

Brazil Has Reduced **INEQUALITY,** **INCREMENTALLY** —Can We Do the Same?

Gauging the Potential of Participatory Budgeting
in the United States and Canada



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Budgeting in the United States and Canada**

A White Paper from Public Agenda
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a collaborator in this research.

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Introduction

In its policy platform for the 2016 presidential election, the Movement for Black Lives highlighted participatory budgeting (PB) as a key strategy for reducing economic and political inequality.¹ The movement, a coalition of 50 organizations supporting #BlackLivesMatter, is just the latest group to tout the potential of PB. It joins a long, diverse list of local officials, academic researchers and democracy activists who point to a seemingly arcane form of public participation, born anonymously in Brazil 30 years ago, as a powerful reform that can lift up the voices and economic fortunes of low-income people.²

For anyone concerned with economic and political inequality, the rise and impacts of participatory budgeting (PB) are certainly intriguing. First developed in Brazil in 1989, PB had been implemented in over 3,000 cities worldwide by 2013.³ It is a public engagement process, typically conducted annually, that has been particularly effective for engaging low-income people. The evidence from Brazil suggests PB has helped alleviate poverty, expand access to public services, reduce corruption, raise tax compliance, increase the number of civil society organizations and improve the social well-being of a wide range of citizens. In short, slowly but surely, participatory budgeting seems to have reduced both political and economic inequalities in Brazilian cities. According to Brian Wampler and Mike Touchton, the Brazilian PB experience demonstrates that “municipalities with participatory programs improve the lives of their citizens.”⁴

PB is intended to address a set of interlocking problems. One challenge we face, in the United States and Canada as well as in Brazil, is to ensure that everyone has at least a basic level of financial security and economic opportunity. Another, clearly related, problem is the recent dramatic rise in wealth and income inequality; the gap between the very rich and everyone else is higher than it has been for centuries.⁵ These challenges are also linked to a growing sense of

¹ Paulina Phelps, “How to Make City Budgets Racially Just? Let Citizens Do the Numbers,” *Yes!* October 25, 2016.

² Brian Wampler, *Activating Democracy: Popular Participation, Social Justice and Interlocking Institutions in Brazil* (Notre Dame, IN: University of Notre Dame Press, 2015); Benjamin Goldfrank, *Deepening Local Democracy in Latin America: Participation, Decentralization and the Left* (University Park, PA: Pennsylvania State University Press, 2011).

³ Yves Sintomer, Carsten Herzberg, and Giovanni Allegretti, with the collaboration of Anja Röcke and Mariana Alves, “Participatory Budgeting Worldwide—Updated Version,” (Bonn, Germany: Engagement Global and Service Agency Communities in One World, 2013), http://portugalparticipa.pt/upload_folder/table_data/c3164679-c343-4715-b198-576aee3d4ad1/files/dialog-global.pdf.

⁴ Brian Wampler and Mike Touchton, “Brazil Let Its Citizens Make Decisions about City Budgets. Here’s What Happened,” *Washington Post*, January 22, 2014, <https://www.washingtonpost.com/news/monkey-cage/wp/2014/01/22/brazil-let-its-citizens-make-decisions-about-city-budgets-heres-what-happened>, accessed October 18, 2016.

⁵ Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer, (Cambridge, MA: Belknap Press, 2014); Muheed Jamaldeen, “What’s Happening on Global Inequality?” *Oxfam Blog*, October 26, 2016, <http://oxfamblogs.org/fp2p/whats-happening-on-global-inequality-putting-the-elephant-graph-to-sleep-with-a-hockey-stick/>

political inequality; more and more people say political systems are stacked against them and that they have little faith or trust in government.⁶

Brazilian PB seems to be shifting these inequalities. Can these outcomes be replicated in the United States and Canada? PB had a late start in the U.S. and Canada, with processes begun by Toronto Community Housing in 2002 and in Chicago's 49th Ward in 2009. Since then, it has spread to 61 jurisdictions in 22 cities as of the 2015–16 cycle,⁷ with over 100,000 residents casting their votes. To gauge the potential and maximize the impacts of PB in the U.S. and Canada, we should explore the factors that may be propelling its success in Brazil and examine the differences in implementation between the two places. From this analysis, we can better understand whether and how PB supports the economic argument for engagement—that is, the idea that giving people more say in the decisions that affect their lives can benefit them economically as well as politically.⁸

This report delves into these questions and examines the potential of PB to address economic and political inequalities in the U.S. and Canada by:

- Describing how PB is organized in Brazil
- Exploring six key differences between Brazilian and U.S. and Canadian PB
- Summarizing the inequality debate
- Offering recommendations to public officials and practitioners for improving their PB processes
- Reviewing the evidence from Brazil
- Discussing three factors contributing to the impacts of PB on inequality

The report is a companion to “Power to the People! (And Settings for Using It Wisely?),” which focuses on the extent to which PB can encourage thoughtful and informed (“deliberative”) participation by residents. Both reports draw on the data gathered by local PB researchers and by Public Agenda, on local evaluations of PB processes and on interviews with public officials conducted by Public Agenda.

Coupled with the extensive literature on PB in Brazil, these findings suggest PB can affect inequalities in more ways than most people imagine. The direction of resources toward low-income households, increased public oversight of government and the building of networks and social capital are apparent effects of PB that could help reduce economic and political inequalities. To maximize the potential for similar impacts in the U.S. and Canada, elected officials and practitioners should consider expanding the scope of their processes, supporting the more intensive aspects of PB, capitalizing on tools that help people measure inequality and incorporating PB in broader, more systemic reforms of local democracy.

⁶ Rebecca Abers, *Inventing Local Democracy: Grassroots Policy in Brazil*, (Boulder, CO: Lynne Rienner Publishers, 1996); Pew Research Center, “Beyond Distrust: How Americans View Their Government,” (Washington, D.C.: Pew Research Center, 2015), <http://www.people-press.org/2015/11/23/1-trust-in-government-1958-2015>.

⁷ Each PB process operates on its own timeline, meaning that the various phases of various processes take place at different times during the calendar year. Therefore, we describe a PB process as falling into a given “cycle” of PB if its vote was held between July 1 of one year and June 30 of the following year.

⁸ Matt Leighninger, “The Economic Argument for Engagement: New Directions for Research,” *Journal of Public Deliberation* 12, no. 2 (2016): 1–18.

