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## *Civic Innovation and Democratic Discontent*

I was forced to go.<sup>1</sup>

That was how one teenager in Boston grimly described his reason for attending an experimental pilot program in youth participatory budgeting. On an unseasonably warm spring day, after a seemingly endless winter, it was easy to see why he might want to be anywhere other than a community center in East Boston's inner city. A staffer from the mayor's office—who looked only a few years older—valiantly tried to convince this reluctant participant that the meeting mattered for his community.

The young man stayed. He stayed for the whole meeting, then for a slice of pizza afterward, then for several months as a volunteer. He worked with city officials to turn ideas submitted by Boston residents into viable projects for municipal capital infrastructure—everything from park benches to school computers. Later, young Bostonians, aged twelve to twenty-five years old, voted on these projects. A total of \$1 million was allocated for these projects.

Programs like this one do not represent a sudden or wholesale transformation in the nature or structure of self-government. Across the country, people have always worked to strengthen their communities and volunteered their time for civic ends. Yet in some of America's largest municipalities, policymakers, citizens, and administrators are working toward a reinvigorated and even reinvented model

1. All quotes were directly transcribed by the author from firsthand encounters and conversations with relevant participants. Some are consolidated. All names have been changed to provide anonymity. For more detail regarding research methodology, please see appendix.

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of democracy exemplified by the experience of the young man in Boston.<sup>2</sup> This book explores efforts to reconceive the institutional space between citizens and government through innovative mechanisms for empowered civic engagement. It seeks to offer an extended scholarly reflection on one of these experiments, participatory budgeting, as a democratic innovation in the United States.

Participatory budgeting (abbreviated hereafter as PB) stands on the cusp of becoming a major national trend with the potential to shape how public budgets are decided in the United States. It empowers citizens to identify community needs, to work with elected officials to craft budgeted proposals to address these needs, and to vote on where and how to allocate public funds. A news story in the *New York Times* described it as “revolutionary civics in action.”<sup>3</sup>

PB leads directly to the spending of public money. Citizens work directly with government officials, who translate the input that these citizens provide into concrete policy outcomes. This stands in contrast to other models of civic engagement that put citizens in an advisory or consultative role. The power of PB derives, in part, from its ability to create a space for civic engagement that is directly tied to government decisionmaking. Importantly, PB programs in the United States are also extending a vote to those who are typically disenfranchised, including the undocumented and those under the age of eighteen.

In interviews conducted by the author, many community activists who sit on community boards (CB), block associations, and parent teacher associations (PTAs), repeatedly noted that they found PB to be the most meaningful civic engagement they had ever experienced. One woman in New York City’s Harlem neighborhood praised the process, saying: “I finally got to see how the sausage is made.”

This book studies participatory budgeting as part of a larger set of civic experiments and innovations. Across localities, in the United States and beyond, civic experiments are reengaging citizens to develop public goods, co-create, and share resources. These endeavors are known by a variety of names, including “civic tech,” “open government,” and “community renewal.” What many of these processes have in common is that they open up a new channel of communication between citizens and elected officials and among citizens themselves. Taken together, these developments present an opportunity for democratic deepening that

2. Throughout this book, the term “citizen” denotes someone with the political standing to exercise voice or give consent over public decisions, not legal citizenship.

3. Soni Sangha, “Putting in Their 2 Cents,” *New York Times*, March 30, 2012 ([www.nytimes.com/2012/04/01/nyregion/for-some-new-yorkers-a-grand-experiment-in-participatory-budgeting.html](http://www.nytimes.com/2012/04/01/nyregion/for-some-new-yorkers-a-grand-experiment-in-participatory-budgeting.html)); Soni Sangha, “The Voters Speak: Yes to Bathrooms,” *New York Times*, April 6, 2012 ([www.nytimes.com/2012/04/08/nyregion/voters-speak-in-budget-experiment-saying-yes-to-bathrooms.html](http://www.nytimes.com/2012/04/08/nyregion/voters-speak-in-budget-experiment-saying-yes-to-bathrooms.html)).

strengthens communities and rebuilds “civic muscles”—the insight and inspiration that can arise from robust civic engagement.

