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Shifting the Power to People

Opening the practices of governance with participatory budgeting

The theme of openness is inevitably connected to discussions of democratic and inclusive governance, but how, in practice, is openness manifested? What does it mean to open governance to the public? This article scrutinises these questions by analysing a particular participatory practice, participatory budgeting (PB), which is a popular tool for public engagement in governance. Participatory budgeting is distinctive in that citizens are invited to decide how public money is allocated. In a participatory budgeting process, openness builds on three elements: (1) openness in decision-making, (2) openness in setting the priorities for discussion and (3) openness towards the participants' boundaries.

It has been a widely acknowledged aim in democratic societies to enhance the creation of open governance that is deliberative, transparent and inclusive. This aim has been discussed in relation to a variety of questions, such as how to enable possibilities for citizens to find or access information on decision-making, how to provide equal opportunities for citizens to participate in political processes, how to support the inclusion of marginalised groups in society and how to find common ground for different forms of knowledge.¹

In this article, I take a look at the much-used concept of openness in the context of public engagement. Furthermore, I explore participatory budgeting, a particular method of public engagement, from the point of view of openness. I ask what it means when a process of budgeting is opened for citizens. I will address the question using data from a Finn-

ish case study on participatory budgeting in urban governance and some examples from Sweden and Poland.

I will first present the idea of participatory budgeting. Then, I will describe the case example and material and distinguish three elements of openness: (1) openness in decision-making, (2) openness in setting the priorities and (3) openness towards the participants' boundaries. Finally, I will conclude that the three elements of openness are crucial in ensuring the legitimacy of participation in participatory budgeting.

Participatory budgeting as a public engagement practice

Participatory budgeting (PB) is a method of public engagement that involves citizens in the prioritisation of the allocation of public money. It engages people to discuss spending priorities, introduce proposals and vote on them. First developed in Brazil in the late 1980s, PB is now a popular tool for governance worldwide. Recently, in Nordic countries, the interest in PB has increased as a participatory practice that fits well with the understanding

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of good governance in Nordic societies. For example, in Sweden, the Swedish Association of Local Authorities and Regions (SALAR, SKL in Swedish) hosts a network of municipalities that are adopting PB. Typically, PB has been used experimentally in Nordic countries in pilot projects by local authorities. These projects have often focused on developing urban environments. For example, Upplands Väsby (Sweden) used PB to include the voice of youths when developing the municipality's central square. In Finland, Tampere and Espoo have utilised PB to involve the public in developing local recreation areas.

PB is an attractive tool for governance because it helps to strengthen local democracy and co-governance, empower citizens and improve public services.² It is a flexible and diverse tool that can be implemented at different levels of governance. Hence, PB can be exercised successfully in small community projects as well as when considering how to deliver main public services at a municipal level.

The use of PB originates from a socio-political situation in Brazil's Porto Alegre, where military forces were removed from power. Due to the military dictatorship, people lacked confidence in politicians, and the allocation of public funds was associated with corruption. Leftist social movements introduced the idea of experimenting with PB when the first free elections were held. Activists hoped that it could help to reduce corruption by increasing community control over municipal finances. Eventually the government of the Workers' Party started to implement PB with promising results.³

According to estimates, PB is now used globally in over 1,500 cities. The models of PB implementation have become more versatile as it has been adopted into use. There are different ways to operationalise it. First, the mainstream model allocates a particular percentage of a municipality's or city's annual budget to PB. For example, Porto Alegre has allocated 20 % of its annual budget to PB. Paris now allots 5 % to PB, which is one of the largest rates in Europe. Second, funding can

be allocated with community grants, which are often donated by various charities for a particular area or community. This is especially popular in the UK. Third, money can be allocated directly to a particular theme or topic, such as for young people or for improving communal green areas.

