Implementation model and supervision of participatory budgeting: An Ecuadorian approach applied to local rural governments

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Abstract: The application of the Participatory Budget (PB) allows citizens to participate in the decision-making process of their local government budget. In order to implement PB, theoretical guides and models have been created to focus on ensuring public participation. This article compares a theoretical model based on an extensive bibliographic review, with the PB application of a rural municipality using the qualitative analysis software of qualitative data Nvivo. The application provided evidence contributes to the improvement of the participation mechanism on the rural areas, due to its particularity, the theoretical model cannot be fully applied.

Subjects: Latin American & Hispanic Studies; Politics & Development; Rural Development

Keywords: citizen participation; Ecuador; Latin America; local government; participatory budgeting; participation mechanism

1. Introduction

One of the greatest challenges of democracies is mainly related to the improvement of democratic institutions, incorporating institutionalized modalities of political participation that allows the expansion of rights to classic representation mechanisms (Couto & Carmona, 2018). In recent years, citizen participation has increased considerably in planning and development processes and thus the mechanism of Participatory Budgeting (PB) has emerged. PB has become an extensive field of innovation for all those involved in democracy and local development (Llamas Sánchez, 2004). Its application often implies deepening of democracy in historical terms. Although it is also related to the democratization of public spaces (Ganuza et al., 2013). The first country to apply this mechanism was Brazil and its experience extended rapidly all over the world (Bassoli, 2011). The PB application procedures are varied, this article establishes a model for the implementation of the
PB in rural municipalities. After an extensive bibliographic analysis, the common phases of different experiences are synthesized and adjusted to the reality of a rural municipality.

Participatory Budgeting consists on defining with citizens, the works where part of the local budget will be invested. It facilitates investment decision making, thus enabling the state to overcome existing gaps which limit development (USAID, 2010). It suggests a new way of living democracy, a change where decisions on local public investments are based on the direct participation of the population and the collective construction of public parameters to meet people’s demands (Llamas Sánchez, 2004). Although the PB process has a strong neighborhood or zonal anchorage in the long term, it can encourage an exchange that allows the municipal executive to go towards a broader idea of development at the city level becoming a comprehensive approach with a territorial perspective (Carmona & Martínez, 2016). The most ambitious aim might be transforming the social and vital structure (Barragán et al., 2016). The PB is connected to high stakes regarding the mobilization of politically inactive citizens, an efficient and effective budget policy, and having positive effects on citizens (Schneider & Stefan, 2019).

In Latin America, the PB emerges as a way of promoting democracy and foster the economic model. In the way in which the conflictive situations between neoliberalism and democracy are managed and settled in each case, tensions are demarcated that impact on the interpretation, analysis and evaluation of experiences of the PB participation (León et al., 2016). However, not in all countries there is a history of participation through direct democracy mechanisms (Castro, 2017), it reveals that in general, the promoters of participative democracy are labelled as “populist”. The challenge of PB currently consists on being institutionalized and adapted to the local reality of each city.

Participatory Budgeting constitutes an instrument of management and politics. A management instrument because the vision and the objectives of the population are considered in the territorial planning. It gives regional and local authorities the possibility to strengthen their bonds with citizens. According to Harnecker and Noel (2009), this type of management articulates community organizations and leadership with the same objective. This provides the opportunity to improve governability and democracy.

The aim of participatory budgeting is to improve the relationship between the local government and the population, it seeks to improve the quality of life of citizens. The benefits of using PB is related to the information given to the government; public entities present higher political transparency and provide citizens the possibility of engaging in the public sphere. The results are focused on the improvement of local management, distribution of resources, citizen participation and politics. Therefore, augmenting trustworthy relationships as well as strengthening transparency, monitoring, accountability, and the execution of arranged actions.

Over time, multiple procedures to implement PB have been developed. The different procedures, explained in (Table 1) vary in the structure, meeting schedules, and representative electing rules of the citizens, in the way in which the municipal investment classifications are defined and even in the percentage and components of the municipal budget (Gonçalvez, 2014). However, in most studies the process includes a 24-month cycle and includes the characteristics of: openness to citizenship and social organizations, public debate and granting decision power to citizens. This review is synthesized in the theoretical model generated and set forth below.

