

Policy Entrepreneurs in Motion: The Diffusion of Participatory Budgeting Programs in the
United States

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Abstract

As we emerge from the Great Recession, participatory budgeting (PB) is diffusing to local governments in the United States. First developed and adopted in Porto Alegre, Brazil in 1989, the program has gained popularity in other countries and continents. It was not adopted in the United States until 2009, when it was piloted in a Chicago ward. However, it has now been used for a portion of budgetary decision-making in several cities, including New York, St. Louis, and San Francisco. The City of Vallejo, California, which recently experienced a bankruptcy, was the first city in the United States to adopt participatory budgeting for a citywide budget program and completed its second cycle in 2014. Since the federal government approved PB for use in the allocation of Community Development Block Grants in late 2013, its adoption is likely to further spread. The growing popularity of PB provides an opportunity to examine the dynamics of policy innovation, adaptation, and venue shopping as it is occurring in contrast to past innovation studies that have been largely retroactive. It also enhances our understanding of policy entrepreneurs and networks. This paper draws upon secondary sources and observations from the 3rd International Conference on Participatory Budgeting in North America, held in 2014 in Oakland, California. A second phase of research will include surveys and/or interviews of key stakeholders.

Key Words: policy innovation, policy diffusion, local government, participatory budgeting, knowledge broker, policy entrepreneur

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As we emerge from the Great Recession, there has been growing professional interest in civic engagement initiatives at the local government level. These initiatives, which include the adoption and diffusion of participatory budgeting programs, provide an opportunity to gain understanding of diffusion processes as innovations are actually diffusing rather than the more retrospective analyses that constitute the majority of diffusion studies. More contemporary analysis allows for more direct exploration of different diffusion mechanisms. Similarly, program adaption and variation in program components can be more directly identified. A final advantage of this approach is that distinctions can be made between the roles played by knowledge brokers, policy advocates or entrepreneurs, and networks (Koski, 2010).

This article uses the case of participatory budgeting (PB) as a critical case to examine the dynamics of innovation diffusion at the local level in the United States. PB was first developed in Porto Alegre, Brazil in 1989. It was not adopted in the United States until 2009, when it was piloted in a Chicago ward. Since then, PB has been adopted in portions of a growing number of mostly large American cities and the Obama administration has approved it for communities to use in the allocation of Community Development Block Grant funds. This paper is based on the first phase of research, which includes tracing the history and adoption of PB through secondary data and observations at the 3rd International Conference on Participatory Budgeting in North America, held in 2014 in Oakland, California. A second phase will include review of Participatory Budgeting Project financial reports and interviews of key participants to confirm and expand upon these findings. It may also include an expanded comparison of priority-based budgeting versus participatory budgeting programs.

Before moving on to this analysis, this paper reviews the need for the more contemporary analyses of the diffusion of innovations. Next, the role of policy entrepreneurs and networks is

discussed. The participatory budgeting case and related analysis then follows. The final section includes insights and a preview of future research.

Studying the Diffusion of Innovations

Most studies of the diffusion of innovations have been retroactive quantitative analyses.

These quantitative analyses have the following main purposes:

1. *To compare significant variables for a particular innovation against comparable variables used in other diffusion studies.* These are usually referred to as internal and external determinants (Berry and Berry, 2014). Internal determinants include demographic and organizational characteristics. In general, governments with larger populations and with the financial capacity to devote slack resources have been found to be more innovative. External determinants include contextual factors related to particular innovations and also diffusion mechanisms.
2. *To identify patterns or significant variables that might not be apparent through more qualitative studies.* For example, statistical analysis may identify that high membership in environmental organizations is associated with the adoption of environmental innovations or that there is an interaction effect between foreign-born population and having ballot initiatives related to state-level adoption of English-language only declarations (Schildkraut 2001).
3. *To serve as proxies or indirect measures of diffusion mechanisms.* For example, nearby jurisdictions and region identity are used in neighbor and fixed-region models (Berry and Berry, 2014; Mooney 2001). The assumption is that there is some kind of communication or commonality amongst similar governments. However, these variables are proxies or indirect measures since actual communication channels are not measured

and in many instances cannot be identified if retrospective analyses are conducted long past the first adoption of an innovation.

The use of event history analysis (EHA) has been gaining in popularity within this body of research (e.g. Berry and Berry, 2014, 309). EHA involves running a series of regression models, beginning with the first time period an innovation was adopted and ideally continuing through the final year a jurisdiction adopted the innovation. Once a particular jurisdiction has adopted an innovation, it is removed from the model and the model then ‘predicts’ which of the remaining jurisdictions are likely to adopt the innovation based on the same set of independent variables. EHA was pioneered by Berry and Berry (1990) in their studies of the diffusion of state lotteries and much of the research on policy diffusion has continued to focus on the state level of government.

