizens directly engage each other and government officials in the allocation of a small percentage (often between 2 and 15%) of the government's budget.
- International Labor Organization Convention 169 (UN agency)
  - Establishes Prior, informed consent for Tribal and Indigenous Populations over local development issues
  - 22 countries have ratified

- Audits: Participatory and Social
  - Participatory Audits allow citizens to partner with government agencies to monitor spending.
  - Social Audits are led by CSOs, who seek to monitor the actions of government agencies and private service providers.

## Community-Driven Development:

### KECAMATAN DEVELOPMENT PROJECT

Indonesia

#### Context

Political and economic crisis led to the 1998 launch of community-driven, transparent democratic innovation  
 Widespread corruption and limited resources to address rampant rural poverty  
 Government supported, pro-poor targeting of infrastructure projects with an emphasis on promoting gender equality

#### Methodology

Villagers submit proposals to the kecamatan (comprised of 20-25 villages, approx. 100,000 people), 2 projects selected per year, one a woman's group  
 Public goods receive grants, economic projects loans- funds are allocated through sub district councils from central to local processed through the National Treasury- cuts out access by government officials  
 Funds are in annual block grants distributed over a 3 year period to villages (US \$60,665-\$90,997). Each village selects village facilitators. All transactions in public and information distributed through posters, radio, signs, notices, etc  
 Citizen engagement through all processes planning to implementation

#### Results

Extends to over 30% of the rural kecamatans in the country. In 2002 covered more than 21,000 villages, 75% of funds allocated in village-level infrastructure projects (roads, water supply, school, bridges) 25% loaned as revolving working capital  
 Increased citizen engagement as rights-bearing, confident, and direct with the ability to hold accountable  
 78% of loan beneficiaries have been identified as economically marginalized, 38% are women (500,000 were reported to have participated in the first year alone)  
 Civil society has successfully organized at the village, kecamatan, and national level  
 Obstacles remain concerning corruption, technical support/interest from ministries, and returns on micro credit schemes

The Original Kecamatan Development Program was expanded in 2007, becoming the National Program for Community Empowerment in Rural Areas. There is now Nation-wide coverage with over 5,000 kecamatans and over 34 million beneficiaries. Since the first KDP, the program has “financed over 109,000km of small roads, 17,000 bridges, 40,000 clean water systems. Increased upward mobility in PNPM areas (2.1%), real per capita consumption gains in PNPM areas (9.1%).

The KDP project illustrates the validity of the four explanatory factors used in this paper. First, World Bank specialist and government reformers led the effort to implement new decision-making processes in rural areas. The Democratic transition in the mid-1990s altered the political incentives at the national-level, thereby encouraging government officials to seek out new governance models. Second, the democratization movement led to a reconfiguration of civil society, thus altering basic state-society relationships. Because much of the reconfiguration of civil society was in urban areas, the KDP program represents an effort to bring reform efforts to rural areas. Third, state capacity in Indonesia is similar to Brazil and the Philippines. It is fragmented across the country and across policy arenas. Thus, the KDP project was an effort to build up existing state capacity in rural areas by improving participation, transparency, and accountability. Finally, the reform effort is best described as center-periphery, top-down process. The program was initiated by the World Bank in conjunction with reformist allies working within the national government.

# National Community-Driven Development Project

## Benin

### **Context**

22% of country considered extremely poor and 39% poor with wide differentials in rural areas and geographic location, highlighted impact in education, healthcare, sanitation, and nutrition

Goal is to target poverty, increase capacity of local communities and ministries, and buoy access to services and infrastructure in rural areas

1999 Decentralization Law has been impeded

### **Methodology**

Project designed to finance projects “identified, prepared, and implemented” by local communities targeting education, health, drinking water, and sanitation access

Capacity building for local governance and community in the development of legal and administrative frameworks, local communes given grants to foster communal strategizing and sub-projects in all phases of design and implementation

Communities elect management committees to oversee sub-projects, line ministries in local offices head sectors (education, agriculture, livestock, etc) and consult for strategies, norms, standards

Training for Participatory Poverty Assessments (PPAs), Participatory Needs Assessments (PNAs), and Monitoring and Evaluations (PMEs) all to assess local needs and strategies

### **Results**

Empowerment seen as ensuring efficiency, speeding up process between proposal and completion of local projects,

Projects must utilize transparency, “effective transfer of responsibility and resources,” and simplified procedures for implementation

Local project design increases feelings of ownership in community development, reduces costs, and increases micro-project sustainability

## **Rural Investment Project (AZRIP)**

### **Azerbaijan**

#### **Context**

The State Program on Poverty Reduction and Economic Development (SPPRED) seeks to improve infrastructure and upgrade access to improve living standards of the rural sectors through comprehensive measures utilizing local responsibility and participation

