

# Participatory Budgeting in the Philippines

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Participatory budgeting has been adopted and adapted by governments around the world. Existing literature points to a variety of desired outcomes from these efforts, but does not clearly distinguish the impacts on individuals, groups, and society. This study uses the case of the Philippines to explore the differences in impacts of participatory budgeting within and across the three levels. Reforms in the Philippines were similar to efforts in other countries, but there were adaptations, including a national mandate for the decentralization of participatory budgeting to local governments and the required representation of civil society organizations in local resource allocation processes.

Some gains in individual education and efficacy, representation of marginalized groups and social justice, and government accountability were seen in the Philippines, but they seem to be idiosyncratic to the local context. Civil society and democratic legitimacy advances, though, were weaker, at least partly due to challenges in involving third-party intermediaries in the process, and continued issues with elitism and corruption. Like other participatory budgeting cases, the outcomes have not been uniform, and transitions in national leadership hinder institutionalization.

**Keywords:** participatory budgeting, Philippines, civil society organizations, third-party intermediaries, social equity, accountability, transparency, civil society, democratic legitimacy

## INTRODUCTION

How well do normative theoretical framings explain the practices and predict the outcomes of participatory budgeting (PB) in the Philippines? This is an important question since there are long-held perceptions of a democracy deficit related to an accountability deficit (Arugay, 2005) and low citizen trust in government. In response, the country has experienced many grassroots mobilization efforts resulting in episodes of good governance reforms and participatory budgeting mandates. A long-standing culture of elitism combined with persistent corruption has been challenged recently by “Grassroots Participatory Budgeting” (GPB).

Previous literature has outlined various goals and outcomes of participatory budgeting, centered around normative democratic values. These include, for example, transparency and accountability, citizen education, social justice, civil society, and government

legitimacy. These outcomes may have different effects on individuals than they do on groups and/or society as a whole. Existing studies and models, though, have not distinguished between these three levels in discussions of participatory budgeting outcomes. Through case analysis, we examine the impacts of participatory budgeting implementation in the Philippines at these three different levels. Specific adaptations in the design of the PB process were a national mandate prescribing local government implementation which featured a specified role for civil society organizations as citizen representatives. These adaptations and the outcomes that resulted make the Philippines an excellent case for theory testing and development where gaps in our prescriptions are identified.

In the following section, we recap prominent theoretical frameworks that inform our analysis of participatory budgeting in the Philippines. The next section provides background information on the country’s history and characteristics. The third section

provides an overview of the research methodology and is followed by a description of participatory budgeting in the Philippines. Our analysis of this case related to the outcomes for individuals, groups and the collective is then presented. Finally, our conclusions provide insights into leverage points in the PB process that may improve professional practices and make outcomes more robust, and set the stage for future research and theory development. When successful, better theory and practice may support the institutionalization of PB practices, a gap that is evident in this case and pervasive across many participatory budgeting cases.

## LITERATURE REVIEW

Increased citizen participation in governance has long been encouraged by scholars (e.g., Barber, 1986; Box, 1998; King et al., 1998; Bingham et al., 2005; Ebdon & Franklin, 2006). “Participation is particularly important because it fosters good governance, promotes transparency, increases social justice by involving the poor and excluded, and helps individuals become better citizens” (Jackobsen, et al., 2016, p. 58). It can also reduce clientelism, patronage, and corruption (Shah, 2007). Public policy is often implemented through budget decisions, so efforts to enhance the role of citizens in the budget process are considered to be an important step towards achieving these goals and values (Ebdon and Franklin, 2006).

Participatory budgeting (PB) is the most globally dispersed form of participatory democracy (Pateman, 2012). PB originated in Porto Alegre, Brazil in the 1980s. It is a multi-tiered set of citizen assemblies that often represent groupings of neighborhoods. PB usually affects a designated portion of the government budget, and the funds are typically used for infrastructure (e.g., water lines, schools, streets). Participants determine how the funds will be used, although in some cases the government has some degree of veto authority, or may select the potential projects to be considered in the process (Shah, 2007). PB has been promoted by international organizations, including the World Bank and the United Nations (Goldfrank, 2012) and there are now more than 7,000 cases of its use (Dias & Júlio, 2018).