In Ecuador, the application of the PB is encouraged by the Constitution of the Republic that establishes that everyone, individually or collectively, have the right to free, intercultural, inclusive, diverse and participatory communication in all areas related to social interaction. This faculty is reinforced when giving the community a key role in topics of public interest because people possesses the right to actively participate and present their ideas, needs, opinions, and decision making (Constitución de la República del Ecuador, 2008). The Law of Citizen Participation (2010) reinforces this fact with the objective of promoting, encouraging and guaranteeing the execution
of the rights of participation of citizens, and their various expressions for the functioning of participatory democracy. It includes different initiatives for accountability and social control at different governmental levels guaranteeing the equality in participation under the principles of equity, interculturality, autonomy, public deliberation, respect for difference, gender equality, responsibility, co-responsibility, information, transparency and solidarity.

Despite all the methods and incentives created for the application of PB, there is not an established procedure for rural communities considering their context. The growing emergence of PB makes it necessary to observe in greater depth the key conditions for its development, and the different institutional designs adopted by the municipalities that have implemented it. Therefore, this research work establishes a model that considers the main processes (Ministerio de Finanzas del Ecuador, 2011), documents and participants that must be considered during the application of the PB generated after making a comparison between the phases determined in the existing literature, and the application of a rural municipality.

2. Materials and methods

This research presents two levels of analysis:

| Table 1. PB implementation phases comparison |
|---------------------------------------------|
| **Year** | **Rendón Corona (2004)** | **Ríos e Insua (2008)** | **Díaz (2009)** | **Rendón Corona (2014)** |
| Year prior to execution | | | | |
| Step 1: | Evaluation of results from the previous year. | A methodology and models based on the frequency of meetings: -In person -Voting mechanisms | Step 1: Call. Step 2: Registration of participants. Step 3: Election of the Local Coordination Council. Step 4: Information and prioritization workshops. Step 5: Technical evaluation of the proposals. Step 6: Budget approval. Step 7: Election of the monitoring committees. | Step 1: The constitution of assemblies and themes. Step 2: Training of stakeholders |
| Start | | | Step 1 is repeated | |
| Mid | | | | |
| Final | | | | |
| Year Execution | Step 2: Execution | Step 3: Execution | Step 4: Discussion of the budget and approval of the investment plan for the following year. Step 5: Evaluation of the activities carried out | |
| Source: Own elaboration | | | | |
(1) Methodological, theoretical, and normative

It begins with the compilation of high impact bibliographic material: academic journals (17), local laws (5), methodological guides from government institutions (12), municipal ordinances (9), undergraduate and postgraduate thesis (12), non-profit organizations publications (3), published news (8). A total of 66 documents are included, these documents are transferred to qualitative data analysis software Nvivo, this software allows classifying the content of various documents and consolidates them into a single thematic category. When reading the documents in detail, their content is classified into thematic nodes according to the phases that arose, among these: planning, execution, monitoring, documentation, closure, among others. The classified nodes were 23.

After analyzing the content of each node, the common aspects are consolidated and a theoretical implementation model is established and a follow-up of the participatory budget that consolidates the multiple experiences. The theoretical model is divided into phases and is structured in a calendar.

(2) Operative functioning, which compares and validates the theoretical model with the current application.

Once the theoretical model has been obtained, the procedures are compared with the current application of a municipality in the Amazon region of Ecuador, in Gualaquiza in the year of 2017. This comparison is made by gathering information through surveys, interviews, official information from the municipality, laws, ordinances, minutes and other documentation that supports the process. Through this comparative analysis, the weak points of PB implementation by a rural municipality is determined. Based on this determination, a model for applying PB to rural communities is proposed.

3. Theoretical model of participatory budgeting

Based on a bibliographical research of experiences of application of the PB in different contexts and through the use of the qualitative analysis software of Nvivo data, the following phases were synthesized as a theoretical model in Table 2.

A detailed description of Table 2 regarding the theoretical Participatory Budget process for a municipal DAG is described below:

3.1. Participatory budget outlook

In this phase, the Municipal DAG defines the guidelines, the technical team and the amount, which according to the Cantonal Council of Citizen Participation, will be used for the participatory processes.

