

Engaging the Public in National Budgeting: A Non-Governmental Perspective

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This article explores how citizens are being engaged in an important area of policy making – the budget – and suggests ways in which budget officials can use the powerful resource of the Internet to further that involvement.

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1. Introduction

Budget experts everywhere complain that citizens' seemingly unending appetite for more public services and benefits is not matched by a corresponding willingness to pay for them. The public does not seem to understand the need for short-term fiscal trade-offs, let alone grasp the potentially serious impact that demographic changes may have on long-term budget outlooks. While citizens welcome spending that provides them with visible and immediate benefits, many seem blind to the need for essential public goods and resist paying for them.

Many public officials, academic researchers, civil society organisations and government experts view public engagement as one solution to the absence of popular support for responsible fiscal policies. Public engagement in civic affairs is both "means" and "ends" of well-functioning democratic government. It is a necessary element of efforts to improve official accountability: it results when citizens feel connected to their government. An engaged public demands that government be efficient, responsive, transparent and accountable. Government, in turn, becomes more open to the public's input and participation. Thus, public engagement creates mutual benefits: citizens become better educated about public policies and government activities; and by tapping into the experience and expertise of their constituents, officials can build more effective and responsive government.

The alternative to an engaged public is not an apathetic one, but one that is cynical and mistrustful of government. Public officials in many countries are concerned that disengaged voters could make it more difficult to undertake constructive policy changes. In response, many of those concerned with improving government, including multinational institutions such as the OECD, the United Nations and the World Bank, as well as government officials, civil society organisations and academic scholars, have established the goal of increasing public engagement as a top priority.¹ Although civil and political contexts differ from country to country, public engagement activities share the same basic objectives of making government work better by bringing it closer to citizens, improving the accountability of the public sector, overcoming mistrust between people and their elected leaders, and instilling a stronger sense of national purpose and common direction.

This article explores ways in which citizens can be and are being engaged in an important area of national policy making – budgeting – and suggests ways in which budget officials can use a powerful resource – the Internet – to be supportive.

Budgeting is a fundamental activity of government, symbolising an explicit agreement between people and their government: private resources in exchange for the public services and benefits that fulfil national priorities and objectives. Citizens rightfully expect governments to deliver on that promise. They further expect that public budgets be fair, equitable and transparent. If citizens believe that the management of government finances is subject to corruption, inefficiency and waste, they question the motives of their leaders and are less willing to accept tough policy choices such as structural programme reforms, tax increases and spending cuts. Their resistance is further hardened if they feel that government does not represent their interests or respect their opinions about how to allocate public resources.

Strengthening the transparency and openness of public budgets can help promote social accountability and restore the public's confidence in overall government. That will enable citizens to become more engaged and, in the process, learn more about the budget and fiscal policy concerns. As they do, cynicism should dissipate and trust in government should improve.

Globally, there is increasing recognition of the importance of public engagement in budgeting. There is growing experience, particularly in Latin America and in Europe, with different approaches to incorporating citizens in budgeting at sub-national levels of government. Municipal and regional public authorities, often in partnership with civil society organisations, are actively involving citizens in the budget process and are achieving promising results. Some have gone as far as adopting participatory budgeting measures that allow citizens direct influence over selected budget categories and fund allocations.

At the national level, however, the citizens' ability to participate in budgeting (as with other areas of policy making) is limited to periodic elections of representatives who will act on their behalf. The direct approaches used by sub-national public authorities clearly are not workable at the national level. The very barriers that inhibit local initiatives are magnified at the national level. For example, physical distance, even given technological assistance, constrains the number of people who participate; the numbers of citizens who want to be involved limit meaningful participation by single individuals; and the time required to understand the complex issues excludes all but the most committed members of the public.

In addition, some elected leaders, policy officials and budget experts may prefer to maintain distance between voters and the national budget process.

Budgeting is already one of the most difficult tasks of government. More public participation would further complicate the process. Few voters have the time – even if they have the inclination – to become sufficiently knowledgeable about the complex economic, social and political issues embedded in national budgets. Some experts fear that if voters become more involved, they will not appreciate the need for essential public goods and, if given the choice, would not agree to pay for them. In any case, the practical challenges of securing representative and widespread public participation in the budget process would be significant. For those reasons, among others, greater civic engagement in budgeting might seem to offer public officials a great deal of political pain with very little gain.

Or would it? Direct participation by citizens in the national budget decisions may not be feasible or desirable, but this article argues that other forms of engagement can promote good government objectives. Moreover, budget officials can be supportive with relatively little effort. Governments create and control budget and accounting information. They are in the unique position of being able to provide access to the information required by civil society to understand fiscal policies and performance. By improving the quality and presentation of budget information, budget officials can enable non-expert audiences to become more informed about the budget. As they do, citizens can become more thoughtful about government, more realistic in their expectations, and better prepared to exercise their oversight of elected representatives.

With the rapid expansion of technology, governments are no longer dependent on intermediaries – such as the public media – to communicate with constituents. Official websites provide unfiltered information directly to the public on a cost-effective basis. Many public agencies already make good use of their websites to communicate information about their activities, programmes and benefits. Budget office websites, however, seem to ignore the wide range of users inside and outside of government that now have access to them. That may reflect the inwardly-focused nature of government budgeting and accounting. As a result, budget officials are missing a valuable opportunity to communicate with wide audiences about fiscal policies and budget realities.

In Section 2, this article discusses the merits of greater civic engagement in budget policy. The discussion looks beyond the direct government-to-citizen approaches that are the focus of rather extensive study by the OECD, the UN, the World Bank and participatory governance experts. That is because such initiatives involve municipal or regional governments. Although the experience at the national level with public engagement activities is thin, there is evidence that they hold promise.

Section 3 focuses on online approaches to public engagement, the most efficient approach to national efforts. Using a small number of examples² this

article illustrates how budget officials are already making use of the Internet to educate and engage the public. Some are pursuing more effective techniques of presenting budget information while others are utilising innovative approaches that entertain while they educate. The article also provides examples of organised and unorganised non-governmental activities to engage the public, which are crucial to reaching national audiences.

The annex provides suggestions for improving the accessibility of budget office websites for users who are not budget experts.

Engaging the public in budget policy is by no means an easy goal. Policy makers are not likely to change national budget processes to involve citizens in budget deliberations, but budget officials can provide support for the efforts of non-governmental and individual efforts to inform and become informed. Access to accurate, reliable and comprehensive budget information can raise the quality of the public debate. Its absence allows misinformation to go unchallenged, potentially feeding public mistrust and cynicism about government. By assuring that good information is readily available, budget officials can make an important contribution that benefits the public at large as well as the independent analysts, academic researchers, investors, civil society organisations and media that serve as intermediaries between citizens and government.

The goal of public engagement is to empower citizens, thereby enabling them to make their governments more open, responsive and effective. Governments, however, should not encourage greater engagement by citizens because they expect immediate and measurable improvements in budget outcomes. Instead, changes are far more likely to take the form of gradual improvements in popular understanding of policy issues. However, government-sponsored activities that raise expectations that cannot be fulfilled, that are purely partisan or that create the illusion of participation without real impact may be counterproductive and damage the government's credibility. They could increase levels of public cynicism instead of promoting greater trust in government.

2. The case for public engagement

“For we alone regard the man who takes no part in public affairs not as one who minds his own business, but as good for nothing; and we Athenians decide public questions for ourselves or at least endeavour to arrive at a sound understanding of them, in the belief that it is not debate which is a hindrance to action, but rather not to be instructed by debate before the time comes for action.” (Speech delivered by Pericles in 430 B.C. according to historian Thucydides; quoted in Dunn, 2005, p. 27.)

Today's governments have little in common with the ones that ruled ancient Greek city-states. Apart from elections, our democracies do not require the direct participation of citizens. Simple scale – the size of the national political unit in terms of population and geography – rules out direct democracy and hampers the ability of ordinary citizens to participate in public discourse. Consequently, modern democracies are built on representative principles.

