Participatory budgeting

*From Wikipedia: Participatory budgeting*

Participatory budgeting (PB) is a process of democratic deliberation and decision-making, in which ordinary people decide how to allocate part of a municipal or public budget. Participatory budgeting allows citizens to identify, discuss, and prioritize public spending projects, and gives them the power to make real decisions about how money is spent.

PB processes are typically designed to involve those left out of traditional methods of public engagement, such as low-income residents, non-citizens, and youth. A comprehensive case study of eight municipalities in Brazil analyzing the successes and failures of participatory budgeting has suggested that it often results in more equitable public spending, greater government transparency and accountability, increased levels of public participation (especially by marginalized or poorer residents), and democratic and citizenship learning.

The frameworks of PB differentiate variously throughout the globe in terms of scale, procedure, and objective. PB, in its conception, is often contextualized to suit a region's particular conditions and needs. Thus, the magnitudes of PB vary depending on whether it is carried out at a municipal, regional, or provincial level. In many cases, PB has been legally enforced and regulated; however, some are internally arranged and promoted. Since the original invention in Porto Alegre, Brazil, in 1988, PB has manifested itself in a myriad of designs, with variations in methodology, form, and technology. PB stands as one of several democratic innovations, such as British Columbia’s Citizens’ Assembly, encompassing the ideals of a participatory democracy. Today, PB has been implemented in nearly 1,500 municipalities and institutions around the world.

Contents

1 Resources
   1.1 Citizens data initiative
   1.2 Video
   1.3 Other resources
2 News and comment
3 Overview
   3.1 History
4 The model
5 Pros and Cons
   5.1 Pros
   5.2 Cons
6 How can technology augment, but not dilute, the process?
7 How to institutionalize a successful grassroots movement?
8 Implementation
9 Examples
   9.1 Collecting project proposals
   9.2 Driving engagement
   9.3 Distributing Information
   9.4 Facilitating Discussion
   9.5 Conducting Votes
   9.6 Monitoring Implementation
   9.7 Complete Process
10 Conclusion
11 See also
12 External links
13 References

Resources

Citizens data initiative

Based on Porto Alegre more than 140 (about 2.5%) of the 5,571 municipalities in Brazil have adopted participatory budgeting.

Since its emergence in Porto Alegre, participatory budgeting has spread to hundreds of Latin American cities, and dozens of cities in Europe, Asia, Africa, and North America. More than 1500 municipalities are estimated to have initiated participatory budgeting. W

Video

Real Money, Real Power: Participatory Budgeting on vimeo

Réel argent, pouvoir réel: le budget participatif on vimeo

Other resources

- 72 Frequently Asked Questions about Participatory Budgeting, UN-HABITAT, 2004

News and comment

2017

Participatory Budgeting Gaining Momentum in the U.S., Mar 20 [1]... Community involvement USA

2016

Overview

The next section of this article (from Overview to Conclusion) aims to introduce the concept of participatory budgeting, as well as provide an overview of the opportunities and challenges that the implementation of such a model can bring. This document also presents examples of governments that have conducted participatory budgeting processes successfully, and includes examples of tools and platforms that they have used.

History

The first modern participatory budgeting experience took place in Brazil’s Porto Alegre in 1989. It was driven by The Workers’ Party, a progressive political party, which drove a campaign based on democratic participation and inverting spending priorities. The new administration experimented with different mechanisms for two years before landing on participatory budgeting. Although fewer than 1,000 citizens participated in the first year, annual participation grew to over 8,000 after three years, and continued past 20,000 shortly thereafter. Porto Alegre currently distributes 20% of its budget through participatory budgeting. Today, versions of this participatory budgeting process have been implemented in over 1500 municipalities around the world.

The model

Most participatory budgeting projects follow the Porto Alegre model fairly closely:

- The project is initiated by the government, which offers to allocate a certain portion of its budget according to the participatory budgeting process.
- The municipality is divided into regions to facilitate participatory budgeting meetings and the distribution of resources.
- The government holds informational meetings to orient the public to the budget and relevant issues. Civil society organizations often participate to support the public understanding.
- Participants deliberate and negotiate over resources through public meetings. They allocate funding to either public works projects or social programs.
- Elected officials adopt and approve the budget as determined by the participants. Because this is generally a mayoral-led effort, the legislative branch may block specific projects.
- Committees are formed and reports are published to monitor project implementation.
- The process spans an entire budget cycle (1-2 years), and is repeated with every budget.
Pros and Cons

Why would a government want to conduct a participatory budgeting process? Below are listed the pros and cons of implementing a participatory budgeting model.

**Pros**

- **Foster an informed citizenry**: Participatory budgeting can function as a sort of "citizenship school", helping citizens learn the basic language and practices of governance. With the support of NGOs and governments, participants can learn about their rights, how to express their views to representatives, and see these views affect policy and action.

