

Participatory budgeting: A pathway to inclusive and transparent governance

SUMMARY

Across the world and especially in developed countries, there has been a decline in trust in democratic institutions, an increase in political discontent and citizen dissatisfaction, and a resulting decrease in voter turnout. Economic crises, climate disruptions and the COVID-19 pandemic have only exacerbated these sentiments. In the late 1980s, participatory budgeting – an approach that allows citizens to directly engage in budgetary decisions – emerged as one of the most promising solutions to this global democratic malaise. By involving citizens in the allocation of public funds, this approach enhances public trust and accountability in governance. It is best described as a co-production process that not only allows citizens and professionals to cooperate and deliberate but also counters populist narratives and educates younger generations on resource prioritisation. Broad public involvement and deliberation are the rule, with the aim being to make budgetary processes inclusive, transparent and democratic.

What makes participatory budgeting different from other participatory methods is its focus on financial processes, openness to the public, cyclical nature, reliance on public deliberation and accountability. It is applied in thousands of towns, cities and regions across the world and enjoys the support of governments, civil society and international organisations. It addresses both socio-economic and democratic goals and seeks to enhance public infrastructure and services while promoting political equality and transparency.

This democratic innovation allows citizens to shape the space in which they live. Additionally, it reconfigures public governance by redefining the roles and relationships of citizens, civil servants and politicians. It is particularly effective in local governance, but also has a growing application in communities, in schools, community groups and even prisons, for instance. Some of the challenges facing public budgeting include limited participation of marginalised groups, the risk of co-optation by political interests and difficulties in implementation. However, its potential to revitalise democratic engagement and foster inclusive governance makes participatory budgeting a crucial tool in addressing some of the issues that are currently eroding the global democratic order.

This briefing updates a 2016 [briefing](#) by Gianluca Sgueo.



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Why participatory budgeting?

Across the world, democracies – particularly developed ones – are in a state of malaise. According to the think tank [Freedom House](#), global freedom in 2023 witnessed a decline for the 18th consecutive year. In 2023 however, the breadth and depth of this decline were extensive: political rights and civil liberties had further eroded in 52 countries, while improvements had taken place in just 21 countries.

Over the years, widespread problems with elections, including violence and manipulation, have led to a deterioration in rights and freedoms. For the past 6 years at least, the world has been experiencing a [democratic recession](#). Many countries that had transitioned to democracy are now regressing in the face of rampant economic crises, climate disruption and the recent shocks caused by the [COVID-19 pandemic](#). These factors, along with the accelerating socio-economic inequalities and increasing geopolitical instability, have fuelled widespread conflicts that are eroding trust and hope in democracies worldwide. The pandemic in particular led to a perceived decrease in democratic rights due to exceptional measures such as lockdowns and restrictions on movement and gatherings. This intensified the crisis of trust in democratic institutions.¹

[Dissatisfaction](#) with the way democracy works has increased both in the European Union (EU) and globally, with 2019 standing out as the year in which the highest level of democratic discontent was recorded since at least 1995.² Voter turnout in elections across democracies both in the West and the East has been steadily [declining](#). Political parties have seen a continued decrease in membership, and widespread political discontent and civic apathy have become the new norm among large segments of the population.³

This phenomenon also affects supranational entities. Citizens are increasingly [dissatisfied](#) with how democracy works in the EU, despite the EU placing significant emphasis on involving civil society to address its democratic deficit. Different scholars argue that the actual impact of organisations representing citizens' interests is limited and often problematic – while they may appear grassroots, they are often directed and funded by larger interests. This 'astroturf' over-representation of civil society in the EU policymaking process seems to exacerbate rather than diminish the current dissatisfaction. For instance, Walker (2022) discusses 'astroturf lobbying' highlighting how organisations funded by powerful entities may masquerade as grassroots movements to deceptively influence policymaking. Additionally, in 2018 the European Union Agency for Fundamental Rights (FRA) [reported](#) that civil society organisations face numerous challenges, including funding constraints and political pressures, which may lead them to align with larger interests that provide the resources they need.

The strategies and tools utilised by public authorities to revive civil society participation and rebuild public trust in politics vary significantly in both nature and scope. These challenges are creating opportunities for democratic innovations across the world. Democratic innovations are [defined](#) by Elstub and Escobar (2019) as 'processes or institutions that are new to a policy issue, policy role, or level of governance, and developed to reimagine and deepen the role of citizens in governance processes by increasing opportunities for participation, deliberation and influence'.