The inequality debate

As PB has spread across Canada and the U.S. over the past several years, an ongoing international debate about inequality has intensified. At the center of the discussion has been Thomas Piketty's book, *Capital in the Twenty-First Century*.⁹ Piketty tracked levels of economic inequality across many countries over several centuries and concluded that the current disparities between rich and poor are greater now than at any point in the last 250 years. Economists and policymakers to the left of the political spectrum argue inequality matters because it affects people's health, happiness, economic opportunities and other life outcomes. Those on the right are more likely to claim inequality is not a problem as long as people have sufficient economic opportunities. Many on both sides believe equality and opportunity are inextricably linked.

Some observers, such as Darren Walker of the Ford Foundation, draw clear connections between political and economic inequality.¹⁰ When the political process is not accountable to citizens, they argue, the needs and goals of ordinary people—particularly those who lack economic wealth—are not reflected in policy

decisions. But most proposed solutions to the problem of political inequality seem to focus on reforms to the electoral process, on the assumption that public officials would be more responsive to constituents if political campaigns were less reliant on financial contributions.

A less prominent debate among the practitioners of more participatory forms of civic engagement, such as PB, has focused on the tension between creating equality in a process and creating equity in the outcomes of that process.¹¹ Most practitioners strive to make sure engagement processes include a wide variety of people who are roughly representative of the larger community. Some also argue that equitable participation is not enough; they believe the decisions made and plans developed through these processes must also be examined closely to ensure they benefit the people most likely to be affected. Madeleine Pape and Josh Lerner of the Participatory Budgeting Project—an organization that promotes PB, circulates information about it and is able to provide technical assistance to some U.S. and Canadian PB processes—are clear that pointing out these tensions is essential:

⁹ Piketty, *Capital in the Twenty-First Century*, 2014.

¹⁰ Darren Walker, "Moving the Ford Foundation Forward," *Equals Change blog*, retrieved November 8, 2015. <https://www.fordfoundation.org/ideas/equals-change-blog/posts/moving-the-ford-foundation-forward/>

¹¹ Matt Leighninger, *Creating Spaces for Change: Working Toward a 'Story of Now' in Civic Engagement*, (Battle Creek, MI: W.K. Kellogg Foundation, 2010).

Part of our role at PBP has been to help stakeholders embed equity in their local process. Organizationally, we define equity in relation to PB as 1) decision-making that is accessible to, inclusive of, and empowers the most disenfranchised members of a given community; and 2) spending decisions that allocate resources to communities with the greatest need.¹²

These considerations have also been part of the debate about PB in Brazil, which seems to provide an example of how direct political participation can shift both political and economic inequality. A closer examination of PB in Brazil, and a scan of its implementation in the U.S. and Canada, may help us understand whether and exactly how this form of public participation could be affecting inequality—and whether and exactly how we might maximize the possibility of positive outcomes here.

¹² Madeleine Pape and Josh Lerner, "Budgeting for Equity: How Can Participatory Budgeting Advance Equity in the United States?" *Journal of Public Deliberation* 12, no. 2 (2016): 1-15.

How Brazilian PB strives to reduce inequality

From its inception in Brazil, participatory budgeting was intended to reduce economic and political inequality. When the country's military dictatorship ended in 1989, members of the Workers' Party prevailed in local elections in a number of cities. Faced with high poverty rates, a lack of physical infrastructure in many urban neighborhoods and a population with little direct experience of democratic governance, local officials in Porto Alegre and 12 other cities created processes by which residents would make decisions on how to spend public funds. PB was a direct extension of the Workers' Party platform, which emphasized social justice, stronger political accountability and budgets more responsive to the needs and goals of citizens.

While participatory budgeting has since spread across the globe, this report will focus on Brazilian PB as a comparison, and source of learning, for U.S. and Canadian PB, for two main reasons:

1. The definition and organization of PB are more consistent in Brazil than other places. The more PB proliferates, the more varied it becomes in how it is understood and implemented.¹³
2. Because PB has been happening in Brazil the longest, we have more data on its impacts PB there than anywhere else.

Still, some variation does occur among Brazilian PB practices, with some cities having had more successful experiences than others. Its effectiveness has also waxed and waned over time, even in Porto Alegre; the description of Brazilian PB in this report, therefore, is by necessity an oversimplification of a very complex story.¹⁴

The annual PB process as practiced in most Brazilian cities has several components.¹⁵ The cycle begins with a series of neighborhood and regional (multi-neighborhood) assemblies, at which citizens receive progress reports on projects and expenditures approved in the previous year's budget and begin to generate priorities and project ideas for the current year. Participants also elect budget delegates at these meetings to participate in regional budget forums. The delegates work with city council members, city staff, and other experts to refine the neighborhood-level priorities and project ideas and test their feasibility.

¹³ Carole Pateman, "Participatory Democracy Revisited," *Perspectives on Politics* 10, no. 1 (2012): 7-19.

¹⁴ Wampler, *Activating Democracy*, 2015; Goldfrank, *Deepening Local Democracy in Latin America*, 2011; Gianpaolo Baiocchi, *Militants and Citizens: The Politics of Participatory Democracy in Porto Alegre*, (Palo Alto, CA: Stanford University Press, 2005).

¹⁵ Graham Smith, "Beyond the Ballot Box: 57 Democratic Innovations from Around the World," (Exeter, UK: Short Run Press, 2005). <http://www.gsdr.org/document-library/power-beyond-the-ballot-57-democratic-innovations-from-around-the-world/>

In many cities, a parallel process deals with citywide thematic issues that are not neighborhood-specific, such as transportation, education or health. In this strand of “thematic PB,” participants engage in a similar process of deliberating over priorities, developing project ideas and electing delegates.¹⁶

Participants in the regional budget forums also elect representatives to a municipal budget council. Baiocchi and Ganuza describe Porto Alegre’s municipal budget council as a “forum of forums” to oversee the entire PB process, with functions including developing criteria for assessing project ideas and deciding how resources should be distributed among the different regions. The purpose of the council, they write, was

to debate and legitimate the process as a whole. [Its members] dealt with unexpected events beyond the rules; they deliberated and decided on the rules of the process; they set broad investment priorities according to abstract social justice criteria; they acted as intermediaries between municipal government and local-level participants. This forum of forums provided the ability of participants to self-regulate the process.¹⁷

At the end of the cycle, residents vote on which of the project ideas in their neighborhoods and which priorities in the thematic areas should receive funding. Though the final city-wide budget is then subject to a vote by the city council, “the pressure and monitoring of large numbers of participants meant that it was usually approved without modifications.”¹⁸

Most Brazilian PB processes make an explicit commitment to reducing inequality. At both the neighborhood and city levels, equitable development is named as a goal. As they generate, refine and vote on ideas and priorities, PB participants are asked to consider a set of factors, such as the poverty

level in the surrounding area, the number of people affected by the project and the level of need for the resource (such as a sewage system, street lighting or green space) in that location. The size of the funding pool for each district is also allocated according to a formula based largely on inequality data, so that poorer districts receive more money.