#### **Methodology**

Micro-project investments in social and economic infrastructure

Community identified projects received by CSOs, NGOs, and municipalities to implement, prioritized through participatory planning, training and technical capacity building, administrative and operational financing

Community-level decision-making and implementation, regional coordination in appraisal and approval (50% government, 50% civil society subject to rotating elections), National Steering Committees provide guidance, supervision, and audits

Combined investment with capacity building and community mobilization, strong government commitment

#### **Results**

717 rural communities participated in inclusive innovative micro-project cycle with high satisfaction rates- income increases in participating villages with reductions in poverty levels

Training, networking, joint learning initiatives, multi-media campaigns, collective bargaining, economic leadership programs, and increased transparency targeted the “enable, empower, enforce” objectives

Micro-project breakdown: 52% roads, 17% potable water, 10% electricity, 6% health clinics, also drainage, schools, and bridges

Over 1.7 million beneficiaries, 71 communities rehabilitated potable water supply systems, school enrollment in beneficiary communities rose from 34% to 98%, approximately 1500 women leaders participated

**Participatory Budgeting**

It is beyond the scope of this report to explain Participatory Budgeting (PB). Briefly, PB programs directly incorporate citizens and CSOs into year-long policymaking processes through which citizens make a series of decisions regarding the allocation of public resources (See Shah 2004; Wampler 2007; Avritzer 2002; Special Issue of the Journal of Public Deliberation, 2012).

Peru

<p><i>Project Context</i></p> <p>2003 national Participatory Budgeting Law requires all municipal-level districts (1821) to use participatory budgeting processes</p> <p><i>Methodology</i></p> <p>National government spearheading PB well-positioned to innovate at local level</p> <p>All districts form local coordination councils to implement participatory budgeting programs; All Districts form Oversight committees, which is geared toward enhancing social accountability over the implementation phrase</p> <p><i>Results</i></p> <p>A few key districts (municipalities) have produced robust results. Most districts have produced limited results due to limited civil society participation; Most participation involves CSO representatives rather than individual citizens</p>
--

## Uganda

### Project Context

Decentralization initiated in 1995

### Intervention and Methodology

National government initiates three levels of citizen engagement

Municipal officials meet with national government;

Municipal governments meet with citizens;

Municipal governments meet again with national government

Projects must meet national development guidelines

### Results

Initial results are reported as minimal, but most important change is opening budget to public scrutiny.

The adoption of Participatory Budgeting was a top-down process in both of these countries. In Peru, it was led by President Toledo, who had formally worked at the World Bank. In Uganda, the reform efforts were led by the World Bank. In both cases, the World Bank promoted the adoption of PB and the basic set of rules were adapted in order to meet local needs. As a result, there was extensive variation in the quality of program implementation. In areas with greater local government commitment as well as a robust civil society, there was a greater likelihood of producing positive social change (McNulty 2012).<sup>1</sup>

Overall, PB provides extends the right to voice and vote to citizens and CSOs. Access to information remains quite limited in many cases, thus not allowing citizens to vet government proposals in any meaningful ways. In addition, there is limited veto in PB programs. Citizens most important power is their ability to exercise voice in public formats and to vote for specific projects..

---

<sup>1</sup> See also : *Africa Good Governance Programme on the Radio Waves; Africa Forum on Poverty Reduction Strategy*. 2000. "Note: Can the Poor Influence the Budget? Case Example from Uganda." Awio, Godwin and Deryl Northcott. 2001. "Decentralization and Budgeting: the Uganda Health Sector Experience." *International Journal of Public Sector Management* 14: 75-88. Babcock, Courtney et al. 2008. "The Right to Participate: Participatory Budgeting & Revenue Generation in Uganda."

## Social Audits

Governments and CSOs are increasingly using social and participatory audits as a strategy to monitor the ongoing implementation of public work projects as well as the delivery of social services. The purpose behind these programs is to use a combination of active participation and meaningful transparency mechanisms in order to enhance accountability and improve government policy outputs. The primary distinction between social and participatory audits appears to be the relationship between CSOs and government officials. In participatory audits, as highlighted above in the case of

### India: 100-Day work program

#### **India 100-Day Work program**

##### Project Context

100 days of paid employment to adults who are willing to work for minimum wage.

Problem: (a) ghost employees, (b) individuals who are not properly paid for their work, (c) resource leakage, and (d) poorly built public works.

##### Methodology

Social Audits: CSOs trained to monitor implementation, Local governments are required to post worksite boards that list the activities being undertaken, the daily wage rate, and list of contracted employees

##### Results

Initial reports indicate decrease in project-level corruption

Limited CSO capacity to monitor all projects

Tens of Millions of Indian citizens are now employed through this program.

