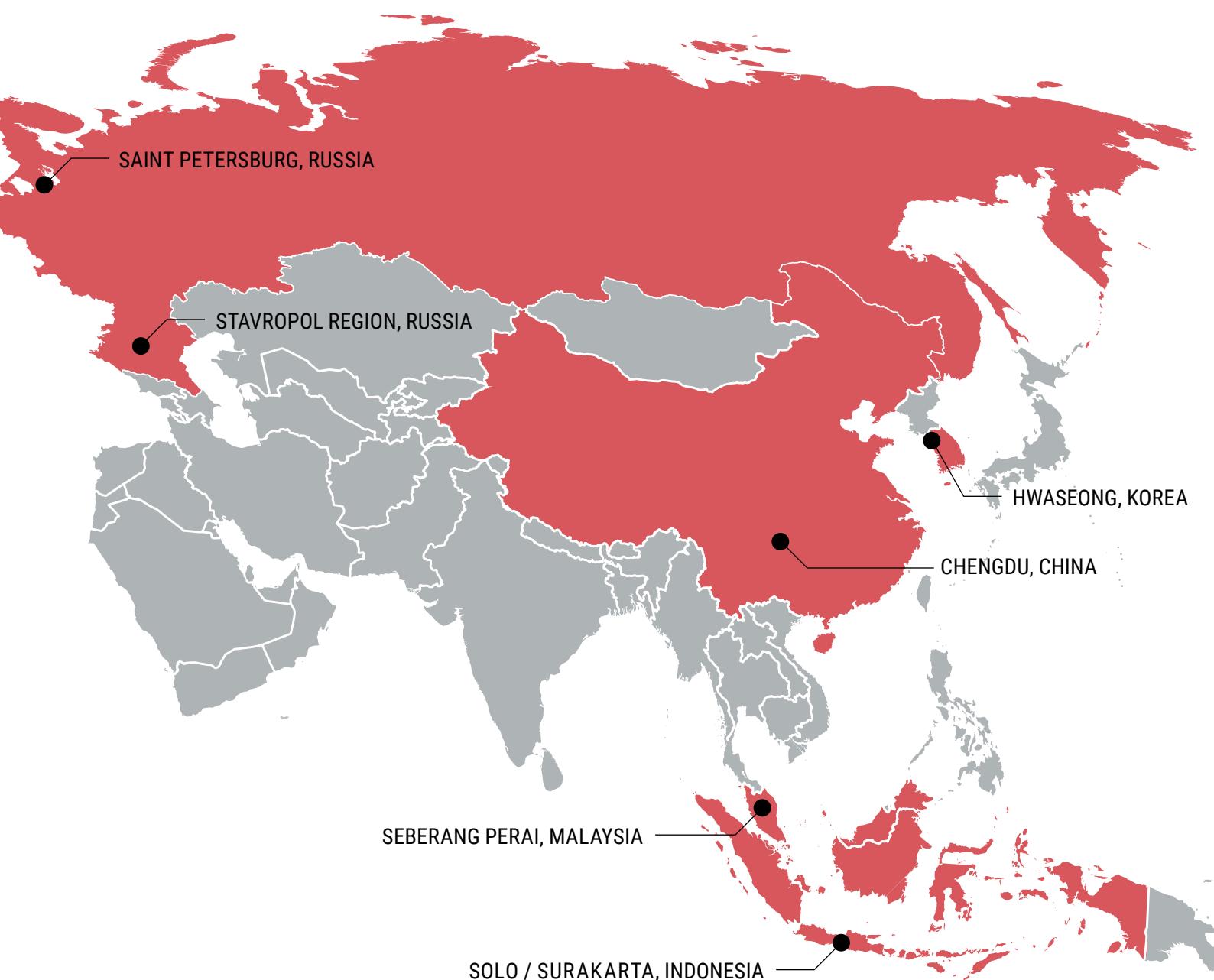


# HIGHLIGHTS ON SOME ASIAN AND RUSSIAN PARTICIPATORY BUDGETING PIONEERS



**Yves Cabannes**, in collaboration with Zhuang Ming, Jing Ping and Min Chen [Chengdu PB experience and China]; Vladimir Vladimirovich Vagin, Nadezhda Gavrilova, Ivan Shulga, Anna Sukhova and Larisa Kalinchenko [Russia and Stavropol Region PB/ LISP / Initiative Budgeting]; Lev Shilov and Oleg Pachenkov [St Petersburg PB, Russia]; Shariza Kamarudin, Rohana Weiler and Ong Bee Leng [Penang and Seberang Perai PB, Malaysia]; Ahmad Rifai, John Taylor, Paulista Surjadi, Bima Pratama Putra, Kaori Ota Cabrera and Rizqa Hidanayi [Solo - Surakarta PB and Musrenbang in other Indonesian cities]; Kang In Choen, Denise K.H. Yoon and Choi Seung Woo [Hwaeong PB case and PB in Korea]; Adrià Duarte [international perspective]

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## SECTION 1

# PRESENTATION



Picture 1. Solo / Surakarta, Women discussing mini atlas, as part of PB process

This report follows up the Networking Session on Participatory Budgeting in Asian and Russian cities and regions that took place in Kuala Lumpur, Malaysia during the World Urban Forum in February 2018 organized by Kota Kita Foundation (Indonesia), The Bartlett Development Planning Unit, University College London (United Kingdom) and the International Observatory on Participatory Democracy, based in Barcelona, Spain [see detailed program in annex 1]

The report is informed by the documentation of specific PB related experiences in six cities and regions [Chengdu, China; St Petersburg Federal District and Stavropol Region in Russia; Seberang

