

I

Introduction: The Puzzle of Participatory Institution Building

Since the 1990s, the developing world has been the site of bold experiments to open up the policy process to citizen participation. Participatory policymaking institutions are formal, institutional spaces that involve citizens or civil society groups in formulating, deciding on, and/or overseeing the implementation of public policy. Dozens of countries – from the Philippines to Uganda to the Dominican Republic – have adopted national laws requiring subnational governments to establish participatory institutions. Even authoritarian regimes, such as those in China and Rwanda, have instituted participatory mandates as a means of improving service delivery. International donors, such as USAID and the World Bank, embrace participatory policymaking as a “best practice” in their efforts to amplify the impact of antipoverty programs; between 1990–2007, the World Bank spent roughly \$87 billion in support of participatory governance in developing countries (Mansuri and Rao 2013, 15, 44).

Latin America has emerged as the vanguard of participatory policymaking, with 17 of 18 countries in the region creating national participatory frameworks.¹ Latin American countries adopted these mandates after transitions from authoritarian rule in the 1980s as part of broader reforms to decentralize governance and make democratic institutions more inclusive. For example, national laws in Colombia, Guatemala, and Mexico require local governments to establish planning councils that engage underrepresented groups – such as the urban poor, women’s

¹ Panama is the only country in the region without a nationally mandated participatory institution.

2 *Building Participatory Institutions in Latin America*

associations, the indigenous, and youth – in setting policy priorities. In Argentina, Brazil, and Venezuela, nationally mandated health councils allow patients' groups, health workers, and service providers to shape health policy. Recent laws in the Dominican Republic, Ecuador, and Peru obligate all municipal governments to implement participatory budgeting, in which citizens determine how to spend a portion of the municipal budget.

Diverse supporters advocate participatory institutions as a means to make the state more responsive to the poor (Blair 2000; Cornwall 2006; Dagnino, Olvera, and Panfichi 2006; Goldfrank 2012; Wampler 2009). International donors and technocratic politicians embrace participatory governance to enhance state performance in service delivery and urban governance. According to these proponents, engaging citizens via participatory institutions can combat corruption by expanding mechanisms for societal accountability. It can also improve targeting of antipoverty efforts by leveraging the on-the-ground insights of poor beneficiaries. Leftist politicians and social movements also have rallied behind participatory policymaking as a way to deepen democracy. From this perspective, participatory institutions can amplify the voices of marginalized citizens, while simultaneously creating institutional sites to promote the expansion of social rights. Both approaches view participatory institutions as having the potential to transform democratic governance in developing countries, making state investments more effective and better aligned with the pressing needs of the poor.

Unfortunately, many national participatory mandates fall short of these ambitious goals because they fail to get off the ground. Simply passing initial legislation is not enough to ensure that a participatory institution becomes a space in which civil society can have a voice in policymaking. In many cases, "mandatory" participatory institutions exist only on the books, but not in practice. For example, Colombia's local health committees exist in only 14 of nearly 1,100 municipalities (Ministerio de Protección Social 2010), and therefore never have the chance to engage society in shaping health policy. Other participatory institutions fail to develop meaningful policymaking responsibilities, yielding symbolic participation that is disconnected from formal decision-making. For instance, Guatemala's municipal development councils lack clearly defined prerogatives, and hence council proposals go nowhere (McNulty 2014; Puente Alcaraz and Linares López 2004, 249–250).

Many nationally mandated participatory institutions fail to achieve their democratizing goals because they never successfully undergo the

process of developing into viable *institutions* – accepted rules of the game that shape human behavior (North 1990, 3). Building a new participatory institution requires the construction of a strong institutional design that connects civil society participation to decision-making processes, and establishes enforcement mechanisms to sanction policymakers that fail to comply. Moreover, to count as a *national* participatory institution, this formal design must become institutionalized throughout the country. Doing so requires the investment of material, human, and organizational resources to ensure the creation and operation of participatory councils. There is nothing automatic about making the leap from being a law on the books to functioning as a living institution that can shape the behavior of political agents and distribute political power and resources (O'Donnell 1994; Offe 2006).

