



What is Participatory budgeting?

Participatory budgeting is an umbrella term for methods used to involve citizens in making decisions about how resources are used in local authorities. Participatory budgeting is used in all parts of the world.

Participatory budgeting involves using dialogue methods to involve citizens in the prioritisation of how public money should be used. It can mean giving citizens a say in the prioritisations of all or parts of the budget in question. The most common approach is to involve citizens in prioritising how parts of the investment budget should be used. These prioritisations tend to be used as a basis for decisions then made by the elected committee members, but there are also examples where the citizens make the final decisions. In other words, the "participatory budgeting" concept is not one method but several.

Origins in Brazil in the late 1980s

The development of participatory budgeting started in Latin America in the late 1980s, in the municipality of Porte Alegre, Brazil. The background was that there was a need to involve citizens in prioritisations and to make the budgeting process more transparent in order to avoid and



combat corruption. In the beginning, the citizens participated in the prioritisation of the investments, particularly concerning infrastructure. This involved deciding which areas should have access to water-pipes, sidewalks, streetlights, and so on. In

Porte Alegre, the administration worked actively to get people from various parts of the municipality to learn about each others' living conditions, and therefore

Continued on next page ➔

This fact sheet is about participatory budgeting. Early in 2008, the Swedish Association of Local Authorities and Regions (SALAR) created a network where five municipalities develop methods for participatory budgeting in a Swedish context. Here you can read about what participatory budgeting is and how it has evolved in various parts of the world. You will also find links to places where you can get more information. We will be back

with more stories about the Swedish experiences. We hope that you will find this information interesting and that it will perhaps constitute a basis for further discussions. More fact sheets will be published, and if you would like to receive them you are welcome to subscribe by sending an email to marie.kullgren@skl.se. If you want to know more about the project, please contact lena.langlet@skl.se, kjell-ake.eriksson@skl.se or anders.nordh@skl.se.



Municipalities/regions in Europe using participatory budgeting 2008.

bus journeys were arranged to take people to various parts of the city. The aim of this was to make people focus not only on the needs of their own area when discussing where efforts should be focused. Porte Alegre has had great success in its work. The engagement has spread like rings on the water with more and more people participating in order to be able to influence the distribution of resources. Even when the governing majority shifted, the new majority decided to continue the work on participatory budgeting with very small changes.

Today, participatory budgeting is used in many countries and on all continents. The methods are used at both local and regional levels, in cities and in the countryside.

A question one may ask is why participatory budgeting has had such an impact; from being a tool for countering corruption and giving poor citizens a voice on how to use tax money, to becoming a meth-

od used all over the world. One explanation could be that the World Bank in the mid-1990s took an interest in this approach and made participatory budgeting a requirement for granting development resources. This meant that knowledge spread and methods were developed, leading to more experience. Additionally, it meant that participatory budgeting went from being a "leftish project" to becoming more focused on encouraging citizen involvement in local communities, without ideological over-

Invitation to participatory budgeting. In this municipality, each citizen pays €600 in taxes and is invited to a dialogue on how these resources should be used.



The development of participatory budgeting

Social scientists usually divide the development of participatory budgeting into four phases:

1. The experimental phase, 1989–1996. This phase includes the developments in Porte Alegre.
2. The spreading in Brazil, where a large number of municipalities were inspired by the work in Porte Alegre 1997–2000.
3. Expansion outside of Brazil, 2000–2005. Participatory budgeting is spread and tried in various places all over the world. The reasons for trying it out are increasing, and new methods are being added.
4. Global expansion and network-building between local authorities within and across borders, from 2005 onwards.

tones. Take Peru as an example. There, municipalities are required by law to engage citizens in participatory budgets. During the 1990s, the method spread to Europe, where the Bertelsmann Foundation in Germany, among others, carried out a number of pilot projects in order to further develop the model. The Carl Bertelsmann Prize, awarded by the Foundation, has as one of its criteria that the local authorities should involve its citizens in the budgeting process. Tavastehus, Finland, and Christchurch, New Zealand, were two municipalities which let its citizens have their say about budget priorities. Christchurch, which in 1993 was awarded "Best Run City in the World" (the Carl Bertelsmann Prize: Local Government), became a model for

Continued on next page ➔

the development of participatory budgeting in Europe.

Participatory budgeting is now implemented in several European countries, including France, Spain, United Kingdom, Germany, Poland, Portugal, and Italy.

In the UK a "White Paper" was adopted in 2008 which states that all local authorities should use participatory budgeting in some form by 2012.

Evaluations of participatory budgeting in Europe show that the method is used mainly as a top-down approach. The background to its implementation differs from Latin America and is primarily focused on democratic development and improving public service efficiency. This is due to the European trend of declining voting turnouts, declining party memberships and a growing distrust in politicians and political institutions, in addition to the view that local and regional authorities are ineffective with regard to distributing public resources in accordance with their citizens' needs.