In Porto Alegre and other cities, the municipal budget councils bear the responsibility both for the explicit focus on inequality and the machinery for reducing it. In the estimation of Baiocchi and Ganuza, “This has allowed the [city] administration to carry out a pro-poor policy under a legitimated political framework.”¹⁹

¹⁶ Sônia Gonçalves, “The Effects of Participatory Budgeting on Municipal Expenditures and Infant Mortality in Brazil,” *World Development* 53, no. 1 (2014): 94-110.

¹⁷ Gianpaolo Baiocchi and Ernesto Ganuza, “Participatory Budgeting as If Emancipation Mattered,” *Politics & Society* 42, no. 1 (2014): 29-50.

¹⁸ Baiocchi and Ganuza. “Participatory Budgeting as If Emancipation Mattered,” 2014.

¹⁹ Ibid.

Can PB affect inequality?

Evidence from Brazil

Brazilian civil servants have been widely credited for their competence in gathering data on public engagement and social indicators, and scholarly interest in Brazilian PB has been high since the 1990s.²⁰ The result is a wealth of quantitative and qualitative evidence on PB in Brazil.

The sheer scale of public engagement achieved in Brazil is remarkable. In many cities, PB has been embedded as a regular, annual feature of local democracy, and it has grown steadily over time. In Porto Alegre, for example, a World Bank survey found that, over a 20-year period, almost 20 percent of the population had participated.²¹

These levels of participation in what is a fairly intensive process, requiring many hours of citizens' time, would be astounding in the U.S. and Canada, where the largest public engagement processes rarely involve more than a few thousand people.²²

Furthermore, Brazilian PB seems to have attracted a much more diverse set of people than is typically seen in public engagement

efforts. In fact, low-income, less-educated people have taken part at rates equal to, and sometimes even higher than, richer, better-educated people.²³ In Porto Alegre, roughly 30 percent of neighborhood assembly participants, 20 percent of budget delegates and 15 percent of municipal budget council members have come from households in the lowest 20 percent of the population by socioeconomic status.²⁴ Indigenous Brazilians and Afro-Brazilians have also been overrepresented among PB participants.²⁵

To measure its impacts in Brazil, researchers have compared cities that instituted PB with ones that did not and controlled for other variables (such as which party was in control of local government at the time) that might have distorted the comparison. These studies have shown that in cities using PB, public resources are more likely to be spent in low-income neighborhoods with fewer public amenities. PB is "strongly associated with a reduction in extreme poverty and increased access to basic services."²⁶ Cities

²⁰ Rebecca Abers, "From Ideas to Practice: The Partido Dos Trabalhadores and Participatory Governance in Brazil," *Latin American Perspectives* 23, no. 4 (1996): 35-53.

²¹ World Bank, "Brazil: Toward a More Inclusive and Effective Participatory Budget in Porto Alegre," (Washington, DC: World Bank, 2008).

²² Tina Nabatchi and Matt Leighninger, *Public Participation for 21st Century Democracy*, (Hoboken, NJ: John Wiley & Sons, 2015).

²³ Pateman, "Participatory Democracy Revisited," 2012.

²⁴ Harvard University Center for Urban Development Studies, *Assessment of Participatory Budgeting in Brazil* (Washington: Inter-American Development Bank, 2003), 10.

²⁵ World Bank, "Brazil," 2008.

²⁶ Gianpaolo Baiocchi, Patrick Heller, Shubham Chaudhuri, and Marcelo Kunrath Silva, "Evaluating Empowerment: Participatory Budgeting in Brazilian Municipalities," in *Empowerment in Practice: From Analysis to Implementation*, eds. Ruth Alsop, Mette Frost Bertelsen and Jeremy Holland, (Washington, DC: World Bank, 2006), 94-124.

that have used PB for at least eight years have also spent more on education and sanitation than other cities.²⁷

One of the more striking outcomes is the finding that PB has reduced child and infant mortality—the former by 9 percent in one four-year study²⁸ and the latter by 20 percent in an eight-year study.²⁹ This may in part be a reflection of the higher levels of spending on health and sanitation, but research by Sonia Goncalves suggests the money actually goes farther. Funding “allocated to the health and sanitation sector,” she writes, “has a larger impact on infant and child mortality when it is introduced in a [city] which has adopted participatory budgeting relative to one that has not.”³⁰

Other PB impact measures focus on government efficiency and transparency. Some studies have shown that when government-funded projects are developed through a PB process, they are more likely to be completed and efficient and less likely to run over budget.³¹ Cities implementing PB also have less incidence of corruption than others.³²

The increased accountability implied by these findings seems to cut both ways, since residents of PB cities are less likely to evade taxes than those elsewhere,³³ resulting in higher local tax revenues for the cities implementing PB.³⁴ Further evidence of a stronger citizen-government relationship is the greater trust in government exhibited by PB cities and the finding that elected officials who had supported or initiated PB processes were 10 percent more likely to be reelected than local officials who had not.³⁵

The big picture behind these numbers is that Brazil, one of the world’s most inequitable countries when the period of military rule ended in 1989, has become steadily more equitable since PB and other participatory reforms were introduced.³⁶ At such a macro level of analysis, it is hard to say whether increased participation affected the numbers, but it is worth noting that over the same time period, income inequality in the United States and Canada started out much lower and has steadily increased.³⁷

²⁷ Michael Touchton and Brian Wampler, “Improving Social Well-Being Through New Democratic Institutions,” *Comparative Political Studies* 47, no. 10 (2014): 1442-1469.

²⁸ Goncalves, “The Effects of Participatory Budgeting on Municipal Expenditures and Infant Mortality in Brazil,” 2014.

²⁹ Touchton and Wampler, “Improving Social Well-Being Through New Democratic Institutions,” 2014.

³⁰ Goncalves, “The Effects of Participatory Budgeting on Municipal Expenditures and Infant Mortality in Brazil,” 2014.

³¹ Aaron Schneider and Benjamin Goldfrank, *Budgets and Ballots in Brazil: Participatory Budgeting from the City to the State*, (Brighton, UK: Institute of Development Studies, 2002).

³² Touchton and Wampler, “Improving Social Well-Being Through New Democratic Institutions,” 2014; Yves Zamboni, *Participatory Budgeting and Local Governance: An Evidence-based Evaluation of Participatory Budgeting Experiences in Brazil*, (Washington, DC: World Bank, 2007). <http://siteresources.worldbank.org/INTRANETSOCIALDEVELOPMENT/Resources/Zamboni.pdf>.

