

**The Role of Participatory Budgeting in the Development of Outermost Regions:
the Case of Azores Archipelago**

Susana Bernardino

CEOS.PP, ISCAP, Polytechnic of Porto, Portugal, susanab@iscap.ipp.pt

J. Freitas Santos

CEOS.PP, ISCAP, Polytechnic of Porto, Portugal, jfsantos@iscap.ipp.pt

Abstract

Participatory budgeting is a new form of public financing that intends to engage citizens in the political decision-making process. In this decentralized process, the population propose and votes for the most useful projects in a certain location with the aim of obtaining public resources to implement and benefit their own community.

Taking the case of Azores, one of the outermost regions of Portugal, the objective is to evaluate how the participatory budgting has been implemented in that region between 2018 and 2022. The Azores archipelago is an autonomous region of Portugal located in the North Atlantic. The archipelago comprises nine islands and several islets which belong to three groups: i) the Western Group (with two islands: Flores and Corvo); ii) the Central Group (with five islands: Faial, Pico, São Jorge, Graciosa and Terceira); and iii) the Eastern Group (with two islands: São Miguel and Santa Maria, and the Formigas islets).

To accomplish that goal a statistical analysis of the approved projects is made in order to ascertain the area of intervention, the regional distribution, the financial relevance and the content of projects. Further, the contribution of participatory budgeting for the cohesion of the overall region is evaluated not only from the point of view of each Island (inter island comparasion) but also at the level of municipality (intra island comparasion).

1.Introduction

Participatory budgeting is a new form of public financing that aims to involve citizens in the political decision-making process. This new way of decentralizing public decision-making began in 1989 in the Municipality of Porto Alegre (Brazil) (Wampler, McNulty & Touchton, 2021). One of the main objectives of the adoption of participatory budgeting was to extend to all people of a certain community the possibility of participation in the decisions that affect them (Mcnulty, 2015; Saguin, 2018). Participatory budgeting has been implemented in thousands of cities around the world that goes from Latin America to European countries and the United States (Gomez *et al.*, 2016; Williams & Waisanen, 2020; De Vries, Nemeč & Špaček, 2022). The implementation of participatory budgeting has also been recommended by international organisations, such as the World Bank and the United Nations-Habitat (Sampaio, 2016).

Participatory budgeting is one of the most innovative practices of citizen participation, which has become a reference worldwide and is also recognized as the most promising tool to increase citizens participation in democracy, due to its ability to bring people together around a common cause (Bernardino & Freitas Santos, 2020).

The benefits of participatory budgeting derive from its ability to combine the political decision with the citizen participation (Bernardino & Freitas Santos, 2020). Abreu (2016) reinforces this idea by highlighting the potential to invigorate the political discourse, as it creates conditions for the construction of a new public arena for debate and negotiation that benefits from the participation and ideas of all the citizens. Several authors have also recognised the importance of involving young people in active citizenship and in social and political issues (Rexhepi *et al.*, 2018; Bernardino & Freitas Santos, 2020). Further, involving young people could generate new discussions on economic and social sustainability, while enabling capacity building and mitigating some intergenerational problems (Rexhepi *et al.*, 2018; Bernardino & Freitas Santos, 2020).

In Portugal, following these recommendations, the government has implemented the Participatory Budgeting at national and municipal levels.

This communication aims to analyse the content and results of the Portuguese participatory budgeting process in Azores. To accomplish this goal a statistical analysis

of the approved projects is carried out in order to ascertain the area of intervention, the regional distribution, the financial relevance and the content of the projects. Furthermore, the contribution of participatory budgeting to the cohesion of the region as a whole is evaluated not only from the point of view of each Island (inter island comparasion) but also at the level of municipalities (intra island comparasion).

The paper is organised into four main sections. In the first section, a brief literature review presents the concept of participatory budgeting, discusses its advantages and constraints, and explains the main stages of the process. Next, some socio-economic data on the Azores archipelago and the specific participatory budgeting process are analyzed. Section 3 describes the methodology used in the study. The following section presents the main findings of the research. The communication ends with the conclusions and final remarks.

2. Brief literature review

Participatory budgeting is defined as “a decision-making process through which citizens deliberate and negotiate over the distribution of public resources (that) allow citizens to play a direct role in deciding how and where resources should be spent” (Wampler, 2007, p. 21). Another definition states that is “a process through which citizens can contribute to decision making over at least part of a governmental budget” (Goldfrank, 2007, p. 92). During the process of participatory budgeting “men and women are invited to express their opinions about, and then vote on, in the most important development projects for their neighbourhood, town or region. Once decisions are final, citizen oversight committees monitor project spending to prevent corruption and ensure accountability of their elected officials” (McNulty, 2015, p. 1429).