At this stage, the Municipal DAG determines the amount to be allocated to the PB based on its capabilities:

“Fiscal capacity: This involves comparing the effective generation of own revenue of each decentralized autonomous government with its potential capacity, encouraging fiscal effort, except for the decentralized autonomous local rural governments where this criterion does not apply.

Administrative effort: It refers to the distribution of resources that will be made by assigning fifty percent (50%) in equal parts to all the decentralized autonomous governments and the other fifty percent (50%) in relation to the total income and current expenditure” (Asamblea Nacional del Ecuador, 2010).

Participants: the preparation phase corresponds to the Financial Management and Cantonal Development Direction of Planning and the Municipal DAG, mayors, Cantonal Council of Citizen Participation, Municipal Council, technical team and local leaders.
### Table 2. Phases and schedule of participatory budgeting

| Jan. | Feb. | Mar. | Apr. | May. | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. |
|------|------|------|------|------|------|------|------|------|------|------|------|
| **Activities in the first year** | | | | | | | | | | | |
| 1. Participatory budget outlook | x | x | x | x | x | | | | | | |
| 1.1 Determination of amounts | | | | | | | | | | | |
| 1.2 Distribution Criteria | | | | | | | | | | | |
| 1.3 Prioritization Criteria | | | | | | | | | | | |
| 2. Community planning and participation process | x | x | x | x | | | | | | | |
| 2.1 Notification | | | | | | | | | | | |
| 2.2 Diffusion | | | | | | | | | | | |
| 2.3 Agreement/Needs identification | | | | | | | | | | | |
| 2.4 Workshop for Identification and Prioritization of Results | | | | | | | | | | | |
| 3. Formulation and approval of the municipal budget | x | x | x | x | | | | | | | |
| 3.1 Formalization of agreements and commitments of the Participatory Budget | | | | | | | | | | | |
| 3.2 Approval of the project | | | | | | | | | | | x |
| **Activities in the second year** | | | | | | | | | | | |
| 4. Participatory execution | x | X | x | x | x | x | x | x | x | x | x |
| 5. Follow-up | x | X | x | x | x | x | x | x | x | x | x |
| **Activities in the third year** | | | | | | | | | | | |
| 6. Closure and Evaluation | x | x | x | | | | | | | | |

Source: Own elaboration

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3.2. Determination of amounts

At this point, the amount of resources for the PB is defined. It is important to keep in mind that the budget of a municipality will not be approved if it does not allocate at least ten percent (10%) of its non-tax revenues to finance the planning and execution of social programs for social groups that require priority attention (Asamblea Nacional del Ecuador, 2010). However, not all of this amount corresponds to PB.

Some cantonal governments have applied the following formula to determine the amount of their participatory budget.

“Mathematical Formula for \( LA = a(P) + b(\text{PHDI}) + c(\text{TE}) + d(\text{AM}) \)

\( LA = \) Local Assignment

\( a(P) = \) Population

\( b(\text{PHDI}) = \) Parochial Human Development Index

\( c(\text{TE}) = \) Territorial equity

\( d(\text{AM}) = \) Administrative Management “(Cordero & Ortiz, 2014, p. 79).

3.3. Distribution criteria

Similarly, the DAGs previously decide what percentage of their budget corresponds to the PB and the criteria under which it will be distributed. Generally, the PB is distributed in the fields of: water and sewerage, infrastructure, roads, adaptation of public spaces, housing, mobility, health, education and recreation. It can also be distributed according to the number of inhabitants, unsatisfied basic needs, the level of response and co-management of the population and the objectives and contents of the Territorial Development Plan, or a combination of all these criteria.

The distribution of the PB is synthesized in two types:

PB on a territorial basis: it will imply that the budget is divided and discussed by zones in the municipal territory: communities, neighborhoods, zones and neighborhoods. In general, it involves a direct participation at the community level and a participation of delegates in the cantonal body.

PB on a thematic basis: the budget will be divided and discussed by topics (health, education, productive development, etc.), at the round tables or assemblies (Aguirre, 2012).

