

Participatory Budgeting: Spreading Across the Globe



Porto Alegre, Brazil

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Executive Summary

Participatory Budgeting (PB) is spreading quickly and now exists in environments that are very different from Porto Alegre, Brazil, where it began, including places as diverse as New York City, Northern Mexico, and rural Kenya. It is increasingly used as a policy tool and not as a radical democratic effort, which was its original purpose. PB also now exists at all levels of government around the world, including neighborhoods, cities, districts, counties, states, and national governments, although it is most widely implemented in districts and cities. Many donors and international organizations support PB efforts, as do non-profit advocacy organizations in countries that use PB.

PB is rapidly expanding across the world because many of its core tenets appeal to many different audiences. Leftist activists and politicians support PB because they hope that PB will help broaden the confines of representative democracy, mobilize followers, and achieve greater social justice. PB is also attractive within major international agencies, like the World Bank, European Union, and USAID, because of its emphasis on citizen empowerment through participation, improved governance, and better accountability.

Governments, donors, and activists hope that PB will produce social change on different levels. First, it is hoped that PB will produce attitudinal and behavioral change at the individual-level, including among citizen-participants, elected officials, and civil servants. PB advocates hope that PB programs will induce broader support for democratic policy-making processes, help build social trust, and build greater legitimacy for democracy. Second, PB advocates hope that PB will have spill-over effects that produce broader changes in four general areas, listed below.

- Stronger civil society
 - PB creates a stronger civil society by increasing CSO density (number of groups), expanding the range of CSO activities, and promoting new partnerships with governments.

- Improved Transparency
 - PB improves transparency by generating greater citizen and CSO knowledge, allowing for more oversight and monitoring, and increasing the efficiency of budget allocations.

- Greater accountability
 - PB improves governance and accountability because citizens are more likely to be aware of their rights and government

activity through PB. Government officials will then respond to citizens' demands and collaborate in pursuit of shared interests.

- Improved Social Outcomes
 - PB improves social outcomes through improved governance, newly-empowered, better-informed citizens, as well as through the allocation of public-works projects that focus on the needs of underserved communities.

This report, written in 2018, is published at a time of dynamic change in the PB field. We acknowledge that there are books, and articles with important insights that we were unable to include in this synthesis. It is our hope that this report will aid citizens, governments, practitioners, and donors as they contemplate how PB programs may improve the quality of democracy, service delivery, community trust, and well-being. We thank David Sasaki, the Hewlett Foundation, and the Omidyar Network for their support throughout the process of developing this report.



Participatory Budgeting in New York City

Introduction

This report originated in response to questions generated by David Sasaki of the William and Flora Hewlett Foundation and Laura Bacon of the Omidyar Network. Its original purpose was to better inform the Hewlett Foundation and Omidyar Network on the current status of Participatory Budgeting (PB) programs, research, and impact. In this report, we sum up the current state of our understanding of PB. We focus on several important aspects of PB and how it has evolved in the past twenty years, with an emphasis on the Global South.

This report focuses on ten separate areas. First, we introduce and review the key trends in research in order to identify the parameters of research questions and issues of interests to academic and policy communities. Second, we then describe the spread of PB across the globe and the conditions for its implementation. The third section builds on the previous one and identifies the key issues that adopting governments often have to address when they adapt PB's rules to meet local needs. This section also focuses on specific issues related to the implementation of public works projects and social service programs that PB participants selected. The fourth section explores the potential impact that PB programs are thought to generate.

The fifth section narrows the analysis to focus explicitly on citizen participation and inclusion. The sixth section focuses on the role of technology in PB. The seventh section illuminates issues related to advocacy organizations, donors, and 'PB Champions.' The eighth section focuses on research, with an emphasis on conflicting findings as well as gaps in our knowledge and research opportunities in the near future.



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The General State of PB Knowledge

There is a vast literature about PB around the world, and several findings emerge regarding themes such as the adoption of PB, the roots of PB, the purpose of PB, and the role of different actors in PB. As the literature grows and evolves, our understanding about some themes, discussed below, is quite coherent. Other themes demand much more work, a topic that comes up again in the final section of this report.

What does the existing literature tell us about PB?

Seven key themes emerge in the existing PB scholarship.

1. Adoption: One question tackled in the literature focuses on why PB is adopted. Key factors that explain PB adoption are the government's ideology (Goldfrank 2011), civil society mobilization (Avritzer 2002; Baiocchi 2005), democracy promotion (Santos 2005), international organizations (Porto de Oliveira 2017; Goldfrank 2012), government's electoral incentives (Wampler 2007), and nationally mandated programs (McNulty 2013). Relatedly, excellent research evaluates PB's diffusion; key explanations for diffusion include the role of international donors, international advocacy organizations, and individuals who promote PB, called "participatory ambassadors" (Porto de Oliveira 2017).
2. Variation in quality of PB programs and PB outcomes: Similar to the factors that explain adoption, several factors explain outcomes, including: the government's ideology (Goldfrank 2011), civil society mobilization (Avritzer 2002; Baiocchi 2005), and the government's electoral incentives (Wampler 2007). State capacity, the level of local resources, and institutional rules also explain variation in PB-generated outcomes.
3. PB as "radical democracy": PB's roots lie in a radical democratic project, and initial research reflected that framing. Radical democracy, as it was framed in the 1990s, includes incorporating ordinary citizens into government decision-making priorities, the "inversion of priorities" that led governments to allocate public resources to underserved areas (shantytowns) and policy issues (basic health care), and a strong emphasis on social justice. This line of work is not as visible today as PB becomes less associated with the political left. Relatedly, there is consensus that PB can act as a "school of democracy," whereby citizens learn to deliberate, learn about government functioning, and begin to engage in democratic practices. Finally, PB is now positioned as complementary to representative democracy and not a substitute for it.

4. PB as governing technique: PB is also increasingly identified as a “tool,” or “technique” that international organizations such as the World Bank and USAID use to promote improvements in governance (Ganuza and Baiocchi 2016). However, two key components—social justice and radical democratic orientations—are missing from World Bank and USAID advocacy. Instead, these organizations emphasize transparency and participation as a means to generate accountability. Participation, although at times unwieldy, helps to improve government efficiencies because it creates better connections between citizens’ needs and government outputs. Transparency also leads to the more efficient use of public resources because it promotes increased project monitoring.

5. Civil society: Civil society organizations (CSOs) are often a vital part of many PB programs’ adoption and functioning (Avritzer 2002; Baiocchi 2005). Researchers have therefore sought to assess how the configuration of civil society and this new democratic experience are interrelated. This line of research is often linked to the treatment of “PB as a school of democracy.”

6. Inclusion: A central theme corresponds to the socio-political characteristics of participants. Researchers are interested in knowing the extent to which PB programs are able to draw in citizens who are not active in the public sphere, the diversity of participants, and if (and how) PB transforms community life.

7. PB’s impact: The impact of PB on politics, social indicators, civil society behaviors (e.g., voting, protest, civil society organization), and citizens’ social well-being (e.g., health education) is, perhaps, the most difficult area to evaluate. Challenges include identifying the appropriate time frame to assess change, finding reliable data, and parsing PB’s causal mechanisms from other potential impacts. One line of research on PB’s impact assesses PB’s relationship with social well-being (Gonçalves 2014; Touchton and Wampler 2014). Other lines of research include an effort to assess how PB affects civil society and public discourse (Johnson 2017; Baiocchi et al. 2011). We can report that the initial body of large-N findings corroborates key findings from the case study approach, although the body of large-N analysis is at an early stage.

How has scholarship about PB evolved?

As PB is adopted across the world, the research on PB has followed three distinct phases. The first phase involves single-case studies, as scholars attempted to get a better handle on this new democratic innovation. Abers (2001), Avritzer (2002), and Baiocchi (2005) were at the forefront of this effort. This phase emphasized the role of civil society as well as PB as a “radical democratic” project. Most studies initially focused on Brazil, but then moved on to other regions and countries as PB was adopted (e.g., Argentina,

Uruguay, Peru, South Africa, Indonesia, the United States, and Europe). For example, in the 2015-2017 period, we have seen more single case studies on the United States and several European cities because researchers are attempting to better understand the current wave of innovations (Kamrowska-Zaluska 2016; Nez 2016; Su 2012).

The second phase involves small-N comparative studies and, again, initially focused on Latin America (Baiocchi et al. 2011; Goldfrank 2011; Heller 2001; McNulty 2011; Wampler 2007 and 2008; Montambeault 2012). These studies developed broader, more generalizable explanations for outcomes. Research topics include variation within and across civil society, government involvement, the role of the legislature, and political opposition. Beyond Latin America, more recent examples of this comparative work extend regional coverage to Europe (Sintomer et al. 2016; Džinić et al. 2017) and Asia (Feruglio and Rifai 2017; Wu 2012, 2014). Case study research has generated a great deal of consensus about impacts. However, hypotheses stemming from this research have generally not been tested in large-N studies.

The third phase involves large-N work, meaning statistical analyses of a large number of municipalities or countries. One line of work involves analysis of surveys using regression techniques (Johnson 2017; Wampler 2007). A second line of work involves using municipal-level data to assess how the presence of PB affects social well-being (Gonçalves 2014; Touchton and Wampler 2014). Large-N work is the most limited of the three types of research due to the difficulty in tracking down reliable and useable data.

Conditions for Implementation

As PB is being adopted across the world, governments face a series of issues that they must contend with in order for PB to succeed. Several issues to be considered include: identifying the appropriate scale, determining funding mechanisms to support the implementation of projects, political economy issues, political and partisan competition, executive-legislature relations, civil society, and state-society relations.

Scale: What are the prospects of implementing participatory budgeting at various levels of government (e.g., neighborhood, city, district, county, federal)?

PB currently operates at all levels of government around the world, including neighborhoods, cities, districts, counties, and in federal agencies. PB is most widely implemented at the district or city level— a trend we expect to continue. This level of implementation reflects its origins (Porto Alegre) and its diffusion to hundreds of Brazilian municipalities and dozens of cities across Latin America, Africa and Asia. In these cases, the municipal government worked with civil society to implement PB.

Extending PB processes to all subnational governments around the country through national legislation is a recent trend in the developing world. This “top-down” PB is first based on constitutional reforms or new legislation that specifically requires subnational officials—usually some combination of district, city, county, and state governments—to undertake PB when deciding what infrastructure projects to fund. This occurred in Peru (2002), the Dominican Republic (2007), Kenya (2010), South Korea (2005), Indonesia (2000), and the Philippines (2012).

National legislation also opens the door for PB to scale-out in subnational governments across these countries. For example, the Korean government revised the Local Finance Act in 2005 to incentivize, but not mandate, PB. Internationally, interest in scaling up PB continues to gain strength in activist and funding circles.

Three additional scaling processes exist surrounding PB. First, municipal processes have scaled up to the state (or regional) level in some places, such as Podlaskie Voivodeship in Poland and Rio Grande do Sul in Brazil. In 2004, the Socialist Party initiated PB in Poitou-Charentes, a rural region of France, to distribute high school funding for the entire state (Sintomer, Röcke and Talpin 2013). Second, Portugal became the first country to implement a pilot national PB process in 2016. Portugal’s program allocated 3 million Euros (less than 1% of the national budget) for education, science, culture, and agricultural

projects in its first year. Another innovative aspect of this project is that citizens may be able to select projects via ATM-based voting in the future. It is not clear if this will become a trend, but it could prove to be a model for easing some of the challenges associated with scaling PB in European countries. Third, PB has also emerged in some local government agencies. This is most prevalent in school board authorities, such as Youth PB in Boston and the Bioscience High School in Phoenix, Arizona (Cohen, Schugurensky, and Wiek 2015), but has also been implemented in the Toronto Community Housing Authority in Canada.

