



Transforming Democracy: An Environmental Scan of Participatory Budgeting Processes in Canada and Internationally

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Key Definitions

Capital Budget: “The capital budget is used for long term investments like infrastructure and facilities, that are paid over time” (Niagara Region, n.d.).

Defunding the Police: “Reallocating or redirecting funding away from the police department to other government agencies funded by the local municipality” (Ray, 2020).

Discretionary Budget: The discretionary budget refers to non-mandatory spending without which local governments and corporations can continue operating (Investopedia, 2019).

Operating Budget: “The operating budget covers the day-to-day expenses required to deliver services to residents” (Niagara Region, n.d.).

Participatory Budgeting: “Participatory budgeting (PB) is a democratic process in which community members decide how to spend part of a public budget. It gives people real power over real money” (Participatory Budgeting Project, n.d.).

PB Delegate: PB budget delegates are community residents that are delegated to “take the ideas suggested by community members during the idea collection phase, and turn them into concrete project proposals” (Participatory Budgeting Project, 2015b).

Executive Summary

This report presents the results of a McMaster Research Shop project for the Hamilton Students for Justice (HS4J), formerly known as the Hamilton-Wentworth District School Board Kids Need Help. Through this project, a review of participatory budgeting (PB) models and practices was conducted in order to examine existing knowledge, provide information related to best practices and suggest recommendations for community organizing in Hamilton. Research methods for this project include a literature review and an environmental scan.

A literature review was conducted in order to examine outcomes related to PB in Canada and internationally. Results identified six models of PB and highlight various outcomes of PB compared to conventional budgeting practices, including the reallocation of budgets to better serve social priorities and the minimization of inequities between communities. Challenges of PB include difficulties with transparency, low levels of participation, and logistics. Three recommendations for best practices were also identified: 1) Include a diverse group of people throughout the PB process; 2) Garner support for PB from city officials; and 3) Establish clear and shared definitions of the rules of PB.

Results from our environmental scan of PB practices within Canada and internationally, including the cities of Peterborough, Victoria, Seattle, Paris, and Madrid, identified unique processes and outcomes. In these communities, PB projects improved infrastructure, enhanced community services, and increased civic engagement.

Based on our research, we provided three recommendations for HS4J to consider when advocating for the expansion of PB throughout the City of Hamilton: 1) Establish a strong network; 2) Develop a marketing plan to attract and engage residents; and 3) Continue developing a People's Budget that provides an alternative to the current budget provided by City Council.

1.0. Introduction

HS4J was created in 2016 to provide advocacy support for students in the Hamilton-Wentworth District School Board. The group secures legal aid for racialized students and additionally focuses on community-based advocacy to bring reforms to the school board, including the recent vote to [end the police liaison program in schools](#).

As part of a broader coalition of organizations and individuals, HS4J also advocates for reallocating municipal budgets from policing to community support. Prior research from HS4J recognized that participatory budgeting (PB), a democratic process that allows community members to decide how to spend a portion of the municipal budget, may be an effective means to [defund the police](#).

In Fall 2020, HS4J approached the McMaster Research Shop (RShop) to conduct research on the potential for PB to reallocate municipal budgets towards social services.

The main research question for this project is:

How, if at all, have national and international PB processes allocated municipal budgets to address social priorities?

In addition to this research question, based on our consultation with the community partner, the research team also developed the following sub-research questions:

- What kind of models of PB exist and what were the outcomes?
- What are some best practices related to PB processes?
- What are some examples of PB processes in Ontario, Canada, and internationally?

The goal of this research is to provide HS4J with a plain-language review of existing knowledge on PB, including case studies that highlight how it can be used to address social priorities in various municipalities. The research team was also tasked with creating an infographic that summarizes the main findings of the research report. This research will help HS4J evaluate the potential for PB to be used as a strategy to facilitate divestment from traditional forms of policing.

The RShop agreed to take on the project and this report is a summary of the team's research methods, findings, and recommendations.

2.0. Methodology

2.1. Literature Review

To help frame the research findings, as well as the final recommendations of the report, the team conducted a literature review on PB processes in Canada and internationally. For the literature review, the team looked for existing research on the following topics:

- Models of PB;
- Benefits of PB compared to conventional budgeting practices;
- Common challenges and limitations related to PB; and
- Best practices related to PB.

The team searched scholarly databases, such as the McMaster library research databases and Google Scholar. Search terms included, “participatory budgeting,” “participatory budgeting models,” “participatory budgeting approaches,” “participatory budgeting outcomes,” “participatory budgeting objectives,” “participatory budgeting impact,” “participatory budgeting example,” “participatory budgeting AND conventional budgeting,” “participatory budgeting challenges,” “participatory budgeting difficulties,” “participatory budgeting limitations,” “participatory budgeting best practices,” and “participatory budgeting recommendations.”

For the purpose of this review, the team screened a broad selection of articles. To ensure relevancy for this project, articles from the past ten years that focused on PB at a municipal level were given priority.

2.2. Environmental Scan

For the environmental scan, the team conducted a broad search for examples of PB projects, initiatives, and processes at the municipal level in Canada and internationally. Data sources included published research, grey literature, media, and reports from various agencies.

To ensure replicability for the City of Hamilton, we avoided examples of PB occurring at any level lower than a municipality, for example at the level of a district/ward or within an organization. Additionally, for the scan within Canada, we gave priority to reviewing case studies in Ontario.

When searching for international case studies, we focused on examples in the United States and Europe. We assumed that their geographic proximity and similar political structures would allow for greater replicability for the City of Hamilton. The Research team also noticed that within Canada, case studies of PB processes had relatively small budgets. As a result, we selected cities from the United States and Europe that had the largest budgets in these two regions. Finally, since the goal of HS4J is to use PB as a

means to defund the police, we considered the social impact of each of the international case studies. We prioritized cities that used PB to impact social services such as housing and food insecurity. Overall, the purpose of the international case studies was to provide HS4J with concrete examples of the far-reaching potential of PB.

The team used the following questions when reviewing the case studies to decide what information to extract:

- What was the context behind the implementation of PB?
- What kind of model was used and what was the weight given to the priorities that were identified?
- What were the outcomes of the initiative?
- What kind of challenges did the initiative face?

2.3. Limitations

The team encountered two main limitations when conducting the literature review. First, many of the articles on PB were related to processes that were implemented in organizations or city wards. While these results provided insight into PB, there are challenges when generalizing the results for a municipality. Additionally, many articles that were related to PB at the municipal level were often referring to countries, such as Brazil, where the political situation varies drastically from Canada.

With respect to the environmental scan, it was not always possible to determine whether the source of the budget for PB came from the operating, capital or discretionary budget. Often, the term “public” budget was used, without any qualifiers. As a result, the ability for PB to affect the amount of funding given to public institutions, such as the police, remains unclear. In other cases, the municipality ceased providing updates on the PB process, and news items did not report on any progress, leaving the team uncertain about the sustainability of such initiatives.

3.0. Literature Review

The purpose of this literature review is to provide an overview of PB. It is divided into six sections:

1. Background on PB;
2. Models of PB;
3. Benefits of PB compared to conventional budgeting practices;
4. Common challenges associated with PB processes;
5. Limitations of PB; and
6. Best practices related to PB.

3.1. Background on PB

PB is a democratic process in which community members decide how to spend part of a public budget (Participatory Budgeting Project, n.d.). Through PB, community members are given the autonomy and empowerment to make budgetary decisions that positively impact their lives (Pinnington et al., 2019).

The PB process consists of the following phases (Public Agenda, 2016b):

1. Idea collection, during which there is an open call for projects that are relevant to the needs of the community;
2. Budget delegation, during which the project ideas are developed into proposals;
3. Voting; and
4. Implementation of project.