While EHA has done much to advance our knowledge of internal and external characteristics associated with the diffusion of innovations, there are limitations. By definition, the focus is on diffusion as a sequential process. The most common diffusion graph, compatible with EHA, is that the accumulation of adopting jurisdictions forms an S-curve. There are a few early adopters, a steep slope as the adoption accelerates, and then a leveling off as adoption either reaches saturation or a point where there are no longer receptive jurisdictions (Lave and March, 1975; Rogers, 2003). The S-curve is based on epidemiology or contagion models, whereby there is initially a small population that is ill, rapid spread of a contagious virus or disease, and then a leveling off when most of the vulnerable population has been exposed or there is effective immunization.

An alternative way of graphing diffusion, also based on contagion modeling, is through social network analysis, which identifies key or central actors, links to other actors, and the strengths of those connections or links. The type of network to be graphed in diffusion studies also would be similar to an epidemiology graph that shows Patient Zero (0) and then the spread of the illness to other individuals. Patient Zero may be either the first person actually known to have a disease (if transferred from bacteria or animals) or the first person to spread the illness to a new population. For innovation diffusion studies, the equivalent of Patient Zero would be a policy entrepreneur or the first jurisdiction to adopt an innovation. The spread would be viewed as positive diffusion rather than an epidemic to be stopped. Social network analysis would require more contemporary information, but would have the benefit of being able to incorporate a wide variety of actors in the analysis, including policy entrepreneurs, interest groups, adopting governments, and professional venues.¹

So far, though, there have been few studies that have used social network analysis or related techniques to trace the diffusion of innovations. An exception was a study with a series of social network analyses on Australian local government innovation, but it dealt more with internal supporters of innovation than the diffusion of specific innovations (Considine, Lewis and Alexander 2009). A more common approach has been to look at the role of particular policy advocates or knowledge brokers in case study research (e.g. Koski, 2010).

In addition to issues about sequential versus more contemporary analysis, there are other aspects of diffusion processes that are more appropriately addressed by other research designs.

EHA requires each adoption to be categorized as occurring within a single year; this is an

¹ Graeme Boushey (2010) in *Policy Diffusion Dynamics in America* uses an epidemiological figure to show how policies may diffuse across states. However, he shows it more as a triangle or triad with interest groups and professional organizations (agents), state characteristics (hosts), and innovation characteristics (vectors of the disease). However, as a triangle, it doesn't portray the actual diffusion mechanisms or communications between the three sides.

imperfect variable even when dealing with legislative acts because there are variations by fiscal year or legislative cycle. Program innovations are even less likely to match up with a particular year. Is the best year when the innovation first started or when it was developed enough to be emulated by others? As discussed later in this paper, the Participatory Budgeting Project appears to classify adoptions as when a participatory budgeting cycle first started, but there have been planning periods that started earlier and a full cycle takes up to a year; a more qualitative approach can identify these nuances.

EHA also assumes that each jurisdiction adopts the same form of innovation and that the same diffusion mechanisms apply to each adoption. Furthermore, EHA does not distinguish whether a jurisdiction adopts an innovation because of imitation, learning, normative pressures, or other reasons (Berry and Berry, 2014). Rather, different independent variables are put together in EHA models that are meant to represent different avenues or motivations. As a result, there are separate sets of research studies that examine diffusion mechanisms and the actors involved in innovation diffusion.

Networks, Policy Entrepreneurs, Knowledge Brokers, and Champions

In order for an innovation to actually diffuse, policy entrepreneurs and other advocates need to be linked to others. Over time, an innovation network is created. Everett Rogers (2003), in his definitive work, *Diffusion of Innovations*, provides a thoughtful overview of how networks develop. According to Rogers (2003, 305), “a fundamental principle of human communication is that the exchange of ideas occurs most frequently between individuals who are alike, or homophilous.” Initially, diffusion is more likely place among a small group of people with similar characteristics, although the rise of electronic communication, it appears that the network can be more geographically dispersed than the examples Rogers cites. However, Rogers points

out that for an innovation to more widely diffuse and reach a critical mass, a homophilous needs to become heterophilous. A respected opinion leader is needed serve as a bridge to a larger audience and ideally, there will be several. Rogers makes a distinction between opinion leaders and change agents, but it appears that there can be overlap between the two.

