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Participatory budgeting in the UK: a challenge to the system?

by HEATHER BLAKEY

Introduction

Participatory budgeting (PB) is currently generating a lot of interest amongst policy makers and local authorities in the UK.¹ A way of involving communities in real decisions, it is a technique learnt from nearly 20 years' experience of popular mobilisation in Latin America, where communities in Porto Alegre, Brazil have been involved in spending the city's regeneration budget since 1989 (see Chavez, article 9, this issue). It is an idea that has spread across Latin America, and is now being explored by several European countries.

In the UK, Hazel Blears, the Minister for Communities and Local Government, announced that she hopes to see every local council distributing a proportion of its funds via PB-style 'community kitties' by 2012 (DCLG, 2008). Ten pilots already existed when she first made this announcement in July 2007, mostly brought into being by committed local government officials. However, the support of a government minister clearly took the development of participatory budgeting in the UK to a new level.

In its native context of Latin America, PB is seen as a

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radical alternative to representative democracy. Through the direct participation and deliberation of individuals (at public meetings) in setting budget priorities for the municipal investment plan, participatory budgeting in Porto Alegre is seen to have led to a shift in standards of living for its poorest communities (Hall, 2005). Although it was originally the project of the Workers' Party, which came to power in 1989, the people of Porto Alegre went on to control the budget process as well as the budget itself – with budget delegates refining the process each year, to ensure that it is a fair and participatory process.²

¹ The Department of Local Government and Communities has been hosting a national reference group on participatory budgeting since 2006, and funds the Participatory Budgeting Unit to support local authorities in developing PB pilots.

² Since the change in local government in Porto Alegre in 2005, there has been an increasing de-politicisation of active participation (International Centre for Participation Studies – ICPS, 2008, p.10). However, it is PB's more political history that has served as inspiration for pilots in the UK (according to ICPS interviews with organisers and practitioners in the UK, 2007-8).

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Essentially, it rests on four principles:

- direct participation of individuals in setting budget priorities;
- deliberation (i.e. informed decision-making rather than an opinion poll);
- social contract (through their participation, citizens become co-responsible for project implementation); and
- accountability (shared and transparent management of resources).

Few would dispute that it has generated real changes in terms of the lived realities of the city's poorer communities. This is in line with its intended goal of helping poorer citizens and neighbourhoods receive greater levels of public spending, and it has reversed a historical trend of declining participation within poor neighbourhoods.

Participants are not being 'consulted' but are themselves making decisions.³ Put very simply, PB involves a real transfer of power and resources. Therefore, it is important that participants are able to deliberate, to share and defend their ideas, so that decisions are taken on the basis of considered reflection. PB should not be simply a referendum on spending priorities. Equally, direct participation is a crucial feature of PB.⁴ Each person has a vote and the right to speak, meaning that there is an unequivocal link between involvement and outcome. In Porto Alegre, in just ten years, participation in the budget process rose from a little over 1,500 people in 1989 to more than 20,000 in 1999.⁵ Participatory budgeting also acts as a 'citizenship school' for participants – their ability to participate increases as a result of learning gained through the process itself.

Accordingly, PB is a source of inspiration for many around the world who are interested in justice and democracy. The question is: can it work here? Is it possible to transplant a political method from Brazil and expect it to deliver in the same way in the UK? Latin America and the UK are undeniably very different settings, and the same political system may

³ The process for decision-making varies from process to process, but it is the distinction between consultation and decision-making which characterises PB. For a detailed description of the decision-making process in one pilot in the UK, see the longer version of this paper.

⁴ ICPS (2008), p.8.

⁵ There is not space here to fully explain the process in Porto Alegre. For more information, see Hall (2005), Wampler (2000) and Chavez (this issue).

not transplant easily to a different political and social context.⁶ Local government in Brazil has greater power than local government in the UK, and despite the UK's longer history of representative democracy, it appears that Latin Americans, who have more recently struggled for democracy, are more likely to participate in that system in order to solve social problems. While in the UK activists are increasingly disillusioned with and distant from the state, in Latin America, there is a strong tradition of collective action which has mobilised many excluded and marginalised people, who now seek inclusion within the state (Pearce, 2004). Volunteering and social activism in the UK remain healthy but this is increasingly divorced from the formal democratic system, generating a very different political culture in which to encourage participation (Home Office, 2004).

Fixing the system?

Broadly speaking, in Latin America, PB has arisen through social movements, backed by political parties of the Left demanding a voice. In the UK, the motivation is more top-down: a partnership of state officials and an increasingly professionalised voluntary sector develop participatory processes such as PB (as opposed to a more overtly political partnership of politicians and 'the people').⁷ As a result, the focus can too often be on 'the people and how to involve them' (in the system as it stands) rather than focusing on 'the system and how to improve it'. The question here is the extent to which the people developing systems of PB in the UK see the problem.

- Is PB meant to 'fix' the people who are disengaged from the political system?
- Or, is it the system itself which could be seen as excluding and hierarchical?

Accordingly, PB has emerged more as 'participatory grant-making' in the UK (participatory decision-making about awarding grants to community groups) rather than involve-

⁶ For example, there are many critics of modern efforts to 'spread' representative democracy around the world – to implant it, as in Iraq and, less recently, Latin America itself, without sufficient reference to local conceptualisations of democracy or local political contexts (Avritzer, 2002). Perhaps, with even the World Bank promoting participatory budgeting (World Bank, 2007), it is time to take a closer look at how effectively ideas such as participatory budgeting do – or could – transplant to the UK, and with what results.