Among these varied civic innovations, PB is a noteworthy and prominent example. It gives citizens a more direct voice in spending, gives elected officials more accurate information about voter preferences, and gives government technocrats more complete information about public wants and needs. Participatory budgeting is not, however, a time-saving innovation. It is resource intensive. Its civic appeal lies precisely in the deliberative process and the surrounding information ecosystem it creates. The outputs of PB—specific, executed projects—are less illustrative of that value than its broader outcomes, which include enhanced “civic rewards” such as greater civic knowledge and transformed relationships.<sup>4</sup> As this book discusses, PB is effective at engaging citizens to form new civic relationships and become meaningful participants in democracy. This includes people who have never before engaged in the civic realm—I call these “new citizens” and detail their participation in chapter 4. Perhaps PB’s greatest democratic contribution comes in creating a new process for how citizens and institutions share information, interact, and make public decisions. If it can be institutionalized, PB has the opportunity to create a sustainable structure for robust, transparent citizen engagement between elections.

The rise of participatory budgeting also reflects an increasing public interest in collaborative governance, wherein citizens—often with the aid of new technologies—are empowered as co-producers of public policy and agents who inform decisionmaking. “In collaborative governance, policy design aims to ‘empower, enlighten, and engage citizens in the process of self-government,’”<sup>5</sup> says Carmen Sirianni. Lessons from PB provide a framework that can be applied to other innovations in governance and public policy, as explored in chapter 8.

## Addressing the Democratic Trust Deficit

The downgrade reflects our view that the effectiveness, stability, and predictability of American policymaking and political institutions have weakened.<sup>6</sup>

With these words, Standard & Poor’s Financial Services downgraded the creditworthiness of the United States from a rating of “AAA” to “AA+” for the first

4. See Bach and Matt (2005) on the “theory of additionality,” where they distinguish between single outputs and aggregate outcomes.

5. Sirianni (2009, p. 39).

6. Nikola G. Swann, John Chambers, and David T. Beers, “United States of America Long-Term Rating Lowered to ‘AA+’ Due to Political Risks, Rising Debt Burden; Outlook Negative,” Standard & Poor’s, August 5, 2011 ([www.standardandpoors.com/ratings/articles/en/us/?assetID=1245316529563](http://www.standardandpoors.com/ratings/articles/en/us/?assetID=1245316529563)).

time. Although ordinary citizens do not issue a collective rating of their confidence in the U.S. government, available evidence suggests that they too are losing faith in government.<sup>7</sup> In a 2013 survey, government dysfunction surpassed the economy as the single problem Americans were most likely to list as the country's most serious. Similarly, Harvard's Institute of Politics found that Americans between the ages of eighteen and twenty-nine possess a record-low level of trust in government institutions.<sup>8</sup> In a 2014 Gallup survey, only 17 percent of adults expressed a great deal of confidence in the president. Only 10 percent expressed a great deal of confidence in Congress.<sup>9</sup>

Conventional wisdom suggests that most citizens do not want to be politically engaged. Many political scientists agree. These experts argue that not only do citizens not want to engage in politics, but also they are ill equipped to make rational policy decisions.<sup>10</sup> Kenneth Arrow's famous "impossibility theorem"—positing that there is no rationally acceptable way to construct social preferences from individual preferences—has been especially influential.<sup>11</sup> Similarly, Philip Pettit's "discursive dilemma" states that individuals in deliberative settings are so alienated from policy concerns that they can potentially support policies that are inconsistent with their own beliefs.<sup>12</sup>

Citizens' declining faith in political participation comes at a moment when remarkable advances in communications technologies offer increased agency in social and commercial spheres.<sup>13</sup> In the United States, there are 103.1 mobile phones for every 100 people.<sup>14</sup> Sixty-four percent of Americans have smart phones, and penetration rates are rising.<sup>15</sup> In 1969 all of NASA had access to less computing power than a single smart phone does today.<sup>16</sup> Digital technologies have accelerated the flow of communication and reduced barriers to entry for collective action, introducing new possibilities for organization and activism in a networked world. Large-scale aggregation of goods, as exemplified by Amazon .com, has changed shopping habits. More goods are available on demand in real

7. See Shrupti Shannon, "The GovLab Index: Trust in Institutions," Governance Lab, November 6, 2013 (<http://thegovlab.org/govlab-index-trust-in-institutions-updated/>); Gallup (2014).

