



BUDGET MONITORING



Budget and Human Rights:
SUMMARY OF A METHODOLOGY

Roadmap of budget monitoring
THE DUTCH EXPERIMENT

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Colophon

This brochure is a publication of
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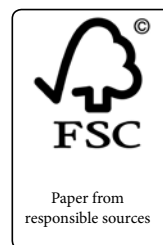
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Kennis en advies voor
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Preface

Budget and Human Rights: SUMMARY OF A METHODOLOGY



It is a great pleasure to present this publication that consolidates a strong partnership between communities in the Indische Buurt (Amsterdam) and a Brazilian non-governmental organization, the Institute of Socioeconomic Studies (INESC). Everything started with a shared vision that can be summarized in two words: trust and solidarity. Trust because we have the same goal in making our societies more democratic and driven by the principles of dignity and non-discrimination. Solidarity: in sharing dreams, strategies, expertise and knowledge.

This friendship has produced some important outcomes, as we can see throughout this publication and created a new organization: the Centre for Budget Monitoring and Citizen Participation.

We are extremely happy to find such good friends and activists in Amsterdam.

INESC believes, with more than three decades of activism and research in Brazil and worldwide, that social participation is crucial to make governments accountable and promote social justice. Since 1991, INESC has chosen public budget as a strategic tool for social analysis and control of public policies.

The strategy to use methodologies for monitoring and influencing public spending has been improved over the years. Our experience is consolidated in a methodology called Budget and Human Rights, which has been a useful tool to analyze public policies and budget with the aim to verify the realization of rights and sustainability.

For organizations and grassroots groups to understand and participate in economic and budgetary decisions that affect their lives, it is fundamental to develop educational processes that can facilitate these group's understanding of their rights and the state's responsibility in promoting them. Moreover, it is important to develop processes of social mobilization, that can allow such groups to demand accountability from their governments, at local and national level, about the public decision taken in the name of all.

The process in the Indische Buurt and in the Netherlands is just a start. The mobilization of citizens and increase in social participation is a challenging and long term process that can lead to other levels of participation and social justice for communities.

What we will present here is a short history of a process of social transformation.

IARA PIETRICOVSKY DE OLIVEIRA (INESC)

1

Introduction

IT IS WITH GREAT SATISFACTION THAT THE INSTITUTE FOR SOCIOECONOMIC STUDIES (INESC) PRESENTS THE BUDGET AND RIGHTS MANUAL.

ITS PURPOSE IS TO GUIDE PROCESSES OF CAPACITY BUILDING BASED ON POPULAR EDUCATION WITH REGARDS TO BUDGET MONITORING IN ORDER TO GUARANTEE HUMAN RIGHTS AND SOCIAL JUSTICE.

The content of this publication is based on the methodology Budget and Human Rights, developed by INESC throughout its history of activism and research in Brazil and worldwide since 1979. This methodology has been a useful tool in analyzing public policies and budget with the aim to achieve human rights and sustainability.

The idea is to offer communities, groups and civil society organizations conditions for participation in, and democratic control over government, using the public budget as a starting point.

For organizations and grassroots groups to understand and participate in economic and budgetary decisions that affect their lives, it is fundamental to develop educational processes that can facilitate the understanding of people and groups about their rights and about the state's responsibility in promoting them.

Moreover, it is important to develop a process of social mobilization with which citizens can demand accountability from their leaders about the public decisions taken in the name of all.

We are not alone in pursuing these goals. Over the past few years, many civil society groups around the world have done a great job, especially in monitoring and tracking public budget. Budget

monitoring tools such as social audits, citizen report cards and the creative use of media have increasingly been used among civil

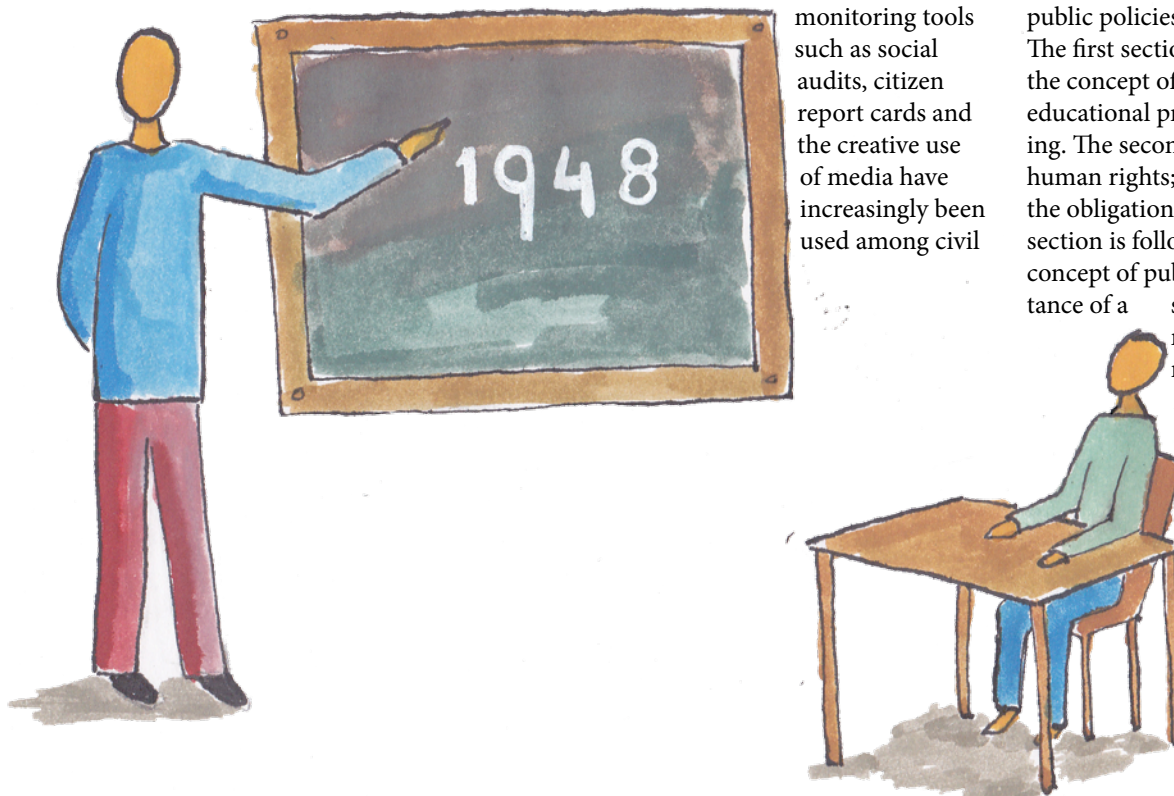
society organizations. Numerous organizations have been involved in networks and international campaigns about budget transparency and tax justice.

Since 1991 INESC has chosen public budget as a strategic tool for social analysis and control of public policies. Strategies of using methodologies for monitoring and influencing public spending have been improving over the years.

Powered by debates and participation in international and national human rights networks, the Institute takes on the challenge to advance the methodology of budget analysis, seeking to articulate the human rights framework and inequalities, to measure its effectiveness through public policies and budget.

The first section of the manual introduces the concept of Popular Education and the educational process of budget monitoring. The second section conceptualizes human rights; its origins, principles and the obligations of governments. This section is followed by a discussion of the concept of public budget and the importance of a society monitoring it. This

manual ends with an elaboration of the five pillars of Rights and Budget Methodology, developed by INESC.



2

Popular Education

THE CONSTRUCTION AND DEVELOPMENT OF PARTICIPATORY EDUCATIONAL PROCESSES ARE IMPORTANT AND NECESSARY FOR THE EXCHANGE OF KNOWLEDGE THAT PROMOTES THE EVOLUTION OF OUR DEMOCRACIES. THIS CAN OPEN UP POSSIBILITIES TO THE EMPOWERMENT OF DISCRIMINATED GROUPS AND MARGINALIZED COMMUNITIES AND MAKE THEM ACTIVE AND MOBILIZED CITIZENS

By encouraging education processes in communities, we can develop a way to transform communities and make them masters of their own destinies. Education that promotes citizenship and mobilization allows the expansion of knowledge, political participation and improvement of living conditions.