There is a healthy literature around the role of entrepreneurs in promoting innovation, but it includes a mix of studies about public sector entrepreneurs and more external change agents (Borins 2014, 20-25; Mintrom, 1997; Mintrom and Vergari, 1996). It also has been recognized that nonprofit organizations and interest groups can take on entrepreneur roles, venue shop, and provide key resources to receptive organizations (Godwin and Schroedel, 2000). Koski (2010, 97) argues that a nonprofit can provide “policy kernel” or template and facilitate the transfer of information to receptive organizations. Koski uses the example of the U.S. Green Building Council’s support of Leadership in Energy Efficient Design (LEED) standards to illustrate how nonprofits may act as knowledge brokers.

Hale’s (2011) view of nonprofit organizations is much more expansive, based on a study of the diffusion of drug courts. She also recognizes that a nonprofit may link with receptive governments, but identifies the possibility of multiple organizations being involved with the diffusion of innovations. Hale presents a typology of nonprofits that includes champion organizations, akin to policy entrepreneurs or change agents; supporters that facilitate adoption but are not as centrally involved; challengers, for contested innovations; and bystanders that are aware of an innovation but are not actively involved. While other scholars have also studied champions and sponsored, Hale’s (2011, 176-177) definition of a champion organization’s activities is especially complete:

Champion organizations are highly engaged in the policy debate concerned with a particular policy question and also strongly in favor of a particular innovation as

the solution to the dilemma at hand. Champions can be expected to generate information that demonstrates the need for policy change. Champions can be expected to be heavily involved in the design of an innovative policy solution and in providing assistance for implementation. Policy templates of best practices, model programs, and policy experiences are examples of the forms of information that emerge from policy groups. Champions may also be involved in generating information that demonstrates the relative worth of a particular solution in comparison with other ideas. Champions may generate or sponsor research or evaluative data that demonstrate the performance of a new idea relative to other options.

Especially with growth in the nonprofit sector, champion organizations may be more of the norm in the diffusion of innovations in the 21st century. However, it may well be possible that knowledge brokers are associated with some types of innovations, such as the low-salience policies studied by Koski, while champion organizations (and more extensive networks) are associated with others.

Methodology

The diffusion of participatory budgeting (PB) was selected as a critical case study, although it has elements of being a revelatory or extreme case as defined by Yin (2014). PB is an appropriate case for tracing diffusion processes because it is relatively new. It was first adopted in the United States in 2009 and the related nonprofit, the Participatory Budgeting Project, was incorporated as a nonprofit in 2011. There is also a clear initial policy entrepreneur/advocate and first adopting jurisdiction as well. PB is in the midst of diffusing to new jurisdictions. The key policy entrepreneurs are still actively involved in promoting PB processes.

PB is also exceptionally well-documented. The executive director of the Participatory Budgeting Project has a Ph.D. in politics and has been part of a research community that has

published numerous articles in academic and professional venues promoting PB and critically examining its adoption. The nature of the innovation itself, as a democratic innovation, means that proponents tend to be transparent about how they learned about PB and promoted its adoption.

This analysis focuses on these materials. There is a relatively robust literature on the development of PB in Brazil and adoption in other countries; many of the authors are also members of the Board of Directors or the Advisory Board for the Participating Budgeting Project. The co-founder and executive director of the Participatory Budgeting Project, Josh Lerner, included discussion on PB in his 2011 doctoral dissertation, which was adapted into a book, *Making Democracy Fun: How Game Design Can Empower Citizens and Transform Politics* (Lerner, 2014b). Lerner (2014a) also wrote a short history of PB and his involvement when the Participatory Budgeting Project was awarded the inaugural Brown Democracy Medal by the McCourtney Institute for Democracy at Pennsylvania State University.² This booklet, information on the Participatory Budgeting Project's web site (www.participatorybudgeting.org), a list of publications on Lerner's personal web site (www.joshlerner.net), and essays and studies by other scholars constitute a relatively complete history and archive on the initial promotion of PB, adoption and diffusion in the United States.³

As appropriate, information presented at the 3rd International Conference on Participatory Budgeting in North America, held September 25-27, 2014 in Oakland with over 230 participants, is included. The author attended a full-day training workshop on PB, an evening opening

² This publication, *Everyone Counts: Could "Participatory Budgeting" Change Democracy?* is a 5" x 7" booklet that has 48 numbered pages plus two pages of front and end descriptions. It was published by Cornell Selects, part of Cornell University Press, which is described on the copyright page as "a forum for advancing provocative ideas and fresh viewpoints" and including works that are "longer than an article and shorter than a book," to "appeal to any reader."

