

Does Participatory Budgeting Lead to Local Empowerment? The Case of Chicago, IL.

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ABSTRACT: This paper uses Baiocchi and Ganuza's communicative-empowerment framework to examine a case-study of participatory budgeting (PB) in Chicago, IL. Chicago hosts the longest ongoing PB project in North America: since 2009, the 49th Ward has allocated \$1 million annually through PB. By 2016, the process had expanded to \$6.2 million dollars of infrastructure funding in seven wards. Baiocchi and Ganuza's framework provides a mechanism for examining the relationship between the neoliberalization of municipal government and the growing popularity of PB. I argue that when one considers the empowerment dimensions of PB, the experience of Chicago has been decidedly mixed: limitations in the primacy, scope and reach of the participatory process limit the capacity of PB as currently constituted to function as a democratic challenge to elite policy making in municipal governance.

KEYWORDS: Participatory Budgeting; Neoliberalism; Chicago; Municipal Government

Introduction

Participatory budgeting (PB) is the direct allocation of a budget by residents, rather than politicians or bureaucrats. In recent years, PB has spread as a policy practice among North American municipalities, with projects in several cities in the United States, including New York, Chicago, and Vallejo. PB has become popular at a time when the expansion of neoliberal policies has elevated social friction at the

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municipal level.² While neoliberalization is often theorized as antithetical to democratic endeavors, in contrast, PB is described as a means of deepening democratic practice and empowering residents through deliberative mechanisms. Writing on the spread of PB projects from Latin America to the rest of the world, Baiocchi and Ganuza (2014) discuss a tendency for communicative dimensions of PB to be considered in isolation from empowerment dimensions. They argue this separation leads to a proclivity for treating PB procedurally: PB becomes an end in-and-of itself, rather than a step toward substantive empowerment for participants.

This paper uses Baiocchi and Ganuza's communicative-empowerment framework as a heuristic device to examine a case-study of PB in Chicago, IL. Chicago is home to the longest ongoing PB project in North America. Since 2009, the 49th Ward has allocated \$1million in capital funds annually through PB.³ In 2010 PB Chicago was formed, and by 2016 the process had expanded to \$6.2 million dollars of infrastructure funding in seven different wards. Existing literature tends to focus on procedural aspects of the process, rather than the relationship between PB and resident empowerment. In contrast, Baiocchi and Ganuza provide a framework for examining PB in a way foregrounds the relationship between the neoliberalization of municipal government and the growing popularity of PB. Through their framework, I argue that when one considers the empowerment dimensions of PB, the experience of Chicago has been decidedly mixed: limitations in the primacy, scope and reach of the participatory process limit the capacity of PB as currently constituted to function as a democratic challenge to elite policy making in municipal governance.

This paper draws on survey data of PB participants collected by the University of Illinois, Chicago (UIC), and insights gleaned from three

² Following Peck and Tickell (2002) I use "neoliberalization" rather than "neoliberalism" to emphasize neoliberal restructuring as an ongoing and dynamic process, rather than a static end-state.

³ All figures are unadjusted US dollars.

months of fieldwork in Chicago, IL., from March to June, 2016. Fieldwork included participant-observation of community meetings, volunteer trainings, voting events, and the annual “writing of the rules”. In addition, I conducted 32 semi-structured interviews with residents, volunteers, staff, aldermen and community activists. The structure of this paper is as follows. First, I define PB and detail how the process works in Chicago. Then, I outline Baiocchi and Ganuza’s communicative and empowerment dimensions, and explain how their framework improves on procedural approaches to PB. Finally, I consider PB in Chicago through a discussion of each dimension of Baiocchi and Ganuza’s empowerment criteria. My argument should not be taken as a wholesale dismissal of PB, which can have important benefits in terms of community building and civic learning, but rather a call to interpret these benefits in relation to the overall context of neoliberal policy governance.

What is Participatory Budgeting?