Participatory budgeting is a mechanism through which individuals are encouraged to interact more closely and to get involved in public policy and public decision-making. The participation of individuals occurs “when citizens or their representatives (who are not elected officials) interact with and provide feedback to the government at the policy formulation or implementation stage of governance” (Moynihan, 2007, p. 56). Further, participatory budgeting aims to “infuse the values of citizen involvement into the most basic and frequently the most formal procedure of governance—the distribution of resources through the budgeting process” (Moynihan, 2007, p. 65). Goldfrank (2007, p.

92) details the process stating that “is a process that is open to any citizen who wants to participate, combines direct and representative democracy, involves deliberation (not merely consultation), redistributes resources toward the poor, and is self-regulating, such that participants help define the rules governing the process, including the criteria by which resources are allocated”.

Many potential benefits of participatory budgeting have been recognised. First, it strongly reduces the perceived gap between political elites and the people and contributes to change existing representative conditions “by allowing citizens to move beyond simply electing politicians to make decisions about the allocation of local resources” (Coleman & Sampaio, 2017, p. 760).

Second, is an important tool for inclusive and accountable governance as it represents a “direct-democracy approach to budgeting” (Shah, 2007, p. 1), reconciling two distinct but interrelated needs: (i) improving the state performance while (ii) enhancing the quality of democracy (Wampler, 2007).

Third, it promotes citizens’ knowledge of government operations, increase citizens’ demand for good public governance practices, contributes to citizens empowerment and promotes a more vibrant civil society (Wampler, 2007). In fact, participatory budgeting involves the decentralisation of the decision-making power to citizens, “by moving the locus of decision making from the private offices of politicians and technocrats to public forums” (Wampler, 2007, p. 22).

Fourth, participatory budgeting could play the role of “citizens schools” (Wampler, 2007) or to form “better citizens” (Moynihan, 2007), as it leads individuals to have a clear understanding of their rights and duties as citizens, as well as to exert an active citizenship and participate in the selection of public policy priorities, where the scarce resources of the State will be used (Moynihan, 2007; Wampler, 2007).

Fifth, participatory budgeting can produce an impressive change in the relationship between the State and the Society in some countries. This finding is observed by Fölscher (2007) in Central and Eastern Europe, where the introduction of participatory mechanisms has changed the citizens’ participation and attitudes, from a passive

provision of information about their preferences to a more dynamic communication and understanding between citizens and government.

Sixth, the implementation of participatory budgeting practices can promote the development of several citizens capabilities, such as: i) negotiation (between citizens and public institutions) (Wampler, 2007); ii) internal efficacy, as citizens feel more confident about their ability to influence decisions (Coleman & Sampaio, 2017); iii) decision-making capabilities, related to the improvement of citizens ability to make autonomous, reflective and consequential decisions (Coleman & Sampaio, 2017).

Finally, participatory budgeting contributes to more inclusive governance by giving a voice to all the citizens. In fact, in participatory budgeting, all individuals have the opportunity to influence the public decision-making, even those who are typically considered to be marginalised and excluded groups in society (Shah, 2007, Wampler, 2007).

Nevertheless, a number of constraints to the implementation of the participatory budgeting have either been identified. First, some authors are sceptical about the effective ability of participatory budgeting to be genuinely democratic and inclusive, given the risk of the voting process being controlled by interest groups or elites (Shah, 2007).

Second, some cultural, socioeconomic and institutional factors could raise barriers to the participation of some groups, particularly women, as observed in the case of Peru (McNulty, 2015).

Third, there may be some disappointment on the part of citizens and society in general if they perceive that budget programs function poorly and are not able to deliver all their (theoretical) potential (Wampler, 2007). Specifically, as argued by Fölscher (2007, p. 143) “if participation does not result in real change, it discourages future participation” and could threaten the sustainability of the participatory programmes.

Fourth, digitalisation brings new risks to participatory budgeting, such as the potential digital exclusion of some citizens (Nebot, 2018), and a bias towards the young, educated and those with higher incomes (Sala, 2014). One way to reduce this risk is to make

available physical public voting places and support for citizens who have difficulty with these activities (Sampaio, 2016).

Another limitation of participatory budgeting is the short-term horizon of the participatory budgets and the scope of the proposals developed, which have not been able to effectively address the citizens' needs, as most of the proposals are local in nature and are not able to respond to some of the most pressing macro-needs of citizens, such as unemployment or violence (Wampler, 2007).

Thus, overall, the literature review suggests some caution regarding the effective benefits of participatory budgeting, as the realisation of its potential benefits could not be taken as guaranteed (Fölscher, 2007). In fact, as referred by Wampler (2007) the implementation of participatory budgeting has produced very diverse results, ranging from high to very low success.