3.4. Prioritization criteria

The Municipal DAG, based on the Planning and Development Plan and the budget analysis (composed of the allocation of the state and the municipality’s own revenue), identifies the
works and projects that will be carried out by holding meetings in the municipality, community, neighborhood or districts.

4. Community planning and participation process
Participation processes include assemblies, meetings and dialogue tables made up of citizenship representatives, servants and public servants and authorities. In this process it is essential to apply the principles of citizen participation: equality, autonomy, public deliberation, respect for difference, popular control, solidarity and interculturality (Asamblea Nacional del Ecuador, 2010).

In this phase it is important to apply the planning instruments such as: motivation, communication and awareness of the population.

4.1. Notification
It is important the population has been informed about the progress and results of the process. The call for meetings for the community will be disseminated through:

- Billboards
- Radio
- Visits to institutions
- Electronic portals, among others.

The importance of the awareness process lies in the need to promote the responsible participation of organized civil society in the management of local development and the commitment that must be assumed in the decisions that are made. It is necessary for civil society to be empowered by the process in order to contribute to regional and local development.

4.2. Diffusion
It constitutes the first approach with the community, in this meeting the following topics are discussed:

- To determine the registered communities and/or organizations.
- To explain the guidelines and policies of the methodology.
- To publish the amount of the budget with the distribution and prioritization criteria.
- To present the work schedule.

The resulting documents from this process are:

- Registration form for participants.
- Attendance registration form.
- Minutes of the assemblies.

4.3. Agreement/needs identification
At this point a concerted work is carried out to diagnose the needs of the population. Thematic tables are assembled to discuss the proposal. In this phase, the Municipal DAG-technical team works with the community to recognize and define their needs.
4.4. Workshop for identification and prioritization of results

In this stage, the Municipal DAG technical team works with the community according to the defined distribution and prioritization criteria. Its objective is to identify the works that the population mainly requires, to subsequently implement the formal allocation of resources in the budget.

For this work, the technical team must concentrate on the analysis of the portfolio of projects linked to the prioritized results, verify whether they have the corresponding viability or a favorable technical report. The technical team performs a scale rating for the projects, organizes the projects from the highest to the lowest score. Those with the highest scores have the highest priority and those with the lowest scores have the lowest priority. Finally, the total cost of each project or if it is co-financed is indicated, specifying the amount so that all participating agents know it. Projects prioritized in the process, whose financing requires total or partial public resources, will be considered for incorporation into the institutional budget (Ministerio de Economía y Finanzas de Perú, 2010).

The documents resulting from this process are:

• Matrix of prioritization of works and community projects.

• Minimum information format of the project.

• List of projects.

5. Formulation and approval of the municipal budget

After identifying the portfolio of investment projects and considering the total costs and the execution schedule, the budget will be formally assigned to each of the projects.

5.1. Formalization of agreements and commitments of the participation budget

Once the projects are approved within the budget of the Municipal DAG, these agreements must be formalized in the Letters of Agreements and Commitments of the Participatory Budget.

5.2. Approval of the project

The draft budget is presented to the corresponding authorities for approval. The executive of the local government will know about the project approved by the legislature and may oppose his veto until December 15. According to COOTAD (Asamblea Nacional del Ecuador, 2010) from January 1, and after the approval of the budget, it will be sent to the Ministry of Finance.

6. Participatory execution

The execution phase is under the responsibility of the municipality and the districts involved. It runs from January to December of the following year from which it was planned and in accordance with the established schedule.

7. Follow-up

Depending on the interests of the citizenship and the characteristics of each policy accompaniment or monitoring of the management of the PB is carried out. This follow-up is aimed at ensuring that the PB complies with the function for which it was created and that is executed in an efficient and timely manner. This monitoring will be carried out by the Surveillance Committees chosen by the participating agents.

8. Closure and evaluation

Citizen observations and recommendations are collected for the execution of programs, projects and services. The following activities are performed at this stage:

• Delivery—reception of projects and works.
• Evaluation of projects and district works.

Accountability is important because it highlights the governmental performance of public entities and how it can serve educational education from various angles, starting from the democratization of public spending with citizen participation and the presentation of results in a digestible way for the community (Campoverde & Pincay, 2018).

