

Podcast with Amelia Loye and César Silva on Participatory Budgeting

[00:00:04] Amelia Loye: *Hi, welcome to the engage2 podcast. My name is Amelia Loye, I'm the managing director of engage2, and today I'm going to be interviewing César Silva who's been running participatory budgeting projects in Portugal. César has a company called WireMaze and they connect people with local government. Welcome César, great to have you here today. I understand you've got around one hundred and thirty-five customers, César. Is that right?*

[00:00:38] César Silva: *Yeah, some number around that we have three hundred and eight municipalities. We work with about 50 percent of them nowadays. Not everyone works with the engagement part of our business, some work with the transparency and the communication part. Our solutions are focused on citizen engagement with local governments. So that's our line of business. We started almost 20 years ago doing the standard websites and in the last 10 years, we have been working more in-depth with citizen engagement tools like participatory budgeting (PB).*

[00:01:32] AL: *Great. I'd really love to talk about participatory budgeting so that it's nowhere near as popular in Australia as it is in Portugal. How prolific is it? Like is every single one of the local governments that is working with your participatory services? Are they using the participatory budgeting function, all of them?*

[00:01:54] CS: *No. We have only about 70 clients using participatory budgeting. Participatory budgeting in Portugal is very popular.*

[00:02:06] CS: *First of all, what is, participatory budgeting, I think we can start there.*

[00:02:12] CS: *Participatory budgeting, its methodology of engaging citizens, giving transferring responsibility and accountability on public money or in brother terms, money. In which the processes have two phases. The first one, we choose what we are going to do. The second one, we are going to implement it.*

In Portugal, the first phase is divided usually into five areas. The promotion of the process. The gathering of all the proposals where citizens provide their proposals. Then we have a technical analysis phase, an area where typically the organization, usually city councils, see if the project is feasible.

[00:03:21] CS: *And after that, citizens gather again to choose which of the projects are going to be implemented. So we have engaged citizens saying what the problems are and what the proposals are. Sometimes we have citizens engaging even in the technical analysis phase. And then, we have mostly citizens engaged in the choosing phase where people vote for the projects. And then, of course, the organization, the city will implement the projects.*

This sounds very standard, but it isn't. And I can tell you one or two differences very quickly. In Portugal, we use this at the city level. So we use this at the parish level. I don't know if you have the same divisions in Australia, but this is like a smaller part of the city.

And then we have this process also at the school and national level. Portugal is one of the countries with national PB. It's also one of the countries that implemented PB in every school. So every school has a smaller amount of budget that the state gave especially for these kinds of projects. The kids nowadays are used to having ideas, talking about their ideas, promoting and engaging with the government at different levels to have these ideas implemented.

[00:05:16] AL: *So just a question on that. Are the ideas that the kids have come up with for the school or are they for the community?*

[00:05:25] CS: Depends. For example, school projects are only for schools. But we have a youth PB at the national level. We have a national PB and then a youth national PB. So at the national level, the youth national PB is for everything. It's just a project for the young people (younger than 45), so, young, like broad young.

We have projects that are very broad. For example, in Valongo, which is one of the municipalities that we work with. They are one of the Best Practice Awards on the International Observatory for Public Democracy (IODP). They are working with schools and all the kids. In their projects, they have a pot for projects in schools. Another pot for projects in the city. So their kids promote and vote for projects in the city. And now, this year, they started with the intergenerational projects also. So they have projects that kids promote but must have a connection with the older people. Their grandparents and so on.

It's very funny to see all these very, very broad things showing up and very interesting things appearing because again, it's a two-phase process with five steps in the first one. But it's very loose in terms of operation.

So every municipality, every city council adapts it to: Do I have lots of kids? Do I have a very broad community of 50 or 100 or 200 thousand people? Or do I have only 4000 people? And are we doing a PB only for 4000 people or mostly old people? So it's very interesting to see that everyone contributes or everyone enjoys being heard. **Not in the first year, but after four or five years, you can understand that people start rebuilding their trust in the system, their trust in the local governments' increases.** So it's very interesting to see this

[00:08:31] AL: *Has increased participation rates in other engagement processes or is that is the community just really focused on this participatory budgeting opportunity?*

[00:08:47] CS: That's a tricky question. It's yes and no. Do we have statistical data to say that for sure it increases? No. Can we see that? It's very popular and very common to see that people that engage in participatory budgeting then later on engaged in other kinds of things. Yes, it's very usual.