Building a new participatory institution is a daunting task, particularly in developing countries that are plagued by widespread institutional weakness (Levitsky and Murillo 2009). More often than not, building *any* institution results in failure, since new institutions are fragile and easily dismantled (Boin and Christensen 2008; Selznick 1949; Stinchcombe 1965; Thelen 2003). The hurdles to institution building are particularly challenging for nationally mandated participatory institutions. By design, these participatory institutions limit the discretion of precisely those local politicians that are charged with their implementation. Consequently, new participatory institutions are likely to face resistance from powerful opponents. Moreover, building participatory institutions involves complicated logistics: hundreds or even thousands of participatory councils must be designed and put into practice in a diverse array of municipalities, ranging from sprawling megacities to tiny rural villages. Given these barriers to institution building, we might expect nationally mandated participatory institutions to end up as yet another ill-fated scheme for good governance that falls apart in the messy political reality of developing countries.

Surprisingly, however, participatory institution building *is* possible in some contexts. This book explores successes and failures in institution building through a comparison of nationally mandated health, social assistance, and planning councils in Brazil and Colombia. These two countries both established extensive legal frameworks for participatory policymaking in the early 1990s. Yet despite their similar starting points, the fates of participatory institutions in Brazil and Colombia diverged. More than 99 percent of Brazil's subnational governments comply with

4 *Building Participatory Institutions in Latin America*

the mandate to implement health and social assistance councils, which have been granted formal policymaking and budgetary authority. Participatory policymaking gained widespread acceptance in Brazil as an essential component of democratic governance. Across the border, Colombia reflects the more typical Latin American story of institutional weakness. Even Colombia's most "successful" nationally mandated participatory institution – the planning councils – operate in only half of the country's municipalities, and have struggled to develop legitimacy as a site of policymaking. Meanwhile, Colombia's local health committees failed to undergo the institution-building process altogether and exist solely on the books.

The divergent experiences of these Brazilian and Colombian cases raise important questions about the institution-building process. First, how does participatory institution building unfold over time? In particular, what were the institutional steps taken in building the Brazilian health and social assistance councils that were missing for the Colombian planning councils and health committees? Second, why does participatory institution building succeed in some cases, but not in others? When do civil society groups and actors within the state choose to invest the time, material resources, and creativity needed to construct new participatory institutions? Furthermore, when can opponents of participatory policymaking be neutralized, thereby creating political openings for institution building? In sum, *how* and *why* does the process of participatory institution building flourish in some contexts, while stalling or collapsing in so many others?

OVERVIEW OF THE ARGUMENT

Building a new participatory institution involves a fragile, protracted, and fundamentally political process that goes far beyond simply implementing a legal framework. Participatory institution building requires creative destruction to reconfigure (or even dismantle) existing state agencies, lines of authority, and decision-making practices.² Making these changes is impossible without both sidelining opponents and mobilizing the support of powerful stakeholders with vested interests in the new participatory institution. Translating the promise of participatory democracy into functioning institutions means wooing the active support of both self-interested politicians and grassroots movements, idealistic

² On the notion of creative destruction in ensuring the institutionalization of policy reforms, see Patashnik (2008).

activists as well as established interest groups, the masses and elites. This book explores how sweeping sectoral reforms and creative leaders can unleash the unlikely institutional development processes that are crucial to make participatory policymaking a reality.

Participatory institution building entails developing a strong formal design, and institutionalizing the new venue as a routinized and valued space for state–society negotiation over policy. First, developing a strong design is crucial in ensuring that the participatory institution has the formal authority to channel societal participation into decision-making. The institutional design establishes the formal policymaking prerogatives, lines of authority, and enforcement mechanisms of the nationally mandated participatory institution. Second, the new participatory councils must become institutionalized as routinized and valued venues for state actors and civil society to work together in the policy process. The formal framework needs to be put into practice on the ground, translating formal prerogatives into real-world procedures. Moreover, the new participatory institution must undergo an informal process of legitimation to ensure that both state and civil society actors reproduce the participatory institution over time.

