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## **Participative Democracy and Participative Budget in Germany**

### **1**

The famous French statesman and cardinal Armand-Jean du Plessis Herzog von Richelieu (1585-1642) once said:

“ The budget is a states nerve. Hence, it has to be taken away from the profane eyes of the subjects.”

This statement seems to be true even today. Of course, skilfully the budget is taken away the views of the citizens in these modern democracies. It is presented in such a complicated way that it takes the expert knowledge of the politicians and bureaucrats in order to read and understand it. Hence, the citizen does not really feel the desire to deal with it. If he, however, does make the effort to read and understand, than there are laws, which secure that he has no influence on the formation of the budget.

This traditional politics understanding has been opposed first by the southern brasilian city Porto Alegre with its “Orcanamento Participativo”, the participative budget order or citizen budget. The citizen himself does give the priorities for the budget, he himself controls that the budget follows these priorities and the administration has to give him the evidence over how the budget has been used and what has been done. Now, one can see variations of this new politics understanding in many places of the world. Slowly this new idea even reaches Germany. Slowly, maybe because traditionally it is very hard for the Germans to learn from others, especially from a country of the third world.

In the following, I will show where in Germany one can see already hints for establishing a stronger citizen participation, which obstacles exist, which experiments are being done in present and how they differ from the participative budget in Porto Alegre. At the end I will give a small view onto possible further developments.

### **2**

First we will have a look at the hints of establishment. A first one we can find in the small perished state, the GDR. In the former state-socialistic GDR parliamentary democracy, as is well known, was not very popular, however there where starting points for a participative democracy. In every city residential areas housing between 2.000 to 2.500 inhabitants had living area committees from the National Front , which were consulted regarding important questions for the development of the district. For instance, they could be involved with matters, such as if and where playgrounds, shopping facilities or streets were built. Of course this was an ordered participation, but therefore it covered almost all areas. Of course those

living area committees also acted as a instrument showing of power by the rulers, but at the same time it represented a democratic element, that in every way could have developed a certain independence. On the one hand, they should communicate to the ground as unchangeable decisions, on the other hand, however, they also allowed-within certain limits-the involvement of the people. This basic idea, citizen participation in the creation of made decisions, we will meet again later on.

Which elements reaching further than the parliamentary or representative democracy, exist in today's, united Germany that could be used as starting points for a stronger participation of the citizens in political decisions? Firstly, one has to name the public legislation. Since Germany is a federal state we have got the possibility that the people can give up their opinion to certain questions. People can start the so-called public initiatives by going onto the streets to collect signatures for a certain matter. If enough signatures have been gathered together, the parliament has to deal with the appropriate problem. If it rejects the initiative, signatures can be collected again. This time, however, more signatures are needed and not from the streets but from the authorities. Are there enough signatures, the parliament has to deal with the problem again. If it rejects it again, however, the people are being asked. It comes to a plebiscite. Similar procedures exist in most other countries for villages and towns as well. It is, however, always about single problems, which, according to the initiators, have been either not at all or wrongly decided by the parliament. Although from the start, it is not about citizens participating in political decisions, but at least this way the people got the possibility correcting political decisions. Within limits however. Excluded are, for instance, decisions to financial questions or with financial consequences. But which decision would not have to do with money? And a legislative for all of Germany would not be possible at all, compared to many other European states. That is why we are one of the few countries, whose constitution has been accepted not by the people but only by the parliament. In Germany there was no vote neither for the introduction of the Euro nor the expansion of the European Union towards eastern European countries.