PB is a process of community decision making where money is allocated by the people who are affected by a budget, rather than elected officials (Pinnington et al. 2009). In North America, PB is typically used to allocate infrastructure funds, giving residents the authority to decide whether to fund park amenities, street re-surfacing, public art, or other neighbourhood improvements, from a ward-level capital budget. Originating in Brazil in 1989, PB was first implemented when the left-leaning Brazilian Workers Party won municipal elections in Porto Alegre. The Brazilian Workers Party hoped PB would make the municipal government more responsive to residents, increase the propensity of citizens to pay property taxes, and more effectively redistribute municipal funds throughout the city (Bräutigam 2004; De Sousa Santos 1998). Since its inception, variations of PB have spread to hundreds of jurisdictions across the world. In Chicago, the process has generally included the following steps: 1) community meetings are held to garner project ideas; 2) a volunteer committee vets project ideas with

staff and determines a list of projects to be included on a ballot; 3) a project expo is held where community members can discuss the merits of individual projects; and finally, 4) voting occurs at the aldermanic office, community centers, schools, and transit hubs. All residents aged 16 or older are eligible to vote, regardless of citizenship or immigration status.⁴ What sets PB apart from other forms of community consultation is the extent to which the process is resident driven. Residents, not elected officials or bureaucrats, identify potential projects for funding and make the final decision on the allocation of funds.

PB has grown in popularity at the same time as municipal governance in North America has taken a neoliberal turn. Neoliberalization is the commodification and marketization of spaces that had previously been governed by other logics (Brenner and Theodore 2010). While the logic of neoliberalization is consistent, the implications are variegated, depending on geographic, historical, and social context (Brenner et al. 2006). Proponents may seek to present the marketization of governance as inevitable or merely “common sense”. Nonetheless, neoliberal policy changes are ongoing, and often heavily contested (Brenner and Theodore 2010). In the 1980s, neoliberal logic became dominant in municipal administration, as has been documented by several scholars (for example, Albo 1993; Coulter 2009; Ranson 2004; Peck 2013). Neoliberal shifts towards the marketization of local government include: an increase in municipal service provision by private sector providers; an increase in user-fees and cost-recovery models; an emphasis on individual self-help; the foregrounding of the citizen as consumer; and, a focus on efficiency and lean administration (Albo 1993; Changfoot 2007). These changes reflected a move to value government policies in terms their ability to facilitate the spread of market logics. In Chicago, specific changes have included increased reliance on user-fees for public transit (Farmer and Noonan 2011); the replacement of public housing with mixed income private-sector

⁴ Ward 49 imposes a minimum age of 16 on residents seeking to vote in the PB process. However, some wards in Chicago permit residents as young as 14 to vote in PB.

developments (Lipman 2011); the marketization of public education through charter schools (Lipman 2011); and a subsequent emphasis on policing and securitization to manage the social unrest associated with public contestation of these policy changes (Taylor 2016).

The neoliberalization of municipal government has engendered democratic concerns, as the marketization of public administration has often emphasized the management of the public over the facilitation of democratic participation, particularly when elite interests and public opinion diverge (Addie 2009; Johnson 2011; Masuda, McGee and Garvin 2008). This has made the “roll-out” of democratic projects that position citizens as active participants in municipal policy-making crucial in legitimating neoliberal policy decisions (Addie 2009; Theodore and Peck 2011).⁵ Public engagement strategies are strategically mobilized by municipal governments as a means of demonstrating responsiveness to public interests, yet when those interests conflict with elite motivations, research suggests they fail to drive actual policy decisions (Johnson 2011; Masuda, McGee and Garvin 2008).

In Chicago, contemporary neoliberal processes have weakened democratic practices. Housing, transportation, education, and development policies are widely perceived to be controlled by elite interests (Peck 2012; Lipman 2011). When public consultations occur, residents have perceived these processes as little more than legitimation exercises delinked from actual decision-making authority (Lipman 2011). Moreover, Chicago’s municipal budget process is notoriously opaque and there is minimal public budget consultation.⁶ In this context, PB is offered as “a powerful example of how deliberative institutions can take hold, provide redistributive and progressive outcomes, and offer novel solutions to urban problems” (Baiocchi and Lerner 2007: 9). In contrast

⁵ “Roll-out” neoliberalism is a term coined by Peck and Tickell (2002) to describe how neoliberalization has entailed the “roll-out” of new institutions of governance.

⁶ Chicago holds annual budget forums. In interviews, residents, aldermen and staff indicated that these consultations are poorly publicized, poorly attended, and widely perceived to have no influence on budgetary allocations.

to public consultation, PB is presented as a new form of democracy that vests residents with real decision-making power (Curato and Niemyer 2013; Ecran and Hendricks 2013). To sum up, in Chicago and elsewhere, PB projects purportedly address a set of contemporary democratic problems that have occupied a great deal of public attention in conjunction with the rise of neoliberal policies.