What sources of funding exist?

An impressive variety of funding sources exist for PB. By far, the most common PB model allocates government funds. The resources for these processes come from discretionary funds (such as city council members' funds in New York and Chicago), earmarked funds (such as the new process in Portugal), social development funds (such as most Latin American examples), and in fewer cases, extractive revenue funds (such as some cities in Peru). In Chicago, Tax Increment Financing has been used to fund PB projects, which has been controversial (Participatory Budgeting Project 2016). In Vallejo, California residents approved a 1% increase on a sales tax, and the city council decided to spend $\frac{1}{3}$ of this revenue through a participatory budgeting process. Foundations and multilateral banks are funding many of the technical assistance providers. Finally, individual donors contribute funds and can even make decisions regarding how to spend their donations using an online PB voting process for some non-profits, such as the Participatory Budgeting Project (PBP).

How does the political economy affect the implementation and impact of PB?

PB programs allow citizens to intervene directly in government spending, which produces a close relationship between governments' available resources and citizens' ability to exercise decision-making authority. At the same time, public resources must be available so that governments are able to delegate authority to citizen decision-making forums. PB programs lose their distinctive characteristic of allowing citizens to select specific projects when public resources are not available. Moreover, governments are more likely to withdraw or limit PB program funding as resources become scarce. In contrast, governments are more likely to invest in PB when resources are more plentiful.

There are two opportune moments that positively affect government officials' willingness to expand citizens' access to these resources. First, decentralization creates an opportunity for subnational governments to access new resources and create participatory institutions like PB. Reformist

governments have a window of opportunity to invest additional resources in PB because no specific political group or bureaucratic unit “owns” these resources. Examples include constitutional reform and accompanying decentralization in Brazil (1988), Indonesia (1998), Peru (2002), and Kenya (2010). In all of these cases, an emphasis on participation accompanied decentralization, which created the political and policy conditions that favored PB adoption.

Second, the availability of additional resources permits government officials to dedicate more funding to PB during periods of economic growth. Government reformers adopting PB do not have to engage in difficult political struggles with entrenched bureaucrats or legislators in these cases. Rather, reformers side-step disagreements and allocate new resources to PB programs. The Philippines, under President Aquino (2010-2016), is an excellent example as a reformist president who oversaw the allocation of hundreds of millions of dollars through PB.

State capacity is directly related to PB funding and project implementation. The local state’s capacity to implement specific, citizen-selected projects then influences PB’s long-term sustainability. Thus, researchers, activists and NGOs need to carefully consider what the state can implement as well as its available resources to fund project implementation. A backlash against PB is likely when governments expand policy options to include projects that the state cannot implement because selected projects may never be implemented.

For example, the Brazilian city of Belo Horizonte’s government created “PB Housing” to focus government and civil society leaders’ attention on building new housing units. Yet, the government lacked the resources and capacity to build these housing units. Long-time civil society activists withdrew their support from government officials and PB programs as a result. A key lesson from this experience is that governments need to have basic administrative capacity and resources to organize PB and to implement outcomes.

What is the role of political parties and their impact on PB implementation?

There is no clear consensus in the literature regarding the role of political parties for implementing PB. There is wide variation in party systems and the strength of individual parties around the world. This translates to some environments where political parties and competition are essential for PB and others where they are inconsequential.

Political competition through representative elections theoretically induces politicians to invest in activities that citizens support to win their votes; PB simultaneously appeals to citizens for the voice and vote they gain

in policymaking processes. Having a minimal level of political competition among parties appears to be an important aspect of producing vibrant PB programs because it induces parties to respond to citizens' demands (i.e., the classic Madisonian explanation of democracy). However, weak parties and weak party systems in most developing world countries means that it is very difficult for ordinary citizens to easily identify which reformers and parties are responsible for new forms of citizen engagement. In turn, political reformers often have a hard time claiming credit for their reform efforts, which diminishes politicians' and parties' potential interest in a new political project that delegates authority to citizens.

The literature does provide several key insights that link PB and political competition around the world.

First, ideologically leftist political parties (e.g., Workers' Party in Brazil; PSOE in Spain; ANC in Durban, South Africa; Communist Party in Kerala, India) initiated the earliest PB programs in their respective regions. These leftist parties used PB as a political platform through which to signal their interest in changing the status quo. Parties also used PB to seek other citizens' votes by signaling their efforts to expand democratic practices.

Political reformers from a variety of ideological backgrounds adopted PB as a means to generate accountability in PB's second wave. For example, Alejandro Toledo, an economist who previously worked with the UN, the World Bank, and the OECD, advocated PB to generate social accountability once he became Peru's president. Center-right reformists interested in the transparency and efficiency processes associated with PB promoted the program in the Dominican Republic. Entrenched political parties may also promote PB if they wish to change local political dynamics and seek new supporters. Thus, "late adopters" in many countries also come from a wider spectrum of political parties than early adopters. These late adopters are not necessarily interested in using PB as a radical democratic process, but use PB as a tool to improve governance, in the hopes that ordinary citizens will recognize the combination of citizen participation and improved service delivery, which will then influence their voting behavior in favor of adopting parties.

Second, there are scale-related issues to consider when connecting political parties and competition to PB adoption and performance. Opposition political parties often initially champion PB as a new form of governance at subnational levels; these smaller, minority parties implement PB when elected to demonstrate that they can alter basic state-society interactions. Brazil provides a good example of this practice, as the politically-weak, outsider Workers' Party originally championed PB to better incorporate citizens into the political process and seek their votes. India's Kerala state provides

another good example in this area, as members of the elected Communist Party of India promoted PB as a means to re-engage civil society.

PB is more likely to be implemented as part of a new political coalition's reformist push when it is part of a top-down policy reform at the national level (e.g., in Peru, Indonesia, or Philippines). These reformers often seek to leverage participation as a means to alter traditional political processes, but it is vital to recognize that these coalitions use their newly won access to national power to implement these programs.

The role of PB in single-party systems is less understood. PB programs struggled to find a foothold in single-party dominant systems, such as South Africa and Venezuela. For example, the governing ANC invested little energy to delegate decision-making authority to citizens in South Africa (Heller 2001). In Venezuela, the Chavez-dominated government favored its Bolivarian circles over PB (Goldfrank 2011). Some single-party countries do use PB, however. In China, PB is used as a consultative process, through which citizens are invited to give their feedback to government officials. Havana, Cuba, also uses a PB process where citizens are invited to provide feedback on budget priorities. The general evidence in this area indicates that single-party systems are not receptive to more robust forms of citizen-based decision-making.

In sum, although more research is needed, political competition among parties appears to have a positive effect on the likelihood of adoption, the sustainability of PB, as well as its potential impact. Political competition through representative elections induces politicians to invest in new institutions that delegate new types of authority to citizens. Thus, having a minimal level of political competition among parties appears to be an important aspect of producing vibrant PB programs.

Are there tradeoffs between implementation by a strong executive versus a representative council?¹

A contradictory feature of many PB programs is that authority is often first concentrated into the hands of a fairly strong executive, who then delegates resources and decision-making authority. Executives' significant involvement helps to explain why political reformers are at the center of efforts to adopt PB—these executives dedicate precious time and political capital to PB in the hopes that PB will generate desired social and political changes. Most PB programs require strong government leadership to

¹ By executives, we mean mayors, governors, presidents; by representative councils, we mean (a) municipal, state, and national legislatures and (b) internal bodies that assist in PB processes.

promote the delegation of authority because governments are central to organizing PB.

Internal representative bodies are most useful for PB when they occupy an oversight role; PB programs use two main types of internal representative bodies. First, the presence of an internal council of PB delegates provides the opportunity for citizens to exercise direct oversight over internal rule-making, program administration and organization, as well as oversight over project implementation. This strengthens citizens' voice as they have a venue to unite vis-à-vis government officials. The pioneering case of Porto Alegre provides the most notable example, where a body of citizens closely monitored PB processes. However, there is very limited evidence that these internal bodies effectively co-govern. A second type of internal representative councils is oversight committees, which are often specific to a project (e.g., health care clinics, street lighting). Citizens who monitor project implementation comprise these bodies. These types of representative councils are likely to have a larger impact than general councils because they focus more narrowly on specific projects rather than on overall program management.

Elected legislatures are a second kind of representative body that plays an oversight role in PB programs. Elected legislatures can check the types of policies citizens select as well as monitor policy implementation. However, the potential drawback of legislative oversight is that legislators may begin to use PB as channels through which they bolster their electoral support. We should note that many legislators tend to be opposed to PB because they view it as a threat to their position in a representative democracy—the argument is that popularly elected legislators have greater legitimacy to make decisions surrounding public resources. Thus, this last scenario reflects another tradeoff in the debate between representative councils and executive stewardship in PB programs.

To what extent do pre-existing relationships between civil society organizations and public officials affect implementation?

The configuration of civil society prior to PB adoption conditions implementation and performance. Civil society's configuration includes its density (the number of organizations willing to participate) and its previous repertoires of mobilization and political engagement (co-governance vs. protest). Density and repertoires both shape how civil society affects PB adoption, performance and impact. There are five ideal types of civil society-state engagement surrounding PB.

Civil society leading with positive government response: Civil society mobilization around participation produces robust citizen engagement because CSOs are actively involved in recruitment. These CSOs are also

invested in deliberation and work to ensure that PB processes function well. Mobilized CSOs are also likely to encourage government officials to delegate greater authority and resources to PB. In turn, government officials that seek CSOs' support are more likely to invest the time, energy, personnel and resources to make sure that PB functions well.

Civil society leading with marginal government response: Government officials may be less supportive of PB than citizens, even when civil society mobilizes around PB and convinces government officials to adopt the program. Government officials may not support PB because they are unwilling to take the political risk of delegating authority to citizens or because these officials do not believe that PB will benefit their communities (broadly) or their political careers (more narrowly). Either of these scenarios diminishes the likelihood of producing a high-functioning PB program.

Civil society-government partnership: PB is a joint process that links CSO leaders and government officials. Citizens and government officials create PB through a mutually constitutive process whereby the two partners design programs and determine operational rules together. This ideal type provides the conditions with the greatest likelihood for program sustainability because it embodies the collaborative co-governance features in the ideal PB model.

Government leading with positive CSO responses: Public officials often take the lead on establishing PB programs. But, PB tends to function better when greater numbers of CSOs are present (Putnam's density argument²) and when CSOs are willing to work with the government. The positive relationship between the government and CSOs also depends on government officials' willingness to work closely with a broad range of CSOs and citizens, to delegate authority, and to listen to CSOs' and citizens' inputs around program design, rules, budget allocation, etc.

Government leading with limited or no CSO response: Public officials may adopt PB without much response from civil society. Simply put, the cliché, "build it and they will come," does not apply in this situation. The reasons for limited civil society engagement are varied but include: (a) low levels of trust due to corruption, an authoritarian state and governance practices, civil war, and other conflicts; (b) weak civil society, which means that there may not be organizations to bring into public participation venues; (c) a hierarchical civil society that is dominated by elders, men, and local elites; and (d) high levels of poverty that make it difficult for people to turn away from the daily struggles of income generation and food security to turn their attention to participatory decision-making opportunities.

