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Contingent Democratisation? The Rise and Fall of Participatory Budgeting in Buenos Aires*

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Abstract. The implementation of participatory budgeting in Buenos Aires following the crisis of December 2001 was a highly unlikely event. The different parties involved had competing and contradictory agendas that did not coincide with participatory budgeting's stated aims of extending citizen participation in government, but these interacted in a way that contingently created a space for a viable process to develop. Subsequent political shifts led to the demise of participatory budgeting, but the Buenos Aires case is nevertheless important because it highlights the way in which such processes can emerge in the absence of strong programmatic politics, thereby potentially opening new avenues for the promotion of democratic innovation.

Keywords: participatory budgeting, democracy, Argentina, urban politics, Buenos Aires

> We have to revive the utopia, we have to recreate the illusion, we have to build the future from the limitations of our own time.
>
> Tabaré Vázquez[1]

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[1] Quoted in Daniel Chavez, 'Montevideo: From Popular Participation to Good Governance', in Daniel Chavez and Benjamin Goldfrank, *The Left in the City: Participatory Local Governments in Latin America* (London, 2004), p. 67.

Introduction

The past two decades have seen a growing interest in 'transformative' forms of democratic governance, including in particular innovative participatory strategies generically referred to as forms of 'empowered deliberative democracy' (EDD).[2] EDD initiatives have proliferated throughout the developing and developed world, explicitly aiming to extend the degree of active citizen involvement in governance matters.[3] Perhaps the most famous example is participatory budgeting (PB), and in this article I present an account of the rise and fall of PB in Buenos Aires, between 2002 and 2009. My aim is not to explore the actual PB process itself, whether in terms of its institutional design or its efficacy, but rather to understand the dynamics of the particular political context that led to its implementation.[4] This is of interest because PB in Buenos Aires was established in the midst of the crisis known as the *Argentinazo*, which the wider literature on EDD suggests constituted an extremely unlikely moment for its realisation. While most participatory governance initiatives are purposefully promoted as a result of programmatic politics in the face of weakly institutionalised opposition, the implementation of PB in Buenos Aires was clearly an improvised, ad-hoc initiative that occurred in a political context with strong institutionalised and fractious political parties. The Argentinazo, however, led to the crystallization of unique and temporary political circumstances that contingently created a space in which a PB process was able to emerge, to the extent that, borrowing from the sociologist Julio Godio, it can be said that 'in the crisis

[2] See John Gaventa, 'Towards Participatory Governance: Assessing the Transformative Possibilities', in Sam Hickey and Giles Mohan (eds.), *Participation: From Tyranny to Transformation* (London, 2004); and Archon Fung and Erik O. Wright (eds.), *Deepening Democracy: Institutional Innovations in Empowered Participatory Governance* (London, 2003).

[3] For wide-ranging collections of studies, see the special issues of *Politics and Society*, vol. 29, no. 1 (March 2001) on 'Empowered Participatory Governance'; *Environment and Urbanization*, vol. 16, no. 2 (2004) on 'Participatory Governance'; and the *IDS Bulletin*, vol. 35, no. 2 (2004) on 'New Democratic Spaces'. See also John Harriss, Kristian Stokke and Olle Törnquist (eds.), *Politicising Democracy: Local Politics and Democratisation in Developing Countries* (London, 2005); Andrea Cornwall and Vera Schattan Coelho (eds.), *Spaces for Change: The Politics of Participation in New Democratic Arenas* (London, 2007); and Chavez and Goldfrank, *The Left in the City*.

[4] For overviews of the workings of the Buenos Aires PB process, see Laurence Crot, *Explaining Participatory Performance: The Institutional Reproduction of Participatory Planning Models in the City of Buenos Aires*, unpubl. PhD diss., London School of Economics, 2007; Matías Landau, *Política y participación ciudadana en la Ciudad Autónoma de Buenos Aires* (Buenos Aires, 2008); Jorge Navarro, 'Presupuesto participativo en Buenos Aires: balance y perspectiva', in Ricardo Romero (ed.), *Democracia participativa: una utopía en marcha* (Buenos Aires, 2005); Dennis Rodgers, 'Subverting the Spaces of Invitation? Local Politics and Participatory Budgeting in Post-Crisis Buenos Aires', in Cornwall and Coelho (eds.), *Spaces for Change*; and Ricardo Romero, *Presupuesto participativo porteño 2002–2006: evolución estructural, perfil de los participantes y análisis de prioridades* (Buenos Aires, 2006).

lay the solution'.[5] Subsequent shifts within the Buenos Aires political context have led to the gradual demise of this PB process, but it nevertheless remains an important case to consider because it points to an alternative scenario for the implementation of EDD initiatives to the one generally highlighted by other studies, thereby potentially indicating new avenues for the promotion of democracy.

Empowered Deliberative Democracy in Theory and Practice

There is a rapidly expanding literature on empowered deliberative democracy, a phrase coined by Archon Fung and Erik Olin Wright.[6] In very general terms, EDD refers to an institutional model of participatory governance that is based on a deliberative as opposed to a representational democratic framework. Rather than being organised around the delegation of authority to an elected agent, EDD extends and enhances citizen participation in governance by devolving the exercise of authority through a process of bottom-up public deliberation that seeks to arrive at a consensual construction of a 'common good' through the persuasive transformation of preferences by force of (the better) argument. EDD is thus a radically different form of democratic politics that aims to foster fairer, more inclusive and more efficient decision making in society through processes of joint planning and problem solving involving ordinary citizens, and in doing so inherently make these individuals better citizens and enhance the quality of their life and government. EDD can therefore be said to correspond to 'a conception of the vitalisation of democracy … through popular participation'.[7] At the same time, however, EDD is not just another voluntaristic form of organisation insofar as it is fundamentally a state-centred process, with the state remaining the principal medium for the enactment of the consensually agreed-upon 'common good'. Instead, EDD involves 'a radical reconfiguration of relationships and responsibilities' between the state and society, and thus constitutes a potentially fundamental transformation of this all-important connection.[8]

The best-known form of EDD is undoubtedly participatory budgeting. The forms of PB are highly diverse, but the process basically involves citizens participating in forums for discussion about budgetary concerns, generally at the municipal level. The central goal of PB is to hand over

[5] Julio Godio, *Argentina: en la crisis está la solución* (Buenos Aires, 2002).
[6] Fung and Wright (eds.), *Deepening Democracy*, pp. 17–25.
[7] John Harriss, Kristian Stokke and Olle Törnquist, 'Introduction: The New Local Politics of Democratisation', in Harriss, Stokke and Törnquist (eds.), *Politicising Democracy*, p. 1.
[8] Andrea Cornwall, 'Introduction: New Democratic Spaces? The Politics and Dynamics of Institutionalised Participation', *IDS Bulletin*, vol. 35, no. 2 (2004), p. 1.

decisions about the allocation of municipal funds for basic urban infrastructural improvements – paving streets, extending drainage, building new schools and health centres, etc. – to neighbourhood-level forums. The proportion of the budget controlled by a PB process can vary tremendously, from just a few per cent to the whole of the investment budget of a municipality; and some PB processes – such as the one that took place in Buenos Aires – seek to determine an order of public work prioritisation rather than a specific percentage of municipal spending (in some ways making these processes more forms of participatory planning than participatory budgeting). Over 250 cities in Africa, Asia, Europe, and North and South America have implemented PB, including the paradigmatic and foundational case of Porto Alegre in Brazil, where it was first implemented in 1989.[9] As Rachel Abers has shown, Porto Alegre now enjoys better than average infrastructure and better-performing public services than other non-PB cities of comparable size and socio-economic profile in Brazil, and the PB process has also 'created an enabling environment' in which there has developed 'a new relationship between government personnel and local citizens'.[10]

Although there is little doubt that EDD processes such as PB can make significant differences, as Peter Evans has argued, they must first overcome at least three potential problems in order to fulfil their putative promise.[11] Firstly, they must be economically efficient. Secondly, there must be sustained participation. Finally, they have to overcome what Evans calls 'political economy' problems.[12] The first two issues we can take as a given. Deliberative processes involving economic affairs will be subject to the same laws of accounting as non-deliberative forms of government, and without participants, there can be no process.[13] The 'political economy' problem is less straightforward, however. It can be approached in two ways: 'endogenously' and 'exogenously'. The endogenous view focuses on the way that

[9] See Yves Cabannes, 'Participatory Budgeting: A Significant Contribution to Participatory Democracy', *Environment and Urbanization*, vol. 16, no. 1 (2004), p. 27. Excellent studies of the Porto Alegre PB process include Rachel Abers, *Inventing Local Democracy: Grassroots Politics in Brazil* (Boulder, 2000); and Gianpaolo Baiocchi, *Militants and Citizens: The Politics of Participatory Democracy in Porto Alegre* (Stanford, 2005).