A typical participatory budgeting process includes the following stages (Walcz & Rutkowski, 2017): (i) the city/state announces the participatory budgeting programme; (ii) citizens submit their project proposals; (iii) the technical staff confirms and verifies the proposals and publishes the list of proposals considered eligible; and finally, (iv) the citizens vote on the projects. These stages are usually carried out through meetings that are public and open to all citizens, facilitated by technical staff or by delegates elected by the participants. Even in the cases where electronic participatory budgeting is implemented, the (co)existence of face-to-face meetings is considered critical to the success of the programmes. The combination of these multichannel communication platforms - online and offline (face-to-face) - is observed in several successful cases (Sampaio, 2016).

3. Azores archipelago and the participatory budgeting

The Azores archipelago is an autonomous region of Portugal located in the North Atlantic Ocean, far away (1.500km) from the Portuguese mainland. The archipelago comprises nine islands and several islets, divided into three groups: i) the Western Group (with two islands: Flores and Corvo); ii) the Central Group (with five islands: Faial, Pico, São Jorge, Graciosa and Terceira); and iii) the Eastern Group (with two islands: São Miguel and

Santa Maria, and the Formigas islets) (See Figure 1). The geographical location of Azores and its volcanic origin have given rise to a wide variety of ecosystems and landscapes. Some of the Azores' natural resources have been classified by UNESCO as biosphere reserves (i.e. Corvo, Flores and Graciosa). The marine surface area of the Azores is one of the largest exclusive economic zones (EEZs) in the European Union. In terms of development, it is one of the poorest, as the GDP *per capita*, in 2019, accounts for 88.7% of Portugal and 69.7% of the European Union (Governo Regional dos Açores, 2023).

Figure 1 – Map of Azores



Source: Azores Regional Government.

The participatory budgeting process is important to detail due to the specific context of Azores: an autonomous political system; a budget capacity defined and distributed at the regional government level; a set of rules for evaluating and selecting the projects to be voted on. Before the process begins, the total budget and the rules for its distribution among the islands are defined by the regional government. For example, in 2024, the total amount allocated to the participatory budget is €1.200.000, although the amount of €240.000 has to be distributed by all islands together, and the remaining €940.000 has to be allocated between each individual island. The distribution of the total amount between islands depends on four percentages and factors: 25% equally for all islands, 25% related with total population; 25% related with total area, and 25% related with the proportion of the total budget of Azores in the previous year for each island. As already mentioned, this

is a political decision taken by the regional government and the amount allocated to this budget is rather symbolic (0.06% of the total budget of the region). Once this decision has been taken, there is a presentation of proposals in ten thematic areas selected by the regional government (agriculture, environment, science, culture, education, social inclusion, youth, fishing and sea, digital transition, tourism), which are submitted to physical public stores or through a website specifically designed for the collection of proposals. Over a period of five months, there are online and physical meetings to explain the process. After the presentation of the proposals, there is a period (three months) for the technical analysis of the proposals in terms of implementation time, execution mode, and estimated investment. During a period of one month, the decision to accept or reject the proposals is made public. This is followed by the online voting period (three months). Lastly, there is a public announcement of the winner proposals.

To better understand the socio-economic reality of the municipalities, some data on population, population/area, purchasing power, and social inclusion income are presented (Table 1).

Table 1 – Some socio-economic data

Municipality Area	POP	PD	PP	SII	SII/POP (%)
Ponta Delgada	68.079	292.2	102.6	4.950	7.3
Lagoa	14.585	319.9	76.9	1.097	7.5
Ribeira Grande	31.898	177.1	73.0	4.075	12.8
Povoação	5.877	55.2	67.1	431	7.3
Nordeste	4.436	43.7	63.9	357	8.1
Vila Porto	5.486	56.6	90.4	158	2.9
Angra	33.771	141.8	94.8	1.166	3.5
Praia Vitória	19.644	121.8	82.6	808	4.1
Sta Cruz Graciosa	4.111	67.8	78.4	206	5.0
Calheta S. Jorge	3.516	27.8	72.3	40	1.2
Velas	4.951	42.2	87.8	46	1.0
Horta	14.426	83.4	88.7	214	1.5
Lajes Pico	4.393	28.3	70.6	46	1.1
Madalena	6.461	43.9	84.8	95	1.5
S. Roque	3.325	23.4	80.3	38	1.1
Lajes Flores	1.425	20.3	82.6	16	1.1
Sta Cruz Flores	2.072	29.2	84.0	32	1.5
Vila Corvo	423	24.7	75.7	11	2.6

Source: Pordata (2024). Notes: POP – Population (2021); PD – Population density; Purchasing Power per capita (2023); SII – Social Inclusion Income (number of beneficiaries in 2023); SII/POP – percentage of population with the Social Inclusion Income.