9. Contextualization of the municipal decentralized autonomous government

This study is applied in Ecuador, its GDP per capita was 6198.94 USD (Banco Central, 2020). It is the 62nd economy by GDP volume. It is ranked 87 in the United Nations Human Development Index (ONU, 2020). The country reports economic growth, but it is still below the global figure for Latin America in Image 1. There is an increase on the percentage of economic growth, but the total quantity of per capita produced goods and services does not show an increase in the same level (Sánchez, 2019).

Image 1 Ecuadorian and Latin American GDP per capita (2006–2018).

Source: Sánchez (2019)

According to the Constitution of the Republic of Ecuador (2008), it is a constitutional state of social, democratic, sovereign, independent, unique, intercultural, multinational and laic rights and justice. It is organized as a republic and the government is decentralized. Sovereignty belongs to the people whose will is the basis of authority, which is then executed through the organisms of public power and the forms of direct participation foreseen in the Constitution. The Municipal Decentralized Autonomous Government, which the research is applied fits with the canton of Gualaquiza that belongs to the province of Morona Santiago, one of the Amazon provinces of Ecuador. Gualaquiza has 10 districts: Gualaquiza, Mercedes Molina, Bomboiza, Nueva Tarqui, San Miguel de Cuyes, Amazonas, Chigüinda, Bermejos, El Rosario, El Ideal. The application corresponds to the 2015–2019 period. The current mayor of the city belongs to an indigenous political party, a movement of great power in the province of Morona Santiago. The council is made up of 5 counselors and the mayor of the city.

The most representative municipal competences are: the planning of the canton’s development and the formulation of the corresponding plans for territorial organization, in an articulated way with the national, regional, province, and district planning, with the purpose of regulating the use of urban and rural land (Constitución de la República del Ecuador, 2008). The integrated functions are: legislation, normativity, and auditing; execution and administration; citizen participation and social control and to implement a system of citizen participation for the execution of the rights and the democracy management of the municipal action (Asamblea Nacional del Ecuador, 2010).

Gualaquiza is located in the Amazon region of Ecuador with an extension of 2151.29 km, an average altitude of 850 m.a.s.l., a temperature that ranges between 22 and 27 degrees (Gobierno Autónomo Descentralizado Cantón Gualaquiza, 2018). It has 17,162 inhabitants, 8,465 are women and 8,697 are men. The urban population is around 7,232 inhabitants, and the rural population is about 9,930 inhabitants, 56.4% of the population is under 20 years old. The Ecuadorian rural population is approximately 5,392,713 inhabitants. Puentes (2018) argues that population size, may affect the decision of participating in a community. According to Ecuadorian Institute of Statistics and Censuses (s. f.), the majority of the population (25.7%) is dedicated to the agriculture and livestock. Its budget was approximately 11 million dollars in 2017 and 12 million dollars in 2018.

10. Application of PB in the decentralized autonomous government of the municipality of Gualaquiza

The activities applied by the Municipal DAG to determine participatory budgeting for the year 2017 are detailed below, including the limitations and observations submitted to the theoretical model.
11. Participatory budget outlook

For the participatory budgeting (PB) planning process, the Municipal DAG has implemented the Cantonal System of Citizen Participation that is constituted by: the Cantonal Assembly, the Cantonal Planning and Budget Council, the local Citizen Assemblies and all forms of citizen organization. The Cantonal System of Citizen Participation is summarized in Table 3.

### 11.1. Determination of amounts

The amounts are approved by the Budget Cantonal Council, but presented by the Financial Director. The Cantonal Council issues a record of conformity of the final calculation of income that will serve as input for the participatory definition of investment priorities in the following year (GAD Municipal del Cantón Gualaquiza, 2017). It is important to know that the income from transfers of the Central Government generally covers 60% of the municipal budget.

The average amount allocated to the PB is 240,000, USD which is equivalent to approximately 2% of the total municipal budget.