Participatory budgeting is a democratic innovation where citizens directly engage in making collective decisions about how to allocate public budgets, capital investment and grants. This approach includes a wide variety of mechanisms for public participation in the budgetary process, ranging from advanced consultations to specific types of direct democracy. It fosters greater and more informed participation of citizens in policymaking, encouraging them to become the primary supporters of budgetary decisions and projects. Furthermore, scholars [argue](#) that participatory budgeting can be described as a co-production process in which professionals and citizens join their strengths to achieve better outcomes and greater efficiency. Another effect of this process is that it counters populist narratives by involving citizens in complex discussions and decisions.

Furthermore, participatory budgeting serves as a [learning tool](#) for younger generations, helping them to understand resource limitations and the importance of prioritising public expenses.

In summary, according to [BiPart](#), participatory budgeting is 'a cyclical, institutionalised deliberative process where citizens share their needs, propose solutions and democratically decide on managing resources and common goods'. Overall, participatory budgeting provides an innovative method to tackle democratic malaise and the increasing dissatisfaction of citizens by actively involving them in budgetary decisions. This approach not only enhances a deeper sense of civic responsibility and engagement, but also fosters greater transparency, accountability in governance and satisfaction with public service. It strengthens democratic legitimacy by promoting equity, inclusion, and confidence in public institutions.

Methodology of participatory budgeting

Scholars identify five main features that distinguish participatory budgeting from an ordinary public consultation.

- **Discussion of financial/budgetary processes.** The focus here is on how a limited budget should be spent.
- **Involvement of the whole population.** The processes is open to all citizens interested in any particular budgetary measure.
- **Repetition of the process.** Participatory budgeting is a cyclical process, not a one-off exercise.
- **Public deliberation.** Participatory budgeting includes discussions, based on which decisions are taken.
- **Accountability.** Participatory budgeting participants are always provided with feedback on how proposed projects were adopted or why they were not.

Many types of participatory processes centred on [involving citizens](#) in budgetary decisions are labelled as participatory budgeting. The simplest form includes citizens voting on pre-defined projects with pre-allocated budgets, often through online platforms. More complex forms include deliberation, debate and project implementation, allowing citizens to not only participate in the ideation phase but also in the execution of selected projects and eventually in their monitoring and implementation. While there is no standardised approach to participatory budgeting, it is generally agreed that engaging citizens through transformative and collective decision and proposal-making is the most effective method for enhancing democratic participation.⁴

According to [Escobar \(2021\)](#), participatory budgeting processes are typically divided into the following phases:⁵

- **ideation and development:** participants submit proposals, which are then grouped and refined collaboratively with other participants, civil society experts, professionals or government experts. This phase involves gathering community members' concerns and ideas about a topic or problem to be addressed or a budget to be invested. This can be done through software platforms, assistance booths with paper forms, or face-to-face workshops. The goal is to identify both the community's needs and active spokespersons, and to build a roadmap for implementation, ultimately creating a representative board for decision-making;
- **feasibility analysis and co-planning:** the next phase involves evaluating the community's needs and priority ideas, but also researching, discussing, selecting possible solutions and transforming them into feasible projects. Proposals undergo thorough assessment and discussions between experts and participants according to pre-established criteria such as feasibility, legality, health and safety, environmental impact, equality, redistribution, and funders' priorities. The result of this deliberation develops into several project proposals, which are then submitted to the community for a vote. External activities focus on communicating technical evaluations, updates and news related to the co-design process by technicians and delegated spokespersons;

- **decision-making:** proposals undergo refinement through careful scrutiny and deliberation before being finalised by ranking, voting or consensus. This phase includes community consultation through an online and off-line vote to select from various solutions. Again, voting can take place through software platforms or booths that collect paper ballots. It is essential to ensure that only legitimated participants take part, as their involvement represents the community's ultimate decision. The phase concludes with the publication of the final ranking and the selection of projects or policies to be implemented, affirming the collaborative work that has been completed;
- **implementation and monitoring:** approved proposals are implemented under the responsibility and supervision of the initiator, in collaboration with all stakeholders, which may include public authorities, civil society organisations and community groups. Participants also engage in co-assessment and monitoring. Monitoring is not a distinct phase of the participatory process but rather a means to track the implementation of approved and voted projects. It is a crucial element of participation and transparency in all decisions involving the community. Monitoring enables understanding of project details, timelines and costs, persons involved, and any deviations from initial forecasts along with the reasons behind them.

