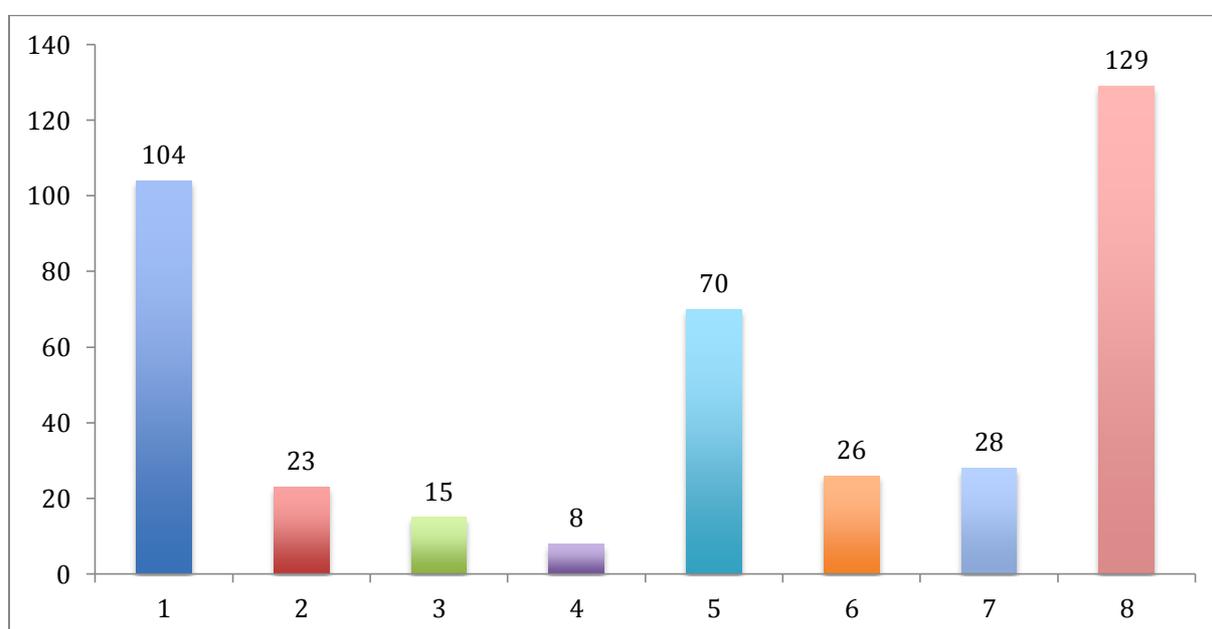


6th Status Report Participatory Budgeting in Germany Buergerhaushalt.org January 2013

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The 6th Status Report on Participatory Budgeting in Germany provides a comprehensive overview of all the German municipalities listed that are exploring the possibilities of participatory budgeting (PB), or have already implemented a PB process. Since the first status report was published in 2007, it is not only the number of municipalities listed here that has grown continuously; so too have the requirements involved in listing them. This is due chiefly to the growing diversity of types of PB. To coincide with the relaunch of buengerhaushalt.org, a great deal of work has therefore been put into revising the material. A total of 403 municipalities were researched, including all German municipalities with a population of more than 40,000, as well as the smaller municipalities already listed on buengerhaushalt.org in previous years. The graphic below is designed first of all to provide an overview of the status categories, and the frequency with which they occur among the listed municipalities. Below the graphic a key is provided to explain the abbreviations and the criteria by which we assigned the status categories.



Status	Number	Key
1(D)	104	D = Discussion
2(I)	23	I = Information
3(D)	15	D = Decision
4(P)	8	P = Provisional
5(I)	70	I = Introduced
6(E)	26	E = Established
7(D)	28	D = Discontinued
8(N)	129	N = No status
Total	403	

Key

1(D) = Discussion

The introduction of participatory budgeting is being discussed within the municipality. PB is being called for e.g. by a political party or a non-governmental organisation. Introducing PB is often controversial. A council decision has not yet been taken. The most recent call for PB to be introduced was made no longer than two years ago.