Project Context

Local governments have control over resources to implement small and medium-sized public works projects; perceptions of corruption

Methodology

CSO Mazdoor Kisan Shakti Sangathan organized demonstrations to pressure local government officials to release information on public works programs due to wide-spread perceptions of corruption

CSO obtained copies of publicly available contracts, bill, receipts pertaining to project, which they then compared to actual practices

Public meetings are held to show to the community the extent to which the implementation matches formal contracts

Results

Scaling-up as program moved from local to state level;

Initial reports indicate decrease in project-level corruption

**Right to Information Campaign**

Overall, these programs allow citizens and CSOs to vet ongoing government projects. Citizens also have voice, but this is limited to the monitoring of project implementation. Citizens don't necessarily have a veto or a veto over how the programs are funded, but they do have a combination of voice and vet.

**International Labor Organization Convention 169 on Rights of Tribal and Indigenous Populations**

The International Labor Organization is a specialized agency of the United Nations. The ILO has a tripartite structure, giving equal voice to workers, employers and governments. The purpose of the ILO is to promote rights at work, encourage decent employment opportunities, and strengthen dialogue on work-related issues. There are currently 185 countries that are members.

In terms of participation, the ILO supports the use of voice and vet in consultative processes. The ILO strongly encourages the direct incorporation of citizens and CSOs in project planning (e.g.,

dams, natural resource extraction), but there continues to be extensive disagreements over the direct role of citizen involvement in policymaking. For example, ILO Convention 169 is designed to strengthen and protect the rights of tribal and indigenous peoples. Many CSOs seeking to represent the indigenous believe that ILO 169 gives them the right to voice, veto, vote and veto and development projects. However, government officials working within the ILO 169 appear to believe that the extension of rights is limited to voice and veto.

**Key Take-Away:** ILO supports the extension of the right of voice and veto to citizens. The broadest interpretation of ILO Conventions also supports the idea that citizens and CSOs should also have the right to vote and veto. However, government officials are less likely to support the expansion of this authority.

In sum, there are some interesting common themes among these four types of participatory programs. First, there is no single “best practice” but rather a family of best practices. These programs involve forging new connections among state and society by allowing citizens to engage in budgetary decision-making process. Citizens and public officials begin to work together in often unprecedented ways as a means to address local issues.

Second, the programs develop in parallel fashion across the developing world. This report does not attempt to make any causal claims about the diffusion of participatory experiences, but it is worthwhile to note that two of the most widely known participatory programs, Community-Driven Development and Participatory Budgeting, developed at similar periods. These programs are part of the same family of reforms but they have distinct roots. PB has its focus on solving public goods provisions problems in urban Brazil. Community-Driven Development seeks to solve similar problems, although the context is rural Southeast Asia.

Third, government officials adopt and adapt existing “rule sets” to meet local needs and conditions. A key part of the challenge is for governments and their CSO allies to design institutions that address their political, legal, policy and social needs. By adapting existing institutions, these reformers place themselves in the position to draw upon existing experiences and then apply that knowledge to existing cases.

Finally, a common thread of these four program types is that government officials and their CSO allies are increasingly extending voice, veto and vote to citizens. Although ILO 169 does provide the right of citizen veto, this is used far less commonly. It is now much more common to identify that citizens are able to express voice, based on information that they have vetted, as they go through the process of exercising their power of vote.

## Conclusion

The results of this three-country case study demonstrate that four key factors affect the shape of participation-oriented reform. The four factors that best account for differences are best categorized as (1) presidential political will, (2) configuration of civil society, (3) state capacity, and (4) direction of policy reform efforts.

First, presidential support to produce country-level reform is necessary. At the broadest, it is willingness of presidential administrations to reform the state to establish specific institutional venues to allow for participation. Presidential administrations that seek to alter the spending priorities of the country be more willing to adopt participatory structures as a means to change public opinion and to promote reform. The type of reform efforts that emerge are intimately related to how the country-level governments perceive the problem.

- In the Philippines, President Aquino is attempting to limit corruption and empower citizens. State reform has thus focused on using participatory mechanisms to empower citizens to engage in public deliberation, to promote transparency, and to increase oversight of public works.
- In South Korea, President Roh sought to increase spending on social programs (and to decrease state support on economic issues) and to provide a check on a powerful bureaucracy. State reform thus focused on expert-based civil society participation that would expand information and public debate as a means to counter entrenched political and policy actors.
- In Brazil, Presidents Lula and Dilma sought to increase spending on social programs and empower citizens. State reform thus involves the expansion of participatory institutions that would enable government officials to gain better information on citizens' and CSOs' general preferences as well to increase citizen participation in public debates.

There is a danger “political will” is a vague, catch-all category that is quite difficult to measure. Presidents interested in participatory and transparency reforms are likely to have policy-specific incentives to alter the existing state institutions as well as political and electoral motivations to embark on an ambitious reform effort. Some ways to measure a president's political will include the electoral incentives to promote reform, the socio-political base of the presidential coalition, and the extent to which policy reform is an integral to the president's political trajectory.