### 11.2. Distribution criteria

The following criteria will be applied for the distribution of the fund in each of the basic units of citizen participation, the distribution is observed in Table 4:

a) 25% of the fund will be distributed in equal parts for each of the Basic Units of Citizen Participation;

b) 50% in proportion to the Population of each of the Basic Units of Citizen Participation; and,

c) 25% for unsatisfied basic needs in accordance with data from INEC (National Institute of Statistics and Census) and with those that the municipality has at the time of the distribution “(GAD Municipal del Cantón Gualaquiza, 2017, p. 45).

### 11.3. Prioritization criteria

The Budget Council meets commonly in the month of August and October to define investment priorities. Subsequently, a resolution of conformity of the priorities defined in the preliminary draft
| No. | Neighborhood/ District | Population 2010 | Population Projection. 2018 | 25% Equality | 50% Population | 25% UBN (Unsatisfied basic needs) | Total Basic Units | Percentage |
|-----|------------------------|-----------------|-----------------------------|--------------|----------------|--------------------------------|------------------|------------|
| 1   | Amazonas               | 412             | 459                         | 8887,50      | 4219,01        | 2109,51                         | 15,216,02        | 4%         |
| 2   | Bermejos               | 223             | 247                         | 8887,50      | 2270,36        | 1135,18                         | 12,293,04        | 3%         |
| 3   | Bombaiza               | 4623            | 4980                        | 8887,50      | 45,774,90      | 22,887,45                       | 77,549,85        | 22%        |
| 4   | Chiguinda              | 552             | 613                         | 8887,50      | 5634,54        | 2817,27                         | 17,339,31        | 5%         |
| 5   | El Ideal               | 821             | 909                         | 8887,50      | 8355,30        | 4177,65                         | 21,420,45        | 6%         |
| 6   | El Rosario             | 608             | 675                         | 8887,50      | 6204,43        | 3102,21                         | 18,194,14        | 5%         |
| 7   | Nueva Tarqui           | 511             | 650                         | 8887,50      | 5974,64        | 2987,32                         | 17,849,45        | 5%         |
| 8   | San Miguel de Cuyes   | 184             | 202                         | 8887,50      | 1856,73        | 928,37                          | 11,672,60        | 3%         |
| 9   | Mercedes Molina        | 1710            | 1892                        | 8887,50      | 17,390,78      | 8695,39                         | 34,973,68        | 10%        |
| 10  | Gualaquiza             | 7518            | 8711                        | 8887,50      | 80,069,31      | 40,034,65                       | 128,991,46       | 36%        |
|     | Total                  | 17,162          | 19,338                      | 88,875       | 177,750,00     | 88,875,00                       | 355,500,00       | 100%       |

Source: Municipal DAG Financial Management Gualaquiza.
budget is issued. The prioritization of the works is based on the Plan of Land Management and Development defined for the canton and according to the opinion of the technical team that coordinates the work in the districts. Works related to drinking water, sewerage and recreational spaces are generally selected.

12. Community planning and participation process
Through citizen assemblies, usually held in the meeting house of each town, the needs of citizens are presented to the municipal technical team that then makes a statement regarding the feasibility of the proposal made by the population. The assemblies usually begin with a motivational talk by the mayor and/or a district leader who raises awareness of the importance of participation in these processes.

The proceedings of the assemblies that were held are the only documents resulting from after this activity.

12.1. Notification and diffusion
The mayor or his delegate will convene a Cantonal Assembly that will ordinarily meet once a semester as well as extraordinarily (GAD Municipal del Cantón Gualaquiza, 2017, p. 11). Calls to citizen assemblies per district remain a responsibility of each leader. These calls are usually done through billboards, direct conversations, or radio messages. The municipality does not generate any document of the calls made.

12.2. Agreement/needs identification/workshop for identification and prioritization of results
In a rural environment, it is quite difficult to hold several citizen meetings or assemblies aimed at training people, determining needs and prioritizing works. The Municipal Decentralized Autonomous Government (DAG) conducts a single session for all these activities because several communities are at a considerable distance from the main town. (Image 2) shows the holding of the assembly with one of the communities.

Image 2 Citizen assembly, community San Miguel de Cuyes.
Source: GAD Municipal del Cantón Gualaquiza (2017)

The municipal technical team guides the population regarding the feasibility of the proposed works. The works with greater feasibility and required by the population correspond to: environmental sanitation, drinking water and sewerage. One of the problems faced in this phase is related to the demands of the population that are not usually structured in specific areas of competence such as: public works, social development, education, health, among others. It requires transversal and coordinated responses between different areas of the municipality (López et al., 2018). As a result, the proceedings include a list of works that the district has requested and which the municipality is committed to execute.