2(I) = Information

Citizen participation is at the first stage (where it might remain). Citizens are being informed about the budget and budget planning, for instance through brochures, information events, specially designed online information campaigns or interactive presentations such as 'open budgets'. The documents and information provided are more than just budget documents, such as the budget itself, that have been published without further comment. They are specially designed to put a message across, and to enable non-experts to understand specific aspects of the budget. Consultation is not (yet) planned, or may not be on the agenda; alternatively, any plans for consultation that do exist remain rudimentary.

3(D) = Decision

The council has decided (preferably unanimously) to introduce participatory budgeting. A council resolution is in place and is not more than two years old.

4(P) = Provisional

The procedure currently being implemented by the municipality to enable citizens to participate in the budget does not yet meet all the criteria of participatory budgeting. To do so it would require broader forms of interaction with staff of the administration and/or policymakers. These might be created for instance in the form of an online platform for participation, or public meetings for citizens. A constitutive element of PB is the possibility of a public discourse on the budget. If the only possibility of participation is the submission of proposals by e-mail, then the status 'Provisional' should be applied. Participatory procedures with this status do not offer opportunities for interactive discussion of the budget. Status P is assigned to municipalities that describe the way they involve citizens in the budget as 'participatory budgeting' (even when this is de facto not yet the case).

5(I) = Introduced

Participatory budgeting is being conducted for the first or second time. The public is not only being informed about the budget (for instance through a brochure), but also consulted. Citizens are able to prioritise proposals made by the administration, and/or submit, discuss and prioritise proposals of their own. Furthermore, the municipality intends to provide accountability concerning whether and how the citizens' proposals were included in the budget. The last participatory budget was no longer than two years ago.

6(E) = Established

Participatory budgeting is being carried out for the third time or more. Citizen participation is clearly becoming more and more a fixed and permanent component of the budget planning procedure. The last participatory budget was no longer than two years ago.

7(D) = Discontinued

Participatory budgeting, or provisional forms of it such as information events for citizens, are no longer being carried out. The council has rejected or for some other reasons discontinued the introduction or establishment of participatory budgeting.

8(N) = No status

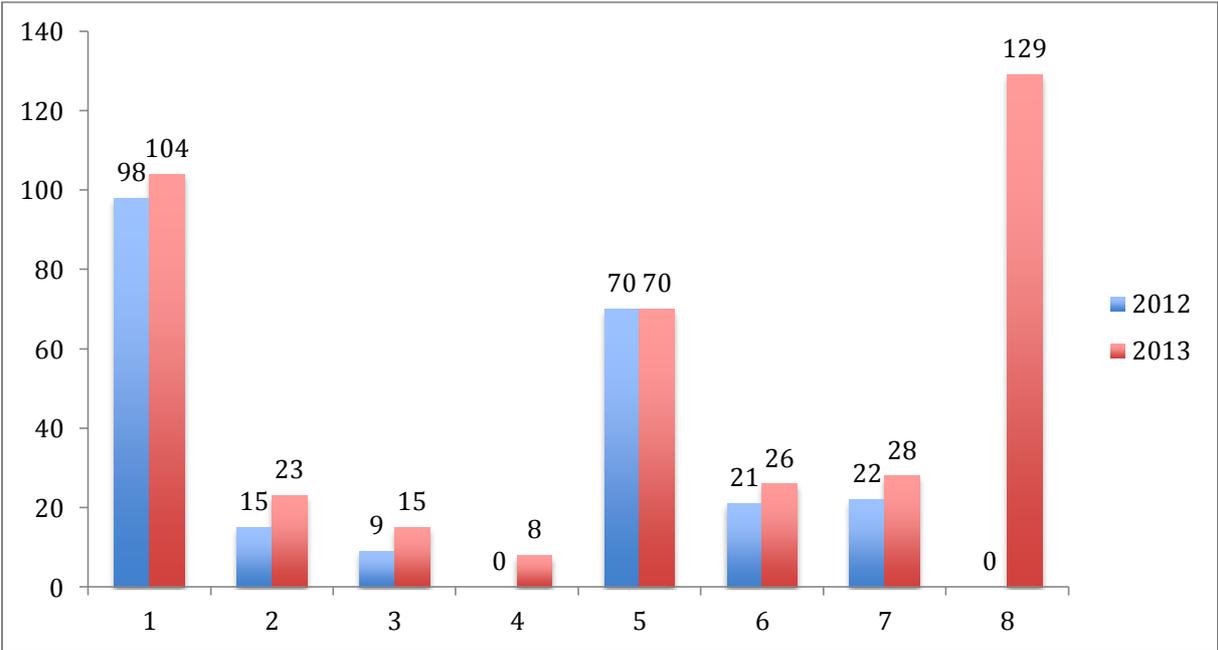
The municipality does not plan to introduce participatory budgeting. Furthermore, budget documents are not published in a form designed to be accessible to citizens.