Nevertheless, Pericles' description of ideal civic behaviour is still valid. Representative democracy rests upon the premise that citizens collectively are reasonably informed about public matters and thus can exercise their votes responsibly. The electorate must be well informed if citizens are to hold elected officials accountable for their decisions. Clearly not all people will be equally concerned or will possess the same amount of knowledge to contribute constructively. But a large enough percentage must be capable of exercising good public judgment if government is to succeed.

Most public officials endorse the idea that modern government should actively seek to strengthen itself by supporting citizens' efforts to make their public institutions reflect their interests, views and values. Public distrust and cynicism provide compelling evidence of distance between government and the people it should serve. Increasing the public's engagement can help close that gap and lead to stronger democratic government, one that is more open and responsive to the needs of its people. Over time, an engaged public should lead to better public policy and budget outcomes, including more equitable and efficient allocation of resources and greater long-term fiscal stability.

There is an important relationship between civic engagement and fiscal transparency. Citizens are more likely to trust government if they know that public funds are well managed. When governments disclose fiscal information, citizens can determine whether budget execution is consistent with their national priorities and can demand changes to policy if it is not. That oversight creates a virtuous cycle: disclosure, scrutiny, understanding and policy adjustment lead to further disclosure, more scrutiny, etc.

The ability to promote public engagement extends beyond official activity. Non-governmental resources can play a strong role in bringing the public closer to the policy-making process. Some civil society organisations provide independent analyses of public policies and serve as outside monitors of government programmes and operations. Other groups educate citizens and help bring them into the public debate. All of those non-governmental efforts need timely access to good information. Thus it is essential that government provide full and accurate information about the budget and programme performance. Anything less creates barriers to public involvement with policy making.

To date, most of the experience with civic engagement in public budgets is at the level of municipalities or regional governments. Some localities have adopted participatory budgeting, which allows citizens direct influence over selected budget categories and fund allocations.³ Sub-national experience produces important insights into such issues as timing, scope and scale required for successful engagement processes.⁴

- **Potential for unrealistic expectations:** Citizens must understand how their input will be used. If their views are merely advisory, they should know the extent to which they will be taken into account by decision makers. Otherwise, popular expectations could result in demands that cannot be fulfilled.
- **Timing is critical:** Public participants will have greater confidence in engagement efforts if they are consulted early in the decision-making process. Otherwise, they will perceive that their input has little chance to influence decisions.
- **Competition with existing processes:** Government officials and policy makers are key to successful civic engagement strategies. They will be more responsive and co-operative if they do not feel that they are being bypassed or threatened by engagement activities.
- **Non-representative participation:** The most vocal public participants may not be truly representative of the overall population. Unorganised citizens are vulnerable either to “capture” by organised special interest advocates or to being co-opted by government officials and experts. Civic engagement activities must attract a broader spectrum of participants to represent all segments of society.
- **Free rider problem:** Popular resistance to funding essential public goods could harden if participants cannot be convinced of their importance.
- **“Bad” outcomes:** Officials should decide how to respond if citizens misunderstand the issues, express unwise choices or fail to appreciate the consequences of their preferences. Those results may signal the need for greater public education about the issues, or they may demonstrate areas where decision makers are out of step with the electorate.

The self-reinforcing benefits of public engagement can be summarised as follows:

- Overall improvements consistent with good government:
 - ❖ Engaged citizens feel empowered. They have more input into the establishment of priorities and feel that they have a stake in outcomes.
 - ❖ Citizens feel that government works for them; as a result, they place greater trust in government and public officials.

- ❖ The interests of under-represented and vulnerable groups (including the poor, women and children) can be better protected, and there is greater equity in the allocation of public resources.
- ❖ Government can exhibit greater transparency, making it more accountable to citizens.
- ❖ Government can be more open, allowing expanded access to information.
- ❖ Opportunities for waste, fraud and abuse decrease as accountability improves and public awareness and scrutiny increases.
- Improved climate for the development and pursuit of good fiscal policy:
 - ❖ Citizens' access to information and participation in the public debate leads to more accurate understanding of public finances, particularly basic questions like where the money comes from and where it goes.
 - ❖ Voters confront fiscal realities and acknowledge the need to make trade-offs.
 - ❖ Citizens become aware of issues related to intra- and inter-generational equity and are able to cultivate a stronger sense of stewardship.
 - ❖ Public thinking becomes more realistic, providing expanded opportunities for negotiation, compromise and consensus.

2.1. What is public engagement?

Work by the OECD and the World Bank focuses on interaction between the government and citizens: the government engages citizens either directly or through intermediary civil society organisations or interest groups. Engagement generally implies that citizens participate in the policy-making process, whether as part of the formal governmental process or in a parallel civic process. The OECD endorses civic engagement as a strategy to promote good government practices, close the gap between the government and citizens, improve citizens' trust, and reduce their cynicism towards government. For the World Bank, public engagement can also promote economic development, encourage a more equitable allocation of public resources, and provide greater relief from poverty.

The OECD identifies three types of government-citizen interaction used by governments to strengthen relationships during the policy-making process (OECD, 2001a, p. 21):

- **Information:** The government uses passive or active means to disseminate information to the public. The flow of communication is one way, from the government to citizens. Interested parties must seek out passive information, which is available upon request. Examples include official records and archives and publications. Or the government can work actively to distribute other information through, for example, websites, press conferences and press releases, and official speeches.

- **Consultation:** Consultation involves a two-way exchange of information between the government and citizens. The government defines the issues and solicits feedback from the public. Examples of consultative processes include hearings, town hall meetings, and polls and surveys.
- **Active participation:** This category includes the types of activities the OECD considers as public engagement. The government provides structured opportunities for citizens to become involved in defining the policy-making process and its content. The government acknowledges citizens' standing in the discussion but generally retains the responsibility for policy formulation and final decisions. Examples, which occur primarily at sub-national levels of government, include participatory budgeting, popular referenda, citizen representation on government commissions and panels, and citizen juries.

The World Bank uses a broader concept of civic engagement, which it defines as "...the participation of private actors in the public sphere, conducted through direct and indirect interactions of civil society organisations and citizens-at-large with government, multilateral institutions and business establishments to influence decision making or pursue common goals" (World Bank, 2003a, p. 1). That definition incorporates the efforts of non-governmental actors in organising and encouraging wider citizen participation in the decision-making process.

Integrating citizens into the budget process is becoming more common in municipalities and regional governments, but it is less likely to be found at the national level. That is because the characteristics of civic engagement that make it effective at the local level are difficult to replicate at the national level. For example, geographic proximity, which allows citizens to deliberate on a face-to-face basis with each other and with lawmakers on local budgets, cannot be easily reproduced at the national level. Similarly, participants in local processes, when deciding between competing needs, generally consider tangible questions such as public investment projects about which they have or can easily gain some direct knowledge. Those advantages would be largely absent at the national level.

Consequently, the broader concept used by the Philanthropy for Active Civic Engagement (PACE, a United States organisation of private foundations that support civic engagement) appears more relevant to the national policy process. It defines civic engagement as "...activities by which people participate in civic, community and political life and by doing so express their commitment to community" (PACE, 2005, p. 6).

The common elements that emerge from the three concepts of public engagement are:

- Citizens' involvement is **constructive**.

- Participation is intended to **influence public decisions**.
- The goal is to **improve community and further the common good**, not advance immediate self-interest.

Those themes form a concept of civic engagement that accommodates the complexity and the difficulty of public involvement in national policy making. It recognises that the principal benefit of public engagement is educational, not decision-oriented. It is more likely to involve the other forms of government-citizen interaction – the information and, to a lesser degree, consultation categories of the OECD described above – than direct participation. The government's role is not limited to direct activities. It can also facilitate a range of efforts by non-governmental organisations and even unorganised individuals. Those third-party activities will then help to generate a more active public discussion about national issues.

As the government works to enable citizens to become engaged in national issues, its role is twofold:

- To provide timely, accurate and comprehensive information in a user-friendly format. Information sharing improves transparency and allows public scrutiny.⁵ The information that citizens receive, whether directly or through intermediaries such as the media, civil society organisations, or public policy researchers, stimulates thought, discussion and debate.
- To open channels for the public input that results from informal engagement activities. When citizens are provided with opportunities to communicate with policy makers and when they are actively consulted in formal sessions or through other means, they advance their understanding of the issues and options. Policy makers, too, become better informed by hearing alternative perspectives.