³ Key publications only are cited in this paper.

plenary, and sessions the following day (choosing from four tracks). The author was not able to attend an observation of PB in the City of Vallejo and final sessions, but did hear a presentation by Marti Brown, who led efforts to implement PB in that Vallejo. For this paper, general observations and presented information only are discussed; session notes and speaker biographies are also publicly available at www.pbconference.org. The author had a number of informal conversations with many of the presenters, attendees, and PBP staff as preparation for the next research phase. First, though, participatory budgeting is discussed in the context of other budget-related public participation efforts and in terms of its initial development in Brazil.

Participatory Budgeting

Participatory Budgeting as a Civic Engagement Strategy

One way to consider participatory budgeting is as one of a number of different strategies for involving the public in budgeting processes. Local government professional organizations, with the support of several foundations, have increasingly promoted civic engagement initiatives (Barnes and Mann, 2010; Hoene, Kingsley, and Leighner, 2013; Leighner and Mann, 2011; Working Group on Legal Frameworks for Public Participation, 2013.) The International City/County Management Association used the International Association of Public Participation's Spectrum of Citizen Participation in its 2012 State of the Profession Survey. The results show widespread support for the goals of public participation, although the support is not as strong for empowering citizens to make decisions and there is some drop off between supporting public participation goals and actual practice (Godwin, 2014; Vogel, Moulder, and Huggins, 2014).

The Spectrum of Public Participation resembles an updated version of Arnstein's (1969) ladder of citizen participation, so that cities can see their progression from the more passive

forms of engagement to full empowerment (*inform, consult, involve, collaborate, and empower*). The Spectrum can be matched with specific strategies that involve the public in developing budgets or in oversight of fiscal matters. Strategies matching with the lower steps (*inform, consult, involve*) are still valued. In fact, the rise of the internet and Web 2.0 tools have facilitated improvement in fiscal transparency tools and the ability to solicit feedback from residents, even though there is a digital divide on the part of both residents and governments (Bernick, et al., 2014).

Traditional strategies such as soliciting public comments at meetings, often mandated, and conducting citizen surveys continue to be regularly used by local governments (Berner and Smith, 2004; Herian, 2011). Interestingly, there are some traditional strategies that belong higher on the spectrum. Citizen oversight committees have been formed to oversee special taxes and other fiscal management issues. They typically have more responsibility for budget development and monitoring than public workshops; they also have been found to improve accountability (Matkin, 2010). Ballot measures for approval of special taxes or fees are considered empowerment, but frequent supermajority requirements for passage, concerns about the representativeness of the electorate, and declining turnout rates for elections tend to dampen enthusiasm for this strategy.

[Insert Table 1 about here.]

However, there are also newer, structured strategies that more explicitly seek to expand public participation in budget development, most notably priority based budgeting and participatory budgeting. Priority based budgeting (PBB) involves citizens at the beginning of the budget process, to set values and goals for review and the approval by local city councils. PBB

has been a profession-driven strategy. The main organization supporting PBB, the Center for Priority Based Budgeting was founded in 2010 and is located in Lakewood, Colorado near Denver. It is led by staff with municipal finance and consulting backgrounds. Partners include professional organizations, rather than foundations, but this approach appears to have led to buy-in by managers and adoption of the Center's program by around 100 local governments according to the Center's web site (www.pbbcenter.org). PBB belongs more in the *involve* category than the next highest category, *collaborate*, because collaboration and final development of budgets appear to be done more by staff rather than the public.

Participatory Budgeting (PB) is different from PBB because of its insertion of citizen delegates to budgeting proposals (similar to citizen oversight committees) and the addition of public voting at the end of the process. The Participatory Budgeting Project's slogan, "Real Money, Real Power" encapsulates the main difference and why PB is appropriately listed in the *empower* category. However, there are a few caveats. Most PB programs have involved limited sums of money rather than setting priorities for an entire local government's budget. In addition, while PB usually brings in more representative participants, including non-citizens and young persons, the total numbers are well below the numbers participating in elections.

Participatory Budgeting as a Political Movement

Participatory budgeting departs more dramatically from other civic engagement efforts, including priority based budgeting by its origins as more of a political and social movement. There has been considerable reflection and evaluation of PB programs and outcomes by academic scholars, at first related to its development in Brazil and other countries. The perception of it as a leftist political reform may offer a partial explanation on how diffusion was

delayed and why diffusion to the United States has been led more by political leaders, activists, and academics than local government professionals.