8. Harvard Institute of Politics, "Low Midterm Turnout Likely, Conservatives More Enthusiastic, Harvard Youth Poll Finds," April 29, 2014 ([www.iop.harvard.edu/Spring-2014-HarvardIOP-Survey](http://www.iop.harvard.edu/Spring-2014-HarvardIOP-Survey)).

9. See Gallup (2014).

10. Hibbing and Theiss-Morse (2002); Waltzer (1999).

11. See Arrow (1988).

12. See Pettit (2001).

13. See Fung, Gilman, and Shkabatur (2013).

14. CTIA—The Wireless Association, "U.S. Wireless Quick Facts" 2015 ([www.ctia.org/your-wireless-life/how-wireless-works/wireless-quick-facts](http://www.ctia.org/your-wireless-life/how-wireless-works/wireless-quick-facts)).

15. Aaron Smith, "U.S. Smartphone Use in 2015," Pew Research Center, report, April 1, 2015 ([www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/](http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/)).

16. Kaku (2011, p. 21).

time, creating an expectation among consumers of hyper-convenience and instant gratification. Parallel, collaborative production, as exemplified by Wikipedia, is transforming knowledge creation and learning.<sup>17</sup>

But these remarkable social innovations have yet to penetrate the sphere of politics. The ways in which citizens engage with government institutions remain largely unchanged.<sup>18</sup> Some critics of democracy warn that voting every two years seems to continue to be the alpha and omega of civic participation. In this model of minimal engagement, they suggest, citizens are purposefully alienated from the decisionmaking that most affects their lives.<sup>19</sup> Given these critiques, it can be argued that the predominant model of contemporary representative democracy—with its overwhelming focus on elections—does not sufficiently empower people to express their preferences between trips to the polls, provide the most effective flow of governance information to citizens, or keep decisionmakers informed of public preferences, beyond limited poll sampling. Citizens increasingly expect instant feedback, but government institutions little changed from models developed in the eighteenth and nineteenth centuries are unprepared to provide it.<sup>20</sup>

Some argue that such Weberian hierarchical-bureaucratic models have been unable to foster inclusive and robust relationships between citizens and their elected officials.<sup>21</sup> At a minimum, these models seem poorly suited for the fast pace of organization in the age of social networks.<sup>22</sup> They are struggling to fulfill basic democratic imperatives that the will of the people is effectively expressed and that citizens have transparent and accurate information about governance.<sup>23</sup>

Engaging citizens in governance is difficult. In Max Weber's famous phrase, "politics is the strong and slow boring of hard boards."<sup>24</sup> To effectively engage citizens in politics and capitalize on the dispersed wisdom of the multitude, innovation will have to extend beyond devices and gadgets to encompass democratic processes.<sup>25</sup>

17. See Fung, Gilman, and Shkabatur (2013); Noveck (2009).

18. See discussion on collaborative governance in Sirianni (2009, pp. 39–65).

19. See Thomas Meany and Yascha Mounk, "What Was Democracy," *The Nation*, June 2, 2014 ([www.thenation.com/article/179851/what-was-democracy?page=0,3](http://www.thenation.com/article/179851/what-was-democracy?page=0,3)).

20. See Noveck (2009).

21. Zajac and Bruhn (1999); See Peters (1996) on more participatory, alternative models of governance.

22. See Noveck (2009).

23. Moynihan (2007). It is for this very reason that some scholars posit that participation can undermine representative government; see Lynn (2002).

24. In "Politics as Vocation" (2004).

25. See Noveck (2009).

While civic life has not experienced the same technologically driven seismic shifts as other sectors, both in the United States and around the globe, citizens are working together to leverage new approaches and digital tools—from crowd-funding civic projects to creating the civic equivalent of the “sharing economy”—to strengthen their communal life.<sup>26</sup> Chapter 8 of this book offers a rubric laying out these diverse initiatives and their implications.