2.2. Why engage the public in the budget process?

Public understanding and scrutiny of government budgets is of paramount importance. The budget provides an explicit expression of the government's role in the economy and the society. The budget identifies public priorities by allocating resources and distributing the responsibility for financing those activities. In addition, budget outcomes send strong signals to the public about how well or poorly the government is operating.

When reporting on the budget, mainstream media tend to concentrate on stories of corruption and waste, as well as the political winners and losers in budget debates. Headline stories trumpeting public misuse of funds have a corrosive impact on public opinion and contribute to the perception that the government does not represent people's interests and is poorly managed. As a result, the general public may have few sources of positive, let alone

comprehensive, information about the budget. That narrows their perspective on how budget decisions affect their lives and their communities.

Citizens have rare opportunities to consider national budget issues. The typical budget process produces a debate that is largely conducted among experts, including representatives of special interests, who communicate in terms that are incomprehensible to anyone beyond their circles. That leaves the public with little voice and even a lesser role as the national budget is formulated, legislated and executed.

It is more difficult to achieve progress on complicated public issues when the public is not engaged. Raising the public's level of engagement could help overcome popular resistance to important fiscal strategies.

In the United States, budget experts are concerned that the gulf between citizens and policy makers has created an environment that prevents constructive action on the budget, particularly where long-term fiscal imbalances are concerned. Unengaged and uninformed citizens favour policies that appear to be in their immediate self-interest, and they believe in overly simplistic solutions. Budget officials and elected leaders tend to mistrust the public's views and underestimate the public's potential to participate meaningfully in the decision-making process.

Research by Viewpoint Learning on public attitudes towards the budget indicates the serious schism that exists between citizens and leaders regarding the United States budget (see Table 1). A public with the attitudes shown is likely to hold inconsistent and contradictory views, be prone to "wishful thinking" (i.e. budget deficits result from waste, fraud and abuse), be focused more on self than the larger public good, be inattentive to issues, and provide little evidence of common ground (Yankelovich and Wooden, 2004). Closing the gap can improve trust, discover common ground, resolve conflicts and generate feelings of ownership in ultimate policy choices.

In Europe, voter turnout rates for national elections in many countries are declining while expenditures for social programmes are growing. That is contrary to the expectation that a positive relationship should exist between citizens' voting behaviour and the government's ability to affect their lives in direct and meaningful ways. At the supranational level, the voter turnout rates are worse. In 2004, fewer than half of the electorate voted for the European Parliament, a body that will oversee the economic integration of the European Union. According to some, the low voter turnout rate reflects distrust of government and a feeling that elected officials do not care about their constituents (Rose, 2004).

A greater level of citizen engagement in the process of integration would help build confidence in the legitimacy of the public institutions that are

charged with complicated questions related to public welfare at the national and supranational levels.

Table 1. Divergent views of the budget in the United States

A wide – and serious – disconnect between citizens and leaders

What citizens see	What leaders see
“Black box” of budgeting and decision making	People “wanting it all” but unwilling to pay for it
Powerful special interests and partisanship	An uninformed public that has little of value to offer policy making
Little of value being done to address challenges	Apathetic citizens who do not want to be engaged
Experts are running the show	Activists hijack all attempts at public dialogue

Source: Yankelevich and Wooden, 2004.

In developing countries, the World Bank promotes social accountability to counter corruption, clientelism and capture, which misallocate resources, lead to leakages and waste of resources, and interfere with the delivery of public services (Malena *et al.*, 2004). Social accountability – which the World Bank defines as “an approach towards building accountability that relies on civic engagement, *i.e.* in which it is ordinary citizens and/or civil society organisations that participate directly or indirectly in exacting accountability” – can produce meaningful change in the way government operates. Furthermore, when people – particularly those who are under-represented and excluded from governing processes – become engaged, they are empowered. They are then better able to achieve a more equitable allocation of public resources.

2.3. What are the potential benefits of an engaged public?

Budget experts and public officials may fear that engagement activities will confer too much weight on the opinions of a public that is insufficiently knowledgeable about the issues and thus incapable of making informed choices. Work by two non-governmental organisations in the United States proves that an engaged public is fully capable of making and supporting responsible decisions. Their efforts provide insights into the public’s ability to engage in constructive and beneficial discussions about complex issues.

2.3.1. ChoiceDialogue™ on the United States budget

Viewpoint Learning conducted eight-hour sessions or ChoiceDialogues™ with three groups comprised of statistically representative cross-sections of the United States population (Rosell *et al.*, 2006). The sessions probed participants’ views on federal budget issues by leading them through structured discussion and dialogue about policy options. The methodology is designed to go beyond “snapshot” readings of people’s “top-of-the-head”

opinions and “predict the future direction of people’s views on important issues” once they have the opportunity to consider information, talk with each other and rethink their views.

The ChoiceDialogues™ confirmed the public’s cynicism and mistrust of government, but identified specific problem areas that policy makers could address in order to restore trust. The ChoiceDialogue™ report contains the following comments and observations:

- The main obstacle to building public support for difficult choices on the nation’s finances and future is not public opposition to tax increases or programme cuts, nor is it lack of interest; the main obstacle is deeply felt and pervasive mistrust of government.
- “The public is ready for this conversation.” Participants (a random sample of citizens) were thoughtful and serious, not apathetic or unwilling to consider difficult choices, “and it was clear that beneath their mistrust and dissatisfaction was a deep desire to address the problem”.
- Public engagement is the key to overcoming mistrust. Although government’s accountability and transparency must be improved, those actions alone will not be sufficient to overcome mistrust. Most participants do not believe that leaders and governments are interested in their views. To overcome mistrust, government must find better ways to communicate with citizens and convince them that their views are heard and are important to decision makers.

On the critical issue of improving trust and accountability, participants indicated:

- Government must use performance as the basis for funding or changing programmes. Citizens would like to see greater focus on measuring and reporting outcomes.
- Citizens have responsibilities, too. They should play an active role in making government more accountable by participating directly in the political process or through exercising stronger oversight and endorsing stronger “watchdog” mechanisms.

2.3.2. “The Exercise in Hard ChoicesSM”

The Committee for a Responsible Federal Budget is a bi-partisan organisation dedicated to educating the public about the budget and the budget process. It created a participatory budget simulation exercise called “The Exercise in Hard ChoicesSM” (<http://crfb.org/html/exercise.htm>^{6, 7}). Unlike most budget simulations and games, the exercise is conducted in groups to provide participants with insight into the need to compromise and make trade-offs. Exercises are offered free of charge to the public and publicised

through local media, civic and business organisations, area colleges and universities that serve as co-sponsors. Members of the Congress and other public officials often co-host exercises and use the events to discuss the budget with their constituents. The Committee compiles the results of exercises into a report that is sent to each participant, every member of the Congress, budget officials in the executive branch, and the media. The Committee is currently working to put the exercise on line and to make it more accessible, particularly for use by high schools and universities.

The exercise materials are updated regularly to stay current with issues and options affecting the budget. Results gathered from over 20 years of exercises allow the following general conclusions:⁸

- Citizens are eager for opportunities to become engaged in serious and substantive discussions about the budget.
- Non-expert citizens have the ability and desire to address complex public policy issues, and they enjoy being asked to do so.
- People are able to set aside initial biases and opinions and to listen, learn, discuss, argue and compromise.
- Participants, irrespective of their political affiliations and demographic characteristics, are willing to vote for unpopular tax increases and benefit cuts and will agree to options that go against their own immediate self interest if they believe that those actions will: a) solve the problem; and b) be shared fairly among all segments of the population and all parts of the country.
- Participants protect education and poverty programmes, but still expect those parts of the budget to make small contributions to the overall solution.
- Participants will agree to raise their own taxes and cut their own benefits and services once they are convinced that there are no easy answers.