PB started in 1989 in Porto Alegre, Brazil by the Workers' Party as a means to increase direct citizen participation and transparency in government decision-making following twenty-one years of military dictatorship. During this time, PB focused on removing corruption using fiscal transparency, improving urban infrastructure in order to support the impoverished, and establishing a new political culture centred on civic engagement. Through PB, Porto Alegre experienced an increase in municipal spending on healthcare, including a 20% reduction in infant mortality rates (Gilman, 2016; Participatory Budgeting Project, n.d.). Additionally, PB began the process of addressing inequitable distribution of city services (Gelman & Votto, 2018). As a result of PB, Porto Alegre experienced an improvement in sewage and water connections in households, healthcare, education services and road building. Notably, by 1997, road building in poor neighborhoods increased by fivefold (Gelman & Votto, 2018). Furthermore, PB resulted in increased civic engagement through the establishment of civil society organizations (Gilman, 2016; World Health Organization, n.d.).

Following its success in Porto Alegre, PB spread widely throughout Brazil and Latin America (Sintomer et al., 2010). Two decades later, there were over 200 PB projects in

Brazil and over 500 PB projects in Latin America (Sintomer et al., 2010). By 2018, PB was adopted by over 2700 governments across the world (Gelman & Votto, 2018).

3.2. Models of PB

Research on PB describes six different models. A table summarizing the key characteristics of each of the six models can be found in Appendix A.

3.2.1. Participatory Democracy

Participatory democracy is a model for PB in which traditional mechanisms of government are associated directly or semi-directly with democratic procedures. Through this model, non-elected members of society have official and legally recognized decision-making power; however, elected representatives still have jurisdiction over the final political decision with respect to project implementation and logistics. Employment of this model provides participants with practical decision-making power and mobilizes society. This model combines strong participation with a focus on social justice. In addition, important strengths of participatory democracy include that it employs clearly defined rules and incorporates a good quality deliberation process that actively involves members of society. However, a notable weakness is that implementation of such a model of PB requires strong political will and a strong and independent civil society who are prepared to work in collaboration with governmental institutions (Sintomer et al., 2012; Sintomer et al., 2013).

3.2.2. Proximity Democracy

Proximity democracy is a model that leverages geographical proximity as well as increased communication between residents and local governments. As such, this model of PB is typically employed in relatively small-scale settings where local governments have significant powers. Proximity democracy employs a technique called “selective listening” whereby opportunity is given for members of society to deliberate on topics but then the traditionally elected decision makers have the authority to determine priorities raised by members of society. As such, proximity democracy has relatively informal rules and provides civil society with limited autonomy. This is a primary weakness of this model as governing officials have the power to accept those proposals that align with their own personal or political agendas and plans (Sintomer et al., 2012; Sintomer et al., 2013). However, a key strength of proximity democracy is that it promotes quality communication between members of society and the formal decision makers (e.g. elected officials), allowing the decision makers to recognize and account for the interests of the local community in their final decisions.

3.2.3. Participatory Modernization

Participatory modernization is a model of PB in which participation on the part of members of society is considered one strategy in a larger plan to make government more efficient and legitimate (i.e. modernized). It is primarily considered a top-down model that allows members of the society to participate in consultations on issues of public interest. Key strengths of this model of PB include that it allows for increased participation from members of society and permits wider political consensus on issues that affect the general public. However, as part of this model, members of society have limited independence and are unable to make any final decisions on subjects of interest. While this model allows for the modernization of public administration with some degree of participation, a key weakness of this model is that participants are viewed as clients. Thus, increased attention is not placed upon integrating marginalized groups or focusing on topics relevant to social justice. As such, the quality of deliberation achieved through this model of PB is generally perceived as weak (Sintomer et al., 2012; Sintomer et al., 2013).

3.2.4. Multi-Stakeholder Participation

Multi-stakeholder participation is a model for PB in which members of society are not the only/main actors involved in the process. It is based on the idea that members of society involved in PB are part of the broader coalition of actors, including private corporations, NGOs, and the local government, that stimulate discussion on budgetary decisions. A strength of this model is that it captures more diverse perspectives on issues of public interest through the deliberation process that may allow for better and more well-rounded solutions. However, in this model, stronger economic actors have the power to guide discussion and decisions with respect to their interests and members of society have limited autonomy or capacity to make a significant impact on the decision-making process. As such, a key challenge associated with multi-stakeholder participation is determining how to balance the interests and the power of different stakeholders and present issues that are relevant to all participants (Sintomer et al., 2012; Sintomer et al., 2013).

3.2.5. Neo-Corporatism

Neo-corporatism is a model of PB that promotes the cooperation of government with organized members of society and corporate stakeholders in order to come to a consensus on issues of public interest. Through this model, governments aim to partake in broad consultations with relevant stakeholders, such as organized groups, social groups and local institutions. This model of PB differs from multi-stakeholder participation because it only involves organized members of society. The aim of these consultations is to attain social consensus by balancing opposing interests, values, and demands. In theory, a strength of this model is that it allows for social consensus on issues of public interest. However, in practical applications, this model of PB is characterized as top-down, affording members of society limited independence. While

this model is capable of linking major organized structures in society, a key weakness is that it permits asymmetrical power division and exclusion of non-organized residents (Sintomer et al., 2012; Sintomer et al., 2013).

3.2.6. Community Development

Community development is a model of PB in which members of society have real decision-making power that extends into project implementation. It employs a bottom-up dynamic, that provides non-elected members of society with the opportunity to participate in the decision making process, as well as a top-down model. This model is particularly advantageous in the context of a weak local government and a strong, independent civil society that has the capacity to organize and manage local projects autonomously. A challenge for this model is that it can be difficult for a diverse community to develop a common vision. In addition, a key weakness of this model is that it is difficult to extend this model beyond the micro-local level due to a lack of managerial resources and involvement (Sintomer et al., 2012; Sintomer et al., 2013).

3.3. Benefits of PB Compared to Conventional Budgeting Practices

When comparing PB processes to conventional budgeting practices we identified three major benefits, as outlined below.

3.3.1. Reallocation of Budgets to Serve Community Needs

In a number of cases, PB processes changed the allocation of resources to areas and/or services that served the needs of the community. In one of the earliest demonstrations of PB, Porto Alegre, Brazil experienced significant improvements in access to sanitation services due to the redistribution of municipal budgets (Lerner, 2011). Following eight years of PB, 98% of households had access to water and 85% were served by the sewage system, compared to only 49% of the population having access to basic sanitation services prior to the implementation of PB (Lerner, 2011). This trend can also be seen outside of Porto Alegre, where PB processes resulted in increased funding to education; infrastructure, such as parks and recreation; public housing; and basic services including water, sanitation, electricity, and public transport (Cabannes, 2015; Hagelskamp et al., 2020).

In New York City between 2013 and 2018, some of the 51 council districts chose to implement PB practices. Hagelskamp et al. (2020) determined that when council districts implemented PB processes, they spent more money on capital projects relating to schools, streets and traffic improvements, and public housing compared to districts without PB practices. These findings suggest that PB can result in different spending

priorities than those decided by public officials, with implications for equity and community well-being.

3.3.2. Minimize Inequities Between Communities

Evidence of PB processes from Brazil highlight the potential of PB to reduce social inequalities by reprioritizing spending in areas that city officials may be unaware of or deprioritize. For example, one article examining PB programs from Brazil's largest cities over the past 20 years found that it is associated with increased spending towards health care, decreasing infant mortality (Touchton & Wampler, 2014). Not only are these outcomes related to the overall health and well-being of community members, but they disproportionately affect residents from poor and underserved communities compared to middle- and upper-income neighbourhoods.