According to the data, the main island is S. Miguel (the six municipalities account for more than half of the population), followed by Terceira (almost a quarter of the population), and ending with Corvo, which has the smallest population. The relationship between the population and the territory is almost the same, with the most populated areas belonging to the municipalities of Ponta Delgada, Lagoa and Ribeira Grande (on the island of S. Miguel) and Angra and Praia da Vitória (on the island of Terceira). The per capita income is above the national average only in Ponta Delgada (102.6), while in the other municipalities it is below the national average. Regarding the people that need a minimum financial support from the government to survive (in general, people who can be considered poor), the municipalities with the highest number of beneficiaries are located on the main Island of S. Miguel (especially, Ribeira Grande and Ponta Delgada).

4. Methodology

This study examines the regional distribution of the projects accepted in the participatory budgeting process that took place in Azores over a four-year period (2018, 2019, 2021, 2022), excluding the pandemic year of 2020.

The source for collecting of data on the projects approved in the participatory budgeting process was the website (<https://op.azores.gov.pt/>), specially designed by the regional government of Azores. From that website, information was obtained on the 9 islands (an additional category was created to classify the projects aimed at more than one island) and 19 municipalities (an additional category was created to classify the projects directed to more than one municipality) where the project was expected to be implemented were obtained, as well as, the 6 thematic areas of intervention (social exclusion, tourism, environment, youth, culture, education), the year (2018, 2019, 2021, 2022), the status of the project (already executed or not), the amount estimated for the project (in euros), the title and the activities included in the project, and the duration necessary for its completion.

As explained above, the total budget and the rules of distribution between the islands are defined at the beginning of the process, so there is no need to evaluate that distribution. Therefore, increasing cohesion between the islands is not definitely the main objective of the participatory budgeting in Azores. As a matter of fact, the analysis of the rules shows that three quarters of the budget distributed among islands preserved the actual *status quo* (population, territorial area, distributed proportion of the previous total budget) and only one quarter is equally distributed among the islands.

The statistical analysis of the secondary data was carried out using SPSS (version 24). Descriptive statistics tools were used to apply cross tabulation procedures to different categories of data (e.g. thematic area and content of the projects, size of the projects) by island and municipality. Due to the nature of the data no bivariate or multivariate analysis was carried out. The results attained are described in the following section.

5.Results

5.1 Inter-island Analysis

A general analysis by island (See total in Table 2) shows that the main islands of Azores (S. Miguel and Terceira) have registered more than 36% of the projects, followed by Pico and Corvo (around 10%). In the other islands the proportion is 6.2% (Santa Maria and Faial), 6.9% (Graciosa), 8.5% (S. Jorge) and 9.2% (Flores).

The analysis of the results by thematic area of intervention and island (Table 2) shows that the main focus of the projects was on youth with 36.9% of projects targeting this segment, followed by social inclusion and the remaining areas (tourism, environment, culture and education) with a similar proportion (between 10.8% and 13.8%). Compared by island, the most developed islands (S. Miguel and Terceira) received a significant number of projects (25 and 22 respectively) while the least developed islands, such as Santa Maria and Faial, registered only 8 projects. These figures suggest that projects directed to youth people are more easily identify in the community, probably because groups of young people are more dynamic and educated to be able to present the proposals. Social inclusion projects (e.g. refugees, disabled and sick people, children) are also important, but the initiatives are mostly taken by institutions. The same occurs with

education, as most of the proposals came from schools, which took the opportunity to provide better conditions for students and teachers (e.g. especial rooms, laboratories, computers). The other themes of the projects are almost equally divided between tourism, environment and culture.

Table 2 – Thematic area of intervention by island

Island Area	SI	TOUR	ENV	YOUT	CULT	EDU	Total %
S. Miguel	5	0	3	8	4	5	25 (19.2)
Santa Maria	2	1	0	4	0	1	8 (6.2)
Terceira	3	3	4	8	2	2	22 (16.9)
Graciosa	4	0	0	4	0	1	9 (6.9)
S. Jorge	2	2	0	3	2	2	11 (8.5)
Faial	0	2	1	3	1	1	8 (6.2)
Pico	2	1	2	7	0	2	14 (10.8)
Flores	0	1	2	6	1	2	12 (9.2)
Corvo	1	3	1	4	3	1	13 (10)
All Islands	2	1	1	1	2	1	8 (8.2)
Total	21 (16.2)	14 (10.8)	14 (10.8)	48 (36.9)	15 (11.5)	18 (13.8)	130

Source: Author data analysis (<https://op.azores.gov.pt/>). Notes: SI – Social Inclusion; TOUR – Tourism; ENV – Environment; YOUT – Youth; CULT – Culture; EDU – Education.