[10] Rachel Abers, 'From Clientelism to Cooperation: Local Government, Participatory Policy, and Civic Organizing in Porto Alegre, Brazil', *Politics and Society*, vol. 26, no. 4 (1998), pp. 511–37.

[11] Peter Evans, 'Beyond "Institutional Monocropping": Institutions, Capabilities, and Deliberative Democracy' (mimeo, 2002), subsequently published in modified form as Peter Evans, 'Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation', *Studies in Comparative International Development*, vol. 38, no. 4 (2004), pp. 30–52.

[12] *Ibid.*, p. 17.

[13] The issue of participation is more complex, but is beyond the scope of this article. See Arnab Acharya, Adrián Gurza Lavalle and Peter Houtzager, 'Civil Society Representation in the Participatory Budget and Deliberative Councils of São Paulo, Brazil', *IDS Bulletin*, vol. 35, no. 2 (2004), pp. 40–8.

power relations between participants play out in the deliberative process. As Gianpaolo Baiocchi has pointed out, inequality within an EDD process is one of the biggest threats to effective deliberation, as it can subvert deliberative arrangements in a variety of different ways.[14] Certain participants may be better-off or dominant as a result of their privileged links to political parties or the state, for example, and might use their superior resources to promote collective decisions that favour their interests. Other powerful participants may attempt to exclude or avoid issues that threaten their interests, to the extent that in cases where deliberative democratic arrangements challenge their power and privileges, they may actually seek to dismantle them.

This latter point relates directly to the 'exogenous' dimension of the political economy problem. It is difficult to imagine institutional innovations such as EDD emerging in contexts where particular individuals and groups have a disproportionate amount of power as a result of the existing political framework, as these will have an interest in perpetuating the current system. For the same reason, even the formal existence of an institutional framework for participation is no guarantee of a participatory process actually occurring, insofar as rules can be ignored or not respected. Even if it is not completely implausible to imagine circumstances where traditionally dominant political actors might be prepared to spontaneously give up (at least part of) their power in favour of institutions that incorporate citizens, this is relatively unlikely except in very specific contexts and under particular conditions, and *the* critical question to ask concerning any EDD initiative is therefore clearly, 'What political context is necessary to carry out such an experiment in the real world?'.[15] This issue has been relatively under-examined in the wider literature that has emerged on EDD initiatives over the past decade and a half, most of which (at least initially) tended to focus on institutional design – often with the implicit aim of determining the initiatives' eventual replicability – or else has explored the (putatively) transformative social consequences of these projects.

The first study to really focus on the politics surrounding the rise of EDD initiatives was Patrick Heller's groundbreaking comparative study of India, South Africa and Brazil, in which he underlined how such processes were 'given life … because they were underwritten by … the political initiative of a programmatic party … that could successfully circumvent traditional powerbrokers and build direct political ties with local forces'.[16] On this basis,

[14] See Gianpaolo Baiocchi, 'Participation, Activism, and Politics: The Porto Alegre Experiment and Deliberative Democratic Theory', *Politics and Society*, vol. 29, no. 1 (2001), pp. 43–72.

[15] *Ibid.*, p. 45.

[16] Patrick Heller, 'Moving the State: The Politics of Democratic Decentralisation in Kerala, South Africa and Porto Alegre', *Politics and Society*, vol. 29, no. 1 (2001), p. 158.

Heller argued that it was critical that we 'develop models of analysis that explicitly unpack the configurations and conditions under which social forces and political actors become agents of transformation'.[17] This is something that a number of scholars have recently begun to explore.[18] Benjamin Goldfrank's study of 'the politics of deepening local democracy', for example, contrasts the successful implementation of PB in Porto Alegre with the more ambiguous experiences of Montevideo and Caracas. Goldfrank argues that the lack of local political opposition to the promotion of the initiative by the *Partido dos Trabalhadores* (Brazilian Workers' Party, PT) led to an 'open participation program' being put in place in the former, while strong opposition forces in the latter led to 'more regulated and restrictive designs … in which citizen input was limited and subordinated within formal, party-dominated structures'.[19] This leads him to conclude that:

> In cities with strongly institutionalized parties, decentralization will likely result in elite capture and exclusionary politics. Even where new parties win office, established parties can debilitate institutional reforms. In cities with weakly institutionalized parties, however, decentralization's democracy-enhancing benefits are more likely to filter through.[20]

Although such a hypothesis is very persuasive, it does not really fit the case of Buenos Aires, where PB emerged in the face of a clear 'political economy' problem as well as highly unpromising circumstances of overwhelming economic and political crisis. Not only was there no coherent programmatic impulse behind the introduction of PB, but it was furthermore opposed by strongly institutionalised parties. The next two sections consider first the origins of PB in Buenos Aires, highlighting in particular the 'political economy' problem that initially impeded the implementation of the process, before going on to consider the factors that 'unblocked' this situation. The information presented draws on interviews conducted in April–September 2003 and March 2006. Due to the politically sensitive nature of the data, it is

[17] *Ibid.*, p. 159.

[18] See, for example, Gianpaolo Baiocchi (ed.), *Radicals in Power: The Workers' Party and Experiments with Urban Democracy in Brazil* (London, 2003), and *Militants and Citizens*; Benjamin Goldfrank and Aaron Schneider, 'Competitive Institution Building: The PT and Participatory Budgeting in Rio Grande do Sul', *Latin American Politics and Society*, vol. 48, no. 3 (2006), pp. 1–31; Harriss, Stokke and Törnquist (eds.), *Politicising Democracy*; Peter Houtzager, Adrián Gurza Lavalle and Arnab Acharya, 'Who Participates? Civil Society and the New Democratic Politics in Sao Paulo, Brazil' (Institute of Development Studies working paper 210, Brighton, 2003); Donna Lee Van Cott, *Radical Democracy in the Andes* (Cambridge, 2008); and Brian Wampler, *Participatory Budgeting in Brazil: Contestation, Cooperation, and Accountability* (University Park IL, 2007).

[19] Benjamin Goldfrank, 'The Politics of Deepening Local Democracy: Decentralization, Party Institutionalization, and Participation', *Comparative Politics*, vol. 39, no. 2 (2007), p. 148.

[20] *Ibid.*, p. 165.

presented in a synthetic manner rather than attributed to specific individuals, with a couple of exceptions.[21]

The Origins of Participatory Budgeting in Buenos Aires[22]

The origins of the concept of PB in Buenos Aires can be traced to the *Central de Trabajadores Argentinos* (Argentine Workers' Central, CTA), an independent trade union founded in the late 1980s. PB seems to have initially been the pet cause of one man, Claudio Lozano – at the time head of a CTA think-tank, the *Instituto de Estudios y Formación* (Institute of Studies and Training, IEF) – who first encountered the process on a fact-finding mission to Porto Alegre in 1994, and came back extremely enthused. From 1995 onwards, the CTA organised workshops, lectures and seminars about PB, published a range of documents, and even produced a video about the experience of PB in Brazil. This prolific output had a limited impact, however, except in one major respect: the CTA significantly influenced the nature of the 1996 Constitution that established Buenos Aires as an 'autonomous city' with legal status equivalent to an Argentinian province. It successfully lobbied not only for the inclusion of PB, but for making participatory democracy the keystone of the Constitution.[23] Certainly, the concept of participation thoroughly pervades the Constitution of the Autonomous City of Buenos Aires, which is one of the most progressive in Latin America. Article 1 of the Constitution opens by declaring that the city government 'organises its autonomous institutions as participatory democracy', and participation is explicitly referred to in a further 15 out of a total of 140 articles.[24] Article 52 relates specifically to PB: 'The participatory character of the budget is established. The law will fix the consultative procedures regarding the assignation of resource priorities'.[25] While there is extensive mention of participation in the Constitution, however, it should be noted that its concrete institutionalisation was much less obvious, particularly in relation to PB. The law referred to in Article 52, which was to establish the practical

[21] Individually anonymising my informants would not be enough to protect their identities given the relatively small number of people involved in running the Buenos Aires PB programme and the specificity of the information they shared with me.

[22] The Buenos Aires PB experience is quantitatively the most important in Argentina, but the process has also been implemented in other municipalities, including Córdoba, Rosario, La Plata, San Miguel, San Fernando, Morón, Necochea, Comodoro Rivadavia, San Martín, Godoy Cruz, Bella Vista and Campana.

[23] This seems to have been in no small part due to the force of personality and powers of negotiation of Martin Hourest, the CTA delegate to the Constitution-writing Constituent Assembly.

