

# Participatory Budgeting Building Community Agreement Around Tough Budget Decisions

BY JOSH LERNER

In Chicago's Rogers Park neighborhood, April 10, 2010, was a day of reckoning. Over the past year, dozens of community members had been organizing an experiment in democracy—ordinary residents were going to decide directly how to spend city budget dollars. Not just give their opinions, but actually make decisions. The organizers showed up early in the morning to the large school cafeteria that was hosting the final public vote. No one knew, though, if people would really turn out.

They did. In a few hours, over twelve hundred people flooded the school to learn about the thirty-six spending proposals and vote for their favorites. The Chicago experiment is one of over a thousand cases of participatory budgeting, a global best practice of local democracy, according to the United Nations. In 2009, Alderman Joe Moore invited my organization, The Participatory Budgeting Project, to help launch the first U.S. process in his city ward. As budget crises deepen and trust in government plummets, Moore is one of many voices calling for more democratic and accountable ways to manage public money. Could participatory budgeting be a solution?

## Reinventing Democracy in Brazil

Citizen participation in budgeting is not a new idea. In small towns in New England and elsewhere, residents have long been able to decide spending through town hall meetings. Larger cities often hold budget consultations to collect input on spending priorities.

In 1989, the Brazilian city of Porto Alegre launched a new kind of democratic process, called *Orçamento Participativo* (participatory budgeting, or PB). It scaled up the grassroots participation of town meetings to the city level by combining direct and representative democracy. Through PB, citizens have

decided how to spend part of the city budget through an annual series of neighborhood, district, and citywide assemblies. At these meetings, community members and elected budget delegates identify spending priorities, deliberate on these priorities, and vote on which projects to implement. Each year, tens of thousands of people participate, deciding up to a fifth of the city budget.

The results have been dramatic and well-documented by researchers such as Boaventura de Sousa Santos and Gianpaolo Baiocchi. In 1989, only 49 percent of the population had basic sanitation service. After eight years of PB, 98 percent of households had water and 85 percent were served by the sewage system. In the same time span, half of the city's unpaved streets were paved, and the number of students in elementary and secondary schools doubled. New public housing was built at increasing rates, and bus companies expanded service to previously neglected neighborhoods. Even the number of neighborhood associations increased. These changes have benefited slums and low-income communities in particular. Although a 2004 change in government weakened PB, the process has persisted for two decades.

## From Porto Alegre to the World

After emerging in Porto Alegre, PB was soon adopted throughout Brazil, then elsewhere in Latin America. In the past decade, it has become popular in Europe, Africa, and Asia. By 2007, over twelve hundred cities were practicing it. Countries such as the United Kingdom and Dominican Republic have passed laws requiring that all local governments implement PB, and the United Nations and World Bank have named it a best practice of democratic governance. States, counties, schools, housing authorities, and community associations have also used PB for their budgets.

The first North American experiments occurred in Canada, and outside of city hall. In 2001, Toronto Community Housing, the second-largest public housing authority in North America, launched PB for its capital budget. Each year since then, up to six thousand tenants have decided how to spend \$9 million for building and grounds improvements. An hour away, in the city of Guelph (population 115,000), PB grew in a coalition of grassroots neighborhood groups. Starting in 2001, the Neighbourhood Support Coalition began using a deliberative process to allocate roughly \$250,000 annually from various government and foundation sources. Most recently, the Montreal borough Plateau Mont-Royal implemented PB in 2006, 2007, and 2008 for up to \$1.5 million of its capital budget.

The hundreds of examples around the world are not cookie-cutter copies, but they are based on a common approach: needs assessment, deliberation, decision making, and implementation. First, community members identify spending priorities and select budget delegates to represent their neighborhoods. With help from public employees, the delegates transform the community priorities into concrete project proposals. Community members then vote on which projects to fund, and the city or institution implements the top projects.