³³ Zamboni, *Participatory Budgeting and Local Governance*, 2007; Marcelo Baquero, Aaron Schneider, Bianca Linhares, Douglas Santos Alves and Thiago Ingrassia Pereira, “Bases for a New Social Contract? Taxes and the Participatory Budget in Porto Alegre,” *Opinio Publica* 11, no. 1 (2005): 94-127.

³⁴ Aaron Schneider and Marcelo Baquero, “Get What You Want, Give What You Can: Embedded Public Finance in Porto Alegre,” IDS Working Paper 266, (Brighton, UK: Institute of Development Studies, 2006).

³⁵ Paolo Spada, “The Effects of Participatory Democracy: Evidence from Brazilian Participatory Budgeting,” (paper presented at the American Political Science Association, Washington, DC, Sept. 2-5, 2010); Paolo Spada, “Political Competition in Deliberative and Participatory Institutions,” (Dissertation Manuscript, Yale University, 2012).

³⁶ GINI index (World Bank estimate), retrieved October 31, 2016. <http://data.worldbank.org/indicator/SI.POV.GINI>

³⁷ “International Ranking: Canada Benchmarked Against Fifteen Countries,” retrieved October 31, 2016. <http://www.conferenceboard.ca/hcp/details/society/income-inequality.aspx>; “Economic Inequality in USA,” *Chartbook of Economic Inequality*, retrieved October 31, 2016. <http://www.chartbookofeconomicinequality.com/inequality-by-country/usa/>

Why is PB helping reverse inequalities in Brazil?

How has PB helped reduce economic and political inequalities in Brazil? This is an important question, but we shouldn't treat it as a mathematical problem with only one answer. It is likely that a number of factors mentioned above have, at least to some degree, likely contributed to reducing inequality. By exploring them, we can better understand whether U.S. and Canadian PB is covering the same bases. The following three factors may be particularly important contributors to the outcome of reduced inequalities in Brazil.

FACTOR 1: PB directs resources to low-income people.

The finding that PB cities spend more on health, sanitation and other direct services seems to reinforce the possibility that PB is directing more resources to the needs of low-income households. It may come about because low-income people are better represented through PB than they typically are in local politics,³⁸ because the process helps them make informed decisions about which budget choices reflect their interests³⁹ and/or because PB allows them a meaningful say, not only in how money is spent in their neighborhoods, but in how the entire city budget is allocated.⁴⁰ It may also come about because so many PB processes include equity criteria for judging project ideas and allocating money among districts; a more equitable distribution of resources is required or at least strongly encouraged.⁴¹ These effects of PB are in line with the argument that providing more services and supports to low-income households can help reduce inequality.⁴²

FACTOR 2: PB increases public oversight of government.

The findings on reduced corruption and more consistent completion of projects seem to suggest more eyes are on government in cities with PB processes.⁴³ As a more efficient, transparent and accountable institution, local government may therefore be delivering more to low-income neighborhoods. These effects support the argument that social accountability can help reduce inequality.⁴⁴

³⁸ Harvard University Center for Urban Development Studies, *Assessment of Participatory Budgeting in Brazil*, 2003.

³⁹ Mona Serageldin, John Driscoll, L Meléndez San Miguel, Luis Valenzuela, Consuelo Bravo, Elda Soloso, Clara Solá-Morales, and Thomas Watkin, "Assessment of Participatory Budgeting in Brazil," *Prepared for the International Development Bank* (2005).

⁴⁰ Baiocchi and Ganuza, "Participatory Budgeting as If Emancipation Mattered," 2014.

⁴¹ Antonella Napolitano, "Lessons from Paris, Home to Europe's Largest Participatory Budget," TechPresident, February 12, 2015. <http://techpresident.com/news/25441/paris-experiments-participatory-budget-codesign>

⁴² "Income Inequality and Poverty," OECD.org, retrieved October 31, 2016. <https://www.oecd.org/social/inequality-and-poverty.htm>

⁴³ Touchton and Wampler, "Improving Social Well-Being Through New Democratic Institutions," 2014; Zamboni, *Participatory Budgeting and Local Governance*, 2007.

⁴⁴ Jonathan A. Fox, "Social Accountability: What Does the Evidence Really Say?" *World Development* 72 (2015): 346-61.

FACTOR 3: PB creates stronger networks and higher levels of social capital, particularly among low-income people.

The third factor focuses not on the budget decision making itself, but rather on the possibility that regularly bringing together large numbers of people in an intensive, relationship-building experience may in itself be beneficial for reducing inequalities. It may be particularly helpful for people who are trying to pull themselves out of poverty by finding jobs and essential supports, like transportation and child care.⁴⁵ These effects of PB align with arguments by Robert Putnam and others that connect social capital with economic development,⁴⁶ and with an emerging consensus among labor economists who argue that belonging to social networks is critical for job seekers.⁴⁷

These three factors are not mutually exclusive—quite possibly, they complement and interact with one another. All three rely on meaningful, large-scale public engagement, and all would be very difficult to achieve without it. Although the scholarship on Brazilian PB is exhaustive, no conclusive, consensual judgment favors of any one of them as the main explanation for how PB has reduced economic and political inequalities. The safe bet is that all three have played some kind of role.

Many PB scholars would make another bet: that all three of these ways of reducing inequality require, and are part of, more fundamental changes to the system of public engagement. PB works better if it is surrounded by other accessible and regularly occurring means for people to take part in public decision making and problem solving, including “invited spaces” established by governments and “invented spaces” organized by civil society organizations.⁴⁸ A PB process should, perhaps, be viewed as an element of systemic reform rather than just another worthwhile public engagement project. In particular, PB should be seen as an attempt to add small “d” democratic elements to the small “r” republican machinery of local politics. As Sonia Goncalves has put it,

⁴⁵ Baiocchi, *Militants and Citizens*, 2005; Brian Wampler and Leonardo Avritzer, “Participatory Publics: Civil Society and New Institutions in Democratic Brazil,” *Comparative Politics* (2004): 291-312; Touchton and Wampler, “Improving Social Well-Being Through New Democratic Institutions,” 2014.

⁴⁶ Leighninger, “Economic Argument for Engagement,” 2016.

⁴⁷ Seok-Woo Kwon and Paul S Adler, “Social Capital: Maturation of a Field of Research,” *Academy of Management Review* 39, no. 4 (2014): 412-22.

⁴⁸ Andrea Cornwall and Vera Schattan Coehlo, *Spaces for Change? The Politics of Participation in New Democratic Arenas*, (London: Zed Books Ltd, 2007).