Participatory budgeting has been adapted in a variety of ways so that it operates differently across and even within countries (Sintomer et al, 2012; Shah, 2007). The central government in South Korea, for example, has mandated that local governments implement PB, although the parameters for design are very broad (Kim, 2016). Besides, changes have been made over time; for example, the Porto Alegre process has undergone considerable modification since it began, with citizens having less influence than they did previously (Melgar, 2014).

These wide variations and adjustments make it difficult for scholars to develop and test theories related to participatory budgeting. The literature has focused on various aspects, such as the factors that explain why governments choose to implement participatory budgeting, the design of the process, who participates and why, and the outcomes that result. Extant literature provides some evidence that the implementation and success of participatory budgeting depends on strong support from the government’s chief executive (e.g., Melgar, 2014). Relationships between factors including the political and economic environments and civil society organizations also seem to be important in understanding differences in institutional design and outcomes (Sintomer et al., 2012). Participatory budgeting has been found in some cases to result in increased participation by those in lower socioeconomic groups and more resources to previously neglected areas (Franklin et al., 2013). Long-term societal effects are not clear, however; for example, mixed results have been found as to whether PB in Brazilian municipalities had an effect on infant mortality rates (Touchton & Wampler, 2014; Boulding & Wampler, 2010).

Several scholars have developed models of budget participation that focus on goals and outcomes, typically based on normative values associated with democracy. Ebdon and Franklin’s (2006) impact model identified seven potential outcomes: reduce cynicism, education participation, gain support for budget proposals, gather input for decisions, change resource allocation, enhance trust, and create community. Fung’s “Democracy Cube” (2006)

consists of three dimensions of PB design that can lead to legitimacy, justice, and effective governance: participant selection, communication and decision making, and citizen role and authority. Wampler's model (2012) outlines four core principles of PB: active citizen participation (voice), increased citizen authority (vote), reallocation of resources (social justice), and improved transparency (oversight). The model focuses on three areas of impact: democratic legitimacy, social justice through the reallocation of funds, and a stronger civil society.

Building upon Ebdon and Franklin (2006), Justice and Dülger (2009) incorporate the role of third party intermediary organizations in budget participation processes. These civil society intermediaries, as subject matter experts and monitors, can reduce information problems and opportunism of decision-makers. These actions can facilitate education and social capital, encourage government responsiveness, transparency, and accountability, and increase perceptions of government legitimacy and trust.

The participatory budgeting models have some individual features but there is also overlap between them. What is striking in the literature is that the discussions of goals and outcomes tend to combine three distinct levels: individuals, groups, and society as a whole. For example, the role of third-party intermediaries (as groups) in the Justice and Dülger (2009) model is expected to lead to improvements for all of society. The involvement of increased numbers of individual citizens in the Wampler (2012) model are expected to lead to reallocation of funds to groups that have greater needs. The models all assume some level of increased government legitimacy and transparency affecting all of society resulting from the increased authority of individuals and groups. Yet the distinctions (and potential conflicts) between these three levels are not identified. The implication is that, as U.S. President John F. Kennedy said in a June 1963 speech in Frankfort, Kentucky, "a rising tide lifts all boats" but PB may have varying impacts on individuals versus groups or society overall.

Our interest here is in addressing this gap in the literature

by examining how the three levels (individual, group, and societal) are affected in one case of participatory budgeting. For example, are positive outcomes for one level related to positive (or negative) outcomes for another level? Might different design features, and/or contextual factors, lead to different outcomes at the different levels? Our study is an initial attempt to focus explicitly on these levels. The next section provides an overview of the Philippine context, to demonstrate its value as a case study.

## THE PHILIPPINE CONTEXT

The Republic of the Philippines became an independent country in 1946. The population is 102.6 million, with 12.9 million people living in the capital of Manila. The two official languages are Filipino and English, with eight major dialects used. About 44% of the population lives in urban areas. The poverty rate is about 25%, mostly in the rural areas (CIA, n.d.).

The country is structured as a presidential republic. The president and vice president are elected on separate ballots, and they serve a six-year term. The legislature is bicameral, with 24 seats in the Senate (6-year terms) and 292 members in the House of Representatives (3-year terms; some seats are based on party-lists to enhance minority representation) (CIA, n.d.).

There are 80 provinces and 39 chartered cities, in addition to the national government (CIA, n.d.). Other cities and towns are components of the provinces. Barangays are villages, districts or wards that are parts of the cities/towns (Barns, 2003). As of 2007, there were 131 cities and 1,497 municipalities/towns, with 41,994 barangays. Each local government unit has an elected chief executive and legislative body/Sanggunian (Yilmaz & Venugopal, 2013).