13. Formulation and approval of the municipal budget
The City Council approves the budget presented by the Financial Director in december.

13.1. Formalization of agreements and commitments of the participatory budget
The Municipal DAG under study is not in charge of this stage. Projects and works are defined during the cantonal assemblies and the Public Procurement process is only formalized at the time of their execution.
13.2. Project approval
The budget is approved in December by the Municipal Council which will approve or observe the budget. It must be in accordance with the cantonal development plan and the territorial plan. Moreover, it must guarantee citizen participation in the framework of the constitution and the law (Asamblea Nacional del Ecuador, 2010).

14. Participatory execution
Once the PB is approved, it is executed during the following year under the direction and responsibility of the municipal DAG.

The results of 2017 show low levels of compliance, as low as 20% of the works determined through the PB are finished. Many works are not completed during the planned year and must be budgeted again for the following year. (Image 3) shows the execution of one of the works carried out using PB.

Image 3 Road arrangement El Rosario Community.
Source: GAD Municipal del Cantón Gualaquiza (2017)

15. Follow-up
Districts have not formally organized citizen supervision meetings. However, communal leaders frequently approach the municipality to consult about the status of the planned works and the municipality regularly visits the districts to report on the process. The difficulties arise with the districts whose leaders maintain a distant attitude and little contact with the community, considering that the exercise of supervision has a civic, voluntary and proactive character (GAD Municipal del Cantón Gualaquiza, 2017).

16. Closure and evaluation
COOTAD states that the functions of a Municipal DAG are to permanently monitor and report back on the fulfillment of the established goals (Asamblea Nacional del Ecuador, 2010). To comply with this function, the municipality holds an annual meeting and presents an information brochure. It is important to point out that this meeting and brochure have never presented the results separately. The results are stated as part of the municipal budget. In the 2017 execution report, 337.59 USD were presented as investment and capital expenditure per capita.

17. Discussion
Once a theoretical model has been compared with a practical application in a rural municipal DAG, it has been found that the application of the PB in an area with the characteristics of rurality involved has effectively complied with: 1) The direct participation of citizens to determine the works that are required in their communities, 2) It allowed the authorities to know closely the needs of the population 3) The communities are willing to collaborate with the labor force for the execution of certain works. However, difficulties were observed in: 1) Permanently meeting with community representatives due to geographic distance, 2) The population does not always fully understand the concepts required by the process, 3) Difficulty in matching community requests with long-term cantonal planning is observed 4) Requirements of external entities to comply with a plan that does not always include the demands of the community.

It is also important to point out deficiencies of this practice regarding the theoretical model. Once the works to be developed have been defined, letters of commitment are not signed. The Public Procurement process required by law is only carried out when it is executed. The lack of sustained follow on the works is also highlighted as a deficiency. The Municipal DAG agrees on a work or project, but it hardly keeps permanent communication with the district population that required it. Therefore, the monitoring committees that should exist, theoretically per district, are
not really conformed when looking into the budgeted works. This, considering that “mayors enjoy a significant amount of discretion regarding which projects are prioritized and implemented. In some municipalities, there are clear guidelines about the types of projects prioritized, but project selection is often a result of political expediency” (Jaramillo & Wright, 2015, p. 283).

Added to the problems mentioned above is the lack of interest of residents to attend citizen assemblies, which is due to the fact that they do not have a culture of participation and the fact that the municipality has not given this issue the necessary emphasis to raise awareness among citizens. Their lifestyle characterized by work in the field and their level of education, which in some cases does not surpass the basic level, drastically limits the participation of inhabitants. They consider their daily work to be more important than participating in social or political issues.