Research suggests that the mechanism through which PB processes have the potential to minimize inequities is through the redirection of resources to lower income groups. This can be achieved through a number of mechanisms including increasing participation of low income residents in policy decision-making, authorizing lower income groups to make decisions for themselves rather than through elected representatives, and improving the overall quality of decision-making through education and deliberation (Shybalkina & Bifulco, 2018). Adopting PB leads to an increase in the development of various civil society organizations (Touchton & Wampler, 2014), which may empower community members to meet, mobilize, and strengthen alliances that may be used beyond PB itself (Hagelskamp et al., 2018).

3.3.3. Improve Attitudes Towards Community Engagement

There is evidence to suggest that PB processes improve attitudes and behaviours towards community engagement. Schneider & Busse (2019) report that individuals who participate in the PB process demonstrate increased motivation, interest, and involvement in civic engagement. Additionally, by participating in the PB process, residents feel more empowered, resulting in improved relationships with local governments (Cabannes, 2015). PB further has the ability to improve relationships between community members, who report feeling a greater sense of interconnectivity due to regular attendance at civic meetings (Lerner, 2011).

One reason why PB may be beneficial to communities and well received by its members is because it leverages the knowledge and preferences of the residents and uses this information to inform decisions. Including residents through PB processes allows for more and possibly new information to be brought to the decision-making space (Hagelskamp et al., 2020). As a result, the budget is determined based on the priority areas identified by those within the community, whereas public officials may not have access to this same knowledge or may be less committed to certain priority areas when allocating the budget without the expertise of the residents. Thus, outcomes related to PB may more broadly be categorized as community well-being or quality of

life as residents are included as decision makers who help determine how best to reallocate the budget based on the needs they identify.

3.4. Common Challenges Associated with PB Processes

Although PB has been shown to be advantageous, there are a number of challenges with this process.

3.4.1. Transparency

Ensuring transparency in the PB process has proven to be difficult (Sintomer et al., 2008). A case example from Europe highlighted the lack of transparency to allow participants to control the finances of their city (Sintomer et al, 2008). In China, the required transparency caused pressure on officials to restrain their spending (Fewsmith, n.d.). Beyond the finances, there is also little transparency in how the election process to select PB delegates is carried out (Fewsmith, n.d.).

3.4.2. Demographics of Participants

Another difficulty is the limited number of individuals who often get involved with PB. In order for this process to be effective and encourage transformative change, there should be participation from different segments of society (Abers et al., 2018). A report by Public Agenda (2016b) highlights the demographic profile of PB voters. In the United States and Canada:

- 11% of people were under the age of 18, making them overrepresented in many communities. On the other hand, residents between 18 and 44 were underrepresented;
- 21% of voters were black residents, who were either overrepresented or represented proportionally to the census;
- 21% of voters were Hispanic, and they were usually underrepresented;
- Residents from lower-income (less than \$25K) households were usually overrepresented or represented proportionally to the census;
- A majority of PB voters had some formal education. Only 39% of PB voters did not have a college degree; and
- Lastly, 62% of voters were women, making them overrepresented in most communities.

Many case reports highlight that the composition of the PB delegates in certain countries were often individuals who are part of the socioeconomic elite, who are not in opposition to the primary political force, or paid workers not representative of the community (Blakey, 2008; Fewsmith, n.d.). This means that the PB process did not necessarily reflect the opinions of the entire population. It is likely that a vast majority of

individuals who do not participate in the PB meetings and do not vote on priorities may have different opinions (Sobottka & Streck, 2014). This was specifically shown in PB in Chicago in which most voters were white, college educated, and from higher-income households. Thus, the needs of less privileged individuals in Chicago were not met (Pape & Lim, 2019).

3.4.3. Logistics and Implementation

There are a number of challenges that exist regarding the logistics and implementation of PB, including:

i) Capacity of municipal staff

PB requires a significant amount of time from city staff and often there is no dedicated staff to run the PB projects, thus making it challenging to run these programs long-term (Pinnington et al., 2009). For example, the Peterborough PB estimated 1,120 extra staff hours required to run the program and an estimated cost of \$75,000 for staff to run the program (Peterborough Examiner, 2017).

ii) The amount of money that must be spent for the PB process

For areas that are in poverty or have fewer resources, it can be costly to host and educate the public about the PB process, as well as advertise and host meetings (Fewsmith, n.d.). Additionally, with increased participation in PB, there should ideally be a comparable increase in the amount of money that a jurisdiction allocates towards PB projects. However, this goal may be difficult to achieve in the face of budgetary challenges (Pinnington et al., 2009).

iii) Limited number of meetings that are held to make these decisions

Having only a few meetings per year, it is difficult to make decisions through the voting system and expand the role of PB (Fewsmith, n.d.).

iv) Changes in internal structures and management of procedures must be made

PB is a large process and changes in structure should be made to ensure that it can occur in an efficient and transparent manner (Boc, 2019; Pinnington et al., 2009). For example, the city of Guelph recognized that the municipal operating budget needed to be changed to allow for increased transparency and citizen participation (Pinnington et al., 2009). Difficulties in comparing different budgets has been highlighted as an issue in another case report (Fewsmith, n.d.), thus ensuring changes so that individuals can easily interpret municipal budgets is key to their participation.

v) Creating an accessible communication platform

In order to facilitate PB, it is necessary for the public to have access to a platform that provides information about the process and allows them to deliberate and vote (Sobottka & Streck, 2014). In the same report, Sobottka and Streck (2014) highlighted

difficulties in accessibility, particularly in less populated regions where people have to travel larger distances to attend meetings. As well, it is common for PB to be advertised through mass media that is often not accessible to everyone.

3.5. Limitations of PB

The research also identifies two main limitations of PB.

3.5.1. Decision Making Process

A common concern with PB discussed by several authors was the difficulty in the decision-making process (Abers et al., 2018; Blakey, 2008; Boc, 2019). Some researchers discussed concerns about whether the decision made by citizens was binding or advisory, and that it is the dependency of the leads on the committees that determine the success of such a process (Boc, 2019). In a discussion of the use of PB in the UK, Blakey (2008) highlighted how PB processes have been distorted to add credibility to decisions preconceived by city officials rather than genuinely granting citizens the authority to determine budgetary allocations. Another limitation relates to the scale of decisions made through PB, as many tend to focus on discrete infrastructural changes, such as improving local parks or roads, rather than high-level policy reform. Furthermore, PB can be manipulated by the mayor, local elected representatives, or civil society leaders due to a lack of awareness and transparency around decision-making processes (Boc, 2019).

3.5.2. Type of Budget Allocated to PB

The public budget can be divided into the operating, capital and discretionary budget. The operating budget refers to the monetary resources that cover the day-to-day expenses required to serve residents, including staff wages, and utilities. The capital budget refers to long-term investments that fund infrastructure and facilities. These are paid over time and have a long-standing presence in the community (Niagara Region, n.d.). In contrast, the discretionary budget refers to non-mandatory spending of the budget (Congressional Budget Office, n.d.).

Public Agenda (2016b) reports that 70% of PB processes in the United States and Canada were initially funded using discretionary funds, since this was an easy source of the budget to use when experimenting with a new initiative. Additionally, 89% of PB processes in the same region were restricted to capital funds that focused on improving infrastructure, such as renovating schools and building parks (Public Agenda, 2016b). Although the total amount of the budget can vary between municipalities, in the majority of cases, officials earmark the type of budget that can be used for PB projects. Restricting the use of PB to capital investments rather than high-level policies or operational expenditures can limit the long-term impacts of PB. Moreover, grassroots organizations that aim to use PB as a means to achieve innovative progress, such as defunding the police, often face hurdles in achieving their goals. Nonetheless, there

have been calls to use PB to defund the police, most notably by activists in Los Angeles (People's Budget LA, 2020).