Two "people power" movements have led to changes in leadership. The first of these movements, in 1986, resulted in Ferdinand Marcos' exile after 20 years in power, most of these under martial law. Democracy was reinstated at that point, with a new Constitution in 1987. The second movement, in 2001, resulted in the resignation of Joseph Estrada, who was going through

an impeachment process due to charges of corruption (CIA, n.d.).

The Constitution of 1987 emphasized Engaged Governance as a central policy, stating that “The right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decision-making shall not be abridged. The State shall, by law, facilitate the establishment of adequate consultation mechanisms” (as cited in Barns, 2003, p. 1-2). The Local Government Code of 1991 was signed by President Aquino, to further efforts towards decentralization and inclusion of civil society in governance (Yilmaz & Venugopal, 2013). The President’s goal was to “..complete the initial process of empowering our people through direct participation in the affairs of government, by allowing them the widest possible space to decide, initiate and innovate” (as cited in Barns, 2003, p. 2).

The Local Government Code developed mechanisms to increase the role of civil society organizations (CSOs) at the local level. They were given representation on special local boards and committees (Barns, 2003). Local development councils at each local level (province, city, municipality, and barangay) were empowered to allocate the local development fund, which is 20% of the Internal Revenue Allotment from the central government. CSO representatives are to comprise 25% of the seats in these councils (Magno, 2015).

A study of the 1991 Local Government Code identified a variety of issues. Overall, the “common elements identified as problematic in terms of fulfilling the potential for Engaged Governance in the Code are lack of information, lack of experience, lack of funds and lack of trust” (Barns, 2003, p. 8-9). However, many initiatives were undertaken in various places over the next decade to enhance transparency, accountability, and participation at both the national and local levels (Wampler, 2013).

The election of President Benigno S. Aquino III in 2010 led to new reform efforts. His campaign focused on ending corruption and poverty. “Importantly, the

direct engagement and empowerment of citizens is a central component of the effort to improve the quality of governance” (Magno, 2015, p. 3). This resulted in institutional reforms, primary among them participatory budgeting, a community development program at the barangay level, full disclosure policies, incentive awards for transparency and accountability, and public monitoring of infrastructure projects and audits. President Duterte was elected in 2016. Since then, some of these reform efforts have continued, while others are no longer being implemented.

Two characteristics of politics and governance in the Philippines are elitism and corruption. These factors present challenges to reform efforts. “A hallmark of Philippines political life, resulting partly from the early consolidation of local political power, is the patronage-based non-competitive nature of political parties. Political parties and positions at the local level are captured by dominant political families... This system sets limits on what decentralization can achieve in terms of service delivery and downward accountability especially to the poor and marginalized who do not have connections to the elite” (Yilmaz & Venugopal 2013, p. 232). The role of elitism and corruption would have to be overcome to have successful PB outcomes.

## METHODOLOGY

The case study method introduced by Yin in 2002 (2014) guided the data analysis since this methodology does not require highly structured research designs or protocols. It is an investigative approach that allows for isolated analysis of a single case (Yin, 2014, p. 13-14) relying heavily on the “facts” of the case rather than naturalistic inquiry which is immersed in the voice of the participant. This allows one to draw conclusions from a group of data like a quantitative analysis conducted from a positivistic perspective.

The case study is appropriate for the analysis of the contemporary phenomenon of participatory processes in resource allocation since we are particularly interested in the effects of participatory budgeting efforts on three different levels: individual, group, and

societal. This explicit focus is missing from existing literature and is difficult to study with other methods. The choice of the Philippines for the case study was driven by several factors. First, government reform efforts to include citizens' preferences for government occurred following changes in the leadership of the country. In 2016, a new President came into power, making the timing ideal for studying how well a prior administration's signature reform could remain intact. Second, groups play a key role in the Philippines due to the long-standing elitism and the intentional inclusion of civil society organizations in reform efforts. Third, the changes were instigated at the central government level but were implemented with varying degrees of success at the local level.

To conduct a descriptive analysis of the Philippines, our review focused on analysis of country-specific documents. We gathered data from three types of documents. First were the official documents prepared by the Filipino government at the national and sub-national levels. Second were the academic articles. Third were reports written by non-governmental research organizations as well as Southeast Asia good governance organizations.