PB practices are strongly affected by the local and national contexts in different countries.⁴ However, common features can be recognised. These projects often deal with economic resources, and they involve municipal government employees and decision-makers. Moreover, the PB processes are usually repeated, and they include public discussion. Projects also usually include some monitoring and evaluation of how the winning proposals have been implemented.⁵

The case and material

The empirical data of this article are based on an action research study *Participatory Budgeting in Community-Driven Urban Planning*, which was executed in the University of Tampere, Finland in 2014–2015. In the study, PB was approached as a tool for local decision-making and community-based planning, and the research aimed at generating criteria to evaluate its use. The research consisted of two parts. First, PB was piloted in the city of Tampere as an integral part of the city's neighbourhood development process in one local neighbourhood. Second, foreign PB practices were mapped out in Poland, Sweden and the UK. In this article, I utilise data of the PB pilot project that took place in the neighbourhood of Tesoma in Tampere.

In Tesoma, PB was implemented as a form of participatory planning and co-designing in an urban regeneration process. Local citizens and civil servants were invited to discuss the development of a local recreation area in the Tesoma neighbourhood. The neighbourhood is one of the oldest in the City of Tampere. It was built during the 1960s and 1970s and now has a population of approximately 8,000–15,000 depending on which areas are included. It has been suffering from a poor reputation, with

higher unemployment and crime rates than other Tampere neighbourhoods. Currently, the area is undergoing heavy regeneration, with increase in services and housing.

The research data of this article consist of material collected in four PB workshops (audio recordings, photos, produced material such as maps and pictures, collected feedback) and nine themed interviews with citizens and civil servants. The interviews are transcribed and thematically analysed. The audio recordings of the PB workshops are thematically analysed and partly transcribed. I analysed the structure of PB from the point of view of openness and distinguished three elements of openness: openness in decision-making, openness in setting priorities and openness towards the boundaries of participants.

Openness in decision-making

PB is argued to be the most advanced municipal innovation. On one hand, this claim is based on the fact that in PB, citizens get the chance to intervene in the distribution of public resources, which is a type of power that is seldom available to the public.⁶ On the other hand, PB has been acclaimed for guiding focus on the perception of democratic deficit, transformation of political culture and reorganisation of public services.⁷

The basic principle of PB is that the power to make decisions on common affairs is transferred from administration and institutional actors to citizens. This starting point challenges the traditional modes of action and procedures of decision-making in governance, where the role of citizens has usually been to receive the decisions executed externally by others, often in the private cabinets of power. In PB, however, the whole decision-making process is opened for public. Decisions are made through a process that gives all participants an equal right to have a voice.

In its basic form, the PB process starts by introducing the process, such as presenting the procedure and possibly its focus or theme, such as developing a common recreational area (the case of Tesoma in this article). From

the start, it is usually made clear for participants how a PB process proceeds. This introduction is followed by brainstorming to come up with ideas, which are then processed into precise proposals that are displayed in public for the voting phase. People get to vote, and the winning proposal or proposals then receive funding and are ready for implementation.

Participatory budgeting process

Stage 1:

People brainstorm ideas

Stage 2:

Ideas are developed into precise proposals (in workshops, delegates etc.)

Stage 3:

Proposals are presented publicly

Stage 4:

Decision-making by voting or prioritising proposals: winning proposals get funding

Stage 5:

Implementation of the winning proposals

Stage 6:

Evaluation & monitoring of the PB process

The process is opened up to all people who want to take part, which makes it unlikely that participants would be unaware of the working methods of PB or how decisions or voting are executed. In PB, people know how the process proceeds and what their role is in it, and I believe this is one of the strengths of this practice. Often in participatory exercises, the conflicts or misinterpretations between participating actors have derived from unclear processes, where participants have been confused regarding their own role in the process, the objectives of participation or the extent to which they can actually have an effect on issues.⁸ Sometimes, it has also been unclear when it is best to take part. PB offers potential to circumvent some of these challenges connected to formal participatory practices.

In the case of Tesoma, local residents were invited to discuss how to allocate 640 000 eu-

ros to improve the popular recreation area of Tesomajärvi lake in the neighbourhood and to decide what development proposals would be executed. In this case, the City of Tampere did not arrange a voting process for the proposals the citizens made because the schedule was tight and there were some technical problems related to organising online voting. During the PB process, people who participated in the PB workshops agreed together to select the winning proposals by prioritising different alternatives in the final PB workshop in the neighbourhood.

The working process of Tesoma's PB case was based on deliberative workshops that were open to all interested actors. The workshops were held in the evenings in the neighbourhood (for example, in the local school), and they attracted residents from different parts of the area, representatives of local associations (e.g. the residential association), civil servants from the City of Tampere and researchers from the university.