Knowledge is an instrument of emancipation and promotes solidarity. When we exchange knowledge, we promote the freedom of communities to find their way in building their own lives. Popular education has throughout its history proven to be one of the best tools for laying the foundation for raising public awareness.

Popular Education is a subject that is related directly to the educator Paulo Freire. He was the systematizer of practices and theories on popular education and became very well known, especially because of his books "Education as the Practice of Freedom" and "Pedagogy of the Oppressed".

In his works, Freire aimed to bring to the center of the debate the political meaning of education. Education is a transformation process and is always a collective one. Popular education is

not intended as an educational activity for one person or several people, but with people, exchanging experiences and sharing knowledge, and by doing so, sharing power. This approach values the collective dimension of the educational process and is permeated by a political view that includes the ideas of social change, freedom, justice, equality and happiness. In the words of Freire: "The humanist and liberating idea of education conceives the human being as a historical being; demystifies the reality, that's why it does not fear its revelation. Instead of the human thing, adaptable, the popular education stands for a human-person, world changer." Popular education is instrumental in building better societies and democracies, since it facilitates the identification of those citizens and groups which are living apart of society. Not only to welcome them, but invite them to participate in building the public arena.

Awareness promotes transformation. Historical agents become citizens and holders of human rights. It is the gathering of these holders of human rights in the communities that promotes the existence of a true democracy and the creation of participatory spaces.

3

Why Human Rights?

those in power, but conquered by those who live in situations of oppression, invisibility and discrimination.

Rights only exist, therefore, due to the continuous struggle of communities and social movements (women's movement, peasant movement, climate change movement, youth movement) for recognition of their identities and redistribution of resources generated by (the) society. This is an important issue. There can be no realization of human rights without the fair redistribution of public money. Delivering public services costs money. Part of the public resources has been appropriated by elites and by complex and sophisticated economical

and financial systems.

Thus, the struggle for rights is intrinsically linked with the struggle for fair redistribution of public resources. It is a dynamic movement of struggle and progress that is gradually leading our societies to new patterns of freedom, equality, respect and dignity. The modern concept of human rights, forged after World War II, incorporated some of the moral, philosophical, and religious principles - like the idea of equality, justice, freedom, sustainability, human dignity - that humanity has built for centuries. These values were "coded", systematized and incorporated into the concept of human rights, constituting not only a political statement or an idea, but a system of national and international positive law, which creates obligations for governments and the international community. The state is primarily responsible for

THE STRUGGLE FOR HUMAN RIGHTS

IS A HISTORICAL ONE.

PEOPLE WERE AND ARE ARRESTED,
KILLED OR THREATENED, COERCED

AND TORTURED SOLELY FOR

FIGHTING FOR FREEDOM AND A MORE
FAIR SOCIETY.

The struggle for human rights is a movement against oppression, discrimination and injustice. It is a struggle for the emancipation and empowerment of men and women. Rights are not given by

ensuring the fulfillment of rights. All public departments should work together to achieve the main goal of ensuring a life of dignity, free of discrimination, for everyone.

The state must act directly, without violating the rights of its citizens, as well as implementing policies and the delivery of public goods and services. The State must also act indirectly, in regulating the market and private behavior (as in the case of avoiding discriminatory acts among ethnical groups in the society) to balance distortions and ensure protection for groups and populations with a history of discrimination and vulnerability. It should be noted that equality and non-discrimination are fundamental principles that formed the concept of human rights. Everyone is born equal in dignity and rights.

HUMAN RIGHTS: SOME CONCEPTS

Using human rights as a conceptual framework to analyzing the public budget means considering the commitments that governments have made, both internationally and nationally.

The human rights commitments internationally established derive in large part, from the provisions of the Universal Declaration of Human Rights, signed at the United Nations in 1948. The Declaration established a set of rights that every human being should have access to and enjoy. They are: right to life, liberty, personal safety, property, vote and be elected, work, leisure, health, nutrition, housing, social security, education, culture. These rights are called civil, political, economic, social and cultural rights and have influenced the drafting of innumerable laws and constitutions in various countries. Human rights, therefore, are understood to be a set of rights, in constant evolution, which also includes the sexual, reproductive and environmental rights.

FREEDOM WITH EQUALITY OR EQUALITY WITH FREEDOM

The Universal Declaration entails civil and political rights (voting, be voted, express yourself, live a life without violence, the right to travel, etc.). These rights are more closely associated with the idea of freedom. But the declaration also includes the so called economic, social and cultural rights (education, health, food, housing, leisure, work, welfare, security). That is, there is no freedom without equality, much less equality without freedom.

PROGRESSIVE REALIZATION OF HUMAN RIGHTS

An important concept contained in the ICESCR - International Covenant on Economic, Social and Cultural Rights is the concept of progressive realization of human rights. We will detail this concept in the chapter about public budget, but it is important to indicate its relevance. Governments are obligated to promote improvements on the living conditions of its citizens year after year.

Progressive realization means that there is no possibility of having setbacks in the realization of rights. It means that the government must take legislative, legal measures and apply the maximum of its available resources in public policies to ensure universal rights and public systems for the population. To monitor the compliance with this obligation, the State should produce statistical data and research that through social indicators can show the level of rights fulfillment and public policies implementation.

Another important reference for the construction of the contemporary concept of human rights was the Declaration and Action Plan arising from the World Conference on Human Rights held in Vienna in 1993. This Conference declared the universality, interdependence and indivisibility of human rights as major principles, thus ending the artificial

divide between the civil and political rights and economic, social and cultural. Other recommendations to countries contained in the Vienna Action Plan, is the elaboration of National Human Rights Program and the adoption of human rights indicators.

HUMAN RIGHTS AND OBLIGATIONS OF THE STATE

As mentioned above, human rights are not only an appealing concept. They are guaranteed in our international and national legal system (both in the constitutions and the various national laws) and are expressed in a normative-legal system, which individuals, governments and the international community should respect and promote.

Hence, this is a political, normative and operational concept that imposes obligations on states and local authorities, which includes all its branches and civil servants.

Among those obligations is the requirement to apply the maximum of its available resources for the progressive realization of human rights. This is an obligation which governments have to fulfill due to the declarations in the International Covenant on Economic, Social and Cultural Rights. We will explore this obligation further in the next section.



The state also has very specific requirements:

Respect, protect and promote Human Rights;

Respect the determinations and recommendations of all international bodies (United Nations, European System etc);

When ratifying an international treaty, to incorporate the provisions of the treaty into the national legislation.

Provide information and periodic reports on the situation of rights in the country and municipalities (included neighborhoods);

Create public actions and campaigns to inform the population about their rights and the state branches responsible for their implementation;

Promoting people's participation in decision-making processes on public policies and budget. The citizens should be not the client of the service delivered by the state, but the protagonist in the formulation and monitoring of the public policy:

- In the drawing;
- In the application of public resources;
- In the assessment and monitoring of policies.

4

Budget and Human Rights Methodology: introducing the five pillars

THE PUBLIC BUDGET IS THE MATERIALIZATION OF THE PLANNED ACTION OF GOVERNMENTS TO MAINTAIN ITS ACTIVITIES AND TO IMPLEMENT ITS PROJECTS, WHICH ALLOWS THE VISUALIZATION OF THE GOVERNMENT ACTIONS AND THEIR EFFECTIVE PRIORITIES. THE PUBLIC BUDGET IS ALSO, AT THE SAME TIME, AN AREA OF POLITICAL STRUGGLE, WHERE THE DIFFERENT INTERESTED GROUPS INSIDE SOCIETY SEEK TO INFLUENCE BASED ON THEIR INTERESTS.

In this perspective, we believe that the analysis of public budgets is a gateway to the debate: on:

- how public resources are collected and distributed in society;
- the relationship of forces/power within society;
- who preferentially appropriates public funds;
- developing public policies and legislation to promote human rights, social justice and sustainability, reducing inequalities;
- whether or not there is room for effective popular participation in setting budget priorities, designing policies and monitoring.

We bring up a simple graphical representation on the operationalization of human rights. The rights are agreed upon and expressed in international treaties and national legislation. The prediction of human rights in international and national legislation is the first step towards its realization, however, is not the only one.