We searched databases hosted by University libraries, Google Scholar and Research Gate and conducted internet searches with no restrictions on publication type or language. The search term 'participatory budgeting + Philippines' was used as the relevant construct label for the initial search. Documents were included if they described or analyzed the social, political, or financial outcomes from participatory budgeting or governance reform processes with specific reference to the Philippines. Most studies described single subnational cases or featured comparative case analysis with the Philippines selected as one of the cases for comparison.

We used systematic methods with pre-identified search terms combined with flexibility to include serendipitous discoveries of material that had relevance to our research question. It is possible that we missed some articles in the literature search. However, we are confident that the exploration provided us with a broad

sweep of peer-reviewed articles and grey literature on participatory processes related to budgeting. The next section provides an overview of participatory budgeting in the Philippines. This is then followed by analysis and discussion examining the three levels of impact.

## **EVIDENCE FROM PARTICIPATORY BUDGETING EFFORTS IN THE PHILIPPINES**

The 1991 Local Government Code provided a framework for increased local autonomy for local government units (LGUs) and the participation of civil society in governance processes (Yilmaz & Venugopal, 2013, p. 229). "In effect, civil society – the so-called "third sector" of organized life in distinction from the state and private sectors – was to move partly in with the first sector" (Blair 2013, p. 7). A focus on participatory budgeting at the national level was an avenue for the President to respond to a 1999 study which found that "the budget process in many local governments across the Philippines remains prone to patronage, corruption, and abuse of power, being highly dependent on informal processes and power relations within and outside the municipal building halls" (as cited in Ilago, 2005, p. 65).

There were previous individual cases of reforms. Naga City passed an ordinance in 1995 whereby NGO representatives joined the City Development Council that formulates the development and land use plans, annual investment plan, and annual budget (Ilago, 2005, p. 66). This resulted in at least 10% of the budget (net of personal services) being allocated to programs for the poor (Ilago, 2005). These were isolated cases, though: "The challenge is to extend what is becoming a quite sophisticated and coordinated degree of civil society participation beyond the national level and a limited number of local governments, as well as institutive formal participatory mechanisms in the budget process similar to those laid down in the Code in areas such as development planning" (Barns, 2003, p. 13).

Grassroots Participatory Budgeting (GPB), also

called Bottom-Up Budgeting, was developed under B. Aquino III in 2012 as an attempt to tackle elitism and corruption. The program made national government budgeting processes more responsive to local needs and provided incentives for good governance. Through CSO participation in the development of the Local Poverty Reduction Action Plan, LGUs identify programs and projects which directly address the needs of the poor and marginalized sectors of society (del Prado et al., 2015, p. 1). These plans are harmonized by national-level programs and budgets for implementation.

In this initiative, a local poverty reduction action team determined priority projects in their geographic area. The membership of the teams was one-half from the government and one-half from CSOs. The team was co-chaired by a CSO representative and the local government chief executive. In the first, pilot year, 595 cities and municipalities participated, with projects totaling PHP 8 Billion included in the 2013 budget. The program expanded over time; by 2015, the budget had PHP 20.9 Billion in projects in 1,590 localities (Magno, 2015).

A study of the GPB process in three municipalities in the Negros Province (Sagay City, Hinigaran, and Cauayan) was conducted by del Prado and colleagues (2015). Negros “has a long history of social activism, labor movements, and cooperatives. This is evident in the presence of active CSOs in all three municipalities... They were able to mobilize and group most of the basic sectors, especially women, fisherfolks, farmers, religious [organizations] and cooperatives” (p. 14).

Some CSOs were not accredited for participation for reasons such as perceived political harassment or lack of faith in government. The attendance rate was 19 (43% of invitees) in Sagay, 28 (90-100%) in Hinigaran, and over 100 in Cauayan, where other CSOs that were not accredited also attended. There was some debate about only inviting accredited groups: accreditation was seen as a signal of capacity to do projects, but accreditation created a barrier to participation since “...the real marginalized and vulnerable groups are

usually un-organized because they lack the capability and resources to mobilize themselves and secure government accreditation” (del Prado et al., 2015, p. 16)

The local government (LGU) convened a one-day assembly for CSOs to identify priority projects and to select representatives to the Local Poverty Reduction Team (LPRAT). Orientation sessions were then held to review the GPB process, present the proposed projects, and provide updates on the status of previous years’ projects. Projects were finalized at the LPRAT Workshop, through discussion and voting. For 2015, available funds were PHP 39.2M for Sagay, PHP 18M for Hinigaran, and PHP 38M for Cauayan (del Prado et al., 2015).