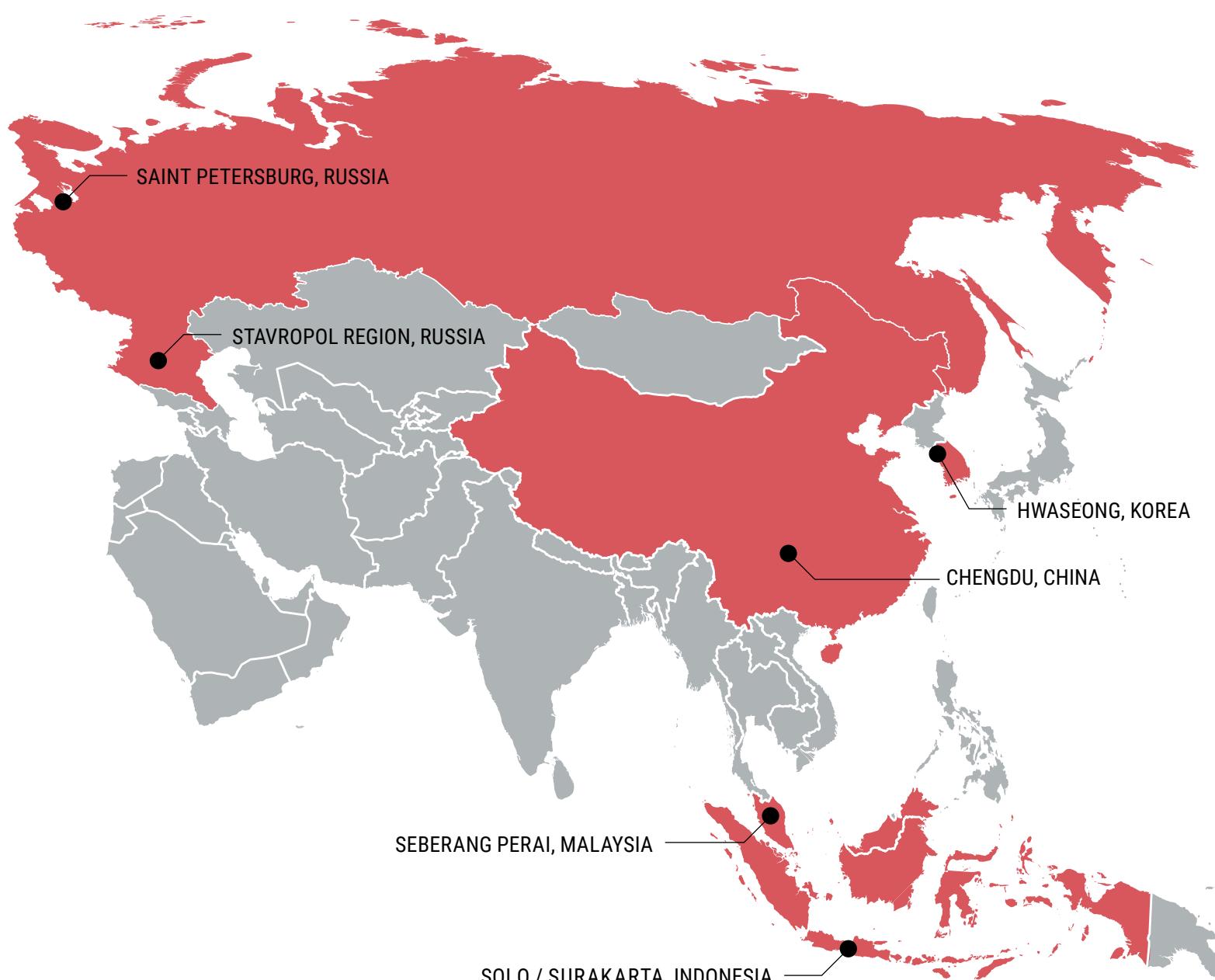
Perai, Penang State in Malaysia; Surakarta/Solo in Indonesia and Hwaeong in Korea] with the intention to ground observations in very diverse realities and scales. Exchanges through email before and after the event and various field visits spread over the last ten years by the author, as well as written material available in English, complement the information<sup>1</sup>. Previously there has not been a full account of PB dynamics in the Asian and Russian region since there are a number of significant PB and PB related experiences such as the ones in China or from Kerala State in India, the diverse ones that are taking place in various cities and districts in Taiwan, as well as others, that have not been well documented.

<sup>1</sup> Field work, research and interviews were carried out in Chengdu and other Chinese cities in 2008, 2009, 2010, 2012, 2013, 2017; in Solo, Indonesia in 2011; Hwaeong – Si, Suwon and Seoul, Korea in 2015 and Bashkortostan, Russia in 2017.

As a result this report mirrors a **collaborative work in progress** with colleagues and friends who have been involved, some times for years, in implementing and reflecting upon these unique experiences. The contribution of each one of the persons mentioned previously is duly acknowledged. The present communication is a preliminary step toward fully documenting the wealth of innovation and democratic experimentations flourishing in thousands of locales in Russia and Asia, led by hundred of thousands of citizens of all ages, women and men, mostly poor and most of the time in quite difficult and dire conditions. One of the difficulties and limits of this paper, but at

the same time its contribution, is to try to put these very diverse experiences in perspective and extract some common lessons. It paves the way for further debate and networking among Russian and Asian PB experiences.

After a brief presentation of each one of the experiences within a national context, a summary of the lessons learned through the presentation will be presented, followed by highlights of some salient features organized under four dimensions: [a] financial and fiscal; [b] participatory; [c] institutional and legal and [d] spatial<sup>2</sup>.



Map 1. Location of PB experiences

<sup>2</sup> Same format as the one used to compare 30 Latin American and European PB experiences carried out in the early 2000s for the URBAL program on participatory budgeting in municipal finance, coordinated by Porto Alegre in Brazil. See Cabannes, base document for PB network, 2003.

# BRIEF INTRODUCTION AND SIGNIFICANCE OF THE SIX PB EXPERIENCES



Picture 2. Villagers voting and counting votes for Village PB funds candidate projects, Chengdu 2012

Source: PB Unit, Chengdu

### Chengdu, Sichuan, China

Participatory budgeting in Chengdu, the Capital of Sichuan Province started in 2009 in its rural localities and villages and has continued ever since. At present, it is the largest in China in terms of the number of projects funded, the amount of resources allocated and the number of people reached. One of its explicit objectives is to reduce the urban – rural divide. Interestingly, after its first rural-based period, PB

expanded under quite different modalities to urban districts and sub-districts. When summing up its urban and rural native residents, migrants and floating populations, Chengdu stands well above 20 millions inhabitants and is arguably the largest metropolis practicing PB so far. However, PB primarily concerns registered households, e.g *Hukou*'s residents holders [户口簿].

## **Solo / Surakarta, Central Java, Indonesia**

Surakarta [571 000 inh.] is a pilot and leading city for Participatory Budgeting in Indonesia. When it started in 2000 the local name of the annual forum was "*Musyawarah Pembangunan*" (*Musbang*), which means development forum. After 2004 when it was adopted and up-scaled nationally its name

changed to "*Musyawarah Perencanaan Pembangunan*" (*Musrenbang*), which means 'development-planning forum'. The planning and budgeting forum starts from the smallest 3000+ territories and is consolidated in its 51 neighborhoods, but exists as well for the city level as a whole<sup>3</sup>. Since 2004 Surakarta kept being one of the innovative PB cities with a key supportive role played by a local NGO, Kota Kita.

## **Stavropol Region Russia Initiative Budgeting**

*Initiative Budgeting (IB) in Russia* is an umbrella brand for various Russian practices involving citizens in the budget process, based on a similar principle of civic engagement and participation [<http://budget4me.ru>]. It covers today about 50 Russian regions and federal administrative entities of the 85 that compose the Russian Federation [see map]. The total budget for debated projects increased from around US\$ 43 million in 2015 to US\$ 125 million in 2016. A unique

feature of Russian PB [Initiative Budgeting] is that Regions contribute significantly to these amounts through their own budget: US\$ 25 million in 2015 and US\$ 91 million in 2016. The number of implemented projects has tripled between 2015 and 2016, jumping from 2,657 to 8,732 for the country as a whole<sup>4</sup>. The Initiative Budgeting is an up-scaling of the LISP – Local Initiative Support Program – that was supported since 2007 by the World Bank and mushroomed in hundreds of municipalities, primarily small ones, while successfully introducing PB practices.