Sometimes, a huge gap occurs between the right expressed and

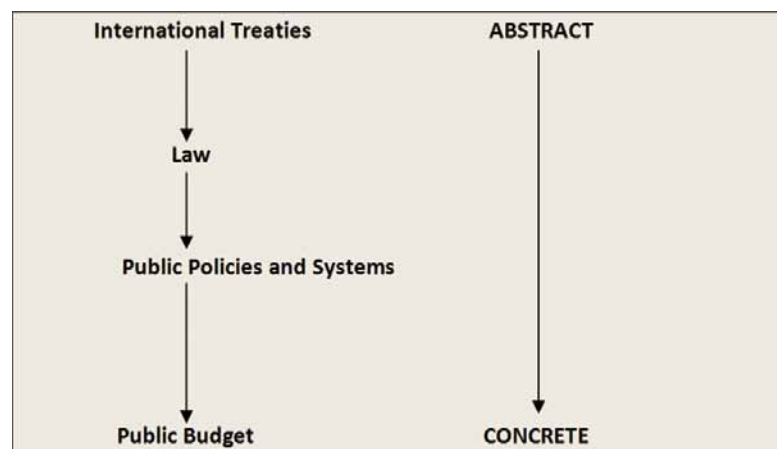


Figure – Human Rights Fulfillment: from abstract to concrete

budget allocation. Various situations can happen:

- Mismanagement and corruption of public officials and businesses corporations;
- The bureaucratic state structure defends its own maintenance and preservation;
- Public institutions and their agents are captured by market interests and certain political or religious groups, sometimes acting as violators of rights, suppressing freedom and pressing for set backs in the existing legal frameworks.

Regarding the points listed above, it should be said that the understanding of a democratic state ruled by principles of inalienable and fundamental rights has been changed over the past decades. Es-

pecially from the '90s, the concept of the Rule of Law -advocated by institutions like the World Bank and supported by an international political and economic elite- means the defense of private property and contracts. More recently, the crisis in the financial system has forced governments to carry out budget cuts and prioritize the payment of creditors and financial institutions.

The public budget should allocate sufficient resources to guarantee a good quality of life for everyone. However, the more concentrated the political and economic powers are in the hands of a few, the more imperfect our democratic institutions will be, and the greater the tendency of public resources to be applied to benefit the interests of an elite, and not to the central purpose of social justice and environmental sustainability.

Hence, a budget analysis strategy focused on human rights should examine the fulfillment of the following obligations from the government:

- Apply the maximum of its available resources to promote human rights;
- Ensure its financing with social justice;
- Promote the progressive implementation of human rights, civil, political, economic, social, cultural, environmental, sexual and reproductive rights;
- Act promoting equality and avoid discrimination;
- Create spaces and mechanisms for social participation in the budget.

In the following chapters, we will detail each one of the strategies.

5

Financing the state with social justice

PUBLIC BUDGET HAS TWO SIDES: EXPENDITURES AND REVENUES. A PART OF THE COLLECTION, WHICH IS BASED ON THE STRUCTURING OF A TAX SYSTEM, AND THE SHARE OF SPENDING, BY IMPLEMENTING PROGRAMS AND ACTIONS. IT IS IMPORTANT TO ANALYZE THE REVENUE SIDE OF THE BUDGET IN ORDER TO VERIFY IF THERE IS A DISTORTION OR INEQUALITY GENERATED BY AN UNFAIR TAX SYSTEM.

An inequitable tax system means that the richest pay less, allowing a greater concentration of wealth and power in society. In many countries, the financial system has unparalleled tax breaks. They pay relatively few taxes compared to the level of profit and income obtained through its activity. Thus, a fiscal policy whose goal is to realize social justice must be formulated considering the expenditure and also when establishing a tax system.

HOW TO MEASURE AN INDIVIDUAL'S ABILITY TO PAY TAX?

INCOME

Income as an indicator of ability to pay an individual has the advantage of a broader tax base. The income taxation also has a greater distributive power, because exemptions and progressive rates may be applied according to individual income. The income tax can be charged to the individual person and legal entities (like companies, banks). The income tax has the advantage of being able to apply to different rates. To stimulate job creation, tax rates for micro and small businesses may be smaller than for large firms. Personal income tax should be progressive in order to make the richest people pay more than the middle class and the poorest.

CONSUMPTION

Another option is to create a system where each individual pays the same rate of tax (as that price is pretty much passed on to the final product price that the consumer buys). Example of a consumption tax is the Value Added Tax (VAT).

THE PROPERTY

Wealth as an indicator of an individual's ability to pay tax is the most direct way to ensure that individuals in situations of greater economic advantage contribute more. This type of tax must also be progressive. That is, the more valuable the good, the more tax should be paid. Therefore, this is a type of tax that may be charged,

urban property tax, tax on rural property, taxes on vehicles.

The three ways explained above is not a full summary of the possibilities of collecting taxes. The tax system should always be in constant improvement because the economic climate is changing and new technologies, products and ways of doing business are constantly developing.

TAX ON FINANCIAL TRANSACTIONS

It is important to tax speculative capital. Financial speculation does not create jobs in the country. It only adds instability and disorder in the economy, drawing investment away from real economy.

In many cases, tax havens are used, - such as the Cayman Islands, Bahamas, Luxembourg, Switzerland etc.-, allowing individuals to escape taxation by their countries of origin.

According to a study of the "Tax Justice Network," July 2012, it is estimated that there are about 32 trillion dollars hidden in tax havens.



6

Maximum of available resources for the fulfillment of Rights

**NATIONAL AND LOCAL GOVERNMENTS
HAVE SEVERAL COMMITMENTS
RELATED TO RESPECTING, PROTECTING
AND PROMOTING HUMAN RIGHTS
FOR ITS POPULATION AND GUARANTEEING
A SUSTAINABLE ENVIRONMENT FOR ALL.**

In order to comply with these provisions, governments should apply the maximum of their available resources for the progressive realization of human rights. This commitment is expressed in the International Covenant on Economic, Social and Cultural Rights (ICESCR).

Determining what the maximum available resources are to be allocated by governments into public policies can ensure quality of life and opportunities for the population. To do so it is crucial to analyze the economic policy. The government, when making the

choices of macroeconomic policies (fiscal, monetary etc.), also defines in practice what the priorities in the public budget are and what the limits and constraints for social policies will be. If the economic policy is conservative, it will impose severe constraints on funds

destined to ensure rights in the public budget. For example, when government chooses a contractionist policy, with high interest rate, it means the expenditure with interest repayment will increase in the budget.

In contemporary capitalism, there is an imbalance in the "market forces" with a prevalence of a global financial system with little regulation. This situation has generated huge problems for governments and society, as we can verify in the US mortgage crisis in 2008 and in the crisis in Iceland, Greece, Ireland and Spain.

Another mechanism imposed on countries that limits the amount of resources available for promoting human rights policies are the Structural Adjustment Programs that have been imposed on many Latin American countries by the IMF and World Bank in the 90s and 2000s and are now being imposed on some European countries like Greece.

The goal of these policies is to limit the ability of the governments to expand the budget, particularly via restrictions in the social policies and international cooperation. The priorities are to guarantee the payment of the financial creditors at the expense of complying with environmental and social goals. The pressure of the international financial system on the National States has caused a setback of the rights and a progressive dismantling of social protection system within the framework of the Welfare State.

7

Progressive realization of human rights

ONE OF THE COMMITMENTS MADE BY NATIONAL STATES ACCORDING TO THE ICESCR - INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS, PROVIDED IN ITS ARTICLE 2, IS TO APPLY THE MAXIMUM AVAILABLE RESOURCES IN THE PROGRESSIVE REALIZATION OF RIGHTS COVENANT:

ICESCR - Article 2

1. Each State Party to the present Covenant undertakes steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.

Public budget needs to enable the progressive fulfillment of human rights. The first argument to put forward is that the progressive implementation of human rights excludes any retrogressions in social indicators related to the implementation and access to rights.