Now we will have a look at the participative democracy in Germany. There is an area, in which for long we in Germany have got considerable opportunities and positive experiences. I am talking about the building planning. The statute book for the building society says clearly: "As soon as possible, the citizens need to be told about the general aims and purposes of the planning, possible differing solutions, which can be considered regarding the reorganisation or development of an area, as well as the possible consequences of the planning; they need to be given full opportunity for expressing and discussing their opinion/view... Points can be expressed within a certain period of time and have to be checked trough; and the result has to be reported." (statute book for the building society). Hence, this is a forcing rule. Everybody has got the chance saying their opinion and the administration has to look through these opinions, prove and test them against other different opinions and interests and explain their decision in a written way. Thus, the citizen can participate and influence an important part of life. In the correct way, however, there are sometimes seen problems. For example, it is not arranged how those plans are laid out, how easy it is to reach them, where they are laid out. It can happen of course that the interested citizen sits in front of meter-long piled-up files without a chance gasping the main importance and the problems of the content. That is why citizens are often very frustrated, because in comparison the opinion of a big investor or the

administration counts much more than their objection. Hence, here much improvement is still needed.

A further point of establishment for the participation of the citizens on budget-related questions exists in the so-called social reports. In all areas we find the different reports, children-and youth reports, health reports, poverty reports, sometimes wealth reports. Most often it is about big data grave yards, which are being used by the politicians according to their various arguments. The social reports offer a big advantage. They deliver important information over the social situation. Only these allow statements if certain budget means are appropriate or not. With the help of the so-called budget analysis the consequences of certain budget decisions onto certain living situations could be documented, for instance for children, for the equality of the sexes or for the nature. This allowed a better understanding of the budget instead of just a simple representation of figures for receiving and spending. With this better understanding, the citizen got more chances getting involved. Unfortunately, as far as I know, the existing political instrument for the social reports in Germany is until now not being used for the representation of the budgets.

### 3

With this I reached the main point of my report, the participative or citizen budget in Germany. As already mentioned, everybody can look into the budget in public. Also, via the parliamentary party he can try to take influence into the decisions of the parliament. Often the parliaments themselves offer discussions to certain parts of the budget. However, all this is not valid for the participative or citizen budget. The question is, how far can the citizen take influence into the creation and arrangement of the budget.

The furthest development can be seen in the federal state Nordrhein-Westfalen. There, at the end of the year 2000 the interior ministry in cooperation with the Bertelsmann Foundation initiated the model event “Communal citizen budget” in which six communities take part on. “The aim of the project is to inform every citizen better about the budget of their community and to promote a stronger citizen participation on the developments and happenings of the budget.” ([www.buergerhaushalt.de](http://www.buergerhaushalt.de)). The project is composed of three parts. The first part deals with the information over the budget. “In this step the towns inform their inhabitants over their budget, but in a form that is understandable not only for the expert but for everybody. Where does their money come from? What is it spend on? How is the financial situation like? Which opportunities for negotiating exist?” (dito). The second part is concerned with the citizen participation on the budget. “The citizen participation is the ‘heart’ of the project. The cities will offer their inhabitants the opportunity to express their opinion to all their questions about the budget and to make suggestions and proposals... The decision over the suggestions and the budget remain with the council” (dito). The third part is concerned with the proving of what has been done. “After the budget has been agreed, the towns have to explain to their inhabitants what had happened with their suggestions, how the council had decided and why it had made this decision” (dito). As an aim of this model it is given: “Our aim is, to improve the understanding as well as the engagement of the citizens in order to prepare the foundation for one of the most important directional changes of their towns” (dito).

Let us have a closer look at the single models in some of the participating communes. The most interesting procedure is maybe the one in the city of Emsdetten. There the mayor views the project as his project, which is according to all experiences a very important assumption. The administration has presented understandably and obviously the budget as a sort of brochure or in the internet. The citizens have got countless possibilities taking part on the consultations, for instance via questionnaires, internet or in a citizen forum. Additionally, around 2000 citizen chosen by chance according to demographic viewpoints have been invited. 90 citizen registered themselves, 76 actually came. The debate dealt with six different possibilities to balance the budget:

- by the reduction of costs for staff and objects;
- by the reduction of building maintenance and –managing;
- by the reduction of voluntary service, so for example in culture and sport;
- by taking away support, savings;
- by rising the taxes and by taking on a credit and
- by the selling of buildings.

The largest number of citizens decided for the selling of buildings. The council, the communal parliament there, mainly followed this proposal.

