

## PARTICIPATORY BUDGETING

Participatory budgeting is a democratic procedure for drawing up a budget in which citizens without a political mandate take part in the process of planning the budget.

In this **form of public participation** the focus is on local financial policy. Allocating public funds is a key instrument of economic policy, with which the distribution of resources – and thus the power structure – are determined. Participation by ordinary citizens in drawing up the budget makes this central sector of public administration more transparent, and is directed toward structuring public expenditure to achieve social justice and meet actual needs. Apart from this, the process of negotiating the allocation of funds on the basis of consensus strengthens people's awareness of the meaning of democracy and boosts their willingness to play an active part in civil society.

The procedure was introduced for the first time in **Porto Alegre** in southern Brazil, originally as an experiment in democracy; it was then gradually transformed into an institutionalized participation process.

The idea of participatory budgeting (originating in Brazil and other non-European countries such as Uruguay, South Africa, New Zealand etc.) has also been implemented in various different ways **in Europe**: in Germany, e.g. in Berlin Mitte, Berlin Lichtenberg and Emsdetten, in France, e.g. in several towns in the Paris region, and in Spain, e.g. in Cordoba. To date rather more than 300 communities are estimated to have initiated participatory budgeting. [More details are available here!](#)

In **Austria** efforts are being made to introduce participatory budgeting particularly at the district level in Vienna, though actual implementation is yet to come. An interesting example of sectoral participatory budgeting has been developed in Vienna in connection with providing grants for cultural activities in the new- media field. Working together with [Netznetz, a platform for net art and net culture](#) (website in German only), the city administration has developed a participatory sponsoring model. Since January 2006 the community of artists has been involved in reaching decisions about making grants; projects are put forward for consideration through an internet- based voting procedure and are submitted to the relevant department for approval.

**Gender budgeting** is closely related to participatory budgeting. Gender budgeting is already a very widespread approach internationally; it involves monitoring public finance as regards the impact of revenue and expenditure policy on women and men, and restructuring it with the aim of gender equality. As with participatory budgeting, it is essential to make the process of planning the budget transparent, while tapping the know- how of gender experts from the scientific community and NGOs and making it possible for interested citizens to participate. Gender budgeting initiatives start from (a) gender- differentiated analyses of particular budgetary measures and (b) the effects of overriding principles laid down for budget or economic policy in general on women and girls / men and boys. Taking unpaid work (done predominantly by women) into account is an example of a new departure in methodology.



Citizens' budget in Berlin Lichtenberg  
Photo: Bezirksamt Lichtenberg, Berlin

*If you want to see which way a country is headed, look at the country's budget and how it allocates resources for women and children.*

Pregs Govender, South Africa

### Links

More information about participatory budgeting is available on the following websites:

- >> [Rosa Luxemburg Foundation \(in German\)](#)
- >> [The International Budget Project](#)
- >> [Heinrich Böll Foundation Rheinland-Pfalz](#)
- >> [Participatory budgeting](#)
- >> [Citizens' budgets in Europe \(in German, summary in English\)](#)
- >> [Community citizens' budget \(in German\)](#)
- >> [Participatory Budgeting in Canada](#)

More information about gender budgeting is available on the websites below:

- >> [Gender Responsive Budget Initiatives](#)
- >> [European Gender Budgeting Network](#)
- >> [Women's Budget Group \(UK\)](#)

**You will find more on the subject of participatory budgeting on the following pages:**

- >> [Characteristics of participatory budgeting](#)
- >> [The participatory budget in Porto Alegre](#)
- >> [Participatory budgeting initiatives in Europe](#)
- >> [The citizens' budget in Berlin Lichtenberg](#)

**Downloads**

More detailed information about gender budgeting can be downloaded here:

- >> [Gender Budgets Brochure \(.pdf\)](#)
- >> [How To Do a Gender- Sensitive Budget Analysis: Contemporary Research and Practice \(.pdf\)](#)
- >> [Gender Budgets Make Cents \(.pdf\)](#)
- >> [Handbook: Parliament, the Budget and Gender \(.pdf\)](#)
- >> [Tools for a Gender- Sensitive Analysis of Budgets \(.pdf\)](#)
- >> [Gender and Participatory Budgeting \(.pdf\)](#)

Further downloads (in German) for Gender Budgeting in Europe can be found on the German part of our website.