- **Redistribute resources**: By expanding access to the resource allocation process, participatory budgeting can increase the influence of under-resourced citizens. Allowing a more representative group of citizens to distribute resources ensures more equitable outcomes.

- **Improve fiscal efficiency**: Wouldn't letting the public decide how to spend money lead to more spending? Not necessarily. Cities have reported that participatory budgeting-generated budgets actually decrease spending, and that citizens can be warier of taking on new debt than their representatives. There's also evidence that participatory budgeting can help citizens accept more significant budget cuts.

- **Promote transparency**: By bringing the public into the budgeting process, governments are essentially training and supporting a community of corruption monitors. When applied effectively, participatory budgeting can reduce corruption and ensure the timely completion of projects.

- **Increase tax compliance**: Researchers across continents have shown that participation in the budgeting process improves compliance more effectively than penalties. Example: In Ibanda, Uganda, tax compliance increased 16-fold after their participatory budgeting pilot. This moved the provincial government to make similar processes a requirement for distributing money to local areas.

**Cons**

Who chooses to, or is able to, participate?

- All the reasons why people do not participate in conventional public meetings apply to participatory budgeting: lack of awareness, lack of mobility, lack of childcare, lack of time.

- Dissatisfaction with the process or its outcomes, can discourage repeat adoption. Defeating cynicism and building trust takes time and resources.

- Because participatory budgeting reaches people who are already engaged in politics, the format risks giving these voices the appearance of greater legitimacy. Cities have seen continued participation from a core group of activists. Some cities put term limits in place to ensure turnover among leadership, but it is difficult to prevent individuals from rotating positions amongst themselves.

- Though open sessions are useful for improving the public's understanding of proposals, maintaining a quality of participation is challenging, especially while taking into account existing power imbalances. Example: For instance, despite several design interventions in a participatory budgeting process in Bangladesh (including color-coded cards for women's issues, women-only group discussions, and balanced genders on committees), men continued to dominate decisionmaking.
How can technology augment, but not dilute, the process?

Technology can lower access barriers, but some of those barriers (sorting through proposals, asking questions, negotiating outcomes) are what make the act of participation meaningful. How can municipalities use technology to expand access to the more immediate actions without eliminating the indirect benefits?

How to institutionalize a successful grassroots movement?

Motivated by the success stories, many regional and national governments have created legal mandates for local municipalities to conduct participatory budgeting. Many aid organizations also make participatory budgeting a requirement to receive funding. Because many local variables affect the success of participatory budgeting, these imposed participatory budgeting processes are generally less effective than ones that grow organically from fertile environments.

Implementation

A successful participatory budgeting process requires these essential pre-conditions.

- Political will. The local government must commit to increasing citizen engagement and sharing decision-making authority. This is easier with a democratically-elected government.
- Sufficient resources. The local government must have the resources to make significant investments according to the citizen-led budgeting process.
- Social capital. The community must have functioning, engaged, and preferably networked civil society associations to lead the citizen education and engagement process.
- Bureaucratic and legal foundation. The local government must have a substantial number of technically qualified employees, and the laws to allow citizen participation in budget decisions.
- Small size. The locale, or at least the decision-making units of the participatory budgeting process, should be not be so large as to discourage collective action.

A project can expect a more successful outcome if any of the following conditions exist:

- The municipality is led by an indigenous, leftist, or union party. The central principle of participatory budgeting of redistributing public resources aligns closely to more progressive ideologies. After successful elections, many of these elected governments have found efficiencies transitioning support for their campaign into support for participatory budgeting.
- Weak or nonexistent opposition from local politicians. Opposition within a government conducting participatory budgeting can undermine it in several ways: reducing the scope of the budget (even to the point of meaninglessness), limiting or interfering with information campaigns, or even blocking formal funding for projects/programs selected by the participatory budgeting process.
- A national or international aid organization funds the process, provides technical assistance, or both. NGOs and CSOs can leverage their local networks to rally participants and build support for participatory budgeting. They can also lend technical support for each step of the process, from engagement through implementation and monitoring.

A project can expect difficulty if any of the following conditions exist:
Residents have historical reasons to distrust collective action. This includes locales where collective parties and civil society organizations are relatively new.

Residents have been traditionally detached from or discouraged by decisions that affect them.

Local governments have weak fiscal systems. This includes governments with expenditure responsibilities that exceed their revenue, or where transfers from other levels of government or aid are nontransparent or unreliable.

Local governments have ambiguous or insufficient authority to solve local problems.

Examples

The first participatory budgeting process in Porto Alegre in 1989 was robust and technical, but did not rely heavily on technology. As computing power has become smaller, faster, and cheaper, it has infiltrated the participatory budgeting process along each step of the process.

Each section below highlights examples of tools with specialised features relevant to that portion of the participatory budgeting process.