[24] See Gobierno de la Ciudad Autónoma de Buenos Aires (GCBA), *Constitución de la Ciudad Autónoma de Buenos Aires* (Buenos Aires, 2003), p. 7, my translation.

[25] GCBA, *Constitución*, p. 19, my translation.

procedural mechanisms for PB, was supposed to have been ratified before the end of 2001, but none of the various legal projects proposed were ever voted on by the City Legislature, and the PB process that ended up being implemented was actually legislated for by decree.[26]

Part of the reason for this divergence between the city's constitutional framework and the political will of its legislators was clearly that the Constitution 'was drafted by a group of political challengers whose ideas diverged from those of the mainstream political class', as Laurence Crot has pointed out.[27] During the late 1980s and 1990s, the Argentinian political scene was dominated by the highly institutionalised Peronist *Partido Justicialista* (Justicialist Party, PJ), on the one hand, and the *Unión Cívica Radical* (Civil Radical Union, UCR), on the other. In 1994, however, a coalition of dissident Peronists, Socialists, Christian Democrats, ex-Communists, dissident Radicals – some of whom were gathered under the banner of the *Partido Intransigente*, or Intransigent Party, founded as a Radical splinter group in the 1950s – as well as a variety of trade unionists (including the CTA) and human rights activists, came together to found the *Frente por un País Solidario* (Front for a Country in Solidarity, FREPASO). The new party acted as a lightning rod for the widespread, growing popular anger against the traditional parties that was fuelled by the so-called *Pacto de los Olivos* (Olivos Pact) between UCR leader Raúl Alfonsín and then president Carlos Menem of the PJ, whereby the two agreed to reform the Constitution in order to allow Menem to run for a second term while guaranteeing the largest losing minority party in provincial elections an automatic parliamentary or senatorial seat (something that was aimed at giving the Radicals a permanent quota of power).[28] FREPASO made significant electoral inroads in the traditionally bipartisan political landscape, in particular at the expense of the UCR, but after two elections had reached a ceiling due to the fact that

[26] At the same time, Articles 9, 10 and 29 of the 1998 administrative law regulating the procedures for establishing the annual city budget – the *Ley 70 de Sistemas de Gestión, Administración Financiera y Control del Sector Público* (Law 70 concerning Systems of Public Sector Management, Financial Administration and Control) – explicitly refer to the participatory nature of the city's budgeting process, and mention that this will be achieved through 'thematic and zonal forums' to determine 'budget allocation priorities' through 'consultation with the population in both the process of elaboration and follow-up', which is effectively the basis upon which participatory budgeting in Buenos Aires was established.

[27] Laurence Crot, 'Promoting Social Inclusion through Participatory Urban Planning: The Case of Buenos Aires', paper presented to the N-Aerus conference held in Lund, Sweden, 16–17 Sep. 2005, p. 5, available at www.n-aerus.net/web/sat/workshops/2005/papers/16.pdf (accessed Feb. 2008).

[28] The pact also granted autonomy to the city of Buenos Aires as part of the horse-trading between the PJ and the UCR, and theoretically provided the latter with a new political unit that it was likely to permanently control considering that party's historical domination of the city.

it was 'a party of leaders', dependent on the charisma of its major figures, Carlos 'Chacho' Álvarez and Graciela Fernández Meijide, for its projection instead of any institutionalised territorial base.[29] Partly because of this, FREPASO soon began to explore the option of a coalition with one of the country's more historically institutionalised parties in order to be able to accede to power.

The result was the *Alianza por el Trabajo, la Justicia y la Educación* (Alliance for Work, Justice, and Education), formed in 1996 in partnership with the bruised and slightly desperate UCR. The combination of FREPASO's charisma and the UCR's party machinery proved irresistible, and the Alianza handily won the 1996 Buenos Aires elections for mayorship of the city, the City Legislature and the Constituent Convention that was to write the metropolis' new Constitution. The electoral successes were distributed very differently between the UCR and FREPASO, however, with a member of the former, Fernando De la Rúa, becoming mayor, and the UCR also dominating the new City Legislature, while FREPASO obtained a majority in the Constituent Convention. As Laurence Crot has described, this

> altered the political situation at the local level: the UCR was now the official majority party, while FREPASO had become its main opponent. … Under such circumstances, FREPASO sought to accentuate its centre-left profile in order to distance itself from the UCR and emphasise their differences. One of the strategies used in this regard by FREPASO was to impose … the incorporation of modern mechanisms of popular participation [in the Constitution]. Taking advantage of its majority in the Constitutional Convention, FREPASO was seeking to restrain the power of the UCR via the design of local state institutions. … It used the new Constitution … as a political weapon against the majority by trying to stuff the constitutional text with all the most innovative mechanisms of participatory democracy.[30]

As a result, once the new Constitution was approved by the FREPASO-dominated Constituent Convention, the City Legislature-dominating UCR felt that it had little interest in promoting any initiative that it perceived as erosive of its clientelist power base. As a result, efforts to promote PB in Buenos Aires prior to 2002 were essentially non-governmental in nature, all the more so considering that the directly elected mayor of Buenos Aires, Fernando De la Rúa, was also from the UCR. A small number of limited PB pilot projects were carried out in different parts of the city in 1997–8, 1998 and 2001, mainly under the impulse of the CTA and other NGOs, including *Poder Ciudadano* (Citizen Power). The 1997–8 initiative was a very limited and

[29] See Luis Alberto Romero, *A History of Argentina in the Twentieth Century* (University Park IL, 2002).

[30] Crot, *Explaining Participatory Performance*, p. 149. To this extent, the introduction of PB into the city of Buenos Aires' Constitution can be said to have been the result of rather 'classic' purposeful political manoeuvring by FREPASO against the UCR.

schematic application of PB with 101 inhabitants of the La Boca and Barracas neighbourhoods. The 1998 experience consisted of little more than workshops with representatives of civil society in the neighbourhoods of Agronomía, Monserrat, Palermo, Saavedra and Villa Luro, which furthermore failed to produce any written records. Similarly, the first proper PB pilot project, which took place over the course of one month in 2001 in the neighbourhood of Belgrano, led to very little in concrete terms, despite the assistance of the ex-Mayor of Porto Alegre, Raúl Pont.[31] More generally, in 1999, the CTA organised the *Multisectorial de Organizaciones Sociales por la Democracia Participativa* (Multi-sector Coalition of Social Organisations for Participatory Democracy, MOSDEPA), a group of 30 NGOs, in order to promote the implementation of PB. The results of this coalition's campaigns were clearly rather limited, however, particularly with regard to influencing the Buenos Aires government – a May 2001 CTA document on PB reflects this well by rather powerlessly calling on the citizens of Buenos Aires to exercise their 'right to petition' the government for the introduction of PB.[32]

In other words, although PB was not completely unknown in Buenos Aires, it did not rate very high in terms of political visibility and importance, and it lacked any formal institutionalisation beyond 'participation' being mentioned in the city's Constitution. Even the election of a FREPASO politician, Aníbal Ibarra, as mayor of Buenos Aires in 2000 – following De la Rúa's election to the Argentinian presidency in 1999 – did little to improve the situation, partly because even within FREPASO, those who were programmatically pushing for PB constituted a minority compared to those who had supported it as a political weapon against the UCR but now saw it as

[31] See Navarro, 'Presupuesto participativo en Buenos Aires', for a general overview of these various initiatives. For a detailed description of the 1997–8 pilot project in La Boca and Barracas, as well as the 1998 workshops, see Lilia Godoy, 'Presupuesto participativo en la Ciudad de Buenos Aires: Primera experiencia en la Argentina', *Revista de la Asociación Argentina de Presupuesto* (Dec. 1999), available at http://usuarios.lycos.es/participar/paginas/bs_as_godoy.htm (accessed Feb. 2008). For an assessment of the 2001 pilot project, see Ricardo Romero, 'Presupuesto participativo y formas de recuperar la democracia: viabilidad en la Ciudad de Buenos Aires' (mimeo, 2001).