To elaborate, participatory budgeting (PB) was one of a series of reforms initiated by the Worker's Party as it began gaining political power in Brazil as the country democratized. PB was developed in 1989 in Porto Alegre, a city of about 1.5 million persons that is also the capital of the state of Rio Grande do Sul. The annual cycle of PB followed a bottom-up approach with regional assemblies and then election of delegates to establish priorities. In a second round or plenary, participants elected councilors and voted on priorities. The councilors then crafted and finalized the budget in meetings open to public observation. The local legislature formally approved the PB recommendations. By 2001, about 20% of the local budget (mainly capital projects) went through the PB process (Baiocchi, 2003). PB processes in Porto Alegre have been depicted by scholars in slightly different ways, probably because of changes over time, but PB appears to have had more layers or processes than the versions later adopted in the United States. Another key difference is that American PB participants have a more direct vote before final consideration by city leaders, which is one of the major distinctions between PB and priority-based budgeting (Baiocchi, 2003; Smith, 2009).

As participatory democracy theorist Carole Pateman (2012, 10) stated in her American Political Science Association presidential address, "PB in Porto Alegre is not only very well known but it is also well studied." In general, scholars have found that PB broadened participation among the poor and women, resulted in tangible improvements in local infrastructure, increased participation in other community activities, and created a more inclusive and transparent political culture (Abers, 2000; Baiocchi, 2005; Bruce 2004). These outcomes

have led to its use in other countries and support by a wide variety of international organizations and activists.

However, these same scholars critically evaluated PB and identified limitations. They have expressed concern about its fate being tied too closely to more liberal political parties, the need for resources and facilitation support to be provided, and the leveling out of participation over time. Pateman (2012, 15), who has long championed participatory democracy and the democratization of the workplace,⁴ points out that PB's popularity is partially due to many forms and that participatory initiatives do not "disturb existing institutions" and there may not be the "political will to pursue genuine democratization." This mixture of enthusiasm for PB's potential and academic, self-reflection have been hallmarks of PB in the United States as well.

The Diffusion of PB in the United States

PB has a clear Patient Zero or initial policy entrepreneur, Josh Lerner. Lerner, not to be confused with a Harvard Business school professor with the same name, was a graduate student in planning at the University of Toronto when his professors mentioned participatory budgeting. Lerner (2014a) describes going to a conference where he saw a skit involving tenants from the Toronto Community Housing Authority that had started a PB process in 2001. Lerner (2014b) describes the Toronto PB process as the first in North America and originating from Latino immigrants who had heard about PB in Porto Alegre. Lerner worked on a report for the City of Toronto about the possibility of a city-version of PB and completed his master's thesis, *Building a Democratic City: How Participatory Budgeting Can Work in Toronto*, in 2004. In his

⁴ See Pateman (1970), *Participation and Democratic Theory*. Josh Lerner, in his introduction of Pateman at the 2014 International Conference on Participatory Budgeting in North America, cited this book as informing his interest in participatory democracy.

dissertation work, Lerner elaborated on the Toronto PB program and how it could have been made more fun or game-like (Lerner, 2014b).

At a World Social Forum event in Porto Alegre, Lerner met several key scholars. First, he connected with Gianpaolo Baiocchi, a Brazilian native, whose 2001 sociology dissertation at the University of Wisconsin-Madison was on participatory budgeting, and Mike Menser, “a philosophy professor, union organizer, and avid fan of economic democracy, and death metal music” (Lerner, 2014a, 10). Daniel Schugurensky is also mentioned on the Participatory Budgeting Project web site as one of the initial four members of the network and also an attendee of the Forum.

As of 2015, three of the four were based in New York City. Menser was at Brooklyn College, City University of New York and Baiocchi at New York University, after previously having positions at the University of Pittsburgh, University of Massachusetts-Amherst, and Brown University (Rhode Island). At first glance, Schugurensky appeared to be out of the region, with a faculty position at the University of Arizona. However, Schugurensky, originally from Argentina, was a professor at the University of Toronto when Lerner was a student there. Lerner himself moved to New York City in 2005 to enroll in the doctoral program in politics at the New School for Social Research. As of 2015 all four remained integrally involved with the Participatory Budgeting Project; Lerner was Executive Director, Menser was the chair of the Board of Directors, and Baiocchi and Schugurensky were advisory board members.