A participatory budgeting process can be initiated by various players, such as public authorities (e.g. city councils, local and regional administrations) and organisations of different types (e.g. non-governmental organisations (NGOs), philanthropic organisations and academia), or a combination of these.

For participatory budgeting to have a significant impact, it requires support from the public administration, adequate resources and a robust civil society. When these factors align, participatory budgeting can generate socio-economic and democratic benefits, boosting public trust, governance capacity and democratic renewal.⁶ Its applicability is diverse, including local districts, cities, regions, schools and prisons, to name a few.

Understanding the target population is a critical phase, because the success or failure of a participatory budgeting process is determined by its representativeness, inclusivity and legitimacy. While open to all city users, criteria for selecting participants vary depending on the scale, objectives and targets of individual participatory budgeting processes. For example, demographic criteria – such as gender, age and income – may help participatory budgeting achieve its general objective of being as inclusive and diversified as possible. In contrast, other criteria – such as residency status, citizenship and nationality – may impede achievement of the same goal. Implementation of these criteria can range from straightforward to complex, depending on the context and needs.

Global expansion of participatory budgeting

In 2019, the [participatory budgeting world atlas](#) presented the most comprehensive collection worldwide of participatory budgeting (PB) carried out in recent decades, with an estimated number of participatory budgeting cases ranging from 11 690 to 11 825 across 71 countries. Findings show that over the past 30 years participatory budgeting has evolved from a few experimental processes to disparate institutionalised programmes. It has been adopted by thousands of towns, cities and regions, gaining support from governments, civil society and international organisations. The atlas also reveals a broad and diverse global spread, heavily influenced by varying political climates and regional aspirations.

Yet, it is difficult to provide an exact estimate of the magnitude and reach of participatory budgeting initiatives today.

Brazil is considered the birthplace of participatory budgeting: in the late 1980s, the city of [Porto Alegre](#) launched the first PB experiment allowing its residents to directly decide on the way the municipal budget is spent. The way PB was used in Brazil highlights the dynamic nature of this budgetary process. Although it inspired numerous cities worldwide to adopt similar practices, PB

has largely been abandoned since 2020 in Brazil as a result of the municipal elections.⁷ In South America, [Peru](#) leads in implementing PB due to national regulations, with 1 869 local government PB processes, representing two-thirds of all PB activities in the region.⁸ Even though [Japan](#) has no rules enforcing PB adoption, it is a significant player in the PB landscape, accounting for approximately 15 % of the global total.

Table 1 – The spread of participatory budgeting worldwide in 2019

Continent	Number of participatory budgeting cases
Europe	4 577-4 676
South America	3 061-3 081
Asia	2 773-2 775
Africa	955-958
Central America and the Caribbean	134-142
North America	178
Total, 71 countries	11 690 - 11 825

Source: Compiled by the authors based on [Dias et al.](#), 2019.

Participatory budgeting is most prevalent in Europe, with most of the cases being in [Poland](#), mainly due to a 2018 national law⁹ that made PB mandatory for 66 city governments and optional for the other local governments. Similarly, PB-related national legislation has been enacted in several other countries worldwide, such as in [Indonesia](#) (since 2004), [South Korea](#) (since 2011), the [Dominican Republic](#) (since 2015), and [Kenya](#) (since 2017, supported by the World Bank). Furthermore, capital cities have become crucial proponents of PB. Since 2015, Taiwan's capital, [Taipei](#), has institutionalised PB, training over 1 000 public servants to design and organise the processes and, in 2017, more than [100 000 New York residents](#) voted on allocating US\$40 million in capital funds.

In full democracies, PB has primarily focused on restoring trust between citizens and institutions rather than directly addressing structural corruption and inequalities, thereby diminishing its transformative potential and enabling traditional governance models to continue operating while simultaneously promoting participatory budgeting practices. A significant revelation from the atlas is the uneven spread of PB across different types of democracies and regimes. Surprisingly, there are more PB initiatives in places with limited political and civil freedoms than in those where democratic principles are robustly practiced. Approximately 85 % of PB cases occur in countries with immature democracies, thus suggesting that, in those cases, PB may serve more as a tool for legitimising the regime and as a way to release tensions in society rather than as a mechanism for genuine civic engagement and as a transformative project of political and social democratisation.