The Disjuncture Between the Communicative and Empowerment Dimensions of PB

Recently, some scholars have questioned the veracity of democratic claims made of PB projects. In tracing the expansion of PB, Peck and Theodore (2015) note that despite the ambitious beginnings of PB in Porto Alegre, in global diffusion the process has become “defanged”. While PB may be “the political equivalent of motherhood and apple pie” (Peck and Theodore 2015: 171), with supporters across the political spectrum, they find its radical democratic potential underwhelming. Similar concerns are raised by Baiocchi and Ganuza (2014), who use a communicative-empowerment framework to develop an explicit set of criteria for assessing PB. Like Peck and Theodore, Baiocchi and Ganuza argue that in its global travel PB has become less radical, but they attribute this moderation to a heavy emphasis on the part of practioners and researchers on the communicative dimensions of PB, which has led to a relative neglect of the question of empowerment.

Baiocchi and Ganuza’s analysis relies on a differentiation of the communicative and empowerment dimensions of the process. The communicative dimensions concern the internal structure of a PB process, including who participates in discussions, the quality of this participation, and the degree of procedural equity among participants. In contrast, the empowerment dimensions focus on whether PB influences the exercise of political power and municipal decision-making more broadly (Baiocchi and Ganuza 2014). Baiocchi and Ganuza suggest PB in Porto Alegre instigated a pro-poor shift in municipal policy due to the presence of both communicative and empowerment dimensions: PB

precipitated series of institutional reforms that connected popular decision-making to the exercise of political power. In contrast, a purely communicative focus on the structures and procedures *within* a PB project can lead to the instrumentalist application of PB as a technical solution: a “simple process of revelation of individual preferences, adjusting it to the routines and goals set by the New Public Management framework” (Baiocchi and Ganuza 2014: 42).

Concerns regarding the overemphasis of the internal communicative dimensions of PB are borne out in much of the literature. While some research on PB in Brazil has considered PB in light of broader political developments, such as the transition from military to civilian government (for example, De Sousa Santos 1998; Avritzer 2006), this approach is less common in research on PB on North American countries, which has largely taken the political, social and economic context for granted. While there is research on whether PB leads to different project choices than other forms of budgeting (Stewart et al. 2014); research measuring citizen learning through PB (Rossmann and Shanahan 2012; Petite 2014); research on project management in PB (Cabannes 2014); and research detailing the ethnic, racial and income composition of participants (Crum et al. 2013), this work focuses on the internal dynamics of projects and does not discuss PB in terms of neoliberal governance shifts. Focusing exclusively on communicative procedures tends to silo PB projects from broader developments in municipal governance, finance and politics, which are not only important for contextualizing PB, but also necessary to substantially engage with the question of resident empowerment.

By way of redress, Baiocchi and Ganuza suggest researchers consider four specific empowerment dimensions, to assess whether PB projects are connected to centers of municipal power and decision-making. These dimensions are paraphrased below.

- The primacy of participatory forums: are they the most important point of contact between government and citizen?

- The scope of budget issues considered in participatory forums: how much of the budget is disbursed through PB and how important is that part of the budget to social justice considerations?
- The degree of participatory power in the process: are there institutionalized, direct and transparent links between PB and government action that make public officials responsive to PB demands? Do politicians and/or staff retain discretion over the implementation of projects after they are chosen for funding?
- The self-regulation of participatory forums: do participants determine the rules of participation? Are social justice criteria included in the process? And do participatory forums influence government affairs more broadly? (2014: 39).

These four criteria move from assessing the rigor of communicative processes in PB projects to a consideration of how PB is connected to government action. To Baiocchi and Ganuza's four criteria, I suggest a fifth consideration:

- The permanency of participatory forums: are these forums stable, institutionalized policy programs that will continue to exist if there is sufficient community desire and support?

In other words, even if PB is meaningfully empowering in terms of primacy, scope, participatory power, and self-regulation, if the process can be terminated at any time without community input then this curtails the overall empowering effects. The community should have some degree of agency over the establishment and continued existence of a PB process. I now turn to a specific discussion of the political and economic context of PB in Chicago. Then, I consider how well the criteria of participatory empowerment are fulfilled in the case of Chicago.

The Political and Economic Context of PB in Chicago

Chicago is well known for its history of highly autocratic and executive controlled municipal government. For most of the twentieth century, the Democratic Party dominated Chicago's electoral politics

through its political “machine”: an elaborate system of patronage appointments that started with Anton Cermak, elected mayor in 1931, and reached its peak under Richard J. Daley, mayor from 1955 until his death in 1976. Political machines in 20th century America often sought to maintain control by structuring the electoral system to reduce electoral competition (Trounstine 2009). In Chicago, the Democratic Party machine used restrictions on independent candidacy and ward redistricting to their advantage, resulting in a city council that was often a “rubber-stamp” for an executive agenda controlled by the mayor’s office (Simpson 2001; Royko 1971). Traditionally, mayoral elections have been relatively uncompetitive. In fact, the 2015 Chicago mayoral election was historic as it was the first time a candidate failed to receive an absolute majority on the first ballot and a run-off was required.