Nowadays, is common to see that some of the proposal's proponents are now city councillors. **So they started proposing in PB and now, after five or six years, they've grown up, they got their degrees and they went to parties to become politicians.** Some of them. Others are becoming city officials because they enjoyed all this community work. And yes, even sometimes there is some data that says that.

[00:10:07] CS: In certain areas, people are more aware of what the city is doing. And because they are more aware, they start engaging more in, for example, volunteer projects and so on because they started in PB. They started proposing something and they saw it was possible. **Now they have this belief that the local government helps them make projects possible.**

So it's interesting, but it's not like yes and no condition. We cannot say that it works for 100 percent of the cases.

[00:10:54] AL: *Yeah. Thanks, Cesar. It's fascinating.*

You know, coming from a place where the idea of a local government or any government giving some of its budget to the community to allocate or at least giving some power to the community to prioritize or share them. You know, what they would like that money to be spent on, or what they want government to be delivering as projects for their community. And it's really corrupt. Quite surprising.

[00:11:30] CS: Yeah. A big difference. And I think this makes all the difference. Before 2010, Portugal had I think it was a free PB, something like that. I'm not sure. PB started in Brazil 40 years ago. After starting in Brazil, participatory budgeting only started in Portugal I think it was 20 years ago or less. But what I know is that we had a big change when in 2010, Lisbon said "No. We don't want just your priority on what projects we must build or we must do. We have a budget and you are deciding on that budget." This made a huge difference. Every process in Portugal (and I'm talking about Portugal), every project that the government says, "I want to hear your opinion", most people, if they even think about going into the process, they start without trust. Without trusting the system, they say "We'll talk, you gave space for us to talk. But in the end, you will make your choices no matter what we say". The rule is not that you have the budget and the budget goes to whatever I propose; **I get to vote in the end.** This makes a huge difference in building trust.

[00:13:45] AL: *Yeah, we've had a big project here in Australia, a whole state government, so we don't have parishes, we have local, state and federal government in the state government of Victoria. They did a large participatory budgeting project called Pick My Project. It's definitely the biggest in the country and one of the first that used digital tools for participatory budgeting.*

[00:14:14] CS: But the big difference, it sounds like, to what you guys are doing is that they actually asked people to pick and put forward projects that they would deliver, not that the government would deliver.

[00:14:29] AL: *So was I correct in hearing you that a lot of the projects that are being put forward in participatory budgeting are delivered by government or they delivered by community?*

[00:14:43] CS: The projects are proposed by the community. I don't know, maybe five or six cases that we had in Portugal where the government said, "Okay, here are 20 projects and now pick your project, to help us prioritize. We have a budget. We will implement it, but that's not the focus.". Those kinds of things had very low participation ratios, very low engagement ratios. They didn't build trust. **The projects in Portugal that help build trust, are the projects that the government says "Here is a pot of money, please tell us, what projects do you want to be implemented?"** We will just check if they are feasible and then you vote for it and we will do it." Well, in the end, this is the process that in Portugal helps to bring more engagement.

We also noticed two things. **The wider the process is, for example, a national level PB doesn't work as good as at local level PB. If you go too low, it doesn't work also. So the city level is good.** The regional level is no good. The people are not that engaged because they don't feel like it's a national process. They are more local-connected in Portugal.

The second thing relates to when you say deliver. Picking that word in specific. As I told you, we work in Portugal, in Spain and in Scotland in relation to participatory budgeting. The big difference, the huge difference is that it's all public money. **All the money comes from the city budget.** The Scottish people call it discretionary budget, in Portugal, is the investment budget. But the main thing is that in Portugal, most of the projects are implemented by the city council. In some cases, with the community partnership. **But the responsibility, because it's public money, it's from the city councils.** Same in Spain. And that's because of our legislation, our laws are very strict on giving people money to the communities for them to implement stuff.

In Scotland, it's almost the opposite. Because they started doing PB mostly in what they call small pots. So small pots of investment in some cases are big amounts of money, but they call small pots because it's part of a huger budget. They use PB to help the communities with their own projects.