3.6. Best Practices Related to PB Processes

Based on the results of the literature review, we identified a number of best practices related to PB processes.

3.6.1. There is a diverse group of people who are engaged in PB

One of the main challenges of PB is the presence of restricted budgets and strict government structures. These institutions were designed to centralize power, however, within the context of PB, they can be limiting. In order for PB to be successful, research suggests that “grassroots organizations must see and *claim* PB as a cause worth fighting for” (Pape & Lerner, 2016, p. 11).

In order for true ownership of the PB process from civil society, there must be a diverse coalition of organizations and the citizenry in general (UN-Habitat, 2004). This can be achieved through the creation of partnerships with organizations, local businesses, community members and academics. The diversity of thought and experience increases the capacity of PB and builds a platform to share ideas (Participatory Budgeting Project, 2019). Furthermore, in order to ensure that PB coalitions reflect the values of society, data should be gathered from the front lines. This includes communicating with residents in neighbourhoods and community spaces, contextualizing their needs by being physically present in their spaces, and then collating the data (Pape & Lerner, 2016).

3.6.2. Support for PB comes from city officials

Ganuza & Baiocchi (2012) state that a common perspective among politicians is that PB is a costly repetition of institutions that already exist in a representative democracy. According to their research, many politicians believe that PB only needs to occur in the absence of democratic participation (Ganuza & Baiocchi, 2012). Despite this commonly held viewpoint, research states a commitment from municipal governments is essential for the implementation of PB (Ganuza & Baiocchi, 2012; Gonçalves, 2014; Pape & Lerner, 2016; Participatory Budgeting Project, 2019; Pinnington et al., 2009; Public Agenda, 2016b; UN-Habitat, 2004).

The political commitment from municipal governments allows for effective implementation of PB projects, as well as an investment of time and money that is needed to organize forums and incentivize participation (Gonçalves, 2014). Additionally, the clear political will of city officials, including the mayor, city councilors and staff, ensures that PB is not just a means to link administration and civil society, but rather a tool that can fundamentally transform governing (Ganuza & Baiocchi, 2012).

In order to build partnerships with municipal governments, it is encouraged for proponents of PB to demonstrate that this process is in the best interest of the municipality since it encourages productive community engagement that is often not achieved through traditional budgeting processes (Public Agenda, 2016b).

3.6.3. There is a clear and shared understanding of the rules of PB

In order to ensure successful implementation of PB, there should be clear and transparent guidelines that are established through popular debate. The purpose of these guidelines is to prevent possible distortion of voter preferences under the facade of feasibility (Gonçalves, 2014).

Some of the rules of PB that should be clarified include (UN-Habitat, 2004):

- The amounts to be discussed, including the sources of funds and current system of expenditures;
- The stages of the decision-making process and their respective time periods;
- The rules for decision-making, and in the case of disagreement, the responsibility and decision-making authority of each actor;
- The weight given to decisions made through PB – ie. whether the decisions that are made are advisory or binding (Ganuza & Baiocchi, 2012);
- The method of distributing responsibility, authority and resources among the different districts and neighbourhoods of the city; and
- The composition of the Participatory Budget Council.

UN-Habitat (2004) states residents should be fully involved in determining the rules of the PB process. Additionally, the rules should be adjusted each year, based on the results of the previous PB cycle.

4.0. Environmental Scan

4.1. Case Studies of PB Processes in Canada

The Research team included case studies from:

- Peterborough, Ontario;
- Dieppe, New Brunswick;
- Hinton, Alberta;
- Tofino, British Columbia; and
- Victoria, British Columbia.

In general, the PB processes in Canada had small budgets. While the City of Tofino granted winning projects upwards of \$2.5K, The City of Victoria does not have a fixed annual budget. The rest of the municipalities had budgets ranging from \$100K-300K.

2/5 PB processes focused on arts and culture and 3/5 focused on improving city infrastructure. The City of Victoria changes its priorities yearly and in the past it has focused on social issues such as youth homelessness and newcomers.

For all of the case studies, the team was unable to confirm the type of budget that was allocated for the PB process. Since the City of Peterborough focused capital projects, it can be assumed that the city earmarked a portion of the capital budget for PB. It is likely that the Cities of Dieppe, Tofino, and Victoria used the discretionary budget for PB projects, since they focused on projects related to community development. The Town of Hinton used the term “public budget” when describing their PB process and focused both on infrastructure and community programs. As a result, the source of their budget was unclear.

4.1.1. Peterborough, Ontario

Overview

In 2016, Peterborough created a PB program and set aside up to \$20,000 for each of the five wards in the city. The money was allocated to capital projects based on decisions by the public. The main projects funded focused on infrastructure in the city (Peterborough Examiner, 2015).

Background

Context

PB was trialed in Peterborough because several delegates were interested in additional opportunities for engagement in the City’s budgetary process. Council had expressed support for this and approved Report CPFS15-019 on May 11, 2015 for a PB pilot program in 2016 (City of Peterborough, 2016).

Timeline

The City of Peterborough (2016) notes that the PB timeline included the following dates:

May 2015

- Councilors agreed that a PB program would be adopted for 2016

March-June 2016

- Community proposals regarding projects

June 2016

- Voting on preferred project

Fall 2016:

- Project implementation began

Process

Councilors set aside \$100,000 in tax money in the municipal budget for neighborhood projects. Individuals proposed their projects and voted either online or in person with a paper ballot. 10 projects were selected to be funded (Peterborough Examiner, 2017).

Outcomes

The main projects funded included pollinator gardens in parks across the city and a new protected bike lane north of City Hall (Peterborough Examiner, 2017).

Challenges

Concerns were raised regarding the amount spent on a series of public meetings to inform the public about PB, the amount of time required of staff, and the limited votes from the public regarding the community projects (Peterborough Examiner, 2015; Peterborough Examiner, 2017).

4.1.2. Dieppe, New Brunswick

Overview

Since 2015, The City of Dieppe has completed several cycles of PB. With a public budget of \$300K devoted to PB, the projects funded through this process are related to the well-being of the citizens, enhancing art and culture, and promoting environmentally-friendly innovations. The stated budget and priorities have remained the goal for following PB processes in Dieppe as well (City of Dieppe, 2016).

Background

Context

In 2014, candidates for Dieppe’s city council noted the lackluster engagement in town politics by the local population. As a result, PB was started by city officials as a means to improve public engagement in a small town where the same individuals frequently participated in town projects. The PB process was led by the town’s director of organizational performance, Luc Richard, and Professor Christine C. Paulin from the Université de Moncton (Public Agenda, 2016b).

Timeline

The City of Dieppe (2016) notes that the PB timeline included the following dates:

June to October 2015

- Call for project idea submission

November 2015 to March 2016

- Project ideas were developed into proposals

May to June 2016

- Final proposals were presented and residents voted on the project

June 2016

- Projects were implemented

Process

1. An open call for projects was made and over 100 different ideas were received (City of Dieppe, 2016).
2. Projects were developed and volunteer residents attended workshops, which informed them of each project (Choi, 2015).
3. The projects were narrowed down to 18 projects, which received support from volunteer residents. 1,400 votes were collected in this process and each project that was chosen from the original 100 submissions had to have at least 25% support in terms of votes (City of Dieppe, 2016).
4. The voting process then occurred. Each voter had to choose five of the eighteen projects that were chosen previously. The votes were tallied and the projects were ranked from 1 to 18. The eligibility to vote was age of 11 or older and proof of residency in Dieppe (Choi, 2015).
5. Projects were chosen and a management committee was appointed (City of Dieppe, 2016).