Regarding the content of the projects (Table 3), they are used to finance the acquisition of equipment (33.9%) and training (24.7%). Other topics are general activities (11.5%), infrastructures (buildings and roads) and products (10% each), and the requalification of buildings (6.9%). A small number of projects deal with cultural heritage.

Table 3 - Content of the projects by island

Island Area	TRAIN	EQUIP	HER	BR	REQ	ACT	PR	Total
S. Miguel	6	7	2	3	2	3	2	25

Santa Maria	3	1	0	2	1	1	0	8
Terceira	2	10	1	2	4	2	1	22
Graciosa	3	3	0	0	0	2	1	9
S. Jorge	3	4	0	1	0	1	2	11
Faial	2	3	0	2	1	0	0	8
Pico	3	6	0	1	1	2	1	14
Flores	4	4	0	1	0	1	2	12
Corvo	2	4	0	1	0	2	4	13
All Islands	4	2	1	0	0	1	0	8
Total	32 (24.7)	44 (33.9)	4 (3)	13 (10)	9 (6.9)	15 (11.5)	13 (10)	130

Source: Author data analysis (<https://op.azores.gov.pt/>). Notes: TRAIN – Training; EQUIP – Equipment; HER – Heritage; BR – Buildings and roads; REQ – Requalification; ACT – Activities; PR – Products.

In what concerns the financial size of the projects (Table 4), there are small projects (less than €5.000) and large projects (more than €100.000) that are under-represented (6.2% each), with more than half of the projects investing between €6.000 and €40.000. The larger projects are located on the more developed islands: 50% on S. Miguel; 25% on Terceira; and 25% on more than one island.

Table 4 - Size of the Projects (in euros) by island

Municipality Area	<€5.000	€6.000-€1.2000	€12.800-€20.000	€21.000-€40.000	€40.200-€70.000	€70.001-€90.000	>€100.000	Total
S. Miguel	1	2	7	3	5	3	4	25
Santa Maria	1	3	0	2	2	0	0	8
Terceira	3	2	3	6	4	2	2	22
Graciosa	0	3	2	4	0	0	0	9
S. Jorge	0	3	4	1	3	0	0	11
Faial	1	2	1	1	3	0	0	8
Pico	1	3	2	3	3	2	0	14
Flores	2	6	0	4	0	0	0	12
Corvo	4	5	3	1	0	0	0	13
All Islands	0	1	1	1	2	1	2	8
Total	13 (6.2)	30 (23.1)	23 (17.7)	26 (20)	22 (16.9)	8 (6.2)	8 (6.2)	130

Source: Author data analysis (<https://op.azores.gov.pt/>). Note: The intervals selected for the division of the financial size of the projects are not continuous.

The analysis by year (Table 5) shows that the number of projects is very similar between the years. The only exception is the year of 2019 where a slight increase in the number and percentage of projects is observed.

Table 5 - Projects by year and island

Island Year	2018	2019	2021	2022	Total
S. Miguel	6	6	6	7	25
Santa Maria	2	3	1	2	8
Terceira	5	7	5	5	22
Graciosa	2	2	2	3	9
S. Jorge	3	3	2	3	11
Faial	2	3	1	2	8
Pico	4	4	2	4	14
Flores	3	3	4	2	12
Corvo	2	4	4	3	13
All Islands	0	4	3	1	8
Total	29 (22.3)	39 (30)	30 (23.1)	32(24.6)	130

Source: Author data analysis (<https://op.azores.gov.pt/>). Note: In 2020, there is no Participatory Budgeting due to Covid19 pandemic.

5.2 Intra-island analysis

In the intra level analysis (See total in Table 6), the “capital” of S. Miguel (Ponta Delgada) has more approved projects than the rest of the four islands. On the other hand, in Terceira, the “capital” (Angra) has fewer approved projects (7.7% compared with 5.4%). Islands with no territorial division, such as Santa Maria and Faial (6.2% each), Graciosa (6.9%) and Corvo (10%), all have a limited representation in the total. In the other islands (S. Jorge, Pico and Flores) the differences in the distribution of projects are minor (2 projects). It is important to mention the pan-islands projects (8.2% at the Island level and 21.5% at municipal level), which are implemented in more than one island and often in all the islands of the Azores at the same time.

Analysing the projects by area of intervention (Table 6), there is no project for social inclusion in Ribeira Grande, Povoação and Nordeste on the island of S. Miguel in the four years of the period where the social inclusion income (SII) of the inhabitants is higher (12.8%, 7.3% and 8.1%, respectively). In Terceira, the municipality of Praia da Vitória has no registered project on social inclusion although the SII is also important (4.1%). On

the positive side, the island of Graciosa (Santa Cruz), which has a significant number of people benefiting from the SII, as registered a significant number of projects (9). The projects directed to tourism are important for Corvo (3), Horta and Praia da Vitória (2 each). Concerning the environment, some of the most populated municipalities registered two projects each. Projects directed to youth are important for small islands, such as Santa Maria, Graciosa, Horta, Pico, Flores and Corvo. Culture and youth are areas where pan-island projects are more relevant (10 and 6 projects, respectively). Finally, education is a concern for almost all the municipalities involved, as with rare exceptions there are projects registered.