Demand for basic health and sanitation is high in a number of Brazilian [cities], however the adoption of participatory democracy is needed to align the preferences of citizens and politicians. In effect participatory democracy represents a mechanism for unlocking this demand and for allowing for it to be expressed in the actual public policies . . . Just electing mayors of a particular political hue is not sufficient to achieve this. What we are likely observing is the effect of changing the system of local government as opposed to changing the political orientation of the governing mayor.⁴⁹

For the purposes of this paper, we will take all three factors as plausible arguments rather than competing theories. By comparing Brazilian with U.S. and Canadian PB, and the extent to which a PB process represents and is part of a systemic change, we may understand better how the differences in goals, design and implementation may affect our own efforts to reduce economic and political inequality.

⁴⁹ Gonçalves, “The Effects of Participatory Budgeting on Municipal Expenditures and Infant Mortality in Brazil,” 2014.

How PB works in the U.S. and Canada

Can participatory budgeting reduce economic and political inequalities in the U.S. and Canada, as it has in Brazil? It may be too soon to tell. This report explores the two social and political contexts to help us think through the extent to which similar results may be possible in the long term. Examining the differences in the organization of PB may also help us decide whether U.S. and Canadian PB practitioners are on the right track. As in the Brazilian cases, U.S. and Canadian PB processes differ greatly from one another, so once again this analysis attempts to simplify and summarize in an effort to find some common themes.

PB processes in Canada and the U.S. typically start with a public official or city council publicly allocating a portion of its budget to PB. Grassroots advocacy by community members and local organizations often plays an important role in convincing local officials to adopt PB, and, in most cases, a steering committee—comprising local community groups, community leaders, government representatives and others—forms to decide on the goals and rules of the process. These may include establishing the minimum voting age and other eligibility criteria, the timeline, resource allocations, targets for outreach and participation, roles and responsibilities of various stakeholders and so forth. The steering committee incorporates these goals and rules into a PB “rulebook,” based on examples from other places, which it usually develops at the beginning of its very first cycle and revises every year thereafter.

Most U.S. and Canadian PB processes then follow a four-phase process over the course of several months to a year:

1. Residents come together in public meetings “and online to discuss community needs and brainstorm ideas for projects that might be financed with the money their public representatives have allocated to the process.
2. Resident volunteers (commonly called budget delegates) work in groups (or committees) to develop the initial ideas into actual project proposals. These volunteers typically work closely with relevant city agencies to assess the feasibility and cost of projects.
3. Fully developed project ideas are put on a ballot for residents—including youth and noncitizens—to vote on. The voting period often lasts several days.
4. Projects that get the most votes and fall within the cap of allocated funds win, and government commits to implementing the winning projects.

This format of PB that has developed in the U.S. and Canada differs from Brazilian PB in six major ways.

DIFFERENCE 1: Citywide versus district based.

First and most obviously, most U.S. and Canadian PB processes are narrower than those used in Brazil; in 74% of the U.S. and Canadian examples, PB is implemented as a single-district process rather than a citywide one, and it focuses on smaller amounts of money rather than entire budgets. Even in cities where many or all council districts are organizing PB, the decision making is limited to the spending of those specific funds (and in 87% of the cases, the funds could only be used for capital infrastructure, such as street repaving and improvements to lighting, playgrounds and park facilities) and does not extend to citywide thematic areas or encompass all the districts, as it does in the Brazilian examples.⁵⁰

This difference between a citywide and district-based approach is most relevant if we assume the equity-enhancing effects of PB depend on directing more resources to low-income people. Presumably, placing more of the city budget within the parameters of the PB process would result in a larger percentage being spent in ways citizens want. And, since some districts are almost invariably richer than others, addressing inequality should be easier through a citywide process that can allocate more funds to districts with greater needs.

This difference may not, however, affect the public oversight effects of PB as much, since one of the first questions people ask when promoting a project idea is, “Why isn’t the city doing this already?” PB participants may

become more knowledgeable about the entire city budget, partly because they ask these kinds of questions and partly because they form connections with city employees. The third factor, stronger networks and social capital, seems more dependent on other factors than the scope of the budget decisions made through the process.

DIFFERENCE 2: Levels of citizen control of the process.

A second difference is the greater degree of control many Brazilian cities have given citizens over the process itself, primarily through the municipal budget council. As described above, this “forum of forums” helps decide how much funding is to be dedicated to the process and the criteria for deciding how to spend it. The closest corollary to the budget council in the U.S. and Canada is the local steering committee. These groups do have some of the same functions in that they write and revise the “rulebooks” for their processes, but they do not have a say in the size of the funding pool—and in any case, it seems a poor comparison, since most of these committees are supporting PB at the district level. Even the city-wide steering committees are generally not interacting city council on the budget and other citywide issues beyond PB. This difference is one of the key pieces of evidence offered by Baiocchi and Ganuza to support their assessment that PB in other parts of the world is not nearly as empowering as the Brazilian version:

⁵⁰ Carolin Hagelskamp, Chloe Rinehart, Rebecca Silliman and David Schleifer, “Public Spending, By The People: Participatory Budgeting in the United States and Canada in 2014–15” (New York, NY: Public Agenda, 2016), <http://www.publicagenda.org/pages/public-spending-by-the-people>.

In the global translations of Participatory Budgeting, the communicative dimension has traveled, but not the empowerment one . . . There is the danger that Participatory Budgeting [will] be only peripherally connected to centers of power, and instead be linked to small discretionary budgets and bound by external technical criteria. It becomes a process of one-sided democratization that brings greater transparency and social justice up to the point where demands are delivered to state officials; what happens after that point, let alone what portions of city budgets are turned over to the popular mandate, are left untouched.⁵¹

Still, the extent to which this second difference affects how Brazilian PB reduces inequality would seem to depend on the makeup and outlook of the municipal budget councils. While participation by low-income people is strong in Brazilian PB, fewer are represented in the higher tiers of the process than in the lower, with 30 percent of the participants in the assemblies having low incomes but only 15 percent of those on the municipal budget councils.⁵² Also, the difference between these council members and ordinary elected officials seems hazier than at the lower levels of the process. “Many of the delegates and councillors [in Brazil] are well-known community leaders,” reports Graham Smith. “However, regular electoral competition ensures that they must continue to mobilise people and work hard during the year to win representative positions. Their leadership status is not guaranteed.”⁵³ Like difference 1, difference 2 would, in any case, seem to be more relevant to how PB redirects resources than to its effects on public oversight or social networks.

DIFFERENCE 3: Size and diversity of turnout.