Around 2006, Lerner, Baiocchi, and Menser set up a web site that is still active as the site for the nonprofit Participatory Budgeting Project (PBP). Lerner and Baiocchi (2007) published a foundational article in *The Good Society* in 2007 about the probability of PB being adopted in the United States. Critically, Chicago Alderman Joe Moore attended the 2007 US Social Forum

conference, which included sessions led by Lerner and others (Participatory Budgeting Project 2015). Moore, with the help of Lerner and the Institute for Policy Studies, launched a PB process in his ward in 2009, to allocate about \$1.3 million in discretionary funds. A steering committee was first established, followed several months later by sessions to brainstorm ideas and select representatives or delegates. Delegate-developed proposals were then voted upon by residents, 16 years of age and older, about a year after the steering committee started (Lerner, 2011). PB has continued on an annual cycle since then. One of the active participants is now a PBP staff member, based in Chicago, and Alderman Moore is a member of the PB Board of Directors. In effect, Moore took on the role of opinion leader, linking PB to other cities, while Lerner built the nonprofit infrastructure as the initial policy entrepreneur.

While the Participatory Budgeting Project (PBP) began to be formalized as an organization in 2009, it was not incorporated as a New York nonprofit until 2011; it is probably not coincidental that Lerner completed his doctoral dissertation that year. At this same time, PBP partnered with a community organization, Community Voices Heard, and several New York City council members to launch PB in their districts (Secondo and Lerner, 2011). The first voting took place in 2012 and simultaneously PBP sponsored its first conference on PB with over 250 attendees from the United States and other countries. Lerner (2014a, 19) described PB as “a movement” that “was building” by this time.

The PB program used in Chicago, with allocation discretionary funds controlled by individual council members, has turned out to be relatively popular in larger cities with district representation such as St. Louis and San Francisco. As of fall 2014, about half of New York City’s districts were using PB and the Council President had funded PB staff to coordinate the various processes. A newly elected council member, Carlos Menchaca, the first Mexican-

American council member in New York City, spoke at the opening plenary of the 2014 PB conference about how he had campaigned on a platform for increasing the funds allocated to PB for his district to \$2 million rather than the \$1 million used by the early adopters. Other versions of PB have included a youth program in Boston (with 16-25 year olds) and program in St. Louis with a modest \$95,000 (Gordon, 2014).

The first citywide process was in Vallejo, California to allocate a portion of a special sales tax passed after the city's bankruptcy. The Vallejo program was championed by then-council member Marti Brown, who had attended the 2012 PB conference. The Vallejo PB program was in the midst of its second cycle in 2014 when the 3rd PB conference was held in nearby Oakland at the offices of the California Endowment; the conference featured a ferry trip to Vallejo for attendees to observe PB. Brown is now a PBP Advisory Board member and executive director of a business district association in Sacramento. The program itself was a winner of an annual innovation award from the California League of Cities.

The early adopting programs appear to have largely followed the same template. Initially, a steering committee with community leaders and government representatives would craft a rule book, outreach, and processes to be followed. The first round of meetings would include "dot democracy" or solitication of proposals from attendees, although it appears some processes may include an option to submit ideas online. Facilitators ideally would be trained and more neutral observers, but then delegates would be selected to sift through proposals, attach dollars and timeline to them, and work with local officials. A ballot would then be created. There appears to be some variation in whether proponents of the different proposals make presentations and voting is at a single event or spread out. Regardless, participants would vote for their top priorities; projects would then be funded in order until funds were exhausted.

Elected bodies would have to officially approve the funded projects, but there do not seem to be any instances of PB voting results being overturned.

The PBP has provided support for these projects, usually more in the first year, and can be available via contract in subsequent years. However, the goal is for the adopting organizations to largely take over running their own PB programs after the first cycle. PB has appeared to provide both regular paid staff, which may be full or part-time depending on the scope and contract, and solicits applications for outside facilitators for the initial “dot democracy” sessions. (Participants place dot stickers on the most preferred proposals written down during the brainstorming sessions.) The initial sessions are open to the general public and may include multiple dates and locations. Any resident is welcome, regardless of citizenship status, and it appears that processes are almost universally open to those younger than 18, such as high school students or those 16 and above. The delegates need to make a major commitment of time, up to six months.

These parameters are likely to change as PB further diffuses, although its proponents caution that its promise will be unfulfilled if empowerment through direct voting is not included (Baiocchi and Ganuza, 2014). A process in Denver, for example, was more of an interactive, online forum led by the Mayor (Haller and Faulkner, 2012). There have been some college processes and representatives of a California teachers union attended the 2014 PB conference to consider its use to help meet the requirements of a new state law requiring more local participation in school budgeting. The Obama administration, with the president interested in Chicago-based programs, facilitated consideration of PB processes in Fall 2013 as part of its Open Government Action Plan and hosted a meeting in Washington, DC in 2014 (Lerner 2014a).