Second, the configuration of civil society during the democratic transition as well as during the period preceding the election of the reformist president had a significant impact on the shape of the institutional reform in each country. The density of civil society matters (social capital), but what matters even more is broadening of issues and actors involved in budgetary process as well as their technical capacity

- In the Philippines, intense social cleavages (e.g., two separate armed conflicts faced by the central government), weak density of CSOs and a civil society focused on corruption contribute to their reform efforts. There is not a high density of CSOs, but there is a body

of highly qualified CSOs and policy reformers who focus explicitly on promoting citizen empowerment and limiting corruption.

- In South Korea, CSOs have long sought to increase the transparency of a closed, bureaucratic state. Gaining access to information was a key demand for these organizations. It is only more recently that CSOs have been demanding the direct involvement of citizens in participatory venues
- In Brazil, the renewal of civil society was geared toward the direct participation of citizens in decision-making venues. CSOs began advocating for change at the local level. The participatory institutional structures that have developed are directly related to the principles and demands emerging from civil society.

Thus, civil society contributes to budgetary and fiscal processes as partners and political rivals. CSOs and citizens enter into new venues and spaces as a means to advance their agendas, which requires them to work closely with government officials but also to hold government officials to account. The political issues that were central aspects of the renewal of civil society help us to account for the type of rules that would develop.

Third, state capacity is a major factor that influences the contours of institutions reforms. It obviously shapes what needs to be done (the so what problem) but it also addresses the degree at which reform can occur

- In the Philippines, state capacity is limited. This will obviously slow down the rate of reform because administrators do not have the administrative capacity to produce change. It will be advantageous for government officials to leverage parts of the state that work better in order to produce change.
- In South Korea, high state capacity creates the best opportunity for government officials to produce change. President Roh was able to induce considerable change because he leveraged the power of the Korean Development Institute to promote change.
- In Brazil, the state has long been highly capable in some areas and absent/weak in other areas. The challenge faced by Presidents Lula and Dilma was know to mobilize the stronger parts of the state to implement reform in the weaker areas.

It is vital to include state capacity as a key explanatory factor because fiscal and budgetary processes are at the heart of political decision-making. When there is a more capable state, there is a greater likelihood that it can be leveraged to promote the new goals associated with fiscal transparency and openness. When there is a less capable state, there must be a dual emphasis on rebuilding the state and using the existing state capacity to achieve positive policy impacts.

Fourth, the direction of reform efforts, whether the initial reforms are top-down/center-periphery to subnational or bottom-up/periphery-center.

- In South Korea, the reform was top-down. It was initiated by Presidents in the 1990s and 2000 to respond to a strong, center state. When participatory reform was advanced at the local level, it was promoted by President Roh. This helps to explain the emphasis on expert opinion and elite-based civil society representation.
- In Brazil, reform efforts were led by civil society reformers and a new political elite that enacted reform at subnational levels. These reforms were then adopted and adapted by national-level governments.
- In the Philippines, reform efforts were initiated by CSOs and international organizations. These reforms were initiated at subnational levels. It is only after President Aquino's election that the national government began to promote these reforms at the local level.

This final factor is crucial because the direction of change is strongly correlated with the type of policy reform. The focus on direct citizen participation in Brazil and the Philippines comes from the renewal of civil society and institutional innovations, both at the local level. South Korea didn't have the same political history, so their reforms had a distinct focus on national-level reform.

Thus, the reform efforts in South Korea, Brazil, and the Philippines demonstrate the need to understand how civil society, presidential politics, state capacity and the direction of policy change affected the extension of participatory reforms. These three cases illuminate the different paths selected by countries. Their reforms were inspired by domestic political considerations but there was also substantial learning from external processes.

Beyond these three cases, the final section of this report highlights some of the programs that are being developed to address a wide range of policy problem. Crucially, there are many new institutional formats being adopted across the world in order to address a broad mix of policy and social problems. Few assert that participation will "solve" these problems but it is increasingly obvious that many policymakers believe that the direct engagement of citizens is one part of the broader process of reform.

Finally, this report illuminates a wide-range of institutional redesign. Governments, citizens, CSOs and international organizations are increasingly crafting new programs, policies and institutions that directly incorporate citizens into fiscal and budgetary processes. The programs described and analyzed in this report are part of a broader family of reforms. There report highlights that is no "one-size-fits-all" type of institution that should or must be adopted. Rather, government officials and their CSO allies appear to be adopting and adapting institution design. What works in the Philippines, for example, may be relevant in Kenya, but we would expect that Kenyan officials and CSOs would modify the rules to meet their local needs.