Elected officials still retain plenty of power, but they share some of that power with constituents. Typically, less than 20 percent of the total budget is put on the PB table. This is both a little and a lot. It is a small portion of the budget but a large chunk of the discretionary funds—the money that is actually in play each year, not set aside for fixed costs such as wages and infrastructure maintenance. The funds may be for capital or operating projects, depending on the city.

Why has PB been so popular? Most people seem to be motivated by six main benefits:

1. *Democracy.* Ordinary people have a real say—and they get to make real political decisions. Politicians build closer relationships with their constituents, and community members develop greater trust in government.
2. *Transparency.* Budgets are policy without the rhetoric—what a government actually does.

When community members decide spending through a public vote, there are fewer opportunities for corruption, waste, or costly backlash.

3. *Education.* Participants become more active and informed citizens. Community members, staff, and officials learn democracy by doing it. They gain a deeper understanding of complex political issues and community needs.
4. *Efficiency.* Budget decisions are better when they draw on citizens' local knowledge and oversight. As John Dewey said, "The man who wears the shoe knows best where it pinches." Once they are invested in the process, people make sure that dollars are spent wisely.
5. *Social justice.* Every citizen gets equal access to decision making, which levels the playing field. Traditionally underrepresented groups tend to participate more than usual in PB, which helps direct resources to communities with the greatest needs.
6. *Community.* Through regular meetings and assemblies, people get to know their neighbors and feel more connected to their city. Local organizations spend less time lobbying and more time deciding policies. Budget assemblies connect community groups and help them recruit members.

Perhaps because of such broad support, there have also been some problems, mainly with translation, co-optation, and tokenism. Advocates in some countries, such as Germany, have translated "participatory budgeting" to mean any kind of public involvement in budgeting. Public consultations, dialogues, and hearings that have taken place for decades suddenly become "participatory budgeting," even though these processes have little in common with the Porto Alegre model. In many cases, this practice has helped governments legitimize old (or new) consultation practices that give citizens no power to decide spending.

Meanwhile, the World Bank has aggressively promoted a trimmed-down version of PB in Africa and elsewhere, under the banner of transparency and good government. Coincidentally (or perhaps not), this has helped deflect blame for economic problems away from international institutions and toward local governments. As in Germany, notions of social justice have been mostly set aside. In the

United Kingdom, advocates have launched over two hundred PBs, but most involve less than \$100,000, sparking concerns about tokenism.

In the past twenty years, PB has captured the imagination of people around the world thanks to its core concept: citizens deciding public spending. This idea has inspired excitement because of its potential to reinvent democracy by empowering ordinary people to become policy makers. As PB appears on the radar in the United States, will it give citizens real decision-making power? Or will it just become a new name for budget consultations or token participation?

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#### Putting Democracy on the Menu in Chicago

Surprisingly, Chicago was the first testing ground for participatory budgeting in the United States. The city is notorious for its patronage system and lack of transparency, but this same system also created space for experimentation. To compensate for the mayor's near omnipotence over citywide issues, city council members have each received about \$1.3 million in annual discretionary "menu money" since 1994. The aldermen, as they are known locally, are free to spend this money at their will in their wards. Usually they fund items such as street repairs and lights, from a set menu. Some fail to spend the funds, and others have been criticized for doling them out as patronage.

In 2007, Alderman Joe Moore learned about PB at a session we organized at the U.S. Social Forum, a national gathering of progressive activists. Since 1991, he had represented Chicago's 49th Ward, which includes the Rogers Park neighborhood and over sixty thousand residents. Moore had already been outspoken on hot-button issues in the city council. *The Nation* magazine named him the "Most Valuable Local Official" in the country, in recognition of his successful sponsorship of a resolution against the Iraq war, measures requiring living wages for em-

ployees of big-box retail stores, and environmental restrictions on Chicago's coal power plants. But in 2007, he barely won reelection amid criticism that he had neglected local ward issues.

When Moore first heard about PB, he was inspired, but not to action. As he later reflected, "I thought: Great idea—too bad I'm not mayor!" Only in 2009 did Moore fully grasp that he could use PB for his menu money, as a way to better address local issues. That February, he proposed that we work together to launch a pilot initiative. Together with my colleague Gianpaolo Baiocchi, I spent the next year helping Moore and his office plan and carry out the PB process.