Another way political machines maintain political control is through patronage – the appointment of political allies to municipal staff positions. In relation to Chicago, Stone writes, “...support for machine candidates was not based on issue commitments. The political machine was centrally about patronage” (1996: 447). At its peak, 35,000 municipal positions in Chicago were controlled through the patronage system. Patronage appointees were required to donate money and time to the Democratic Party, and their partisan campaign performance determined their promotion or termination within the municipal civil service (Simpson 2001; Royko 1971). Chicago’s political machine also maintained control of the municipal government through the active disenfranchisement of certain racial and ethnic groups, with white machine aldermen governing predominantly Black constituencies, and city contracting rewarding unions that perpetuated practices of racial exclusion (Simpson 2001; Royko 1971).⁷ Chicago’s patronage system only declined in the 1980s after the passing of the Shackman Decrees,

⁷ In Chicago, successive waves of working class immigrants (Irish, Polish, Italian) were brought into the party machinery. The longstanding Black population remained largely excluded, and anti-Black racism played an important role in the machine’s ability to unite non-Black ethnic constituencies (Royko 1971; Stone 1996).

which declared political hiring and firing unconstitutional. As recently as 2014, Chicago's municipal hiring process was under federal oversight, at which point Michael Shakman, whose lawsuit spurred the decrees bearing his name, declared overt patronage not dead but "controlled" (ABC 2014).

The result is that in Chicago there is a long history of patronage relations between aldermen and residents, with personal relationships being the dominant political currency. This has led to heavy skepticism on the part of residents as to the impartiality of municipal government (Simpson 2001). This political heritage has created pressure for new aldermen, especially those without the support of the Democratic Party apparatus, to differentiate themselves from their predecessors and find new ways to build community support and legitimate their policies.

At the same time, over the last twenty years, the City of Chicago has been subject to neoliberal policy changes. Budgetary austerity has led to the elimination of public jobs, reductions in library hours, and cuts to other public services (Peck 2012). Attempts have been made to marketize public transportation through the outsourcing of employment and increased emphasis on cost-recovery (Farmer and Noonan 2011). Tax-increment financing programs have siphoned off public education funding to bankroll private corporations and developers (Farmer and Poulos 2015).⁸ The use of charter schools governed by private boards has also expanded (Lipman 2011). Public housing has been replaced by vouchers and mixed income private developments, and many former public housing residents have been permanently displaced from their communities (Lipman 2011; Wyly and Hammel 2000). The impacts of these policies are stratified, with low-income, Latino and Black neighbourhoods most affected by transit under-investment and the

⁸ Tax-Increment Financing (TIF) is a capital financing tool where all increases in property taxes in a designated geographic area are earmarked for "economic development projects". In the absence of a TIF, these funds would ordinarily be available to deal with inflationary costs in other areas of municipal provisioning, including schools. As has been extensively outlined in investigations by the *Chicago Reader*, TIF funds are frequently captured by developers and corporations (Joravsky 2015).

elimination of public housing. The under-funding and privatization of Chicago's public schools also has heavily racialized consequences: less than ten percent of youth enrolled in public schools are white (CPS 2016). Meanwhile, when public reinvestment in transit and infrastructure has occurred, it has been primarily in affluent, white neighbourhoods (Farmer and Noonan 2011; Weber 2002).

In the aftermath of the financial crisis of 2007, budget cuts at the federal and state levels have exacerbated financial austerity at the municipal level. The 2013 federal sequestration process cut \$6 billion from federal transfers to states (Peck 2013). In Illinois, federal budget cuts, in conjunction with a crisis in state revenue, led to a severe budgetary gap that has precipitated a multi-year financial crisis. Illinois completed the 2016 fiscal year without passing budget, with the Republican governor and Democrat-controlled legislature unable to reach agreement on spending.⁹ The absence of a state budget has had a significant impact on the city of Chicago, where initiatives jointly funded by the state, including upgrades and maintenance to hospitals, schools, and parks, have been put on hold by the unavailability of state funds.