The city of Hamm in Westfalen with 185.000 inhabitants set up its first citizen budget for 2003/2004. Therefore, 50.000 homes received appropriate brochures. Also, the citizens have been asked for their main concerns, problems, questions etc. This questioning showed that the streets and cycle ways were most important to most people. A citizen forum and a questionnaire action also deal with this problem later on. Thus, the people could point out a problematic topic first and then discuss their suggestions for the appointed area. Then the council decided a part of the proposed methods and offered the needed means. However, due to the lack of money, most of the from the citizen given proposals had to be rejected. Most probably a frustrating event for all of the participants. In my view, this procedure has to be changed in a way that all interested people get to know the available amount of money and thus the possible steps at the first place.

With the help of students, a very visual way explaining people the budget has been done in the city of Hilden. In February 2003 the citizens were invited to an giant Monopoly game, HILDOPOLY. The rules for the game where the following: Every field of HILDOPOLY represented a part or service of the city of Hilden. Staff working in the departments of the city council had to give answers to every question. The citizens could ask and give proposals. Also, the city offered a “Budget Tour”, a bus tour, on which interested people could ask about certain plans and events. So far, the model in Hilden was limited on a better understanding about what the city spends people’s money on, and on the collecting of suggestions for changes and amendments.

#### 4

All of these models differ significantly from the procedure in Porto Alegre, in which the citizens discuss the entire budget and formulate the priorities for the layout of the budget, in

which the suggestions of the citizens are very obligatory and the method of the citizen participation is discussed and varied.

Who knows a bit about politics in Germany, is asking anyway, why precisely the interior ministry of Nordrhein-Westfalen and the Bertelsmann Foundation put so much effort into the citizen budget. So far both, however, did not really strike through a remarkable basic democratic engagement. One can get a possible answer by looking at the budget situation in the German communes. For a long time the takings/revenues do not cover the necessary expenditures anymore. Even apparently wealthy communes such as Munich are in sever debt. Poorer communes even have to sell some of their best properties in order to ‘survive’. Almost all communes had to take on credits, which they do not know if and how to pay back. Almost none without a budget security concept that at least acts as if there could be a balanced budget again in ten years time.

Despite the hope of objective, expertise decisions and the bigger acceptance of the made decisions through the participation of the citizens, the next and most important question, which the mentioned model trial should explain, is how do I show and explain the budget situation to a citizen without making him angry or ‘run away’. Almost with relief one of the first model result analysis says:” The concern that for a proper citizen participation on the budget financial play rooms are necessary has not become true. Some project communes are being watched by a budget security concept. Especially here it has been proved that the proposals and concerns of the citizens have been done in a cost conscious way. The understanding for the necessity to safe exists. Also, there is the willingness of the people to even renounce for their own disadvantage upon public accomplishments”. The on the project participating 80.000 people housing town Castrop-Rauxel, whose constant expenditures also could not been covered by the revenues any longer, asked their citizens for suggestions to safe. The mentioned citizen forum in the town of Emsdetten offered all “participants the opportunity to take part in the involvement and discussion regarding the balance of the entire budget.” “The goal was closing a financial gap of 2.8 Mio Euro. The aim of the citizen forum was to offer a proposal to the council that would be able to close this financial gap” (2. Middle Report). In the city of Rheinstetten the question is also about the citizen budget: “Should Rheinstetten be in favour of the rise of the revenues or the reduction of voluntary service?

Hence, the question is not as in Porto Alegre the participation on budget decisions or at least the consultations regarding the budget, but the acceptance of reductions, it is about the participation on the administration of the increasingly larger becoming shortage. At the end of the day the model is not about stopping the appearance of critic and protest regarding the shortage by giving the citizens the feeling of taking part in the shortages. That is why it is - in contrast to Porto Alegre - not about actual decisions of the people but about their questioning. Logically, the middle reports have changed the phrase “participation of the citizens” correctly into “the consultation of the citizens”. The model project initiated by the Bertelsmann Foundation is thus a so called conservative variant of the “Orcanamento Participativo” of Porto Alegre. Strangely, it follows completely the already mentioned model of the GDR, participation yes, but the basic conditions for the participation remain absolutely untouchable. As seen then in the GDR, the citizen should help managing the shortage and not think about

the shortage. Somebody might recognize that in this country, nevertheless one of the richest countries in this world, some become wealthier and faster wealthy, and that thus there is no money in the public tills any longer.