**Picture 3. Initiative Budgeting [Russia]. Meeting in Adzhimskoye settlement, Kirov region [Oblast]**

3 Source: adapted from Ahmad Rifai, Kota Kita, Documentation of Solo PB experience, 2017

4 Source: Vladimir Vladimirovich Vagin power point presentation, 2018

Stavropol Krai [край] is a territory of 66,500 square kms located in North Caucasus, between the Caspian and the Black Seas. In Stavropol Krai PB [<http://pmisk.ru/>] started in 2007 as a LISP Practice in some districts of the Region and was continuously implemented till 2015. The region became one of the pioneers of the *Initiative Budgeting* [IB] that started in 2016 as a national policy and was extended to 33

municipal areas and city districts councils, where over 2.8 millions people live. As a result 125 projects were implemented in 2017, and 161 are expected to be implemented in 2018, summing an amount of over US\$ 5.3 millions per year. In June 2016 Stavropol Krai hosted an all-Russia workshop on information campaign for PB, based on their advanced experience.

## Saint Petersburg, Russia

Saint Petersburg, the second largest metropolis in Russia, is not a municipality but a Federal District, like Moscow, with a population of close to 5.3 millions inhabitants [54.4 % women and 45.6 men]. Participatory Budgeting started in 2016 and currently takes place in six out of its 18 districts [<http://tvoiybudget.spb.ru>]. One of the key differences with PB implemented through the Russian LISP or Initiative budgeting mentioned previously is that it is fully deliberative with citizens making the final decision

about budget allocations. The members of districts based Budgeting Committees [selected among citizens who proposed projects] take these final decisions<sup>5</sup>.

As PB, called locally Your Budget, is still quite new, the supporting team from Saint Petersburg European University at Saint Petersburg focuses on:

*"an intense educational approach with lectures on finance, budget, laws, regulations and overall distribution of authority between different levels of*



**Picture 4: PB funded project in St Petersburg: first bicycle lane in the historical center.**  
Source: Lev Shilov 2018

5 Extracts from St Petersburg city profile, Lev Shilov, 2018

power. Another salient feature refers to numerous activities performed to inform and mobilise citizens through a month-long information campaign using both offline (banners, ads in metro and transport, TV and radio) and online resources (Department

of Finance website, social networks like Facebook and Russian social network Vkontakte). In addition presentations are given to specific audiences such as city NGOs or students<sup>6</sup>.

## Hwaseong, Korea

Hwaseong is a fast growing city in Gyeonggi Province, located about 60 kilometres from the country capital Seoul, and that counted in 2014 540,000 inhabitants, with more men than women [279/261]. Hwaseong is clearly one of the remaining peri-urban city of Seoul macro region with a significant rural population

[253,000 inh.] facing an accelerated environment degradation, not so much of urban agriculture or agricultural lands, but of mountainous and natural areas that result primarily from an urban sprawl. The city became a commuter city for white collars and a workers city with over 10 000 factories and a migrant growing population.



**Picture 5. Siheung, Korea, Citizen's Education for PB**

Source: The Hope Institute, 2017



**Picture 6. Selection of PB demands by Civil Budget Committee**

Source: Seoul City, 2014

A Local agenda XXI was approved in 2003 by law and ratified in 2004. It gave openings to the PB process and its development “Agenda XXI and PB goals are shared by both” [interviews, 2015]. PB officially started in 2012 and was maintained ever since. The national

PB network, composed of activists from civil society considers Hwaseong one of the most interesting cases, along with a good dozen of others such as Seoul, Suwon and more recently Siheung, located in Gyeonggi Province [see picture].

## **Seberang Perai, State of Penang, Malaysia**

State of Penang [1.2 millions inhabitants], in Malaysia is composed of Penang Island and Seberang Perai where approximately 800,000 inhabitants live in its three districts. Two different PBs are taking place in the Penang Local Councils: one as a top down approach in the three districts of Seberang Perai under a citizen's consultation:

*Since 2012, the Municipal Council of Seberang Perai does survey to get feedback on how to prioritize its budget according to citizen's needs. The budget survey form is distributed to the people through the State Assembly Person, Parliamentarians and the Councilors. The survey form is made available as well via MPSP's website and facebook. To complement the budget survey, MPSP organize the Budget Dialogue to get feedback from the local leaders including CSOs and NGOs. The main innovative feature of the*

process is that the consultation phase allows going beyond the survey exercise and takes place at community level including women and men, girls and boys from different backgrounds. Based on this feedback, the Municipal Council of Seberang Perai plans its budget to fit the needs of the people<sup>7</sup>.

A second modality, called Gender Responsive and Participatory Budgeting [GRPB], started in 2012 too in low-income rental housing compounds in both Penang Island and Seberang Perai. These bottom-up processes are spearheaded as well by the Penang Women Development Corporation [PWDC].

## Looking back to PB timeline

Table 1 indicates that PB practices in Russia and Asia, under different modalities and names have a much longer track record than is commonly acknowledged. In Surakarta PB under different forms has been practiced for nearly 20 years, and the LISP program started over ten years ago [2007] in Russia paving

the way, after one year of interruption in 2016, for the current modality of Initiative Budgeting. St. Petersburg started the program in 2016, but the budgeting committees' methodology is implemented in various Russian municipalities since 2013. Chengdu PB has also passed 10 years of practice and can be arguably considered the oldest experience still in place, as unfortunately the oldest PB in China, Wenling City in Zhejiang province has been interrupted.

New experiences keep emerging, as illustrated by Hwaesong in Korea or Seberang Perai in Penang, that are entering into their seventh year in 2018, and more recently St Petersburg that started in 2016. An important observation in relation to this time line is that it seems that Asian experiences are much less volatile than in other regions as they depend much less on international aid and are being built and regulated as national or regional policies. The interruption of most of the Chinese experiences that depended on foreign aid is quite noticeable, but analyzing them go beyond the limits of this report.

City or region	Country	cycles																			
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Surakarta /Solo*	INDONESIA																				19
Stavropol Region**	RUSSIA																				11
Chengdu	CHINA																				10
Hwaesong	KOREA																				7
Seberang Perai, Penang	MALAYSIA																				7
St Petersburg	RUSSIA																				3

**Table 1. Timeframe of PB in the cities and regions presented in the dossier**

Source: local teams; Processing of data: Cabannes, 2018

\* Years 2000 to 2003 were a pilot of the current and national musrenbang

\*\* LISP - local Initiative Support Program has been active since 2007 whilst Initiative Budgeting [IB] started in 2017