National governments are seeking to build on these developments. In 2011 President Obama launched the Open Government Partnership with seven other nations. To date a total of sixty-six nations have signed on to the endeavor. Countries in this multilateral partnership commit to greater citizen participation, collaboration, and transparency in governance. Each member country is required to submit a national action plan outlining its domestic open government commitments. According to President Obama, “empowering citizens with new ways to participate in their democracy” is critical to the effort.<sup>27</sup> My research suggests that participatory budgeting can be an important tool in efforts at open and inclusive governance, in the United States and globally. To that end, as a policy advisor on open government and innovation in the White House Office of Science and Technology Policy (OSTP), I worked to incorporate participatory budgeting into the second National Action Plan, which the United States submitted as part of the Open Government Partnership.<sup>28</sup> The National Action Plan, released in December 2013, features a commitment to promote community-led PB, as explored further in chapter 7.<sup>29</sup> The post-2015 Development Agenda of the United Nations Development Program (UNDP) has led to an ongoing international effort to formulate sustainable development goals (SDGs).<sup>30</sup> SDG 16.7 calls on signatories to “ensure responsive, inclusive, participatory and representative decision-making at all levels.”<sup>31</sup> Chapter 8 extends the analysis in placing PB within an emerging set of civic tech experiments aimed to deepen civic engagement in governance.

26. See Davies (2014) for the definition of civic crowdfunding.

27. President Obama’s speech to the United Nations in September 2011; quoted in Nikki Sutton, “President Obama on Open Government: ‘The Essence of Democracy,’” *Open Government Initiative* (blog), September 20, 2011 ([www.whitehouse.gov/blog/2011/09/20/president-obama-open-government-essence-democracy](http://www.whitehouse.gov/blog/2011/09/20/president-obama-open-government-essence-democracy)).

28. Obama White House (2013).

29. Obama White House (2013, p. 10).

30. United Nations Economic and Social Council, “Millennium Development Goals and Post-2015 Development Agenda” (<http://www.un.org/en/ecosoc/about/mdg.shtml>).

31. See United Nations, Sustainable Development Knowledge Platform, “Open Working Group Proposal for Sustainable Development Goals” (<https://sustainabledevelopment.un.org/sdgsproposal>).

## Participatory Budgeting

While participatory budgeting (PB) is just now taking root in the United States, it traces its origins to a unique initiative started in 1989 in Porto Alegre, Brazil, by the leftist Partido dos Trabalhadores (Workers' Party, henceforth PT).

After twenty-one years during which Brazil was governed by a military dictatorship, participatory budgeting offered the country a means by which to reimagine the state: it “would help relegitimize the state by showing that it could be effective, redistributive, and transparent.”<sup>32</sup> Since 1989 PB has spread to over 1,500 sites worldwide—and the World Bank and United Nations have supported it as a “best practice” in democratic innovation.<sup>33</sup>

In its original campaign for participatory budgeting, the PT outlined four basic principles guiding PB: (1) direct citizen participation in government decisionmaking processes and oversight; (2) administrative and fiscal transparency as a deterrent for corruption; (3) improvements in urban infrastructure and services, especially aiding the indigent; and (4) a renewed political culture in which citizens would serve as democratic agents.<sup>34</sup> Recent research convincingly demonstrates that in the last twenty years PB has enhanced the quality of democracy in Brazil, improving governance and empowering citizens.<sup>35</sup> Other positive outcomes linked to specific uses of PB in Brazil include increased municipal spending on sanitation and health, increased numbers of CSOs, and decreased rates of infant mortality.<sup>36</sup>

Participatory budgeting gives citizens the opportunity to learn about government practices and to come together to deliberate, discuss, and substantively affect budget allocations.<sup>37</sup> PB programs are implemented at the behest of citizens, governments, nongovernmental organizations (NGOs), and civil society organizations (CSOs) to give citizens a direct voice in budget allocations.<sup>38</sup> Scholars have suggested that when people take part in participatory deliberative engagements, they are better equipped to assess the performance of elected officials on both the local and the national levels.<sup>39</sup>

Participatory budgeting can take on different forms, depending on where and how it is implemented. But PB programs share certain basic traits:

32. Goldfrank (2007a, p. 95).

33. Porto Alegre's PB was named one of the “best practices” in urban planning in 1996 at the UN Habitat II conference (Goldfrank 2006).