In Portugal, we have regulations to help the community in doing that stuff. We are now starting to work with Aveiro, which is a town in central Portugal - it's cold the Portuguese Venice. **They are trying, for the first time this year, a public-private funded participatory budgeting, which means that 70% of the money will come from the city hall, but the 30% must come from the private sector.** They already

had a small experiment and it works. So they're trying PB with this new model, which is completely new in Portugal. Personally, I don't know a similar model in the world, but I don't know all the cases in the world. So I imagine that they may exist and they're trying this in Portugal. We're eager to see the results because when they did the pilot, they had a huge commitment from the community because it's also their money.

[00:20:31] AL: *That's fantastic. That's a really good overview. Thank you.*

And it's interesting to hear the differences at the different levels and the different funds where the money is coming from in. I understand that in New York City, where participatory budgeting has been played out for quite some time now, that it's actually the elected officials who are using the funding that they receive based on the number of votes they get and they're allocating them specifically to community projects and projects that the community will deliver. And it's also my understanding that in Paris, it's usually community grants that are allocated.

So, again, it's more about the funding that's already available for community projects and it's just about allocating that funding. That's exactly what happened in Victoria, Australia as well.

[00:21:26] CS: Yeah, that's the thing, for example, in Portugal it's not possible. Because there're laws and regulations for community funding. So they're not choosing from community funding, they're choosing from another part, of course, sometimes its projects for the community.

We have projects like pedagogical farms. One of the projects that I specifically liked in Valongo, for example, it was a kid that promoted the project for every primary school kid to have a basketball. So every kid received a basketball. We have snoezelen rooms. We have all kinds of sports activities and even some projects related to elderly people.

[00:22:44] CS: What is interesting also is that, there're a few cases and the Valongo, for example, has **an internal PB. So they use participatory budgeting not only for the citizens but also for their employees.** They have a process that it's called 'I matter'. So projects from employees to employees with the budget that the City council allocates to it. It's very interesting because it also opens up the mind of the public officials and the public employees to what is engagement and what are the advantages of having these kinds of initiatives with the citizens, because they get to feel firsthand what the advantages are.

[00:23:52] AL: *I love the idea of that. Yeah. Building that capability to do engagement through experience.*

But I also love that they're recognizing that the staff have knowledge and expertise and ideas and should be encouraged to stimulate a more innovative approach to delivering better outcomes to the community.

I really like that. And I'm also quite fascinated with the public private partnership model. I think that will help to stimulate civic innovation. I'm just curious to see what comes out of that process, particularly the value proposition for the private parties that are investing in it.

[00:24:29] CS: Yeah. We're also eager to that. The PB in Portugal has always been done more or less the same way. Sometimes we innovate in what kind of projects or areas that we can implement? What kind of budget? A smaller or higher? What kind of projects can be presented? What kind of voting? We have lots of theories around voting, methodologies and so on. What kind of digital or in-person are midst things we have?

At Wiremaze we are also promoters of having the mix, not only the digital, but having what I call the snowball effect, having in-person to grow the snowball and then the digital peaking at the snowball and making it bigger and bigger.

[00:25:47] AL: *It absolutely does, doesn't it? The integration of the two approaches is really critical to get. Like, why would people come to the website if they don't really know about it and they don't trust the process?*

[00:25:57] CS: **Not forgetting that it's not only about websites, we must have apps, we must have text voting, for example. Maybe not everyone has a smartphone, but everyone has it as a cell phone so they can send a text to vote.** And that's 18 seconds to vote. Yes, but that's one of those feelings that, "oh, no, I participated, I am engaged with the community". And then the next time they pass through a city, a kindergarten park or something like that, they will say, "oh wait, that kid's park, I was a part of that because I voted for that". Many times it's very different than, say, you know, "I voted for the politician that implemented that".

[00:26:55] AL: *Yes, Cesar. Thanks so much for your time. This has been really, really fascinating.*

And I'd love to dig deeper into the technicality of the platform, because I think you're right. Like voting and identity, you know, how people put forward their projects, how these things integrate these on and offline processes. I'm really fascinated to unpack that methodology a little bit further. Perhaps we could do that over a video calls later in the year.

[00:27:26] AL: *I was going to ask you, what's the most innovative thing you've ever heard, but you're already ahead of us in every way. So I'm just going a couple of questions for you to finish up. My first question is actually about participant who is allowed to participate. So one of the processes that we have here in Australia only allowed citizens to participate. But obviously, we've got taxpayers as well. Is everyone allowed to participate or residents? Or is there a limitation on people who could participate? You have to be a citizen.*

[00:27:59] CS: That's the wonderful thing about participatory budgeting. It all depends on the politician that allocates the budget. We have Ponta Delgada in the Azores Islands, they say that **even the aliens can participate**. So if people come to the Azores Islands and to Ponta Delgada, they can vote in the PB. And there is a very funny YouTube video for that. We have Valongo, which allows for **young kids from 6 years old to participate**. And you say, well, 6 years old, they don't think or they don't know. Yes, they are individuals and they have opinions. And we should start with them also.