Outcomes

Through PB, the City of Dieppe built an indoor climbing wall, an outdoor physical training circuit, a ball hockey court, and a nature park. Additionally, the PB process resulted in increased participation in community and civil matters amongst the youth and the general society (City of Dieppe, 2016).

Challenges

There were two main challenges that Dieppe faced through the PB process. The first was in attracting a wide range of residents, particularly those who were not previously involved in city operations. Additionally, the City faced difficulty in providing an

accessible voting platform that attracted a wide range of residents. For this end, the City of Dieppe focused on creating an online voting platform (Participatory Budgeting Project, 2015a).

4.1.3. Hinton, Alberta

Overview

The Town of Hinton began the PB process in September 2015 to manage \$100,000 of the public budget to fund projects related to town infrastructure and programs that benefit the community (e.g., parks, accessibility ramps, bus shelters, recreation). It is unclear whether the funds were from the operating, capital or discretionary budget.

Background

Context

The Town of Hinton (2015) states that the five goals of PB were:

1. Open government
2. Expanding civic engagement
3. Developing new community leaders
4. Building community
5. Making public spending more equitable.

Timeline

The PB process took approximately one year to implement (Town of Hinton, 2015).

September - October 16, 2015

- Idea generation

October - November, 2015

- Administration and Participatory Budget Advisory Committee (“PBAC”) met to transform project ideas to proposals

November 17, 2015

- Council approves final proposals for voting

December 10, 12, 2015

- Community vote

December 15, 2015

- Council reviews votes and gives final approval

2016

- Implementation of projects overseen by administration

Process

According to the Town of Hinton (n.d.), there were four criteria for project submissions.

1. The project could not exceed \$100,000;
2. The project must benefit the public by improving local infrastructure or supporting a Town Program;
3. The project must involve one-time expenditures completed in 12 months; and
4. The project must be implemented by the Town on public property or support a Town program.

Submissions were reviewed by Town administration to ensure feasibility prior to voting and project ideas that were turned into full proposals were presented to the community for voting. Proposals with the most votes were funded until the allocated amount was depleted. If there were any ties from the vote counts, the Town Council decided which project received funding. If an approved project could not be implemented, funds were then awarded to the unfunded project with the next most votes. All winning proposals were subject to approval by Town Council (Town of Hinton, n.d.).

Outcomes

The Town of Hinton (n.d.) states that through the PB process, a number of projects were implemented:

- Proper 3-way signage at school with lights for pedestrians;
- Permanent outhouses at Beaver Boardwalk;
- More stalls in women's change rooms;
- New basic model stainless steel pool wheelchair;
- Outdoor park benches by Spray Park;
- Improving bike/pedestrian access and public awareness, including signage and re-establishing clear public access points;
- Purchase of Christmas decorations for the Hinton Centre; and
- Improvements to entrance of Maxwell Lake Trail System including toilets, small shelter, fire pit, children's play area and signage.

Challenges

There were three main challenges with the PB process in Hinton, including:

1. Decisions regarding ownerships of the facilities or goods purchased through PB;
2. Decisions regarding public access to facilities and projects that received funding from PB; and
3. Considerations regarding who gets to vote.

(Participatory Budgeting Project, 2016).

4.1.4. Tofino, British Columbia

Overview

The PB process in Tofino was used as a means to distribute the Arts & Culture Grant. Through this grant, each winning project could receive upwards of \$2.5K. Due to a lack of updates from the media and the municipality itself, it is unclear whether PB still exists in Tofino.

Background

Context

PB in Tofino was used as a means to distribute Arts & Culture Grants to non-profit organizations or individuals supported by non-profit organizations. The goal was to enhance arts and culture within the city by supporting live events, classes, workshops, festivals and public art (District of Tofino, 2016).

Timeline

The PB process took a total of 1.5 years to implement (Social Planning and Research Council of British Columbia, 2016).

2015

- The PB process was refined based on an evaluation process

2016

- PB was applied to Arts & Culture Grants distributed throughout the city

Process

The PB process included the following:

1. Community Workshops and Idea Collection: Information about the grants was shared with the community and community members developed guidelines for the PB process;
2. Proposal Development: Community organizations developed proposals that meet the guideline requirements;
3. Proposal Expo and Voting: Community members voted for eligible projects; and
4. Funding: Winning projects were funded by the Arts & Culture Grant

(District of Tofino, 2016).

Outcomes

Descriptions of the winning projects and details regarding other outcomes were not identified.

Challenges

Specific challenges that the City of Tofino faced were not identified.

4.1.5. Victoria, British Columbia

Overview

Victoria, BC implemented PB after a successful pilot project in 2017. The success of the pilot project allowed the City of Victoria to commit to continuing the initiative for three more years. Victoria, BC does not have a fixed budget for the PB projects each year, rather the budget is determined on an annual basis. Since 2017, a total of \$110,000 has been allocated to 11 community-led projects. Each year, the City of Victoria defines a specific priority area for project consideration. For example, in 2019 the priority area was “Youth”, in 2020 the priority area is “Newcomers” and then in 2021 the focus will be on “Neighbourhood Spaces”.

Background

Context

PB was implemented by the City of Victoria to provide community members with the opportunity to directly decide how to spend part of the City's budget. The literature does not specify whether the budget allocated for PB comes from the operating budget or the discretionary budget. The goal of implementing PB was to engage people who have not historically been involved in government or budgeting processes (City of Victoria, n.d.).

Timeline

The PB process took approximately 12 months to implement (City of Victoria, n.d.).

January – February 2017

- Community steering committee was formed

June – July 2017

- Ideas were generated and project proposals were submitted

September 2017

- The community voted on projects

Late fall 2017

- Winning projects were funded and implemented.

Process

The PB process is citizen-led and the members of the community directly decide how to spend the City's budget allocated to the PB process. As such, significant weight is placed on the outcomes of the vote as the community is directly deciding which projects (relevant to the theme of the year) to fund. In January to February, a community steering committee is formed, from June to July, ideas are generated and project proposals are submitted, in September, community voting is conducted and by late fall the winning projects receive funding and begin the implementation process (City of Victoria, 2020).

Outcomes

To date, 11 community-led projects have been chosen by residents to receive \$110,000 in funding from the City of Victoria. In 2018, three projects, including Next Steps Employment Program, Urban Alive Pop-Up Native Bee Apiary and Learning Garden received funding through the PB process. In 2019, 5 projects (relevant to the Youth theme) received a portion of \$55,000 including:

- What we need: Previous of Youth Homelessness;

- Pollinator Partnership Canada;
- Unquiet Minds II;
- Nobody's Perfect Parenting Program for Youth Parents; and
- Quadra Village Has Talent (\$500 micro grant).

In 2020, a budget of \$50,000 was set aside and 26 projects that were relevant to the Newcomers theme were proposed. Voting for these projects closed as of November 2020 (City of Victoria, n.d.).

Challenges

Specific challenges that the City of Victoria faced were not identified.

4.2. Case Studies of International PB Processes

The Research team included case studies from:

- Seattle, Washington, USA;
- Vallejo, California, USA;
- Madrid, Spain; and
- Paris, France.

These PB processes were specifically chosen because of their large budgets and significant impact on community development. The City of Seattle has an annual budget of \$700K. The budget of Vallejo is determined annually and since 2013, \$8.3M has been allocated to PB projects. Madrid has an annual budget of €100M while Paris spent €500M on PB projects from 2014-2020.

Although it is not included in the case studies, the City of Fresno, California is also an important case study of PB in the United States. Since its inception in 2017, the City has allocated \$66M to PB projects. The City of Fresno implemented PB within three city wards as a means to reduce socioeconomic inequalities and promote climate change initiatives (Dubb, 2020). Further information on Fresno's PB process can be found in Appendix B.

