Citizen expectations of government are rising across the globe as illustrated in the findings of a 2012 study of central government legislative bodies. The study found that “politicians are obliged to account publicly for their actions more regularly and routinely” than in the past (United Nations Development Programme and Inter-Parliamentary Union, 2012, p. 3) and that citizen demand for more accountable government is growing. At the same time that citizen expectations regarding government performance are rising, their level of trust in government is eroding. According to the Organization for Economic Co-operation and Development (OECD), just 42 percent of residents of its member nations trust their governments (2017).

One mechanism being used by governments to gain (or regain) citizen trust is participatory budgeting (PB), “a collaborative decision-making process which urges for citizen inclusion though local community representatives in deciding on the allocation of public resources on annual basis” (UN-HABITAT, 2008: 2). PB is distinct from other forms of citizen participation in the budget process in that the public has a direct voice in how funds will be used; typically this involves a portion of capital funds, but it may also involve operating budget funds. The specific process varies, but essentially PB is a form of citizen participation in which local community members meet to decide how they would like to see some level of public resources allocated (Khutkyy 2017). There may be multiple stages in the process; for example, smaller groups of representatives may develop a list of projects that are then voted on by the general public.

Increased citizen participation in governance has long been encouraged by scholars (Bingham, Nabatchi, & O’Leary, 2005; Ebdon & Franklin, 2006). In fact, assemblies where citizens meet face-to-face to discuss, make collective decisions and vote on government actions can be seen as the original form of direct democracy and have existed throughout history from the Assemblies of Athens in the 5th century BC to town meetings in 17th century New England to the modern day Landsgemeinde in Switzerland in which people assemble on a given day to decide and vote on the laws of their society. As Donald Moynihan, a foremost public administration scholar, writes: “Participation is particularly important because it fosters good governance, promotes transparency, increases social justice by involving the poor and excluded, and helps individuals become better citizens” (2007, p. 58).

Today participatory budgeting (PB) is perhaps the most widespread example of direct democracy in action (Pateman, 2012), and Shah (2007) opines that it can reduce clientelism, patronage, and corruption.

Participatory budgeting was introduced in Porto Alegre, Brazil, in 1989 by the leftist Partido dos Trabalhadores (Workers’ Party) as the country was emerging from more than two decades (1964-85) under a military dictatorship and moving toward democratic civilian rule. During the military dictatorship, Brazil’s politico-administrative structure was centralized in the federal government with municipalities primarily seen as the executors of policies promulgated by the federal government. Following the end of the dictatorship, considerable power and autonomy was devolved to sub-national governments. Municipalities, in particular, gained more responsibilities in the provision of essential services and were given the autonomy to develop their own laws and to encourage new forms of democratic participation. Municipalities were also given access to increased federal government funding to pay for their new responsibilities. This new role for municipal
governments facilitated the introduction of participatory budgeting (orçamento participativo) in municipalities across Brazil, with Porto Alegre being the first to actually implement the process. The process spread to the rest of Latin America and then across the world. Although the exact number of places that have implemented a PB process is not clear, it is generally reported that there are initiatives in at least 1,500 locations worldwide (Ganuza & Baiocchi, 2012), with one estimate reaching as high as 3,000 places (Cabannes & Lipietz, 2018) “... as diverse as New York City, Northern Mexico, and rural Kenya” (Wampler et al., 2018, p. 3).

The impetus behind participatory budgets is varied. Some governments are required to implement them by constitutional fiat, other governments are induced by international funding agencies, while other governments are led by reformers seeking to generate change. Still others are seeking to spark better forms of deliberation, others to mobilize the population, and others to bring transparency and accountability to local governments (Wampler & Hartz-Karp 2012). Regardless of its origin, core principles behind the PB concept are similar. As stated by Wampler (2012), they are: active citizen participation (voice), increased citizen authority (vote), reallocation of resources (social justice), and improved transparency (oversight).

PB is generally a local government initiative, but in some countries, such as Peru, Bolivia, the Dominican Republic and Poland, it has been a top down initiative in which the national government has mandated that sub-national governments implement the process. The national mandate has had mixed success. In Peru, for instance, the PB process was linked to the country’s overall democratization efforts and has already showed some accomplishments including “...1) engaging a significant number of civil society organizations in debating public resources; and 2) an increased focus on ‘pro-poor’ projects” (McNulty, 2012, p. 1). In other countries, such as Poland, the top down effort has not yet met expectations. In some countries, the national government has not actually mandated the adoption of PB but has encouraged its use by subnational governments and/or actually used it in their own budget deliberations.

As PB has been implemented by governments across the globe, the process has been driven by local economic concerns and the political environment. However, while local conditions explain varying approaches to PB, at its core it is what Cabannes describes as a way for citizens to “decide on, or contribute to decisions made on, the destination of all or part of the available public resources” (Cabannes, 2004, p. 20). Although there are numerous variants of PB that have been implemented around the world, there are common patterns, one of which is at its very core: PB has brought people into the political process who have traditionally been left out. By allowing people who were previously silent to add their voices to public budget decisions, PB is putting a crack in the divide between people and government.

This symposium, which started as a panel at an Association for Budgeting and Financial Management conference, focuses on participatory budgeting in four countries: the United States, South Korea, China, and the Philippines. These nations represent a range of political and economic characteristics, and each study utilizes a different perspective to enhance our understanding of the PB process. In addition, experiences in two of the countries (China and the U.S.) have been initiated at the local level, while the national government has encouraged/mandated the use of PB in South Korea and the Philippines.