[32] See Enrique Arceo, *El Presupuesto participativo en la Ciudad de Buenos Aires* (Buenos Aires, 2001). Three other early adherents and promoters of PB were the NGO *Poder Ciudadano* (Citizen Power), the *Facultad Latinoamericana de Ciencias Sociales* (Latin American Faculty of Social Sciences, FLACSO)-led *Redes de Planificación Participativa y Gestión Asociada* (Co-governance and Participatory Planning Networks), and the *Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento* (Centre for the Implementation of Public Policies for Equity and Growth, CIPPEC). They seem to have been less influential and certainly less visible than the CTA in promoting PB, however. Nevertheless, together with the CTA, these four groups were invited to become organisational members of the *Consejo Provisorio del Presupuesto Participativo* (Participatory Budgeting Provisional Council) when it was set up in Sep. 2002, due to their historic links with the campaign to promote PB in Buenos Aires.

a spent bullet, so to speak (moreover, neither FREPASO nor the UCR obtained a majority in the City Legislature, and consequently any non-consensual initiatives found themselves blocked). The disinterest of the Buenos Aires political class and lack of bottom-up civil society influence in the face of this disinterest constitute excellent illustrations of Evans' 'political economy' problem, and a clear exemplification of the way in which the lack of a programmatic political impulse can hamstring the implementation of EDD initiatives. The obvious question this raises is, how was the situation overcome in order for PB to actually be implemented in 2002? To answer this, it is necessary to delve beyond both the city's formal constitutional framework and the party politics surrounding its (non-) application, and consider the way broader changes transformed the Buenos Aires political context, starting with the impact of the national crisis of 2001 known as the Argentinazo.

Participatory budgeting, the Argentinazo *and* porteño *politics*

Following a decade during which it was held up as an economic showcase and democratic role model for the rest of Latin America to emulate, Argentina dramatically fell from grace in December 2001. Although the country had been in the grip of a profound recession from the mid-1990s onwards, events accelerated suddenly in November–December 2001. Widespread concerns about the impending collapse of the Argentinian peso's fixed one-to-one exchange rate with the US dollar (the so-called 'convertibility'), possible default on external debt, capital flight of some US$ 25 billion over eight months, and worsening macro-economic conditions led to President De la Rúa's government desperately imposing draconian measures that limited withdrawals from private bank accounts. This precipitated massive social protests that culminated in a two-day period of widespread violence, looting and police repression on 19–20 December 2001, which has come to be known as the Argentinazo. De la Rúa resigned on 20 December 2001, and there were three different presidents in ten days before Senator Eduardo Duhalde became interim president on 1 January 2002, to serve the remainder of de la Rúa's term until December 2003.[33] Duhalde oversaw the end of the peso's fixed exchange rate regime, a subsequent sharp devaluation, and default on Argentina's public and private foreign debt of US$ 132 billion (the largest default in world history). He also presided over a dramatic contraction of the economy, as GDP fell by 16 per cent in the first quarter of 2002 and industrial production by 17 per cent during the first seven months of 2002. The peso collapsed to one quarter of its pegged value, and inflation

[33] Early elections were called for April 2003, and saw the victory of the Peronist Nestor Kirchner.

spiralled. Unemployment soared to over 30 per cent of the workforce, schools closed down, and state pensions and public sector workers' salaries went unpaid. The proportion of the Argentinian population living below the poverty line increased to 57 per cent by October 2002, compared to 37 per cent in October 2001.[34]

Although the dramatic economic dimensions of the crisis are clearly important to take into consideration, the Argentinazo cannot be fully understood without an appreciation of its political aspects. As Marcela López Levy has remarked, the Argentinazo was 'a heady time steeped in a sense of shared destiny when people bypassed politics as usual … It was a spontaneous uprising nobody had called for and no organisation could take credit for. The moment of overflowing rage is remembered now as … the time when the majority said "*Enough*"!'.[35] Even if Argentinians were undoubtedly saying 'enough' to their increasing pauperisation, they were also marking their profound disillusion with politicians and 'politics as usual', as was paradigmatically reflected in the emblematic slogan of the demonstrations: '*¡Que se vayan todos!*' ('Out with the lot of them!'). Laura Tedesco argues that the Argentinazo thus emphasised 'the limits to Argentina's democratic culture' and 'the absence of political channels capable of providing for the more systematically and proactively deliberative articulation of interests'.[36] As protests and demonstrations continued unabated into the first quarter of 2002, they increasingly began to take on more institutionalised forms that many perceived as constituting alternatives to a deficient Argentinian state.[37]

[34] See Emanuela Galasso and Martin Ravallion, 'Social Protection in a Crisis: Argentina's *Plan Jefes y Jefas*' (World Bank Policy Research working paper series no. 3165, Washington DC, 2003).

[35] Marcela López Levy, *We Are Millions: Neo-liberalism and New Forms of Political Action in Argentina* (London, 2004), pp. 10–11.

[36] Laura Tedesco, 'Argentina's Turmoil: The Politics of Informality and the Roots of Economic Meltdown', *Cambridge Review of International Affairs*, vol. 15, no. 3 (2002), p. 469.

[37] See Ana Dinerstein, '*¡Que se vayan todos!* Popular Insurrection and the *Asambleas Barriales* in Argentina', *Bulletin of Latin American Research*, vol. 22, no. 2 (April 2003), pp. 187–200. Between two and three million Argentinians participated in some kind of public protest during the first half of 2002, according to James Petras, 'Argentina: 18 Months of Popular Struggle – A Balance', *Social Policy*, vol. 34, no. 1 (2003), pp. 22–8. The varied forms of social engagement rapidly peaked, however, and Argentina can more or less be said to have 'normalised' from mid-2003 onwards. In March 2003, bank accounts were unfrozen as the socio-economic situation of the country began to pick up, both at the macro-economic level, with the national growth rate for 2003 reaching over 10 per cent, as well as at the micro-economic level, with the proportion of the population under the poverty line falling significantly, from 57 per cent in October 2002 to 48 per cent in October 2003 (see www.latinnews.com, March 2004). Politically, the election of Nestor Kirchner to the presidency in April 2003 – the first nationwide election to be held post-December 2001 – also signalled a return to 'normality'. While many predicted a huge '*voto bronca*' (angry vote) and there were multiple calls for voters to abstain, the number of spoiled and blank votes was less than 2 per cent, and 79 per cent of the electorate voted; this was widely

These ranged from the constitution of cooperatives and land occupations by *piqueteros* (organised groups of unemployed workers) to the establishment of *asambleas barriales* (spontaneous neighbourhood assemblies) and *clubes de trueque* (barter clubs), as well as the spread of *empresas recuperadas* ('recovered' – i.e., worker-occupied – enterprises).[38]

Antolín Magallanes, the first coordinator of the Buenos Aires PB process, contended in an interview in June 2003 that PB had to be seen in the same light as these alternative political forms, 'except that it was a "top-down" rather than a "bottom-up" innovation'. Putting aside the question of whether this latter distinction is important, there is no doubt that PB was an explicit response by the *Gobierno de la Ciudad Autónoma de Buenos Aires* (Government of the Autonomous City of Buenos Aires, GCBA) to the Argentinazo, as the official 2003 information brochure on the process makes clear:

> We live in an epoch in which the institutions of democracy lack representation and legitimacy in unprecedented ways. The citizenry demands new answers, new channels of accountability and participation, new ways of doing politics. Bridging the gap that today separates the State from society is the key to maintaining a fully democratic life. In this context, the Government of the Autonomous City of Buenos Aires has opened a space for the direct participation of local neighbourhood inhabitants in public affairs. The Participatory Budget Plan has the objective of channelling the demands of society and granting citizens a central role in the democratic life of the City. Citizen participation is the best means possible to attain a more democratic control over the Government's administration of the City.[39]

To this extent, PB can be said to have constituted something of a form of crisis management on the part of the GCBA. Indeed, in many ways, considering the fact that the Argentinazo constituted an expression of the disconnection between state and society, as well as the underlying logic and aim of EDD initiatives, it can even be said to have constituted a rather logical response.

At the same time, however, considering the previous lack of enthusiasm displayed by the *porteño* (Buenos Aires) political class for PB, it was by no means an obvious option for the GCBA. The particular nature of the porteño political context and the impact that the crisis of 2001 had on it are critical to understand in order to apprehend how this problem was circumvented. Although FREPASO and the UCR formally remained allies within the Alianza at the national level, at the city level this alliance very rapidly became rather theoretical after the 1996 elections, as Crot describes above. Friction remained contained as the Alianza sought to win nationally,

interpreted as indicating that people were willing to engage with the formal political system again.

[38] For an excellent overview, see López Levy, *We are Millions*.