The outcome of successful participatory institution building is the establishment of a participatory institution that has the formal authority and levels of institutionalization needed to connect civil society to the policymaking process. Some nationally mandated participatory institutions, such as the Brazilian health and social assistance councils, develop expansive formal powers and become institutionalized. These participatory institutions become accepted and even taken-for-granted venues for state–society negotiations on policy issues. In these cases, civil society participants may not always achieve their policy goals, but the participatory institution will provide them with a meaningful seat at the table where decision-making happens. Other participatory institutions, such as the Colombian planning councils, experience only minor advances in participatory institution building. The result is a participatory institution with constrained formal authority, inconsistent implementation, and weak legitimacy. The institutional roles and authority of these participatory institutions vary widely across the territory, and provide inconsistent access to the policymaking process. In still other participatory institutions, such as the Colombian health committees, institution building collapses entirely. This breakdown yields failed participatory institutions that exist only on paper and thus do nothing to restructure patterns of interest representation or to shape policy outcomes.

6 *Building Participatory Institutions in Latin America*

This book analyzes participatory institution building as part of broader processes of state transformation throughout the developing world. I argue that sweeping reforms to the administrative state are needed to dismantle old norms and practices that offered few opportunities for citizen engagement in policymaking, and to construct new ones that can channel civil society voices into decision-making processes. To explain the divergent trajectories of nationally mandated participatory institutions, I point to the powerful and lasting impacts of their origins in different kinds of reforms to the state, which vary in their ability to disrupt the old, nonparticipatory status quo, and to create incentives for stakeholders to mobilize behind participatory institution building.

I argue that nationally mandated participatory institutions can take root when they are embedded in sweeping sectoral policy reforms that restructure existing state institutions, upend entrenched interest dynamics, and establish new programs. For instance, Brazil's health and social assistance reforms eliminated old state agencies with close ties to private-sector actors and clientelist politicians, decentralized administration to municipal governments, and initiated programs that reached new groups of beneficiaries. They also mandated the creation of participatory health and social assistance councils at all levels of government.

Sweeping sectoral reforms generate the political opportunities and mobilize the support needed for participatory institution building. First, sweeping sectoral reforms disrupt old bureaucratic structures and displace vested interests, neutralizing the ability of powerful groups to block the construction of new participatory institutions. Moreover, sweeping reforms introduce instability to the policy sector as new rules and regulations are written, creating openings to strengthen the participatory institution's formal design. Sweeping sectoral reforms create moments of opportunity for supporters to advocate strengthening the institutional design, push for the investments needed for implementation, and propagate the ideas behind participatory policymaking. Second, these moments of policy change can also make otherwise reluctant politicians more open to new institutional models, and more willing to back participatory institutions to ensure reform implementation. Third, bundling the creation of participatory institutions with sweeping sectoral reform makes it easier to mobilize a reform coalition that can push for participatory institution building. Moments of sweeping reform can heighten stakeholder interest in participatory institutions as a means to advance their policy goals. A wide array of stakeholders – such as grassroots movements, subnational governments, elite professional and business associations, and

bureaucrats – may have vested interests in ensuring the success of the reform. These state actors and societal stakeholders may be indifferent – or even opposed – to the idea of participatory policymaking in another context, yet will advocate participatory institution building as part of their broader efforts to secure substantive changes to policy. Mobilizing a broad reform coalition with extensive resources and institutional access is crucial to engaging in large-scale demonstrations and lobbying, ensuring that participatory institution building stays on the public agenda.