This is not a criticize the honest engagement the participating communal councils and citizens. I also think the form of participation is a progress, since participation of the citizen on the shortage management is still better than a shortage management without their agreement. Within the communal field there does not exist any play room that could question the basic neoliberal concept. I just want to point out that one should always remember the involvement of the citizens into neoliberal concepts.

## 5

Finally, we will dare a little view into the future. One has to stress the German capital Berlin, which is federal state and commune at the same time. There initiatives are most often organised by the citizens of the city. In two groups of initiatives they try to support the idea. Slowly, politics prepares itself for this. Two factors contributed to this largely. First of all Berlin is bankrupt as no other federal state and even those are not well. In Berlin nothing works without the help from outside, thus the federation anymore. It seems that in such absolute emergency situations politics is willed easier going different, unusual routes even going in compromises. At least all educational associations close to the parties have already talked to each other and have organised a joint event regarding this topic. This is even more remarkable considering I do not know about a second joint event of the educational associations close to the parties SPD, CDU, FDP, Gruene and PDS.

The second factor is the government participation of the left wing party PDS in single city districts and in the federal parliament, the parliament of Berlin. Although it has got some difficulties with the citizen budget it principally supports this idea. It has included the citizen budget as a demand in the their new party programme. In Berlin it will make participation as one of their brands. In some city districts of Berlin the city councils with influence of the PDS start municipals that deal with this topic. Even in my own federal state Brandenburg enclosing Berlin, first developments are visible. For instance, as the first and so far only commune in Brandenburg the federal capital Potsdam has decided to introduce “elements of a citizen budget” for the budget of the year 2005. In other cities more or less intensive discussions are held about the possibilities of a bigger citizen participation on the budget. The Rosa Luxemburg Foundation Brandenburg is supporting this development by their own internet site. Also, we are working on a budget analysis, which should test what effects the new federal budget has on children of the age of 12.

However, back to the Berlin initiatives “from below”. These initiatives have defined their measures for a participation procedure on the budget and presented to the politics. According to those measures differences and common characteristics of the model trials between the Bertelsmann Foundation and the interior ministry of Nordrhein-Westfalen become clear:

- Citizens should take part on political decisions already before the base line of the decision has been fixed.

- The composition of the citizens should be balanced or in other words for the population representative (no dominance of the “activists”).
- Low level, punctual opportunities for the participation should be offered (no long ways, less time effort, no commitment to continuous involvement, no “dictatorship of the sitting”).
- In a dialogue like procedure different suggestions have to be analysed by the participating people and multiply voted solutions to be looked for.
- The expertise knowledge of the citizens should be used, but further needed expertise been offered (by experts, administration and interest groups).
- At the beginning of the procedure one should agree under which conditions and in which degree citizen proposals are given political binding for the final decision (for example if in case of a rejection an explanation has follow).
- Groups with a weak articulation should be supported by the procedure.

In contrast to the model in Nordrhein-Westfalen citizens should be able to say their opinion about the procedure of their participation. They should have a right expressing their view about the determination of the priorities. And their involvement should be more binding for the politics. As in Nordrhein-Westfalen offers regarding the citizen participation should be easy to enter for everybody and the budget understandable and clear without the need of expertise knowledge. The next two years will show most probably if and how these visions become reality.

All in all I can say: A not even similar ripe and far reaching procedure as in Porto Alegre does so far exist in Germany. But slowly, very slowly the citizen participation on the budget develops even in my country. Very certainly the citizen or participative budget remains an exiting topic and will most probably not be removed from the agenda.

Thank you for your attention.