There are both gains and risks when introducing participatory budgeting in local authorities. Social scientists point to a number of success factors, where the most important ones are that there is a political will and sincerity, that the process is continuous, that the ability to prioritise resources is given, and that there is feedback about how the citizens' priorities have been used in the decision-making process. The social scientists have also seen a number of risks/pitfalls that must be addressed, such as lobby groups gaining too much influence, participatory budgeting becoming a separate conduit, apart from

the usual decision-making process, and that long decision-making processes lead to dissatisfaction. Experience shows that certain criteria must be in place for the system to be credible. This includes for example a clear and agreed set of rules for how the participatory budget will be applied, that participatory budgeting becomes a part of the organisational system, and that feedback is provided not only once but throughout the whole process, from the meeting on priorities until the decision is implemented.

Experiences from municipalities and county councils in Europe that have practised participatory budgeting show that:

- People's engagement grows when they are given the opportunity to participate in the prioritisation of resources for the local community where they live.
- People move from protest-activities to a more constructive attitude to community prioritisations and decision-making once they have had the opportunity to participate in the prioritisation of resources.
- The citizens acquire more knowledge of the complex activities that municipalities and county councils are responsible for.
- Elected members gain insight in the citizens' needs, values and priorities with regard to what the local authority and authorities should do. In this way, the citizens' values may become an important part of the basis for decisions.
- Confidence and trust in the system and the governing/elected members grow.
- In Latin America, where participatory budgeting has been applied longer than anywhere else, the interest in joining political parties has grown.

Success factors
Political will and sincere intentions
A context where it is meaningful for the citizens to participate
Prioritisation of resources is included
A continually recurring process which becomes a natural part of the governing system
A clear and professional process and organisation
A dialogue which makes it possible to argue for one's standpoint and to listen to others'
Different dialogue methods are used to reach different groups
Feedback
The courage to experiment
Evaluation of processes and results
Continuous development

Pitfalls to avoid
<ul style="list-style-type: none"> • The suggestions from the prioritisations are not based on facts and a comprehensive overview • Use of methods that lead to passivity • Lobby groups get too much influence • Participatory budgeting becomes a separate conduit • Long decision-making processes, leading to dissatisfaction • Unwelcome themes and prioritisations

Links

Link to the website of the Citizen Dialogue project for the Citizen Dialogue Network. There you will find documents, recorded presentations by social scientists, the local authorities' project plans, etc.

www.skl.se/medborgardialog

Link to Participatory budget Unit, which supports local authorities in the UK in their work on participatory budgeting.

www.participatorybudgeting.org.uk

Link to the UK white paper "Communities in control – Real people, real power".

www.skl.se/medborgardialog



A booklet with 72 answers to common questions on participatory budgeting.

Participatory budgeting for young people in Portugal

In a municipality in Portugal, the focus was on having young people at school engaged in the prioritisation of resources for improving the school environment. The pupils in the different schools were asked to photograph the areas which in their opinion needed to be improved in order to create a better environment. The photographs were published on the web and the pupils could vote for the actions that they believed should be prioritised. In order that the youths would not just vote for their own school, a number of criteria were set up which had to be considered before voting. In the end the pupils showed a great sense of responsibility for the total picture and prioritised the school which they considered to have the worst environment, based on the photographs. Follow this link to see one of the picture shows that the youths produced:

www.skl.se/medborgardialog



Participatory budgeting in Sweden

In the spring of 2008, the Citizen Dialogue project started the Participatory Budgeting Network, where five municipalities participate: Haninge, Huddinge, Hudiksvall, Uddevalla, and Örebro. Then network project will continue for three years, and the aim is to produce good models showing how you can work with participatory budgeting in a Swedish context.

The project is being followed by Rolf Solli, a scientist from Gothenburg University, and his study will lead to reports on the experiences made.

Since participatory budgeting is a worldwide concept, we have obtained assistance from international academics who are working with the implementation of participatory budgeting in local and regional authorities around the world. Each of the five municipalities has also been assigned a mentor municipality/region, working with participatory budgeting and willing to share its experiences. We have an exciting task in front of us, and below you can read the thoughts of the elected members in our "participatory budgeting municipalities" on how they view the upcoming work.

The reasons for the five municipalities of Haninge, Huddinge, Hudiksvall, Udde-

Engagement. Dialogue. Participation.

Gunnar Ståhl, Legus Media. November 2008

valla, and Örebro to participate in the Participatory Budgeting network were many, but at the core, it is all about one and the same thing: democracy.

When the participatory budgeting concept first appeared in Brazilian municipalities in 1989, the primary goal was to counter corruption. The idea was that the citizens, through insight and knowledge, would gain an understanding of the municipality's budget, and thereby would also understand its limitations.