Despite full support from Moore, we faced some challenges. For one thing, the 49th Ward is extremely diverse. Over eighty languages are spoken within its less than two square miles. The ward is roughly 30 percent Latino, 30 percent African American, 30 percent White, and 10 percent Asian. Retail strips are surrounded by apartment towers and single-family homes. Also, ward politics are feisty. The locals repeatedly warned us about virulent bloggers and combative organizations. How does one of the nation's most diverse neighborhoods bring opinionated residents together to make difficult budget decisions?

As Megan Wade Antieau and I explained in *YES!* magazine, we started in April by inviting leaders of all the ward's community organizations and institutions to an introductory workshop. To build community buy-in, we then invited them to join a Steering Committee. Over thirty groups signed up, including nonprofits, community-based organizations, block clubs, schools, churches, and even the Hare Krishna temple. Through several workshops and meetings, we worked with the Steering Committee to map the PB timeline, structure, and rules.

The public process kicked off with nine neighborhood assemblies starting in November. After presentations explaining the menu money and the budgeting process, residents divided into groups of five to ten. Guided by volunteer facilitators, they brainstormed spending ideas on flipchart, identified their top priorities, and picked community representatives who would transform those priorities

into concrete proposals. After the assemblies, these representatives, along with Steering Committee mentors, split into six thematic committees: Streets, Traffic Safety, Parks and Environment, Transportation, Public Safety, and Art and Other Projects.

The committees met regularly over the next four months to review the initial ideas, develop proposals, and consult with experts. Members also went out into the field to do their own research. The Public Safety Committee, for instance, visited the 911 center and met with the police. As community representative Marilou Kessler explained, “Everyone [on the committee] came—about fifteen to sixteen people on a workday. It was astonishing cooperation.” The trip shifted the committee’s priorities. They learned that security cameras are used only occasionally and are not continuously monitored. After police explained that lighting is more effective at deterring crime, the committee prioritized street-light proposals over camera proposals.

Since the initial neighborhood assemblies attracted less than three hundred people, the alderman and the Steering Committee offered other ways for residents to contribute ideas and feedback. First, the alderman’s office posted the ideas from the initial assemblies online and distributed them via e-mail. To complement the face-to-face discussions, the Steering Committee set up a PB blog and individual blogs for each committee. Community representatives posted photos and surveys about their project ideas and collected suggestions from the stream of blog comments. In early March 2010, the community representatives held three more neighborhood assemblies (including one in Spanish) to present their spending proposals and get final feedback.

After a last round of revisions, the community representatives presented a ballot of thirty-six specific budget proposals and then helped organize a publicity campaign. The Art and Other Projects Committee put together a poster exhibition of proposals at

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Mess Hall, a local cultural center. Andy De La Rosa, an artist on the committee, found himself swayed by the proposals from other committees. “This is all extra,” he said of his committee’s proposals for murals, artistic bike racks, and historical markers. “I hope people vote for the streets.”

On April 10, all ward residents age sixteen and over were invited to vote on the proposals at a local high school. Voters did not have to be registered or even citizens—they just had to demonstrate that they lived in the ward. The week before, 428 residents had already voted early at the alderman’s office—more early voters per day than during the 2008 presidential election.

On the final voting day, a stream of people filled the school cafeteria. They read over posters explaining the proposals, consulted with community representatives from each committee, and then voted for up to eight projects on paper ballots. In the end, 1,652 residents voted. This number vastly exceeded expectations, considering that it was a brand-new process with little media coverage and no other elections or ballot measures to inspire turnout.

The \$1.3 million was enough to fund the fourteen most popular projects. The proposal to fix sidewalks received the most votes, and other funded projects included bike lanes, community gardens, murals, traffic signals, and street lighting. Every committee had at least one proposal funded. Most of the projects are currently being implemented or have already been completed.