Considering the history of political patronage in Chicago, as well as recent budgetary austerity measures, it is perhaps not surprising that a populist democratic practice like PB found purchase in Chicago. Alderman Moore first won his Ward 49 council seat in 1991 as a progressive independent Democrat. According to Moore, he became interested in PB after speaking with Josh Lerner, founder of Participatory Budgeting Project at a conference in 2008. According to interviews with residents, after nearly losing the 2007 election in a run-off with a more conservative candidate, there also was an important impetus for creating a policy process that would help solidify his electoral position in the 49th Ward at a time when he had declining community support. Residents in

⁹ The Illinois legislature and governor have recently reached an interim agreement, approving funding in July 2016 to last through the November 2016 election period and ensure that K-12 schools and post-secondary institutions have enough revenue to operate until the end of the year.

Ward 49, under the political leadership of Alderman Moore, have used PB to allocate \$1 million in “menu money” every year since 2009.¹⁰ In the municipal budget process, each alderman receives \$1.32 million in discretionary menu funds, of which \$1 million is typically devoted to the PB in wards that use the process. Menu funds are restricted to local infrastructure investments: park improvements, tree plantings, garbage cans, murals, bicycle lanes, local road resurfacing. In the 2015-2016 PB cycle, seven wards participated in a process that included just over 5,000 voters and disbursed \$6.07 million in funds.

Empowerment in Chicago’s PB Projects

Chicago residents who have volunteered with PB projects do cite several positive impacts in survey data and interview settings. These include: increased knowledge of government processes, enhanced understanding of menu money, a heightened sense of community, and demystification of municipal infrastructure spending (Weber et al. 2014; Crum et al. 2013). These positive impacts are not necessarily restricted to the individual level: for example, one of the benefits of PB cited by many residents in interviews was community building through communication and information-sharing across disparate neighbourhoods. Nevertheless, questions remain as to whether resident learning and engagement have translated to local empowerment. In the following section, I consider PB in Chicago in light of each of the five empowerment dimensions suggested earlier.

1) *The primacy of participatory forums.* The first empowerment dimension is primacy: how important are participatory forums as a point of contact between residents and elected officials? Two ways to consider primacy are, first, the extent to which PB serves as the major mechanism for articulating local resident demands to their elected representatives,

¹⁰ Menu money was created mayor Richard M. Daley in 1995 as part of the municipal budget, and specifically the Capital Improvement Program (Stewart et al. 2014). Menu money is the only funding available to aldermen for local street resurfacing (non-arterial roads and alleyways), and the major source of funding for local infrastructure projects.

and second, the extent to which residents' most pressing neighbourhood concerns can be addressed through the PB process. In interviews with residents and staff, it became clear that the PB process does create an additional channel of communication between residents and the aldermen. Through the collection and cultivation of project ideas in PB meetings, staff can become better informed of community concerns. One staffer cited the greatest benefit of PB as "putting new projects on the agenda" that previously had escaped staff attention. This can lead to creative strategizing beyond the PB process to develop and implement community ideas for projects. For example, in 2016 accessible doors for the local library branch in Ward 49 failed to receive enough votes to be funded. However, in recognition of community concerns over the accessibility of the library, Alderman Moore decided to fund this project through the \$320,000 in menu money not allocated through PB. In addition, although many volunteers with the PB process had pre-existing connections to the aldermanic office, some residents reported in interviews becoming more comfortable and knowledgeable about contacting the alderman's office, findings that are also supported by survey data collected by PB Chicago (Crum et al. 2013).

On the other hand, PB is certainly not the primary link between residents and their local representatives, and has not supplanted lobbying and personal relationships, as the most important mechanisms for allocating resources. While it is difficult to measure informal demand-making channels between residents and their elected representatives, two considerations may assist: first, resident perceptions as to how demands are made and met, and second, the scope of demands that can be articulated within the PB process. In many interviews, residents and staff cited a perception that PB does not replace these other forms of negotiation, but exists alongside them. While Chicago is in a post-patronage era, the adage, "We don't want nobody nobody sent" (Rakove 1979) still holds in many ways, and indeed, was specifically quoted by interviewees as an example of how municipal business is conducted. For example, one resident discussed how a park in a predominantly Black

neighbourhood had won funding for a water feature through PB, but had been waiting for years for the installation of this project. In the meantime, a neighbouring park in a predominantly white area received similar improvements, even though it had no project on the ballot. She attributed this outcome to the other neighbourhood having the alderman's ear. Even in wards with PB projects, residents continue to assert that maintaining a close personal relationship with the aldermanic office determines which residents have their needs met. Second, the scope of demands matter: if residents' most pressing concerns cannot be addressed through PB, this limits the primacy of participatory forums as a link between aldermen and constituencies. Thus, primacy, the first empowerment dimension, goes hand in hand with considerations of scope, which are discussed in greater detail below.