The map of PB processes in Germany currently includes 274 local authorities¹. This means that the slight trend toward growth observed in previous years is

¹ Figure as at December 2012.

continuing – last year there were only 237 municipalities. As in previous years the largest category is 'discussion': 104 local authorities in Germany are currently thinking about introducing PB, six more than in the previous year. The number of municipalities in the status group 'decision' also rose by six to reach a total of 15. Eight local authorities joined the status group 'information'. The category 'established' grew, too: whereas last year's figure was 21 municipalities, today it is 26. Here a trend is emerging that was already evident in recent years: PB processes are consolidating their position in more municipalities, and gradually becoming routine procedures within the administration. However, the number of municipalities that launched a new PB process this year was rather small; to be precise, in numerical terms the category 'introduced' has not grown since the last status report. The category 'discontinued' grew once again this year: 28 municipalities discontinued the process, six more than last year. A new addition this year is the status category 'provisional' – for the eight municipalities that describe their offer of participation in the budget as 'participatory budgeting', even though the process lacks key discursive elements of participation that constitute PB. These processes for instance include the possibility of submitting budget proposals using a form, although the proposals never become part of a public dialogue.

Despite the growth in the 'discontinued' category, on balance the overall picture is a positive one, as can be seen in the graphic below.

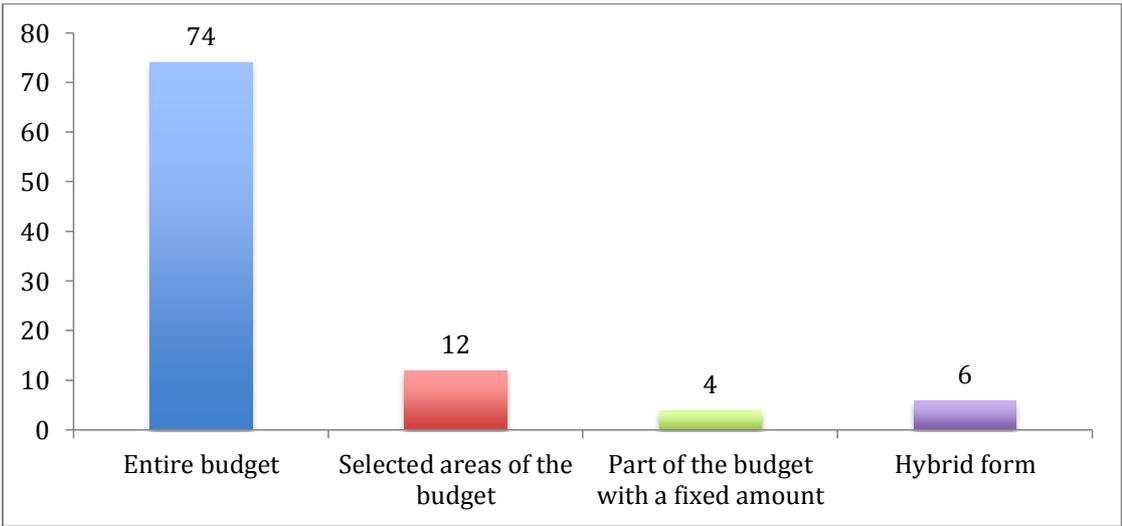


If we compare this year's status figures directly with last year's, then we see a trend toward at least a slight increase across all status categories. However, this is not only a result of including new municipalities in the table. Movements also took place within the various status categories. In the category 'decision' for instance, two municipalities (Brunswick and Lemgo) were included in the map for the first time, while five municipalities switched status from 'discussion' to 'decision' (including Herne and Pirmasens). The category 'discussion' once again saw the sharpest increase in the