Participatory budgeting is increasingly being adopted by schools and community groups, reflecting its adaptive nature and capacity to fit diverse institutional and societal contexts beyond traditional administrative settings. One notable example is the 'School PB' model, as highlighted by the [Council of Europe](#), where students are empowered to allocate the school budget. They assess their community's needs, develop project proposals, and vote on which projects to implement. This

hands-on experience gives students a meaningful voice in critical financial decisions that directly impact their learning environment. It also teaches them valuable soft skills such as teamwork, critical thinking, and leadership, while deepening their understanding of financial management and civic engagement. Ultimately, the aim is to foster responsibility and active involvement, providing students with practical experience that contributes to both their educational and personal development.¹⁰

In the UK, '[community grant-making](#)' is another model involving small community or service funds allocated through an open call for proposals. These grants are typically allocated to projects that address local needs, promote social cohesion, or support community-driven initiatives. The process is designed to be inclusive, allowing grassroots organizations and community members to have a direct role in shaping and benefiting from public or charitable funds.

International organisations' recognition of participatory budgeting

Local, regional and national authorities, international organisations, NGOs and supranational administrations have all valued PB for its potential to increase participation, transparency and accountability in the allocation of resources. For example, the United Nations has long promoted participatory budgeting primarily through its Human Settlements Programme, [UN-Habitat](#). Other UN agencies, such as UNICEF, the UN Development Program (UNDP), and UN-Women have supported PB initiatives in Latin America and Africa through various cooperative programmes.¹¹ More recently, in 2022, the UN Department of Economic and Social Affairs (UNDESA) published an extensive and comprehensive [guidance note](#) for the UN Committee of Experts on Public Administration (CEPA), where participatory budgeting is identified as one of 62 strategies for implementing the 2030 Agenda. Between 2002 and 2016, the World Bank provided over US\$ 280 million in loans and grants in support of participatory budgeting-related development programmes in at least 15 countries.¹² The OECD has published several guidelines for local governments to set up and implement PB. In a [2022 publication](#) it describes this practice as 'one of the strongest methods of community engagement for governments looking to make their communities more inclusive and participatory'.

Participatory budgeting in the European Union

PB has experienced significant growth in the EU, becoming deeply integrated into various regions. It has been primarily developed as a tool to enhance democracy, foster participation and strengthen the relationship of trust between the public and institutions. Since 2005, France's [Poitou-Charentes](#) region has been a pioneer in implementing PB at the regional level, allocating a substantial portion of its budget to citizen-directed projects, especially in education. Similarly, since 2014, [Sicily](#) has mandated that its municipalities allocate at least 2% of their budgets to PB, reflecting a growing trend across Italy. [Portugal](#) has been particularly ground breaking, as in 2017, it became the first country worldwide to launch a national PB process. Poland's approach in [Podlaskie Voivodeship](#) and other parts of the country - where PB has been mandated since 2019 - signifies a national movement towards integrating citizen participation in budgetary decisions. Belgium has numerous PB initiatives, known as '[budgets participatif](#)' - in French-speaking regions - and '[burgerbudgets](#)' - in Flemish-speaking regions.

Major EU cities have also become focal points for PB. For example, [Paris](#) allocated no less than €500 million over 5 years to its PB process, earmarking about 5% of the city's capital fund for community-oriented projects. Madrid has similarly embraced digital innovation to enhance civic engagement through its '[Decide Madrid](#)' platform. Launched in 2015, this digital tool allows residents to propose laws, participate in discussions and vote on municipal decisions, including allocating €50–100 million annually to the city's PB programme. This pilot example has further inspired the use of technology to empower citizens and deepen democratic participation.

The increase in the uptake of PB, especially in major EU cities, reflects a broader trend toward participative democracy within the EU. This democratic wave, in combination with PB, has the potential to democratise budget decisions and may serve as a model for other regions globally.

Participatory budgeting combined with other democratic innovations

Participatory budgeting exists within a broader deliberative ecosystem of practices. From within this vast ecosystem, the 2020 [OECD](#) report on innovative citizen participation mentions the [Citizens' Assemblies](#), the [Citizens' Jury/Panel](#), the [Consensus Conference](#), the [Planning Cell](#), the [G1000/Citizens Summit](#), the [Citizens' Council](#), and the [Citizens' Dialogues](#). Unlike other deliberative approaches, PB includes both deliberation and a more open and broader public participation. Furthermore, it stands apart from other methods such as those involving drawing up documents addressing the socio-environmental balance or making gender analyses of budgets,¹³ which mainly function retrospectively to analyse how resource allocation has supported achieving specific goals.¹⁴

Participatory budgeting is distinctive because it involves citizens directly in co-production, unlike other participatory forms prioritising intermediaries. In PB processes citizens are framed as political agents rather than subjects of representation¹⁵ and they make decisions based on deliberative work and collective action rather than on the aggregation of individual demands. Ultimately, PB is very practical, effective and oriented towards real impacts. It is not symbolic or tokenistic; it deals with actual investment, resources and budgets, committing to the allocation of funds for the achievement of tangible results.