² Putnam et al. (1994) argue that a greater density of civil society organizations is positively associated with greater government performance.

What are the key policies that need to be in place to implement participatory budgeting?

An initial body of research suggests that several policies enhance PB processes. Several socio-political conditions must be present in a country to be able to adopt PB. First, PB must take place within a decentralized state structure. Without effective decentralization—fiscal and administrative—there is no way that PB processes, and the decisions that emerge from them, can be meaningful. Next, PB theoretically works best in places where legal guarantees for freedom of speech and association allows participants to question their elected officials and hold them accountable publicly (although some PB processes do take place in authoritarian contexts). Finally, PB requires an environment with at least some rule of law to be effective. This ensures that the budget is not fictitious or that PB is not simply a new venue for clientelism and corruption (which is common in PB processes in Latin America, for example).

Which key factors within government enable and inhibit effective project implementation, responsiveness and follow-through throughout the participatory budgeting?

The presence of “PB champions,” internal rules that promote inclusive and robust participation, a capable state, and sufficient resources are key factors within government that enable the effective implementation of PB.

First, internal advocacy champions who are convinced that PB will solve the problems facing their communities must exist for effective implementation- it is essential that elected officials incentivize bureaucrats to implement and sustain PB.

Second, a series of design decisions can enhance PB’s effectiveness, including:

- The “social justice” requirement. The earliest PB experiments in Brazil included what scholars call the “social justice” requirement, which directs governments to increase spending in geographic areas that are under-served and under-resourced. Although many would argue that this is an implicit goal of PB beyond Brazil, some have advocated for making it explicit, such as in Rome, where social territorial mapping identifies underserved areas, and Seville, where the government partners with local universities to ensure that funding goes to poor areas.
- Simplified proposal process. It is important to create a simple proposal process to engage participants who do not have specialized knowledge about public works projects. For example, Grillos (2017) finds that participants from poorer districts in Surakarta, Indonesia are less likely

to submit proposals to their government. Furthermore, PB projects do not tend to benefit the poor in Surakarta because the technical requirements for submitting proposals are too complicated.

- Binding decision-making rules. It is important to ensure that there are incentives and even mandates that the government fund the projects that participants select in prioritization workshops. This increases the likelihood that participants will emerge from the process with a sense of personal efficacy and that projects will ultimately benefit communities.
- Policies that incentivize widespread and inclusive participation. Different PB design choices can open processes to historically marginalized populations. Examples include quotas for leadership positions and waiving a citizenship requirement, which allows all residents to vote.
- Open vs. closed meetings. Some operational rules engage individual citizens (open meetings), while others encourage or even mandate civil society organizations' participation, but exclude the public (closed). Anecdotally, it seems that those programs that incorporate citizens directly, such as in the Brazilian PB model, will engage more people overall than those in places like Peru that restrict participation to CSOs.

Third, as noted above, the local government must have the capacity to organize PB processes and execute the projects. Research has documented that participants in many PB processes already tend to prioritize “pro-poor” projects, such as those that target the community’s most disadvantaged areas. However, this does not always translate to executed public works projects. One factor that can help ensure that PB projects are funded is the government’s capacity to execute the projects. For example, subnational governments in some Latin American countries have a hard time spending their budgets because their internal financial systems are weak. Further, the implementing government needs training and resources to set up the different steps of the process in contexts where PB processes are new or mandated by national governments. An educated civil service sector that has been briefed about the goals and the potential outcomes of the process will also be able to develop and oversee a more participatory form of PB. This condition is also important when governments contract with organizations to execute PB projects during the implementation stage. For instance, the PB process has become a formality in most places in Indonesia precisely because these two key factors—advocacy champions and strong local governments—do not exist. District officials are not willing to share information with the public and the councils are too weak to implement the proposals (Sutiyo 2017).

Fourth, sufficient funding for training and infrastructure projects is also important. Usually, the amount of money that is debated in PB meetings is

small relative to the overall subnational (and national) government budget. This can mean that citizens eventually decide that PB is not worth their time, which has happened in Croatia, Poland, and Slovakia (Džinić et al. 2016). National budgetary requirements can also impede the effectiveness of the process in places where subnational governments rely on national budget transfer processes. For example, Peruvian government officials often report that the national government budget process makes it very hard to undertake PB annually. The national investment project database is clunky and hard to use and the national government will not fund infrastructure projects after PB approval until several costly feasibility studies (often not included in the original budget) are complete. Further, annual budget projections often do not line up with final budget transfers. These complications have led many citizens to lose faith in the government's ability to respond to their demands in Peru.

What are the key, non-technological challenges to improve the implementation of participatory budgeting?

There are many non-technological challenges that governments face during implementation around the world. They are:

Recruitment: An ongoing tension in many PB programs is the difficulty in consistently recruiting a diverse body of citizen-participants. Government officials tend to reach out to who they believe are the most qualified or “deserving” or who may be reached most easily by email or even regular mail. This can directly relate to the government's assessment of who should be participating, thereby restricting inclusion. Well-established organizations are more likely to participate in some places, such as Peru, because organizations must legally register to attend meetings (a process that can sometimes be time consuming and costly). Conversely, PB targets poor farmers in rural Indonesia; however, we still do not know if Indonesian programs successfully recruit these participants.

Information: The level of information varies substantially among citizen participants. Long-time participants are more likely to understand the PB process and the intricacies of the rules. However, new participants face difficulties in fully understanding the rules as programs become more complex over time. This means that citizens require a substantial information uptake to be actively involved in PB processes.

Knowledge transfer: Several different efforts to disseminate knowledge about PB mark the first decade of the 21st century. The Ford Foundation was an early PB advocate and UN-Habitat produced a series of pamphlets promoting PB. The World Bank then came to play a key role. Sintomer et al. (2011) recently provided an overview of PB's global diffusion and a useful

typology of the different PB experiences. However, there has not been a systematic evaluation of the variation in outcomes generated by different PB programs.

Oversight: PB programs often assert that they have extensive oversight practices, but the literature suggests that oversight is actually quite limited. A key idea behind the original PB programs was to allow citizens to exercise oversight over larger portions of the budget. However, there is little evidence that citizens do this. Oversight tends to be very project focused, when it exists, and doesn't necessarily expand to the broader budget. This problem is related to the costs of technology discussed above as well as to several additional issues, such as the lack of information about project implementation, and the highly technical nature of overseeing most projects. It is possible that citizens are learning the necessary skills to help them exercise oversight over the entire budget, but there is little evidence that this is being done in a widespread way.



Plaza de Armas. Durango, Mexico

Transformations

PB has certainly transformed over time; this section discusses some of the technological and non-technological adaptations to PB that have taken place.

What technological and non-technological developments have improved the experience and impact for citizens and governments?

Governments and their civil society allies often adapt PB to correspond to local needs as well as to take advantage of IT innovations not available when PB was first launched. Innovations include:

Bi-annual processes: Some PB programs have moved to a bi-annual selection process in order to reduce the demands on citizens as well as to ensure that projects are implemented in a timely fashion. For example, governments in Belo Horizonte and Porto Alegre transitioned to a bi-annual process to solve two problems—participation fatigue and a focus on smaller projects. A bi-annual process allows for the selection of larger projects because governments can allocate higher spending and can commit the administrative personnel (i.e., engineers) to be involved.

Peer-to-Peer learning: Advocacy NGOs and government networks often share documents and materials. This lowers the start-up costs for new governments that are interested in adopting PB.

Project selection rules: PB programs have developed a variety of project selection rules over time. For example, some programs use a “Quality of Life Index” to ensure that projects are implemented in poor areas.

Participant recruitment: Social media pages, texting, and email are now commonly used to recruit citizen-participants in areas where technology is easily available. Governments use these technologies to remind participants of meeting times, which greatly eases the governments’ administrative burdens of having to consistently remind citizens of upcoming meetings. These technologies are not substitutes for traditional forms of organizing, but ease costs once programs are being managed well.

Multi-Regional projects: Governments have sought to move projects out of specific communities by encouraging the selection of projects that address the needs of multiple communities. For example, the Peruvian national government now pressures local and regional governments to fund projects that have large-scale impact, instead of small, local projects such as repairing one street in a small area of a city.

Surveys: Governments administer surveys to collect information on participants’ basic socio-demographic profile in many programs in the United

States and Europe. Data collection also includes questions about participants' experiences. This helps evaluate and improve future processes.

PB Digital: PB digital allows citizens to vote online. Early efforts to create deliberative forums appear to have fallen by the wayside (Bertone, DeCindio, Stortone, 2015:10). Online voting greatly reduces participation costs, but issues pertaining to digital divide are still relevant because middle class sectors are more likely to participate online than poorer citizens (Spada 2016). Internet access is still very limited in poor and rural areas of most developing countries. Digital PB thus has the potential to broaden PB participation, but can also detract from its poverty-reducing mission. The most extensive use of digital PB is in Germany, where government officials sought to use IT to more efficiently incorporate citizens into new policymaking arenas.

Mapping: Some programs are making incipient efforts to use technology to improve visualization tools. These tools can help citizens during early phases of PB, when they select projects. These tools can also be used later as oversight mechanisms to assess whether the projects were completed correctly. Finally, these tools can be used to assess project distribution along territorial lines. For example, Rome uses social mapping to ensure that projects target poor areas of the city. Several Kenyan counties are beginning to work with Map Kibera to identify citizens' needs and project placement. The Indonesian city of Solo created a neighborhood-level map to demonstrate existing infrastructure as well as proposed projects, thus providing citizens with a much greater knowledge base.

Impact

Governments, donors, and activists hope that PB will produce changes on different levels. This section discusses the areas in which PB has had measureable impact as well as areas that need more research.

Is there consensus as to under which conditions participatory budgeting has attributable impact?

There are three general areas of consensus in terms of when PB has its greatest, most beneficial impact: when it has strong government support, available resources, and where an organized civil society exists.

First, strong government support by advocacy champions is vital to program performance. Not all government officials in cities that adopt PB are willing to experiment, innovate, or cede some decision-making authority to PB participants. But, PB programs require government support: once underway, government officials must be willing to commit personnel and carry administrative costs to sustain PB processes. Thus, greater government support contributes to greater PB impact.

Second, there is a direct relationship between resources available for allocation through PB and its impact. This represents one of the greatest challenges for PB—government officials often oversell the program to excite followers and pursue adoption, but programs with relatively few resources tend to produce incremental changes.

Third, the presence of a strong, organized civil society is critical to PB performance. PB works best when civil society organizations work with government officials to provide information, mobilize citizens to participate, work to ensure project implementation, and provide technical assistance throughout. Simultaneously, CSOs must avoid being co-opted by the government, which can result in PB becoming a tool for political patronage.

Research on PB's impact is at an incipient stage and underdeveloped in terms of the general range of possible impacts, such as PB's impact on participants' behavior, on citizens' well-being, on electoral politics, and on local governance. Case studies have generated the bulk of evidence surrounding PB's impact, but large-N analyses are rare because the data needed to perform these analyses has not been available. As a result, there are few quantitative analyses of PB over time as well as very little cross-national work comparing sub-national programs across countries. There is also very little systematic work on variation in PB rules or program design. Thus far, there have been no natural or true experiments to evaluate PB's

impact. Studies thus rely on statistical tests to assess the counter-factual; namely, that cities with PB would have achieved similar outcomes without PB, possibly due to omitted variables that drive both PB adoption and outcomes in the above areas.