In the workshops, participants coming from different backgrounds were mixed in small groups to initiate discussions between different actors. The group discussions were started by asking people to envision 'the Tesoma of their dreams', and it was forbidden to say 'no' when responding to ideas and proposals that other participants made. During the four workshops, the participants' visions were refined into concrete proposals that were then discussed in the final workshop. In the final workshop, the proposals were prioritised. Prioritisation was first made in small groups, and then each group presented their decisions. The final decision about which proposals were to be chosen for implementation was made collectively by ranking the proposals from different groups.

Opening up the whole decision-making process caused hesitation among the participants. The residents had doubts about whether they had really been given the power to decide how to use the money. Some of them did not have positive experiences of working with administration previously. Their prior experiences had not confirmed the actual effect of

their participation.⁹ Civil servants were afraid that giving people free rein would lead to overly unrealistic ideas. They were concerned with how to fit the regulations that directed the City's action with the proposals the citizens might come up with. During the process, however, the civil servants' trust towards citizens improved, and they were satisfied with the end results of the PB workshops.

The experiences from Tesoma resonate with those of other PB projects, e.g. in Upplands Väsby, Sweden. There, people got to decide how to develop a city park into a safer and more pleasant environment with a budget of 200 000 Swedish crowns. However, Upplands Väsby also utilised online platforms to collect proposals and arrange voting. From the collected proposals, a panel consisting of residents and officials formed three proposals for voting. Similarly to Tesoma, there was discussion among administration and decision-makers about the citizens' freedom to execute decisions and the role of PB in governance since elected officials are chosen to engage in decision-making.

Openness in setting the priorities

In the discussions of open and deliberative governance it is emphasised that equal chances to participate should be offered to everyone who is interested. For example, in the field of urban planning, participation has often taken place when the agenda of the planning process has already been defined by the administration; that is, planners have drafted a land use plan before public discussion starts. PB takes a step further by not only opening up participation in the process but also allowing participants to discuss and define from the start which topics are considered important to pay attention to.

In PB, openness means letting citizens define the agenda for their participation, specifically granting people the ability to define which issues are chosen for discussion and prioritised over others. For example, the mainstream model of PB, in which a city or municipality allocates a certain percentage of

its annual budget to PB, shifts the power to citizens to prioritise which issues need funding.

However, sometimes when organised by administration, institutional actors may draw the wider framework for PB and set its theme. This may originate from particular aims that PB is designed to focus on, such as decreasing inequality or improving living conditions in poor neighbourhoods. Advancing equality, inclusion and social justice have been the norms guiding PB since its origin in Porto Alegre. These kinds of aims may inspire municipalities and cities to adopt PB and direct its use to particular areas or topics. However, in PB, participants always have the power to discuss and vote on the issues that are the most important to them. This is based on the assumption that citizens understand how to select projects that best respond to their needs.

In Tesoma, the City of Tampere outlined the loose framework for PB: to improve the recreation area of Tesomajärvi Lake. The City recognised this need partly based on citizen feedback, which had highlighted, for example, the lighting of the walking paths surrounding the lake as one major target for renovation. Under the broad main theme, citizens were given free rein to prioritise the issues that they considered important.

In contrast to Tesoma, in Greater Manchester, UK, charities donate community grants to neighbourhoods, which shifts the total power to citizens to define the key issues in the PB process. The popularity of PB globally serves as evidence that opening up the decision-making and allowing citizens to prioritise issues can be a successful way to include their voice in governance. Furthermore, the PB literature has discussed whether PB has positive effects on people's well-being, as the direct involvement of citizens is believed to produce better outcomes and increase citizens' satisfaction with governance. For example, PB projects that occur in areas with minimal public resources are believed to best address the areas' needs because participative citizens know to select projects that match their needs.¹⁰

Although the effects on well-being have not yet been widely studied, there is evidence

that the use of PB has, for example, helped to reduce poverty rates and improve the level of basic sanitation, water and sewage connections.¹¹

Openness towards the boundaries of participants

In PB, the boundaries of participants are renegotiated and reformulated; the roles and tasks of participants are transformed. When decision-making and priority setting are opened up, citizens become powerful actors with a role in governance. PB engages citizens as decision-makers, issue-definers and actors who hold responsibility for promoting their own proposals and implementing the winning ones. This is typical, especially in the UK, where PB is often used in allocating funding for small community projects.¹² Local governance does not figure in these processes; rather, local people themselves brainstorm ideas for projects, vote on and implement the winning proposals.