34. Goldfrank (2002).

35. Touchton and Wampler (2014).

36. Touchton and Wampler (2014, p. 1444); Gonçalves (2014).

37. Shah (2007).

38. Wampler (2007b).

39. Pateman (1976); Santos (2005).

1. *Information sessions*: Citizens are given access to information about the cost and effect of different government programs.
2. *Neighborhood assemblies*: Citizens articulate local budgetary needs.
3. *Budget delegates*: Some sign up to directly interact with government officials and draft viable budget proposals.
4. *The Vote*: A larger group of residents vote on which projects to fund.

Throughout the PB process citizens have unfiltered access to government information and elected officials. Where such programs work, citizens leave with new relationships with their neighbors, a new understanding of their elected officials, and a deepened sense of solidarity and community. In the United States, taking part in PB is a matter of citizen self-selection rather than elected representation.

Some forms of participatory democracy already exist in the United States, including nonbinding consultative mechanisms for citizen feedback within school boards, neighborhood policing, and urban planning, to name but a few.<sup>40</sup> To clarify what is unique about participatory budgeting, however, I offer a bounded definition that focuses on three aspects in particular: participatory budgeting is (1) a replicable decisionmaking process whereby citizens, (2) deliberate publicly over the distribution of, (3) limited public resources, arriving at decisions which are then implemented.<sup>41</sup>

Under this definition, the PB process is more than one single ad hoc event, such as a citizen jury or a deliberation day.<sup>42</sup> Importantly, deliberation and decisionmaking is done in public, in contrast to closed processes such as jury duty. Finally, monies are clearly delineated so that a set amount of funds will be allocated. This stands in contrast to citizen feedback with respect to vague or undisclosed funds that lack direct mechanisms for transparency and accountability.

## Participatory Budgeting in America

It took two decades for the practice of participatory budgeting to migrate from Brazil to the United States. Its official arrival can be traced to a single ward in Chicago, where an alderman used \$1.3 million of his discretionary funds to make American civic history.<sup>43</sup> Within five years what began in one Chicago ward is

40. Fung (2004); Berry and others (2006); Sirianni (2009).

41. Adding bounded resources to the definition differentiates PB in the United States from PB in Brazil, where it often does not control a clear amount of set aside resources.

42. Crosby, Kelly, and Schaefer (1986); Fishkin (1993); Ackerman and Fishkin (2005).

43. See Weeks (2000) for large-scale deliberative processes in the early 1990s that engage citizens to address municipal budget concerns in Eugene, OR, and Sacramento, CA. For other examples of U.S.-based citizen engagement on budgeting, see Center for Priority Based Budgeting 2015 ([www.pbbcenter.org/](http://www.pbbcenter.org/)).

rapidly growing.<sup>44</sup> In 2015 Boston, Chicago, and New York City allocated \$40 million dollars through PB. For 2015–16 the process is expected to grow, including with five new wards in Chicago alone.<sup>45</sup> As Josh Lerner, co-founder and executive director of the nonprofit Participatory Budgeting Project (PBP), which seeks to support the implementation of PB in the United States and Canada, noted in 2014, “in the United States, the number of PB participants and dollars allocated has roughly doubled each year since 2011.”<sup>46</sup> PBP, working with community partners, has helped introduce, advance, and sustain PB’s growth from Brazil to the United States.<sup>47</sup>

Much of this book’s research focuses on the pilot year program on participatory budgeting in New York City (hereafter PBNYC) that ran during 2011 and 2012. As outlined in chapter 3, the New York City Council had a long history of nontransparent use of discretionary funds—closely determined by the Speaker of the City Council. Breaking with tradition, in 2011 four council members came together, across party lines, to implement a PB process that now serves as an instructive model for participatory budgeting efforts throughout the country. Just as Porto Alegre’s 1989 experiment sparked international interest, New York’s 2011 pilot project elevated the stature of PB in America.

Participatory budgeting appears to be a rising force in municipal democracy in the United States. The mayors of Chicago and New York have pledged to greatly expand it. Cities from Boston and Cambridge, in Massachusetts, to Long Beach, San Francisco, and Vallejo, in California, are adopting PB.<sup>48</sup> Cities across the country, including Detroit, continue to explore adoption.<sup>49</sup> Greensboro, North Carolina, is launching a process.<sup>50</sup> St. Louis ran its first pilot in 2013.<sup>51</sup>

44. Scruggs (2014). See the Participatory Budget Project, “Examples of PB” 2015 ([www.participatorybudgeting.org/about-participatory-budgeting/examples-of-participatory-budgeting/](http://www.participatorybudgeting.org/about-participatory-budgeting/examples-of-participatory-budgeting/)). During 2014–15, estimates of PB in North America included \$45 million.