The hypotheses in each area below have only sporadically been tested, which means that the conventional wisdom on PB's impact has not been thoroughly evaluated. There is a cautious consensus that PB is associated with these positive impacts in the areas above, but more work is needed to move from association to more clear-cut causal relationships.

- Stronger civil society
 - PB creates a stronger civil society by increasing CSO density (number of groups), expanding the range of CSO activities, and promoting new partnerships with governments.

- Improved Transparency
 - PB improves transparency by generating greater citizen and CSO knowledge and allowing for more oversight and monitoring.

- Greater accountability
 - PB improves governance and accountability because citizens are more likely to be aware of their rights and government activity through PB. Government officials will then respond to citizens' demands and collaborate in pursuit of shared interests.

- Improved Social Outcomes
 - PB improves social outcomes through improved governance, newly-empowered, better-informed citizens, as well as through the allocation of public works projects that focus on the needs of underserved communities.

Citizens' attitudes: Early research on PB's impact focused on the attitudes of citizens who participate in PB (Baiocchi 2005; Wampler and Avritzer 2004). Researchers evaluated hypotheses about the extent to which PB altered participants' support for democracy, their sense of empowerment, their perception of government or government efficacy, and their basic knowledge of budget and general government processes (Baiocchi 2005; Wampler 2007). A variety of case studies assert that PB participants feel empowered, support democracy, view the government as more effective, and better understand budget and government processes after participating in PB. This continues to be a focus of research as Public Agenda and the Participatory Budgeting Project have invested time and resources to better understand participants' attitudes in the United States.

Participants' behavior. A consensus from case-study evidence is that PB participants increase their political participation beyond PB and join civil society groups following exposure to PB processes. Additional potential impacts extend beyond PB participants to civil society organizations and government officials. Many scholars expect PB to strengthen civil society by increasing its density (number of groups), expanding its range of activities, and brokering new partnerships with government and other CSOs. There is some case study (Baiocchi 2005; McNulty 2011; Van Cott 2008) and large-N evidence that this occurs (Gonçalves 2014; Touchton and Wampler 2014). PB is also expected to educate government officials surrounding community needs, to increase their support for participatory processes, and to potentially expand participatory processes in complementary areas. For instance, early reports from Kenya's experience suggest that PB produces at least some of these impacts.

Electoral politics and governance: PB promotes social change, which may alter local political calculations and the ways governments operate. PB may deliver votes to elected officials that adopt it and to officials from national parties that promote it, at least, if PB is perceived to work well. The downside to this potential impact is that newly-elected governments may abandon PB. PB proponents also expect the program to improve budget transparency, which may have an effect of increasing government programs' transparency *in general*. Efficient resource allocation at the neighborhood or micro-regional level is another goal inherent in many PB programs. PB proponents hope that government program allocation will become more efficient through PB's ability to collect information about community needs. Transparency and project monitoring surrounding the program will also decrease waste and fraud as accountability spreads across government contracting and project implementation in other areas. This hypothesis raises a concern associated with many PB programs: namely, PB participants demand greater roles in local decision-making, but are also expected to monitor their own projects. This creates potential conflicts of interest, which undermine monitoring in PB compared to the oversight mechanisms used in other institutions.

Social well-being: Finally, PB proponents expect it to improve residents' well-being through the channels described above. There is no consensus on how long it may take for effects surrounding well-being to appear, but several recent studies have identified these effects for infant mortality over a relatively-short time (Touchton and Wampler 2014; Gonçalves 2014). Beyond infant mortality, the range of potential impacts could easily extend to other health areas, sanitation, education, women's, children's, and ethnic minority groups' empowerment rights, and poverty in general. Caution is justified here because results from Brazil may not appear elsewhere: change in human well-being was measurable and visible in Brazil's unusually rich local data.

The conceptual model below illustrates the potential impacts that PB has, under particular conditions.

PARTICIPATORY BUDGETING

CONCEPTUAL MODEL OF CHANGE



Brian Wampler, Stephanie McNulty, Michael Touchton

Citizen Participation and Inclusion

While we know that PB has the potential to transform citizens and organizations, there is still much to learn about the role that citizens and various types of civil society organizations play in the implementation process. This section explores citizen participation, inclusion, and civil society in some depth.

Does PB merely supplant existing forms of citizen participation, or is there evidence that it opens a new channel to amplify participation in the allocation of resources that were formerly at the discretion of few decision-makers?

There is a general consensus that PB opens a new channel to amplify participation, rather than supplanting existing forms of citizen engagement. PB proponents argue that the direct control over resources opens a new channel for impact and generates superior outcomes for PB relative to other participatory programs, such as participatory planning, CSO advocacy, or voting alone. However, this question raises a common criticism of PB programs: PB, *per se*, may not generate positive outcomes because a well-organized civil society, an engaged public, and support from government officials would have generated positive outcomes without PB. Research on PB almost always points to an important role for civil society, but rarely identifies cases where PB supplants, as opposed to complements, existing participation (e.g. in Uganda, and, in some cases, Indonesia). Instead, most research shows that PB programs represent venues for co-governance that usually do not exist in cities prior to PB adoption. PB provides both a critical forum for citizens, CSOs, and government officials to interact, and to allocate resources that other participatory programs do not have.

A related question is whether PB complements existing representative democracy. There is a consensus in the literature that participatory channels should complement representative institutions. However, our understanding of the causal mechanisms that underlie this relationship is still underdeveloped. PB is often lauded for its ability to counter entrenched, clientelistic networks that undermine democracy, service provision, and human development. PB is designed to bring accountability to local service provision precisely because previous spending at the discretion of elected officials resulted in poor outcomes. Yet, PB functions poorly without government support. When PB works poorly, it becomes likely that governments or civil society actors will withdraw their support for the program.

What are some of the trends around different users' (e.g., elected officials, community groups, nonprofits, city staff, public servants, youth, immigrants,

marginalized communities, other residents) experiences of participatory budgeting?

The issue of who participates in PB and why some users are more active than others is extremely important and still under-developed. We know that the most successful PB processes engage many participants from a wide variety of backgrounds that represent the diverse demographics of their neighborhood, city, state, and, in the case of Portugal, even country (see Fung and Wright 2003; Goldfrank 2011; McNulty 2015; Peruzzotti and Selee 2009 for similar arguments). In other words, who is invited and who attends matters. However, we still have limited empirical data to determine whether the varied cases of participatory budgeting processes around the world meet this ideal condition. There is some research about the economic status, gender, race, and legal status of participants. PB scholars have started to document who participates using two indicators of inclusion: 1) participant data that capture the demographic characteristics of who attends meetings; and 2) exploring the impact of funded projects on a variety of constituencies.

PB in Brazil and the United States do have rich data on inclusion. In Brazil, the data show that women and lower educated participants were well-represented in the first stages of PB but tend to have lower representation in smaller cities as well as in more important decision-making venues. Married women participate less often, probably due to the timing of meetings and their calculation that PB does not address gender inequities (World Bank 2008). While little is known about the quality of women's participation when measured by how often they speak in a meeting, anecdotal evidence suggests that it is as robust as males' in some local contexts, such as Porto Alegre (Baiocchi 2003). In New York City, organizers have taken inclusion very seriously. As a result, PB has attracted citizens with diverse racial, economic, immigrant status, and gender backgrounds (Community Development Project/Urban Justice Center 2015, Su 2017). However, Celina Su (2017) argues that this has not translated to projects that promote racial equity or larger social justice outcomes. Pape and Lerner (2016) come to similar conclusions about gender. These scholars attribute sub-optimal race- and gender-based outcomes to New York's PB process, which involves a small budget with highly technical criteria and takes place within inherently racist and gendered social spaces.

In terms of socio-economic status, we know that in developing world contexts (e.g., Latin America, Sub-Saharan Africa, and Southeast Asia) most participants are poor and working-class citizens. We identify four central factors that explain this trend: (a) governments recruit and invite lower-income residents because they represent a popular majority in most developing world countries; (b) governments often recruit in large neighborhoods (shanty-towns, favelas), often among communities that already have some type of civil society

organizations; (c) extremely poor citizens tend not to participate, probably due to the high costs of participating when measured in terms of lost wages and transportation and the opportunity cost of attending a meeting that may not produce benefits for 12-36 months; and (d) businesses and wealthy individuals tend not to participate because they have other, more traditional, venues through which to advance their policy agendas. Upper-middle classes also tend not to participate outside of the U.S. and European contexts both because they have more direct contact with government officials and because they tend not to rely on municipal state for the provision of services that PB programs often provide.

Overall, however, we need much more data about the participation of marginalized populations in the developing world. The small body of research that exists suggests that many PB forums are not particularly inclusive (McNulty 2015; Noriega, Aburto and Montecinos 2016). The scholarship on participation points to several potential findings that need more data and analysis. For example, women often outnumber men when there are large numbers of participants (translating to reduced individual power). But men often play a greater role as decision-making becomes more concentrated. In addition, women in larger cities appear to participate at higher levels than in small towns or villages. Women in urban areas are community organizers, which means that they work beyond PB to address community needs; PB can, therefore, have an empowering effect because it encourages women to exercise power in public venues. At the same time, men are more likely to play a greater role in PB in smaller towns or villages, where more traditional social hierarchies are in place. Thus, it is difficult to assess whether PB has an empowering effect for women overall or if it serves to reify their more traditional roles.

Indigenous and ethnic minority communities tend to participate at lower rates than dominant groups around the world. For instance, in Peru, Amazonian and Afro-Peruvian communities participate at lower rates than the rest of the population, even in areas where they are concentrated. Participation also varies considerably based on cultural norms. In many countries, for example, women sit separately, deliberate separately, and have few opportunities to exercise voice in project selection in broader group settings.

Several policies can make these venues more inclusive. Some cities, such as New York, are undertaking very aggressive outreach strategies that show promise for counteracting the trends above (Community Development Project/Urban Justice Center 2015). Providing childcare and translating meetings into local languages also increases diversity in the meetings. A recent study in Brazil found that non-partisan Get Out the Vote campaigns can also increase participation in PB (Peixoto et al. 2017). Thus, it is important

that outreach strategies, which are often time-consuming and costly, accompany PB processes.

What are the roles of social and cultural institutions, including the media, schools, unions and churches?