2) *The scope of budget issues.* The second empowerment dimension examines the scope of issues considered in participatory forums, and the importance of this budget for social justice initiatives. PB in Chicago is funded through menu money, which is capital funding financed through bonds. The terms of the bonds restrict its use to local physical infrastructure improvements that benefit the community as a whole.¹¹ So while enhanced street lighting, road repaving and public park improvements can be funded through menu money, social programming cannot. Moreover, two additional points are pertinent. First, when asked in interviews about the major challenges facing their neighbourhood, residents almost uniformly cited policing and schools. Many also mentioned affordable housing and economic development. In conversations, residents prioritized social programming over infrastructure, but social programming is ineligible for funding through PB as currently constituted. To relate just one anecdote, while volunteering at a polling station, one man stopped to ask where on the ballot he could vote for increased funding for schools. When told that schools were outside the scope of the process, he walked away without voting. Indeed, Chicago has recently been rocked by a series of serious

¹¹ Interview with Paul Moody, Assistant Budget Director, City of Chicago.

public protests around the state of policing and the financing of public schools (for news coverage see: Wozniak and Edwards 2016; Wong and Crepeau 2016; DNA Info Staff 2016; Briscoe 2015). Neither of these concerns can be addressed through PB as currently constituted, due to the restricted scope and magnitude of funds.

The limited scope also has social justice implications in terms of resident participation. Several aspects of the process, including permitting youth, undocumented and unregistered individuals to vote are designed to make the process more inclusive. In fact, the Chicago Rulebook specifically foregrounds equity and inclusion as two key goals of the PB process (PB Chicago 2014). In addition, aldermanic staff and PB volunteers face ongoing pressure to grow the process, both in terms of absolute numbers and the participation of marginalized communities. Proportional participation of Latino and Black communities is taken as an indication of success, as is proportional participation of low-income residents and those with lower educational attainment. Community outreach efforts have been both extensive and resource intensive, including hiring translators, establishing Spanish-language committees, hosting meetings in less affluent neighbourhoods, and extending invitations to relevant civil society organizations. Despite these outreach efforts, exit surveys and interviews confirm that PB volunteers are disproportionately college educated high-earners, who tend to be whiter than their neighbours. Survey data indicates that residents with graduate degrees volunteered at or attended PB meetings at twice their proportion of the population, while renters were half as likely to participate in these activities as homeowners (Crum et al. 2013).

The participation gap may be explained by several aspects of the PB process itself that inhibit expansion to more diverse communities. First, the process privileges individuals with significant technical knowledge about engineering, landscape design, and other areas that assist in presenting a technically feasible, persuasively argued project. Many of the participants interviewed were highly educated and cited this as a general trend among volunteers. Second, the beautification projects

favoured by PB – trees, park improvements, decorative lighting, public artwork – often appeal to homeowners concerned with property values as a way of “cleaning up” the neighbourhood. The ownership/renter divide has not only class, but also racialized dimensions in a city where Latino and Black residents are less likely to own their homes and more likely to be denied mortgage loans (US Census Bureau 2011; Martinez 2009). Outreach can only go so far in creating a PB process that addresses the needs of different communities, when these needs fall outside the scope of the process. In the words of one resident: “PB invests in things, not people” which limits its ability to address social justice considerations, including policing, school funding, and economic development.

Taking a broader view, it is possible that PB could be a means for addressing concerns beyond the official scope of the practice if ideas discussed in PB forums are channeled into other processes. However, issues raised in PB forums that fall outside the scope of the process tend to be discarded. In interviews with residents, several volunteers expressed frustration that community input regarding concerns outside the scope of the process was “wasted” when these ideas could be actualized if PB was better integrated with other institutional processes. As currently constituted, PB is limited to the expression of resident demands within the scope of menu funds, leaving highly germane issues like social programming, policing, schools, and economic development outside the process.