"We want as many citizens as possible to join and to become involved. Already we have Democracy Forums in all seven parts of the municipality, so to us it was a natural step to join," says Katharina Wallenborg, member of the municipality's executive board and council as a member of the Drevviken party in Huddinge municipality.

"Our task is to develop and shape a dialogue with the citizens. Therefore, this network suited us perfectly," says Raymond Svensson, member (C) of the municipality's executive board and council in Haninge.

Nina Andersson, member (C) of Uddevalla's council and also chairperson of the democracy working committee:

"It is a fact that the time between elections is long. People must be able to participate and influence also in the time in between. Not just when they vote," she says.

The municipality of Örebro was already interested in participatory budgeting.

"In 2007, we decided that we wanted to extend the direct democracy. Therefore, this network suited us well," says Anna Ågerfalk, municipal commissioner (FP), in Örebro.

Since the decision to further develop the dialogue with citizens had already been taken in the council, the process was quickly initiated. The target group was young people and a number of school classes in the upper secondary school were selected to be given the mandate to decide on a part of the budget for traffic and environment.

"In January 2009 we will decide on how much money they will have at their disposal. They will also learn facts and how the investment process is done," says Anna Ågerfalk.

Several municipalities have seen a diminishing voting turnout and a growing disinterest in politics, in particular among young people.

"Yes, at first we intended to introduce participatory budgeting in the youth council, but that group is constantly changing because of studies and people moving. Therefore, we decided that the youth assembly will be the body that decides on some of the money," says Nina Andersson.

The municipality of Uddevalla runs a cooperation project with Fredrikstad in Norway. The municipalities do the work together, and a brochure on participatory budgeting will be published in Norwegian as well. There may also be a Norwegian exhibition on the theme.

In the municipality of Haninge, a decision is on its way on how the participatory budgeting will be handled.

Continued on next page ➡➡

If you want to know more about the Participatory Budgeting project, run by the Swedish Association of Local Authorities and Regions (SALAR), please contact:
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“We have just received the all clear from the executive board to continue. We are now discussing whether we should select a geographical or a political area. Early next year we will make a decision and proceed in winter and spring 2009,” says Raymond Svensson.

Have you decided with what or how you will proceed?

“No, we work very much without preconceptions. We will carry out whatever the citizens arrive at.”

In Huddinge, too, there is a discussion about what area to concentrate on.

“We are looking for topics. It will be something that needs to be put in better working order,” says Katharina Wallenborg.

Huddinge municipality has tried the method before. In 2006, the citizens in Vårby gård were allowed to decide on how 15 million SEK should be used. 70 % of the voters wanted to renovate the town centre. 30 % of the inhabitants voted. The result was regeneration. Dialogue became involvement.

The reasons for participating in the Participatory Budgeting network are many. So are the tools for strengthening democracy and engaging citizens.

Do you see any danger or risk in letting the citizens participate in an investment process?

“No, I don’t,” says Katharina Wallenborg, Huddinge. “But we need to think before we act. It is not a matter of the citizens taking over aims or budgets; they will participate and influence within the framework of the budget. I know that some people see risks in this, but you have to be positive. The more people we can engage, the better.”

The other local politicians are also thinking about possible risks.

“At this stage, you want to be positive, but of course there are risks,” muses Nina Andersson, Uddevalla. “Therefore, a good



An invitation to a participatory budget by a country borough in Spain. Making a budget could be likened to cutting up a pig.

framework and a set of rules are important, and that everybody agrees on them.”

“Risk? You might say that,” says Anna Ågerfalk, Örebro. “Therefore, it is important that the politicians take the main responsibility, and that we make clear what people will be involved in deciding on, so that they don’t feel cheated afterwards. And what will the others in the community think, those who cannot participate?”

Raymond Svensson, Haninge, sees another danger.

“There is always a risk when you try to get people to participate voluntarily. It easily happens that the vociferous ones are heard most, but we politicians must see to it that a balance is achieved. Those people make themselves heard today, too, so we may have to vary our methods to reach out to more people and get them engaged.”

Agneta Brendt, chairperson (Social Democrat) of Hudiksvall’s council, has been involved in several democracy projects in the municipality throughout the years. “Yes, it has been a process of trial and

error. Now we have Citizens’ Councils and want to complement them with participatory budgeting.”

Have you started the work?

“We have to make up a plan for how to implement this. We want to introduce participatory budgeting as a natural part of the budgeting process this spring. We just appointed a ‘democracy developer’ in the municipality, and we also started a democracy working committee.”

The politicians in Hudiksvall are ready to decide on the area where participatory budgeting will be implemented.

“There are some ideas on using it in our youth activities, and in some other area, but we have not yet decided which one.”

Do you see any risks with participatory budgeting?

“When you read of other attempts at participatory budgeting, you see great possibilities to succeed. The risk might be that people get the wrong expectations. You have to make it plain right from the start, so that those who participate are not disappointed.”