45. See [www.pbchicago.org](http://www.pbchicago.org) for more information on the Chicago expansion.

46. Lerner (2014, Kindle edition, 468–69).

47. For more information see Lerner (2014) and PBP’s mission statement; “Our mission is to empower people to decide together how to spend public money. We create and support participatory budgeting processes that deepen democracy, build stronger communities, and make public budgets more equitable and effective”; Participatory Budget Project, “Mission & Approach” September 2015 ([www.participatorybudgeting.org/who-we-are/mission-approach/](http://www.participatorybudgeting.org/who-we-are/mission-approach/)).

48. See PB experiments in a Phoenix high school, Zocalo Public Square, “How Would Students Spend the Principal’s Money,” *Time*, March 11, 2015 (<http://time.com/3740510/phoenix-budgeting-experiment/>).

49. See Detroit People’s Platform: Participatory Budgeting 2015 ([www.detroitpeoplesplatform.org/resources/participatory-budgeting/](http://www.detroitpeoplesplatform.org/resources/participatory-budgeting/)).

50. See Greensboro Participatory Budgeting ([greensboropb.org/](http://greensboropb.org/)).

51. Participatory Budgeting St. Louis, “Your Money, Your Voice!!!” 2015 (<http://pbstl.com/>), and Jessica Lussenhop, “Participatory Budgeting—St. Louis Launches Pilot Project in 6th Ward,” *River*

Boston is pairing PB with programs in “Internet Democracy,” including civic crowdfunding and the first youth-driven process, as reviewed in chapter 6.<sup>52</sup>

In the fall of 2014, nearly half of the members of the New York City Council, representing nearly four-and-a-half million residents, launched PB efforts.<sup>53</sup> In 2015 New York residents allocated roughly \$32 million to be spent through PB.<sup>54</sup> The White House issued a pledge to support the growth of PB, using existing federal community funds at the end of 2013 as part of its international effort to support open government initiatives.<sup>55</sup> Cities, such as Buffalo, New York, are already exploring how to use Community Development Block Grants (CDBG) from the U.S. Department of Housing and Urban Development (HUD) to fund PB programs.<sup>56</sup>

PB has proved popular, in part because of the political benefits it offers politicians who embrace it.<sup>57</sup> I argue that PB offers communities a new space for information flow and civic engagement, connecting community-level action to larger questions of governance and decisionmaking. This space holds appeal not only for citizens, but also for their elected political representatives. In fact, as discussed in chapter 3, some of the citizens who participated in the first year of PB in Chicago felt that the process was focused more on creating networks of support for their alderman than promoting genuine engagement in decisionmaking.

PB also gives elected officials crucial crowd-sourced information that would otherwise be prohibitively difficult to obtain, while citizens, in turn, get to learn about their neighborhoods, see how governance works, and actively participate in the formation of public policy. When assessing projects vying for funding in PB assemblies, citizens often canvas entire neighborhoods, closely examining conditions at every park and school in the district. Participatory budgeting encourages civic creativity as the participatory process has the potential to be more inventive than the existing urban bureaucratic process.

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*Front Times*, April 3, 2013 ([http://blogs.riverfronttimes.com/dailyrft/2013/04/participatory\\_budgeting\\_can\\_th.php](http://blogs.riverfronttimes.com/dailyrft/2013/04/participatory_budgeting_can_th.php)).

52. Boston Department of Youth Engagement and Employment, “Youth Lead the Change,” 2015 (<http://youth.boston.gov/youth-lead-the-change/>).

53. Ginia Bellafante, “Participatory Budgeting Opens Up Voting to the Disenfranchised and Denied,” *New York Times*, April 17, 2005 ([www.nytimes.com/2015/04/19/nyregion/participatory-budgeting-opens-up-voting-to-the-disenfranchised-and-denied.html](http://www.nytimes.com/2015/04/19/nyregion/participatory-budgeting-opens-up-voting-to-the-disenfranchised-and-denied.html)).