Table 6 - Area of intervention by municipality

Municipality Area	SI	TOUR	ENV	YOUT	CULT	EDU	Total
Ponta Delgada	2	0	2	3	2	1	10 (7.7)
Lagoa	1	0	0	0	0	2	3 (2.3)
Ribeira Grande	0	0	0	2	0	2	4 (3.1)
Povoação	0	0	0	0	1	0	1 (0.8)
Nordeste	0	0	0	1	0	0	1 (0.8)
Vila Porto	2	1	0	4	0	1	8 (6.2)
Angra	2	1	2	0	0	2	7 (5.4)
Praia Vitória	0	2	2	5	1	0	10 (7.7)
Sta Cruz Graciosa	4	0	0	4	0	1	9 (6.9)
Calheta S. Jorge	2	0	0	1	0	0	3 (2.3)
Velas	0	1	0	1	1	2	5 (3.8)
Horta	0	2	1	3	1	1	8 (6.2)
Lajes Pico	0	0	0	4	0	1	5 (3.8)
Madalena	1	0	1	1	0	0	3 (2.3)
S. Roque	1	1	0	1	0	1	4 (3.8)

Lajes Flores	0	1	1	1	0	0	3 (2.3)
Sta Cruz Flores	0	0	0	3	0	2	5 (3.8)
Vila Corvo	1	3	1	4	3	1	13 (10)
Mais do que uma Ilha	5	2	4	10	6	1	28 (21.5)

Source: Author data analysis (<https://op.azores.gov.pt/>). Notes: SI – Social Inclusion; TOUR – Tourism; ENV – Environment; YOUT – Youth; CULT – Culture; EDU – Education.

The projects analysed cover seven areas (Table 7). Training is used mainly at pan-island level (12 projects) in the form of workshops and short courses, as well as the acquisition of various types of equipment (computers, furniture, etc.) (10 projects). The intervention in heritage is concentrated in 3 municipalities to preserve the natural and cultural heritage, while the buildings and roads interventions are more scattered among the municipalities, mainly for the construction of pathways and trails. The projects for requalification are focused mainly in a few municipalities and aim to improve public and community spaces. Different types of activities are offered by the municipalities, ranging from theatre to sports, fitness or seminars. Finally, the provision of specific products is spread across several municipalities, with a special focus on Corvo and Flores, and includes all kinds of deliveries such as audio guides for museums, the use of QR codes to access touristic information, information campaigns for zero waste, etc.

Table 7 - Content of the projects by municipality

Municipality Area	TRAIN	EQUIP	HER	BR	REQ	ACT	PR	Total
Ponta Delgada	1	1	1	3	1	2	1	10
Lagoa	2	1	0	0	0	0	0	3
Ribeira Grande	0	3	0	0	0	1	0	4
Povoação	0	0	1	0	0	0	0	1
Nordeste	0	0	0	0	1	0	0	1
Vila Porto	3	1	0	2	1	1	0	8
Angra	0	2	1	1	3	0	0	7
Praia Vitória	0	6	0	1	1	1	1	10
Sta Cruz Graciosa	3	3	0	0	0	2	1	9

Calheta S. Jorge	2	0	0	1	0	0	0	3
Velas	1	3	0	0	0	0	1	5
Horta	2	3	0	2	1	0	0	8
Lajes Pico	2	2	0	1	0	0	0	5
Madalena	0	2	0	0	1	0	0	3
S. Roque	0	1	0	0	0	2	1	4
Lajes Flores	1	0	0	0	0	0	2	3
Sta Cruz Flores	1	2	0	1	0	1	0	5
Vila Corvo	2	4	0	1	0	2	4	13
Mais do que uma Ilha	12	10	1	0	0	3	2	28

Source: Author data analysis (<https://op.azores.gov.pt/>). Notes: TRAIN – Training; EQUIP – Equipment; HER – Heritage; BR – Buildings and roads; REQ – Requalification; ACT – Activities; PR – Products.