number of new municipalities, although two municipalities that last year had been placed in the category 'discontinued' were able to return to the category 'discussion' (Pulheim and Bergheim). A total of four municipalities that were still discussing the introduction of PB last year can this year be found in the category 'introduced'. These include Neustadt am Rübenge, Monheim, Goslar and Bischofsheim. Chemnitz and Ratingen have now also introduced PB (last year their status was 'information'). New

arrivals in the category 'established' are Erfurt, Gütersloh, Leipzig, Mülheim an der Ruhr, Strausberg and Weimar: in these municipalities, a PB process was conducted for the third time last year.

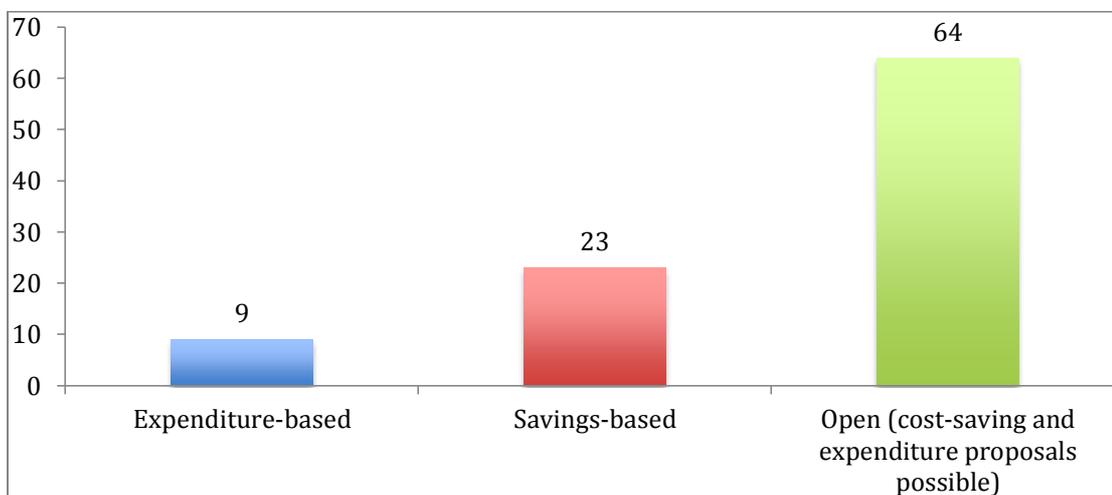
Besides tracing the trends in status, this year's report also attempts to define and categorise more precisely the various types of procedure that have emerged in Germany in recent years. The following aspects were examined:

- **Object:**
Which parts of the budget does the process relate to? (the entire budget, part of the budget with a fixed amount, selected areas of the budget)



Key	
Entire budget	There is no indication that the participatory budget is limited to one area of the municipal budget. The process thus relates potentially to the entire budget.
Selected areas of the budget	The participatory budget relates to selected areas of the budget (such as labour, housing, education).
Part of the budget with a fixed amount	The participatory budget is limited to a fixed sum (for instance EUR 100,000). The participatory budget thus relates to a sub-budget that forms one part of the municipal budget as a whole.
Hybrid form	Any hybrid form containing elements of the 'entire budget', 'part of the budget with a fixed amount' and/or 'selected areas of the budget'.

- Input:**
 What kind of proposals can citizens make? Can participants put forward their ideas for cost-saving measures, investment projects, or both? (savings-based only, or both cost-saving and expenditure-based)



Key

Expenditure-based

Participants are able to submit and/or comment on proposals chiefly for investment measures (e.g. for the construction of a new swimming baths or something similar). The purpose or objective of participatory budgeting is to determine future expenditure within the municipal budget. The PB process therefore focuses on obtaining proposals for future municipal expenditure.