54. New York City Council, “Participatory Budgeting,” 2015 (<http://council.nyc.gov/html/pb/home.shtml>).

55. Obama White House (2013).

56. See Change.org, “Implement Participatory Budgeting in Buffalo,” 2015 ([www.change.org/p/mayor-byron-brown-implement-participatory-budgeting-in-buffalo?source\\_location=update\\_footer&algorithm=promoted](http://www.change.org/p/mayor-byron-brown-implement-participatory-budgeting-in-buffalo?source_location=update_footer&algorithm=promoted)).

57. See Lerner (2014).

Information and communications technologies (ICTs) have the potential to streamline the process. Yet the use of ICTs should not prevent people from experiencing the painstaking rewards and gaining the kinds of knowledge that come from in-person participation in civic dialogue. One current challenge is the limited suite of tools available for effective online deliberation. Ideally, PB will help catalyze support for nonprofit tools that better provide these opportunities and reduce barriers to entry for participants.

## **An Unlikely Innovation**

Given the resources and effort it requires, PB can be said to represent an unlikely exemplar of twenty-first-century innovation. Many technological innovations are designed to streamline processes, removing the human touch. In our increasingly automated society, participatory budgeting provides an alternative approach. By design, the process is “high touch,” requiring elected officials to devote resources and time and encourage face-to-face engagement. Its innovation is bringing people back in—not through a groundbreaking technology or tools but through a deliberative mechanism that seeks to marshal civic and political will to reinvent the current budgeting process and reengage citizens in democracy. This book aims to explain the paradox presented by an innovation that actually both creates and depends on what some might consider inefficiency.

Participatory budgeting requires significant resources from elected officials, community-based organizations, and citizens. These include the commitment of time from citizens who choose to serve as budget delegates in the effort to craft viable budget proposals for their neighbors. Delegates choose not only to devote their time, which is a scarce resource, but also sometimes even provide in-kind donations such as food.

In some respects, conventional budgeting is more streamlined than PB. However, the conventional approach has its own significant shortfalls, some of which PB addresses. In the normal course of governance, little time and few resources are devoted to providing transparent information to citizens. Citizens are not empowered participants or contributors of local knowledge. Funding for projects is often delayed until needs have become so serious that they can no longer be ignored. Organizations with preexisting relationships with elected officials—and well-connected lobbyists—are sometimes first in line to receive funds. This is due, in part, to the limited capacity of staff in the offices of council members to engage with larger swaths of their districts. The current model remains resilient. Participatory democratic experiments must contend with institutional inertia, with limited resources for public engagement, and with the influence of entrenched interests, including officials’ reluctance to forgo control over the allocation of resources.

In the United States, many local officials receive discretionary funds through highly opaque processes. As is discussed in chapter 3, prior to major transparency reforms in 2014,<sup>58</sup> New York City Council members received from \$3 million to \$12 million per annum in discretionary funds. These monies were not tied to district need but rather often reflected the whims of the speaker and the city council. Council members then have discretionary authority regarding how this money is spent. A report by Citizens Union on the New York City Council in 2012 contended: “The current discretionary funding process, while improved from a decade ago, remains flawed and needs additional reform.”<sup>59</sup>

New York City was not alone in these practices. Local officials throughout the United States receive sizable amounts of discretionary funds subject to little or no oversight. The same holds, *mutatis mutandis*, for Chicago. Sometimes oversight comes only in the form of prosecution: between 1972 and 2009 thirty Chicago aldermen were indicted and convicted of federal crimes ranging from income tax evasion to extortion, embezzlement, and conspiracy.<sup>60</sup>

The participatory budgeting process is effective partly because it is not as “efficient” as these less transparent approaches. PB is both labor intensive and time intensive because it involves the hard work of coalition building and direct dialogue. I dub these latter “civic rewards.” Among the most valuable of these rewards is learning how expensive and inefficient government projects can be. Government, by its mandate to be just and equitable, cannot necessarily function like other sectors. This can prove to be beneficial for the public. Ultimately it is the process itself, and the experience of participation, that makes PB such an important phenomenon. PB provides opportunities for civic knowledge, strengthened relationships with elected officials, greater community inclusion, and leadership combined with skill development. Studying the above-mentioned “civic rewards” and other factors in participatory budgeting can, in turn, inform other civic and social innovations.