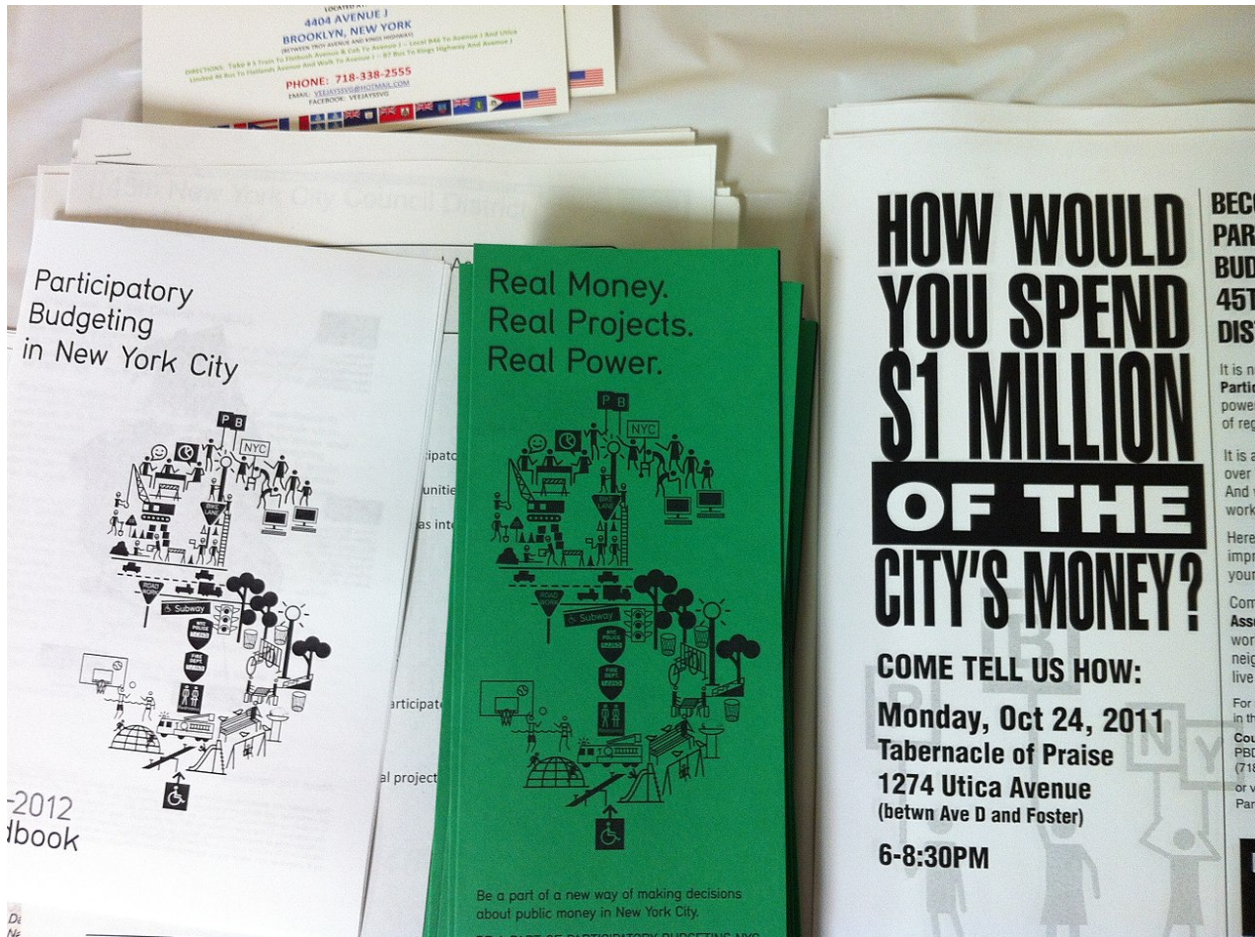
Civil society organizations play a vital role in all PB processes. A large body of research has demonstrated that PB processes will be more successful if an autonomous and organized civil society sector, including (but not limited to) social and cultural institutions, exists to propose and advocate for certain projects. Organized civil society groups also provide technical assistance (TA), partner with governments, oversee funding decisions and project execution once they are approved, mobilize citizens, and support participation. How CSOs participate and the kind of organization that participates will vary greatly depending on a variety of factors, such as the strength of civil society sectors overall, the level of government in which PB takes place, and the economic and social context in which PB operates.

The exact kind of organizations that participate in these roles will also vary depending on the specific context in which PB operates. For example, community organizations and NGOs partner with local governments to conduct outreach and provide TA in many PB programs in the United States. Social and cultural organizations, such as parent associations and churches, might mobilize their members to attend meetings and/or propose projects in most countries. For instance, some school districts in the U.K. and the U.S. (e.g., Boston, Phoenix) created their own PB processes to determine how to use limited education budgets. Many PB advocates seek more youth participation and therefore reach out to schools to solicit their engagement. In fact, youth participation in PB is of growing interest to PB practitioners and researchers and represents an avenue for future research.

The media has a potentially important, but under-utilized role to play in PB. First, PB programs often announce meetings by radio, on social media, and in newspapers. Advocates also attempt to increase media coverage to spread the word about PB as a tool for democracy promotion. However, journalists do not cover PB widely in most areas. There is ultimately no research on what communication mechanisms are more and less effective in different settings or how media attention influences PB performance.

The role of economic institutions, such as unions and local Chambers of Commerce, is also not well understood. Small business associations participate to promote economic development projects, such as city-funded markets to sell products, in some countries, especially in rural areas. However, unions do not tend to participate, as PB is not seen as a mechanism that can improve large-scale economic development or improve labor conditions.

Unions and Chambers of Commerce also avoid PB because they usually have direct relationships with local officials, for example, and can directly advocate for programs and projects that benefit their members.



Participatory Budgeting Materials, New York City

Technology

New technologies have the potential to transform PB around the world; however, to date these technologies have not been fully utilized or understood.

What do we currently know about the use of technology and PB?

There are very few large-N or comparative studies about technology and PB across multiple platforms. Current research is limited to case studies of a few programs in Brazil (Peixoto 2009; Sampiao et al. 2011; Rose et al. 2010; Mattheus et al. 2010; Best et al. 2010; Coleman and Sampaio 2017), Europe (Zafeiropoulou et al., 2015; Miori and Russo 2011; Panagiotopoulos and Al-Debei 2010), North America (PBP Reports 2016), and South Korea (Lim and Oh 2016).

Recommendations and best practices for the use of technology are less developed than for general program design and are primarily limited to programs in affluent democracies. The World Bank's PB publications include some discussions of technology, but evidence on program design and user testing is limited- especially for the developing world. One exception is the World Bank's Digital Engagement Evaluation Team, which assessed internet voting for projects in Porto Alegre, Brazil in 2014. The results of this and other limited assessments are mixed and have not yet led to consensus surrounding technology and PB. In sum, we know that many programs now incorporate technology into their PB programs, but there is no consensus on technology's impact, few public results from user testing, and thus no agreement on recommendations for incorporating technology into PB.

What is the state of research around privacy and freedom from surveillance in the implementation of participatory budgeting?

In the PB world, there is limited research on the role of privacy or freedom from surveillance. General debates on Internet security resonate in debates surrounding PB, but these debates do not appear to be of paramount concern to either governments or participants. However, there is some research that addresses individuals' freedom to deliberate and vote without undue coercion in both digital and face-to-face forums.

Digital PB: A general discussion regarding the integrity of the voting process exists with regard to digital processes. Although limited, some researchers ask questions such as: Are the votes being counted fairly? Will people's vote remain secret? What is the risk of having their vote exposed? What is the likelihood of voting being counted incorrectly? For example, Spada, Mellon, Peixoto, and Sjoberg (2016) highlight how the level of data protection is

related to who implements the process. They suggest that municipal officials are less likely to manipulate software when municipalities use software developed by third parties. One implication of their argument is that it might be worthwhile to invest in software developed by third parties that is easy to use and inexpensive to acquire. The authors also argue that current public security measures are relatively weak because of the high cost associated with creating strong protections.

When thinking about privacy concerns, the government's overall wealth is important to consider. It is more important to invest in software development to protect the voting system if a wealthy city, such as Paris or New York City, invests greater resources in digital PB. This is because the voting system will likely need to capture more information in order to specifically differentiate among specific individual voters. It may be less important for poor communities to invest in this type of software because most of their interactions are face-to-face.

Face-to-face PB: Privacy and freedom take on a different nature in face-to-face interactions because the threat is not of someone stealing (and then using) sensitive data, rather the threat concerns the possible sanctions against political and socially weaker individuals. Important questions include: To what extent are socially and politically marginalized individuals able to freely express their opinions? Does a public show of hands, as a voting method, undermine privacy and the right to select their "true" policy preferences among participants? The introduction of a secret ballot creates the possibility that the most socially vulnerable participants may select their preferences without fear that more politically powerful actors will discover their choices (Olken 2010).

These forums tend to use three types of project selection mechanism: 1) voting by secret ballot; 2) a public vote (by show of hands, or by "pinning" a vote on physical boards); or 3) consensus decisions. Regarding the third, PB programs in Kenya, Uganda, Indonesia, Senegal, and Mozambique all primarily select projects by consensus, not voting. They only call a formal vote on a project when consensus cannot be reached. Under ideal deliberative conditions, this creates the possibility that the community will debate a wide range of ideas and develop coherent project plans. In a recent Making All Voice Count conference on PB (led by Wampler and Touchton), which we held in Nairobi, NGO activists from these countries argued that the use of a consensus-based system was preferable for a number of reasons. They noted that voting can be divisive, thus magnifying differences among different communities. One conference participant from Indonesia argued that they sought to bypass the elite capture problem by holding long conversations about the value of proposed projects. They developed software tools to help participants visualize the location of different public works and they also

physically visited the sites of proposed projects. Central to this process was the role of third-party mediators, who could help to navigate between different groups.

However, we also know that the most powerful village actors often dominate consensus-based processes, which suggests that the most politically vulnerable do not fully express their voting preferences. This is an unresolved issue and we do not have research that evaluates the potential trade-offs between the different voting methods. An ongoing concern in the PB literature is the possibility of elite capture; this appears to be a more pertinent issue in the rural areas than in urban areas. The social and political resources available to poor residents in rural communities is much lower than in urban areas, which then curtails the ability of these residents to advance their policy preferences.

What are gaps in the development of technology for participatory budgeting?

The use of online technologies usually follows one of two routes. One route is based on the provision of information, which is related to basic transparency mechanisms. This includes information about budgets, meetings, and projects. A second use of technology is more involved and includes online deliberation, voting, and surveys. There are at least two key challenges regarding the role of technology: the digital divide and loss of face-to-face interactions.

The digital divide is a serious problem in PB programs due to the cost of technology. On the positive side, PB programs can use simple SMS technologies or ATMs to allow citizens to vote, which is starting to happen in places like Portugal, Kenya, and Indonesia. Governments can also use low cost media such as radio, email, and social media to reach a larger public. The downside is that the cost and accessibility of using these technologies continues to vary greatly based on users' location and/or personal wealth. Middle class and urban residents have access to high-speed internet services, whereas poor and more rural residents cannot afford home internet access that is geographically limited in the first place. Another problem lies in technological illiteracy, which is especially problematic for older participants and in areas with low internet and computer penetration. Feruglio and Rifai's (2017) research in Indonesia argues that low digital literacy has allowed for elite capture in Digital PB.

Some digital PB programs begin to replace face-to-face meetings. One consequence is that the overall PB process moves toward middle classes because it is often easier for them to participate. Although there is limited empirical data on this point, we would anticipate that these programs would be less likely to spend resources that would directly benefit poor

communities. We would also anticipate that they would spend greater resources on public works projects that benefit the public good needs of these middle and upper income neighborhoods.

Integration: To date, there is no clear model that would allow online and offline participation to function well together. There is great potential to better assess how information, oversight, face-to-face deliberation, and online deliberation could be combined to produce new PB formats.



Santo Domingo, Dominican Republic

Advocacy Organizations, Campaigns, and Champions

There is a wide range of international organizations that promote PB. At the top of the list are organizations such as the World Bank, UNDP, UN-Habitat, the Ford Foundation, Open Society Foundation, and International Observatory of Participatory Democracy.