The ChoiceDialoguesTM and the exercises are examples of citizens' deliberative capacity. Work in deliberative polling and other experiments in deliberative democracy provide similar promising results. All demonstrate that, given the right resources, individual citizens are interested, able and willing to engage constructively in solving complex budget challenges. The activities indicate that successful public engagement can be achieved when:

- People have access to unbiased and credible information that outlines the issues, options and consequences.
- Participants have ample time for dialogue and discussion so that they can understand the issues, clarify values and exchange views.
- Individuals have an opportunity to identify the common purpose and appreciate what is at stake for the community at large.

What participants repeatedly report as missing are sufficient opportunities for normal citizens to become engaged and to stay engaged in the larger public discourse.

3. Online public engagement in budgeting

The examples described in this section are intended to illustrate different types of governmental and non-governmental activities related to public engagement. They do not represent a survey of all such engagement initiatives.

3.1. Governmental initiatives to engage citizens in national budgeting

There are a number of actions governments can take to make national budgeting more accessible to citizens. A sampling of budget office websites finds that most already provide information about the budget and the budget process. Some go further and conduct public consultations. The following subsections describe some of the measures being implemented by budget officials to make budget information available to citizens and to encourage public interest in and knowledge about fiscal policy.

3.1.1. Top-down information sharing: budget office websites

It is accepted good practice for governments to communicate openly with citizens about programmes, policies and procedures. Such communications will be more effective if the information provided is timely, accurate and comprehensive. Fortunately, the Internet has made it easier for the government to fulfil its responsibility to share information. Governments can now reach a global audience by posting or publishing documents electronically.

Government websites are relatively young, but have rapidly become a powerful means of communication. Over time, websites are evolving away from passive electronic filing systems for agency-generated information and reports. Many are taking better advantage of the medium's sophisticated communications capabilities. Many sites are becoming attractive locations that go beyond simply making information available, and now present information in ways that stimulate interest and encourage visitors to learn more about the topics presented.

Perhaps because budget websites were initially designed to meet official needs, many are still ill-suited to external audiences. They exhibit two basic problems in the way they present budget information: organisation and presentation.

- **Organisation:** Website organisation is always challenging because it involves a three-dimensional array of information that allows users to jump from page to page on the web. Budgets involve large quantities of detailed information. Perhaps in response to criticism about a lack of transparency,

governments may be inclined to post everything. Unless well organised, the website can become a confusing and overwhelming repository of documents. It may take a discouraging number of clicks and fruitless searching within websites to find answers to simple questions. Moreover, the website becomes so complicated that it is hard to maintain, leading to many instances of broken links, data inconsistencies, and other problems.

- **Presentation:** Budget websites must serve the needs of government officials, legislators and their staffs. Knowledgeable users, including reporters, academic researchers, interest group representatives and private sector investors who participate in or closely follow budget deliberations, use websites to access data that they need to produce their own analyses. Non-expert audiences, however, can be quickly intimidated by the technical presentations and language of the budget. They may not be able to find the information they seek or they may misunderstand the information they do find.

Budget officials who are concerned about improving their websites for use by public audiences might consider ways to accommodate the needs of those users (see the annex for more concrete suggestions):

- General audiences need more user-friendly, appealing and interesting presentations. Creating “citizen space” on the website has advantages for users and budget officials. A welcoming entry point can quickly orient visitors and familiarise them with basic information before directing them to more detailed information. Budget officials benefit from an important first opportunity to frame issues and options. In addition, the presentation can address many frequently asked questions, freeing up budget office staff who otherwise must answer repeated inquiries. The appearance of the website can also cast the government as open, welcoming and interested in communicating with the public. Users may retain a healthy skepticism about government policies, but over time will grow to trust the website if the factual information it contains is accurate and reliable.
- Third-party intermediaries – civil society organisations and independent researchers – require access to extensive data to support analyses and scrutiny of the budget. Allowing timely access to databases and spreadsheets facilitates more accurate and extensive non-governmental research. In addition, the website ideally should be organised so that historical, current, and projected data are presented in consistent formats. Because other participants in the budget process (i.e. government agencies and legislators) are likely to require access to the same information, providing those materials should not place many additional demands on budget office staff.

As access to technology becomes universal, citizens – especially younger generations – expect to be able to find information with a few clicks of the mouse. If the information they need from the government is not provided, red flags are raised. Budget office websites can serve as a fact-checking resource that is available to verify information provided by other non-official sources, a function that is of growing importance in our electronic age that makes so much information and misinformation readily available. Motivated and knowledgeable researchers will search for accurate information. But officials should also take advantage of the opportunity to make good information more accessible to broader audiences.

- **The United States Office of Management and Budget (OMB)** (www.whitehouse.gov/omb). The United States OMB home page is an example of top-down, passive information. It is organised to showcase the President's budget proposals, not to provide the public with information about the budget and the budget process. It contains a large amount of budget information, including account-level detail, but site users either have to be knowledgeable about the budget or be strongly motivated. For example, tables showing total receipts by source (individual income taxes, corporate income taxes, etc.) and spending are available, but can only be found by hunting through the website. Information about the budget process appears on page 391 of a secondary volume called *Analytical Perspectives*. The website does however provide important support for researchers through links to spreadsheets and access to a public electronic database on the budget.
- **The Australian Government, Commonwealth Budget** (www.budget.gov.au). The home page of the Australian Treasury provides a direct link to the budget site of the Australian government. Through the budget home page, users have quick access (two clicks) to pie charts showing the size and composition of spending and receipts. (Pie charts are highly effective in presenting budget information to non-expert audiences.) The Treasury home page also contains a link to the 2007 intergenerational report, which is issued every five years and focuses on the impact of demographic changes on the budget and economy over the next 40 years.
- **The Ministry of Finance, Japan** (www.mof.go.jp/english/index.htm). The Japanese Ministry of Finance home page is a third example of top-down, passive information. Based upon the pages translated into English, the site is accessible to non-expert audiences while still providing expected information about the Japanese budget and fiscal conditions. Factual information about the budget is easy to find and is presented in a colourful format. Visitors can download a document called *Current Japanese Fiscal Conditions and Issues to be Considered* that provides concise information about

overall budget conditions, including the problems posed by an aging society (www.mof.go.jp/english/budget/pamphlet/cjfc2006.pdf).

- **The Department of Finance, Canada** (www.fin.gc.ca/fin-eng.html). The Canadian Department of Finance has a long tradition of actively seeking to making information accessible to citizens and disseminating it widely. The department used public focus groups in 1998 and 1999 to help transform its website from a passive repository of documents to a more engaging and useful source of information. The department continues to experiment with the electronic presentation of information, including the use of multimedia presentations and public consultations (see Section 3.1.3 below). This year (2007), some information is available through podcast (currently ranked 14th in government and organisation downloads from iTunes Canada). The staff analyses website traffic to determine what pages are attracting visits. The staff estimates that nearly one out of every 60 Canadians visited the website following the April release of the 2007 budget.
- **The Ministry of Economics, Finance and Industry, France** (www.minefi.gouv.fr). The home page of the French Ministry of Economics and Finance includes a link to an interactive website designed especially for citizens (www.performance-publique.gouv.fr). The interactive website invites users to play Cyber-Budget (an online budget game; see below), provides animated information about the budget (BudgetFlash), and asks users to provide their suggestions for improving the site.

3.1.2. Interactive information: online budget games and simulations

Online games and simulations can provide an effective and entertaining means of conveying budget concepts and dynamics, particularly for younger audiences. Government-sponsored online games, however, appear relatively rare for budgets at any level of government. Game design is not easy. It requires trade-offs between the simulation's complexity and its accuracy. Simpler instruments are easier to follow but run the risk of oversimplifying the issues and the difficulty of the trade-offs involved. In addition, the game's content may be viewed in politically charged terms. Some games allow actions that governments cannot take without serious repercussions (for example, defaulting on the public debt). Complex designs require more support for users and are costlier to develop and maintain. Because budget numbers and policy issues change frequently, games can become out of date quickly, which can raise substantial cost considerations.