Some tensions and differing perspectives were found in these cases. In Cauayan, there was tension between the LGU representatives and the group that was not accredited by the LGU. In addition, the local government officials tended to have different priorities than the CSOs. As del Prado and collaborators conclude:

*“There is an obvious preference for infrastructure projects among the LGU officials, particularly ‘farm-to-market’ roads...’. The CSOs, on the other hand, are more inclined to suggest livelihood or agricultural projects, or programs that would directly benefit their associations and sectors... the CSOs, at least in the case of Cauayan, tend to have a negative view about infrastructure projects, especially when endorsed by the Local Chief Executive. Presumably, these projects are major sources of corruption and kickbacks” (2015, p. 21).*

The “livelihood” projects, that tended to be micro-lending/credit or trading centers, comprised 45% of the GPB budget for Sagay, 53% in Hinigaran, and 51% in Cauayan.

This study also reviewed the status of projects that had been approved in 2013. Only three out of 55 projects were being implemented. Twenty others were in the bidding process or preparing for implementation, while the remaining 32 either would not be implemented or

no information was available. Slow implementation was a common concern and was seen as one factor causing CSOs to lose interest in the program (del Prado et al., 2015, p. 23). There were also coordination issues between the LGU and CSOs during implementation. In one project in Hinigaran involving the distribution of fishnets, it turned out that the nets were not the right size for the fishing boats. “This kind of situation provide[d] the basis for some of the CSOs to want to be involved in the actual implementation of the projects. The LGU representatives, however, [we]re mostly not open to this.” (p. 23) But there was agreement that project monitoring is important.

del Prado and colleagues (2015) found several strengths in Grassroots Participatory Budgeting. Representatives of CSOs comprised 50% of the GPB participants versus only 25% in the Local Development Councils (LDC). The GPB projects tended to focus more on sectoral levels (e.g., fishing) versus the barangay/city-wide level focus of the LDC projects. “In Sagay City, the GPB process has helped create a better connection as CSOs are becoming more confident in approaching the local government for their concerns. The strengthened relationship has also resulted in more active participation of CSOs in the activities of the city, including non-GPB activities” (p. 27). CSOs are also beginning to see past their self-interests: “...more CSOs are becoming open and supportive, pushing for the interest of other sectors” (p. 28).

Several weaknesses offset these benefits. In Cauayan, there was a trust issue between the LGU and some CSO sectors, “which could have emanated from the disagreement as to the type of projects that should be prioritized in the GPB” (p. 27). There were also varying levels of CSO capacity, so “...the GPB process has become a venue limited to the more organized and well-capacitated CSOs” (p. 31). Some sectors were not organized to participate, particularly in the barangays. “The underprivileged CSOs need financial support – e.g., transportation allowance – to participate in the CSO assembly and LPRAT workshop” (p. 31) The business sector was also not engaged in GPB. Finally, the authors point to the lack of data and evidence-based

decision making. Instead, the project identification and rankings appeared to be based more on personal knowledge of the local needs (del Prado et al., 2015).

## **ANALYSIS AND DISCUSSION**

In this section, we turn to an analysis of the Philippines experience as it relates to the outcomes at the three levels we noted earlier: the individual, group, and societal levels. Existing literature and models have tended to blend these three levels in identifying goals and outcomes of participatory budgeting, but there may be important distinctions. We will discuss evidence from this case that suggests positive outcomes versus negative/lack of outcomes at these three levels, based on norms identified in previous literature. The findings are summarized in Table 1.

### ***The Individual Level***

At the individual level, participatory budgeting seeks to achieve four aims: voice, vet, vote, and veto through enhanced public participation (Wampler, 2013). The outcome focus here is often on education, relationships, and trust. First, individuals, especially those who are marginalized (Gustafson & Hertting, 2017), are not empowered to act on their own because of a lack of knowledge of government (Pateman, 1970). Education can improve efficacy and contribute to better co-production outcomes (Thomsen, 2017). Popular movements that emerge at a person-to-person level through social activism have a long history in the Philippines. When supported by the education function of CSOs (Santos, 2013), organized politics can be countered, and leadership by individuals can occur (Törnquist, et al., 2009). At the national level, improved open government practices (Capili, 2015) and enhanced technology (Roberts & Hernandez, 2017) foster knowledge acquisition. So there is positive evidence related to education. However, the transparency that can foster education is not consistent across the LGUs. Also, education is primarily focused on the CSOs rather than individual citizens.