The World Bank is one of the most influential international advocacy organizations. The Governance unit of the bank is especially influential, but it does not have the same resources as many other areas in the World Bank (Goldfrank 2012). The World Bank currently promotes PB adoption around the world, particularly in developing countries with decentralized budget processes. This includes supporting a potential large expansion of PB in Kenya, Indonesia's PB process, and PB in the Democratic Republic of the Congo. Historically, it also includes support for PB in many other countries across Latin America, Asia, and sub-Saharan Africa. The World Bank is also beginning to support impact evaluation efforts in a few places, but is relying on partner funding for these rather than devoting its own funds to efforts, by and large. USAID and the EU are also very influential in the PB space.

The UNDP, UN-HABITAT, AusAID, the Ford Foundation, and the International Budget Partnership all promote PB as well. Many of these groups promote PB as part of broader goals surrounding transparency, inclusion, and accountability. For example, the Open Government Partnership is an international agreement that empowers domestic reformers to improve accountability and responsiveness in signatory countries. The OGP advocates for participation in budget processes at all levels of government, including through PB. The effort spawned GIFT, the Global Initiative for Fiscal Transparency, which also promotes participatory budgeting, among other types of participation in budget processes. Several other advocacy groups operate internationally and also promote PB, either exclusively or as part of broader participatory, transparency, and accountability efforts. These include, but are not limited to the Participatory Budgeting Project, Participedia, In Loco, the Red Ubal, Empatia, and OI DP.

Many other domestic organizations are influential advocates for PB. These include PB Partners UK (UK), JKPP, Kota Kita, and Seknafistra (Indonesia), Forum for Women in Democracy (FOWODE), Uganda Women's Network (UWN), Uganda Youth Network (UYONET), Uganda Debt Network (UDN), Advocates Coalition for Development and Environment (ACODE), Enda-Ecopop (Senegal), Institut International pour l'Environnement et le Développement (IEED), with funding from the United Kingdom (Senegal), DIALOGO (Mozambique), the Australian embassy, and the WB (Philippines). Our accompanying spreadsheet includes a running list of organizations promoting PB around the world.

Most of the advocacy groups above plan to expand their PB advocacy agendas over the next three years. For example, PBP is seeking promote PB in additional cities in North America, and the World Bank is promoting new PB programs in Kenya and Mexico. Promoting PB in semi-democratic contexts is also part of many advocacy groups' agendas. For example, the World Bank and USAID both promote PB in areas where elections are not fully free or fair and where single-parties dominate some regions (e.g. El Salvador; Kenya; Uganda; DRC). PB is a democratic innovation, but its deliberative formula promotes accountable governance without necessarily promoting representative, party-based democracy. It may therefore be attractive to advocacy groups and public officials in diverse, semi-democratic regimes, which comprise a large percentage of the developing world. Many advocacy groups plan PB expansions across democratic countries in Europe and North America as well, though these are not the same groups that tend to work in the Global South. Advocacy campaigns for many of the most influential advocates depend greatly on U.S. budget politics over the next three years. For example, the World Bank, USAID, and many other regional advocates are currently at risk due to proposed budget cuts. The World Bank and State Department divisions with the least power and resources tend to advocate for PB (Goldfrank 2012). PB advocacy is therefore in danger of being cut in the event of budget shortfalls over the next three years.

What are lessons of effective grantmaking/philanthropy around participatory budgeting?

When evaluating lessons surrounding grantmaking, we should keep in mind that many advocacy groups and consulting organizations that implement PB often fund the evaluations of their own programs. Therefore, we are cautious about drawing lessons about effective grantmaking from advocacy groups' reports; an extremely careful look at who is evaluating and who is funding the evaluation must always happen. Having said that, some tentative lessons do emerge.

First, medium-term investment and external support is vital for PB programs. One-off investments do not produce sustainable change but, rather, encourage CSOs and government officials to chase external funding or allow the quality of the process to decline. Second, PB is not sustainable without the support of government officials; it is a co-governance venue that works well when it complements government, rather than opposes it. That suggests that top-down, universal support for PB is counterproductive in areas where government officials do not support social accountability. Thus, grants to promote PB in a country should aim for a balance between every government having PB, regardless of their interest, and only one or two governments having PB. Third, PB in single-party political systems tends not

to work well. Grants to promote PB should therefore be concentrated first in countries with multi-party political competition.

Fourth, grantmaking organizations should be cautious about promoting PB in places where the conditions that research identifies as important for PB (outlined in several previous responses) do not exist, at least for now. Grantmaking organizations face a challenge surrounding PB programs: funding participation in pursuit of accountability may be most necessary in places that are least amenable to sustaining PB programs and generating positive local results through the budget. This challenge is one reason that funders have a mixed record in grantmaking and philanthropy surrounding PB. PB is not designed for the lowest-income contexts around the world, because these contexts tend to lack a meaningful local budget, the state capacity to implement a PB program and carry out PB projects, as well as civil society capacity to mobilize and sustain participation. Middle-income countries are more likely to support PB, but they tend to already be better-off than low-income countries on many dimensions. Still, middle-income countries frequently feature high inequality and large, poor, underserved urban populations (e.g., Indonesia, Mexico, Brazil, Peru, Turkey, Poland, South Africa). Residents of these countries can benefit greatly from PB because their cities tend to have the underlying conditions necessary to support the program. Generating meaningful improvements in well-being through PB is most likely in these environments, which are plentiful around the world—especially if one extends the middle-income concept to capital cities in low-income countries. Grantmaking organizations must therefore carefully assess countries' and regions' political, economic, and social context before funding PB programs there.

Fifth, PB projects are not necessarily very strong when PB advocacy groups withdraw or undergo “participation fatigue,” which can lead to their decline and abandonment. For example, in Peru, immediately after the PB law was passed in 2003, advocates were very excited about getting the programs up and running in the approximately 1,850 localities (cities, counties, and regions) where it was required to take place. However, as noted above, several of the conditions for successful implementation did not exist in most of these places. Therefore, fifteen years later, participants and the organizations that had been involved in the implementation process are frustrated and tired of spending their time on the process. This has led to what experts call “participation fatigue.”

It is difficult to determine whether advocacy groups withdraw support because projects are not performing well and/or have little local support or if projects lose support after advocacy groups withdraw. For example, the Philippines recently reconfigured its PB program in a way that all-but-abandons its core functions. This program had international support from

several advocacy groups, but its elimination also coincides with the election of President Rodrigo Duterte. Duterte has shunned Western support in many areas as well as tried to break from many of the previous Aquino Administration's policies. From this perspective, it makes sense that the Philippines discontinued PB; President Duterte withdrew his support from this type of reform. Other domestic and international advocacy groups have similar experiences. The final lesson here is that funding PB requires a long-term commitment and is not as simple as inaugurating a program.

What are the opportunities and risks involved with philanthropy in the participatory budgeting space?

The greatest opportunities involved with philanthropy in the PB space lie in producing significant social change for marginalized populations in a relatively short time: one year for some potential impacts surrounding engagement, empowerment, citizen attitudes and behavior to five years or more for others, such as well-being in health care and education. This extends to benefits surrounding government transparency, accountability, and efficiency. The potential benefits to funding PB programs are high, but programs usually take time to generate broad impacts on well-being because infrastructure projects take time to execute.

There are several risks associated with philanthropy surrounding PB. First, raising expectations and then not delivering is common. This is especially risky from a philanthropic organization's perspective when deliberations in PB programs occur, but projects are never implemented (or poorly implemented), or projects are implemented, but not maintained. The organization's reputation can suffer when citizens feel let down by funding organizations, as when PB programs are abandoned and with them the projects citizens eagerly selected. For example, several cities in Ghana adopted PB with local CSOs providing significant support. However, these individuals and CSOs discontinued their PB work when international funding was withdrawn. The reputation of PB and the organizations that funded it may therefore suffer, even if the program worked well. In Mozambique, the World Bank helped the national government initiate PB in the capital city of Maputo. The program was located with the municipal finance department, but did not perform well. As a result, the World Bank contracted In Loco to help administer PB, which produced better PB programs than the original World Bank-managed program. Interestingly, CSOs not tied to the World Bank supported the administration of PB in the Northern part of the country, which is a stronghold of the political opposition. These programs appear to be more dynamic than those the World Bank sponsored. We are uncertain about why—Two likely explanations are party politics and the differing role of implementing organizations. Thus, the World Bank's reputation may have suffered even though it took steps to improve PB program performance. A

final observation: Multiple types of PB programs may increase experimentation, which can help to better the necessary inputs and rules that can help these programs to succeed. However, it is also possible that the implementing agencies may be working at cross-purposes, which could lead to a very confusing policy and participatory environment.

Another related risk is that government officials claim credit for programs during the first phase (program formulation) and then blame the philanthropic organization when projects never materialize after the government officials do not follow through. Other risks include accusations of context insensitivity, for example, by grafting programs from one context onto disinterested, unwilling participants in other contexts.

Next, many PB projects are small-scale and, as such, may not contribute broadly to development efforts. Instead, they may only address immediate needs that are not connected to broader development agendas. In this sense, it is feasible that the results from PB programs may not correspond to the donors, private funders and governments broader goals. Moreover, rules and program designs can result in PB that excludes women, minorities, and other marginalized groups or results in local capture. For example, in many developing countries a relatively sophisticated understanding of public works is needed to develop and oversee programs. This understanding is difficult for those who are typically less educated in these countries, such as women, minorities, and the rural poor. This is currently a difficult risk to assess because there is so little knowledge on which program designs and/or operational rules are associated with PB impacts.

The ratio of risks to rewards in funding PB may seem high, then, but there are some reasons to believe that philanthropy in the PB space is less risky than in other areas of development. An especially pervasive criticism of philanthropic work in developing countries includes accusations of “hollowing-out” the state, where international donors provide services to bypass poorly-performing, corrupt local governments. These local governments then face disincentives to build administrative capacity and pursue accountable governance in the areas that international donors now support. Ultimately, this results in dependence on international donors and even-worse local state performance. This chain of events is less likely to occur through philanthropy supporting PB, however. PB programs depend on the local state and, usually, on some level of national support. Thus, philanthropic support for PB includes support for citizens and CSOs improving the local state and how it functions, rather than isolating it from oversight and supplanting it through new, parallel programs. The rewards, then, include greater potential for positive impacts on long-term governance than for many other alternative funding options.

One method that advocacy groups use to counter several of the above risks is to experiment with pilot PB programs before promoting broader adoption. For example, in Senegal, an international organization, Institut International pour l'Environnement et le Développement (IEED), is supporting pilot programs. In Kenya, the World Bank is supporting PB in five counties and hopes to expand to a greater number. As noted earlier, it is sometimes difficult for a city considering PB to find balanced evaluations of the program. Not enough systematic information exists surrounding impact evaluation that advocacy groups or potential adopters can use to design programs or set expectations. Donors can fill this gap and address some of the advocacy risks by providing resources for PB adoption in a sub-set of cities. Pilot programs allow for at least some research and evaluation surrounding the local context before a broader adoption or implementation campaign across the country.