4.2.1. Seattle, Washington, USA

Overview

PB in Seattle began in 2015 as a means to encourage youth participation in City government. Since then, it has expanded to include the general population of Seattle. When it began in 2015, the PB process had a budget of \$700,000 (Khakhishvilli, 2017). In 2017 and 2018, \$285,000 was allocated to each city district, and was expanded to include votes from the general population (City of Seattle, n.d.).

Currently, two coalitions, namely Decriminalize Seattle and King County Equity Now, are helping to inform and guide Seattle's spending on the City's public safety agencies with a focus on the Seattle Police Department, Law Department, and Municipal Court. They are trying to create a PB process for the 2021 budget cycle (Decriminalize Seattle, 2020).

Background

Context

PB began in Seattle as a means to encourage youth involvement in municipal government. The aim was to encourage youth to vote directly on how the city should spend their money in order to indicate to them that their vote was important (Khakhishvilli, 2017).

Timeline

According to Khakhishvilli (2017), key dates were as follows:

Nov-Dec 2015

- Planning the rules of the PB process

Jan-Feb 2016

- Idea collection from the youth

March-May 2016

- Volunteers with staff turned ideas into 19 concrete proposals

May 2016: Expos and vote

- Youth voted on final project list

June 2016 onwards

- Final stage of project with implementation

Process

The 7 most innovative ideas were selected to be implemented. There is no data available to specify how the winning ideas were implemented or exact dates for completion. Nonetheless, it can be inferred that the residents' votes were weighed heavily since the winning projects have been implemented (Khakhishvilli, 2017).

Outcomes

In 2015, the top 3 projects voted on by the youth focused on housing for people experiencing homelessness, youth homeless shelter improvements, and job readiness. Specifically, the youth collaborated to build 10 small homes and to create or repair public bathrooms (Khakhishvilli, 2017).

In 2017, the projects focused on parks and streets in various districts. In 2018, there were improvements made to infrastructure including intersections, pedestrian lighting, basketball courts, benches, etc. In 2019, the projects all focused on street improvements which were planned to be implemented in 2020 (City of Seattle, n.d.).

Details on specific projects, including maps of all of the districts and their respective projects can be found on the [Government of Seattle website](#) (City of Seattle, n.d.).

Challenges

Specific challenges that the City of Seattle faced were not identified.

4.2.2. Vallejo, California, USA

Overview

Vallejo, CA became the first municipality in the US to adopt a city-wide PB process in 2012. The total budget allocated to PB is not fixed, it is determined by the Vallejo City Council each year. However, since 2013, the City of Vallejo has allocated over \$8.3M to fund a total of 47 projects. The budget for PB represents 30% of the revenue from a 1% sales tax, also known as Measure B (Participedia, n.d.-b). The literature does not specify whether revenue acquired through Measure B forms part of the operational or discretionary budget. PB was implemented with the aim of improving city infrastructure and services for the residents of the community (City of Vallejo, 2018a).

Background

Context

In 2008, the City of Vallejo filed for bankruptcy as a result of ongoing economic challenges. Following three years of financial difficulties, the city emerged from bankruptcy and in 2011, implemented Measure B, a sales tax of 1% that would be used to improve the level of public services available within the city. Residents of the city voted to use 30% of the revenue from Measure B for PB projects.

When PB was initiated, it had several stated goals including:

- Improving the city's infrastructure and services;
- Engaging the community by granting representation to underrepresented groups;
- Transforming democracy by granting more decision power to residents; and
- Making government more transparent by creating dialogue between residents and the local government

(City of Vallejo, 2018b).

Initially, the city hired an NGO known as the Participatory Budgeting Project to develop frameworks, strategies and options for the program that were specific to the City of Vallejo (Participedia, n.d.-b).

Timeline

2011

- Measure B was approved by City Council (1% sales tax implemented to specifically improve public services and infrastructure)

2012

- Vallejo City Council established the first city-wide PB process

Mid-2012

- Participant selection process began

Fall 2012

- Deliberation process began

Fall October-November 2012

- First phase of the four-phase cycle began

2013

- Projects for the first cycle of PB were voted on, chosen and implemented

(City of Vallejo, 2018b).

Process

The PB process has four main phases:

- Idea Collection (June to October): Project ideas are collected at public events and meetings across the city from Vallejo residents and other stakeholders (e.g. people who work in Vallejo, own a business in Vallejo, attend school in Vallejo, or are a parent of a student in Vallejo). During this time, residents volunteer as budget delegates in order to ensure the ideas generated within the community turn into real, tangible projects.
- Proposal Development (October to March): During this phase, the ideas collected during the first phase are transformed into full proposals by budget delegates and city representatives.
- Voting (April): Residents vote for projects in-person at various locations across the city or through online ballots. Projects that receive the most votes are sent to City Council to obtain funding approval.
- Evaluation Monitoring (May onwards): During this phase, approved projects are implemented. Additionally, the PB process, including the project implementation stage, is monitored to ensure that it is taking place as proposed (City of Vallejo, n.d.).

Overall, the model of PB employed in the City of Vallejo is unique due its the focus on an active deliberation process (City of Vallejo, n.d.; Participedia, n.d.-b).

Outcomes

Over the past 5 cycles, the City of Vallejo has allocated over \$8.3M to fund a total of 47 projects, while engaging over 20,000 residents (City of Vallejo, 2018a).

According to the city, the PB process achieved their four goals. The proposed projects were able to improve infrastructure and community services. For example, the city was able to improve education by allocating funding to projects that focused on nutrition education and improving school meals. Additionally, the city was able to engage residents through the creation of volunteer opportunities, such as the role of budget delegate. Through active dialogue and deliberation, trust was also established between concerned residents and project leaders, thereby supporting the city's mandate for transparent government. Overall, while the PB process was an innovative

addition to Vallejo, additional efforts are still required in order to reach the goal of “transforming democracy.” In particular, the city hopes to make the PB process in Vallejo a grassroots initiative that is self-directed by residents (Participedia, n.d.-b). Following the first cycle of PB, the City of Vallejo began to directly manage PB while the NGO they hired, the Participatory Budgeting Project, played a supporting role. The funding for the program was found to be sustainable and local residents were quickly educated on the processes involved with PB in the context of Vallejo (Participedia, n.d.-b).

Challenges

No specific challenges were identified with respect to the implementation PB in Vallejo. However, challenges regarding the administration of PB by City Council have been raised. According to Participedia (n.d.-b), the City Council has control over every aspect of PB. This may be a source of intimidation, anxiety and distrust for residents who may believe that this process is being manipulated by the City Council (Participedia, n.d.-b).

4.2.3. Madrid, Spain

Overview

The PB process in Madrid was implemented in 2015 as a means to increase the transparency of government proceedings following the 2009 financial crisis. Since then, Decide Madrid has gone on to become one of the largest PB processes in the world, with an annual PB budget of €100M, divided into €70M for district projects and €30M for city-wide projects (Involve Foundation, 2018). Its main priorities include infrastructure and environmental sustainability. Additionally, a number of projects that focus on advancing social services have been implemented. It is unclear whether the source of the funding is from the operating or discretionary budget.

Background

Context

PB was started by the M15 Movement and Occupation following the financial crisis in Spain and widespread unemployment. The political party Ahora Madrid included participation and open government in their platform and implemented PB once elected to City Council.

The goal of PB was to enhance the transparency of government proceedings and increase public participation (Involve Foundation, 2018).

Timeline

Key dates in the development of PB include the following:

2009

- Financial crisis

2011

- After a 20% unemployment rate in Madrid, the “M15 Movement and Occupation” demanded anti-austerity measures

2012

- Anti-eviction movement as well as widespread mobilization online and on the streets demanded “Real Democracy, right now!”