The overall level and diversity of participation in Brazilian PB processes is higher than anything yet achieved in Canada or the U.S. It is important to note that the best Brazilian examples have been in place for decades, and that participation in many of those places was small at first and grew over time. So, while expecting U.S. and Canadian PB processes, which are still in their infancy, to involve 10 percent of the population (as Porto Alegre has done) may seem an unfairly high standard, the fact remains that all the factors described above depend heavily on the size of the turnout, especially for neighborhood assemblies, idea fairs, and other intensive aspects of the PB cycle.⁵⁴ Higher participation increases the likelihood that elected officials will approve

⁵¹ Baiocchi and Ganuza, “Participatory Budgeting as If Emancipation Mattered,” 2014.

⁵² Serageldin et al., “Assessment of Participatory Budgeting in Brazil,” 2005.

⁵³ Smith, “Beyond the Ballot Box,” 2005, 64.

⁵⁴ A few processes in the U.S. and Canada have seen a relatively high resident turnout in the vote stage across the 2014-15 and 2015-16 cycles, but on average, turnout was around 2 percent across all processes in each cycle. For more about the 2015-16 cycle of PB, see Carolin Hagelskamp, Chloe Rinehart, Rebecca Silliman and David Schleifer, “A Process of Growth: The Expansion of Participatory Budgeting in the United States and Canada in 2015-16,” (New York: Public Agenda, 2016). <http://www.publicagenda.org/pages/a-process-of-growth>

the participants' budget priorities and project ideas (and respond to any other concerns and recommendations that emerge during the cycle); increases the number of people who are monitoring the actions and performance of government; and increases the scale and strength of the networks being built during the process.

It is encouraging that, on the whole, U.S. and Canadian PB processes seem to be turning out a broad array of people, at least for the vote stage. Most notably, the processes have typically engaged many low-income residents, people of color and youth. In the 2014–15 cycle, 52 percent of residents who voted in PB (and completed a demographic survey) were people of color, 46 percent reported household incomes of less than \$50,000 per year and about one in ten were under 18 years of age.⁵⁵ Person-to-person outreach (such as canvassing or door knocking) and outreach by community-based organizations have been associated with a higher representation of traditionally underrepresented groups during the PB vote.⁵⁶ Local organizers use tactics like offering subway passes and child care and holding meetings in schools and retirement communities. These measures seem to be paying off; Celina Su writes, “The data suggest that PB brought in many traditionally marginalized citizens, including young people.”⁵⁷

Not all communities in Canada and the U.S. are successful at engaging traditionally underrepresented populations, however. Many struggle to bring in non-English speakers and immigrant communities. In the 2014–15 cycle, residents with university degrees were highly overrepresented among PB voter survey respondents in nearly all communities. Moreover, communities vary greatly in their implementation of PB, with some investing significantly more time and effort in outreach than others.⁵⁸

While equitable participation does not necessarily produce equitable outcomes, PB processes still seem more likely to have these effects if the people making budget decisions are representative of the poorer parts of the community at least to the extent that they represent the richer ones.

DIFFERENCE 4: Staffing support from within city hall.

The staffing support for PB in Brazil has so far not been matched by U.S. and Canadian PB processes. This is partly a function of the difference between district-focused and citywide processes; at the district level, U.S. and Canadian public officials seem to devote a great deal of staff time to organizing and promoting PB. But in Porto Alegre and other Brazilian cities, there were also staffers

⁵⁵ Hagelskamp et al., “Public Spending, By The People,” 2016.

⁵⁶ Ibid.

⁵⁷ Celina Su, “What Makes Young People More Excited About Politics? Deciding How to Spend Municipal Budgets,” *Washington Post*, October 17, 2016. <https://www.washingtonpost.com/news/monkey-cage/wp/2016/10/17/young-people-get-more-excited-about-politics-when-they-help-decide-how-to-spend-the-citys-money/>

⁵⁸ Hagelskamp et al., “Public Spending, By The People,” 2016.

supporting PB in the executive branch of city hall, since municipal departments were required to create new positions for “community facilitators” who would interact with PB participants. These staffers attended PB assemblies, assisted delegates as they refined project ideas and connected residents with other city employees who could answer questions and provide guidance. While Chicago and New York City do have PB liaisons in city hall, they are not at the same level of staffing as in Brazilian cities.

This difference seems more relevant to the public oversight effects of PB than its capacity to redirect resources or build social networks. The more PB participants come into contact with knowledgeable staffers working in municipal departments, the better able they are to monitor the work of government. Furthermore, these relationships may help participants influence the decisions being made by those departments, including but not limited to those made within the scope of the PB process. In addition to affecting whether departments assist the development of project ideas and implement them well, these relationships may allow residents to influence how the city enforces building codes or picks up trash.

DIFFERENCE 5: An explicit commitment to reducing inequality.

In both how they are described and how they are administered, Brazilian PB examples emphasize the reduction of inequality more than their U.S. and Canadian counterparts. This is a broad generalization and a contentious one, however, since U.S. and Canadian processes, practitioners and public officials differ in their approaches to talking about and measuring inequality.

The Participatory Budgeting Project describes social justice as one of its primary goals. Madeleine Pape and Josh Lerner of PBP argue that “equity has always been at stake in US PB.”⁵⁹ More variation occurs at the local level, however, as Pape and Lerner acknowledge; in the rulebooks developed to govern their processes, most U.S. and Canadian examples (including those in Cambridge, Massachusetts, Chicago, Illinois, Long Beach, California, and Boston, Massachusetts) name inclusiveness and/or the engagement of “traditionally under-represented” (Long Beach and Vallejo, California or “marginalized” (New York City) groups among their goals. But only Chicago, Long Beach and New York City include “equitable spending” as an explicit objective.

⁵⁹ Pape and Lerner, “Budgeting for Equity,” 2016.

Public officials championing PB in the U.S. and Canada also vary in how they talk about equality. Between March 2015 and March 2016, Public Agenda conducted in-depth interviews with 43 elected officials in 11 cities across the United States, including 28 who had implemented PB in their jurisdictions and 15 who had no personal experience with PB but whose jurisdictions neighbored others with PB processes, to gain a better understanding of their views, experiences, motivations and concerns regarding PB.⁶⁰ In our interviews with officials who have done PB, many are declarative about equality, like the public official who says, “PB was founded in order to address those very concerns of social inequity.” Another described the local process by saying,

There was a conscious effort on the part of the budget delegate committees, on the part of the management of the process as a whole, and on my own part to say that it is very important that we do not overly concentrate a high percentage of the million dollars I allocated in any one neighborhood. That is a fundamental part of the mission of PB, to create an equitable distribution of the money.⁶¹

At least a few are dismissive, including another public official who argued,

I think all of that is romantic, fanciful talk, to be honest with you. I just don’t buy into it. I think I have a more grounded view of PB, and the notion of PB as a democratizing or equalizing force overstates the impact.⁶²

Officials also differ in the extent to which they believe their processes are actually achieving equality. Some see PB as a setting where, in the words of one public official doing PB, residents “rise above their own selfish, parochial interests and look out for the interests of the many.” Another claimed participants are constantly asking, “How do we take this money and spread it as equitably as possible?” But some officials have said their processes might actually produce inequitable results were it not for extra funding they have introduced to pay for projects benefiting low-income people that did not receive support through the voting process.⁶³

⁶⁰ Carolin Hagelskamp, David Schleifer, Chloe Rinehart and Rebecca Silliman, “Why Let the People Decide? Elected Officials on Participatory Budgeting” (New York: Public Agenda, 2016), <http://www.publicagenda.org/pages/why-let-the-people-decide>.