## Bibliography

- Abers, Rebecca. 2000. *Inventing Local Democracy: Grassroots Politics in Brazil*. Boulder: Lynne Rienner Publishers.
- Alt, J. E., and D. D. Lassen. 2006. "Transparency, Political Polarization, and Political Budget Cycles in OECD Countries." *American Journal of Political Science* 50, no. 3: 530–50.
- Alt, J. E., D. D. Lassen, and S. Rose. 2006. "The Causes of Fiscal Transparency: Evidence from the U.S. States." *IMF Staff Papers* 53 (special issue): 30–57.
- Avritzer, Leonardo. 2002. *Democracy and the Public Space in Latin America*. Princeton: Princeton University Press.
- \_\_\_\_\_. 2009. *Participatory Institutions in Democratic Brazil*. Baltimore, MD: Johns Hopkins University Press.
- \_\_\_\_\_. 2012. Conferencias nacionais: ampliando e redefinindo os padroes de participacao social no Brasil." IPEA #1739
- Baiocchi, Gianpaolo, Patrick Heller, and Marcelo Silva. 2011. *Bootstrapping Democracy: Transforming Local Governance and Civil Society in Brazil*. Stanford: Stanford University Press.
- Baiocchi, Gianpaolo. 2005. *Militants and Citizens: The Politics of Participatory Democracy in Porto Alegre*. Stanford: Stanford University Press.
- Bastida, F., and B. Benito. 2007. "Central Government Budget Practices and Transparency: An International Comparison." *Public Administration* 85, no. 3: 667–716.
- Barber, Benjamin. 1984 *Strong Democracy: Participatory Politics for a New Age*. Berkeley: University of California Press.
- Barreto, Daniela Santos. 2011. "Pesquisa de informacoes basicas Municipais (MUNIC): Instrumento para avaliacao de instituicoes participativas locais." In *Efetividade das Instituicoes Participativas no Brasil: Estrategias de Avaliacao*.
- Blair, Harry. 2000. "Participation and Accountability at the Periphery: Democratic Local Governance in Six Countries." *World Development* 28 (1): 21-39.
- Bellver, A., and D. Kaufmann. 2005. "Transparency: Initial Empirics and Policy Implications." Unpublished manuscript.
- Benito, B., and F. Bastida. 2009. "Budget Transparency, Fiscal Performance, and Political Turnout: An International Approach." *Public Administration Review* 69, no. 3: 403–17.
- Bobbio, Norberto. 1993. *Thomas Hobbes and the Natural Law Tradition*. Chicago: University of Chicago Press.

- Boulding, Carew and Brian Wampler. 2009. "Voice, Votes, and Resources: Evaluating the Effect of Participatory Democracy on Well-Being." *World Development*. 38 (1): 125-135.
- Brautigam, D. A. 2000. *Aid Dependence and Governance*. Stockholm: Almqvist and Wiksell.
- Brautigam, D. A., and S. Knack. 2004. "Foreign Aid, Institutions, and Governance in Sub-Saharan Africa." *Economic Development and Cultural Change* 52, no. 2: 255–85.
- Bryan, Frank M. 2004. *Real Democracy: The New England Town Meeting and How it Works*. Chicago: Chicago University Press.
- Collier, David, and Steven Levitsky. 1997. "Democracy with Adjectives: Conceptual Innovation in Comparative Research." *World Politics* (49): 430-451.
- Dagnino, Evelina. 1998. The Cultural Politics of Citizenship, Democracy and the State. In Sonia E. Alvarez, Evelina Dagnino, and Arturo Escobar, eds., *Cultures of Politics/Politics of Cultures: Re-visioning Latin American Social Movements*. Boulder: Westview Press.
- de Renzio, P., and D. Angemi. 2012. "Comrades or Culprits? Donor Engagement and Budget Transparency in Aid-Dependent Countries." *Public Administration and Development* 32, no. 2: 167–80.
- de Renzio, P., P. Gomez, and J. Sheppard. 2009. "Budget Transparency and Development in Resource-Dependent Countries." *International Social Science Journal* 57 (issue supplement s1): 57–69.
- de Renzio, P., and H. Masud. 2011. "Measuring and Promoting Budget Transparency: The Open Budget Index as a Research and Advocacy Tool." *Governance* 24, no. 3: 607–16.
- Donaghy, Maureen. 2011. "Do Participatory Governance Institutions Matter? Municipal Councils and Social Housing Programs in Brazil." *Journal of Comparative Politics*. 44 (1):83-102.
- Dryzek, John S. 2000. *Deliberation Democracy and Beyond: Liberals, Critics, and Contestations*. Oxford: Oxford University Press.
- Eaton, Kent. 2004. *Politics Beyond the Capital: The Design of Subnational Institutions in South America*. Stanford: Stanford University Press.
- Egorov, Georgy, Sergei Guriev, and Konstantin Sonin. 2009. "Why Resource-Poor Dictators Allow Freer Media: A Theory and Evidence from Panel Data." *American Political Science Review* 103, no. 4: 645–68.
- Ferraz, C., and F. Finan. 2008. "Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes." *Quarterly Journal of Economics* 123, no. 2: 703–45.
- Florini, A. 2007. *The Right to Know: Transparency for an Open World*. Columbia University Press.
- Fischer, Frank. 2003. *Reframing Public Policy: Discursive Politics and Deliberative Practices*. Oxford: Oxford University Press.