In contrast, reforms that create new participatory institutions *without* imposing sweeping sectoral reforms are less likely to trigger participatory institution building. For example, Colombia's planning councils were created through a reform that held deepening democracy – not sectoral reform – as its top priority. The planning reform created participatory councils at all levels of government, but did little else to restructure the existing institutions and procedures of the planning sector. At the moment of their passage, procedural reforms such as Colombia's planning reform may reflect sincere efforts to open the policymaking process to new societal voices. Nevertheless, this initial dedication is not enough to yield the prolonged investments needed for participatory institution building. Once the political spotlight fades, powerful opponents have ample opportunities to undermine the construction of the participatory institution. Without tying the construction of the new participatory institution to an overhaul of the policy sector, it is difficult to mobilize supporters that can counteract this opposition. After all, the only stakeholders that stand to benefit directly from the new participatory institution are marginalized groups that lack other forms of policymaking access. Thus, participatory institutions that originate in a procedural reform will face significant barriers to institution building, and will find it difficult to mobilize the support needed to overcome these barriers. Paradoxically, reforms that have deepening democracy as their primary objective struggle with institution building more than reforms that establish new participatory institutions for secondary, instrumental reasons.

While sweeping sectoral reform can create the potential for participatory institution building, creative leadership is needed to translate this potential into reality. I argue that policy entrepreneurs – resourceful leaders that promote innovative ideas and build networks to drive policy change – are crucial to craft the reform coalitions needed for participatory institution building. As seen with the Brazilian health and social assistance councils, policy entrepreneurs are key in promoting the ideas behind

8 *Building Participatory Institutions in Latin America*

participatory policymaking, convincing otherwise dubious politicians and stakeholder groups that powerful participatory institutions can advance their needs. Policy entrepreneurs also build networks among diverse civil society groups and bureaucrats that have little in common, enabling surprising allies to come together in support of participatory institution building. By promoting these ideas and building networks, dedicated policy entrepreneurs can make at least partial strides toward participatory institution building – even in the unfriendly conditions associated with procedural reform origins, as evidenced by the Colombian planning councils.

Without the leadership of committed policy entrepreneurs, these windows of opportunity go to waste. Stakeholders may not recognize the value of strong participatory institutions, even in the context of sweeping reform, and thus they will not unite into a coalition capable of securing participatory institution building. Such was the case for the Colombian health committees, which originated in a sweeping sectoral reform. However, policy entrepreneurs preferred a technocratic strategy to reform implementation, and thus did not mobilize a pro-participation reform coalition. Without the advocacy of a committed reform coalition, the Colombian health committees failed to attract the investments needed for participatory institution building, and today exist only on paper. Sweeping sectoral reforms can make successful participatory institution building possible, but creative policy entrepreneurs are needed to turn this possibility into reality.

WHAT ARE NATIONALLY MANDATED PARTICIPATORY INSTITUTIONS?

Participatory institutions³ exist at the nexus between state and civil society, operating within the state to provide civil society with access to the policymaking process. Participatory institutions can exist within any branch of government,⁴ though most – including the cases from Brazil and

³ When using the term “participatory institution” I refer to the overarching institutional framework for participatory policymaking as applied to a particular policy sector. In contrast, I use “participatory council” (or just “council”) to refer to specific instances within the participatory institution. Thus, Brazil’s overall system of participatory policymaking in health is a participatory institution, which in turn is composed of thousands of individual health councils, such as the National Health Council and the Municipal Health Council of São Paulo.

⁴ Some participatory initiatives are not based in the state at all, but rather are connected to donor-funded development projects. These participatory initiatives are often called community-driven development, community-based development, or social funds; for an

Introduction

9

Colombia explored in this book – are located within the executive branch.⁵ Participatory institutions provide a space for citizens and civic associations to work alongside policymakers and bureaucrats to identify problems in their communities, develop policy proposals to address these concerns, select among policy alternatives, and monitor and evaluate the implementation of public policy. Participation in these institutions differs from other modes of civic participation, such as protest or lobbying, in which civil society activists advance their policy interests by pressuring state actors to take action. In contrast, participatory institutions bring civil society into the inner workings of the state, giving them more direct routes to advocate policy change (Abers and Keck 2013, 46; Niedzwiecki and Anria 2019).