3) *Actual participatory power over the budget.* The next empowerment dimension is the degree of actual participatory power over the budget, that is, whether there are institutionalized direct and transparent links between participation and government action, and what discretion elected officials and staff maintain over decisions once they are made. In the case of Chicago, there is mixed evidence in terms of the degree of actual participatory power over the budget vested in residents. Individual PB projects are clearly resident determined, and past research has demonstrated in comparison with aldermanic allocations, the resident-driven process leads to different project

outcomes (Stewart et al. 2014). As outlined in the 2014-2015 Rulebook, all wards hold several “idea collection” events, where any resident can submit ideas, and all ideas are considered by volunteer committees composed primarily of residents (PB Chicago, 2014). Staff may explain the eligibility rules around the allocation of menu funds, but at this point, staff involvement is usually limited to sketching out the more technical aspects and providing cost estimates. Aldermen typically refrain from advocating for specific projects or suggesting projects. In addition, residents have sometimes created elaborate mechanisms to try to ensure a fair and comprehensive process. For example, Ward 49’s “streets committee” visits every street in the ward to assess the need for street repaving and then creates a priority list, in an effort to ensure an impartial process.

However, as already mentioned, many resident projects generated during idea collection are not included on the ballot because they are deemed to be outside the scope of the use of menu funds. In addition, staff can use the scope of the process as a means of shutting down more creative or unusual projects. For example, projects that involved decorative bike posts, library carpeting, and public murals, although technically within the scope of menu funds, have all faced barriers from city staff, including delayed cost estimates, and/or onerous insurance requirements. At times, difficulty obtaining a cost estimate has prevented projects from being included on the ballot. Moreover, while usually staff and aldermen do not interfere with project selection, there is at least one report of a project receiving enough votes to be funded, but being rejected by the alderman who declared it had “accidentally” made the ballot. In other instances, even residents on the volunteer committee were confused about how the projects for the ballot were chosen, describing the aldermanic office as making the final decision. Resident-driven and transparent decisions around which projects make it onto the ballot are of crucial importance, because projects only have an opportunity to be funded if they appear on the ballot.

The absence of institutional support also fits with a broader neoliberal trend towards the downloading of government responsibilities to individual citizens and retraction of the state from many areas of public provisioning (Brown 2003; Addie 2012). If residents can be tasked with determining a local street repaving schedule, identifying neighbourhood infrastructure needs, and arbitrating among these needs, with minimal involvement from municipal staff, then this is a fundamental shift in the role of the government. PB relies on extensive volunteer labour, with some paid support from aldermanic staff, but minimal support from municipal staff. Indeed, there is no full-time dedicated staff person in the municipal budget office, Parks District, or Chicago Transit Authority (CTA) with responsibility for providing technical support to PB projects.¹² The absence of direct institutionalized links between participants and municipal staff makes residents dependent on the aldermanic office for information about projects, and reduces the transparency of the PB process.

4) *The self-regulation of participatory forums.* The fourth empowerment criterion examines the self-regulation of participatory forums – do participants determine and govern the rules of the process, and to what extent is there general participatory influence over the municipal government? In the case of Chicago, rulemaking within the constraints of the PB process is very much controlled by residents. With the assistance of PB Chicago, an annual “writing of the rules” meeting is held, with representatives from each participating ward, to discuss changes to the rules governing the process, including timelines, resident engagement strategies and other best practices (PB Chicago 2014). The resulting discussions are taken back to volunteer groups in the wards for further discussion before any changes are voted for at the city-wide working group. However, participants do not determine the amount of

¹² There is one staff person in the municipal budget office theoretically responsible for providing some support to PB projects. However, their role on paper seems over-stated: although this person provided some technical assistance to aldermanic staff, they were largely absent from the day-to-day work of the process.

funding subject to the process, and cannot broaden the scope to include projects beyond local infrastructure improvements, because as a form of debt-financed funding, ultimately the terms of the bond agreements dictate the use of menu money. The demands of residents are subordinated to the interests of bond holders. To sum up, within the constraints of menu money, the rules of the PB process are resident determined, however, the scope of the process is subject to rigid limits enforced by the rules that govern the City of Chicago's menu funds.