[39] GCBA, *Presupuesto participativo: una realidad* (Buenos Aires, 2003), p. 4, my translation.

but following De la Rúa's election to the presidency in 1999, and the FREPASO politician Aníbal Ibarra's election as mayor of Buenos Aires in August 2000, the stand-off between the two parties worsened within the city. In typical FREPASO style, Ibarra frequently resorted to drawing on his close association with the charismatic vice-president of Argentina, 'Chacho' Alvarez, in order to get things done, particularly as his FREPASO party did not have much of an institutionalised, territorially based political apparatus in the city – contrarily to the UCR, which as a result was frequently able to block his government action not only in the City Legislature but also on the ground. 'Chacho' Alvarez's resignation in late 2000 in protest at the corruption of the De La Rúa government left Ibarra in a precarious situation, and he decided to reach out to the Buenos Aires UCR, and more specifically sought to ally himself with a wing led by Gabriela González Gass, whom he appointed secretary for social affairs in his government in early November 2001. He hoped that González Gass would be able to swing a significant proportion of UCR local organisations in his favour in the 2003 mayorship elections, but almost immediately following her appointment, she lost the Buenos Aires UCR primaries for the forthcoming elections and found herself in the political wilderness (as well as something of a lame duck in Ibarra's government).

The events of December 2001 further complicated matters for Ibarra. Not only did he find himself facing a mass popular uprising against a government with which he had been intimately associated, but FREPASO in Buenos Aires also fragmented as several smaller groups incorporating the coalition decided to strike out alone in the wider context of political uncertainty. The remaining coalition partners took the name *Frente Grande* (Broad Front), and coalesced into three currents. One of these was dominated by a group called the *Movimiento de Justicia Social* (Social Justice Movement, MODEJUSO), principally made up of various left-wing Peronists. The historic leader of this group had been 'Chacho' Alvarez, but following his resignation as vice-president, a variety of lower-level local leaders had begun to assert themselves; they failed to make much headway at the city-wide level, however, even if some were very well implanted at the local level. The second group was a looser one known (informally) as '*La Banda*' ('The Gang'), which included mainly Radical dissidents – in particular those associated with the Partido Intransigente – who gathered under the leadership of a porteño politician called Raúl Fernández. The last current revolved around a group known as the *Grupo Espacio Abierto* (Open Space Group), led by the ex-communist Ariel Schifrin, who had previously been the leader of the FREPASO bloc in the City Legislature.

Ibarra had links with all three groups but decided to make overtures to the Grupo Espacio Abierto first in order to try to shore up his crumbling

authority. This decision was partly prompted by his historic links with Schifrin, with whom he had been to university and had been a communist militant 20 years previously.[40] Moreover, Schifrin had been Ibarra's enforcer in the City Legislature during the latter's tenure as leader of the FREPASO bloc between 1996 and 2000, although the two fell out once Ibarra was elected mayor, as Schifrin became the new leader of the FREPASO bloc in the City Legislature and sought to establish his political independence by frequently blocking Ibarra's initiatives. The Argentinazo led to a rapprochement between the two men, however, when Ibarra offered Schifrin a place in his government in order to secure his support and that of the Grupo Espacio Abierto. Schifrin agreed but made it a condition that he be put in charge of what was then the sub-secretariat for decentralisation, that this be upgraded to a full Secretariat for Decentralisation and Citizen Participation (*Secretaría de Descentralización y Participación Ciudadana*), and that it be charged with implementing PB in Buenos Aires.[41] Although by all accounts he was initially extremely suspicious of Schifrin's demands, several informants suggested to me in interviews that Ibarra was finally won over by Schifrin's argument that PB potentially constituted an ideal means of 'pacifying' the rebellious masses marching through the streets of Buenos Aires. In particular, Schifrin suggested that PB would provide a 'channel' for co-opting the multiple bottom-up forms of social organisation that had emerged as a result of the Argentinazo, including in particular the 'popular assemblies' that had sprung up all over the city after December 2001 and were perceived as a significant challenge to local government.[42]

[40] While Ibarra quickly left the Communist Party, Schifrin went on to become one of its major party political operators until joining FREPASO in the mid-1990s.

[41] I was unable to interview Schifrin during my own research, but he tells the story slightly differently, suggesting that he was the one who approached Ibarra (see Crot, *Explaining Participatory Performance*, p. 166). Schifrin and my informants agree on the nature of the political deal that was made, however. One informant also claimed that Schifrin had come across PB during a fact-finding mission to Porto Alegre in the late 1990s to discover the reasons for the PT's longevity in power, and this was what had motivated his enthusiasm. During an interview with Laurence Crot in November 2004, however, Schifrin claimed rather vaguely that PB had simply been one of many ideas popular within leftist political circles in Argentina, and that it was an obvious initiative to implement in the face of the crisis of December 2001 – although at another point in the interview, he also suggested that he first encountered PB on a trip to Porto Alegre. I am very grateful to Laurence Crot for sharing the transcript of this interview with me.

[42] This claim seems to have been at least partially borne out. Certainly, according to a survey carried out by the CEOP research consultancy, 47 per cent of participants in the 2002 participatory budgeting process pilot project had participated regularly in 'popular assemblies', for example (*El Clarín*, 24 Nov. 2002). Similarly, my own interviews with PB participants in 2003 seemed to suggest that upwards of 25 per cent of participants in the 2003 PB process had previously belonged to a neighbourhood assembly, with several even saying that they felt a greater sense of actually being able to influence the management of their own city through the PB process than they had experienced when they were simply

Schifrin also pointed out to Ibarra that if PB in Buenos Aires worked the way it had in Porto Alegre, it would provide an ideal means through which to build Frente Grande territorial support networks, and therefore enhance Ibarra's re-election chances.[43] This was of significant appeal to Ibarra, and Schifrin consequently moved immediately upon taking office in February 2002 to insert as many Frente Grande loyalists as possible as directors and functionaries in the 16 *Centros de Gestión y Participación* (Administration and Participation Centres, CGPs) that were to locally administer the PB process in the city.[44] This did not happen systematically, because the decentralised, 'organised disorganisation' of porteño politics meant that each appointment necessitated significant horse-trading with locally dominant political factions and parties.[45] By mid-2003, though, six CGPs were firmly in the grip of the Frente Grande – the CGPs 2 Norte (North), 2 Sur (South), 7, 10, 12 and 14 Oeste (West) – and several more were in the process of being taken over, as was explained to me by Jorge Navarro, the second coordinator of the Buenos Aires PB programme, in a remarkably frank on-the-record interview conducted in August 2003. Whether this political domination of local bureaucracy translated into a better territorial institutionalisation for the party is another question altogether, however, with the evidence on the ground suggesting that this was not necessarily the case, as I have described in detail elsewhere.[46]

Although political control of different CGPs was distributed amongst different Frente Grande partners – the CGP 2 Sur was dominated by the MODEJUSO, for example, while the CGP 2 Norte was dominated by the Grupo Espacio Abierto – Schifrin was clearly simultaneously also putting into application a more parochial parallel agenda whereby he sought to specifically consolidate and expand Grupo Espacio Abierto political networks. In order to achieve this, he tried as much as possible to appoint Grupo Espacio Abierto loyalists specifically as PB delegates, irrespective of

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debating in the resource-less popular assemblies. The PB process cannot be said to have constituted an institutionalisation of popular assemblies, however, as the overlap only occurred on an individual membership basis. A more accurate depiction of the relationship between the PB assemblies and the popular neighbourhood assemblies is that the former institutionally superseded the latter, but the two were very different institutions, with the PB neighbourhood assemblies being set up by the local authorities and the popular assemblies being spontaneous.

[43] To this extent, PB can be said to have offered politicians a means of engaging in one of the most common forms of Argentinian politics: co-optation.

[44] In 2007, the CGPs were replaced with new administrative entities, the Communes (*Comunas*).

[45] See Steven Levitsky, 'An "Organised Disorganisation": Informal Organisation and the Persistence of Local Party Structures in Argentine Peronism', *Journal of Latin American Studies*, vol. 33, no. 1 (2001), pp. 29–65.

[46] See Rodgers, 'Subverting the Spaces of Invitation?', for an ethnographic study of the impact of PB in the Buenos Aires CGP no. 2 Sur.

the political affiliation of the CGP director. As one of these loyalists openly told me during an interview in August 2003, this meant that

> [t]he Open Space Group now has a better territorial development than before, precisely because Ariel is the secretary of decentralisation and he's worked the CGPs well, and … the PB is a good tool to extend the presence of the group and impose ourselves at the local level …

These political manoeuvres did not go unnoticed. On 16 December 2002, the opposition City legislator Jorge Mercado directly accused Schifrin in a session of the City Legislature of using the PB process to mobilise political support in his own favour. Dismissing Schifrin's rather curt denial out of hand, Mercado claimed that he was well known for his shrewd 'Machiavellian political operating'.[47] Ibarra was also widely reported to be monitoring the situation, and as I describe below, made use of his control over municipal finances to try to limit Schifrin's influence by providing the PB process with minimal funding. At the same time, however, although Schifrin was clearly promoting PB first and foremost in his own interest, he was only able to implement it in the first place with Ibarra's benediction, with the latter seeing it as a means to his own ends of institutionalising the Frente Grande's territorial support base in order to secure his political authority and enhance his chances of re-election in the September 2003 Buenos Aires elections. This in turn was the result of the particular combination of the Argentinazo's impact on Ibarra's previous FREPASO coalition, and the highly decentralised nature of porteño politics. Hence the notion that the implementation of PB in post-crisis Buenos Aires was a highly contingent process, very much dependent on a series of events coalescing in a particular political context.