Moore quickly pledged to make PB an annual process, and the second year began with a new round of neighborhood assemblies in September 2010. As in other cities, the process evolved slightly, based on lessons learned. The Steering Committee was replaced by a new Leadership Committee, which included not only organization representatives but also community representatives from the first year. After seeing that street repairs received little funding the first year, the new leaders proposed adding an additional question to the final ballot, asking what percentage of the budget pot should be set aside for streets.

### **Building a More Participatory Democracy**

The experience in Chicago highlights some challenges and opportunities for participatory budgeting in the United States. The biggest challenge is a familiar one: How do you attract diverse participants, beyond the usual suspects? In Latin America, poor people turn out in droves for PB, partly to fix urgent problems, such as unpaved streets and open sewers. In the United States, these basic needs are already met, and infrastructure repairs, such as street resurfacing, are more often priorities for wealthy homeowners.

In the 49th Ward, turnout was no more diverse than in other local community meetings. While every community was represented, on average participants were older, whiter, and more likely to be homeowners than in the ward as a whole. Latino turnout was especially low, probably because of distrust of government and worries about immigration status. Had turnout been more diverse, would funding have been allocated differently?

More important, what can be done to include underrepresented groups? In the 49th Ward, we invited organizations working with these groups to lead the process, provided Spanish-language assemblies and materials, did targeted outreach to key community groups, and scheduled meetings at convenient locations and times for working people. Other approaches were not adopted due to limited funding or interest, such as using experienced facilitators, including fun activities and entertainment at assemblies, and providing child care, food, and interpreters. Low-income residents might have been more interested had funds for programs been on the table. More use of Facebook and other social media might have attracted more youth participation.

PB also requires that politicians, public employees, and citizens adapt to new roles. Politicians need to give up control over some decisions in order to gain community support. Their staff members need to spend more time facilitating discussions and providing technical assistance. Citizens need to move beyond complaints and become comfortable deliberating and making decisions.

In Chicago, people generally rose to these challenges, but the adjustments were not easy. Some community leaders were reluctant to take ownership, deferring to the alderman's office. Staff members were already overwhelmed with work, and at first they struggled to keep up with the new responsibilities. Facilitating democratic participation involves a lot of face-to-face conversations, phone calls, and e-mails. In most citywide PBs, a whole office manages the process. In small jurisdictions such as the 49th Ward, there is much less staff capacity. Only when Moore hired a designated PB coordinator, Nicole Summers, did the process take off.

Despite these challenges, the Chicago experiment illustrated ways to bring people together to make tough decisions. Sure, residents had conflicting ideas about how the money should be spent. But now they had space to negotiate these differences and focus on the common good. Community representatives showed an impressive ability to move beyond their initial assumptions and priorities. At first, "Everyone was complaining about their block," said Laurent Pernot of the Transportation Committee. "But now every single committee has taken stewardship of the whole ward as their mission."

In a time of downsizing, PB showed how government can harness citizen energy to get things done. Staff members had little time to research spending ideas, but enthusiastic residents came to the rescue, once they had the power to make a difference. For example, to identify sidewalks most in need of repair, Transportation Committee members walked almost every block of the ward, in the middle of the Chicago winter. "I will never look at sidewalks the same way again!" reflected Dena Al-Khatib, one of the sidewalk inspectors.

Perhaps most important, PB can help establish government as a valuable public good—an idea that is

very much under attack. Once people see that public dollars are being spent for useful projects, government seems more worthwhile. As Moore wrote in a letter to constituents, PB "exceeded even my wildest dreams. It was more than an election. It was a community celebration and an affirmation that people will participate in the civic affairs of their community if given real power to make real decisions."

If citizens have enough time, information, and support, they will make good budget decisions. And if elected officials agree to carry out these decisions, people will turn out and come together. By giving up some power, Alderman Moore gained more public support, recently winning reelection with 72 percent of the vote. Several other Chicago aldermen have also pledged to implement PB, and politicians from New York to California are considering launching their own initiatives. With enough political will, a new kind of grassroots democracy may be sprouting up.

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