For example, if there is an increase in illiteracy rate, reduction of the number of

young people in school, or suspension of rural workers' pension benefits, we can conclude that there is non-compliance with the law, requiring application of public funds to improve people's living conditions, on the part of public administrators and governments.

In sum, it is not possible to have rights retrogression or stagnation.

Another example, if we observe a reduction in the number of young people in schools; the decreasing of the pension for retirement or reduction of funding for cultural activities we can deduce that there is failure of the civil servants and politicians regarding the duty described under article number 2.

A second element is that the state should implement long-term planning (such as

five-year plans or ten-year) in order to demonstrate what the targets are for the progressive realization of rights over the years. What policies will be implemented and what is the budget forecast? Are the targets reasonable? Are they feasible? Is there data that allows us to monitor the change in the life of the population?

Thus, we can extract two essential elements to verify the progressive realization of rights. Setting targets for enforcing rights and social indicators and human rights indicators, with which it becomes possible to analyze the deficit of access to rights by the population at a given time and determining the changes that need to be made.

From the methodological perspective, we have two pathways:

1. Analyze an ongoing public policy (education, health, etc.) and check if it is enabling changes in people's social indicators, i.e., if it is progressively realizing rights.

2. Initiate the analysis with social indicators (or human rights indicators) and ask ourselves which policies are being implemented to address a verifiable situation of rights deficit, trying to find out how much has been allocated to those policies.

IN SHORT, THE PROGRESSIVE REALIZATION OF RIGHTS MEANS:

- Existence of disaggregated social and human rights indicators that enable us to identify the deficit of rights in the population and groups, as well as identify historically discriminated populations;
- Existence of clear terms that describe inequalities and deficits as the basis for policy proposals, public programs, and projects;
- Establishment of short-, middle-, and long-term goals for the progressive realization of rights;
- Implementing and monitoring public policies formulated to change those realities;
- Monitoring the amount of funds destined to those policies and evaluating their impact on the improvement of indicators measuring people's access to their rights.

We are talking about measuring the rights deficit and the funding allocation needed to achieve those rights, and about monitoring – year after year – the actual improvement in people's lives. This requires more in-depth knowledge of each policy selected, as well as the programs we want to monitor. It also demands a close relationship with those producing data, seeking partnerships to obtain relevant information for studying, monitoring, and evaluating government actions. Finally, it requires working closely with policy makers to get to know the policies and be able to influence their design and conception, as well as propose changes in their course.

8

Non-Discrimination

THE SECOND PART OF ICESCR ARTICLE 2° SAYS THAT:

THE STATES PARTIES TO THE PRESENT COVENANT UNDERTAKE STEPS TO GUARANTEE THAT THE RIGHTS ENUNCIATED IN THE PRESENT COVENANT WILL BE EXERCISED WITHOUT DISCRIMINATION OF ANY KIND AS TO RACE, COLOR, SEX, LANGUAGE, RELIGION, POLITICAL OR OTHER OPINION, NATIONAL OR SOCIAL ORIGIN, PROPERTY, BIRTH OR OTHER STATUS.

When the communities undertake a budget monitoring process it is crucial to consider the inequalities and the acts of discrimination. These differences affect the distribution of resources and unequal access to rights by different groups in the society.

There is no way to speak up for rights and social justice without considering the environment of inequality, which allows certain groups (due to factors such as color, sex, age, sexual orientation, national origin, religion, etc.) to have more difficulties to access

rights and at the same time have their rights denied and violated. In European countries, immigrants and their descendants have greater difficulties in accessing rights and are more subject to discrimination and violence. Stereotypes related to religion and national origins are reflected in the unequal opportunities offered by the State, by the market and society to these groups. Another system of inequality is the sexism that still prevents women from enjoying the same opportunities and rights in society as men.

PRINCIPLE OF EQUALITY AND NON-DISCRIMINATION

The two central principles of the international protection of human rights in relation to combating discrimination are: the principle of equality and nondiscrimination.

They are contained in the famous articles 1 and 2 of the Universal Declaration of Human Rights:

Article 1

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should

act towards one another in a spirit of brotherhood. (EQUALITY)

Article 2

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the

country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty. (NO DISCRIMINATION)

The condemnation of discrimination includes actions and omissions by the state, but also includes discriminatory actions committed by individuals or legal entities, be it intentional or not. In short, the prohibition of discrimination reaches the public and private, and the state must adopt measures in all these areas.

9

Social Participation

THE DESIGN AND IMPLEMENTATION OF PUBLIC POLICIES SHOULD BE DIRECTLY RELATED TO THE STRENGTHENING AND EXPANSION OF DEMOCRATIC PARTICIPATORY SPACES. THE CIVIL SOCIETY DEMANDS MUST PRECEDE THE FORMULATION OF POLICY.

The participatory democracy will not replace representative democracy, by contrast, representation and participation can and should combine different mechanisms and opportunities for enhancing democracy and create a fair and sustainable society. The movement between these two forms of political

participation is an opportunity for building a new order and active citizenship.

However, there are factors that prevent the advancement of participatory democracy. The most important and difficult to combat is bureaucracy that is not transparent and participatory,

particularly when related to public budget, but rather is used to impede access of citizens. Citizen participation promotes the spirit of cooperation and increases community vitality. This spirit of trust and cooperation generates horizontal relations of power and mutual accountability.

Many experiments of democratization of public management at the local level have shown that it is insufficient to create spaces of participation. It is also necessary to create the conditions for this participation to occur, enabling the various actors (civil society and the state) to exercise a new practice of democratic governance.

Social control and participation are interconnected. Social control would not be possible without the existence of participation and people willing to follow the actions of the state. For participatory processes to become real it is necessary to construct new subjectivities, i.e. communities need to reinvent themselves as political actors.

Economic groups and corporations often influence the state and contribute heavily to get specific politicians elected who, although elected by popular vote, do not necessarily govern with the people who elected them in mind, but to increase their own power.

SOCIAL CONTROL MEANS:

- To participate in the formulation and implementation of public policies and public budget;
- To promote the improvement of processes, proposing changes in public policies and administrative procedures;
- To make the budget accountable.

The institutional mechanisms that allow participation to be effective and to actually reach the educational and transforming ideal desired, must also be consolidated at the local level, making connections with regional and national mechanisms to finally produce public policies of state.

There is no participation without mobilization and vice-versa.

The characteristics of an emancipatory political culture are:

- participation;
- transparency;

- dialogue;
- sharing of power;
- collective responsibility;
- the effectiveness of decisions.

There are numerous examples of participatory mechanisms, such as:

- Public Policy Councils;
- Conferences;
- Public Hearings;
- Public Consultations;
- Participatory Budgeting.

TRANSPARENCY AND

ACCESS TO INFORMATION

Access to information is essential for the democratization of the budgeting process. Without information, it is not possible for civil society to know where the government is applying the resources of society. The lack of transparency and access to budget information is a clear risk factor for misappropriation of resources, lack of accountability of the bureaucracy and personal favors of all kinds.

OPEN GOVERNMENT PARTNERSHIP (OGP)

The Open Government Partnership is a global effort to make governments better. It is a new multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. In the spirit of multi-stakeholder collaboration, OGP is overseen by a steering committee of governments and civil society organizations.

To become a member of OGP, participating countries must embrace an Open Government Declaration; deliver a country action plan developed with public consultation; and commit to independent reporting on their progress going forward.

The Open Government Partnership was formally launched on September 20, 2011, when the 8 founding governments

(Brazil, Indonesia, Mexico, Norway, Philippines, South Africa, United Kingdom, United States) endorsed an Open Government Declaration, and announced their country action plans. Since September, OGP has welcomed the commitment of 47 additional governments to join the Partnership.

Initially, the U.S. and Brazil are co-coordinators of the initiative. Countries which joining the initiative have the commitment to develop an Action Plan with targets on transparency in consultation with civil society organizations. In addition to Brazil and the United States, United Kingdom, South Africa, Philippines, Indonesia, Mexico and Norway are also part of the Steering Committee.