The Buenos Aires participatory budgeting process in practice

The blatant political manipulation of the Buenos Aires PB process notwithstanding, to a large extent it worked very well, at least during the first two years of its application, and generated a range of very positive effects. The process began with a limited one-month *Plan de Prioridades Barriales* (Neighbourhood Priorities Plan) pilot project that was successfully carried out in June 2002. Some 4,500 individuals in 16 neighbourhoods participated in 250 meetings and identified 338 budgetary priorities, which were then incorporated into a special annex of the city's 2002 budget that was approved by the City Legislature. By May 2004, 165 of these priorities had been executed (49 per cent), 101 were in the process of being executed (30 per cent),

[47] I am grateful to Laurence Crot for bringing this exchange to my attention.

and 22 were being disputed (7 per cent). A full-scale *Plan de Presupuesto Participativo 2003* (2003 Participatory Budgeting Plan) followed this pilot project between July and September 2002, where 9,450 individuals in 43 neighbourhoods participated in 450 meetings and voted 189 priorities that were integrated into the city's 2003 budget. By May 2004, 65 of these priorities had been executed (34 per cent), 45 were in the process of being executed (24 per cent) and 10 were being disputed (5 per cent). The *Plan de Presupuesto Participativo 2004* was carried out between July and September 2003 in 51 neighbourhoods; 14,000 individuals participated in the identification and voting of 1,000 priorities, 600 of which were incorporated into the city's 2004 budget (those that were not incorporated were rejected as unfeasible or inappropriate).[48]

By mid-2003 the PB process moreover seemed to be generating a genuine sense of local autonomy and empowerment despite the attempts being made to manipulate it, and was thus delivering some of the less tangible goods generally associated with such forms of EDD against the odds.[49] When considered against the backdrop of cut-backs and financial scarcity due to the economic crisis precipitated by the Argentinazo, such achievements were arguably extremely impressive. To a certain extent, they were due to the intelligent institutional design of the PB process. Like other PB processes, PB in Buenos Aires involved the devolution of authority for the determination of municipal action from the city government to local neighbourhood inhabitants. These debated and established budgetary priorities in neighbourhood-specific participatory budgeting assemblies and thematic commissions, which were then voted on. If the priorities voted on were judged feasible by a technical commission, they were then ranked and sorted out according to a formula that took into account population difference, percentage of voters, and the relative wealth and poverty of a neighbourhood, among other things, in order to put all neighbourhoods on an equal footing. The crucial difference with other PB processes, however, was that contrary to PB in Porto Alegre, for example, PB in Buenos Aires did not involve the allocation of a specific percentage of the municipal budget but rather the allocation of city government action. An 'action matrix' for the whole city would be drawn up, listing all the priorities determined by neighbourhood inhabitants by

[48] Navarro, 'Presupuesto participativo en Buenos Aires'.

[49] See Rodgers, 'Subverting the Spaces of Invitation?'. The PB process, for example, constituted a valuable channel for communication and the rebuilding of trust between local neighbourhood groups and inhabitants on the one hand, and city government officials and bureaucrats on the other. This varied considerably, however, with the responsiveness of bureaucrats largely depending on whether the head of the relevant department or secretariat was a political friend or enemy of Schifrin's.

rank and thereby providing the order in which city's public resources were to be expended until depleted. In this way, the Buenos Aires PB process avoided problems linked to the lack of public funds in the post-crisis context.

At the same time, the institutional design of Buenos Aires' PB initiative was continuously being tinkered with by the two organisations respectively managing and supervising the PB process, namely the PB Technical Coordination team and the PB Provisional Council (of locally elected neighbourhood representatives and NGO representatives that were theoretically to supervise the whole process but in practice deferred to the Secretariat for Decentralisation and Citizen Participation), with the former often even ignoring or imperfectly executing the demands of the latter. Seen in this light, while important to take into account up to a point, the institutional design of the PB process cannot be said to have provided a counterpoint to what might be seen as the greatest threat to its effective implementation – i.e., Schifrin's attempt to use the process to build territorial support networks within Buenos Aires for his Grupo Espacio Abierto political faction. Certainly, there were a number of cases where blatant politicking by Schifrin appointees or rivals affected the PB process in an extremely negative manner, subverting it, causing protests and frequently reducing participation levels. These were much fewer than might have been, however, due to the particular nature of the PB Technical Coordination team.

The PB Technical Coordination team was divided into the central Technical Coordination team based in the Secretariat for Decentralisation and Citizen Participation, and local teams based in the 16 CGPs of Buenos Aires. In stark contrast to Schifrin and other higher-echelon functionaries in the Secretariat for Decentralisation and Citizen Participation, a majority of the members of the central Technical Coordination team, as well as members of local teams based in a number of CGPs, shared what can be termed as a certain 'anti-politics' outlook in that they saw themselves not as political activists but much more as public servants (despite the attribution of public sector jobs in Argentina being very much a political issue). This was more often than not linked to their generally very similar trajectories of disgruntled FREPASO militancy – and in many cases, pre-Menem Peronism before that – which had seen them become disillusioned with politics and turn to an ethos of public service instead, reinforced by the fact that many of them rapidly became converted to the PB process, which they saw as a potentially 'non-political form of politics', as a member of a local Technical Coordination team put it in an interview. Many of these individuals had moreover known each other for a long time, either as friends, as co-workers in other organisations, or by having studied together or attended the same

training courses.[50] They were therefore linked together by common outlooks and values, which meant not only that they worked very effectively as a team, but also that they constituted a sort of pro-PB network traversing the central team and a number of localised coordination teams that attempted to ensure that PB was implemented in as effective and non-politicized a manner as possible. As such, paraphrasing the central insight of Sudipta Kaviraj's seminal essay on the nature of post-colonial Indian bureaucracy, one could argue that this network constituted something of a 'Trojan horse' within the Secretariat for Decentralisation and Citizen Participation, involving a group

> who [spoke] and interpret[ed] the world in terms of [a different] discourse [to Schifrin's politicising one]. Since major government policies have their final point of implementation very low down in the bureaucracy, [this latter vision was thus] reinterpreted beyond recognition.[51]

Certainly, this group often acted in order to facilitate PB in the face of instances of attempted politicisation, often bypassing the formal rules of the process in order to neutralise attempts to subvert it.[52]

While this pro-PB 'Trojan horse' group within the Secretariat for Decentralisation and Citizen Participation is clearly an important reason why the PB process in Buenos Aires worked so well in the face of attempts to politically hijack it, a number of other factors are also important to take into account, including the nature of local politics in Argentina. As Levitsky has pointed out, political parties in Argentina can be conceived of as 'informal mass parties', based on 'a dense collection of personal networks – operating out of unions, clubs, non-governmental organisations, and often activists' homes – that are often unconnected to (and autonomous from) the party bureaucracy'.[53] These constitute the territorial base of traditional political

[50] This included a training course held in Granada, Spain, in 1993, which half a dozen Technical Coordination team members had attended together, and during which they had first encountered PB, the Porto Alegre case being taught on the course as an innovative example of alternative local governance. This group included individuals from the central Technical Coordination team as well as from several key local Technical Coordination teams, perhaps not by accident in CGPs where PB was considered to be working best.

[51] Sudipta Kaviraj, 'On State, Society, and Discourse in India', in James Manor (ed.), *Rethinking Third World Politics* (Oxford, 1991), p. 91.

[52] I have deliberately chosen not to provide concrete examples in order to protect those who engaged in these activities, since many of the group still work for the GCBA. It should be noted that while the PB Technical Coordination team's autonomy from Schifrin stemmed partly from the closed nature of the group, the fact that the politicians attempting to subvert the PB process were substantively uninterested in the process in practice was also important. They tended to see it only as an instrumental means through which to achieve political domination, and were therefore happy to sign off on anything that seemed harmlessly 'technocratic' or 'managerial', which is how the members of the PB Technical Coordination team often presented their actions to the politicians.