2015

- Creation of Consul – an online platform that allows citizen participation in government decisions, including participatory democracy

(Participatory Budgeting Project, 2019).

Process

1. Proposals are submitted by residents of Madrid for city-wide or district projects.
2. Citizens can vote on projects they would like to support. A proposal that gets signatures from 1% of the voting population gets put to a vote.
3. Projects are analyzed by the city council to ensure they are legal, viable and fit into the city budget. Proposals that meet these requirements proceed to the next stage.
4. Registered Madrid citizens can vote on final projects.
5. Projects are prioritized based on the number of votes they receive.

(Involve Foundation, 2018).

Projects can either start with non-governmental individuals or organizations or they can be proposed by the government and then circulated for input by the people (Participatory Budgeting Project, 2019). Once voters approve of a project, it gets implemented as public policy (Participatory Budgeting Project, 2019) and the selected projects are then included in the Initial Proposal in the General Budget of Madrid (Involve Foundation, 2018).

Outcomes

Many projects in Madrid focus on urban redevelopment. Through PB, 11 public squares have been renovated and the Gran Vía esplanade was opened to more pedestrians (Participatory Budgeting Project, 2019).

Furthermore, two projects have been made into public policy:

- A 100% sustainable Madrid Plan, which included installation of energy efficient bulbs in municipal buildings and the creation of a fleet 100% electric bus line (Diario de Madrid, 2018); and
- A proposal that allowed residents to purchase one universal ticket to access all forms of transportation within the city (Participatory Budgeting Project, 2019).

Finally, Madrid implemented several projects that focus on social services including:

- Funding for public schools and institutions so that they may host workshops on gender violence, including self-defense courses for young women (Decide Madrid, n.d,-a);
- Creation of shelters for battered women;
- Support for individuals who are homeless, including professional training to aid them in reintegrating into society (Decide Madrid, n.d,-a) and the development of shelters and soup kitchens (Decide Madrid, n.d,-c); and
- Creation of more than 4000 social rental homes for refugees (Decide Madrid, n.d,-b).

Challenges

In 2019, Ahora Madrid, the left-wing government that championed Decide Madrid was defeated in a municipal election. This change in government threatens the existence of PB in Madrid (Participatory Budgeting Project, 2019).

4.2.4. Paris, France

Overview

Paris, France began the PB process in 2014 with a budget of €20M. From 2014-2020, 5% of the €10B investment fund was dedicated towards PB, totaling €500M. Since 2015, all 20 boroughs also received a yearly financial allocation for public investment, and this budget remains under borough administration control (Participedia, n.d.-a). PB in Paris is one of the biggest worldwide (Véron, 2020), with projects are organized

into 14 themes:

1. Quality of life;
2. Transportation and mobility;
3. The environment;
4. Culture;
5. Education and youth;
6. Sport;
7. Solidarities;
8. Cleanliness;
9. Prevention and security;
10. Intelligent city and new technologies;
11. Citizen participation;
12. Economy and employment;
13. Housing; and
14. Other.

Background

Context

PB was championed by Paris' mayor incumbent Anne Hidalgo and adopted following her election in 2014. PB was implemented in order to address trends of democratic decline, including decreased voter turnout, political polarization, and distrust in state officials. The goal of PB was to rebuild public trust by increasing residents' role in decision-making.

Process

PB in Paris follows an annual cycle:

January-February

- Proposals are submitted by individuals or groups

March-April

- Initial technical evaluation for feasibility and cost

April-May

- Finalized project submissions undergo technical evaluation
- Rejected projects are explained to the organizers

June-August

- Projects are assessed and approved by city-and borough-level ad-hoc committees that include representatives from the community
- Individuals and groups are encouraged to organize public promotional campaigns for their projects to draw voters

September

- Online and in-person voting for 2 weeks.

December

- Winning projects are announced and added to the budget to be passed by the City Council of Paris.

January onwards

- Project implementation and tracking of progress on the website

According to Participedia (n.d.-a), in order for a program to be eligible for PB, it must:

1. Serve the public interest;
2. Fit within the competencies of the city; and
3. Fall under the investment's fund purview and be feasible without requiring operational funding

To increase accessibility of the PB process, the city provides workshops, group meetings, and one-on-one meetings with individuals to help residents develop project proposals. These programs allow for a broad range of residents to access the PB process, including those without internet and the illiterate (Participedia, n.d.-a).

Outcomes

According to the Ville de Paris (n.d.), since 2014 there have been 416 projects approved through PB, including:

- Reducing the ecological footprint of buildings;
- Creation of a solidarity grocery store for people with few resources to shop at low prices;
- Purchasing equipment to support people in emergency accommodation centers;
- Developing co-working spaces between students and entrepreneurs; and
- Renovation of 7 municipal health centres.

Challenges

Participedia (n.d.-a) states that challenges associated with PB in Paris include:

- Many of the projects targeted making the city/district more welcoming, modern, and attractive but few take on serious social or economic issues. Projects that do tackle these issues are often rejected by the city's technical advisors who deem them too expensive and beyond the city's implementation capacity.

- Challenges with online voting because although it increases inclusivity it also increases the risk of fraud.
- Over or under evaluation of cost analyses.
- Limited analysis of demographic information since voting only requires age, address, and gender. To better understand the PB process in Paris, Participedia (n.d-a) recommends that the City of Paris also records the social status and education level of participants.

5.0. Recommendations

5.1. Establish a Strong Network

HS4J should build a coalition of stakeholders that support establishing PB across the City of Hamilton. Our findings indicate that in order for PB to be successful, there must be a diverse network of activists, community members and academics who can provide technical expertise, create capacity for implementing PB, and share knowledge (Pape & Lerner, 2016; Participatory Budgeting Project, 2019; UN-Habitat, 2004).

Within Hamilton, HS4J should focus on partnering with stakeholders who support using PB as a means to defund the police and promote equity. Outside of Hamilton, additional partnerships can be made with organizations that provide support for the creation and implementation of PB processes, such as the [Participatory Budgeting Project](#). Additionally, HS4J should build relationships with groups that have [advocated for defunding the police](#), such as [Black Lives Matter – Edmonton & Area](#).

After building partnerships in Hamilton and beyond, we recommend that HS4J engage in a community mapping process that includes:

- Identifying stakeholders and their connections to the Hamilton community;
- Determining the role of each stakeholder in the PB process and when HS4J will engage with them; and
- Developing engagement strategies for each stakeholder.

Throughout the PB process, the community maps and engagement strategies for each stakeholder should be adjusted, as needed.

5.2. Develop a Marketing Campaign

HS4J should develop a marketing campaign for PB that attracts and engages the residents of Hamilton. UN-Habitat (2004) states that in order for PB to be implemented in a municipality, information regarding the process must be widely shared with the

general public. Public Agenda (2016a) further explains that the outreach process for PB should be guided by research and developed into targeted campaigns. In order to create a marketing campaign, HS4J can take the following steps:

i) Conduct market segmentation

Market segmentation requires that HS4J first divide the Hamilton community into various segments. For example, Hamilton can be divided according to geography, demographics such as age, race, gender, and education, or psychographics, which analyzes overall attitudes and motivations. Next, HS4J should identify the segments of the population that they will target, evaluate the main concerns of these segments and determine how PB will address these concerns.

ii) Develop engaging content

Based on the results of the market segmentation, develop content that addresses the needs of various segments of the population. Content can include:

- Infographics;
- Print material including flyers and pamphlets;
- Posts on social media;
- Brief reports; and
- Emails.

iii) Conduct informational sessions on PB

It may also be beneficial for HS4J to focus on promoting PB to a variety of institutions and community groups including educational institutions (McMaster University, Mohawk College, etc.), religious & cultural centres (Churches, Mosques, Synagogues, Gurdwaras, etc.) and community spaces (libraries, community centres, etc.). Such spaces may be conducive to spreading the message of PB and a People's Budget through word of mouth.