7 Extracts from the documentation of Seberang Perai experience, Shariza Kamarudin, 2018

## SECTION 3

# LESSONS LEARNED AND SALIENT FEATURES



**Picture 7. Village library funded by village PB funds**

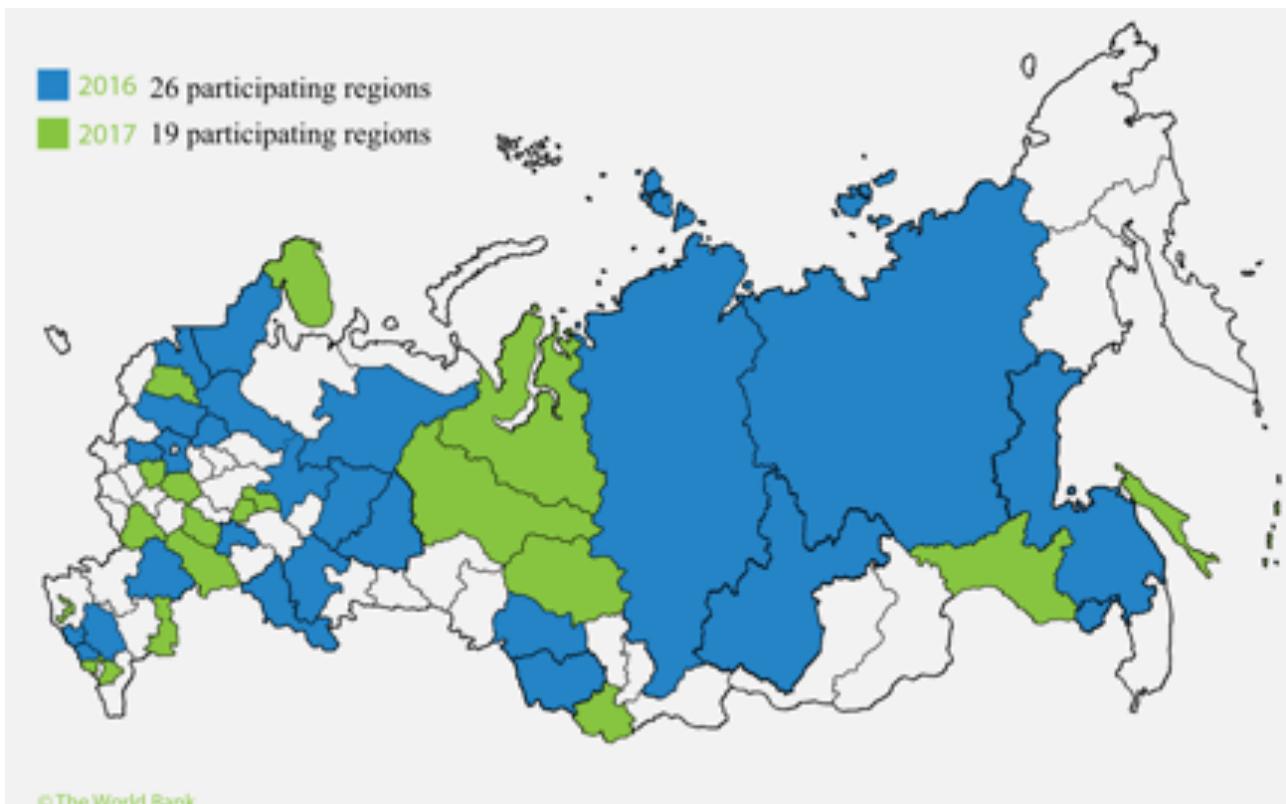
Source: PB Unit, Chengdu

The analysis of the cases and the presentations made during the session led to the following lessons that highlight to what extent Russian and Asian PBs are unique.

### Impressive scale & spread

The scale and spread of PB at least in Indonesia, Russia, Korea and Chengdu, China are far from numbers that are usually related to participatory budgeting in other parts of the world. For instance, in one Chinese mega-city, Chengdu, PB is being practiced every

year in over 2,600 rural villages & localities and 1,400 urban sub-districts and neighborhoods. Over 100,000 projects, decided by citizens, have been implemented since 2008, representing a public investment superior to 1.2 billion US\$ equivalent. *Musrenbang* in Indonesia exists in most cities even if not all of them can be considered fully developed PBs. There is, at least in these 3 countries a huge capacity to grow. The map below highlighting the regions covered by PB in Russian sub-continent contribute as well to demonstrate the impressive scale of PB and its swift geographical spread in a limited number of years.



Map 2. Russian regions participating in Initiative Budgeting / PB [2016 – 2017]

## Prospects to grow and upscale

Prospects to grow and upscale appear just as impressive. For instance, advocacy efforts from civil society in Indonesia, following the national regulation about PB/Musrenbang in 2004 focused on introducing a better PB model in rural territories where budgets have been decentralised. The recent enactment of the *Village Law* [2016] is opening a new era for scaling up in the astonishing number of 73,000 villages and small human settlements all through this country of 260+ million people<sup>8</sup>. Even if Penang Island / Seberang Perai PB practices in Malaysia are much more modest than in Indonesia, Russia or Korea, they follow a similar path as the PWDC is lobbying and advocating for a new law at Regional State level that would turn PB into a policy, setting up a new milestone and reference for participatory democracy in the country. The recent strengthening of Initiative Budgeting in Russia, essentially with national budgetary resources, after a World Bank

LISP program launched in 2007, again opens up new possibilities of continued up-scaling PB in the different regions, cities and rural settlements all through the country.

In Korea, Moon Jae In's government, which came to power due to the "candle protests" (series of peaceful protests where participants lit up candles) in 2016, announced in January 2018, that participatory budgeting, already existing in numerous cities, would be implemented at the national level. This first national PB in Asia should closely follow the model experimented by the Seoul Municipality<sup>9</sup>. Such a unique decision, at a worldwide level [beyond the still modest Portuguese national PB] highlights again how PB ranks high in the national, regional and local Asian and Russian political agenda, and most probably will continue to expand. These recent developments clearly raise the importance of monitoring the expansion and point out serious challenges that will be discussed in the final section.

8 Communication via email with Ahmad Rifai, Kota Kita Foundation, March 2018.

9 Emails communication with Cho xxx from Korean PB network who could not come to the event.

## **Despite their importance PB in Russia and Asia remain largely invisible internationally**

One key lesson learned is that, despite their huge numbers and their growing importance over the last decades, PB experiences in Asia and Russia remain largely undocumented, or better said, the existing and scarce information is far from giving an account of the multiplicity and diversity of experiences taking place, some times for a short period of time in both regions. Very scarce firsthand information exists on concrete experiences and therefore some national reports [for instance on China] do not grasp the multiplicity of PBs at different scales, and tend to mix existing and disappeared cases. The efforts made by Kota Kita [for some Indonesian *Musrenbang*], or by the LISP program for Russia, or the work planned by Huizhi participation center for China, based on firsthand observations are paving the way to better document positive changes happening on the ground.

Another hurdle to international visibility clearly identified comes from language obstacles. For instance reports and information in Korean on Korean PBs do exist, and a national report identifying the most innovative experiences is being produced at great cost by the Korean PB network. Unfortunately, they are not translated and the vast majority of PB activists and civil servants involved in PB speak exclusively Korean, making international research by, and communication with, non-Korean speakers quite difficult. The same could be said for Russia, Taiwan or Indonesia, and maybe to a lesser extent for India, or Malaysia where the Penang Island / Semarang Perai PB experience stands as a relatively unique case with information available in English.