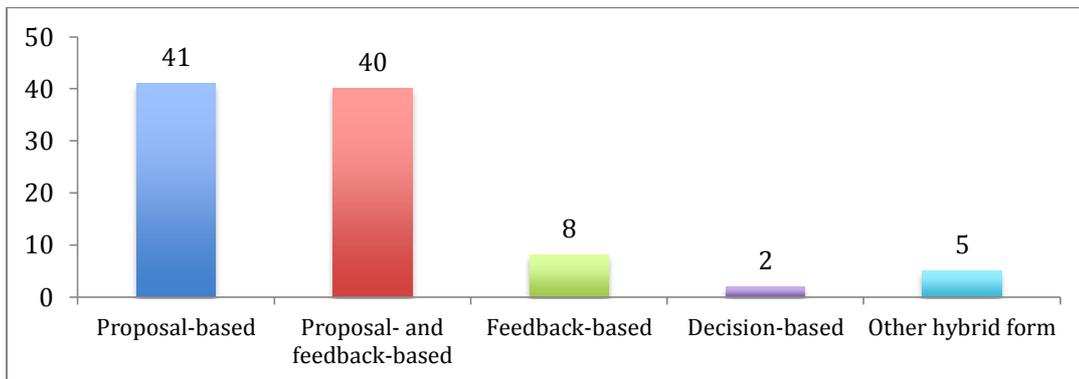
Savings-based

Participants are invited to submit and/or comment on proposals chiefly for measures either to cut costs or improve municipal revenues. The primary purpose or objective of participatory budgeting is to help consolidate the municipal budget. The PB process therefore focuses on obtaining proposals for budget consolidation.

Open (cost-saving and expenditure-based proposals possible)

Any mixture of 'savings-based' and 'expenditure-based'.

- **Type of participation:**
How can citizens participate? (by submitting their own proposals, providing feedback on proposals made by administrators, or by exercising actual decision-making power, for instance on parts of the budget)



Key

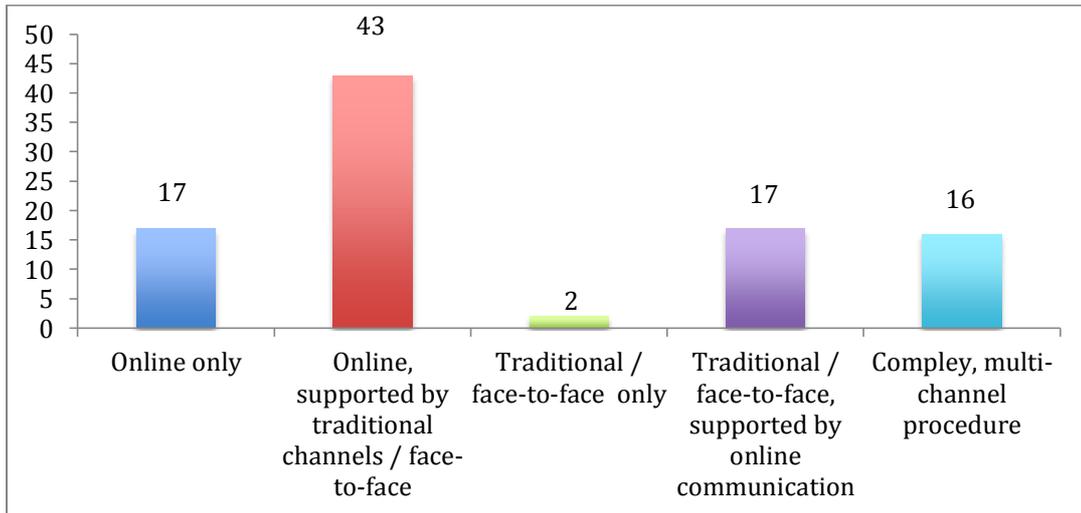
Proposal-based	Through participatory budgeting, citizens are able to submit their own proposals, and discuss and/or rate each other's proposals. The council decides on the proposals independently.
Proposal- and feedback-based	Participants are able both to submit their own proposals, and to provide feedback on the proposals prepared by the administration. Both citizens' and administrators' proposals can be rated and/or commented on.
Feedback-based	Through the PB process, the administration seeks feedback from the participants. Participants are not able to submit proposals of their own for the participatory budget. They can for instance comment on and/or prioritise the administration's proposals. Participants may take part in a poll conducted by the administration to survey citizens' preferences for specific local government tasks.
Decision-based	Through the PB process, participants are able to take a decision on the municipal budget or certain parts of it, or prepare specific recommendations for the decision-makers. The council has undertaken to formally adopt this decision, and task the administration to implement it. When the participatory budget is published the participants appear de facto as a decision-making body. In this case the role of the council is confined to adopting the recommendations prepared by the PB in the form of a council decision, without prior substantive examination. This type of process often relates to the actual use of a part of the budget for specific purposes (e.g. EUR 10,000 for youth projects).