Pilots begin from a program-design point of departure, such as the Porto Alegre PB model. Then, international country experts, local consultants, public officials and CSOs can work with advocacy groups to tailor program designs to fit local needs. PBP, housed in NYC, and In Loco, are two advocacy networks that do an excellent job of providing support to international organizations and could potentially work with them to design pilots. A trial period comprising several budget cycles can then generate contextualized evidence to inform program designs for broader PB advocacy and implementation campaigns over the next budget cycles. The downside to this strategy is a long delay from the initial decision to fund PB programs to measurable results. However, the attention to local context in program design and implementation increases the chances of program sustainability and positive impacts for citizens.

What are the roles of advocacy champions from within government?

The role of advocacy champions within government is essential. A large body of research has confirmed the important role that advocacy and “political will” play in ensuring the success of PB, and recent research continues to confirm this finding (McNulty 2011; Montambeault 2016; Montecinos 2014; Wampler 2007, 2008; and Van Cott 2008). PB is predicated on co-governance arguments, meaning that state and societal actors work together to undertake public policy decisions about spending priorities. There is a greater likelihood that PB will receive the necessary support to be implemented effectively when government officials support these processes.

Advocacy champions may emerge among elected officials and civil servants. Elected officials support PB for a variety of reasons, including ideological commitments (e.g., a commitment to participatory democracy) and strategic decisions to work with constituents more closely and potentially garner support (Public Agenda 2016). For example, Chicago’s Alderman Joe

Moore brought PB to the United States in 2009 and has spoken extensively about how the process brought him closer to his constituents and helped him get re-elected. Funding may be behind the decision in some places, such as El Salvador, where international organizations are largely supporting the process. Elected officials generally work with advocacy champions who are civil servants or CSOs. This is true in Peru, where civil servants in the Ministry of Economics and Finance pushed a national law to fight subnational corruption and in the Dominican Republic where a CSO lobbied congress to pass the national law. Elected officials promoted the original PB process in Porto Alegre as a way to engage citizens in their governance process. However, the role of the civil servants is also extremely important, as they oversee the process' day-to-day operations. It is more likely that the process will evolve in a way that embraces meaningful citizen participation if civil servants are committed to PB. If not, the civil servants can actively thwart or passively ignore the process. Elected and non-elected officials may thus have different incentives for supporting the process, and play different roles in the implementation.

A government would ideally have both civil servant and CSO advocacy champions to undertake a successful PB process. For example, Lambayeque, a northern region (state) of Peru, had a progressive governor in 2004 who wanted to promote citizen participation. However, the civil servants in his government realized that the legal framework made it hard for some organizations to participate in the regional process—they had to meet strict legal requirements that were burdensome and expensive. A committed civil servant leading the budget team decided to make the rules more flexible and knew that the governor would support this decision. This partnership – committed elected and non-elected officials—led to a successful process that eventually strengthened civil society in this region of Peru (see McNulty 2011).

What has the field learned about successful and unsuccessful advocacy campaigns to implement participatory budgeting?

Advocacy campaigns to implement PB are most successful when they couple international support for multiple PB programs with strong ties to local government officials and CSOs (Porto de Oliveira 2017). The strength of these connections and the commitment to longer-term program support explains part of why some campaigns are more successful than others. Advocacy campaigns work best when they reach government officials and CSOs in multiple cities and offer the opportunity to adopt PB. A complementary lesson is that advocacy campaigns should be reconfigured as sustainability campaigns; adoption only represents a first, insufficient, step to programmatic success. It is not surprising that many campaigns focus on adoption, which is much easier than promoting longer-term engagement with local officials and

CSOs. It is also much less effective, perhaps even ineffective, at creating sustainable programs with positive impacts.

Isolated projects, those limited to one or a few cities, are not very effective in promoting long-term adoption because they often do not produce broad buy-in from government officials across different governments. Mutual support and learning across programs do not occur without this buy-in, which then undermines program efficacy and sustainability. Instead, advocacy campaigns that include provisions for longer-term support across multiple PB programs allow for learning across different platforms, efficiency gains, civil society development, and many other network effects that can strengthen PB. It is relatively easy to advocate for PB in contexts where local leaders already support the PB concept. Yet, advocacy groups face a dilemma in many contexts without existing champions in local government: convincing government officials and CSOs to adopt and participate in a program often means attributing large, beneficial impacts to PB, and arguing that PB is superior for engaging citizens, empowering them, improving governance, and well-being, than many alternative options. This strategy increases the likelihood of program adoption, but it simultaneously increases the risk of overselling PB's potential impact. Advocates then face challenges in using PB program results to support future advocacy campaigns because promised results never materialize, or, more likely, do not appear in the short-term. Government officials and CSOs alike then point to existing, disappointing, PB programs as examples for why they should not adopt PB over a variety of alternative programs.

Campaigns for universal PB adoption also run the risk of incomplete, unsustainable programs in places that did not have supporting conditions and where stakeholders may not have been interested in the program anyway (e.g., Peru, see McNulty 2011). For example, political parties as primary advocates for PB offer the possibility of quick diffusion if these parties, such as Brazil's Workers' Party, gain national prominence and local power. However, it also creates risks of over-association with the political party that promoted it. The party's political fallout can then drag down PB. In this sense, what works for program advocacy may be counterproductive for sustaining programs.

[What is the role of research and evaluation in advocacy campaigns? Are there examples where research and evaluation have helped further advocacy campaigns?](#)

Advocacy groups can now use a growing body of comparative, small and large-N impact evaluations to advance their campaigns. Many groups draw on this research to make broad claims around potential benefits from PB and highlight experiences from other cities, including sponsoring trips to see

emblematic PB programs, such as Proto Alegre, Brazil's, in action. Of course, these emblematic experiences are not likely to be representative of the full range of cities' experiences with PB. Moreover, some of the evidence from single-case evaluations that advocacy groups use includes programs that they themselves supported. This creates a possibility of misrepresentation along two dimensions. First, advocacy groups should not be evaluating their own efforts surrounding PB because of incentives to focus only on positive, possibly selective interpretation of evidence. Second, unrepresentative, overly positive portrayals of PB risk misleading cities in favor of adoption and disappointing them later when expected benefits fail to materialize. This connects to the issue of setting appropriate expectations for PB: overly-positive, potentially-disingenuous arguments will backfire and undermine advocacy.

For these reasons, it is difficult for a city considering PB to find balanced evaluations of the program, particularly from similar cities. Very little systematic impact information exists that advocacy groups or potential adopters can use to design programs or set expectations. One method that advocacy groups are increasingly adopting to address this issue is a pilot-program strategy. Donors provide resources for adoption in a sub-set of cities. Pilot programs allow for at least some research and evaluation surrounding the local context before a broader adoption or implementation campaign across the country. Pilots begin from a program-design point of departure, such as the Porto Alegre PB model. Then, international country experts, local consultants, public officials, and CSOs work with advocacy groups to tailor program designs to fit local needs. A trial period comprising several budget cycles can then generate contextualized evidence to inform program designs for broader PB advocacy and implementation campaigns over the next budget cycles.

What is known about the cost-effectiveness of PB in terms of impact and scale compared to other mechanisms of civic participation and deliberative democracy?

There is not very much research about the cost-effectiveness of PB in terms of impact and scale or in relation to other mechanisms. Ultimately, the degree of cost-effectiveness will depend on the particular context in which PB is taking place. Each location that undertakes PB has a unique history and demographic make-up that makes it impossible to apply one-size-fits all processes around the world. More research is needed on cost-effectiveness, including whether PB is more cost effective than other participatory options (such as participatory planning, thematic management councils), especially when comparing impacts across programs.

We do have some information about absolute costs. Costs are not extremely high when a government official decides to implement a process. However, PB does demand a certain degree of start-up costs, especially in the form of technical assistance, time, and resources to hold meetings. The largest cost is often associated with personnel—civil servants and political appointees must spend their scarce time working to develop PB. If civil servants are underutilized and have available time to dedicate to program, then the cost will be low because government officials are leveraging underutilized resources. Of course, civil servants tasked with implementing PB necessarily spend time on PB and not on other activities. This in and of itself may create some inefficiencies when making decisions about project spending and could be a source of potential pushback if groups try to develop a national or state level legal framework for PB.

Cost-savings surrounding PB and its implementation can also occur in several different ways. For example, every government can use or adapt some common tools, such as training manuals and templates for evaluating proposals, in places where PB takes place at a national level, as in Peru and South Korea. Costs vary when PB is implemented at a national, state or citywide level. According to McNulty's research in Peru, the national government does provide many templates for local and regional governments to use every year. However, most subnational governments adapt these templates to fit their local contexts. Further, in Peru, each government is considered autonomous and therefore must pass city and state ordinances every year to make their PB process legal. One can assume that each district and region uses a template for these annual ordinances, but this is generally not a cost-effective practice when we take into account a municipal authority's time.

In comparison to other mobilization/participation programs, PB is less costly than a program such as Jim Fishkin's Deliberative Poll, which requires residents to be randomly selected and then to attend a weekend-long workshop to deliberate over policy options and build consensus by the end of the weekend. Deliberative Polls are expensive because of the cost associated with randomly selecting citizens as well as the travel and housing costs associated with the weekend-long event (<http://participedia.net/en/methods/deliberative-polling>). However, PB may be less cost-effective than using something like a citizen's report card, which is based on the random selection of citizens and the administration of a survey. PB transfers part of the cost of participation to the individual citizen, which lowers the direct cost for governments, but increases citizens' financial and time burdens.

One interesting way to create cost-effectiveness lies in the efforts of researchers, non-profit organizations, and/or international organizations to

share information, create networks, and develop a robust body of scholarship about what works and what does not work in PB. For example, PBP's work with a variety of North American cities and the resources that they provide on their website benefits cities and organizations that seek to set up a PB process (<https://www.participatorybudgeting.org/15-key-metrics-for-evaluating-pb/>). Thus, one way to create cost-efficiencies is to provide ways for PB implementers to share materials and experiences to foster learning.

All of the efforts above target cost-effectiveness for the government. One area that needs much more attention is the issue of cost for participants. Participant costs can be thought of in terms of both financial and opportunity costs. To the best of our knowledge, participants are almost never reimbursed for their daily expenses or offered an honorarium for the time spent developing and voting on proposals. This can be mitigated by online or cellphone voting in many developed world contexts. In developing countries, however, participants' costs, measured in terms of time and travel, can be extremely high. One World Bank (2011) study estimates that in Peru, a rural worker who needs to travel to a regional capital to participate may spend up to the equivalent of one month's minimum-wage salary. Costs are lower for urban participants, but the statistic highlights the need to take into account participant costs when thinking about PB.



Mercado de Artesanias, Chinchero District, Cusco, Peru

Future Research Agenda

While there is a large and growing body of literature about PB, there are still several areas of research that are under-developed and under-theorized. This section discusses many of them and suggests priority research areas for future projects.

What are the conflicting findings in the current body of research that have yet to be resolved?

There are a variety of conflicting findings surrounding PB, such as:

PB's purpose: At the broadest level, one of the most significant disagreements in this field is the extent to which PB is (or should be) a radical democratic project that can empower participants, a technocratic policymaking process, or an ineffectual, small-scale public works program. Generally, the most ardent PB advocates fall into the first camp. The most pessimistic observers are in the last group. The third group, the technocrats, is comprised of practitioners who are attempting to move beyond the confines of New Public Management—but they do not seek to move to a completely new management paradigm. Part of the appeal of PB is that it is able to combine democratic values and incremental policymaking, with the obvious tension being the extent to which program administrators emphasize one particular set of principles over other principles.