- \_\_\_\_\_. *Democracy and Expertise: Reorienting Policy Inquiry*. New York: Oxford University Press.
- Fishkin, James. 1993. *Democracy and Deliberation: New Directions for Democratic Reform*. New Haven: Yale University Press.
- Fox, Jonathon. 1994. "The Difficult Transition from Clientelism to Citizenship: Lessons from Mexico." *World Politics* (46):151-184.
- \_\_\_\_\_. 2007. "The Uncertain Relationship between Transparency and Accountability." *Development in Practice* 17, no. 4: 663–71.
- Frankel, J. 2010. "The Natural Resource Curse: A Survey." NBER Working Paper 15836. Cambridge, Mass.: National Bureau for Economic Research.
- Fukuda-Parr, S., P. Guyer, and T. Lawson-Remer. 2011. "Does Budget Transparency Lead to Stronger Human Development Outcomes and Commitments to Economic and Social Rights?" IBP Working Paper 4. Washington: International Budget Partnership.
- Fung, Archon, Mary Graham, and David Weil. 2007. *Full Disclosure: The Perils and Promise of Transparency*. Cambridge University Press.
- Fung, Archon. 2003. "Survey Article: Recipes for Public Spheres: Eight Institutional Design Choices and Consequences." *The Journal of Political Philosophy* 11 (3): 338-367.
- Fung, Archon and Erik Olin Wright. 2003. *Deepening Democracy: Institutional Innovations in Empowered Participatory Governance*. London: Verso Books.
- Gibson, Christopher and Michael Woolcock. 2008. "[Empowerment, Deliberative Development, and Local-Level Politics in Indonesia: Participatory Projects as a Source of Countervailing Power.](#)" *Studies in Comparative International Development*. 42(2): 151-180.
- Gibson, Clark C., Margaret A. McKean, and Elinor Ostrom. 2000. *People and Forests: Communities, Institutions, and Governance*. Cambridge, MA: MIT Press.
- Glennerster, R., and Y. Shin. 2008. "Does Transparency Pay?" *IMF Staff Papers* 55, no. 1: 183–209.
- Goetz, A. M., and R. Jenkins. 2001. "Hybrid Forms of Accountability: Citizen Engagement in Institutions of Public Sector Oversight in India." *Public Management Review* 3, no. 3: 363–83.
- Goldfrank, Benjamin. 2007. "The Politics of Deepening Local Democracy: Decentralization, Party Institutionalization, and Participation." *Comparative Politics* 39 (2): 147-168.
- \_\_\_\_\_. 2011. *Deeping Local Democracy in Latin America: Participation, Decentralization, and the Left*. University Park: Penn State Press.
- Grindle, Marilee. 2000. *Audacious reforms: Institutional Invention and Democracy in Latin America*. Baltimore, MD: Johns Hopkins University Press.
- Hameed, F. 2005. "Fiscal Transparency and Economic Outcomes." IMF Working Paper WP/05/225. Washington: International Monetary Fund.

- . 2011. “Budget Transparency and Financial Markets.” IBP Working Paper 1. Washington: International Budget Partnership.
- Held, David. 1987. *Models of democracy*. Stanford: Stanford University Press.
- Heller, Patrick. 2000. “Degrees of Democracy: Some Comparative Lessons from India.” *World Politics* 52 (4): 484-519.
- Heller, Patrick. 2001. “Moving the State: The Politics of Democratic Decentralization in Kerala, South Africa, and Porto Alegre.” *Politics & Society* 29 (1):131-164.
- IMF (International Monetary Fund). 2007a. *Code of Good Practices on Fiscal Transparency*. Washington.
- . 2007b. *Manual of Good Practices on Fiscal Transparency*. Washington.
- . 2012. “Fiscal Transparency, Accountability, and Risk.” IMF Board Paper prepared by the Fiscal Affairs and Statistics Departments. Washington, November.
- IPEA 2012. “A que vieream as conferencias nacionais? Uma análise dos objetivos dos processos realizados entre 2003 e 2010.” IPEA #1718.
- J-PAL (Abdul Latif Jameel Poverty Action Lab). 2011. “Governance Review Paper.” J-PAL Governance Initiative. Cambridge, Mass.
- Karl, Terry Lynn. 1997. *Paradox of Plenty: Oil Booms and Petro-States*. University of California Press.
- Khagram, Sanjeev, Archon Fung and Paolo de Renzio. 2013. *Open Budgets: The Political Economy of Transparency, Participation and Accountability*. Washington: D.C.:Brookings Institution Press.
- Khagram, Sanjeev, James V. Riker, and Kathryn Sikkink. 2002. *Restructuring World Politics: Transnational Social Movements, Networks, and Norms (Social Movements, Protest, and Contention)*. University of Minnesota Press.
- Kim, Sun Hyuk. 2000. *The Politics of Democratization in Korea: The role of civil society*. Pittsburgh: University of Pittsburgh press.
- Kohli, Atul. 2004. *State-Directed Development: Political Power and Industrialization in the Global Periphery*. New York: Cambridge University Press.
- Labonne, Julien and Robert S. Chase. 2009. “Who is at the Wheel When Communities Drive Development? Evidence from the Philippines.” *World Development* 37(1): 219-231.
- Mainwaring, Scott, and Timothy R. Scully. 1995. *Building Democratic Institutions: Party Systems in Latin America*. Stanford: Stanford University Press.
- La Porta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert Vishny. 1999. “The Quality of Government.” *Journal of Law, Economics, and Organization* 15, no. 1 (April): 222–79.