## CHARACTERISTICS OF PARTICIPATORY BUDGETING

Public participation in participatory budgeting can take many different forms. The following core elements are involved, though:

- **Citizens participate in planning the budget:** the people affected take part in the process of working the budget out - the extent of participation varies between consultation and full- scale joint decision-taking.
- **Public participation is institutionalized:** defined structures are laid down for involving the public in planning the budget.
- **Public funds are redistributed:** the way money is to be spent is decided after the stakeholders taking part have jointly weighed up their various interests.

### Aims

Participatory budgeting has three central aims:

- **Transparency:** citizens are informed about the current budget, and about those elements of budget planning that have already been determined. Making the process transparent also helps to prevent money being spent inefficiently or misdirectedly.
- **Participation and/ or joint decision- taking** by the citizens in a field of central importance to society: communication between administrators, politicians and citizens is improved, and people are more aware of important administrative moves.
- Public spending is **more closely aligned with the citizens' interests** : public participation aids administrators in deciding how to spend public money in line with actual needs, and budget priorities can be revised to make them fairer.

### Benefits

... for citizens:

- Dialogue between citizens and authorities makes both sides more democracy- minded.
- Involving the public in planning the budget enhances their role as active, critical, demanding and responsible members of society.
- Citizens monitor how the decisions taken jointly are implemented. Making the administration accountable can contribute to modernizing it.
- Public participation leads to budget priorities being revised – which can result in an improved quality of life in a relatively short time.
- Participatory budgeting can contribute to social restructuring and to gains in social justice.

... for the local administration:

- With a more transparent budget, money is employed more efficiently and administrators reap more public recognition for their work
- Citizens support the budget decisions that they have been involved in taking.
- Democratic culture and social cohesion are both enhanced.

*The way to develop political awareness is not to keep the masses out of public affairs, but to allow them to exercise political rights. To become an expert you have to try your hand.*

August Bebel

*We do not learn to read or write, to ride or swim, by merely being told how to do it, but by doing it, so it is only by practising popular government on a limited scale, that the people will ever learn how to exercise it on a larger.*

John Stuart Mill

### Downloads

More detailed information can be downloaded here:

>> [UN Document: 72 Frequently Asked Questions about Participatory Budgeting \(.pdf\)](#)

>> [A Guide to Participatory Budgeting \(.pdf\)](#)

>> [Participatory Budgeting: a significant contribution to participatory democracy \(.pdf\)](#)

>> [Participatory Budget: A Tool for Democratizing Democracy \(.pdf\)](#)



The website on participation and sustainable development is an initiative of the Austrian Ministry of the Environment; ÖGUT is responsible for its content. >> [Contact](#)



- When public funds are in short supply, public participation can lead to more general acceptance of the need for austerity measures.
- Cooperation between citizens, politicians and administrators can help to create an atmosphere of trust.

## PARTICIPATORY BUDGETING IN PORTO ALEGRE

In the 1990s the city of **Porto Alegre** in southern Brazil won international renown with its innovative policies. The centrepiece of the new policy was involving the population in planning the city budget - participatory budgeting. The new method of drawing up the budget radically altered the relationship between the city administration and civil society. Unfortunately this form of participation exists only on paper today, because political changes after 2004 resulted in Brazilian citizens' right to participate being drastically curtailed. None the less, the foundation-stone for participatory budgeting was laid in Porto Alegre in 1988. A constitutional amendment established wide- ranging municipal powers, which in turn induced a process of increasing democratization.