Regarding the financial size of the projects (Table 8), the small projects (less than €5.000) are located on Corvo (the smallest island). Following the size of the projects, Corvo continue to be overrepresented (5 projects), while other small municipalities registered a significant number of projects (between 3 and 2). As the size of the projects increased the more important municipalities registered projects. For example, Ponta Delgada has the highest number of projects in the third and fourth scales, and in the last two scales of the projects (5 projects each). A similar situation is observed in Angra and Praia da Vitória, with the seven projects situated in the last four scales of the projects. The larger projects (more than €100.000) are registered in the municipalities of the two more developed islands (S. Miguel and Terceira). It is important to note that two of the larger projects are of a pan-island nature. The smaller municipalities are also the ones that have registered projects between €12.800 and €70.000.

Table 8 - Size of the projects (in euros) by municipality

Municipality Area	<€5.000	€6.000-€1.2000	€12.800-€20.000	€21.000-€40.000	€40.200-€70.000	€70.001-€90.000	>€100.000	Total
Ponta Delgada	0	0	3	2	0	3	2	10
Lagoa	0	1	1	1	0	0	0	3
Ribeira Grande	0	1	0	0	2	0	1	4
Povoação	0	0	0	0	0	0	1	1
Nordeste	0	0	0	0	1	0	0	1
Vila Porto	1	3	0	2	2	0	0	8
Angra	0	0	0	2	3	1	1	7
Praia Vitória	2	0	2	4	0	1	1	10

Sta Cruz Graciosa	0	3	2	4	0	0	0	9
Calheta S. Jorge	0	2	0	0	1	0	0	3
Velas	0	0	3	1	1	0	0	5
Horta	1	2	1	1	3	0	0	8
Lajes Pico	1	1	1	1	1	0	0	5
Madalena	0	0	1	1	1	0	0	3
S. Roque	0	1	0	1	1	1	0	4
Lajes Flores	0	2	0	1	0	0	0	3
Sta Cruz Flores	2	2	0	1	0	0	0	5
Vila Corvo	4	5	3	1	0	0	0	13
Mais do que uma Ilha	2	7	6	3	6	2	2	28
Total	13 (6.2)	30 (23.1)	23 (17.7)	26 (20)	22 (16.9)	8 (6.2)	8 (6.2)	130

Source: Author data analysis (<https://op.azores.gov.pt/>). Note: The intervals selected for the division of the financial size of the projects are not continuous.

During the four years of the program (Table 9), the first year (2018), registered the absence of four municipalities (Ribeira Grande, Povoação, Nordeste and Santa Cruz das Flores). All the other municipalities participated with projects with a local focus in Ponta Delgada (4), Angra and Lajes Flores (3 each). Next year (2019), only two municipalities are the exception with zero projects (Lagoa and Lajes Flores), while the main number of projects is concentrated in Praia da Vitória, Vila Porto and Horta. In 2021, the number of municipalities with no projects increased from two to seven, with Corvo and Ponta Delgada as the main promoters. In the last year of the period (2022), there are five municipalities with zero projects, while Corvo and Graciosa have three projects and seven other municipalities have two projects.

Table 9 - Projects by year and municipality

Municipality Area	2018	2019	2021	2022	Total
Ponta Delgada	4	1	3	2	10
Lagoa	1	0	0	2	3
Ribeira Grande	0	1	2	1	4
Povoação	0	1	0	0	1
Nordeste	0	1	0	0	1
Vila Porto	2	3	1	2	8
Angra	3	1	2	1	7
Praia Vitória	2	4	2	2	10

Sta Cruz Graciosa	2	2	2	3	9
Calheta S. Jorge	2	1	0	0	3
Velas	1	1	1	2	5
Horta	2	3	1	2	8
Lajes Pico	1	1	1	2	5
Madalena	2	1	0	0	3
S. Roque	1	2	0	1	4
Lajes Flores	3	0	0	0	3
Sta Cruz Flores	0	2	2	1	5
Vila Corvo	2	4	4	3	13
Mais do que uma Ilha	1	10	9	8	28

Source: Author data analysis ([https://op.azores.gov.pt/.](https://op.azores.gov.pt/))

Discussion and Conclusion

The study examines the distribution of the participatory budgeting in the Azores archipelago. The objective was to ascertain the contribution of participatory budgeting to the cohesion of the region as a whole by evaluating not only from the point of view of each island (inter island comparison), but also at the level of the municipalities (intra island comparison).

One of the cornerstones of participatory budgeting relies on the active involvement of the members of a community, who use their specific knowledge of local problems to organize themselves to propose and vote in the projects that could solve or alleviate the problems of their local community. This is even more important when the voice of the people living on the smallest islands of the archipelago is difficult to hear on the main island (S. Miguel).

The empirical evidence from the evaluation of the four-year implementation of the participatory budgeting in Azores confirms that the projects provide local communities with necessary small-scale infrastructure, equipment, activities, and products at a reasonable investment. Participatory Budgeting process also provides to the remoteness communities a democratic voice in how resources are used to improve their well-being.