This book analyzes nationally mandated participatory institutions that take on a permanent organizational form as policymaking councils, distinguishing them from other institutions that offer ad hoc opportunities for participation.⁶ As such, participatory institution building entails not only the development of rules and norms that shape the behavior of political actors, but also the construction of organizations – participatory councils – which serve as the institutional site where these rules and norms operate.

overview, see Mansuri and Rao (2013). This book analyzes participatory institutions that are connected to the state, which have distinct institution-building dynamics as compared to those connected to time-delimited donor projects. The concluding chapter will consider broader implications for international donors that seek to support participatory governance in a range of forms.

⁵ Participatory institutions can also be based within the legislative branch, as with New York City's participatory budgeting initiative, which is connected to the New York City Council. Each member of New York's city council is responsible for administering a pot of funds for capital improvements in their district; several of these city council members established participatory budgeting processes to decide how to allocate these funds (Gilman 2016). Participatory institutions also operate within the judicial branch. For example, Colombia's collaborative oversight arenas engage civic participation in overseeing the implementation of some Constitutional Court rulings (Botero 2015; Herrera and Mayka n.d.; Rodríguez-Garavito and Rodríguez-Franco 2015).

⁶ In contrast, other participatory mechanisms are not permanent bodies. For instance, Brazil's policymaking conferences are convened periodically to solicit civil society input in outlining the top policy priorities in a sector (Avritzer and Leite de Souza 2013; Pogrebinschi and Samuels 2014). Likewise, systems of prior consultation and participatory environmental impact assessments offer important but temporary openings for citizen engagement (Jaskoski 2014; Falletti and Riofrancos 2018). Building participatory institutions with a permanent organizational form will involve distinct institutional change processes as compared to those entailed in constructing nonpermanent *mechanisms* of participation that do not require the establishment of new organizations.

National Mandates for Participatory Policymaking

While most literature on participatory policymaking examines local initiatives (e.g. Abers 2000; Goldfrank 2011; Peruzzotti and Selee 2009; Wampler 2007), this study focuses on participatory policymaking institutions that are created and regulated at the *national* level.⁷ Local participatory institutions, such as Brazil's famed participatory budgeting councils, are created voluntarily by local politicians, and only operate in the narrow local jurisdiction. The trajectories of these institutions reflect local partisan and civil society dynamics, although national dynamics create favorable (or unfavorable) enabling conditions (Baiocchi 2005; Goldfrank 2011; Teixeira and Carmo Albuquerque 2006; Wampler 2007). By contrast, this project explores the understudied phenomenon of nationally mandated participatory institutions, which are adopted through national laws and regulated by national governments.

While nationally mandated participatory institutions are based on a national legal framework, the actual site of participation can occur at any level of government. Some contribute to national-level policy decisions, while others operate at the state or municipal levels of government. This book focuses on national mandates for local participation. Figure 1.1 provides an overview of three basic organizational forms that nationally mandated participatory institutions might take. First, some nationally mandated participatory institutions establish participatory councils only at the national level of government to oversee a national-level policy or program. Examples include Ecuador's National Council of Citizen Participation and Societal Oversight (Consejo de Participación Ciudadana y Control Social), Argentina's United Head of Household Plan National Council (Consejo Nacional del Plan Jefes de Hogar Desocupados), and Brazil's National Cities Council (Conselho da Cidade). Second, other nationally mandated participatory institutions require that subnational governments alone institute participatory policymaking. The national participatory framework may require participatory councils at the municipal level, but not at other levels of government. Examples include Chile's Community Councils of Civil Society Organizations (Consejos Comunales de Organizaciones de la

⁷ The nationally mandated participatory institutions analyzed in this book are similar to those analyzed in Stephanie McNulty's study of national participatory reforms (McNulty 2019). However, McNulty's book centers on the trajectory and impact of these participatory *reforms*, whereas this book is focused on the process of institution building.