⁶¹ Ibid.

⁶² Ibid.

⁶³ Ibid.

The language used by Brazilians to describe their PB processes has generally been more forceful than that used in Canada and the U.S., and more in keeping with the explicitly “pro-poor” discourse of left-wing movements in the Global South. But even in that context, Baiocchi and Ganuza argue, the structure of Brazilian PB —especially the central role of the municipal budget council—allows the rhetoric of PB to go further and gain broader support than it otherwise would. In their view, the council is a citizen-dominated space where pro-poor goals can come to the fore. The setup has provided, in their words, “the political will and legitimacy to treat unequals unequally.”

The municipal budget council also sets and oversees the use of criteria and formulas that privilege low-income people. Without that administrative aspect of the commitment to reducing inequality, U.S. and Canadian processes might not succeed even if they did use more forceful rhetoric. “What often happens is that cities try to implement participatory budgeting without using the ‘redistribution formula’ and then find out that they’re not getting the same results Brazil had,” observes Tiago Peixoto of the World Bank.⁶⁴

The Participatory Budgeting Project encourages all U.S. and Canadian processes to use a matrix to help budget delegates assess project ideas that includes equity as one of the main criteria. This is a step toward the Brazilian approach, though cities differ in their use of these matrices and how precisely they define equity. Furthermore, since the majority are not citywide processes, most U.S. and Canadian examples do not allocate funding among districts based on their economic status; while ideas within a district may be judged against one another on the basis of equity, low-income areas do not receive a disproportionate share of funding.

The differences in how PB processes approach and measure inequality seem most relevant to whether they direct resources to low-income people, but they might also matter for the effects on public oversight, since people monitoring government might be more attuned to equity-related concerns and better able to hold officials and staffers accountable for equity goals.

⁶⁴ Napolitano, “Lessons from Paris, Home to Europe’s Largest Participatory Budget,” 2015.

DIFFERENCE 6: Civic infrastructure.

The final difference between Brazilian and U.S. and Canadian PB is the most complicated one: PB in Brazilian cities is not a standalone program but part of a much more extensive infrastructure for public engagement than that possessed by most U.S. and Canadian cities. Brazilian PB is surrounded and complemented by a range of other opportunities for people to engage in decision making and problem solving, from local health councils⁶⁵ to federal policy conferences.⁶⁶ People are assembled, on a regular basis, in many different places and on all kinds of issues.⁶⁷

It may be difficult, therefore, to separate out the unique impacts of PB from the overall effects of a robust, participatory civic infrastructure—and unrealistic to expect U.S. and Canadian PB processes, on their own, to achieve the kinds of impacts that have occurred in Brazilian cities.

One reason this difference is important is because it has a direct bearing on difference 3: the number and diversity of people participating in PB. Recruiting participants is usually the most difficult task in public engagement because the most common reason people turn out is not in response to an e-blast, a flyer, or an article in a newspaper, but because someone they know and trust

asked them to take part. This means that recruitment is a contact sport: it usually requires building relationships of trust among a large and diverse set of residents. When people are already highly connected through trusting relationships, when they are accustomed to participating in meaningful public events, and when those networks and events are well known and easily accessible to PB organizers, then a large, diverse turnout is easier to achieve. But difference 6 is about more than turnout, because the existence of a robust, participatory civic infrastructure also means people have more opportunities to influence public decisions and monitor government actions and more venues for strengthening social networks.

As suggested above, it may seem unfair to compare the 27-year legacy of PB in Brazil with the U.S. and Canadian examples, the majority of which are in just their second or third years of implementing PB processes as of the 2015-16 cycle.⁶⁸ To be sure, U.S. and Canadian PB has come a long way in just a short time. But by examining the differences, we can help ensure that, as they continue their work, the elected officials and practitioners who are pioneering PB in the U.S. and Canada can maximize its potential to reduce economic and political inequalities.

⁶⁵ Andrea Cornwall, Vera Schattan P Coelho, and Alex Shankland, "Taking a Seat on Brazil's Health Councils," *OpenDemocracy*, 2012. <https://www.opendemocracy.net/andrea-cornwall-vera-schattan-p-coelho-alex-shankland/taking-seat-on-brazils-health-councils>.

⁶⁶ Thamy Pogrebinski and David Samuels, "The Impact of Participatory Democracy: Evidence from Brazil's National Public Policy Conferences," *Comparative Politics* 46 no. 3 (2014): 313-332.

⁶⁷ Wampler, *Activating Democracy*, 2015.

⁶⁸ For more about the 2015-16 cycle of PB, see Hagelskamp et al., "A Process of Growth," 2016.

Recommendations

The question of how participatory budgeting reduces inequality, and whether the current differences between Brazilian and U.S. PB make those impacts more or less likely, is an important one for continuing research. But for practitioners and policymakers who may not have time to wait for the results, the wisest course may be to hedge our bets. The four recommendations below could strengthen all the factors contributing to the equity effects of participatory budgeting.

1. Look for opportunities to expand the scope of PB.

PB processes could be expanded to encompass all city council districts and/or to include specific thematic areas within the city budget as a whole. Rather than being limited to capital infrastructure improvements, PB would be applied to a broader array of the things people care about and more factors (policing, education, social services) that affect inequality. Many practitioners and public officials are already recommending this approach. In our interviews with public officials, one official said he is optimistic that the success of district-based PB will pave the way to this expansion of the process, to the point where local government would say, effectively,

You know what? You guys have been doing a really good job, instead of just handing you the money that's left in the change drawer, we're going to give you a portion of our transportation budget. We're going to give you a portion of our human service budget. We're going to give you a portion of our public safety budget, and have you guys prioritize it," you know, and move to where the people are actually making decisions that the elected officials typically make. And I don't know what that looks like, but if we were able to get to a point like that, that's where I think we would start to see possibly some real, substantial shift in how government works, how government funds its projects.⁶⁹

⁶⁹ Hagelskamp et al., "Why Let the People Decide?" 2016.