Second, PB assumes that individuals will develop relationships with each other through deliberation about determining priorities for resource allocation.

**Table 1. Participatory Budgeting Expectations Versus Outcomes: The Philippines Case**

	<b>Evidence suggesting positive outcomes</b>	<b>Evidence suggesting a lack of outcomes</b>
<b><u>Individual Level</u></b>		
1. Education improves efficacy	1. Education by CSOs + open government improves knowledge acquisition	1. Transparency not consistent across LGUs, and participation focus is on CSOs rather than individuals
2. Relationships lead to mobilization	2. Village assemblies and barangay-level informal deliberation spaces exist	2. Invitations to deliberative spaces are required
3. Participation increases trust in government	3. No positive outcomes reported	3. Incentives for political corruption persist and trust in government remains low
<b><u>Group Level</u></b>		
1. Third-party intermediaries enhance inclusion and expand deliberation spaces	1. Mandated inclusion of CSOs in prioritization and deliberation, and expanded informal engagement opportunities	1. Legal space to participate is not institutionalized
2. Marginalized and excluded groups are trained and empowered	2. Vision, local leadership and citizen engagement promote engagement and social equity	2. Politics related to accrediting CSOs may limit inclusion, and women continue to be relatively excluded
3. Resource allocation increases social equity	3. Allocation of funds increased for needy groups/areas	3. Project implementation has been slow
<b><u>Societal Level</u></b>		
1. Civil society is enhanced	1. Stronger support among CSOs, and between CSOs and LGUs	1. Lack of evidence of actual changes
2. Government accountability is increased	2. The decentralized GPB model and increased monitoring promote accountability	2. Much participation is indirect and oversight monitoring has reverted to national level
3. Democratic legitimacy is fostered	3. CSO leaders work to directly and indirectly engage citizens and local government leaders	3. Corruption and elitism are enduring, and the institutional design of participation is not consistent across LGUs

People, therefore, become mobilized in this process (Asen, 2004). Unlike the use of PB in many other countries, the process has largely been closed to individual citizens, being focused on local government accreditation of CSOs who can participate. This is problematic if the goal is to enhance the capacity for individuals. Village assemblies are a way for people to work with their neighbors, so this is a positive step. However, the time and effort to do so is costly (Asian Development Bank, 2012) and people must practice participating in public dialogue to improve their effectiveness (Maravilla & Grayman, 2020).

Third, a common refrain in the literature is that participatory budgeting can increase individual trust in government and government leaders. There are many obstacles to participation in the Philippines, in part because of the cultural and political incentives for corruption (Eaton, 2001). Due to the pervasive power

structures (Santos, 2013) of local bosses and caciques (Blair, 2012), many deliberative spaces are closed to individuals (Roberts & Hernandez, 2017). There is a cultural norm that pork-barrel politics prevails and that participation can be bought off (Holmes, 2019; Saguin, 2018). This led to a social accountability deficit (Yilmaz et al., 2010), resulting in a condition of increased distrust (Bowler et al., 2007). So, while some improvements have been seen in terms of individual empowerment, this does not seem to extend to increased trust in government (Saguin, 2018) due to continued prominence of elites and corruption.

### ***The Group Level***

At the group level, the literature focuses on the potential intermediary effects of civil society organizations to make the process more inclusive, ultimately empowering marginalized groups (Justice & Dülger, 2009). This process will then theoretically lead to

enhanced resource allocation to these groups as social equity/social justice (for example, Justice & Dülger, 2009; Wampler, 2012; Fung & Wright, 2003). First, third-party intermediaries, such as CSOs and NGOs, directly and indirectly provide education to overcome the knowledge gap. Government and CSOs work together in a participatory governance arrangement called debureaucratization (Brillantes & Sonco, 2005) to foster formal and informal spaces for deliberation. Reforms in the Philippines focused heavily on the role of CSOs by mandating their inclusion in decision making, to solve the problem of low knowledge and limited engagement (Villamejor-Mendoza, 2015). To counter elitism and corruption, CSOs first work to educate Filipinos and then to enable them to be more effective participants (Aceron, 2019). The mandates have led to increased deliberation, but long-term institutionalization and effects are not yet clear.