Other hybrid form

Any hybrid form not covered exhaustively by the proposal-based feedback-based forms.

- **Channel of participation:**

What channels of communication can citizens use to participate? (online, traditional/public meetings, or a combination of the two)



Key

Online only

Participants can only take part in the participatory budget online.

Online, supported by traditional channels/public meetings

The PB process is conducted largely online. However, there is also the option of submitting proposals or providing feedback to the administration by letter, telephone, text message or face-to-face.

Traditional channels/public meetings (only)

Citizens can only participate in the PB process either by attending public meetings, or by letter, telephone, text message or fax.

Traditional channels/ public meetings, supported by online participation

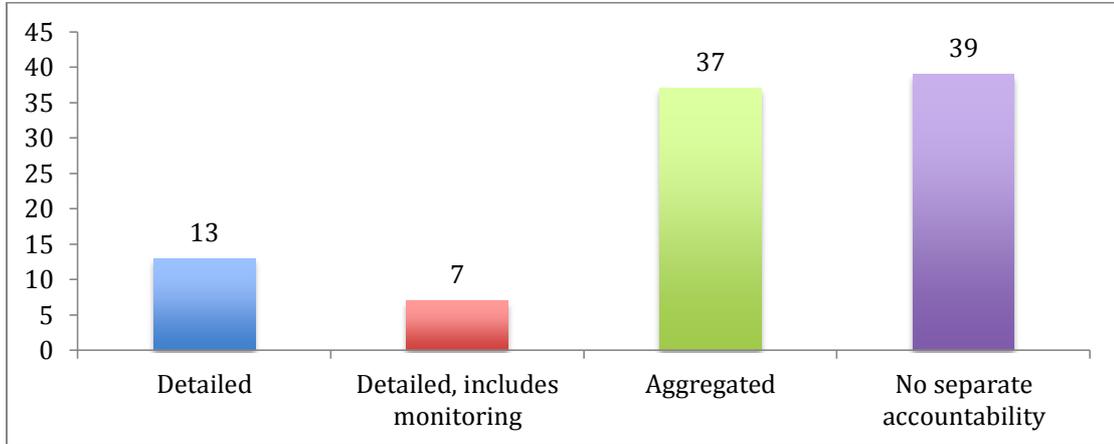
Participation in the PB process takes place chiefly through public events or by letter, telephone, text message or fax. An additional option is the submission of proposals by e-mail. There is no online platform for participation in the PB process.

Other hybrid form

Citizens may participate either online, or by letter, telephone, text message, fax, or by attending public meetings. However, it is not possible to draw a distinction between a main channel and secondary channels. The process is based on a complex mix of the various channels.

- **Accountability:**

How is accountability provided? (Is there any separate accountability reporting, is the material published in an aggregated form, or broken down in detail, showing each proposal? Is there any transparent monitoring of implementation of the proposals?)



Key

Detailed

Accountability is provided in relation to individual proposals. Information on council decisions, recommendations made by the administration and any information (e.g. comments made the party political groupings on specific proposals) is for instance posted on the online platform for the participatory budget under the relevant proposal. This does not include any links to a document providing accountability on an aggregated basis.