For **participatory budgeting** elements of direct and representative democracy were combined as follows:

- Citizens received basic information about the city budget in meetings at district level. Delegates selected from the people attending these meetings drew up a list of priorities for projects in the forthcoming budget, in consultation with the general public and the administration.
- The next step was for all those taking part to vote on assigning priorities to projects, and to elect two delegates from each district to the Conselho do Orçamento Participativo (COP).
- Alongside the district assemblies, issue- related assemblies were also set up to handle city- wide topics; these nominated two delegates each to the COP, too.
- On the basis of the directives from the district and issue- related assemblies the COP drew up a draft budget plus investment plan, and submitted these to the city council for assessment and final decision. The COP was also responsible for working out the rules for the process of planning the next budget. These rules incorporated allocation formulae developed specially to ensure even- handed treatment of poor and rich districts. The structures of the Participatory Budget were very largely developed autonomously; it was intended to revise them year by year.

### Experience with and limits of the Participatory Budget in Porto Alegre

This innovative way of planning a budget increased the material incentive for citizens to take an active part in politics and to organize themselves. Participation provided opportunities for citizens to lobby for the funding of specific projects. One positive effect was that **women and ethnic minorities participated** to a comparatively **large extent**. There were also **redistributive effects** – poor districts achieved a higher level of public investment per head. In comparison with other large cities in Brazil Porto Alegre's development level rose significantly, by means of small- scale projects adapted to local structures and the needs of the population.

**Participatory budgeting** is limited by the extent to which economic policy can be influenced at the local level. Slumdweller benefited from

*Participative budgeting in Porto Alegre demonstrates that a "different world" is possible and a different policy is feasible.*

Bernhard Leubolt, research assistant at the Vienna University of Economics and Business Administration

#### Links

More information about this topic is available on the following websites:

>> [The Experience of the Participative Budget in Porto Alegre Brazil](#)

>> [Website der Stadtregierung Porto Alegres \(in Portuguese\)](#)

#### Download

More detailed information can be downloaded here:

>> [Porto Alegre - Results achieved in 15 years of Participatory Budgeting \(1989-2003\)](#)

>> [Short film "Porto Alegre: An Interesting Example"](#)



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improvements to their surroundings, but their chances of gainful employment were not directly enhanced.

## PARTICIPATORY BUDGETING INITIATIVES IN EUROPE

In Europe the first experiments with participatory budgeting started in Grottammare, **Italy**, in 1994, in Salford, **Great Britain**, in 1996 and in Mönchweiler, **Germany**, in 1998. The spread of the idea in Europe gained further momentum from the World Social Forum in Porto Alegre in 2001. A large number of procedures aimed at making budget planning more democratic can be found in Spain, France and Germany; there are also a handful of initiatives in Britain, Portugal und Poland.

The largest city with a participatory budget in **Spain** is Cordoba, with more than 300,000 inhabitants. The “citizens’ budget” introduced there is very similar to the Porto Alegre approach, particularly as regards the citizens’ de facto powers of decision and the fact that the main emphasis is on investments and projects.

The **British city** of Bradford has implemented a model that provides a fund for investments and projects in the areas of social work, the environment and culture, for instance. A committee largely independent of the municipal administration selects from a range of proposals in line with a jointly developed list of priorities.

The approaches adopted in **France and Germany** are as a rule more consultative in character. The administration has more powers of decision, and also modifies and prioritizes the proposals submitted. In the French town of Bobigny the mayor goes further than this, by presenting accountability reports at public meetings in each district. In **Germany** the government of the state of Nordrhein- Westfalen initiated the model project “Community citizens’ budget” in collaboration with the Bertelsmann Foundation. Early in 2001 the towns of Castrop-Rauxel, Emsdetten, Hamm, Hilden, Monheim a. R. and Vlotho were selected as project communities. A variety of instruments and models were tried out there; these were intended to lead to guidelines for further implementation in a special manual. As a result of a reorganization agenda being adopted in 2003, for instance, more developments took place in Berlin: it was decided to install a participatory process of drafting, adopting and monitoring the budget in the wards of Lichtenberg, Marzahn- Hellersdorf and Mitte.