Second, absent PB, the poor and other groups are often marginalized and excluded (Pindell, 2006). Engagement at the neighborhood level increases awareness of political rights and cultivates a sense of community (Wang et al., 2017). Since the CSOs play such an important role in the Philippines' reforms, the extent to which the marginalized groups are being empowered depends on which CSOs are accredited to participate in the various local governments. CSO groups can build capacity and claim deliberative spaces for the poor and other marginalized groups (Ilago, 2005), but there are at least some complaints that the accreditation process is highly politicized. Furthermore, there are concerns related to the inclusion of women. Women as a group tend to be socially excluded from participatory budgeting efforts, due to societal norms and responsibilities (Allegretti & Falanga, 2016; Ng, 2016). Males are generally more likely to attend meetings and persist in engagement (Çagatay et al., 2000), which has also been found to be the case in the Philippines (Caparas & Agrawal, 2016).

Third, the effects of the empowerment of civil society organizations and marginalized groups are expected to result in changes in government resource allocation to enhance social equity for these groups (Miller et

al., 2019). Previous literature has found mixed results from participatory budgeting in other countries in this regard, especially over the long-run. According to Villamejor-Mendoza (2015), the combination of good governance initiatives such as GPB has yielded benefits such as the reallocation of development funds and public service improvements for the poor. Based on the projects approved as part of GPB, and the amounts of funding allocated, the allocation of resources appears to have changed to new projects and areas. However, the implementation of projects by the LGUs is low (del Prado et al., 2015; Brillantes, 2007) and planning capacity has not been enhanced (Batalla, 2000; Lange, 2010). Promises alone will not result in social equity.

### ***The Societal Level***

At the societal level, participatory budgeting is seen as a method to enhance civil society, government accountability, and democratic legitimacy. First, the process of participatory budgeting "...gives community leaders a glimpse into the problems faced by similarly situated communities. This helps activists to see beyond their narrower interests, thus allowing them to understand the bigger picture" (Wampler, 2012, p. 11-12). Civil society results from the increased knowledge of participants about needs beyond themselves and their groups. The process in the Philippines reportedly did result, in at least some cases, in CSOs becoming supportive of each other and other sectors besides their own, and a stronger relationship has been built between the CSOs and LGUs to some degree (del Prado et al., 2015). However, empirical results of actual outcomes have not been measured in this regard. We do not know the extent to which priorities and decisions have been changed as a result of these relationships and new perspectives.

Second, increased government accountability is often the desired outcome of participatory processes. Holding government accountable should benefit all of society. Grassroots participatory budgeting in the Philippines decentralized resource allocation to the LGUs and required inclusion of CSO representatives (Capuno, 2011), which can promote accountability (Holmes, 2016). There is evidence of some increased

accountability from decentralizing PB to the LGUs (Gabriel, 2017; Magno, 2015), although the current administration has re-centralized some GPB activities (Moralde et al., 2018) and slow implementation and lack of information about approved projects hinder accountability. Along with other reforms, there is an increased level of monitoring of government actions; CSOs function as watchdogs by monitoring service delivery (Gainer, 2015), citizens participate in some project audits, and reward programs have been developed to encourage local accountability (Magno, 2015). As in other areas, the institutionalization of these activities remains to be seen.

Third, participatory budgeting is seen as fostering democratic legitimacy. The presence of oligarchic structures where elites dominate and hold power through corruption (Holmes, 2016) reduces legitimacy (Brillantes & Fernandez, 2011). Moreover, Presidential transitions can lead to contested politics with abrupt policy changes (Holmes, 2019). However, administrative leaders who engage citizens and foster expectations for co-creation from the public sector can transform governance outcomes (Torfing et al., 2019; van Holm, 2018; Waligo et al., 2014). Some national leaders have attempted to side-step traditional patronage networks and directly engage citizens and local government leaders through decentralization (Wampler & Touchton, 2017).

When participation is institutionalized, the well-being of the community is enhanced, which can deepen democracy (Fung, 2015). PB deliberative processes can generate solidarity within a community, and government officials can use it to obtain information about public preferences to aid in social change (Wampler, 2012). It is unclear whether this has happened in the Philippines. Some evidence exists that in addition to formal deliberation spaces, informal spaces have emerged at the barangay level (Maravilla & Grayman, 2020) allowing people to practice participation. This inclusion may improve capacity, but does not necessarily enhance democracy (Curato, 2015). The role of CSOs is not institutionalized and relations with LGU officials vary widely and may even lead to co-optation (Arugay, 2005; Blair, 2013;

Boncodin, 2005), in part because the institutional design is inconsistently applied (Wampler & Touchton, 2017). Finally, elitism and corruption are still seen as pervasive problems in this country.