- **Cyber-Budget, France** (www.cyber-budget.fr). Cyber-Budget⁹ begins by introducing players to budget terminology.¹⁰ It presents them with a number of tasks that test knowledge of the budget and familiarise them

with the political consequences of decisions. The player makes decisions, presents and defends the budget in parliament, and is then responsible for managing it as unanticipated events take place and affect fiscal outcomes. The player receives simulated criticism from the press, an accounting of the impact of his or her decisions on the deficit and debt, and a final score. As of April 2007, an estimated 400 000 people played.

- **HM Treasury, United Kingdom.** The United Kingdom Treasury home page links to the 2007 Comprehensive Spending Review microsite (<http://csr07.treasury.gov.uk>) which contains several interactive features:
 - ❖ A section addressing long-term challenges provides information about the projected impact of trends such as globalisation, demographic and social change, and climate change on the United Kingdom economy and the implication for public services. Site visitors are also invited to take a brief quiz to test their knowledge about those trends.
 - ❖ A budget simulator allows users to decide whether to change projected spending for major areas of the budget. Participants can review the results of their decisions and are provided with feedback on the implications of their choices. The site provides background information on spending areas that helps inform the decisions of game players.
 - ❖ Site visitors are invited to submit their views on the information provided. Based upon some of the comments submitted, a few lobbying groups have discovered this feature and are using it to advocate for increases in individual budget areas.

The site drew 200-300 visitors per day when it was first activated in January 2007. Although the comprehensive spending review concludes in the fourth quarter of 2007, Treasury staff are considering whether to maintain components of the site for their ongoing educational value. In addition they are looking into ways to raise the site's accessibility and prominence.

- **Ryedale District Council budget simulator, United Kingdom** (www.budgetsimulator.com/ryedale). The Ryedale budget simulator is a simple instrument. It was developed by and is hosted by a private firm. The simulator allows players to increase or decrease expenditures for public services, providing positive arguments for increases and negative arguments for decreases. The simulator calculates the impact of decisions on the council tax, but there are no consequences (positive or negative) for any changes in revenues. As a result, taxpayers might easily conclude that the best option is to increase spending in order to gain more public services.

3.1.3. Consultation: active listening

Top-down delivery of information is the most common form of interaction between the government and the public, but there are examples of

national governments using consultation to inform the decision-making process.¹¹ Consultation activities can take the form of surveys, polls, virtual or face-to-face discussions, and asynchronous electronic forums.

Online consultations are relatively new. They have the potential to reach a much larger audience than face-to-face meetings or hearings. But they lose the element of proximity and common purpose that many people seem to enjoy. Online interactions also provide an anonymity that at first seems contrary to the sense of community that civic engagement creates. Over time that concern may become less important as the public gains more experience with online interaction. An additional concern is that there is no assurance that the views gathered are representative of the overall population. They may reflect organised efforts by advocacy groups. The input, however, can be useful in that it may identify “hot button” issues where the government policies are at serious odds or have struck a responsive chord with segments of the population.

Broad consultation efforts have potential advantages and disadvantages:

- Where the public’s views are scattered across a range of options, the government is likely to find enough support for its position to be able to use the consultation as “political cover” for taking whatever action it planned to take prior to the consultation.
- Where there is a lack of public consensus, the government can point to the consultation as evidence of its willingness to address issues while also using it as a rationale for inaction.
- The consultation provides an opportunity to educate the public and gain its support for policy action. However, there is the danger that public opinion may coalesce in opposition to the government’s preferred approaches.

When asking for the public’s input, officials must decide what purpose the information will serve and how it will be incorporated into eventual decisions. Consultation during the agenda-setting stage allows citizens to provide input at the earliest and most flexible point in the process. Citizens will be more willing to participate if they believe that their input matters and if they know that the results of their efforts will be publicly reported. They will also become cynical if they think that the process is designed as anything other than a sincere attempt to solicit to their views.

- **Les Forums: Online public debate (France).** The French government hosts online public discussions. In early 2007, a forum about the need to reduce the public debt ran for a little over five months and generated 874 responses. While the forum was active, the moderator posted a summary of each week’s comments. A final summary was posted on the site at the conclusion of the forum with links to other government web pages containing related information (www.forums.gouv.fr/article.php3?id_article=175).

- **Online pre-budget consultations for budget (Canada)** (www.fin.gc.ca/activity/consult/prebud_e.html). The Canadian Department of Finance has initiated online pre-budget consultation as part of its annual budget process. In 2006, nearly 6 000 individuals submitted views on the three open-ended questions posed:

- ❖ What would citizens like to see in the 2006 budget and future budgets?
- ❖ If proposing further tax cuts – or spending increases – where should the government spend less?
- ❖ How can the government deliver programmes more efficiently and effectively?

An estimated 7 000 Canadians responded to the invitation to submit advice, ideas and insights for the 2007 budget. The submissions were analysed, sorted into categories and forwarded to relevant departments. In reviewing the submissions, staff believe that the overwhelming majority comes from unorganised citizens, not interest groups.

In 2006, the Department of Finance also conducted a separate online consultation on restoring fiscal balance and issued a report on the results (www.fin.gc.ca/activity/consult/fiscbal_2e.html). The report summarised comments received from the online consultation as well as face-to-face consultation events, and promised to take those views into account in the formulation of the 2007 budget.

- **Citizens' Health Care Working Group (United States)** (www.citizenshealthcare.gov/recommendations/dialogue.php). Federal law mandated the creation of the Citizens' Health Care Working Group. It is an example of a publicly financed, citizen-directed, one-time effort to consult the public through a series of open hearings, meetings and online polls. Fourteen citizens were appointed to the working group and, in 2005-06, served for a period of approximately one and a half years. The working group issued a report on the state of United States health care, and drafted interim and final recommendations to the President and the Congress. After completing its work, it disbanded. The working group's website contains extensive documentation of its activities and a record of the public's views as well as background information about health care in the United States.

The statute required the Congress to hold hearings within 45 days following receipt of the final recommendations. The law did not specify any subsequent follow-up. It is too early to determine what impact, if any, the working group will have on health policy decisions.

- **Public consultation on tax reform (Hong Kong, China)** (www.taxreform.gov.hk). The government of Hong Kong, China asked the public to submit views on

its proposal to broaden its revenue base by introducing a goods and services tax (GST). The government informed the public through a website dedicated to the consultation, appearances on television and radio, and printed information available through public information offices. The consultation period ran for nine months, during which time the government accepted written comments (e-mail, facsimile and mail) and hosted public meetings. The government promised to consider all views before deciding “whether, and if so, how” to pursue implementation of the GST and accompanying reforms to other taxes.

Half-way through the consultation period, the government reported that although the public agreed with the need to address tax reform, its attempts to respond to the public concerns about the GST proposal were unsuccessful. It concluded that public opposition was too strong to proceed. As a result, the government is reviewing its options, taking into account public concerns already aired, and asking the public to contribute further views on how to accomplish the agreed upon objective of broadening the tax base. The government plans to issue a final report on the consultation for consideration by future governments.

Although the government was unable to overcome popular resistance to the GST, the government reported that the population is better educated about problems related to the current tax structure and their implications for Hong Kong’s economy. The consultation, while not endorsing the government’s proposed approach, did reveal specific issues that worry the public and that officials can keep in mind when undertaking future policy development.

3.1.4. Direct democracy: participatory budgeting and policy making through referendum

In direct democracy, citizens are part of the final decision-making process. Forms of direct democracy include participatory budgeting, binding referenda, and citizen membership on public councils and commissions. Direct citizen involvement is no longer unusual at the municipal or regional levels of government, but there are few examples at the national level.

The strength of participatory processes lies in the citizens’ ability to become directly involved – in other words, to participate. In addition, many of the direct participation initiatives rely on community-based organisations that conduct outreach, provide technical expertise and facilitate citizen involvement. It is impossible to replicate that sense of proximity at a national level. Few national civil society organisations have close ties to individual citizens in all regions. Geographic size and population numbers, which discourage participation in direct processes at the local level, become

prohibitive at the national level. Even in local processes, direct participation is likely to be limited to the neighbourhood or community level. Representative structures replace direct citizen involvement as decision making moves from neighbourhoods and communities to municipalities. Those representative local citizen councils create parallel representative bodies, which typically supplement the traditional elected councils that retain responsibility for final decisions.