Local context: Researchers agree that context matters for PB adoption and performance. However, they do not agree about which aspects of context are most important for PB. The broad diffusion of PB in a wide range of settings (from NYC to rural Indonesia) means that researchers and practitioners deal with much greater diversity of contextual factors. Although there are many variables to consider, two commonly cited contextual factors are (a) configuration of civil society and (b) how PB is situated in broader socio-political context, including the support of government officials.

- Civil society—There is consensus that the role of civil society matters greatly, but there is not any clear consensus on what civil society activists and citizens should be doing within and beyond PB. The two most significant factors that are cited but are still under-theorized are:
 - Density—PB is often justified on the number of people that participate, but this is rarely above 3-5% of the overall population. In newer cases located in poor places, PB is being implemented with very low civil society density.

- Repertoires of action— CSOs are expected to mobilize, engage in contentious politics, and deliberate broadly when democratic processes and citizenship rights are emphasized. When co-governance is emphasized, CSOs are expected to act more as policymakers. When PB is a discreet, self-contained policymaking venue, citizens often play a secondary role to government officials.
- Socio-political context, including government officials—Although there is general consensus that strong government support is needed to make programs work well, there is no consensus on the factors that are most strongly associated with creating strong government support. We also do not have any systematic evaluations regarding how different types of support will affect performance and outcomes.
 - Political renewal—Under periods of political renewal, reformers are more likely to support new forms of citizen engagement. PB followed major constitutional reforms in Brazil, Peru, Kenya, and Indonesia and was associated with political reformers in the Philippines and South Korea as well.
 - Ideology—Left-of-center political parties promote PB as part of their citizen engagement strategies. The best examples here include Spain, Paris, NYC, Chicago, Argentina, Uruguay, Brazil, and the Philippines
 - Technocratic reforms—Promoters of PB are linked to efforts to connect technocratic reform and citizen participation. World Bank-led programs are the best example of efforts that merge the interests of international technocrats and domestic reformers. A great unknown is whether the domestic partners are strongly committed to PB or whether they are following the money trail.

Rules: Research and data on the role of institutional rules for PB processes and outcomes is incomplete. Governments usually adapt PB programs to fit their local context, thereby suggesting that local context matters significantly. The problem is that researchers have made little progress in determining which PB rules are associated with what outcomes. Wampler and Touchton (2014) identify a pro-poor, social justice-type rule as being strongly associated with improvements in well-being in Brazilian PB programs. However, there is little additional evidence that effectively establishes relationships between program rules and outcomes. The World Bank, for example, has not promoted pro-poor, social justice-type rules. This is due, in

part, to the World Bank's efforts to adapt PB to meet different sociocultural and political contexts. Further, allocating additional resources to politically marginalized groups may be a hard sell among their partners, most of whom are public officials. This would require governments to allocate specific resources on the basis of a pre-defined need rather than on other factors, such as the ability to mobilize. Political reformers may be unwilling to strongly support a new participatory program that also requires that more resources be spent on politically marginalized individuals and communities that typically have less access to existing public goods.

Does PB work, *per se*, or would any SAI work? PB falls into the subset of Social Accountability Institutions (SAIs), with its unique characteristic of direct citizen engagement in the policy cycle. It is impossible to know if PB's purported successes would have occurred if another type of SAI had been widely adopted instead. In other words, the mobilization of citizens, CSOs, and government officials might have generated similar results if governments had adopted a similar social accountability institution. In some areas, such as rural Ecuador or Kenya, it is feasible that the combination of technical assistance and governmental assistance, in any area, is sufficient to initiate social change.

Role of the state: Ironically, the first decade of research on PB overlooked the role of the state, even though the state directly implements policy programs. Thus, there are many questions that remain unresolved in light of the state. For example, we suspect that the level of resources distributed through PB is strongly associated with outcomes (more resources=more robust outcomes), but there is not enough cross-national comparative research that tests this hypothesis.

Inclusion/Diversity: There are conflicting findings on who participates in PB. We believe this is traceable to the wide range of rules and settings in which PB operates. For example, there are some PB programs in the U.S. where immigrants and racial/ethnic minorities participate at higher rates. In addition, high numbers of highly educated middle class individuals more frequently participate in some districts in NYC. This diversity of NYC's participants means that it is difficult to know whether NYCPB is incorporating new actors (immigrants), generating additional opportunities for the well-educated, or some combination of both. In Peru, PB processes have counted on greater participation from middle-income individuals, and women and minorities tend to participate less. The PB programs in Indonesia and the Philippines incorporated more poor individuals because they have designed explicit recruitment efforts to do so.

Newer programs, especially in Sub-Saharan Africa, sometimes create women-only forums in order to overcome women's exclusion and the secondary positions

they tend to hold. Indonesian programs also created women-only forums. Women's participation across Latin American PB programs is much more mixed. Men tend to dominate PB processes in smaller, rural areas. Women play a greater role in urban areas, especially in entry-level participatory moments and at municipal level processes. Therefore, we cannot develop a simple categorization of women's role in PB with any real certainty. We don't know, for example, if holding women's-only forums has an empowering effect or if it serves to sideline these women from key decision-making venues.

Technology: There is no consensus regarding technology's role in PB. Technology appears to complement recruitment efforts, but it does not appear central to efforts to organize participation or engage in oversight. When programs use online voting efforts, it is unclear if these efforts strengthen or detract from face-to-face deliberative processes. There is some evidence that there is a digital divide (among citizens within a city), but there has been little systematic treatment of questions surrounding technology in PB programs.

Scale: There is still an active debate surrounding the levels of government at which PB might be most sustainable while also producing the best outcomes. For example, some researchers have argued that national legislation provides an important incentive for PB and provides for sustainability. Others might suggest that locally driven contexts are likely to be more successful, for reasons that we have outlined in previous responses. Thus, there is still no consensus about the scale at which PB is most successful.

What are the gaps in research, priority research questions, and greatest opportunities for research in the next three years? Are there any natural experiments?

1. Explaining variation in implementation and outcomes, with a focus on impact, using cross-national/regional and within case research designs. The variables that demand more research have been noted in previous sections, and include (but are not limited to): funding sources, the role of technology, the role of CSOs, issues surround TPA, sustainability problems, and PB in authoritarian contexts. Here we discuss two methodological approaches that can be used to explore variation, as well as several priority areas for future research. All of these areas are important to researchers of PB and are essential to the scholarly research agenda.

Cross-national, cross-regional studies: There is limited cross-national, cross-regional comparative research on PB. Research that systematically compares PB programs across a diverse set of regions does not yet exist. The Sintomer et al. (2013) book represents an important effort to map PB's diffusion and

develop a program typology. However, the book does not systematically compare the inner-workings of these programs. Baiocchi and Ganuza's 2017 book analyzes the spread of PB, but it only closely examines a small number of cases; the book is theoretically insightful but we are still uncertain about its generalizability. We should be cautious before drawing global inferences from the few large-N studies as well because of their heavy reliance on Brazil. Results from Brazil may not appear elsewhere: change in human well-being is measurable and visible in Brazil's unusually rich local data.

Within case comparative work: Research that compares multiple PB programs within specific countries (i.e., within case analysis) is limited. Most research continues to be based on single case studies or very small-N comparisons. The lack of reliable data compounds problems with these case studies and small-N comparisons. Municipal-level data is available in some contexts, such as Brazil, and greatly aided Wampler and Touchton's research evaluating PB across municipalities. However, most countries in the developing world do not systematically collect data in all municipalities, where most PB programs operate.

2. Participation patterns and citizens' attitudes: Rigorous, thorough evaluations of who participates and how (or if) this participation impacts the outcomes and citizens' attitudes are absent from scholarship on PB. There is very little understanding across and within cases about who participates, why, and what the effect of that participation is. Further, as far as we know, there are no pre- and post-tests of citizens' attitudes surrounding PB participation. Survey work on citizens' attitudes exists, but surveys tend to be administered in the middle or at the end PB processes. There is limited research on participants who drop out of the process as well as limited research on the attitudes of non-participating citizens.

Future research will focus on who participates, why, and what they may gain from participating. We have noted that PB should engage a wide variety of participants, representing gender, class, age, and ethnic/racial diversity to be effective. Additional research that better explains this variation is important (e.g., cultural context, rules, recruitment efforts). We also do not have a strong understanding about differences in how the sociodemographic profile of citizens affects outcomes. We suspect that the gender composition of meetings matters, but more research is needed.

3. Decision-making processes: PB's recent spread to Sub-Saharan Africa and Southeast Asia highlights the potential relevance of decision-making processes and rule structures. PB programs in these regions tend to use consensus-based decision-making processes to select projects, instead of direct voting. We do not know whether this practice influences project

selection in comparison to using secret ballots. We also do not know the extent to which voting rules, such as ranked or majoritarian systems, influence project selection.

Future research will assess which rules promote more robust outcomes in terms of process, reach, and sustainability. Are some rules more important than others? These issues are still not well understood.

What are the greatest advocacy opportunities to advance participatory budgeting over the next three years?

To promote advocacy, there are multiple entry points for donors to invest in PB over the coming years. We identify some of these venues below.

Low-resource, low capacity environments: PB has now spread to a broad set of socio-political environments, including rural, donor-involved countries, such as Kenya and Indonesia. The basic principles behind PB are similar enough that we can classify these programs as part of the “PB family.” However, private funders and donors need to be aware that the scale of change will be directly tied to the level of funds and technical assistance that governments and donors provided in these environments. It is feasible that PB programs may produce verifiable and notable changes in low-resource, low-capacity environments because starting points are so low in terms of well-being. It may be very difficult to produce any change at the very lowest levels of capacity (e.g., hot zone, recent post-conflict environment, failed state), but PB may produce rapid improvements in well-being when there is a solid base from which to start. The question, of course, is where is this line? When can PB contribute to initiating virtuous circles in development?

North Atlantic democracies: PB is a rare example of an innovation from the Global South that made its way North, as is currently spreading across Europe and the U.S. Now, as increased experimentation takes place in the North Atlantic region, it is crucial to analyze the scope of these interventions and, in turn, analyze how they are exported across the world. For example, we don’t yet know how and if PB is affecting broader social and political environments in the US.

Multi-stakeholder advocacy coalitions: There are interesting initiatives taking place, such as EITI, OGP, and GIFT. These initiatives hope to promote the use of PB in larger scale projects, including medium-term and larger infrastructure projects. GIFT promotes the use of citizen participation but they are confronting a policy and political world in which medium-term and large projects generally do not actively incorporate citizen participation. EITI appears to support transparency and improved governance but doesn’t specifically promote the use of citizen participation.

PB in competitive authoritarian contexts: PB has been used in competitive authoritarian environments, such as Russia, Uganda, Venezuela, and uncompetitive authoritarian environments, such as China and Cuba. There is an opportunity to emphasize PB's democratic roots and to improve governance if these countries allow an international organization to work directly with civil society activists. The Ugandan experience is noteworthy due to the real lack of citizen power in the process; it as a consultative process, at best. The Mozambique case is interesting because PB appears to be faring better in places where the political opposition is strongest. In Tanzania, opposition political parties and CSOs are considering implementing a PB-type program in cities held by the political opposition.



Skyline. Porto Alegre, Brazil

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