Generally speaking, as Montecinos (2014) mentions, it has not been possible for citizens to have an impact on the formulation of public policies of greater impact and territorial complexity; this situation leads mayors, who do not always display appropriate convictions, to manipulate the

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### Table 5. Comparative chart between the theoretical model and the current application in a Rural Municipality

| Theoretical model | Rural Municipality Model | Observations |
|-------------------|--------------------------|--------------|
| **Activities that take place in the first year** | | |
| 1. Participatory budget outlook. | 1. Participatory budget outlook. | |
| 1.1 Determination of amounts | 1.1 Determination of amounts | |
| 1.2 Distribution Criteria | 1.2 Distribution Criteria | |
| 1.3 Prioritization Criteria | 1.3 Prioritization Criteria | |
| 2. Community planning and participation process | 2. Community planning and participation process | |
| 2.1 Notification | 2.1 Notification | |
| 2.2. Diffusion | 2.2. Diffusion, Agreement/Needs identification, Workshop for Identification and Prioritization of Results | Due to the difficulties due to the distance and availability of time for the residents, it is impossible to complete the four meetings that the theoretical model suggests. The community together with the mayor and his technical team must carry out in a single meeting the process of determining and prioritizing the works they determine. |
| 2.3 Agreement/Needs identification | | |
| 2.4 Workshop for Identification and Prioritization of Results | | |
| 3. Formulation and approval of the municipal budget | 3. Formulation and approval of the municipal budget | |
| 3.1 Formalization of agreements and commitments of the Participatory Budget | | The Municipal DAG of Gualaquiza does not carry out this stage, once the works have been prioritized, they are carried out through the Public Procurement System. |
| 3.2 Approval of the project | 3.1 Approval of the project | |
| **Activities that take place in the second year** | | |
| 4. Participatory execution | 4. Participatory execution | |
| 5. Follow-up | 5. Follow-up | There are no formally established oversight offices, the leaders go according to their criteria to the parishes. |
| **Activities that take place in the third year** | | |
| 6. Closure and Evaluation | 6. Closure and Evaluation | |
process. As mentioned by Cabannes and Ming (2013), broad studies of the level of socioeconomic impact in the populations that applied PB are required.

18. Conclusion
Participatory budgeting is an excellent tool to promote citizen participation. However, there are some weaknesses in its application, exposed in Table 5, especially in rural communities. The weaknesses are presented in the high dependence on the political will of local authorities; these criteria are in accordance with Carmona and Martínez (2013) who also mention the complications due to the degree of stability and institutional continuity, the effectiveness in the execution of the actions, the particularities of the territory and the type of relationship State/predominant society. As Martínez and Arena (2018) explain, participatory budgeting implies a challenge to the traditional administrative structures of municipalities and the dynamics of public demands. It is also important, as stated by Fierst (2013), that the Participatory Budgeting process will be accompanied and supervised by the mayor in order to have greater continuity with the following administration.

The application of Participatory Budgeting in rural areas, especially those located in Latin America, shows certain complications. The number of citizen assemblies must be limited to a minimum. Villagers work in the field caring for domestic animals and can hardly abandon these activities to become active participants in local planning. Thus, the activities of dissemination, training of participating agents, agreement/determination of needs and prioritization of works are carried out in a single assembly. These usually generate proceedings with the signatures of the authorities as lists are not created with the signatures of attendees. Without any doubt, in rural areas the size of the population can not only have an impact on the results of participatory processes, but also in the decisions taken in these processes (Puentes, 2018).

The challenge of the Municipal DAG is to provide the community training on participatory issues so that they understand the importance of making their opinions and needs heard. However, this training and cultural promotion would only be useful in the face of a real commitment of the municipality to carry out serious planning, execution and monitoring of the PB process. When the technical team of the municipality have an oiled articulation with the municipal apparatus, even if it is limited, they allow to communicate the citizens needs, which are materialized in public policies contributing to strategic planning. (Carmona & Martinez, 2016). The study intends to overcome the challenges of a low motivation among the participants, and structural constraints due to bureaucratic and budgetary restrictions (Madeleine & Lerner, 2016). It aims to describe the reality as a form of knowledge and public awareness and become an active subject and the main agent of a development project to transform its environment, and its immediate reality (Basagoiti et al., 2015).

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Geolocation information
Gualaquiza is located in Morona Santiago-Ecuador, in the Amazon region, its coordinates are −3.406585, −78.583789.
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