There are alternative means of achieving the good government benefits of local priority setting and resource allocation, for example, the block grant approach and other transfers of resources from the national budget to lower units of government. Those funds provide greater administrative discretion to local officials in the use of the funds than might be normally allowed in national programmes. Devolution or federalism goes further. It reassigns responsibility entirely away from the national government and gives lower units of government the responsibility of financing expenditures as well as deciding which to undertake.

It is instructive, however, to consider direct engagement efforts at sub-national levels of government because they provide insight into ways in which citizens can and are being involved in public decisions.

- **Participatory budgeting: Porto Alegre, Brazil.** Porto Alegre's successful experience with participatory budgeting has inspired followers among many other cities and regions across Brazil and around the globe.^{12,13} Participatory budgeting was introduced in Porto Alegre in 1989 as an experiment after the Workers Party won the mayoral election. The approach became well integrated into the municipal budget process (although electoral losses by the Workers Party in 2004 appear to be having an impact on the system). The process is a combination of community-based, direct and representative democracy, organised by regions of the city. All citizens are entitled to participate in plenary assemblies and preparatory meetings. Those sessions set priorities by theme (transportation, education, economic development, etc.), elect members of the delegates' forum and the participatory budgeting council, and evaluate city performance. At subsequent stages of the process, elected citizen-representatives are responsible for preparing the investment plan. That plan contains detailed allocations by region and project. It is included in the executive budget and must be approved by the municipal legislature in order to be implemented. Although it is hard to separate the effects of a reformist-minded executive and fiscal reform laws from those resulting directly from Porto Alegre's participatory budget process, the participatory budgeting process has been credited with improvements in public service delivery (changes in the number of households connected to municipal sewage services, miles of

roads paved, number of children enrolled in public school, etc.), more equitable distribution in public resources, greater willingness by the population to approve increases in municipal revenues, and, until recently, repeated electoral success for the Workers Party. Other benefits include greater inclusion and empowerment of formerly under-represented segments of the population (the poor and women), “trans-classist” municipal pride, and a more open, less paternalistic attitude on the part of government bureaucrats.

- **Colorado Taxpayers’ Bill of Rights (TABOR), United States.** A series of provisions adopted through popular referendum provide a cautionary example of the potential downsides of direct public involvement in budget policy. In 1992, through ballot initiative (referendum), the citizens of Colorado amended the state constitution with a series of provisions, known as the Taxpayers’ Bill of Rights (TABOR).¹⁴ The TABOR amendment limits the amount of revenues that state and local governments can keep, the limit being the amount allowed in the previous year plus a percentage adjustment for changes in population and for inflation. Under the amendment, any amounts collected above the allowable levels must be rebated to taxpayers unless voters agree to allow the state to keep them. State legislators enacted a separate law that set limits on public spending.

In the 1990s, population growth, a strong economy and a sustained period of rising incomes resulted in strong growth in public sector revenue collections and led to a series of taxpayer rebates. As a result of TABOR and spending restrictions, spending for public services – particularly education – failed to keep up with the growing economy and state population. In 2000, voters approved another constitutional provision to protect funding for elementary and secondary education from the spending restrictions. It mandated annual increases in spending per pupil equal to the rate of inflation plus one per cent.

In 2000 and 2001, the economic contraction caused public revenues to decline. The situation was compounded by TABOR’s inflexibility. Although immediate revenue shortfalls were projected, the state could not carry over “excess” collections from the previous year. Instead it had to issue tax rebates. Between 2000 and 2005, the continuing limitations on revenues combined with mandatory growth in education spending and rising health care costs created serious budgetary stress. In 2005, Colorado voters agreed to suspend the TABOR requirements for five years.

- **Citizen membership on the budget committee in Eugene, Oregon, United States.** In Eugene, Oregon, citizens are incorporated into the city’s annual budget process.¹⁵ The mayor and city council appoint citizens to three-year terms on the city’s standing budget committee. Citizens fill half of the

committee seats. Any citizen can apply to be on the committee. The budget committee reviews the mayor's capital and operating budget proposals and holds public hearings before forwarding its recommendations to the city council for amending the budget. In addition, city residents are encouraged to participate in public hearings on the budget held by the budget committee and the city council and to otherwise communicate their views.

3.2. Non-governmental initiatives to promote civic engagement in the budget

In addition to official efforts to engage citizens in national budgeting, non-governmental organisations and, on occasion, individuals can help to broaden the public debate about the budget and budget priorities. The presence of third-party intermediaries increases the opportunities for unorganised citizens to come into contact with policy questions and to join the debate. Their contributions can help foster government transparency and enhance overall accountability, while enriching the public's understanding of budget practices and policies.

Non-governmental organisations are supported financially through a variety of sources including government contracts and grants, private foundations, multilateral organisations, and private corporations and individuals. Ultimately their financial success signals that their work fulfils a need in the policy world that the market is willing to pay for.

Non-governmental efforts to engage citizens can be divided into two broad but overlapping categories:

- Policy research organisations (“think tanks”) conduct independent analyses of public issues. Although their primary audience consists of lawmakers and the expert policy community rather than the general public, public policy organisations are not confined to the “ivory tower” of academia. They disseminate their work through websites, opinion pieces published by the mainstream press, blogs and podcasts, and to civil society and special interest groups. Public policy research organisations represent views from across the political spectrum and bring a range of perspectives to the public debate. Their work contributes to the public's understanding of the issues and thus indirectly promotes broader levels of engagement.
- Public advocacy, education and outreach organisations seek connections with the public to raise awareness, increase the level of understanding and motivate active participation in public affairs. They organise public events and meetings, promote communication with elected officials, publish issues briefs and generate “grassroots” (locally organised) activities to involve citizens. Some organisations advocate defined policy positions. Others are more neutral in terms of policies and politics. All seek to

influence decision makers by rousing public opinion and motivating voter behaviour.

A third type of effort is unorganised and informal. It originates with a single individual on line or a small virtual network of like-minded people. Over time, those Internet-based efforts can broaden and attract large audiences. Such activities are becoming increasingly common and, at some point, may become mainstream forms of public interaction, dialogue and discussion, particularly among younger populations.

3.2.1. Public policy research organisations

The Brookings Institution (www.brookings.edu) and **The Heritage Foundation** (www.heritage.org) are two examples of well-established public policy organisations (“think tanks”) that are located in Washington, DC. They are designed to influence decision makers through their analytical work. Although neither is officially affiliated with an organised political party, the first is viewed as leaning towards the Democrats while the second is identified with Republicans. Scholars from both organisations conduct research on budget and fiscal policy, publish on topical issues, testify before the Congress, and serve on governmental commissions and boards. They are identified as experts and are often quoted in national press reports. The organisations sponsor forums in which staff from the Executive Office of the President and from the Congress, reporters, and academic and policy experts exchange views.

Despite their divergent political leanings, experts from Brookings, Heritage and other similar research institutions often co-operate with each other. Their goal is to raise the quality of the public debate and to increase the probability that decisions will be based on the merits of proposed policies, not ignorance or confusion about the underlying facts.

The **Women’s Budget Group** in the United Kingdom (www.wbg.org.uk/index.htm) conducts activities designed to raise awareness of the gender and social implication of economic policy. Analyses and other work products are designed to answer the question: “Where do resources go, and what impact does resource allocation have on gender equality?”

The **International Budget Project** (IBP, www.internationalbudget.org) was formed almost 10 years ago by the Center on Budget and Policy Priorities, a United States civil society organisation, “to nurture the growth of civil society capacity to analyze and influence government budget processes, institutions and outcomes.”¹⁶ The role of the IBP is to support the development of budget expertise by civil society and public policy research organisations in countries with developing and transitional economies. Today, the IBP maintains a database of 77 active budget organisations in 36 countries. The work of those

organisations improves public scrutiny of government budget policies and management and fosters a richer debate about programmes and priorities.