Collecting project proposals

Offline:

Example: Up until recently Hilden, Germany, collected project proposals in a very old-fashioned way: citizens described projects on notecards and tossed them into a box during a meeting.

Online:

This specific portion of the participatory budgeting process is often augmented with technology, and generally involves a website of some kind. Example: Many cities, including Pune, India, accept submissions through both a website and physical government offices.

Driving engagement

How do governments tell their citizens about the participatory budgeting process?

SMS Alerts

Example: The government of South Kivu, Congo sends out SMS alerts about their participatory budgeting process to every mobile phone in the municipality. Messages go out before deliberation meetings to invite participation and after votes to share results. Though only 14% of citizens have mobile phones, the local culture of sharing mobile devices among family members and neighbors expands reach.

Social Media

Example: Vallejo, US, actively engages several forms of social media to inform its citizens of the participatory budgeting process and recruit their participation. The city created a video explaining the participatory budgeting process and posted it to YouTube. Vallejo operates a monthly electronic newsletter, and archives past issues on the city's website. The city also makes prolific use of Twitter, Facebook, and Nextdoor (a neighborhood-based social network website).

Printed Materials
Example: Even when the majority or entirety of the participatory budgeting process will be conducted online, cities still find value in designing, printing, and distributing printed flyers, such as was the case in Chicago, US.

**Distributing Information**

Some of the key breakthroughs of participatory budgeting are its focus on bringing information from bureaucrats to the people. Better-informed citizens raise the quality of debate, grounding the budget in facts and research.

**Offline**

Example: Planners in South Kivu, Congo painted "data murals" of budget visualisations on walls throughout the cities.

**Online**

Example: Hamburg, Germany created a virtual financial calculation tool. The website displayed each part of the city's budget as three-dimensional pie charts, and invited people to propose their own budget proposal using interactive 'sliders' to adjust spending on specific items up or down. Promoted for four weeks, the site attracted 50,000 unique visitors who started 2,138 budgets proposals. Of those, 38 were finalised and reviewed by the community. Hamburg citizens also created wikis to collaboratively describe projects.

**Facilitating Discussion**

Example: Seville, Spain, like many cities, hosts its discussions in person. Seville's assemblies are lively, as citizens deliberate with one another how funds should be spent. Many cities choose to either supplement or replace these assemblies with virtual discussion.

**Conducting Votes**

**Offline**

In addition to traditional paper ballots or voting by show of hands, traditional town hall-style meetings can augment in-person voting with electronic voting tools, such as Personal Response Systems. Facilitators can use these systems for more than just the final vote, such as gauging understanding of specific topics, demographics and other surveys, indicating readiness to move on, or amplifying a silent majority to diffuse minority protests.

**Online**

Example: Belo Horizonte, Brazil first used electronic voting in 2006. Anticipating equity issues around Internet access, the municipality provided mobile "Digital Inclusion Centers" throughout the region. The project was very successful in expanding participation, receiving over a half million votes. Following its success with online voting in 2006, Belo Horizonte included a toll-free number for voting by phone in 2008.

**Monitoring Implementation**

**Online**

Example: Paris, France has created a beautiful website with a list of projects, each featuring implementation updates.
SMS Updates

Example: The cities of Malaga (Spain) and South Kivu (Congo) allow citizens to register for SMS project implementation updates.

Complete Process

Many companies have developed tools that specialise in participatory budgeting and support multiple municipalities. These include:

- Civicbudget (joint partnership between groups in Germany, France, and the U.S.)
- Civicplan (Canada)
- Granicus (U.S.)
- Libreopinion from Libertrium (Portugal)
- mySidewalk from MindMixer (U.S.)
- Open Town Hall from Peak Democracy (U.S.)
- Shareabouts from Openplans (U.S.)

Conclusion

Since the Porto Alegre government first engaged in participatory budgeting in 1989, the process and its worldwide popularity have grown. As participatory budgeting continues to evolve, we must consider if it is growing in a way that increases the breadth or depth of systemic impacts. As cities continue to experiment with participatory budgeting as a process, we look forward to seeing its values of an informed citizenry, the equitable redistribution of resources, and greater government efficiency and transparency become further entrenched in society.

See also

- Community involvement
- Participatory carbon budgeting
- Funding community action

local information can be found, or shared, via our many location pages
External links

- Wikipedia: Participatory budgeting
- Participatory Budgeting Project, (mainly USA and Canada)
- PB Network, independent body advocating for learning and innovation in Participatory Budgeting (UK)

References

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- New Guide Explores History and Evolution of Participatory Budgeting, Apr 24, 2017, shareable.net: This report was written by Ruth Miller and managed by Anca Matioc. We would like to recognize Jorge Lluguno and Gala Garrido of the Municipality of Zarate, Argentina who sparked this work by reaching out for light touch support; and Daniely Votto of WRI Brasil Cidades Sustentáveis. Special thanks to the work of the following people and organizations for their contributions to this space.

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