PB has now been accepted for use in the allocation of Community Development Block Grant funds.

As of early 2015, fourteen different foundations were listed on the PBP was providing financial resources along with over hundred moderate to large donors (\$100 and over) and numerous small donors. The staff included eight based on New York, three in Oakland, and several based in field offices in other cities. There was an eight member Board of Directors and an eclectic group of 27 advisory board members that included academics, community organizations, and nonprofits. Twelve of the advisory board members were listed as being in New York, four from Canada, and two from the United Kingdom. A North American PB Research Board was launched at the conclusion of the 2014 PB Conference, with 17 members and support from Public Agenda.⁵ This diverse set of participants is indicative that PBP has acted as a champion organization to date.

In spite of, or perhaps because of PB's successful diffusion, Lerner has described some growing pains. As shown in Figure 1, the number of jurisdictions assisted by PBP has grown exponentially, so that even with additional staff and foundation funding, there are limits to its capacity. Some jurisdictions have tried to implement more truncated and less personalized versions of PB, with mixed results. The PBP nonprofit is also beginning to transition to a more resource support role than trying to provide customized services to each new adopter (Lerner 2014a). Most recently, PBP has decided to participate in a more academic international democracy conference at Arizona State University in December 2015 that will have a PB track and not host its own conference again until 2016. It is too soon to say whether PBP may take on more of a knowledge broker role over the long-term, but it would appear that the current social

⁵ Additional information is available at <http://www.participatorybudgeting.org/blog/new-research-board-to-evaluate-pb/>

movement ethos could become less distinctive over time unless PBP takes on a leading role with additional pro-democracy innovations.

[Insert Figure 1 about here.]

From this basic overview of PB, it is apparent that there is a strong interconnected network, with many of the key advocates serving as advisory board or board of director members for the Participatory Budget Project. These network members can be categorized by profession, as shown in Table 2. As previously discussed, several championed PB in their own communities and then joined the advisory board. While it is not possible, just from this analysis, to draw a social network analysis figure, Josh Lerner and Joe Moore would be placed near the center or core and there likely would be some clustering of members around geography and profession. The next phase of research will include a more detailed social analysis to confirm or refute this assumption.

[Insert Table 2 about here.]

Conclusion and Future Research

This case study illustrates, through a more contemporary analysis, that the diffusion of an innovation to local governments across the country involves an extensive network of individuals and organizations. For participatory budgeting (PB), there were numerous cities in other countries that adopted the program before it was successfully promoted in the United States by Josh Lerner and the nascent Participatory Budgeting Project (PBP) that he co-founded. The diffusion of PB has been more through elected officials and community organizations than priority based budgeting, reflecting its roots as a political movement rather than a reform to improve public management.

Lerner, as a policy entrepreneur, promoted PB for several years before connecting with Alderman Joe Moore, who established linkages as an opinion leader and change agent with other receptive organizations. Once adoption and diffusion began, Lerner and other supporters were able to formalize PBP as a champion organization, going well beyond a knowledge broker in providing resources to early adopters. This initial review also indicates that there are other key links in receptive communities that should be more directly identified and defined in research. Preliminarily, these could be considered as co-creators, to use Peter Kageyama's (2011) term in *For Love of Cities* for those who produce things in cities and create meaning in communities; for PB, these are the public officials, steering committee members, leaders of community organizations and initial participants who led PB processes in their cities.

While the strong ties to academia and reflective evaluation may appear to be unusual, champion organizations do tend to have research and evaluation components to them. PBP's political and social movement orientation matches well with the innovation itself, but may also exemplify characteristics of successful start-up nonprofits in the 21st century. Organizations that have clear values may be more appealing to potential foundation funders and donors, energetic staffers and volunteers, and academics.

Future research is expected to include a survey and/or interviews in order to be able to complete a social network analysis of the PB network. A comparative evaluation of priority based budgeting and participatory budgeting may constitute a second study. There also is a need to go beyond social network analysis and more directly identify diffusion mechanisms in order to improve our understanding of the similarities and differences in diffusion pathways and reasons for adopting innovations.