One of the theme areas of the IBP is transparency and participation in the budget process. The IBP directs major attention to addressing the absence of publicly available information and the existence of closed public processes because those conditions constitute serious obstacles to independent analyses, issue advocacy and civic engagement in budgeting. The IBP provides technical assistance to independent groups to further civil society efforts to participate in all phases of budgeting from formulation to legislation and execution.

3.2.2. *Public education and outreach*

The **Concord Coalition** in the United States is a nonpartisan national organisation (with local chapters of volunteers) that advocates fiscal responsibility. It organises public events and sponsors activities designed to educate the public about the impact of deficits and debt on the United States economy. The organisation is currently conducting a series of public meetings called “The Fiscal Wake Up Tour” (<http://concordcoalition.org/events/fiscal-wake-up/index.html>) to present discussions involving the Comptroller General of the United States, other government officials, current and former elected representatives and fiscal policy experts from research institutes like The Brookings Institution and The Heritage Foundation. The Comptroller General’s tour-related activities were recently profiled by a primetime television broadcast by a major United States network (CBS, 2007). The comments about the segment that are posted to the website provide an indication of the unevenness of the public’s knowledge of the United States budget.

Although personal contact by public officials can be more persuasive than other forms of communication, such activities are time-consuming and costly while reaching relatively small numbers of people. The Concord Coalition is seeking to develop online activities to extend its potential influence.

Also in the United States, **Next Ten** is an independent non-partisan organisation focused on budget and related issues facing the state of California over the next ten years. (Although it is a state, California’s annual budget exceeds USD 100 billion, serving a population of nearly 37 million.) Next Ten created “California Budget Challenge”, an online budget exercise that provides an excellent example of how technology can be used to educate the public about budget issues (<http://nextten.org/budget/challenge.php>). Next Ten is holding a contest for high school students to engage them in state budget issues. The student who develops the winning budget options will be awarded a USD 2 000 scholarship.

3.2.3. Informal public engagement: the future face of public engagement?

A web search for information implies a wealth of information on national budgets. A recent Google search of “United States budget” returned over 94 million hits. It listed web pages created by individuals or non-governmental sources before listings for official government sites like the Congressional Budget Office or the Budget Committee of the House of Representatives. A blog search using “United States budget” returned over 163 000 posts. The Wikipedia entry for “United States budget process” (http://en.wikipedia.org/wiki/United_States_budget_process) lists non-governmental sites as its first two external links. Similar results can be obtained for searches for other national budgets.

The political culture in the United States may cultivate greater individual interest in creating web pages and in blogging about budget policy than the current climate of other countries. The efforts indicate rapidly expanding online interaction and a virtual policy debate that extends beyond national borders. Although many individual efforts and postings can be brushed off as uninformed opinion, there are many examples of thoughtful and serious attempts to generate greater understanding and discussion of the budget.

- **thebudgetgraph.com, United States.** Jesse Bachman is a freelance graphics designer who created “Death and Taxes”, a visual presentation of United States spending for discretionary programmes (<http://thebudgetgraph.com>). His efforts illustrate the potential provided by the Internet for single individuals to engage in public issues. The creator, a self-identified liberal, reports that he undertook the project after he saw a pie-chart presentation of the budget that assigned defence a 14% share of spending. He thought that the pie chart misrepresented the amount of defence spending. His visual presentation emphasises annually appropriated spending. By reclassifying spending into the defence category (*e.g.* spending for veterans’ programmes and anti-terrorism activities) and excluding entitlements, the defence share rises to 64%.

Bachman reports some 150 000 hits on the website. He has sold 1 000 posters since September 2006, many to federal government and military offices, schools and universities. Visitors to his website have encouraged him to create posters for budgets of other countries.

Regarding the feedback he has received, Bachman said, “Mostly this project has [solidified] to me the **need** for a project like this to exist. It has really opened up a lot of eyes as to what is going on in that black hole called the federal budget. And not just to analysts and economists, but to everyday citizens, which is where it matters most. I really think knowing how your taxes are spent is essential to being a responsible citizen. Not only that, but

this knowledge can serve as an equaliser when the media tends to push certain wasteful budget programmes and ignores others.”

The budget graph site represents an emerging form of public engagement that allows individuals to take data, use them creatively, present a point of view to a global audience, and initiate a substantive online discussion. Other forms of engagement – such as “MeetUps”¹⁷ or small group meetings organised and publicised electronically – are being used to bring people together for discussions, presentations and informative gatherings, fundraising, and other activities related to civic issues and politics. Enterprising individuals will surely find many creative new ways to use technology to exchange views and influence the views of others.

Governments play no role in such informal public engagement activities other than putting information into the public domain. The availability of that official information, however, is vital to the virtual public debate. The information provided on many informal websites and blogs is inaccurate. However, if Internet users can find and verify information through official sources, they are then able to make more informed judgments about the content of any non-governmental posting and participate more confidently in online discussions.

4. Conclusion

Successfully engaging the public in national budgeting will not solve complicated budget and fiscal policy dilemmas, but it is an important part of an overall strategy both to encourage good government practices and to adopt politically viable yet responsible fiscal policies. Engaged citizens are more knowledgeable about government, hold more thoughtful and sophisticated views of public policy, and are less cynical in their attitudes toward government.

Improving citizens’ involvement in national budget policy is especially important. The budget represents the public’s priorities and allocates the responsibility for paying for those activities. If citizens are not engaged in national budgeting, they cannot exercise meaningful oversight and hold officials accountable.

Budgeting, however, is a technically complex as well as a politically difficult exercise, made that much harder because it is a means – not an “end” – of governing. Most citizens quite sensibly do not view responsible budgeting as a higher priority than the major tasks that they assign to government, such as improving the welfare of citizens or providing the national defence. Citizens understand poorly how fiscal problems affect their well-being. Too often when they receive information about the budget, it is negative. Press reports tend to focus on waste, abuse and corruption, thereby reinforcing popular mistrust of government. When elected officials discuss the budget, it

is often in highly partisan and simplistic terms that divide the population, rather than unify voters around common goals.

Efforts to engage the public are gaining the support of local officials and are becoming more common in municipalities and regional government. Those approaches, especially ones that involve direct participation by individual citizens in decision making, are not feasible at the national level. Other approaches to public engagement are required. National budget officials can help by providing citizens with the information they need to understand the budget and follow the public debate about fiscal policy. Technology has reduced the costs of sharing information (and has eliminated a major excuse for avoiding public disclosures). The potential reach of online information is vast.

A quick review of budget office websites indicates that many ignore the needs of the wide audiences that now have access to the sites. By designing more accessible websites and organising information in more attractive ways, government can encourage and support better public understanding of the budget. In addition, providing online access to comprehensive and timely information enables better quality research by academic and civil society organisations.

While not all citizens are interested in becoming more involved in the public debate over budgets and fiscal policies, those who want to learn more should be able to find the information they need. Work with public audiences shows that citizens are capable of understanding complex public issues and formulating rational opinions about how those problems should be addressed. What they need are more suitable materials. Public officials can support efforts to fill that void.

Individual members of the public need basic information in a non-technical, understandable form:

- They should be able to quickly find amounts reflecting total revenues and expenditures, budget deficits or surpluses, public debt levels, the composition of government receipts and spending, and recent budget trends. (Providing the information as a percentage of GDP in addition to currency amounts adds useful context, as does comparable information about other countries.)
- Information should avoid technical terms, if possible, or contain links to glossaries that explain them.
- Tables, charts, graphics and multimedia presentations help to put the information into clearer context.
- Background information, including discussion of major issues and an explanation of the budget process, promotes the public's education.

- Performance-related information helps to answer questions about whether public objectives are being met.

Legislators, civil society organisations, academic scholars and others require access to detailed accounting and financial data to perform oversight activities and conduct independent research. Those users demand comprehensive information and will be quick to identify gaps and misrepresentations. Governments that establish histories of full disclosure will develop reputations for honesty and trustworthiness that will extend beyond the immediate budget community. Their demonstration of openness will enhance their credibility.