Participatory budgeting is also well suited to digital democracy, which finds expression in internet-based civic engagement. Digital tools can enhance the inclusiveness of democratic governance, making cities ideal test beds for digital democracy. Efforts to incorporate collaborative and distributed digital decision-making processes can catalyse innovative solutions to urban problems, engaging citizen planners in all phases of urban management. This form of democracy complements PB by increasing inclusiveness and engagement in urban governance.¹⁶ Digital platforms can be used during the voting phase in the PB process, discussions in ad-hoc online forums, and for communication purposes.

Participatory budgeting is well aligned with the United Nations' Sustainable Development Goals (SDGs), particularly [Section 11.3 of the 2030 Agenda](#), which states that they 'enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries'. As stated by the [OECD in 2020](#), between 1982 and 2019, 52 % of all deliberative processes were most often locally, 30 % at the regional/state level, 15 % at the national/federal level and only 3 % at the international level. With 68 % of the world's population projected to live [in urban areas by 2050](#), and with smart cities becoming digital democracy hubs, PB plays a crucial role in sustainable urban regeneration through development citizens-driven proposals and redistribution of public money.

In the broad spectrum of deliberative, participatory and digital democracy, PB is now considered a major democratic innovation that creates a robust framework for participatory urban governance, enhancing political renewal, socio-economic impact and inclusive democratic processes through digital and deliberative means with a unique transformative power.

At EU level, democratic forms of citizens' involvement are thriving. Since 2012, the [European Citizens' Initiative](#) (ECI) has served as a tool of participatory democracy with a transnational scope.¹⁷ In 2021, the Parliament, the Commission and the Council jointly organised the first-ever transnational deliberative democracy experiment known as the [Conference on the Future of Europe](#) (CoFoE). This bottom-up exercise allowed randomly selected European citizens to express their opinions on the EU's future policies and operations.¹⁸ This pivotal experience inspired the Commission to set up the [European Citizens' Panels](#) (ECP) – forums that bring together randomly

selected citizens from all 27 Member States to discuss crucial proposals and recommendations that the institution will follow up on.

The [Citizens' Engagement Platform](#) (CEP) enables citizens to discuss topics that matter to them and provide recommendations to the Commission on complex issues such as [food waste](#), [energy efficiency](#) and [tackling societal](#) hatred. Lastly, the Commission launched the portal '[Have Your Say](#)' in 2017, where citizens and businesses can share their views on new EU policies and existing laws. An intriguing bottom-up experiment inspired by the CoFoE experience is the [Democratic Odyssey](#), a crowd-sourced campaign aiming at institutionalise a pan-European permanent people's assembly. It focuses on involving randomly selected citizens in deliberations on European governance, with the goal of fostering transnational dialogue between people and institutions.

Despite few nation-wide examples (Portugal), PB is mostly a local participatory practice and it is not carried out at the EU level. However, EU funding programmes, such as URB-AL (2003-2010) and, more recently, [Horizon 2020](#), have been shown to support academia, organisations and companies in researching, implementing and promoting PB practices across the EU. Some recent projects funded through Horizon 2020 include [Demotec](#) and [Empatia](#).

Moreover, PB is not integrated into the EU's legislative procedure, which raises the question of whether it would be necessary to modify the treaties to institutionalise PB as [proposed](#) by the Parliament. The Parliament endorsed PB in a 2021 [resolution](#) (point 58), proposing 'the introduction of citizens' participation mechanisms for pilot projects, including "participatory budgeting" to allow the shaping of the expenditure side of the Union's budget and crowdsourcing to enable citizens to be involved in the co-creation of policies with EU decision-makers'.

The Commission also recognises the potential of citizen engagement, including the practice of PB, at both local and national levels.¹⁹

When determining the allocation of the EU budget, the Commission does not provide citizens—and more broadly civil society organizations and fund beneficiaries—the opportunity to participate in deciding how funds are allocated or the amounts involved before the approval of the [multiannual financial framework](#) (MFF). Instead, they are involved in stakeholders' consultations regarding sectorial regulations (i.e. rules for spending in different areas and programmes). The MFF follows a special legislative procedure outlined in [Article 312 TFEU](#), where the Council acts unanimously following Parliament's consent. After approval, citizen engagement is limited to [cohesion policy](#), and its [partnership principle](#), which focuses on decisions related to individual projects or spending categories within Member States, rather than on the overall allocation of EU funds. This approach contrasts sharply with the bottom-up, transformative ambitions of participatory budgeting. However, given the EU's strong support for participatory and deliberative practices, there is significant potential for these methods to be further explored at the EU level.