The element of openness that encourages renegotiation of the boundaries of participants poses an interesting question in relation to equality. Equality is an essential norm of PB, but at the same time PB encourages settings where different proposals and people compete with each other to win support. However, this kind of competitive setting has not typically been favoured in participatory exercises.

In the case of Tesoma, the question of equality was eminent. People living in different parts of the area were concerned about whether their part of the area was receiving enough attention when discussing the improvements, such as which of the two beaches on opposite sides of the lake would be prioritised when making decisions. On the City's part, civil servants emphasised that equality between different parts of the neighbourhood, or even between different parts of the city, was a norm that always guides the development projects that the City executes. Then again, in Łódź, Poland, people actively campaigned on behalf of their proposals and were not afraid to emphasise differences between proposals.

Partly, this might have been due to cultural differences, but probably also from employing different models of PB. In Tesoma, the discussion was going on under one topic, the development of the recreation area. However, in Łódź, the City implemented the mainstream model of PB, where a certain amount of the total budget is opened for PB. In this model, there is no set framework, which enables a variety of different proposals to arise.

PB has the potential to transform the position of citizens and to question who should be accepted as legitimate participants (e.g. eligible to vote). For example, in Lublin, children are now invited to vote in PB processes. In New York, all citizens who cared about and had local knowledge regarding a neighbourhood were accepted to vote in the neighbourhood.¹³

In Tesoma, in relation to the changing boundaries of participants, the PB process raised the question of representativity in participation. Some of the civil servants questioned whether the participating group of local residents was adequately diverse. This was also discussed in the PB workshops, where residents themselves recognised that they could not represent the whole population of the area. As is often the case with participatory exercises, people were concerned about how to reach young people or families with small children. In the administration, there were discussions about whether the structure of participants should be more carefully planned and if the city should choose a particular group of residents to take part in PB. This idea was finally refused to maintain the spirit of PB in opening up participation for everyone.

Reaching out to a variety of participants was a common theme in both Tesoma and Upplands Väsby. Other occasions in addition

to the PB workshops were actively searched to integrate more people in the processes. In Upplands Väsby, the civil servants arranged meetings with local pupils, met people in a shopping mall and set up a pop-up tent for a few days in the local park to reach out to the users of the area.

Concluding remarks

In this article, I have addressed PB as a practice of open governance. I recognise three elements of openness in PB: openness in decision-making, openness in setting the priorities and openness towards the boundaries of participants.

In my view, these components of openness construct the legitimacy of PB as a participatory practice. Shifting power to citizens can be interpreted as a token of trust from administration; that is, it acknowledges that people are capable of making sustainable and realistic decisions. This creates credibility for PB among citizens. In Tesoma, opening the process of governance with PB required all participants, but particularly civil servants, to feel a little uncomfortable in this new situation. However, in the end the results spoke for themselves, and all parties were satisfied with the outcomes of the process.

PB encourages us to think about what we mean by norms, which have often been connected to open governance. For example, when the boundaries of participants are reformulated, a question arises regarding representativity and what it means in new participatory settings, where voting is opened for new groups. In PB, democratic norms likely manifest differently in different contexts.

Notes

1. See e.g. Irwin (2010), Wagenaar (2007), Day & Schuler (2004), Fung & Wright (2001).
2. Röcke (2014), Sintomer et al. (2008).
3. Ganuza & Baiocchi (2012), Sintomer et al. (2008).
4. E.g. Goldfrank (2007).
5. Sintomer et al. (2008).
6. See Allegretti et al. (2013).
7. Allegretti et al. (2013).
8. E.g. Innes & Booher (2004), Pløger (2004), see also Wynne (2006).
9. See Lehtonen (2013).
10. Boulding & Wampler (2010, 126–127).
11. Goncalves (2014).
12. Röcke (2014).
13. Su (2012, 6).

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