Some budget officials are already using innovative methods to reach out to the general public. Online games, consultations and multimedia presentations provide non-expert visitors with enough basic information to understand the budget without intimidating technical terms and mind-numbing detail. Many of those initiatives are new. As experience accumulates, public officials will be able to determine which approaches are the most effective and attract the greatest public interest.

In addition, activities conducted by civil society organisations and individual citizens multiply the number of people who come into contact with the issues. Those non-governmental efforts depend on access to official information. Independent activities can improve the quality of the debate, increase transparency and inject new perspectives on the issues in ways that encourage greater popular interest and make positive contributions to policy development.

The rapid development of technology is changing the way people seek out and access information. Traditional forms of communication are being overtaken by new developments. Increasingly, more people – especially younger generations – are participating in unorganised, informal communications such as blogs and other Internet-based discussion forums. Governments, which once could contain debate by limiting access to information, are finding it difficult to resist popular demands for greater openness. In the new information environment where anyone can start a blog and communicate globally, government is likely to find that it is increasingly difficult to package information and control how it is used. The best strategy to counter misinformation and speculation is disclosure, thereby assuring that high-quality, accurate information is available. Credible, reliable and accessible information serves as a valuable reference against which other information sources can be compared. Individuals and civil society organisations can incorporate accurate publicly available information into their own outreach and public engagement activities, raising the quality of the overall public debate.

There is no single approach or initiative that is guaranteed to reach all citizens or to raise the public's overall level of knowledge of budget issues. Governments can demonstrate their receptivity to public input and discussion by being open and transparent and providing opportunities for citizens to express their views. Activities that support citizens' engagement provide valuable opportunities for mutual listening and learning. Public officials and lawmakers benefit from more informed constituencies. Citizens gain more accurate awareness of national issues and challenges. Actions that governments take to welcome citizens into the public discourse about national budget priorities promise to strengthen society's civic fabric and improve the quality of public interaction, thereby creating a more positive environment for addressing the difficult challenges that lie ahead.

ANNEX

Tips for Improving the Accessibility of Budget Office Websites

Budget office websites are often designed to meet the requirements of those directly involved in the government budget process. Those users are well acquainted with budget trends, terminology, concepts and accounting principles. But the website can also serve as a valuable reference for much wider audiences, including members of the general public, journalists, academics, students and foreign investors, who are unfamiliar with basic budgetary information.

The following suggestions are designed to provide an entry point into budget information for non-expert users. As users become more familiar with the budget, they should be able to conduct more in-depth research. (See OECD, 2001b, for a more comprehensive listing of information that should be publicly disclosed.)

- Consider creating a visible separate area for information designed for general public access. Create a link on the home page to that area using titles like “Citizens’ Guide”, “Quick Facts” or “About the Budget and the Budget Process” to signal introductory information.
- Content: When deciding what information to provide, ask what citizens should know or be able to learn about the budget. Information to include:
 1. Factual information:
 - Total revenues, total spending.
 - Revenues and spending by major category.
 - Deficit and debt amounts.
 - Amounts for current year and upcoming budget year.
 - Historical numbers to illustrate major trends.
 - Projections for future years without policy change.

2. Information about changes proposed in the most recent budget:
 - Total revenues, total spending.
 - Revenues and spending by major category.
 - Fiscal goals (projected deficit/surplus and debt levels).
 - Major policy proposals.
 3. Economic indicators to disclose assumptions underlying the budget and to provide economic context (for example, size of budget relative to GDP).
 4. Performance indicators, or links to such indicators, for major budget programmes that describe what the programme does, its objectives, and how well it is accomplishing its mission.
 5. Explanation of the budget process and its timetable (in non-technical language).
 6. A glossary to define terms and explain acronyms and abbreviations.
 7. Feedback: If visitors are encouraged to submit views or comments, the site should report results of such consultations back to them.
- Presentation:
 - ❖ Keep the site up to date. Alert users to upcoming releases of major documents or upcoming milestones and mark that information, when posted, with release dates.
 - ❖ For proposed policy changes, provide pre- and post-policy amounts, in addition to indicating the amount of the change in percentages or in currency. For example: “The proposed policy would increase spending in 2008 by 100%, from USD 100 million to USD 200 million” and not “The proposed policy would double spending in 2008.”
 - ❖ Use tables, pie charts, animation, other graphics, video and audio to highlight major points, enhance presentation, connect with the site visitor and keep his or her attention.
 - ❖ Provide alternative formats (PDF, html, flash, media formats, spreadsheets) to accommodate the needs and bandwidth capabilities of users.
 - ❖ Provide links to other relevant websites (e.g. legislature, treasury or finance ministries, comptroller, government agencies or ministries).
 - ❖ Provide site search capability and pay attention to site navigation features (drop-down menus, “back”, “home”, etc.) to help users move through the site and find information.

Notes

1. For example, see a description of OECD work on public engagement at: www.oecd.org/gov/citizens. World Bank activities can be found at: <http://lnweb18.worldbank.org/ESSD/sdvext.nsf/66ParentDoc/ParticipationandCivicEngagement?Opendocument>.
2. The author was limited to a search of websites and resources available in English and French. Thus the websites selected serve to illustrate, not to survey.
3. The most well-known and longest-running participatory budgeting initiative is Porto Alegre, Brazil. For more information about Porto Alegre's experience, a good place to start is the website of the Participatory Budgeting Project of the Center for Human Settlements at the University of British Columbia: www.chs.ubc.ca/participatory/resources.htm.
4. See Wampler (2000) for information about implementing participatory budgeting. See also the participatory budgeting Internet page of the International Budget Project: www.internationalbudget.org/themes/PB/index.htm.
5. It is beyond the scope of this article to discuss transparency efforts and practices. See OECD (2001b) for recommendations about information that should be disclosed. In addition, see the website of the International Budget Project for information on transparency and open budget initiatives in 36 nations with developing and transition economies: www.internationalbudget.org/index.htm.
6. See also Varonis et al., 2004.
7. The author holds the title of Director of "The Exercise in Hard ChoicesSM".
8. Participants do not represent a statistically valid sample of the United States population. They do tend to reflect the characteristics of individuals who actually vote.
9. See the PowerPoint presentation about Cyber-Budget at the symposium on e-democracy held at the Council of Europe in Strasbourg, 23-24 April 2007: www.coe.int/t/e/integrated_projects/democracy/EDemocracy/Morali%20PPT%20-%20R%C3%A9union%20Symposium%20Cyber-budget.ppt.
10. See the Japanese Ministry of Finance for another example of a government-sponsored budget game: www.mof.go.jp/zaisei/game.html (in Japanese).
11. See OECD (2003) for a discussion of effective practices for online consultation.
12. For a description of the Porto Alegre experience, see World Bank (2003b). See also UN-HABITAT (2004).
13. For resources about participatory budgeting in Porto Alegre, see "Porto Alegre Participatory Budgeting Virtual Library", www.wier.ca/~%20daniel_schugurensky/lclp/poa_vl.html.
14. See National Conference on State Legislatures, "Talking Points on TABOR", www.ncsl.org/programs/fiscal/taborpts.htm.
15. City of Eugene, Oregon, Budget Committee, www.eugene-or.gov/portal/server.pt?space=CommunityPage&cached=true&parentname=CommunityPage&parentid=0&in_hi_userid=2&control=SetCommunity&CommunityID=324&PageID=0.
16. More information about the Center on Budget and Policy Priorities, which conducts research on United States budget and fiscal policy, can be found at www.cbpp.org.

17. MeetUps were originated by the Howard Dean campaign for United States president in 2004 as a way to gather supporters and generate excitement and donations. MeetUps are simultaneous gatherings co-ordinated through a website. They rely on volunteers to make arrangements for meeting locations, including private residences, bars and restaurants. Interested individuals can sign up on the website to attend the meetings. The gatherings are a way of combining substantive engagement in an issue or cause with social interaction.

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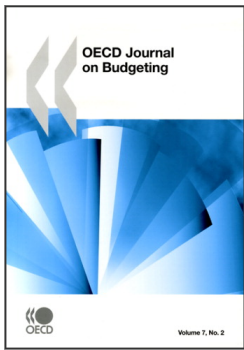
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