U.S. and Canadian PB is already spreading rapidly from city to city, propelled by positive media coverage, testimonials from one local official to another and the advocacy of local champions and the Participatory Budgeting Project. Expanding its scope within a city could be accomplished through the same kinds of communication and activism.

As Pape and Lerner suggest,⁷⁰ this move might also be accomplished by combining PB with other formats for public engagement in budgeting, such as priority-based budgeting, online budget input platforms and “serious games” that focus on budgets.⁷¹ These other formats typically encompass the whole city budget but are less intensive for participants and put them in a purely advisory role.

2. Maximize the more intensive, deliberative aspects of PB.

As described in the companion report, “Power to the People! (And Settings for Using it Wisely?),” PB combines “thick” (intensive, information-rich, small-group-focused) and “thin” (fast, convenient, individual-focused) forms of public participation—assemblies and budget delegate meetings are thick, while the vote at the end of the cycle is thin. Because it builds relationships among different kinds of people who begin to understand one another better and empathize more, thick engagement can make participants more likely to propose and vote for projects that primarily benefit low-income people or the community overall. This effect was described in a series of New York Times articles published during the first year of PB in New York City, in which a reporter followed one budget delegate who decided that buying doors for the bathroom stalls of his neighborhood school, which is attended primarily by low-income students, should take priority over the project idea he had originally proposed.

Some public officials feel the people who become more involved in the PB process, taking part in assemblies and budget delegate meetings rather than just the vote, end up more strongly committed to reducing inequality. As one public official put it,

For delegates and for the district committee I think it is really true, that the delegate committees and the district committee are very deliberative and take the values seriously and are pretty thoughtful about equity issues, about geographic spread, about need, about why things should make the ballot and have a lot of really good and sometimes hard conversations about it.⁷²

⁷⁰ Pape and Lerner, “Budgeting for Equity,” 2016.

⁷¹ Nabatchi and Leighninger. *Public Participation for 21st Century Democracy*, 2015.

⁷² Hagelskamp et al., “Why Let the People Decide?” 2016.

⁷³ Pape and Lerner, “Budgeting for Equity,” 2016; Nabatchi and Leighninger, *Public Participation for 21st Century Democracy*, 2015.

In addition to simply recruiting more participants for assemblies, idea fairs and other thick aspects of the process, PB organizers can incorporate tactics for deepening the deliberations, including “block walks” to survey infrastructure needs, site visits to schools, parks and police stations, more explicit research roles for budget delegates and more creative and thorough ways to help people think through the impacts and tradeoffs of potential projects before the final vote occurs.⁷³

3. Use tools that help people map, measure and reward efforts to reduce inequality.

With the support of the Participatory Budgeting Project, many U.S. and Canadian PB processes have begun using tools that help participants understand and visualize how inequality affects their communities. The most common are online maps that can show where poverty is concentrated, where public services are located and where PB funds are being allocated. One public official says,

It came out of that analysis each year of layering the projects on the map, to say, “Well, where are we concentrating money? What are the trends, not just in any one year but, what are the trends as combined each sample year? Are we coming up with an equal distribution in the amount of money?” I think our online map shows that that’s been happening.

Maps developed for PB processes could be combined with other online maps that display other public assets and challenges, from WiFi hotspots and firehouses to the number of students receiving free or reduced lunch at a particular school or the incidents of crime on a particular block.⁷⁴ Similarly, PB organizers could utilize online dashboards that measure progress on social indicators. Finally, Pape and Lerner suggest systems by which budget delegates assign an “equity rating” to project ideas to help PB voters understand which proposals are most likely to reduce inequality and sponsor award programs to recognize budget delegates, public officials and other community leaders whose work through PB has helped improve equity.⁷⁵

⁷⁴ Nabatchi and Leighninger, *Public Participation for 21st Century Democracy*, 2015.

⁷⁵ Pape and Lerner, “Budgeting for Equity,” 2016.

4. Build and connect civic infrastructure.

While a recommendation to build stronger civic infrastructure might seem the most daunting of the four, it does not apply only to the PB community—practitioners and public officials involved in a variety of kinds of engagement have recognized the importance of rethinking the systems for participation. They, too, have looked toward Brazilian cities that are bringing a great many more, and more diverse, people into the public square. PB should be part of helping to build this infrastructure, so that subsequent engagement efforts will also build on PB.

While this work requires the creation of new, better ways for people to be involved, it also can mean connecting and supporting the ways we already have. In that spirit, Pape and Lerner suggest that

PB processes can provide delegates with information about other funding opportunities, such as government grants and contracts, foundation grants, and crowdfunding programs. Staff can channel ideas that are ineligible for PB funding to city agencies and departments that might be able to implement them through other means, as often happens for small proposals such as speed bumps and street signs. Organizers can invite participants to serve on other boards and commissions, and sign up for local campaigns and organizations.⁷⁶

To oversee and legitimize the strengthening of civic infrastructure, U.S. and Canadian PB cities might consider combining the model of Brazil's municipal budget council with a similar structural reform that has taken hold in a few U.S. and Canadian cities: the public engagement commission. Although they vary from place to place, these citizen bodies are generally intended to gain buy-in for engagement from multiple institutions without making participants beholden to any single institution effectively coordinate a variety of activities; and ensure that engagement opportunities meet the needs of residents. Such a commission could take on some of the PB-specific roles served by the municipal councils in Brazil.

⁷⁶ Ibid.

Conclusion

The many champions of participatory budgeting, from the Movement for Black Lives to local elected officials to public engagement advocates and practitioners, are right to point to Brazilian PB as a model for U.S. and Canadian efforts. The way PB has been entrenched in local democracy in Brazilian cities, supported by other tools and practices and surrounded by other elements of a comprehensive reform package, seems appropriate for dealing with an entrenched, systemic problem like economic and political inequality. Anyone who is serious about addressing a long-term challenge like inequality should be thinking about these kinds of long-term solutions.

Brazil is very different from the U.S. and Canada, and while some of the tools, practices and reforms there might be applicable here, we can add other, locally grown ingredients (including some of those described above) to our recipes for more effective local democracies. Understanding the factors that seem to drive the inequality-reducing effects of PB, and the differences in how PB is organized in different places, may help local leaders decide which of these ingredients to select for their communities.

Participatory budgeting is not a magic bullet, and it shouldn't be treated that way. It is a set of practices, official and unofficial, and a set of changes, formal and informal, with the potential to transform how citizens and governments interact. It is a reform that suggests other reforms and may require them in order to be truly successful. By thinking more carefully about the components and impacts of PB, we can chart more productive paths for the reduction of inequality and other challenges we face.

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