More information: www.opengovpartnership.org

The budget - local, state or federal - is public. Everyone can and should have access to the figures and knows where the money that governments collect goes. This money does not belong to a group of people, but to all of us. Access to information is an essential right for the accountability of the budgeting process, participation of society and social control. Without access to information, it becomes impossible to monitor and control public spending. The databases of the EU budget, states and municipalities should be available for consultation to the entire population, including through the Internet and in an open data format.

Preface

Roadmap of budget monitoring

THE DUTCH EXPERIMENT



The Centre for Budget Monitoring and Citizen Participation is a Dutch organization founded in December 2011.

The foundation is the result of an intense co-operation between active citizens and social workers from the Netherlands and INESC from Brazil.

The Centre is rooted in the Dutch social movement and implements budget monitoring as a tool to enable citizen's access to financial information, to promote social participation in public policy making and to monitor the spending of determined budgets of various governmental organizations. By doing so, the centre strengthens civil society and enhances social participation.

E-Motive of Oxfam Novib supports the international exchange on budget monitoring and was the mediator between INESC and the Centre. E-Motive links the knowledge of professionals in various developing countries with Dutch organizations and

supports the exchange. According to E-Motive, such collaborations contribute to an engaged society.

The exchange of knowledge started in 2011 with meetings in which we discussed issues such as mobilisation of citizens, building coalitions and the relationship with the government. For example, we asked INESC: 'How do you articulate the demand of the citizen on decision-making and facilities? And in what way do you organize citizen's initiatives and participation and how to secure the rights of minorities and interest groups?

During our meetings we elaborated intensively on budget monitoring; the methodology, and how it functions in everyday life.

In this brochure you will find the description of INESC's methodology in which human rights plays a major role. INESC has shown us that budget monitoring is a productive and effective framework to promote social rights and social participation.

Together with E-Motive, University of applied science in Amsterdam (HvA) and MOVISIE, we developed a roadmap of budget monitoring. Most importantly, the first budget monitoring ever in the Netherlands is implemented in the Indische Buurt, a neighbourhood in the east part of Amsterdam. We are proud to present you the roadmap of budget monitoring and the results of the experiment in Amsterdam.

MARJAN DELZENNE (CENTRE FOR BUDGET MONITORING
AND CITIZEN PARTICIPATION)

1

Preparing the launch of the Centre

THE FOUNDATION AIMS TO USE BUDGET MONITORING AS A TOOL FOR STRENGTHENING CITIZENS' RIGHTS TO INFORMATION AND PARTICIPATION, GAINING INSIGHTS FOR (GROUPS OF) CITIZENS AND OTHER ORGANIZATIONS INTO BUDGETARY PROCESSES AND THE USE OF FUNDS BY THE GOVERNMENT.

PART OF E-MOTIVE

E-Motive is an initiative of Oxfam Novib, linking organizations in developing countries to organizations in the Netherlands. E-Motive also supports and facilitates exchanges. The Applied University of Amsterdam optimizes these matches and measures the project results. MOVISIE makes E-Motive's results available to civil society in the Netherlands. NCDO (Centre for citizenship and international cooperation) involves Dutch people in international co-operation. The introduction of innovative methods from developing countries to the Netherlands permits Dutch organizations to learn and acquire new insights. The methods encourage people to improve their own living environment.

EXCHANGE OF KNOWLEDGE AND VISIT TO BRAZIL

The methodology of budget monitoring is developed by INESC. The instrument is used by Brazilian social movements to increase social participation in policy, in controlling the spending of budgets and promoting social justice. INESC is *the expert* on budget monitoring.

The founders of the Centre Marjan Delzenne (She Moves)¹ and Firooz Azarhoosh (Timorplein Community)² went in 2011 to Brazil to meet the INESC team and to understand the methodology of budget monitoring. During their visit to a public school where INESC

teaches budget monitoring to students, Delzenne and Azarhoosh experienced the impact and effects of this method. This project (called ONDA) educates students on budget monitoring, human rights and the public budget, including the fundamental importance of active citizenship. Consequently, students learn their rights and duties

and they become active in influencing policy of the government, which underlines the strong effect of this project. During this visit, INESC, Delzenne and Azarhoosh made plans about a project to introduce budget monitoring in the Indische Buurt, a neighbourhood in Amsterdam. They also made appointments to increase the collaboration with INESC and to establish a new organization in The Netherlands (the Centre). And, last but not least, to create a European platform for budget monitoring and citizen participation.

INESC VISITS AMSTERDAM

In June 2011 INESC visited Amsterdam. The communities in the Indische Buurt arranged a conference on budget monitoring for community members and civil servants. Various master classes offered a deeper understanding of budget monitoring as a method (content-wise) and as a tool (technical aspects). During the conference spokespersons were trained on budget monitoring and the way the methodology is used in Brazil. INESC and community members also discussed issues in Dutch policy and budgets. The INESC team brought new perspectives on participation. Meanwhile, community members invited civil servants and politicians of the Stadsdeel Oost (local district in Amsterdam) to participate in the training sessions and workshops and to create a mutual plan on budget monitoring and citizen partici-

pation. At that time, collaboration with Stadsdeel Oost was difficult because the civil servants and politicians did not have the same policy on budget monitoring. One of the major issues of co-operation, for example, was transparency in budgets. Therefore, the communities decided to continue their plan without official co-operation with Stadsdeel Oost. So they formed a group to prepare the experiment on budget monitoring.

BACK TO BRASIL

In November 2011, a group of four spokespersons of communities went to Brasilia, to get further training on budget monitoring and visit certain schools and neighbourhoods. They also went to Portal Transparencia, managed by the Internal Controller Office and Federal Senate, which also hosts a very sophisticated open data portal (Siga Brasil). This data portal shows data and information on the expenditures of all federal policies in Brazil, which is updated on a daily basis.

The four spokespersons made an arrangement during their stay in Brazil to implement budget monitoring in the Indische Buurt. They decided, together with INESC, to mobilize citizens and to develop a plan for this neighbourhood. They called this the Programmatic Agenda, an agenda that should contain policy on social, physical and economic issues in combination with budgets.

The plan's content entailed the following angles on budget monitoring:

- Participation by inhabitants and entrepreneurs of the Indische Buurt;
- Influence on the policy and budgets of Stadsdeel Oost and the city of Amsterdam (in 2014);
- Responsibility: inhabitants and entrepreneurs have to take their responsibility in their neighbourhood;
- Accountability.

In December 2011 the Centre was launched, with the aim to apply budget monitoring in the Indische Buurt in Amsterdam as pilot project. The foundation works together with INESC.

(1) She Moves is a group of women working on projects in the Netherlands and Brazil.

(2) Timorplein Community is a group of active entrepreneurs who use the



MADE BY
RON LANGDON

BUDGET MONITORING - FROM A HUMAN RIGHTS PERSPECTIVE

2

Why did we choose Indische Buurt for the experiment?

THE INDISCHE BUURT WAS CHOSEN FOR THE EXPERIMENT ON BUDGET MONITORING BY INESC AND THE DUTCH CENTRE OF BUDGET MONITORING FOR VARIOUS REASONS.

FIRSTLY,

many active citizen groups, called communities exist and are active within the Indische Buurt. These groups work hard to improve their neighbourhood and are actively developing numerous instruments on participation. Budget monitoring suits their approaches well.

SECONDLY,

these communities take on a very specific starting point in their work; namely, the citizen and his right on ambition, which can be fulfilled in several ways in his neighbourhood. The communities play an important role to fulfil these ambitions. Budget monitoring and participation contribute to the right of ambitions.

THIRDLY,

budget monitoring has to be rooted in social movement. The communities were already active in their neighbourhood. Therefore, it has been convenient to experiment with budget monitoring in collaboration with these active groups.

Communities are network organizations formed around a specific theme, interest or physical asset. Active members can involve themselves in specific themes and withdraw once their theme has been dealt with. A community is not an action group, but is organized around interests or themes without necessarily agreeing to how it should take shape. The theme is discussed within the community; knowledge is exchanged and from this point onwards, people take action. Some initiatives require more organization than others, especially if funding is required.

The communities in the Indische Buurt are creating possibilities for participation by:

- bringing the process of solving problems closer to the people and by organizing and using each other's strengths;
- being a platform for innovation and knowledge for individual members;
- being a safety net, a warm nest, offering meetings and creativity;
- finding resources and support for the collective welfare of community members;
- creating a social production site and creating shared services.