[53] Levitsky, 'An "Organised Disorganisation"', p. 30.

parties, but are highly independent and only loosely federated, except at a symbolic level – for example, through the memory of historical figures such as Evita Perón in the case of the PJ, or Hipólito Irigoyen for the Radicals.[54] This means that the politicisation of such local networks is not a straightforward matter, as it inevitably involves engaging with and co-opting a variety of existing local-level social forms, all of which have their own agendas and interests – agendas and interests that did not necessarily coincide with those of either the Frente Grande or the Grupo Espacio Abierto.[55]

The Shifting Porteño Political Context and the Demise of PB

While such bottom-up 'interference' meant that the construction of a territorial political support base through PB progressed extremely slowly and imperfectly, Schifrin simultaneously had to contend with the effects of the rapidly shifting porteño political context. Despite inviting Schifrin to become part of his government, Ibarra clearly remained very wary of him, to the extent that many in fact saw their rapprochement more as an attempt by the latter to politically neutralise the former than as any kind of genuine alliance.[56] Certainly, it was striking that PB implementation efforts were heavily impeded by the inadequate budget allocated to the process, a state of affairs that several PB officials speculated in interviews – albeit on the strict condition of anonymity – was a means through which Ibarra tried to keep Schifrin in check. Tensions rapidly began to mount between Ibarra and Schifrin, further heightened when the former began to make increasing overtures to the members of the so-called 'Banda', and in particular those associated with the Partido Intransigente, through this group's leader, Raúl Fernández, who was Ibarra's chief of cabinet. Although the UCR had to a large extent proved itself to be a moribund political force in Buenos Aires, failing spectacularly to garner a significant share of the vote in the presidential elections of April 2003, non-UCR Radical factions were increasingly displaying a certain local-level vivacity which Ibarra – always the consummate politician, with an eye to building bridges and alliances – found potentially politically interesting in relation to strengthening the Frente

[54] See Javier Auyero, *Poor People's Politics: Peronist Networks and the Legacy of Evita* (Durham NC, 2001).

[55] See Rodgers, 'Subverting the Spaces of Invitation?'.

[56] Certainly, Schifrin himself suggested as much when he contended that Ibarra 'seized the opportunity [to nominate me as secretary of decentralisation and citizen participation] so that I would leave the Legislature where I had personal power. Because if you are a [legislator] you have a personal electoral mandate, whereas if you are a government officer you have no other mandate than that of Ibarra. So he was most happy to appoint me as Secretary' (Crot, *Explaining Participatory Performance*, p. 166).

Grande's grip on Buenos Aires. Schifrin disagreed strongly with Ibarra, seeing the Radicals as the Frente Grande's principal opponent in the city, considering their historical dominance of the metropolis and strongly institutionalised territorial networks.

This tension between Ibarra and Schifrin remained more or less contained, with the former essentially ignoring the latter – as well as the PB process – as much as he could. A very public spat emerged during the 2003 presidential election campaign, however, when Schifrin decided to publicly back the eventual winner, Nestor Kirchner of the PJ, at a relatively early stage in the campaign, while Ibarra maintained a diplomatic silence in order to avoid damaging any of the bridges he had built with the parties of other well-placed candidates.[57] Kirchner's victory placed Schifrin at centre stage in political terms, however, particularly as Ibarra and the Frente Grande were up for re-election in September 2003 and faced strong opposition from the populist right-wing businessman Mauricio Macri. As a result, Schifrin – who was also standing for election to the City Legislature, and therefore personally concerned with securing victory for the Frente Grande – became the key facilitator of the subsequent negotiations between Ibarra and Kirchner, whereby an agreement was reached that Kirchner would weigh in on the elections by campaigning for Ibarra, despite Macri nominally running on a PJ ticket. Ibarra duly won re-election as a result, clearly riding on Kirchner's unprecedented popularity at the time.

Kirchner's weighing into the porteño elections had critical consequences for PB in Buenos Aires, insofar as he clearly had a broader agenda. In particular, Kirchner sought to build a network of political support that would allow him to challenge former president Eduardo Duhalde – who had handpicked him as a putatively easily manipulated figurehead – for control of the PJ. His support for Ibarra against Macri – supported by Duhalde – was part of this general strategy, but it went further, as Kirchner's price for supporting Ibarra was to ask to influence the composition of the latter's new administration. In particular, he put forward Héctor Cappacioli – an ex-trade unionist known to be closely linked to Kirchner – as nominee for the post of secretary for decentralisation and citizen participation. Ibarra duly appointed Cappacioli to take over from Schifrin, who was leaving the Secretariat to take up his new seat in the City Legislature. Although little was made of this at the time – indeed, many commentators actually saw it as a victory for Ibarra, who was deemed to have given Kirchner an 'unimportant' Secretariat – the

[57] Indeed, Ibarra was reportedly negotiating a formal alliance with Elisa Carrió, one of Kirchner's rivals for the presidency and leader of the *Alternativa para una República de Iguales* (Alternative for a Republic of Equals, ARI) party. See Cecilia Schneider, 'La participación ciudadana en el gobierno de Buenos Aires (1996–2004): el contexto político como explicación' (Documento CIDOB no. 21, Barcelona, 2007), p. 51.

logic of this specific demand became clear when Cappacioli's appointment rapidly led to a wholesale overhaul of the Secretariat of Decentralisation and Citizen Participation. Two-thirds of those involved in implementing the PB process in 2002–3 had been pushed out by April 2004, and over 60 per cent of CGP directors and PB delegates had changed by October 2004.[58] Both these developments were clearly motivated by the intent to hijack the politicisation of the PB process initiated by Schifrin in favour of Kirchner.

By all accounts, however, this attempt failed. To a certain extent this seems to have been due to the fact that over two-thirds of the new staff had no training in PB,[59] and so had no in-depth knowledge of the process that would have allowed for an orderly takeover.[60] Certainly, the new team put in place by Cappacioli seems to have been particularly unsubtle in its attempts to politicise the process. As an informant who had been particularly enthusiastic about the PB process in 2003 told me during an exchange in 2004:

> I no longer participate in the process, because everything's changed and it's all deceit and disillusion now. Ever since the administration changed and the coordination teams were replaced, everything's been different and much less elegant than before; the new people just tell us that we have to support their political party and obviously don't care about the PB process, and know nothing about it.[61]

Further communications with other informants made it clear that the new municipal administration's rather clumsy attempts to take over the PB process were adversely affecting participation.[62] Combined with local-level resistance by individuals and groups who had become converted to the process, this led to a highly opaque, haphazard and piecemeal version of PB being implemented in 2004, in which just 9,000 people participated, compared to 14,000 the year before.[63] As a result, Cappacioli decided to abandon

[58] See Crot, *Explaining Participatory Performance*, p. 232.

[59] See Schneider, 'La participación ciudadana en el gobierno de Buenos Aires', p. 52.

[60] The improvisation and informal means of operating of the original Technical Coordination teams also meant that the process was very weakly institutionalised, which probably also contributed to this state of affairs. See Crot, *Explaining Participatory Performance*, pp. 222–73.

[61] This same informant had paradoxically extensively discussed Schifrin's attempts at political manipulation with me during an interview in 2003, arguing at the time that they had not impacted directly on local-level PB processes, but only affected 'city-level politics', and were therefore not a demoralising factor (at the same time, this person also explicitly gave credit to the PB Technical Coordination team at the time for shielding the PB process from the most adverse effects of politicisation).

[62] See Rodgers, 'Subverting the Spaces of Invitation?', pp. 195–8.

[63] See Matías Landau, 'Ciudadanía y relaciones de poder: los ususde la participación en los programas de gobierno de la Ciudad de Buenos Aires' (paper presented to the II Congreso Nacional de Sociología y VI Jornadas de Sociología de la UBA, '¿Para qué la Sociología en la Argentina actual?', Buenos Aires, 20–3 Oct. 2004), p. 10. These participation levels may at first glance seem very low for a city with over four million inhabitants, but are actually very respectable when compared to the paradigmatic Porto Alegre PB process, for example, which involved 976 and 3,694 participants in its first and second years of

his attempts to direct the PB process. He began instead to concentrate on other means of building pro-Kirchner political networks in Buenos Aires, focusing in particular on promoting the formal decentralisation of urban administration through a system of autonomous *comunas* (communes), which was implemented in early 2007. Because the directors of communes were to be nominated directly by the secretary of decentralisation and citizen participation, and were to have much greater discretionary powers than the old CGP directors, they had much greater scope for engaging in political clientelism and developing other means of local territorial domination.