As regards the course of public participation in budget planning, [read more about the example of Berlin Lichtenberg](#).

### Links

More information about this topic is available on the following websites:

>> [Community citizens’ budget: project by the Ministry of the Interior, Nordrhein-Westfalen, and the Bertelsmann Foundation \(in German\)](#)

>> [Internet platform on public participation in budget planning in Hamburg \(in German\)](#)

>> [Website page on citizens’ budgets by Wegweiser Bürgergesellschaft \(in German\)](#)

>> [Citizens’ budgets across Europe – a comparative view \(in German, summary and downloads in English\)](#)

>> [Participatory Budgeting Unit. Briefing Paper on Europe \(.pdf\)](#)

### Case histories

More details about various examples of implementing participatory budgeting are available here:

>> [Großbritannien \(Salford\)](#)

>> [Participatory Budgets in Germany and Europe \(.pdf\)](#)

>> [Participatory Budgeting in the Paris Region \(.pdf\)](#)

More details about various examples of implementing participatory budgeting in France (Bobigny, Arcueil, St. Denis), in Greece and in Germany (Rostock, Bonn, Emsdetten) are available on our German website (in German only).

## THE EXAMPLE OF BERLIN LICHTENBERG: CITIZENS' BUDGET

On 15 July 2005 the district administration statute for Berlin Lichtenberg was amended, providing the legal basis for planning a citizens' budget. Since then the district assemblies have been required to enable their residents to contribute to and take part in political decision-making at communal level, and to inform them about their right to participate.

### What are the aims?

The citizens' budget is intended to take more account of district residents' needs, to make more effective use of the funds available, to employ them in a fairer way and to make the budget planning process more transparent. The benefits anticipated for decision-makers and administrators are more lively budget discussions, unbureaucratic decisions and new suggestions for using public funds.

### What is the scope of decision?

Given that the bulk of the district budget is determined in advance by statutory requirements, and that funds must be allocated accordingly, it follows that there is only limited scope for the citizens to decide things. The areas concerned are cultural facilities, promoting sport, programmes for senior citizens and young people, health promotion, management of public open space and business development.

### How are decisions reached?

All residents have the opportunity of submitting proposals and assessing the proposals tabled, by means of on-line dialogue, public meetings and communication in writing.

The process begins in small-scale meetings where residents are meant to be informed and activated before the main citizens' meetings get under way. Alongside these it is possible to submit and to assess proposals on-line.

- The editorial team, which has been elected partly on the web and partly at the citizens' meetings, processes and checks the proposals submitted and the assessments made of these. The final version of the list of proposals is the basis for the voting procedure, it is published on-line and in printed media.
- Voting is carried out in three modes: on-line, at the final meeting and in writing – in this last case district residents selected at random receive written requests to submit their assessments. A separate list is drawn up on the basis of the resulting returns.
- Three lists of preferences emerge; these are passed to the district assembly, which takes them into account during the debates on the budget. The delegates to the assembly must report on which proposals have been accepted, and must give reasons why proposals have been rejected. The delegates are committed to implementing all ideas that conform with the budget statute in force and are politically justifiable.





*Citizens' budget in Berlin Lichtenberg  
Photo: Bezirksamt Lichtenberg, Berlin*

#### Links

More information about this topic is available on the following website:

>> [Citizens' budget in Berlin Lichtenberg \(in German\)](#)



#### Downloads

>> [Information on the On-line dialogue for the Citizens' budget in Berlin Lichtenberg \(.pdf\)](#)

Source: [http:// www.partizipation.at/ part\\_budget0.html](http://www.partizipation.at/part_budget0.html)