FINALLY,

in 2014, the politically chosen district council will probably disappear. The decentralized political system with elections will be changed into a centralised system at the level of the city.. Hence, it is likely that participative democracy

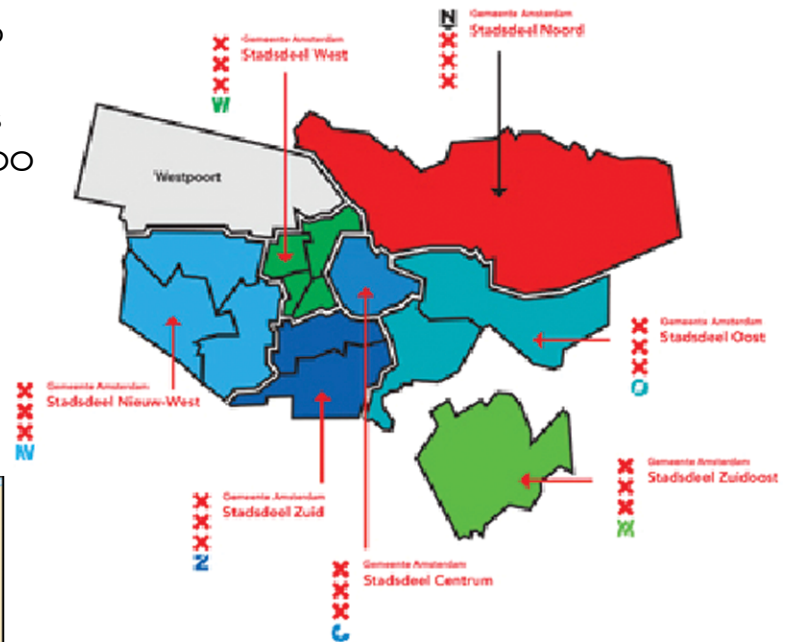
may gain more space with strong civic boards composed of citizens elected on a non-political base. Then, they will have extended competences about the budgets for their neighbourhood. It's interesting to be part of this change.

3

Description of the Indische Buurt

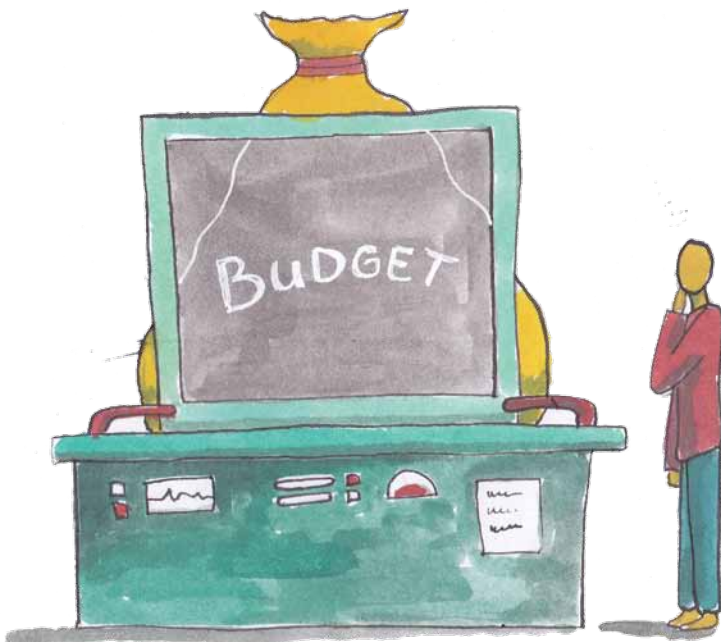
INDISCHE BUURT IS A NEIGHBOURHOOD IN AMSTERDAM EAST. THE NUMBER OF INHABITANTS IN THE INDISCHE BUURT IS AROUND 22.000. MORE THAN 12.000 INHABITANTS ARE IMMIGRANTS. IN SOME STREETS OF THE INDISCHE BUURT THE PERCENTAGE OF IMMIGRANTS IS 60 – 70%. THE TOTAL NUMBER OF HOUSES IS AROUND 11.000, MOSTLY SOCIAL HOUSES.

The Stadsdeel gives the following description of the Indische Buurt: 'About 28% of the inhabitants at the eastside of Indische Buurt live around the Dutch social minimum. Many inhabitants have problems to find a job. In some streets 40% of the children between 0-17 grow up in poverty. Three out of ten inhabitants in these streets experience problems with nuisance created by youngsters. At the west side of the Indische Buurt, policy to change the neighbourhood worked out very well. New houses, a library, shops, cafés and restaurants changed the population and the image of the streets.'



District	population	non-western	% 65 +	15-64	Density per km2 land	Average of residency
Centrum	82713	14,4	9,9	66512	13136	7,6
Westpoort	409	15,2	6,6	347	16	5,1
West	131203	33,0	7,8	102899	15085	7,6
Nieuw-West	135188	49,1	13,5	91473	4685	8,1
Zuid	133810	17,1	13,9	98720	8624	9,0
Oost	116615	34,4	8,0	86404	6665	7,0
Noord	86327	36,4	15,6	56994	2058	9,9
Zuidoost	81508	64,1	9,0	58506	4071	7,5
Amsterdam	767773	34,9	11,1	561855	4648	8,1

Figure: The Netherlands, Amsterdam and statistics (made by Timorplein community)



Lieke Thesingh, alderman Social Domain and Innovation, District Amsterdam Oost finds the process very inspiring: 'We will learn a lot from INESC. The methodology is an alternative way to maintain contacts with local residents and I hope that the commitments of the citizens to their neighbourhood will increase.'

4

Road map based on the Methodology of INESC

TO START AN EXPERIMENT ON BUDGET MONITORING BASED ON THE METHODOLOGY OF INESC IT IS NECESSARY TO TRANSLATE THE METHODOLOGY INTO A ROADMAP. THE UNIVERSITY OF APPLIED SCIENCES OF AMSTERDAM (CARLA VAN DEN HEUVEL AND GWEN MOZER) DEVELOPED THE ROADMAP BUDGET MONITORING BASED ON THE METHODOLOGY OF INESC (2009-2011)¹ AND ADAPTED IT TO THE DUTCH SITUATION, AFTER DISCUSSIONS WITH THE COMMUNITIES IN THE INDISCHE BUURT. IN THE ROADMAP, THE EMPHASIS IS PLACED ON SOCIAL JUSTICE AND CIVIC PARTICIPATION AND LESS ON HUMAN RIGHTS IN COMPARISON TO THE METHODOLOGY OF INESC. BUDGET MONITORING COMPRISES OF FIVE STEPS:

STEP 1 THE NEIGHBOURHOOD BUDGET

The first step in budget monitoring is to figure out the neighbourhood budget. Different institutions invest in the neighbourhood, but it is not always clear how much money is spent and on what. Examples of enterprises or institutions investing in the neighbourhood are the local government and social housing corporations. Yet, access to the public budget is not always easy to get. Therefore it is important to come up with a strategy beforehand (in collaboration with the local government).

STEP 2 ANALYSIS OF BUDGET ALLOCATIONS

Once the budget is public it is important to find out where the money is spent on. Questions are for example: 'How much of the budget is allocated to environmental issues, to social housing, or to youth?'

STEP 3 ANALYSIS OF NEIGHBOURHOOD EXPENDITURES

Check if the public budget (not only governmental budgets, but also budgets from public housing corporations and other organizations with public money) is spent with reason. Is the money allocated to the correct funds? Possible obstacles; funds are made available, but are not

spent; funds are spent on other things than spoken for; funds are spent in areas and programs that do not prioritize social justice; funds are spent in programs that do not correspond to the communities' demands and needs.

STEP 4 IMPLEMENTATION

The fourth step is to weave the budget monitoring in to the participation process of the neighbourhood in the form of a neighbourhood Agenda (together with the communities). A neighbourhood agenda is a social analysis of what is meaningful and meaningless for the neighbourhood inhabitants.