Promoting the concept of PB will help increase community interest and engagement. As a result, HS4J will be able to demonstrate to elected officials and governing bodies that PB is an issue of interest and importance to their constituents.

5.3. Continue Developing a People's Budget

HS4J should continue to develop a People's Budget for the City of Hamilton. According to our research, PB has not been previously used as a means to defund the police. Nonetheless, cities across the United States, including Minneapolis and Los Angeles have identified the potential of PB to divest from traditional forms of policing. To supplement their demands to defund the police, these cities have created People's

Budgets, which provide alternatives to the cities' proposed budgets and represent the interests and needs of their communities (People's Budget LA, 2020). Following suit, HS4J can continue to develop a People's Budget using the steps below:

1. Conduct an analysis of Hamilton's municipal budget, including a breakdown of priority areas such as police services and housing initiatives;
2. Compare Hamilton's budget to major cities across Ontario; and
3. Conduct a survey throughout the neighbourhoods of Hamilton to determine the priorities of various populations in the city.

Throughout this endeavour, HS4J can refer to the [People's Budget of Los Angeles](#) and the [Minneapolis 2021 People's Budget](#) for inspiration and direction.

6.0. Conclusion

This report investigated the potential of PB models and practices to address social priorities. To do this, a team of McMaster University Research Shop researchers conducted a literature review on PB and evaluated examples of PB processes at the municipal level in Canada and internationally. Findings from the literature show that PB processes can reallocate municipal budgets to serve the needs of communities, such as public housing and transportation. Additionally, PB can be used as a means to reduce inequalities between communities and improve attitudes towards community engagement. Despite these benefits, there is often a lack of transparency in the PB process and participants in the process may not accurately represent the needs of the community. Furthermore, municipalities often earmark the type of budget that is allocated for PB processes, thereby limiting its ability to bring about social change. Through our environmental scan, we found that while PB has been implemented in several municipalities across Canada, it is often confined to projects related to infrastructure and arts and culture. Internationally, PB processes have had greater success in addressing social issues. In Paris, France, PB was used to address food insecurity and in Madrid, Spain, PB led to the creation of shelters for battered women and individuals who are homeless. This study had several limitations, including a scarcity of articles related to PB in Canada and a shortage of news items regarding case studies of PB. Nonetheless, findings from this report are intended to support HS4J as they evaluate the potential for PB to be used as a strategy to facilitate divestment from traditional forms of policing.

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Appendix A: Key Characteristics of PB Models

	Participatory democracy	Proximity democracy	Participatory modernization	Multi-stakeholder participation	Neo-corporatism	Community development
1. Context						
Relationship between state, market and third sector	Central role of state	Central role of state	Central role of state	Hegemony of the market	Central role of the state	Hegemony of the market, assertiveness of the third sector
Political leaning of local government	Left-wing	Variable	Variable	Variable (but no radical left)	Variable	Variable
2. Normative orientations						
Frames	Participatory democracy, post-authoritarian socialism	Deliberative-oriented version of republicanism, deliberative democracy	Participatory version of <i>New Public Management</i>	Participatory governance	Neo-corporatism, participatory governance	Empowerment, community organizing, pedagogy of the oppressed, libertarian traditions, left-wing liberalism
Goals	Social justice, inversion of priorities, democratization of democracy	Inclusion of user knowledge, renewal of social relationships, inclusion of deliberation to representative democracy	Inclusion of user knowledge, Social peace, no re-distributive objectives	Inclusion of user knowledge, citizens considered clients, economic growth	Inclusion of user knowledge, consensus, social cohesion	Empowerment, affirmative action, no overall redistributive policy, delegation of power to communities
3. Procedures						
Rules, quality of deliberation	Clearly defined rules, good quality deliberation	Informal rules, deliberative quality weak or average	Rules may be clear, weak deliberative quality	Clearly defined rules, average to good deliberative quality	Rules may be clear, variable deliberative quality	Rules may be clear, average to high deliberative quality
Procedural independence of civil society	Strong	Weak	Weak	Weak	Variable	Strong
Fourth power	Yes	No	No	No	No (at local level)	Yes (at local level)
4. Collective action						
Weight of civil society in process	Strong	Weak	Weak	Weak	Strong	Fairly strong
Top-down vs. bottom-up	Top-down and bottom-up	Top-down	Top-down	Top-down	Top-down	Top-down and bottom-up
Consensus vs. cooperative conflict resolution; countervailing power	Cooperative conflict resolution Countervailing power	Consensus No countervailing power	Consensus No countervailing power	Consensus No countervailing power	Consensus No countervailing power	Cooperative resolution of conflicts Countervailing power
5. Link between conventional and participatory politics						
	Combination	Instrumental use of participation	Weak (participation is a management tool)	Weak (participation is a management tool)	Strengthening of conventional participation	Substitution (participation develops outside conventional politics)
6. Strengths, weaknesses, challenges						
	- Combining strong participation with social justice - Very specific conditions - Linking participation to modernization; avoid risk of coopting mobilized citizens	- Improved communication between policy-makers and citizens - Selective listening - Combining participation with formal decision-making process; and with state modernization	- Linking participation with modernization; broad political consensus - Low level of politicization - To increase participation and autonomy of civil society	- Inclusion of private corporations - Dominance of private interests - Balancing the weight of stake-holders; autonomy of NGOs	- Creation of social consensus - Exclusion of non-organized citizens; asymmetric power relations - Linking participation with modernization; autonomy of civil society	- Fits in contexts with weak local governments and strong community tradition - No overall vision of the town - Limiting managerial influence; going beyond the micro-local level
Countries						
	PB: Latin America, Spain, South Korea	PB: Europe, North-America, Korea, Japan, countries of Global South	PB: Germany, Northern Europe, China	PB: Eastern Europe, Africa	PB: Limited	PB: Anglo-Saxon countries, Japan, Global South

Adapted from “Transnational Models of Citizen Participation: The Case of Participatory Budgeting,” by Y. Sintomer, C. Herzberg, A. Roche, and G. Allegretti, 2012, *Journal of Public Deliberation*, 8, p. 28 (<http://doi.org/10.16997/jdd.141>). Copyright 2012 by International Association of Public Participation

Appendix B: Overview of PB in Fresno, California

In January 2016, the City of Fresno received funding from the Transformative Climate Communities (TCC) program to support local climate action initiatives (DeShazo et al., n.d.). Based on the funding they received, the purpose of PB was to improve socioeconomic inequalities and promote climate change initiatives (Dubb, 2020). Fresno implemented PB in 2017, and since then the city has allocated \$66M for this purpose. There are currently a number of projects that are underway, with a proposed completion date of 2024.

The PB process in Fresno has resulted in a number of positive outcomes.

Direct outcomes:

- Developed the Fresno City College West Fresno Satellite Campus, which will provide workforce training and educational pathways as well as incorporate large green spaces;
- Constructed two new city parks;
- Created several miles of new trails, sidewalks, and bike lanes;
- Created over 100 units of affordable and market-rate housing;
- Developed community gardens;
- Installed new rooftop solar and insulation for several hundred homes; and
- Established an electric car and bicycle share system.

Indirect outcomes:

- Establishment of new relationships between the city wards that implemented PB. These communities include Southwest Fresno, Chinatown and Downtown Fresno.
- Within Chinatown, local business owners have established monthly meetings to discuss how they can create new opportunities for investment. These lines of communication have created a positive, unified culture.
- Residents of South Fresno have developed new lines of trust with local leadership.

(DeShazo et al., n.d.).