Critical reviews of participatory budgeting

One of the main concerns is whether PB genuinely amplifies marginalised voices or merely echoes those already heard. Yet, this practice is not the only one suffering from the '[participation paradox](#)'. Participatory and deliberative practices in general may tend to 'preach the converted', reinforcing the opinions of those who already have a positive or moderate view of the system of governance, rather than embracing those who feel disempowered and excluded from it. Despite the potential of PB to democratise budgetary decisions, there are [significant issues](#) regarding the diversity of participants. Youth, individuals from migrant backgrounds and lower-income citizens often do not engage in PB initiatives. Minority groups, including immigrants, may face language and cultural barriers that hinder their participation. Also, PB often lacks the robust educational element seen in [Citizens' Assemblies](#), for example. Unlike the latter, PB often does not provide the necessary time and environment for thoughtful and informed discussions on the advantages, disadvantages, and potential actions to tackle issues. To avoid these kinds of structural limitations inherent to PB, those who apply it may want to 'cross-fertilise and hybridise'²⁰ it with other types of participatory,

deliberative and digital processes. Integrating PB into a system of multi-channel participation may maximise its potential effects, allowing it to serve as a tool that incorporates participatory processes targeting different audiences.

At its best, participatory budgeting can generate [collective capacity](#) to address health, social, economic and political inequalities. However, many PB initiatives are short-lived political experiments subject to frequent changes and interruptions mandated by elected officials, facing the risk of being [co-opted](#) by political interests.²¹

While progressive players have been key supporters, PB is no longer exclusively a tool of politicians from the left; it is now being embraced by centrist and centre-right parties as well as international agencies. Escobar (2020) argues that PB began as a radical political strategy but has evolved into a neutral political tool aimed at improving governance and public trust. According to O'Hagan et al. (2019), this evolution has transformed PB into a transactional relationship between service providers and communities rather than one seeking the achievement of social justice outcomes through collective action.

Local participatory budgeting initiatives often lack the necessary expertise and experience to initiate a participative process, which often requires a labour-intensive coordination. The implementation of PB also reveals practical difficulties. While helpful in theory, it takes effort to implement effectively. For instance, PB, like all deliberative processes, requires time for citizens to understand its value and effectiveness. However, time is often limited and this, coupled with citizens' general financial illiteracy, can deter citizen participation. Citizens are further discouraged from participating whenever their proposed ideas are not being implemented promptly due to lengthy bureaucratic procedures and public procurement delays. Public authorities often need more effective reporting and follow-up on the implementation of solutions.

Participatory budgeting is often seen as a popularity contest, but its aim should be to discourage citizens from seeking personal interests and instead enable them to compare different proposals.

In conclusion, participatory budgeting (PB) plays a significant role in strengthening democratic engagement and enhancing transparency, accountability, and inclusivity in governance. PB has emerged as a powerful tool to counter declining trust in democratic institutions, enabling citizens to actively participate in decisions that directly impact their communities. By allowing citizens to engage in financial decision-making, PB fosters a deeper sense of civic responsibility and helps bridge the gap between government institutions and the public. While PB holds great promise in addressing socio-economic inequalities and improving public trust, several challenges remain. These include ensuring the participation of marginalized groups, avoiding political co-optation, and overcoming bureaucratic hurdles that often delay the implementation of approved projects. Moreover, PB's potential is not always fully realized due to limited resources or political will. To enhance the effectiveness of PB, policymakers should focus on broadening participation, particularly by reaching underrepresented communities such as youth and immigrants. Incorporating educational components and linking PB with other democratic innovations, such as citizens' assemblies or digital platforms, can enrich the process and provide more meaningful deliberation. Additionally, ensuring that PB initiatives are supported by robust civil society organizations and public authorities is essential for their long-term success.

In sum, participatory budgeting offers a pathway to revitalizing democracy by giving citizens a direct voice in governance. However, its future success depends on continued efforts to make the process more inclusive, transparent, and responsive, ensuring that it remains a vital instrument for democratic renewal and socio-economic equity.

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