## **Limited communication among PB actors beyond their national boundaries**

The meeting that took place in February 2018, was not only a milestone in connecting people directly

involved in very innovative practices in Asia and in Russia, but at the same time to network with other actors from Europe and Africa. As a matter of fact, about ten years ago, in August 2009, the first International Conference<sup>10</sup> on Participatory Budgeting in Europe and Asia took place at University of Zhejiang, Hangzhou, China and explored Key Challenges of Participation with PB actors and scholars from Korea, India [Kerala], Japan, Indonesia, China and Thailand, from the Asian side and others from Germany, UK, Portugal, Spain, France and Italy. One needs to reflect why it is only ten years later that another opportunity was created to network unique experiences and people, and just as importantly why no follow up happened among Asian cities and between Asia and Europe, not to mention with Latin America or Africa, where PBs experiences count in the hundreds. The lack of attention given to this partially explains such a situation, but at the same time, it clearly highlights the positive role that the International Observatory on Participatory Democracy [OIDP] that co-convened this session plays and could play in the future.

## **PBs and SDGs**

One of the expected outcomes of the exchange was to explore to what extent PBs practiced in Asian and Russian cities could contribute to attaining some of the SDGs [Sustainable Development Goals]. Interestingly, to the question: '*Which of the SDGs do you think PB contributes to more and why?*' the various panellists from the different cities agreed that **SDG 11 Sustainable cities and communities** is "*probably the most linked to participatory budgeting, since it relates to urban planning from the points of view of inclusion, resilience and sustainability, aspects that can be well approached with the participation of citizens*"<sup>11</sup>... Converging voices arose from Chengdu, where "*most PB budgets have been allocated to infrastructure and PB facilitated community groups organization development, citizen capacity development*"<sup>12</sup> and from Penang, where "*Gender Responsive and Participatory Budgeting [GRPB] demands community participation – women and men, by making people as*

10 Funded by The Friedrich Ebert Stiftung and with the support of the French-German Centre Marc Bloch

11 Adrià Duarte, Barcelona

12 Zhuang Ming, Chengdu

*partners in deciding the directions of the program and how State should spend its money. The process itself empowers people to be agent of change and care for the environment*<sup>13</sup>.

At the same time, SDGs 11 acts somehow as “the tree that hides the forest” just because PB contributes to many more SDGs, and quite importantly to **Goal 10 Reduce inequality** either social [“GRPB in Penang is a tool to empower community and challenge the status quo by putting people in the center of budget planning”] or spatial [“Chengdu PB initiated with the aim to reducing urban-rural public services gap”].

Additional evidence gathered during the training session on engendering PB – see appendix for 2 details – where experience from Penang, Surakarta, Yaoundé in Cameroon, Rosario in Argentina and various European cities clearly demonstrated that PB can significantly contribute to **Goal 5: gender equality**, even if it has not been often the case. A work still to be done is to develop a systematic evidence-based research highlighting the contribution of PBs to SDGs [and targets], similar to the one that was produced in 2004 for UN Habitat on the contribution of PB to the Millennium Development Goals [MDGs].<sup>14</sup>



**Picture 8. Stavropol Region [Krai]: Example of early funded PB project [2007].**

Source: Vladimir Vladimirovich Vagin

13 Shariza Kamarudin, Penang

Cabannes, Yves. *Participatory Budgeting: Conceptual Framework and Analysis of its Contribution to Urban Governance and the Millennium Development Goals*. Concept Paper. Quito, 2004, Working paper 140, UMP-LAC, UN-HABITAT, UNDP, 56p, downloadable from . <http://eprints.ucl.ac.uk/10660/1/10660.pdf>

## Reversing of priorities and paradigm shift

Establishing links with Goal 10 reduction of inequalities being social or spatial, and Goal 5 gender equality, is not only important in terms of development but is important too to connect Asian and Russian PBs experiences with other experiences worldwide and the original ideas of "reversing priorities" that were at the heart of Brazilian PBs, and Porto Alegre in the first place and that remained central to many subsequent PBs over the last three decades. Originally, PB was a means to construct a new political, social and spatial justice and order though reverting three priorities:

- **Reversing spatial priorities:** resources are channeled to those spaces such as neighborhoods, rural and peri-urban areas, villages and remote settlements, non legalized or occupied lands, derelict city centers, etc. that historically were and are still excluded and do not benefit as much as productive spaces from public investments and subsidies.
- **Reversing social priorities** consists in channeling more resources through PBs precisely to those social groups who historically had less. Such a positive discrimination towards the "*have not*" means as well opening up participation channels and spaces to the most vulnerable social groups. According to cities these vulnerable groups are the youth, the elderly, women, afro-descendant population for instance in Brazil, migrants and refugees, LGBT+, prime nations and ethnic minorities, etc.
- **Reversing political priorities, or "*power to those that were powerless*",** consist in opening political space for those who never had political space. PB can be, but it is not often the case, a powerful means to shift decision making power in favor of the powerless, through transferring financial decision making power to the PBs participants and transferring them as well the power to define the PB rules.

The six experiences documented and the various presentations pointed out clearly different levels of this triple reversion: **reverting spatial priorities** remain clearly at the heart of Chengdu PB that channels significant resources to peri-urban and rural villages, in order to reduce the urban-rural gap. Similarly, Initiative Budgeting in Stavropol region, Russia, and most probably in many others such as Bashkortostan, was designed to reach all small and intermediate municipalities of more than 1,000 inhabitants that historically have scarcely benefitted from public resources. The experiences of PB in Penang Island and Seberang Perai in Malaysia or in Surakarta, Indonesia are clear examples of "**reverting social priorities**" insofar as they both contribute to empowering women, and change historically unbalanced men-women relations. **Reverting political priorities and increasing political power for the powerless** is well illustrated by St Petersburg PB, even though still on a modest scale, where people's decisions in assembly are final for selecting PB projects and where PB rules are defined by the people. Similarly, some Korean PBs, such as in Hwaesong do represent a political paradigm shift where people have gained significant decision-making power.

When taken as a whole, Russian and Asian PBs do represent a paradigm shift in relation to reverting policy priorities that connect them with historical and current PB practices worldwide. In order to better differentiate these PBs practices, it would be interesting to explore further their level of social, spatial and political reversion of priorities and to better identify which are the conditions that make this reversion possible.

## SECTION 4

# PB'S IN ASIAN AND RUSSIAN CITIES: A HUGE FIELD OF INNOVATION FOR URBAN TRANSFORMATION



Picture 9. Sewerage works funded through Musrenbang, Solo, Indonesia

Source: Kota Kita

One of the key lessons learned through the workshop, the documentation of cases, the field visits and the [scarce] literature is that PB in Russian and in Asian cities represents a huge field of innovation that should deserve a lot more attention. These innovations are not only important at city or national level, but are quite relevant internationally: knowing them better and disseminating them worldwide would enrich existing PB communities of practice.

Here are some illustrative examples identified by the various contributors:

### **Financial catalytic role of PB: co-financing PBs in Stavropol Region and in Russia**

in general is quite significant and is embedded into the system. The resources allocated by the Ministry of Finance at regional level represent only a portion of the total costs of projects funded through PB: communities, local governments and even the private sector do contribute in quite a significant form, and much more than in other countries.