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Table 1. Public Participation Efforts and the Development of Local Budgets

Public Participation Goal	Budget Development Strategies
1. Inform. To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities, and/or solutions.	Fiscal Transparency Efforts
2. Consult. To obtain public feedback on analysis, alternatives, and/or decisions.	Public Hearings Community Need Assessment Surveys, Interactive, Online Budget Tools
3. Involve. To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	Priority Based Budgeting
4. Collaborate. To partner with the public in each aspect of the decision including the development of alternatives, and the identification of the preferred solution.	Citizen Fiscal Oversight Committees
5. Empower. To place final decision making in the hands of the public.	Ballot Measures Participatory Budgeting

Source: Author, adapted from International Association for Public Participation, Spectrum of Public Participation, http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf

Figure 1. Jurisdictions Assisted by the Participatory Budgeting Project

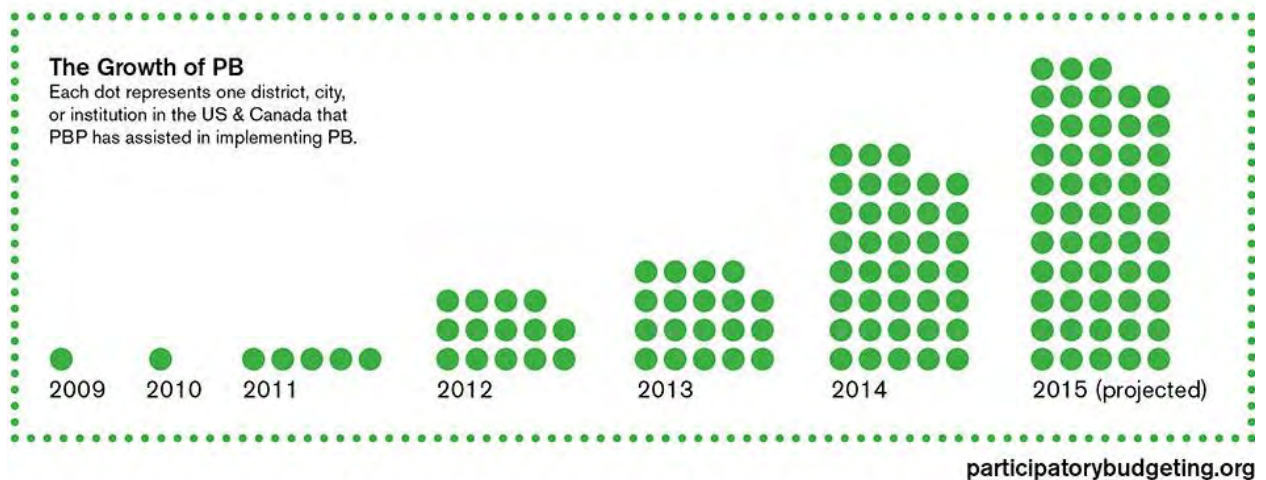


Table 2. Participatory Budget Project Board of Directors and Advisory Board, by Background

Background	Number	Members
Academic	9	Michael Menser (Brooklyn College, CUNY) Gianpaolo Biaocchi (New York University) Yves Cabbanes (University College, London) Chris Cavanagh (York University, Catalyst Centre) Gabriel Hetland (ABD, UC Berkeley) Daniel Schugurensky (Arizona State University) Donata Secondo (London School of Economics) Celina Su (City University of New York) Erik Olin Wright (University of Wisconsin, Madison)
Public Official	4	Joe Moore (Chicago) Marti Brown (former, Vallejo) Brad Lander (New York) Mel Wymore (Candidate, New York)
Community Organization	3	Biola Jeje (New York Students Rising) Rachel LaForest (Right to the City Alliance) Silaka Cox (Rockaway Youth Task Force)
Nonprofit/Foundation/ Institutional	14	Karen Dolan (Institute for Policy Studies) Christopher Wilson (Esperanza Academy) Ilana Berger (Center for Popular Democracy) Alina Chatterjee (United Way Toronto) Joanna Duarte Laudon (City of Toronto) Sandy Heierbacher (Nat. Coal. for Dialogue and Deliberation) Steve Larosiliere (Stoked, mentoring nonprofit) Matt Leighninger (Deliberative Democracy Consortium) Tiago Peixoto (World Bank Institute) Eva Prados (Cumbre Social) Marina Spindler (Group of Fifty) Rachel Swaner (Center for Court Innovation) Aaron Tanaka (Center for Economic Democracy) Sondra Youdleman (Community Voices Heard)
Other	5	Vishal Guhadhur (Standard Chartered Bank) Erin Sanborn (Consultant) Jonathan Field (Branding Consultant) Jez Hall (PB Partners, UK) Isaac Jabola-Carolus (Participatory Budgeting Project)

Bold signifies a member of the Board of Directors. All others are advisory board members. As the Participatory Budgeting Project notes, the members are volunteers and do not represent their organizations.

Source: compiled by author from www.participatorybudgeting.org. Accessed March 30, 2015.