

**Reimagining Local Government Conference  
Chapman University**

**Democratic Innovations and Local Governance: An International Perspective  
By Daniel Schugurensky  
Arizona State University**

*1. Introduction*

In the last two decades, two parallel developments could be observed in many countries around the world. One is a so-called ‘democratic deficit’; the other is the proliferation of participatory democracy experiments. The democratic deficit refers to a general dissatisfaction with the institutions of representative democracy. This is expressed in low voter turnouts, low confidence in government and politicians, low levels of political engagement, and a general weakening of the social contract between citizens and their representatives. For instance, in one of the largest polls on this topic, Gallup and BBC (2005) surveyed 50,000 people in 68 countries, and found that 65% don’t think their country is governed by the will of the people. Less than half (47%) feel elections in their country are free and fair, and only 11% trust politicians. Interestingly, politicians were the least trusted group, below military, religious and business leaders. In the USA, a poll conducted by Gallup in June 2015 found that only 8% trusted Congress, below 14 other institutions that included the military, small business, the police, organized religion, the medical system, public schools, banks, organized labor, the justice system, television news, and big business. Another study revealed that a majority of people (55%) believes that ordinary Americans would do a better job of solving national problems than elected officials. Regarding the local level of government, the topic of this paper, in most American cities the average voter turnout typically falls below one quarter of the voting-age population. More often than not, low-turnout elections tend to be dominated by older,

white and more affluent voters, and therefore are less likely to be representative of the electorate as a whole (Caren 2007, Hajnal 2010, Holbrook & Weinschenk 2014, McCarthy 2015).

The second development, arguably less visible, is the proliferation of democratic innovations to engage residents in local affairs. Indeed, in the last two decades, many governments and civil society organizations have been implementing, with more or less success, a variety of participatory democracy experiments that are opening new ways of connecting government and citizens. Many focus on electoral processes, including direct democracy mechanisms, or on consultations to receive citizen input. Others pay attention to processes of dialogue and deliberation, and some emphasize models of co-governance. Some use only face-to-face interactions, others rely exclusively on online communication, and a few are experimenting with hybrid spaces. This second development, characterized by a new model of relationship between government and citizens that nurtures collaboration rather than confrontation, has been dubbed ‘a quiet revolution’ and ‘a slow march towards a new democratic paradigm’ (Allegratti 2012, Leighninger 2015).

In this paper I advance two arguments. The first is that participatory democracy can provide a modest contribution to address the democratic deficit by generating meaningful opportunities for citizen engagement with governments, particularly at the local level. Such contribution is contingent upon the existence of enabling structures and processes, and effective implementation and monitoring mechanisms. The second argument is that,

among the great variety of democratic innovations available worldwide, participatory budgeting (PB) has the greater potential for addressing the democratic deficit.

## *2. Participatory democracy around the world*

In the last decades, participatory governance initiatives have multiplied in all regions of the world, and ‘good practices’ have travelled vertically (to higher and lower institutional levels) and horizontally (from place to place nationally and internationally) through formal and informal avenues. Although participatory democracy has some old precedents (e.g. Ancient Athens, Iroquois Confederacy), the establishment of institutional mechanisms and enabling structures to increase and deepen citizen participation is a relatively recent development. Most participatory democracy processes have been initiated from above (“invited spaces”), although some were initiated from below (‘claimed spaces’) or through some sort of collaborative arrangement between civil society organizations and government institutions.

Two main sets of justifications have been advanced for engaging citizens in government: The first is that it is the right thing to do, and the second is that it is the smart thing to do. The first group of justifications is based on a principle of political justice that argues that people should have the right and the responsibility of participating in decisions that are going to affect them and other members of the community. This argument is inspired by democratic ideals of community and by the notion that residents can become better

citizens by being actively involved in the life of the polis, by participating in public forums, by being exposed to opposing ideas, and by developing higher levels of engagement and attachment. The second justification is more instrumental and practical. It argues that governments cannot longer solve problems by themselves, and that participatory democracy processes can activate the associative intelligence of local residents to help solve those problems in more creative, effective and sustainable ways. Solutions could be more creative because the diversity of experiences and perspectives would bring new ideas to the table. They could be more effective because it is assumed that the people who experience a problem on a daily basis are often in a good position to provide information that can help address such problem. They could be more sustainable because when people agree on a decision after a fair process in which all voices are heard are more likely to commit to support the implementation of the decision (Fung and Wright 2003, Surowiecki 2004, Svava and Denhart 2012).

Examples of participatory democracy abound. For instance, a study by Power Inquiry (Graham 2009) evaluated 57 democratic innovations organized in six main categories, using five criteria: *selection mechanism, form of involvement, decision-making, scale and transferability and resource implications*. Based on these five criteria, the study found three “exceptional innovations”: participatory budgeting (which started in Porto Alegre, Brazil, and is now practiced in over 2,000 cities around the world), the Citizens’ Assembly on Electoral Reform (a form of citizen jury that started in British Columbia, Canada, and has inspired the Citizen Initiative Review model in Oregon and other states), and the Direct Initiative and Popular Referendum (like the model used in Switzerland and

some US states).