*There are no fixed obligatory levels of projects co-financing from the local population, business and the local budget. Municipal entities can apply with projects that imply any level of co-financing, however the higher is the co-financing the higher is the likelihood for the project to be selected. There is a competition between projects in terms of the degree of involvement and contribution of local communities in the development of their settlements. At the same time, local businesses can be involved in the projects both under financial and non-financial forms<sup>15</sup>. "The overall idea of co-financing is to improve targeting, and create incentives for community oversight monitoring, not to create barriers to participation"<sup>16</sup>.*

## Chengdu PB, linking up short-term budget programming with longer term planning

PB Chengdu is important as it clearly included projects that strengthen village economy, whereas few PBs at international level do the same. Another innovation is that innovative measures were built in, that connect short-term decisions by villagers with longer-term planning perspectives:

*Villages can apply for a loan [to Chengdu public development bank] with the PB funds they have. The maximum loan they can get is 7 times their original funds. This is very helpful when some very costly PB projects are prioritized, like a village road<sup>17</sup>.*



**Picture 10: River bank and irrigation system maintenance with Chengdu PB village funds**

Source: PB Chengdu, 2014

15 Local team, Stavropol case study, 2018

16 Communication with LISP team, Moscow, March 2018

17 Local team, Chengdu case study, 2014

## **Participatory Budgeting in low-income rental housing in Penang Province, Malaysia**

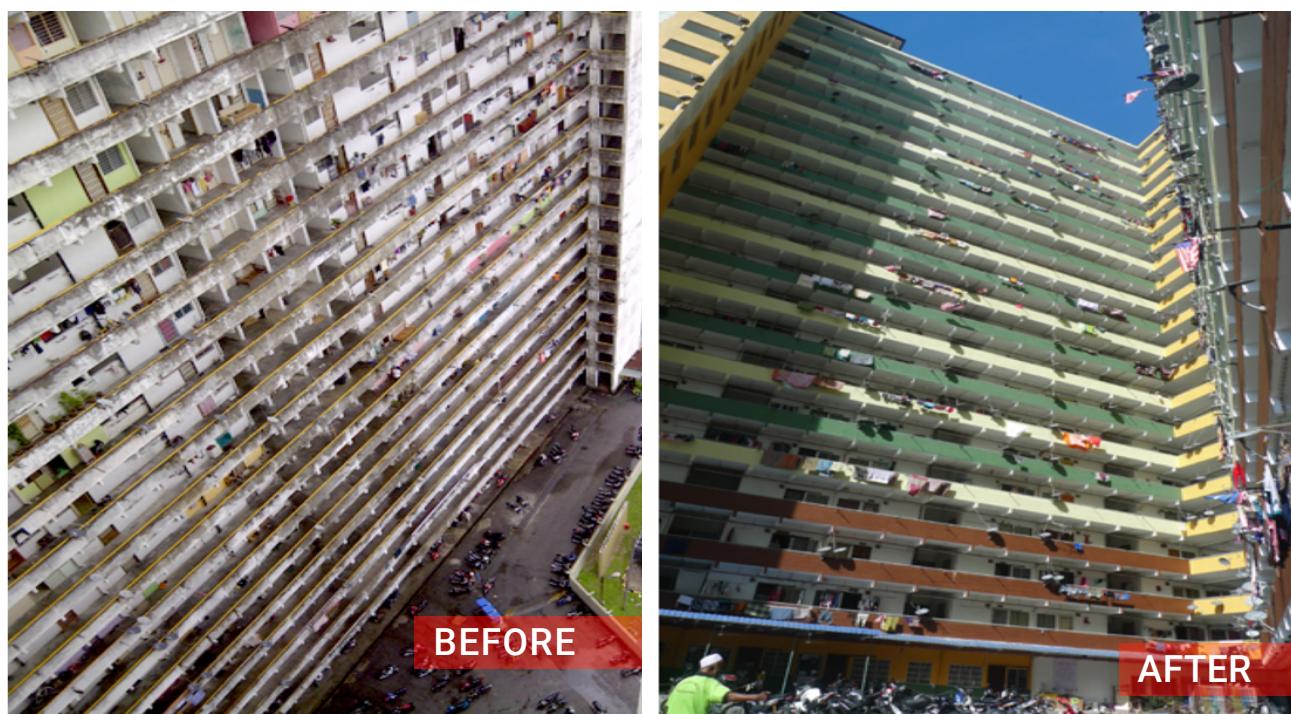
In addition to bringing in a unique and robust gender perspective into participatory budgeting through their Gender Responsive and Participatory Budgeting, the Penang Women's Development Corporation [PWDC] has introduced PB in two large Council low-income rental flats located in Penang Island and Seberang Perai: Ampangan Flats is a one 10-storey block of 250 units 3-bedrooms Rental at US\$ 35.00 per month and Jalan Sungai Flats are two 22-storey blocks summing 529 rental 3 bedrooms units at US\$ 35.00 per month [see picture]<sup>18</sup>.

Very few participatory budgeting processes experiments have been tailored and implemented exclusively for the realities of low-income rental flats. All through these years, there has been a growing interest to tailor PBs to low income housing

tenements, for instance in China and more recently in Russia [Bashkortostan' Courtyard PBs]. Therefore the innovations introduced in Penang and the positive results obtained in benefice of low income and traditionally excluded social groups are quite essential for PBs in the Asian region.

## **Mini-atlas in Surakarta / Solo**

One difficult issue faced by participatory budgeting is how to address the tensions between immediate demands from specific groups and the interests of the different groups living in the same community, or the same neighborhood, and corresponding to different social groups [women, men, adults, elderly, the youth, etc.]. Various cities while implementing PB, have been promoting participatory local/neighborhood/parish development plans in order to put in perspective the various priorities and interests, and at the same time, define collectively priorities; Cordoba in Spain, Cuenca



**Picture 11. Jalan Sungai Flats, Penang, before and after PB**  
Credit: Shariza Kamarudin, WPDC, 2014

18 Source: Shariza Kamarudin's ppt: Gender Responsive Participatory Budgeting (GRPB) in Penang: The People-Oriented Model, 2014

in Ecuador or Belo Horizonte in Brazil are outstanding examples. Surakarta / Solo, in Indonesia, has been contributing in an innovative way to community mapping in the perspective of improving PBs:

*Kota Kita has introduced Mini-Atlases since 2010 as a tool for communities to assess the issues in their neighborhood, which can later be used to map the shared needs of the community. It helps them to be more aware of the main problems so that they can propose at PB level programs and activities based on their assessment. The building*

*and sharing of neighborhood profiles, or Mini Atlases, with citizens from each neighborhood for the process became a citywide regulation since 2011. The Mini Atlases visualize basic information about neighborhood conditions in a way that helps to facilitate discussion, identify areas and issues of need, and prioritize proposed projects. The information is collected every two years through a city-wide community mapping process, which crowd-sources the information from each community<sup>19</sup>.*



**Picture 12. Community mapping process for PB related mini-atlas**  
Credit: Kota Kita Foundation, 2017.

19 Ahmad Rifai, Kota Kita, 2018, case study documentation of Solo PB.

## Budgeting committees selected by drawing lots in St Petersburg

Participation in PBs takes place under two basic forms: the first one is *direct, universal and voluntary* [Porto Alegre model] where usually any person beyond 18 or 16 years can participate. A second form less common is *indirect participation* that we call *Civil Society Representative Democracy* through which only registered organizations and Community based organizations can participate through their delegates or representatives. In this case the number of participants is much more reduced and the common citizen is not directly involved. Experiences such as Seberang Perai or Chengdu where individual surveys

are conducted with each family, sometimes on a very vast scale as a starting point for PBs process are less common.