The PB budget was therefore cut, and the process was slowly but surely run down. Participation levels fell again in the 2005 cycle, this time by 50 per cent to some 4,500 people, while in 2006 the Secretariat did not release any participation figures, but announced at the end of the cycle that PB was going to be institutionally 'rolled into' the new communes' functions. Significantly, under the new system the scope of PB is much more limited, with each of the 15 new communes – which on average have around 185,000 inhabitants each – benefiting from a fixed budget allocation of just one million pesos (US$ 300,000) with which to carry out any actions determined via highly unevenly implemented local PB processes. In a related manner, in 2007 the Secretariat for Decentralisation and Citizen Participation was downgraded and renamed the *Subsecretaría de Atención Ciudadana* (Sub-Secretariat for Attention to Citizens), and in mid-2008 it was announced that the PB process would now occur via the internet only, something that fundamentally undermines the face-to-face communicative logic of participatory democratic initiatives.[64]

This gradual dismantling of the PB process is reminiscent of the demise of PB in Porto Alegre following political regime change after the Brazilian Workers' Party's defeat in the 2004 municipal elections. As Kees Koonings describes, although the new municipal administration led by Mayor José Fogaça pledged to maintain PB, its importance as a channel for consultation and decision making was rapidly minimised in favour of a more diffuse notion of 'solidarity-based governance' ('*governança solidária*'), which

> implie[d] introducing 'partnerships' to carry out social policies and investment projects. In these partnerships, both managerial responsibility and part of the funding is often delegated to NGOs or even private companies. The rationale behind this approach is that the municipal administration claims to have limited

implementation, albeit for a city approximately one-third the size of Buenos Aires (see Rualdo Menegat, 'Participatory Democracy and Sustainable Development: Integrated Urban Environmental Management in Porto Alegre, Brazil', *Environment and Urbanisation*, vol. 14, no. 2 (2002), p. 196).

[64] See Leonardo Avritzer, *Democracy and the Public Space in Latin America* (Princeton, 2002), pp. 36–54.

financial resources, and … other stakeholders have to chip in. In practice, this has had very little result so far … At the same time, the volume of public investment as part of total expenditures of the city administration has been dropping … [T]he style of the municipal administration in dealing with [PB] has [also] become more managerial in both the technocratic-administrative and politico-clientelistic sense of the word … Also, the substitution of all [PB] office holders … by new officials loyal to the Fogaça administration … [led to] a gradual separation between the municipal administration and the 'participatory publics' in the organs of [PB].[65]

Although Koonings argues that 'it is almost normal that a government of a different political and ideological persuasion will try to place its own imprint on the participatory system and its outcomes', there is little doubt that PB in Porto Alegre is being gradually eroded as a result of the fundamental differences that exist between the programmatic politics of the Brazilian Workers' Party, and those of the centre-right coalition that Fogaça leads.[66]

Conclusion

As Vivien Lowndes has remarked, 'politics is an "instituted process", embedded in institutions political and non-political', and cannot therefore 'be understood simply through the analysis of formal arrangements for representation, decision making and policy implementation'.[67] The case of PB in Buenos Aires that I have described in this article illustrates this very well, with its implementation being less intelligible through a consideration of any programmatic political desire to promote a putatively empowering process, and more easily understood as the consequence of the particular interaction of multifarious competing and contradictory interests, networks and incentives associated with a range of definite porteño political actors, all embedded within a temporally specific context precipitated by the Argentinazo. This led to the crystallisation of a configuration of power whereby the different actors involved effectively all held each other in check, thereby producing a space within which the PB process could develop in a way that genuinely assuaged the democratic deficit in the city of Buenos Aires, at least for a while.

As such, the implementation of PB in Buenos Aires draws attention to a critical but underestimated dimension of the politics of 'instituted processes', which is that they are frequently much less purposeful than we often imagine them to be. Although most of the actors involved in the PB process

[65] Kees Koonings, 'Surviving Regime Change? Participatory Democracy and the Politics of Citizenship in Porto Alegre, Brazil', in Patricio Silva and Herwig Cleuren (eds.), *Widening Democracy: Citizens and Participatory Schemes in Brazil and Chile* (Leiden, 2009), pp. 220–1.

[66] *Ibid.*, p. 13.

[67] Vivian Lowndes, 'Rescuing Aunt Sally: Taking Institutional Theory Seriously in Urban Politics', *Urban Studies*, vol. 38, no. 11 (2001), p. 1955, 1960.

had relatively clear aims and aspirations, the very fact of interacting with each other in the context of a 'moment of shock' such as the Argentinazo meant that their actions inevitably became imbued with a significant degree of 'contingency', both intrinsically and with regard to the manner in which they came together.[68] This is true in a way that goes beyond the fact that social practices will inevitably have 'unanticipated consequences', as Robert Merton pointed out over 70 years ago, or accepting that institutional arrangements will be imbued with 'a certain degree of opacity … that cannot easily be modelled, predicted or managed', as Frances Cleaver puts it.[69] Rather, what the implementation and execution of PB in Buenos Aires illustrate very well is how institution building can often occur less as the result of purposeful action and more as the consequence of contextually and temporally specific articulations of both conscious and unconscious intents and practices, which in turn have both intended and unintended meanings and consequences that are beyond the control of the actors involved.[70]

Seen in this light, the PB process in Buenos Aires stands in stark contrast to most other instances of PB, such as the one instituted in Porto Alegre, which is generally considered to be the direct result of the successful execution of the programmatic politics of the Brazilian Workers' Party. This is critical, because as Rebecca Abers highlights,

> people mobilize when there are windows of opportunities that lead them to believe that action will more likely bring results. Often, such *enabling environments* have to do with changes in the state power structure, such as the weakening of a powerful elite or the strengthening of reformist policy makers.[71]

The Buenos Aires case, however, suggests that enabling environments facilitating the promotion of democratic innovations such as PB do not necessarily have to stem from purposeful political action, but can be highly contingent in nature, to the extent that it can make sense to talk of processes of 'contingent democratisation' possibly emerging. At the same time, the gradual demise of PB in Buenos Aires – and perhaps even more dramatically, that of the paradigmatic Porto Alegre process – starkly highlights the fact that a contingent enabling environment is not a sufficient condition for the institutionalisation of the gains of contingency. In this respect, and as the

[68] I use the term 'contingency' in relation to 'the condition of being free from predetermining necessity in regard to existence or action' (Oxford English Dictionary, http://dictionary.oed.com, consulted July 2009).

[69] See respectively Robert K. Merton, 'The Unanticipated Consequences of Purposive Social Action', *American Sociological Review*, vol. 1, no. 6 (1936), pp. 894–904; and Frances Cleaver, 'Moral Ecological Rationality, Institutions and the Management of Common Property Resources', *Development and Change*, vol. 31, no. 2 (2000), p. 382.

[70] A parallel can be made with the notion of institutional 'bricolage' (see Mary Douglas, *How Institutions Think* (London, 1987), pp. 66–7).

[71] Emphasis in original. Abers, 'From Clientelism to Cooperation', p. 530.

wider literature on the politics of participatory democracy suggests, programmatic party politics, while not necessarily needed for the emergence of EDD initiatives, are very likely critical to ensuring their sustainability.

Spanish and Portuguese abstracts

Spanish abstract. La implementación de un Presupuesto Participativo en Buenos Aires, Argentina, tras la crisis de diciembre de 2001, fue un suceso fuera de lo común. Los diferentes intereses involucrados tenían agendas contradictorias que no coincidían con los lineamientos establecidos por el Presupuesto Participativo de extender la participación ciudadana en el gobierno. Sin embargo, estos intereses interactuaron de tal forma que creó un espacio coyuntural para que se diera un proceso viable. Cambios políticos subsecuentes llevaron a la extinción del Presupuesto Participativo; sin embargo el caso de Buenos Aires es sin embargo importante debido a que resalta cómo procesos como éste pueden emerger en la ausencia de una política programática fuerte, y por lo tanto abrir nuevas vías para la innovación democrática.

Spanish keywords: presupuesto participativo, *democracia*, *Argentina*, *políticas urbanas*, *Buenos Aires*

Portuguese abstract. Após a crise de dezembro 2001, a implementação do orçamento participativo em Buenos Aires, Argentina, representou um acontecimento altamente improvável. Os diferentes partidos envolvidos possuíam objetivos divergentes e contraditórios que nada coincidiam com as metas declaradas no Orçamento Participativo de ampliar a participação cidadã no governo, mas interagiram de forma a criar, acidentalmente, um espaço no qual um processo viável pudesse ser desenvolvido. Alterações políticas subsequentes levaram à queda do Orçamento Participativo, entretanto o caso de Bueno Aires é importante por sublinhar a maneira em que processos podem surgir na ausência de fortes políticas programáticas, portanto novos caminhos para a promoção de inovações democráticas potencialmente abrem-se.

Portuguese keywords: *orçamento participativo*, *democracia*, *Argentina*, *políticas urbanas*, *Buenos Aires*