But most of the processes in Portugal, are limited to Portuguese citizens that live in the council. So people who vote for that city's mayor can vote also for the budget that the city mayor allows. That's the standard thing in Portugal, which is very different, for example, from the case that you mention in New York, where everyone votes especially because they want to focus on those people that are not part of the system, because it's a big community. They aren't part of the system because they cannot vote, because they are immigrants, because they are whatever. They don't vote. Ok. And it's very different. And that's the beauty of it.

[00:29:52] AL: *Well, that's an interesting differentiator. I'm going to look out for that alien video after this chat. I'll post it when I post this podcast and as well.*

[00:29:58] AL: *And the biggest project that's happened, like I'm thinking big in terms of have you guys seen a really massive infrastructure project? What's the biggest thing that have been founded at a national level or at the local level with one of these projects?*

[00:30:20] CS: I'm not sure the biggest in money, but it's the one I like the most. It's a park promoted by the gipsy communities. In Portugal gipsy community isn't that integrated into society. They got over a

million euros in public funding, not only in one single PB process but through many PB processes, to create the biggest Magnolia Tree Park in the world. So they've chosen a specific tree that has beautiful flowers and they have 195 species (all existing species in the world) all in one place. The idea is brilliant because it's inclusive for the Gipsy community and it will be a touristic mark in a couple of years. It's huge and it will be beautiful with all the flowers. It will be a touristic spot that started with an idea from the community, not the city, not a strategy from a Politian. And it has a huge impact on the community and evolves a million euros' investment.

[00:33:19] AL: *Wow, something else to visit in Portugal. I had such a great time! Before we hang up Cesar, can I ask you one more question and then at the end of your answer to this question perhaps you can share a website for our listeners, so they know where to go to find more information about your projects? I guess I am looking for some advice from you. In Australia we are in the hunt for this area, we haven't been doing participatory budgeting. We have comprehensive community engagement, lots of planning projects, policy developing projects, design of processes and programs. When it comes to participatory budgeting there is not a lot of people experimenting. **What was the tipping point and what is the most compelling reason why one of the governments might experiment one of this methods? How governments' mind was change that it was totally worth doing?***

[00:34:05] CS: The main thing, and the one I mention every time I talk to politicians is to make a difference. In the US it started bottom-up, in Portugal it started top-down. It didn't come from the community, the politicians started to understand that they had to give some power to the community for them to understand better that they don't have all the budget in the world, to make the projects. They have to choose between plenty of good projects from very scarce budget. The second thing they've got a channel to talk and build trust. **At that moment politicians understood that by giving some budget to the community they were getting trust back. And yes, trust means votes in politician terms.** And we have statistics around that, most of the Portuguese cities that have participatory budget and other kinds of engagement and participatory projects, have higher voting scores in the elections. Some got from 50 to 75-85% of public voting for them. And that's a big thing for the politicians.

On the other way, "we are not only being heard, but our projects are really being implemented, so we trust you again". This breaks barriers. That is the typical moment.

When we have Lisbon saying "we are going to have a deliberative participatory budgeting. We have a budget that we are going to implement" this was the tipping point.

[00:37:27] AL: *Thank you so much Cesar, it was really useful. I will be watching Aveiro with this public and private investment. I am really keen to see this alien video. Perhaps we could more of a video chat about the process later in the year.*

[00:37:53] CS: Yes, great. So at WireMaze we have our website, unfortunately it's in Portuguese: www.wiremaze.com. We also have our international website dedicated to PB which is changetomorrow.io we have a blog there, but I confess that I don't post so much content nowadays. But there are lots of interesting articles around PB. You can reach me on [LinkedIn](#) or [Facebook](#). You are more than welcome to send me a message to talk.

[00:38:50] AL: *Thanks for listening, you've been in engage2 podcast with Amelia Loye. If you'd like to learn more about what we do, please go to our website www.engage2.com.au. You'll also find more interviews on our [blog](#) and [SoundCloud](#) account. Have a wonderful day.*