Among the six experiences presented, St Petersburg established an innovative process, even if tested in different countries that deserves attention and monitoring. Here is a short summary of its basic principles.

*Any citizen of St. Petersburg aged 18 or older, except city administration workers and deputies of any level, can apply to the PB with an idea. Then, Budgeting Committees composed of 20 people are established in each one of the participating*



Picture 13: Budget committee meeting in Admiralty district, St Petersburg, 2017  
© Lev Shilov, 2017

*districts of St Petersburg. These members will have the voting rights to decide on the projects to be prioritized in the district. In addition, 20 to 30 people are selected as "a reserve or substitute committee", with voice but no voting power. In 2018, 3288 people from all 18 districts applied with a project [over four times the 2017 figure] and 240 people were selected to become members or substitute members of the six budgeting committees established in each one of the six districts that were selected, for having achieved the highest number of proposals. The original aspect is that the committee members' selection is made by drawing lots [or lottery], out of the applicants that are interested. Such a procedure gives equal rights to participate to everyone. The method is very similar to citizen's juries or court juries<sup>20</sup>.*

## Korean PB network

The experience accumulated by the *Citizen Action Network* that gathers various organizations and activists engaged in PB from different cities in

the country is quite inspiring and relatively unique in Asian countries or in Russia [goodbudget.kr]. Around 50 Korean cities are represented through local representatives in the network that remains independent from public and government resources. Every year the members scrutinize pre-defined indicators and variables the diverse PBs implemented nationally. As a result they present 12 to 15 "good practices", sometimes publishing a national report, in Korean only, and available on Internet. In order to reduce functioning costs, as they have to survive and work, they tend to meet only for one day, twice a year. The principle to speed up presentations and spare time and money [no resources] are *hackathon* and generally in 5 to 6 hours all presentations are made<sup>21</sup>. An important contribution, beyond how to make a PB network functions through time, is to maintain a critical and qualitative approach to PB and a willingness to deepen democracy. Currently the Korean PB network is facing a weakening process being addressed by its members.

20 Synthesis from Lev Shilov documentation of St Petersburg PB, 2018.

21 Interview of Korean PB network coordinator and fieldwork, Cabannes, 2015

# HIGHLIGHTS ON SOME CHALLENGES FOR THE FUTURE



Picture 14. Solo / Surakarta Community discussions as part of PB process

Credit: Kota Kita

Despite the huge achievements realized over the last years, various challenges, most of them common to the various cities need still to be addressed. Some of them, identified and discussed during the sessions on participatory budgeting during the World Urban Forum are highlighted below.

In most cases, and this is not only the case under Russian and Asian skies, innovative PB that strengthens through time, share common features that are currently challenging:

## **Strong, independent, and committed civil society organizations**

One identified challenge is how to increase and secure more power for people to decide, both for projects priorities, but for defining PB rules as well. The “institutionalizing capacity of citizens” is part of the essence of participating budgeting looking not only for social or spatial justice, but that are aimed at deepening democracy. A serious risk that usually appears on the road, particularly when PBs are becoming successful and growing in visibility, is cooptation by politicians and party politics as well as elite capture. How to address these risks is a challenge so far for maintaining and increasing the quality of PB experiences in Asian and Russian cities.

## **Long term strong political commitments from mayors and politicians**

Strong PB needs strong commitments from local, regional or national politicians in power, but at the same time they need to become independent from these same politicians, and live a life on their own, beyond political mandates. International experience unfortunately highlights how PB processes, that apparently were looking strong and alive, do not survive beyond political mandates. Inscribing as was done for instance in Chengdu China, PB processes in policies, is one of the conditions that reduces volatility and the risks of unfortunate interruptions to PB processes. Again this is a challenge highlighted for the present period and that will need further attention.

## **Strong and independent non-government organizations, universities and research centers or academies.**

One clear lesson learned through the presentations and the cases documented is the role played by local and National NGOs such as HuiZhi / Participation Centre in Chengdu, Kota Kita in Solo

and more generally in Indonesia; Penang Women's Development Corporation in Penang or the Centre for Good Budget in Seoul. In some contexts, and this is the case on St Petersburg or in other cities in Russia, Universities, Research centers and academies are playing a similar positive function. This support and advisory role that covers multiple functions among such as training, helping in community mapping, awareness campaign, monitoring and evaluation or creating bridges between organized citizens and local authorities is essential and largely under-estimated despite the evidence gathered. The expansion of PB in a country, without losing quality, depends largely on their expansion, their multiplication and their strengthening. How to achieve this and getting local and regional governments supporting them is quite essential and does not seem to be enough considered today. This remains a major challenge.

## **Channel more resources to participatory budgeting experiences**

A common feature of PBs in Asian and Russian cities is the moderate to extremely low level of budgetary resources being debated. The indicator that has been used to put experiences from different countries in perspective is to divide the amount debated [converted in US\$] by the number of inhabitants residing in the city or the region where the PB is taking place.

This method has limitations and therefore any comparison has an indicative value only: [a] The purchasing power of the local currencies varies significantly from one country to the other; [b] the fluctuations of the exchange rates brings some distortion as the data obtained in the different cases are not from the same years; [c] The amounts debated vary quite significantly from one year to the other and can bring distortion as well. This is why we usually use a three years average and [d] and this is the most serious limit, the [PB] budgetary values indicated officially might relate either to a *planned and expected PB budget*, or to the *real PB budget* obtained and that will depend on the reality of transfers from central governments or to the actual

capacity of a given city to get the taxes paid, or it can refer to the budget actually spent in projects that have been approved through the PB process. Usually, this last figure is significantly lower than the planned, expected or confirmed budgets, as cities do not always have the capacity to spend their resources, primarily for PB related projects. We have been using, as much as possible, this latter figure, that remains the most significant and "real" one.

Keeping these limits in mind, one clear finding is that at the top end one finds Chengdu rural PB with a moderate value in the range of US\$ 10 /inhabitant / year. Then, Hwaeong, Korea quite similar to Seoul ranges around US\$ 5 /inhabitant / year. Surakarta / Solo, Stavropol Region and Chengdu urban PBs debate low figure in the range of US\$ 2 /inhabitant / year. St Petersburg so far debates budgetary resources below US\$ 1 level whereas Seberang Perai in State of Penang, Malaysia so far debated only US\$ 0.1 /inhabitant in 2017.

Such numbers are relatively modest in relation to international practices, both in developed and developing countries: a significant number of experiences debate more than US\$ 20 or 50 / inhabitant / year. Cities debating out US\$ 100 or 200 /inhabitant / year, such as Porto Alegre in Brazil for most of the years, or Ilo in Peru are more the exception than the rule, but have been far from being unique. And they are not necessarily wealthier than their Asian and Russian equivalents. Obviously PB in cities where large amounts are debated are of a different nature and contribute to hugely transform cities positively in a relatively short period of time.

## PB budget vs Municipal overall budget

One could legitimately argue that these resources need to be put first of all in relation with the overall municipal budget available in the same city or region, in order to gauge the financial importance given to PB and the real capacity of citizens to control a significant share or not of the city resources.