Detailed, includes monitoring

Detailed accountability is provided (see above). Additionally, for instance on the online platform for the participatory budget, regularly updated information is posted on the implementation status of a proposal, e.g. 'measure is under implementation' or something similar.

Aggregated

Accountability is provided on aggregated basis, for instance in a document containing council decisions and recommendations of the administration on the (best-rated) proposals. If a link on the online platform of a participatory budget or under a proposal on that platform takes the user to a single document that provides accountability collectively for all proposals, this is categorised as 'aggregated accountability'. If in addition to the aggregated reporting, accountability is provided on a more detailed basis, this is categorised as 'detailed accountability'.

No separate accountability

No separate accountability is provided. Information on the outcome of the PB process may be provided in the context of accountability for the regular municipal budget.

Of the 97 municipalities that are actively implementing PB, nine currently consult citizens on selected areas of the budget. These include for instance the municipalities of Luckenwalde, Erfurt and Jena. In six local authorities (e.g. Cologne, Berlin-Lichtenberg and Trier), although budget priorities are discussed, citizens are able to make proposals on the entire budget. By contrast, the absolute majority of local authorities (a total 74 of) discuss the entire municipal budget with citizens.² To date, part budgets with a fixed sum have hardly been used in Germany. Just four municipalities have made use of this possibility so far: Bernau, Senftenberg, Zwickau and Eberswalde.

Although a trend is now evident in PB in Germany toward cost-saving proposals, the number of municipalities that accept only cost-saving proposals is currently just 23. These include Essen, Gladbeck, Konstanz, Remscheid, Bad Wildungen and Mülheim an der Ruhr. By contrast, the majority of local authorities (64) currently invite citizens to submit both cost-saving and expenditure-based proposals. Seven municipalities even actively encourage their citizens to make proposals on expenditure (Monheim, Berlin-Neukölln, Chemnitz, Bernau, Zwickau, Bingen and Senftenberg).

Regarding the object of participation, we first of all see a distinctively German type of participatory budget. In none of the municipalities listed are citizens actually able to take decisions, either on the entire budget or on a part of it. This is due to the legal situation in Germany, according to which decision-making authority must always ultimately remain with the local authority. Leaving this distinctive feature aside, though, we do see a great mix of forms of participation: seven of the municipalities listed use PB to obtain feedback from citizens on their own budget planning. In these cases, citizens are not able to make proposals of their own, but they can rate and comment on proposals made by the administration. This is the case for instance in Jena, Hattingen and Leipzig. Most local authorities in Germany conduct a proposal-based PB process. This means that citizens can submit their own proposals. This is the case in a total of 81 municipalities. Forty out of these 81 municipalities also offer the option of submitting feedback on proposals made by the administration. Five more pursue a hybrid form of PB that includes proposal-based, feedback-based and decision-based elements.

With regard to the channel of participation, a trend toward online procedures is evident. Sixty of the processes listed use the Internet as the main medium of participation; 17 of these use it as the only medium. A further 16 local authorities use a complex multi-channel mix of procedures that links online methods with traditional forms of communication and public meetings. This is the case for instance in Berlin-Lichtenberg, as well as in municipalities such as Hildesheim, Senftenberg and Potsdam. A participatory process based primarily on public meetings is conducted in 19 municipalities, although 11 of these local authorities also use the Internet to support the process.

Thirty-seven of the municipalities listed provide aggregated accountability. This means that any single final document is prepared that summarises all the proposals deliberated on, plus the relevant budget decision. Detailed accountability that refers directly to the individual proposals, for instance on the online platform, is an approach currently being pursued by 11 local authorities, including Cologne, Monheim and Münster. In a further seven municipalities transparent monitoring of the implementation of the proposals also takes place: in Herzogenrath, Stuttgart, Trier, Worms, and in three districts of Berlin (Lichtenberg, Friedrichshain-Kreuzberg and Marzahn-Hellersdorf).

² We should note here that for legal reasons that many areas of budget cannot be subjected to participatory budgeting, e.g. staff costs.