By their very nature, innovations tend to adapt and evolve. Political ecosystems change. Methods and means are constantly adjusted. New actors emerge. This study of a relatively recent innovation in U.S. political practice provides, by necessity, a snapshot of how things were done in particular times and places. The latest versions of participatory budgeting will already differ from those detailed here. Nonetheless, this book seeks to draw lessons from these shifting, incipient attempts.

58. Council of the City of New York, “Council to Vote on Landmark Rules Reform Package,” press release, May 14, 2014 (<http://council.nyc.gov/html/pr/051414stated.shtml>).

59. Fauss (2012, p. 4).

60. Gradel and others (2009, p. 1).

## Overview

This book studies participatory budgeting and its implications for democracy and public policy, situating PB within a broader framework for understanding civic and democratic innovation—a set of principles which can then be applied, as appropriate, to other innovations in governance, information, and public policy. I have put forward three core ingredients that I view as essential for understanding PB: (1) substantive participation, (2) deliberation, and (3) opportunities for institutionalization. These criteria can be incorporated into holistic strategies for assessing the effectiveness and legitimacy of various other innovations in civic process. The nature and objectives of programs will vary,<sup>61</sup> as will the political context, but many other civic innovations rest on one or more of these same criteria.

This introductory chapter frames the challenge of declining trust in government and argues that PB and other civic innovations can help reinvigorate and strengthen democracy. Chapter 2 discusses the international origins of participatory budgeting and presents a normative argument for the value of citizen engagement. Chapter 3 discusses the rise of participatory budgeting in the United States, with an emphasis on its founding in Chicago and New York.

The chapters that follow consider in depth the three criteria I have articulated for assessing participatory budgeting: participation, deliberation, and institutionalization. Chapter 4 discusses in depth PB's pilot year in New York City and offers a typology of its participants. Specifically, I argue that PB plays a crucial role in generating "new citizens" who have not previously participated in elections or engaged in public political discourse. Chapter 5 explores the role of deliberation and dialogue in PB, as illustrated in New York's pilot year. Chapter 6 considers innovations to the practice of PB through findings from Boston's youth-driven process, highlighting that innovation can take the form of mechanisms—innovation or civic tech is not only driven by digital tools.

The concluding chapters place the findings within a broader theoretical context of civic innovation and civic technology, including policy recommendations for PB and a rubric for assessing civic and social innovations, presenting PB as one technique within a broader toolkit. Chapter 7 offers policy recommendations for institutionalizing civic innovation.

How much can PB achieve? If it is restricted to funding parks and school construction, it will not reach its potential. To reinvigorate local democracy, PB must encompass major budgetary questions, up to and including urban redevelopment,

61. For example, not all civic innovations require deliberation; some might even lose community buy-in if overly institutionalized.

zoning, and social welfare spending. At the same time, if PB is to be more than a passing trend, it will need to be made part of a permanent routine practice. Building on discussion throughout the book, chapter 7 considers the use of information communication technologies (ICTs) in PB and civic innovation for greater institutionalization and scale in the United States and internationally. This includes a suggestion that as PB expands, it will need to become less resource-intensive while still creating robust opportunities for substantive civic participation. Chapter 8 puts forward a broader framework to understand civic tech and innovation beyond PB. The conclusion offers questions for further research and argues for more vigorous effort and experimentation to reengage citizens in governance to improve the long-term health of democracy.

If properly understood and supported, participatory budgeting has the potential to strengthen local democratic practice and to alter the current relationship between citizens and local government. Yet this will only be possible if we ask and answer the right empirical questions and if we approach the inquiry with the right normative framework. I hope this book will be a contribution to this vital ongoing discussion.

As one civil society leader noted on completion of the pilot PBNYC process:

I've been working on the budget for fifteen years in New York City, where the budget dance is so entrenched. I've seen a radical change in the last few months. People are talking about this and imagining a budget process that is modified and doesn't involve the highest paid lobbyists. Opening up the imagination of what is possible is the biggest achievement of participatory budgeting and shame on me for not thinking it was possible.