The available public resources in the six cities and regions analyzed summed up to the significant number of US\$ 15.5 billion annually. According to the information obtained, Hwaeong [and this is true for Seoul as well] would be at the top end with approximately US\$ 3000 /inhabitant for 2014 [to be verified once again, as it appears extremely high]. St Petersburg Federal district is a wealthy metropolis as well posited in the US\$ 1,600 /inhabitant / year range [2017, all districts], followed by Stavropol Region with US\$ 525 /inhabitant in 2017, [actual budget], Chengdu US\$ 258 /inhabitant in 2012 [executed] and Solo US\$ 204 /inhabitant in 2017 [expenditure]. Seberang Perai enjoys a very low overall budget of about US\$ 6 / inhabitant for 2017 that relativizes the extremely low amount debated through PB.

## PB, Pb, pB or pb?

This being said, one needs to insist as well on the fact that "**Participatory Budgeting**" cannot be limited to its "**Budgeting**" dimension. However it cannot be either limited, as it is often the case to its "**Participating**" side, as if the control of public resources was trivial and unimportant. The argument here is that both sides of the coin need to be balanced and be **PB** in capital letters, instead of **pb** in minor tone!

## Final comment

How to keep in touch and learn from each other among Asian and Russian actors involved in PB remains an open question. Exchange of information, of tools and methods, of know-how and of critical reflections will certainly contribute to maintain and improve the quality of PBs that are increasing in numbers every year. Setting up a community of practice in Asia was felt as an important step to address collectively

the challenges just highlighted. Finally, it would contribute as well to lobby for higher recognition at international and at national levels of the potentials of PB to improve people's lives and to achieve the triple reversion of spatial, social and political priorities in a perspective of social and spatial justice and the deepening of democracy.



**Picture 15. Villages Sports games funded by village PB funds**  
Source: PB Unit, Chengdu

# APPENDIX 1

## **Side event. Participatory Budgeting in Asian and Russian Cities: A Pathway Towards Achieving The New Urban Agenda**

### **World Urban Forum 9 - Kuala Lumpur, February 7-13, 2018**

#### **ORGANIZERS**

Kota Kita Foundation (Indonesia)  
The Bartlett Development Planning Unit, University College London (United Kingdom)  
International Observatory on Participatory Democracy (International)

#### **SUMMARY**

Kota Kita Foundation, The Development Planning Unit (DPU-UCL), and the International Observatory on Participatory Democracy propose to showcase and discuss Participatory Budgeting as an important process towards implementing the NUA and achieving the SDGs in Asian cities. Understanding and identifying successes, challenges and synergies from different experiences will allow for the elaboration of a set of recommendations in a proposal for the development of participatory practices throughout Asia. Our goal is for Participatory Budgeting to be included and considered in the international agenda as a viable and democratic process for the sustainable urban development of our cities that strengthens participation, reducing inequalities.

Participatory Budgeting is an innovative and democratic way of empowering and engaging citizens to produce and change their environment and quality of lives. It gives inhabitants real power over the allocation of public financial resources designated to their living area, enabling them to be actively involved in the making and shaping of their neighborhoods. Participatory Budgeting is an inclusive way of governing, taking into account the

voices of marginalized and disenfranchised segments of the society (elderly, persons with disabilities, undocumented immigrants, urban poor, among others). It fosters governmental transparency and accountability, as it encourages informed citizens' engagement and democratic processes locally.

The event brings worldwide Participatory Budgeting experts and related fields to discuss how to further promote and have this process as an implementation tool of the NUA and SDGs. The cases present during the event aim to: (a) showcase successes and struggles from Participatory Budgeting experiences in Indonesia, Bangladesh, China, and South Korea, and also Russian cities; (b) identify commonalities and possible synergies between them; and (c) debate recommendations and suggestion of a course of action for the NUA implementation, in particular regarding participation and SDGs achievement that takes Participatory Budgeting into consideration for public financial decision-making and planning.

#### **EXPECTED OUTCOMES**

- More awareness about the experiences of Participatory Budgeting occurring in cities across several countries - Indonesia, Bangladesh, China, South Korea and also Russia - to demonstrate its relevance as a regional trend and successful mechanisms for participation;
- The identification of good practice examples in line with the SDGs and NUA guidelines - that would contribute to a publication that shares these experiences and helps replicate them in different Asian cities;
- A proposal with recommendations related to PB that could be used for advocacy, lobbying and policy influencing of the international agenda for implementing NUA guidelines and achieving SDGs in the Asian region.

# APPENDIX 2

## Mutual learning exercise: ENGENDERING PB. How to generate more gender sensitive participatory budgeting: Learning from local experiences.

### World Urban Forum 9 - Kuala Lumpur, February 7-13, 2018

#### SUMMARY

Participatory Budgeting has been expanding over the last 30 years, from one experience to over 3000 in 2017. Despite its huge contribution to participatory democracy and improvement of citizen's well being, PB has largely been unable to address gender inequality and modify men-women social relations patterns. This being said some experiences have been able to reach significant changes and to introduce innovative methodologies.

The event is structured into three main parts:

1. The first 80 minutes focus on how gender equity approaches were successfully inserted in PB processes in different cities of different scales: Key obstacles found during processes? How were they addressed? What were the outcomes? are the core

issues presented by trainers and actors who were directly involved in local processes in cities from Argentina [Rosario], Cameroon, Indonesia [Solo], Malaysia [Penang], Madagascar and Portugal [tbc]. The obstacles still remaining will be highlighted for the participants to reflect upon and kick off debates.

2. A 20 minutes debate and Q&A will end up with a list of constraints and positive lessons coming from this "learning by doing" exposure on **how to generate more gender sensitive participatory budgeting**.

3. Third part of the training stimulates direct involvement of and proposals from participants who will work in small groups [40 minutes] on a concrete and specific case on how do foster Gender sensitive PB, that at the same are empowering women, meeting their expectations and change men-women roles. Trainers will provide the socio-economic-cultural characteristics of the case. During the last 20 minutes, groups participants will share their results in plenary and some of the trainers who have been directly involved in experimenting Gender sensitive PB will give final comments.

#### PARTNERS



*ta Kita Foundation  
(Indonesia)*



*International Observatory  
on Participatory Democracy  
(International)*



*The Bartlett Development  
Planning Unit, University College  
London (United Kingdom)*



*RNHC, Réseau National des  
Habitants, Cameroon*



*ASSOAL, Cameroon [lead organizer]*



*Penang Women development  
Corporation, Malaysia*



*Centro de Estudos Sociais  
Universidade de Coimbra*

*Centre for Social Studies - CES -  
Coimbra University*

# Projek Penyertaan Rakyat PROJEK KITA

Mai.. rebut peluang dana  
bagi projek yang anda inginkan.  
Bampa anda di taklimat projek !

PROJEK  
KITA

Taklimat & Pendaftaran :

21 Agos 2015 / Sabtu  
9.30 malam Dewan PPR Jalan Sungai  
22 Agos 2015 / Ahad  
9.30 malam Dewan I/P Ampangan



Penang, Malaysia, Participatory Budget participants Source PWDC