Some countries have recently enacted legislation on participatory democracy. The 2014 Constitution of Tunisia, for instance, in its Article 139, proclaims that “local authorities shall adopt the mechanisms of participatory democracy and the principles of open governance to ensure broader participation by citizens and civil society in the preparation of development programs and land management and monitoring of their implementation”. Other countries have promulgated specific national laws on participatory democracy and citizen participation. Law 1757 passed by the Colombian Senate in July 2015, for example, contains 113 articles oriented to the promotion and protection of the right to democratic participation through a variety of institutional mechanisms. Other countries have developed national plans that include specific recommendations for action. The US government, for instance, has produced three National Action Plans with 26 commitments to increase public integrity, enhance public access to information, improve the management of public resources, and give the public a more active voice in the U.S. government’s policymaking process (White House 2015). In terms of implementation, however, most democratic experiments take place at the local level, usually promoted by municipal governments or specific districts within a city. Participatory budgeting is a case in point.

### *3. Participatory Budgeting (PB)*

Participatory budgeting is a democratic process that allows residents to allocate a portion

of a public budget, collaborating with government to improve their community. It started in 1989 in Porto Alegre (Brazil) and currently is being implemented in over 1,500 cities in all continents. The largest PB processes in terms of participation are Seoul and Mexico City. In terms of budget, the largest one is probably Paris with 100 million euros. Besides being recognized by Power Inquiry as one of the top three exceptional democratic innovations (Smith 2009), PB has received UN award for best practice in governance (2000), has been noted by the Organization of American States as a notable example of democratic decentralization (2008), received the Vitalizing Democracy Prize from the Bertelsmann Foundation 2011 and the Harvard Award for Democratic Innovations (2015) and has been recognized by the World Bank as an innovative mechanism that goes beyond a simple participatory exercise and opens new ways of direct participation. From an international perspective, PB is unusual for two reasons. The first is the scope and speed of its expansion, from one city to over 1,500 cities in less than 25 years. I am not aware of any other recent democratic innovation that has experienced a similar rate of adoption. The second is that, unlike most innovations, which flow from North to South, PB originated in the South and eventually was adopted by many cities in the North.

By creating a channel for citizens to give voice to their priorities, PB can contribute to making the allocation of public resources more inclusive and equitable. By promoting public access to revenue and expenditure information, PB increases transparency and accountability in fiscal policy and public expenditure management, can reduce patronage, elite capture, and corruption, enhancing government's credibility and citizens' trust. PB can also improve service delivery by linking needs identification, investment planning,

tax systems and project management. Moreover, through collective processes of decision-making, PB can promote democratic learning, which includes the acquisition of knowledge about the working of government, democratic dispositions and practices, deliberative skills, and eventually can contribute to the development of responsible social and political action. For instance, as residents learn more about the trade-offs in government programs and services, they are less likely to demand more services while eschewing taxes. Recent research found that participatory budgeting increased citizen participation in public decision making, increased local tax revenues, channeled larger fractions of public budgets to services stated as top priorities by citizens, and increased satisfaction with public services (Beuermann and Amelina 2014), increased fairness and efficiency in resource allocations (World Bank 2008), improves the health of the population (Wampler and Touchton 2014, Gonçalves 2014), and contributes to the development of more informed and civically engaged citizens (Hai and Neshkova 2013, Schugurensky 2013).

### *Summary and conclusions*

Participatory democracy is gaining traction all around the world. As its contributions to complement the institutions of participatory democracy are becoming more evident, governments and civil society organizations are supporting the design, implementation and evaluation of democratic innovations, and developing legal frameworks to facilitate these efforts. By forging collaborative models and exchanges between governments and

citizens, these efforts can make a contribution to address the democratic deficit, especially at the local level. The amount and quality of this contribution will depend on the presence of inclusive spaces, clear rules of the game, good deliberative processes, and effective implementation and monitoring. This last point is crucial. If authorities fail to follow up on the decisions made in the process, or to explain why those decisions could not be implemented, the democratic deficit can actually increase. Among the multiple democratic innovations currently under experimentation, participatory budgeting is more likely to address the democratic deficit because, if well implemented, can restore citizens' faith in government and vice-versa. The incipient research on this topic suggests that this is the case, but we still need more empirical studies on the different impacts of participatory budgeting, be they on the quality of democracy, the quality of decisions, quality of participants, or community wellbeing. Moreover, it is important to be more cognizant of the weaknesses of participatory budgeting, and to explore how it can incorporate elements of other participatory processes (e.g. the deliberative emphasis of the citizen jury model).

At the end of the 20<sup>th</sup> century, an international study conducted by the Commonwealth Foundation (1999) found that citizens want to see a society in which they can participate, first in terms of equal rights and justice, and second in responsive and inclusive governance. Participants in that study pointed out that a good society is one in which they can participate in public spheres to make contributions to the public good, and one in which they are heard and consulted on a regular basis and not only at the time of an election. This is one of the challenges of the 21<sup>st</sup> century: to develop vibrant democracies



and civic engagement beyond the ballot box. The diversity of innovations being undertaken all around the world suggests that we are making progress towards this goal.

We are still in the infancy of this process, but the prospects look promising.

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