Table 1 summarizes how the participatory budgeting practices in the Philippines fulfill expectations at the individual, group and societal levels. The evidence at each level is mixed. At the individual level, improvement in efficacy has occurred. Gains are seen primarily in the informal deliberation spaces, which can contribute to grassroots mobilization. Yet, formal deliberations are still mostly inaccessible to marginalized individuals. At the group level, marginalized groups have seen greater access, primarily through CSOs, and additional resource allocation has gone to areas of need. But project implementation is very slow in some areas, and some groups, including women, have not experienced the promises of social equity from PB. At the societal level, some gains in civil society and government accountability are evident. However, consistent institutionalization at the national and subnational levels remains elusive, and elitism and corruption remain problematic.

## CONCLUSION

Participatory budgeting has been adopted and adapted by governments around the world. Scholars and practitioners point to a variety of desired outcomes from these efforts but do not clearly distinguish the impacts on individuals, groups, and society. This study is an initial effort to understand these potential distinctions, using the case of the Philippines. Reforms in this country were similar to efforts in other settings, but there were adaptations including a national mandate for PB to be decentralized to local governments and the required representation of CSOs in local resource allocation processes.

Gains in individual education and efficacy, representation of marginalized groups and social justice, and civil society and government accountability were seen in the Philippines. Yet, the degree to which this occurred through PB processes seems to be idiosyncratic to the local context. These gains

provide highly valued economic outcomes, in terms of redistribution of resources. The social accountability gains in the Philippines were weaker. Most of the in-country cases we reviewed suggest it needs to occur during and between political campaigns to mitigate incentives for corruption and to challenge oligarchic structures. We also found that the practicalities of involving third-party intermediaries and individuals in resource allocation constrain timely implementation.

The inclusion of CSOs that provide education to enhance citizen's participation efficacy and work towards social equity can be helpful as an initial step toward full participation. The inclusion of third-party intermediaries is a worthy goal. However, implementation processes that can be altered by political elites can quickly change institutional designs to symbolic and indirect participation with unrealized outcomes. Also, the participation of CSOs was based on formal invitation and accreditation at the local level. Existing theory does not address the ways in which participation is valued rather than viewed as an administrative burden (Moynihan et al., 2015) so that invitations are extended by choice rather than by mandate.

Deliberation processes are also important, but challenging. Activities to vet resource allocation proposals exist in formal spaces, but only with an invitation. However, deliberation spaces that can mobilize marginalized groups exist continuously in informal spaces. Attention to both formal and informal deliberation spaces may support more robust outcomes. Human capital development needs to be a cultural value to make sure that social capital is available at the time when participatory budgeting windows of opportunity open (Kingdon, 2010). Not enough is known about the differential outcomes that can be achieved in each space to make citizen participation, when it is encouraged, yield outcomes that match political, administrative, and citizen expectations.

Participatory budgeting efforts, as reported in academic scholarship, exhibit wide variations as well as adjustments to fit the intent of PB processes. Similar

to what has been reported in studies of other PB cases, neither the implementation processes nor the outcomes have been uniform nor institutionalized at either the sub-national or national level. Furthermore, there is evidence that these reforms have been threatened by transitions in the national leadership.

We believe this analysis of the Philippines adds to our understanding of participatory budgeting and contributes to theory-building in this area. Future research is needed to test the portability of conclusions drawn from the Filipino case across the three levels, individual, group, and society, and to further explore the outcomes and the relationships between the three levels. Moreover, scholars have commonly pointed to the difficulties of institutionalization of budget participation mechanisms, including participatory budgeting. Further study of the implementation challenges and obstacles to institutionalization is needed.

Our findings are also useful for practitioners as a means to establish where theoretical prescriptions are relevant. As the LGU experiences confirm, there is no one size fits all approach. Therefore, best practices need to be adapted to the local context. By analyzing the Philippines case, we now know more about the implementation process and where there may be leverage points based on the outcomes desired. For example, a clear statement of what outcomes are expected at the individual, group or societal level based on the PB goals can inform a backward mapping process (Elmore, 1979). Taking steps such as these is important for implementation efforts that encourage specific goal-directed behavior that will improve participatory budgeting practices and ensure that citizens' preferences are considered when resources are allocated.

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