The university concluded that the approach of INESC resembles the approach of Asset Based Community Development. This approach enables the communities to localize and mobilize talents and expertise to work on vitality of the neighbourhood. The perspective is to find out the chances, not the problems, which resemble the approach of capacity building.

Questions that can be asked:

What is important for the neighbourhood, the communities and the inhabitants? What can we as inhabitants do themselves? In what way can be worked with institutions to influence policy? How can results be communicated?

At this step all the necessary elements are inventoried to start a dialogue with the local district (Stadsdeel Oost) and other institutions that invest in the neighbourhood.

STEP 5 ACTION

Communities and experts on budget monitoring make a comparison of the neighbourhoods wishes (neighbourhood Agenda) and the analysis of the spending. What is the budget? Has it been spent, and if not why. What is the discrepancy?

This step gives a lot of opportunities that could be used by the communities:

- Use partnerships to reinforce the dialogue.
- Organize a meeting with the neighbourhood stakeholders.
- Make a connection with the budget that is being 'voted'
- Advocacy (participation in public hearings, talking to civil servants, public campaign, media strategy etc.)
- Co-creation – draw up the budget together with local government
- The power of communication en publishing (using the media) and data visualization.

The roadmap is not a static tool and will be adjusted on account of the experiences of the community.

(1) The university developed the roadmap March-June 2012, by using presentations of INESC during the conferences and master-classes in Amsterdam. They also developed: Discussion paper November 2009. Budget and rights: developing a budget analysis method from the perspective of human rights. The methodology July 2012, which is part of this brochure was not published at that time.

5

Using the road map in the Indische Buurt

ACCORDING TO THE ROADMAP WE MADE THE FIVE STEPS. WE WILL SUMMARIZE WHAT WE DID IN THE INDISCHE BUURT, STEP BY STEP.

STEP 1 THE NEIGHBOURHOOD BUDGET

In the first step we tried to localize public budgets. This was not very easy because budgets and information about spending are not (yet) transparent in the Netherlands. So, we had to search for information in PDF-documents, on the websites of the city of Amsterdam and the local district. After a lot of research, we built a simple database. This database also included projects in the city of Amsterdam, concentrating on neighborhoods.

STEP 2 ANALYZING BUDGET ALLOCATIONS

We analyzed the database to understand the budget for the Indische Buurt. We were unable to find all the budgets that were spent in the neighbourhood. This turned out to be a common problem. As a civil servant told us: 'we don't know the budget for the Indische Buurt, every civil servant just knows his own budget'.

STEP 3 ANALYSIS OF NEIGHBOURHOOD EXPENDITURES

Budget monitoring is not a technical instrument, it has to be used by citizens in their participation process. It becomes useful when the instrument is used by communities and active citizens. This implied that citizens who have never studied budgets had to be trained to monitor budgets. In June 2012 we organized a training. The subjects matters were: budget cycle, annual report, annual budget. And other subjects, such as how to influence politics, how to make a plan for the neighbourhood, is the method of Asset Based Community Development useful?

Part of the training was the practice and theory of budget monitoring in Brazil, by trainers of INESC who showed the group the emphasis on political influence and advocacy.

The participants of the training were spokespersons of communities and other community members. During the training we started to analyze the data available on public budgets. For example, we compared the budget of 2011 with the budget of 2013. We also studied a list of subsidies for the Indische Buurt and we saw that the civil servants (and sometimes politicians) decided which organizations received subsidies.

In the meantime, we asked the local district to give us more information. The district, too, started to do research. They showed us the results in the form of infographics. (See for example: the tree on page 20)



STEP 4 IMPLEMENTATION

To make a proper Agenda the group decided that they had to know the priorities of the citizens. What do citizens want for their neighborhood? A questionnaire was made based on the results of several participation events in the Indische Buurt. The participants went into the neighbourhood to ask the opinion of 150 inhabitants, which were systematically archived and analyzed. The results: people gave a high ranking on projects for youngsters without school or work; projects and support for people in need, and the elderly. They also asked the citizens: "which budgets have to be cut?" and most of the people answered: the budget on civil servants.

After detecting the priorities of the citizens, we re-monitored the budget of the local district and re-analyzed the annual report of 2011. We noticed, for example, that there was a big difference in 2011 between the budget and the spending of the budget on education, youth, and welfare. Altogether the difference was over 3,2 million euros.

STEP 5 ACTION

On the basis of the found during the training and questionnaire, the community members decided to make a perspective paper, with a long-term policy, instead of an Agenda for the neighbourhood.

The training group used the financial data and went to the political board of the local district to ask questions about budgeting and spending. (On which the answers were given 3 months later)

The results stimulated the communication between the communities and between communities and civil servants and politicians on how public money is brought together and spent. We used the results as a catalyst to start dialogues between active citizens and between communities and government on priorities, needs and tackling problems.

It also resulted in a perspective paper, made by the communities. This paper was presented during a meeting of the board of the local district.

Although it is yet incomplete, we found out that it is possible to influence political debate.

6

Effects of the experiment on budget monitoring

PUBLIC BUDGET ANALYSIS IS NOT A GOAL: IT IS AN ENTRY POINT FOR DISCUSSING:

- HOW PUBLIC FUNDS ARE COLLECTED AND DISTRIBUTED;
- THE RELATIONSHIP OF FORCES/POWER WITHIN SOCIETY;
- WHO PREFERENTIALLY APPROPRIATES PUBLIC FUNDS;
- DEVELOPING PUBLIC POLICIES AND LEGISLATION TO PROMOTE HUMAN RIGHTS AND SUSTAINABILITY, REDUCING INEQUALITIES.

GOAL: To establish concrete relations between public budget, guarantee of rights and confrontation of social inequalities;

CHALLENGE: To create an understandable and simple instrument to analyze public policies and the budget, applicable by IN-ESC and other civil society organizations

Although the roadmap is very instrumental, the effects were great. And this is where the methodology of INESC about human rights comes into view. The effects of the steps are various:

EMPOWERMENT:

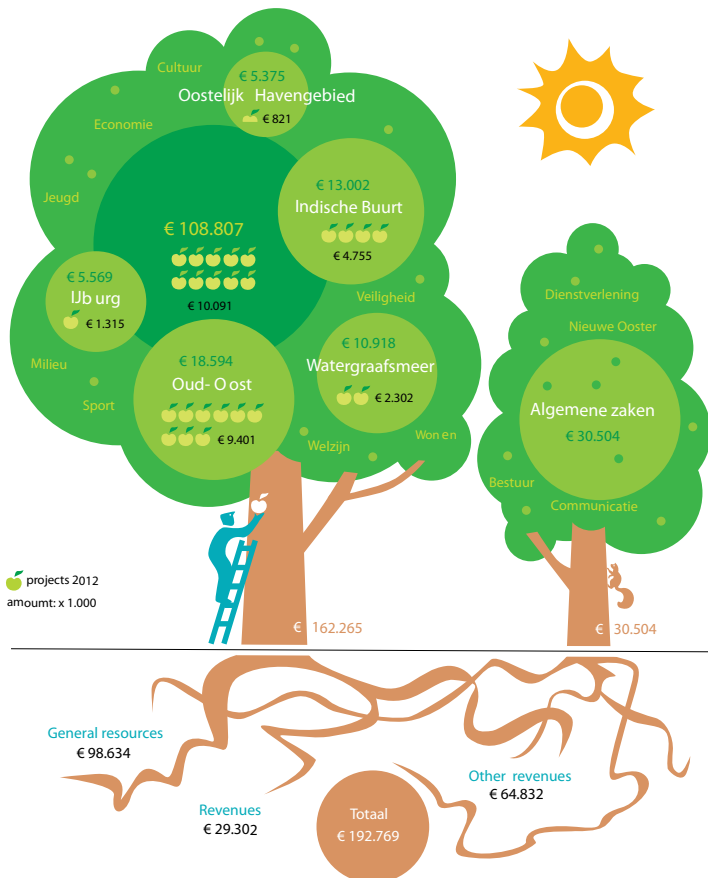
One of the effects of the roadmap is that participants felt stronger. One participant said during the evaluation: "I did not know that I was able to understand figures. But I do, and it gives me self-confidence during a meeting with civil

servants of the Stadsdeel. And another participant declared that: 'I think that we will have much more power in our conversations with politicians.' The methodology helps to believe in their own abilities and strength and can, there-

fore, lead to enhanced citizenship.