- Lassen, D. D. 2000. "Political Accountability and the Size of Government: Theory and Cross-Country Evidence." EPRU Working Paper 00-20. University of Copenhagen.
- Lee, Wonhee and Jung-sung You. 2013. "Global Initiative for Fiscal Transparency. Country Reports: South Korea." Report Commissioned by the Global Initiative for Fiscal Transparency.
- McGee, Rosemary, and John Gaventa. 2010. "Review of Impact and Effectiveness of Transparency and Accountability Initiatives: Synthesis Report." Paper prepared for the Transparency and Accountability Initiative.
- McGee, Rosemary and John Gaventa. 2011. "Shifting Power? Assessing the Impact of Transparency and Accountability Initiatives." IDS Working Paper 383.
- Magno, Francisco. 2013. "Global Initiative for Fiscal Transparency. Country Reports: Philippines." Report Commissioned by the Global Initiative for Fiscal Transparency.
- Mansbridge, Jane. 2012. "On the Importance of Getting Things Done." *Political Science and Politics* 45 (1): 1-8.
- Marquetti, Adelmir. 2003. "Democracia, Equidade e Eficiência, o Caso do Orçamento Participativo em Porto Alegre." In *Inovação Democrática no Brasil: O Orçamento Participativo*, edited by L. Avritzer and Z. Navarro. São Paulo: Cortez Editores.
- Mathur, Navdeep. *Citizen Deliberation in Urban Revitalization. Discursive Analysis of Development Planning Processes in Newark*. 2008. Germany: VDM-Verlag Press.
- McNulty, Stephanie. 2011. *Voice and Vote: Decentralization and Participation in Post-Fujimori Peru*. Stanford, CA: Stanford University Press.
- Meyer, John W., John Boli, George M. Thomas, and Francisco O. Ramirez. 1997. "World Society and the Nation-State." *American Journal of Sociology* 103, no. 1: 144-81.
- Montero, Alfred P. and David J. Samuels. 2004. *Decentralization and Democracy in Latin America*. Notre Dame: University of Notre Dame Press.
- Moss, Todd, Gunilla Patterson, and Nicolas van de Walle. 2006. "An Aid-Institutions Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa." Working Paper 74. Washington: Center for Global Development.
- Munck, Gerardo and Jay Verkuilen. 2002. "Conceptualizing and Measuring Democracy." *Comparative Political Studies* 35 (1): 5-34.
- Nylen, William R. 2003. *Participatory Democracy Versus Elitist Democracy: Lessons from Brazil*. New York: Palgrave Macmillan.
- O'Donnell, Guillermo A., and Philippe C. Schmitter. 1986. *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*. Johns Hopkins University Press.
- OECD (Organization for Economic Cooperation and Development). 2002. "Best Practices for Budget Transparency." Paris.