⁷ The ICPS research into PB in the UK that this article is based on also looked at efforts to involve the voluntary and community sectors in decision-making processes. This research is outlined briefly in our research briefing '*Here, the People Decide?*', 2008. The issue of the 'professionalised sector' emerged as an important factor, characterised by senior voluntary sector officials who have followed a voluntary sector 'career path'. This is not to say that the development of experience and skills in the sector is necessarily problematic, but it clearly influences the nature of actors involved in 'community work' – for example, a shift from activists to paid workers.

Residents voting at Keighley's participatory budgeting Decision Day, 25th November 2006.



Photo: Heather Blakely

ment in Council budgeting and expenditure. The danger is that PB is seen as the means to deliver the involvement of more people – a technique that can be taught (usually by consultants for a fee) rather than as a radical overhaul of how we understand our place in the democratic system.

Of course, these differences do not mean that PB has no place here. On the contrary, PB inspires exactly because it does seem to offer a sorely needed alternative to 'business as usual' politics.

PB in practice: lessons learnt

To see how the inspiration translates into practice, the International Centre for Participation Studies (ICPS) at Bradford University followed one PB pilot in the north of England between March 2006 and April 2007.⁸ As with all the UK

pilots, this was a small-scale experiment, but the overwhelming message was that PB in the UK can inspire, and that it can help people to see how and where to get involved in local decision-making. PB involved a much greater number of people in decision-making than any other local neighbourhood renewal planning process.⁹ Approximately 300 people attended the PB Decision Day, with perhaps half coming from just one neighbourhood following a public meeting encouraging people to support the local school.¹⁰

⁹ Neighbourhood Renewal is a UK government programme which focuses on community involvement in generating social outcomes for deprived communities.

¹⁰ Residents of all neighbourhoods eligible for Neighbourhood Renewal Funding were invited to attend the Decision Day, to vote on grant applications by local organisations such as community groups and schools. £130,000 was allocated by residents on that day. The Decision Day followed a consultation process in which residents were asked to name three priorities for the area. This information was given to grant applicants as a guide, but the money was allocated by area on the day according to the Neighbourhood Renewal rules.

⁸ The longer paper that this article summarises is based on this research.

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The sudden understanding that attendance impacted directly on outcomes in their neighbourhood motivated a large turnout. This clearly suggests that our problem is not apathy, but a lack of faith in our ability to make a difference – when people understood that their action would make a tangible difference to outcomes that they cared about, they turned out in considerable numbers.¹¹

Yet there are warning signs too. The planning group for the pilot involved the Local Strategic Partnership, the voluntary sector and the council, but not local residents.¹² As a result, all the deliberation took place between paid workers, rather than between communities and individuals, missing two important elements of a radical PB process. However, the evidence from this pilot suggests a very high level of commitment to the radical potential of PB on the part of the organisers. So why were they still unable to create space for deliberation, or to involve residents in the planning process? The reality is that many national constraints conflict with a commitment to genuine participation. Prime amongst these is New Labour’s ‘delivery culture’, which prioritises the achievement of set targets. Deliberations then inevitably focus on how to achieve these preordained targets, rather than any discussion of **what** should be achieved. This situation encourages organisational control – it is the organisers who will be held responsible if the targets are not met. What is more, if the decisions about what must happen have already been made, how can local people really be involved? Their participation is reduced to helping to find the best ways of meeting the targets, rather than deciding just what the priorities should be.

¹¹ For more information on this particular UK process, please see the longer version of this paper.

¹² Local Strategic Partnerships exist in nearly all local authority areas in England and Wales. They bring together representatives from the local statutory, voluntary, community and private sectors to address local issues and contribute to strategic planning.

What works here? Developing local processes

So, it seems that PB does have a radical potential, to inspire, to engage, and crucially to bring about real social change. We are just at the beginning of this journey in the UK. There is an increasing constituency of committed practitioners and activists with a nuanced understanding of participatory budgeting. But we must not take its potential for granted. We must be alive to the factors which undermine the promise of genuine participation, and those which help the process move in the direction of those more radical outcomes. These include local ownership of the process (not just involvement in what projects are funded), the conscious creation of space for deliberation, and a commitment to community development work around budget literacy.¹³

We must learn to ask the right questions. What works **here**? And of course, when we ask that question, ‘here’ should not mean ‘in the UK’ but must refer to the neighbourhood of each individual process. Each process must be allowed to have the flexibility to develop, and be owned, locally. We also need to ask how participatory budgeting fits with the wider political system. In other words, participants need to have the opportunity to consider how the PB process they are part of fits with bigger local authority decision-making processes. How can participants get involved in actually setting priorities for spending – in budgeting, not just in ‘grant-making’ from a fixed pot? In the words of an activist local to the pilot we followed: ‘we shouldn’t just be helping decide how to share the pie, we should be asking why isn’t the pie bigger!’

The answers to these questions cannot be determined at a national level, but must be explored by the participants in each process. UK government interest in PB offers an important opportunity, so long as the strategic national direction keeps open these spaces for local innovation. The important point for all organisers and participants is to be alive to creating opportunities for local, and genuinely empowering, engagement with each process. For those of us in the UK who believe in the radical potential of genuinely participatory processes such as PB, this is an interesting time.

¹³ Based in part on detailed observation of one UK process, and involvement in the national reference group.

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NOTES

Heather Blakey's research focuses on participatory practice, participatory research methods, identities in Bradford, community engagement and outreach. This article is a shortened version of a paper entitled 'Radical innovation or technical fix? Participatory budgeting in the UK.' Please contact Heather for the full version of this paper.

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