See for example, the speech of Nouredine (one of the participants of the training) during the political board, on page 20.

TRANSPARENCY:

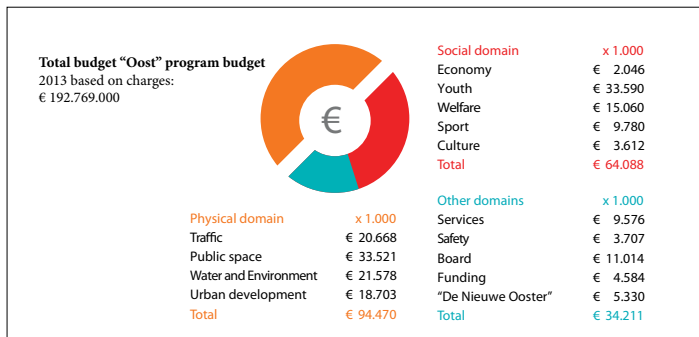


It was very difficult to get financial information from the local district. Especially the information on the neighbourhood was not present, so we had to find it ourselves. In 2012 the local district finally made the choice to publish financial data in a user-friendly way in the form of infographics. And in November 2012 the government will launch a website with neighbourhood budgets. It is a pity that the local district decided to create this website without the co-operation with the communities. Because in a co-creation it is possible that active citizens and civil servants share information about the neighbourhood. And the system can be tested immediately on user friendliness. Nevertheless, it is a start.

INSTRUMENT IN THE PARTICIPATION PROCESS:

The communities made their own perspective paper, which is a long-term investment/plan for their own neighbourhood. At the end of 2012, they will combine budgets on this policy. And they asked themselves questions like: What policies have to be designed or redesigned to achieve such perspective? Which priorities should be reviewed and how much money should be allocated?

Hence, the internal dialogue about budgets started. Now, citizens are asking: what can we do ourselves? They want to partake in decision-making processes rather than observe



DEAR MEMBERS OF THE COMMITTEE,

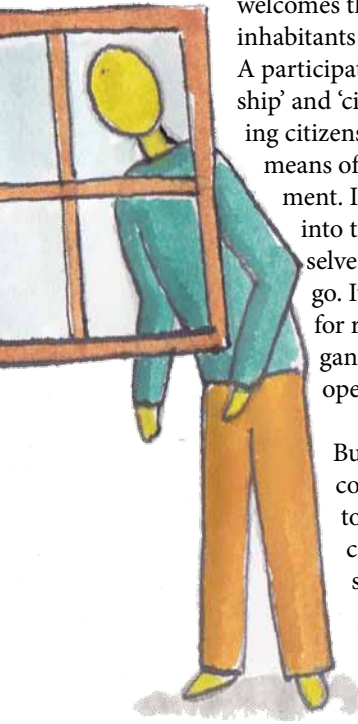
My name is Nouredine and I am a member of the training group that deals with budget monitoring. We have examined the budget. On page 26 it is stated that in 2013 there will be 197 million in expenses. We've got a nice overview of the financial statements of 2011, which states that the district has spent 243 million in 2011. Is our understanding correct that over three years 46 million will be spent less? In 2016, the expenditure is budgeted at 179 million. So then I come from a difference of 64 million. Was that the intention? The expenditure in the social domain in 2011 was 68.7 million euros. If you look at the budget in the perspectives note then you end up with a total of 59 million for the social domain. (counted are: work, income and economy, education and youth, welfare and care, sports and recreation, culture and monuments). This means that the social issues will receive almost 10 million euros less in the next 3 years.



decisions being made from the outside. This participation process is based on what we call participative democracy. This is a democracy in which citizens can influence on policy of the political board. So the decisions are not only in the hands of the chosen politicians, but are also influenced by citizens. It stimulates equality of citizens; that is, it welcomes the participation of all the citizens/inhabitants of a (neighbourhood) society. A participatory democracy requires 'citizenship' and 'civilian power'. It means allowing citizens to build their own strength, by means of self-control or self-empowerment. It implies citizens to take control into their own hands, placing themselves at the centre. It asks leaders to let go. It requires officials to create spaces for residents and community organizations in which they can actively operate.

Budget Monitoring, in the hands of communities, can be an excellent tool for increasing the influence of citizens on politics, and create a sense of ownership, innovation and prioritization.

Due to budget monitoring, citizens, communities and other organizations gain insight into budgetary processes and the allocation of resources. Or, as the people at INESC say: "It is about the sharing of power in society. For whoever has the money, has the power."



MELLOUKI CADAT

(PARTICIPANT OF THE TRAINING):

What I learned as a community leader from Budget monitoring in the Indische Buurt:

- The process of Budget monitoring is in dissociable from the process of community building en mobilization within the community. There can be no budget monitoring without community building and mobilization.
- Budget monitoring implies that citizens are educated so they can understand, elaborate and monitor budgets. Data visualization is the tool to make budget accessible to the people. There is no budget monitoring without budget education and data visualization.
- Budget monitoring requires linking community mobilization and policy development. One has to use the local Political Opportunity Structure.
- (P.O.S.) i.e. the local participation channels (like for instance Nouredine speaking at the council meeting).
- Budget monitoring and citizenship require building alliances with societal actors that can help the civic hackers / Open Data movement. Coalitions like these produce solutions that are realistic, thus acceptable and practicable for both citizens and governments.

BUDGET MONITORING AND COMMUNITIES

Besides the struggle for transparency and access to information, budget monitoring as process must pursue the realization of the citizens' rights and the redesigning of better public policies based on citizen participation. Social participation is crucial to allow people to speak up and decide on what is relevant for their community.

Budget monitoring can not function without active citizens and communities.



F

inal word: Reaction of INESC

To be part of the budget monitoring process with the active communities in the Indische Buurt in Amsterdam has been a great learning experience for us from INESC. The communities have clear goals: to be active, to hold the government accountable, and to be part of the decision making process.

Using the budget as a tool to achieve more effective and adequate policies and using the citizens' rights, we have enabled the groups to generate evidence and arguments about the priorities of the government. What becomes clear is that budget monitoring, either used in Brazil in a public school or in The Netherlands in a local community, is a powerful and accessible tool to promote participatory policies and to change people's lives.

The pilot project implemented in the Indische Buurt has demonstrated that local communities can lead a participatory process and use budget monitoring as a method to create better policies. The participants in the master classes and trainings found motivation to talk about what they have learned during the training (for example, setting priorities, analyzing data, asking questions to the government) with other neighbourhood inhabitants. They raise critical questions: Why was there so much money unspent? Why is it so difficult to get budget information? Who makes the decisions for public budgets and based on which criteria?

What we, as INESC, have learned is that the Welfare State in the Netherlands has produced a very institutionalized and developed system. Because of this system, the quality of life in Amsterdam and other cities in the Netherlands is amongst the highest in the world. Its disadvantage is, however, that citizens get used to relying on civil servants and politicians to guarantee their rights. Now, during the crisis, the government is shifting to a more conservative policy that prefers to satisfy the greed of the financial market rather than promoting social justice. And there is no one to stand up and ask why social budgets are being cut without a clear explanation and data of who is losing and who is winning.

Once a financial crisis occurs, people's priorities are not respected, which can be seen in the budget cuts in social and cultural policies, subsidies, and international solidarity. To change this power relation, citizens and communities have to speak up, organize themselves, and influence the decisions about where the public money should be spend.

Along these two years of our partnership, the communities in the Indische Buurt have gained more and more confidence to create their own destiny based on a common vision composed of dialogue and mutual trust. They know what they want and they are beginning to demand those rights from the local government. The government collects taxes from society and must consult its citizens concerning where these resources will be allocated. This is not an easy shift, but the pilot in the Indische Buurt demonstrated that many changes have happened since the communities have started to raise questions and verbalize their demands.

In short, active citizens and budget monitoring is a powerful combination to promote social changes and social justice.