“Participation Effectiveness of Citizen Participatory Budgeting: The Case of Yanjin County in China” by Muhua Lin and Kaiping Chen reports on the use of PB in a poor county in China that developed a different PB process than other initiatives in the country. The author finds that PB in the county enhanced perceived government responsiveness and accountability, as well as citizens’ willingness to pay” for services. “The People’s Voice, The People’s Choice: An Overview of Participatory Budgeting in the United States” by Marilyn Marks Rubin and Wendy M. Nicholson provides a synopsis of PB initiatives in local governments in the U.S., a country that has been relatively late to adopt this process (although other forms of participation in the budget process have been commonly used historically). Most U.S. studies focus on a select number of places, so this is an important
contribution showing how PB has grown and the wide variations in its use across the country. For example, some cities use a PB process in select districts while others apply it citywide.

Skip Krueger and Hyung Gun Park, in “Pathways to Citizen Participation: Participatory Budgeting Policy Choice by Local Governments,” test a model of PB institutional choice in South Korea, a country that is unique in requiring local governments to adopt participation but with some degree of flexibility. The authors find that jurisdictions adopting the PB process with higher levels of participation have more progressive mayors and legislators and less administrative capacity. “Participatory Budgeting in the Philippines” by Aimee L. Franklin and Carol Ebdon, analyzes the impacts of PB on three different levels: individuals, groups, and society. They find variation in effects in different local contexts and continued challenges due to elitism and corruption, but some evidence of improvements at the individual and group levels.

Four common themes emerge from these four papers. First, there is substantial variety in the use of participatory budgeting, within and across countries. There is not a “one-size-fits-all” approach with this process. It is used sometimes solely for capital projects, while in other cases it allocates more broadly. Participant selection methods are diverse, as are the steps in the process, itself. Even in Korea where the central government has mandated PB, local governments have applied divergent approaches, some with more participation than others. In the Yanjin, China case, participants are involved in implementation of the selected projects, as well as determination of budget allocation, and the pool of funds subject to PB is substantially larger than in most other cases. The Philippines mandated the use of civil society organizations in the PB process.

Second, the importance of leadership is clear in each of these cases. Someone has to champion the use of PB. The first use of PB in the U.S. was initiated by a Chicago, Illinois, city councilmember. In South Korea, officials from some political parties were found to be more likely to adopt participatory policies. In China, a vice-mayor was a strong advocate for PB implementation, and national as well as local leaders played a vital role in the Philippines. In addition to government officials, civil society organizations (especially in the U.S. and the Philippines) and scholars (in China) have also been key actors.

Third, the sustainability of participatory budgeting is a concern. Difficulties in institutionalizing other forms of citizen participation in the budget process are common (see, for example, Ebdon & Franklin, 2006), and other areas of budget reform have faced the same concern. China, the U.S. and the Philippines have all seen initiatives where PB has been utilized a few times, or even once, and then ended. To some extent, this appears to be related to the leadership theme noted above. When supportive leaders leave, it can be difficult to sustain the PB process that requires time and effort on the part of government officials, and that transfers control of some budget allocation decisions to the public.

Fourth, the outcomes of participatory budgeting can vary and are often unclear. A number of potential outcomes have been identified: educating citizens, increased government accountability and transparency, social equity, and enhanced civil society engagement. Benefits for marginalized groups have been seen in some cases in the U.S., China, and the Philippines. The China study also found that perceptions of government were more when a PB process was adopted. However, we know little about the connection between goals and actual results of PB. In addition, outcomes can be difficult to measure, and there may be unexpected consequences, such as in Yanjin, China, where PB appears to have increased citizens’ willingness-to-pay for public services.

It is important to note that the papers in this symposium were written before the world was hit with the COVID-19 pandemic, the most insidious public health threat since 1918 when the Spanish flu killed more than 50 million people, worldwide. Governments are responding to the crisis, with budgets playing a central role as emergency measures are implemented.
to address the dual health and economic impacts of the pandemic. At the same time, revenue shortfalls in government budgets are growing as a result of declines in economic activity and consumer spending so that governments at all levels are facing budget deficits that for many are the greatest in history. They will have to make tough choices about where to cut budgets, especially when there is no foreseeable end to the pandemic. This is thus a crucial time for governments to bring their citizens into the budget decision-making process.

The Participatory Budget Project (PBP) – an organization working to advance PB in the U.S. and Canada – reports that across North America “...Almost every process has had to pause, consider if there’s a way to move forward while maintaining our equity values, and reconfigure accordingly” (PBP, 2020). The PBP makes several suggestions to keep PB alive (PBP, 2020). We agree with this goal, but we argue that current conditions present an opportunity for PB to evolve so that citizens can have input into decisions regarding budget cuts as well as input into budget allocation decisions. Other forms of citizen participation have been used in the U.S. when budgets had to be cut such as surveys (Simonsen & Robbins, 1999) and committees of citizens with specific budget-related experience, e.g., bankers (Roberts, 1997). However, to our knowledge, PB has not been used to solicit citizen input into budget cutback decisions. Now is the time to consider how to do this.

REFERENCES


Countries-Part-I-Concepts-and-Principles


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