- OECD, Development Assistance Committee. 2009. "Better Aid: Managing Aid Practices of DAC Member Countries." Paris.
- Ostrom, Elinor. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press.
- Pateman, Carole. 1970. *Participation and Democratic Theory*. Cambridge: Cambridge University Press.
- \_\_\_\_\_. 2012. "Participatory Democracy Revised." *Perspectives on Politics* 10 (1): 7-19.
- Petrie, M. 2003. "Promoting Fiscal Transparency: The Complementary Roles of the IMF, Financial Markets, and Civil Society." IMF Working Paper WP/03/199. Washington: International Monetary Fund.
- Pires, Roberto and Alexander Vaz. 2011. "Participacao Social Como Metodo de Governo. Um Mapeamento das 'Interfaces Socioestatais' nos Programas Federais." IPEA #1707
- Putnam, Robert. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton: Princeton University Press.
- Peruzzotti, Enrique and Catalina Smulovitz. 2006. *Enforcing the Rule of Law. Social Accountability in Latin America*. Pittsburgh: Pittsburgh University Press.
- Pogrehinschi, Thami. 2012. "Conferencias Nacionais e politicas publicas para grupos minoritarios." IPEA #1714
- Rajkumar, A. S., and V. Swaroop. 2008. "Public Spending and Outcomes: Does Governance Matter?" *Journal of Development Economics* 86, no. 1: 96–111.
- Rao, Vijayendra and Ghazala Mansuri. 2012. *Localizing Democratic Development: Does Participation Work?* Washington DC: World Bank Publications.
- Reinikka, R., and J. Svensson. 2004. "The Power of Information: Evidence from a Newspaper Campaign to Reduce Capture." Policy Research Working Paper 3239. Washington: World Bank.
- Robinson. 2008. *Budgeting for the Poor*. Palgrave Macmillan.
- Roniger, Luis. 1994. *Democracy, Clientelism and Civil Society*. Boulder: Lynne Rienner.
- Rosendorff, B. P., and J. R. Vreeland. 2006. "Democracy and Data Dissemination: The Effect of Political Regime on Transparency." Unpublished manuscript.
- Ross, Michael. 2006. "Is Democracy Good for the Poor?" *American Journal of Political Science*. 50 (4): 860–874.
- \_\_\_\_\_. "The Political Economy of the Resource Curse." *World Politics* 51 (January): 297–322.
- \_\_\_\_\_. 2011. "Mineral Wealth and Budget Transparency." IBP Working Paper 2. Washington:

International Budget Partnership.

Sandbrook, Richard, Marc Edelman, Patrick Heller, and Judith Teichman. 2007. *Social Democracy in the Global Periphery: Origins, Challenges, Prospects*. New York: Cambridge University Press.

Santos, Boaventura de Sousa. 1998. "Participatory Budgeting in Porto Alegre: Toward a Redistributive Democracy." *Politics and Society* 26, no. 4: 461–510.

\_\_\_\_\_. 2005. *Democratizing Democracy: Beyond the Liberal Democratic Canon*. London: Verso.

Seele, Andrew D. and Enrique Peruzzotti. 2009. *Participatory Innovation and Representative Democracy in Latin America*. Washintgon: Woodrow Wilson Press/John Hopkins University Press Series.

Snyder, Richard. 2001. "Scaling Down: The Subnational Comparative Method." *Studies in Comparative International Development*. 26( 1): 93:110.

Spada, Paolo and Brian Wampler. nd. "Participatory Budgeting in Brazil:: 2009-2012." Data collection.

Stevens, P., and E. Dietsche. 2008. "Resource Curse: An Analysis of Causes, Experiences, and Possible Ways Forward." *Energy Policy* 36, no. 1: 56–65.

Tarrow, Sidney. 1998. *Power in Movement: Social Movements and Contentious Politics, 2<sup>nd</sup> edition*. New York: Cambridge University Press.

Teixeira, Marco Antonio Carvalho, Gabriela de Breláz, Gustavo Andrey de Almeida, Eduardo José Grin, Fernanda Cristina da Silva, Miriam Pires Vale, Robson Zuccolotto, and Thomaz Anderson Barbosa da Silva. 2013. "Global Initiative for Fiscal Transparency. Country Reports: Brazil." Report Commissioned by the Global Initiative for Fiscal Transparency.

Touchton Mike and Brian Wampler. "Improving Social Well-Being through New Democratic Institutions." Forthcoming from *Comparative Political Studies*

Triesman, Daniel. 2000. "The Causes of Corruption: A Cross-National Study." *Journal of Public Economics* 76, no. 3 (June): 399–457.

Van Cott, Donna Lee. 2008. *Radical Democracy in the Andes*. New York, NY: Cambridge University Press.

Wampler Brian and Stephanie McNulty. 2011. *Does Participatory Governance Matter?* Washington DC: Woodrow Wilson International Center for Scholars.

Wampler, Brian. 2007. *Participatory Budgeting in Brazil: Contestation, Cooperation, and Accountability*. University Park, PA: Pennsylvania State University Press.

Wampler, Brian and Leo Avritzer. 2005. "The spread of Participatory Democracy in Brazil: From Radical Democracy to Good Government." *Journal of Latin American Urban Studies*. 7: 37-52.

Wehner, J., and P. de Renzio. 2013. "Citizens, Legislators, and Executive Disclosure: The Political Determinants of Fiscal Transparency." *World Development* 41 (January): 96–108.

World Bank Report. 2008. "Brazil: Toward a More Inclusive and Effective Participatory Budget in Porto Alegre." Report No. 40144-BR.

You, Jong-Song, and Sanjeev Khagram. 2005. "A Comparative Study of Inequality and Corruption." *American Sociological Review* 70, no. 1: 136–57.

Zoellick, Robert B. 2011. "The Middle East and North Africa: A New Social Contract for Development." Remarks delivered at the Peter G. Peterson Institute for International Economics, Washington, April 16. [www.piie.com/publications/papers/paper.cfm?ResearchID=1802](http://www.piie.com/publications/papers/paper.cfm?ResearchID=1802).