Over the last five years (with the exception of 2020), the participatory budget of Azores has become a tool for the regional government to implement trans-island projects that cover many communities with limited costs (less than 1% of the total budget of Azores). The projects can be found in a large number of municipalities and cover themes ranging

from training and heritage, to small-scale infrastructure that are used to provide basic support for local communities.

From a policy point of view, the evidence on the effectiveness of participatory budgeting in providing small public infrastructure (e.g. trials), sporadic training (e.g. workshops or seminars), equipment for schools (e.g. computers) or small products (e.g. guides for museums) is encouraging but limited in terms of local impact. However, these investments are important in light of the modest sums of money applied and the feedback that was given to those involved in the process.

One of the problems that often arises is dealing with the different levels of education, financial literacy or perception of the needs of the community involved in the process. In most cases, these opportunities are often captured by political elites and more educated people rather than providing more space for the participation of women and marginalized groups. Another problem is that the participatory budgeting process and its limited transfer of funds to support small local projects does not translate into more trust in the policies of the regional government and responsiveness to the local community needs. Therefore, impact evaluations covering a period of at least a four-year period will be critical to assess the sustainability of the projects, such as the impact on welfare, the level of use/interest of the target population, as well as, to add to the knowledge base of the programme, which could help to adapt the design of future projects.

Acknowledgement

This work is financed by Portuguese national funds through FCT - Fundação para a Ciência e Tecnologia, under the project UIDB/05422/2020.

References

Bernardino, S., & Freitas Santos, J. (2020). Crowdsourcing ideas for public investment: the experience of youth participatory budgeting in Portugal. In Gajda, O., Marom, D. & Wright, T. (Eds.). *CrowdAsset: Crowdfunding for Policymakers*, Chapter 17, pp. 353-379, World Scientific, Singapore.

Coleman, Stephen and Rafael Cardoso Sampaio (2017). Sustaining a democratic innovation: a study of three e-participatory budgets in Belo Horizonte. *Information, Communication & Society*, 20 (5), 754-769.

De Vries, M., Nemeč, J. & Špaček, D. (2022). *International Trends in Participatory Budgeting Between Trivial Pursuits and Best Practices*. Palgrave Macmillan.

Fölscher, Alta (2007). Participatory budgeting in Central and Eastern Europe. In Shah, Anwar (eds) (2007). *Participatory budgeting*. The World Bank, Washington D.C., 127-156.

Goldfrank, Benjamin (2007). Lessons from Latin America's experience with participatory budgeting. In Shah, Anwar (eds) (2007). *Participatory budgeting*. The World Bank, Washington D.C., 91-126.

Gomez, Javier, D. R. Insua and César Alfaro (2014). A participatory budget model under uncertainty. *European Journal of Operational Research*, 249, 351-358.

Governo Regional dos Açores (2023). Proposta de Orçamento da Região Autónoma dos Açores para 2024. Accessed during february 2024: https://oraa.azores.gov.pt/documentos/ORAA2024_Proposta.pdf.

McNulty, Stephanie L. (2015). Barriers to Participation: Exploring Gender in Peru's Participatory Budget Process. *The Journal of Development Studies*, 51 (11), 1429–1443.

Moinyhan, Donald P. (2007). Citizen participation in budgeting: prospects for developing countries. In Shah, Anwar (eds) (2007). *Participatory budgeting*. The World Bank, Washington D.C., 55-87.

Orçamento Participativo dos Açores (2024). Website: <https://op.azores.gov.pt/>. Accessed during january and february 2024.

[PORDATA \(2024\). Estatísticas, gráficos e indicadores, https://www.pordata.pt](https://www.pordata.pt), accessed in january 2024.

Rexhepi, Artan, Sonja Filiposka and Vladimir Trajkovik (2018). Youth e-participation as a pillar for sustainable societies. *Journal of Cleaner Production*, 174, 114-122.

Saguin, Kidjie (2018). Why the poor do not benefit from community-driven development: Lessons from participatory budgeting. *World Development*, 112, 220-232.

Sampaio, Rafael Cardoso (2016). e-Participatory Budgeting as an initiative of e-requests: prospecting for leading cases and reflections on e-Participation. *Revista de Administração Pública*, 50 (6), 937-958.

Shah, Anwar (eds) (2007). *Participatory budgeting*. The World Bank, Washington D.C.

Wampler, Brian (2007). A guide to participatory busgeting. In Shah, Anwar (eds) (2007). *Participatory budgeting*. The World Bank, Washington D.C., 21-54.

Wampler, B., McNulty, S. & Touchton, M. (2021). *Participatory Budgeting In Global Perspective*. Oxford University Press.

Williams,D. & Waisanen, D. (2020). *Real Money, Real Power? The Challenges with Participatory Budgeting in New York City*. Palgrave Macmillan.