The second part of this empowerment dimension concerns the general reach of participatory influence over the municipal government as a whole. Scholarship has suggested that a key positive consequence of PB projects is a cultural shift in terms of an enhanced participatory ethos around other processes of municipal governance and demand-making (Curato and Niemeyer 2013; Avritzer 2006). In Chicago, however, PB does not appear to have created an environment of heightened legitimacy for resident demand-making and public input around other municipal budget processes. Chicago has a history of executive controlled budgeting processes. In the 1950s, Mayor Richard J. Daley removed budgetary responsibility from council as part of his concentration of power in the machine-dominated executive, and important expenditure decisions have typically been made through backdoor negotiations and informal channels (Simpson 2001; Weber et al. 2015). In interviews, when asked to discuss public participation around the Chicago municipal budget, residents, staff and aldermen stated it was very limited or non-existent. Even aldermen described the municipal budgeting process as "opaque" and lacking clarity in terms of how and where budgetary allocations are determined. Indeed, one alderman with experience in the state legislature noted he was "shocked" by the comparative lack of input from council in the mayoral budget. Another alderman noted that the current mayor had held a few public forums on the budget, but since these were mostly taken up by protestors, they were not useful. Residents who had participated in mayoral consultations stated that the mayor did not make eye contact, appeared to be "zoned out" and/or would not permit

“political demands”. These statements by interviewees indicate a persistent divide between “productive” resident engagement through PB and social protest, where PB has not necessarily engendered respect for popular demands made through other avenues. In a global overview of PB projects, Cabannes notes that, “Remarkably, those in municipal government who are responsible for the “participatory budget” have, with a few exceptions, very limited information about the municipal budget” (2004: 33). His observation holds true in the case of Chicago, where PB has not engendered greater transparency around the municipal budgeting process more generally.

5) *The permanency of participatory forums.* The final empowerment dimension is the extent to which these forums are stable, institutionalized policy programs that will continue to exist if there is community support. The PB process in Chicago is not institutionalized, meaning there are no mechanisms in municipal bylaws that require aldermen to engage in PB, or continue these projects once they are established. The consequence is that regardless of community or resident support for the process, PB projects in Chicago exist at the discretion of the local alderman. Without justification or explanation, aldermen can, and do, cancel these projects if they feel they take too much staff time or do not lead to a desirable allocation of local infrastructure resources. The 5th Ward, 22nd Ward and 46th Ward all briefly experimented with PB before cancelling the process. In the case of the 22nd Ward, the alderman cancelled the PB project without formally informing past volunteers of this decision, some of whom had started preparing for the next cycle. This points to the lack of control residents have over the continuation of the process, as well as the limited capacity for PB decisions to contravene aldermanic objectives.

Concluding Thoughts

The City of Chicago has a proposed \$9.2 billion dollar operating and capital budget for 2016, a level of funding that dwarfs any disbursements through PB. But while a minority of the Chicago city

budget is disbursed through PB, in participating wards most of the local infrastructure funding is subject to the process. Considering this funding longitudinally, however, local infrastructure funding is declining. Menu funding has been frozen at \$1.32 million since 1995, while the cost of infrastructure has risen significantly over this period. For example, in Chicago the cost of repaving a city block in 2016 was approximately 2.5 times what it was in 1995. The magnitude of funds available for local infrastructure improvements has been declining when inflation is considered.

In a neoliberal context of declining investment in public infrastructure, and increased public funding being shifted toward private developers, for example, through Chicago's TIF program, PB risks becoming a forum for residents to make difficult budget decisions for elected officials. Rather than a uniform standard of basic public infrastructure, residents now vote on which streets receive upgrades to lighting or paving, or which parks have functional amenities. Unsurprisingly, this tension is greatest in the neighbourhoods with the greatest needs. In Ward 22, a low-income area of predominantly Latino and Black residents, the alderman cited an inability to meet basic infrastructure needs as a reason he stopped practicing PB.¹³ The alderman stated that he could not support "boutique" projects like community gardens and murals, when streets were becoming unusable. Indeed, most PB projects are clustered in the northwest part of the city. These neighbourhoods vary in terms of income and racial composition, but none of them are part of the largely Black, historically disenfranchised, southern part of the city, that has been chronically underinvested for decades.

This paper has discussed PB in Chicago, arguing that to assess whether PB leads to community empowerment, it is important to situate these projects in terms of the broader social, economic, historical, and political context, including trends in municipal governance and municipal budgeting. Using Baiocchi and Ganuza's (2014)

¹³ Ward 22 had held PB votes in 2014 and 2015 but discontinued the practice in 2016.

“empowerment dimensions” as a jumping off point, this paper has considered whether PB in Chicago has led to local empowerment. In the case of Chicago, PB largely falls short of resident empowerment, especially in terms of the primacy and scope of the process: as currently constituted, residents’ most pressing concerns cannot be addressed through the PB process. While volunteers cited positive community building effects of participation, including information-sharing with neighbours, evidence is limited as to whether these social connections have the potential to translate to collective organization outside the PB process. Moreover, the municipal budgeting process, where many crucial decisions are made regarding social programming, continues to be elite-driven and insulated from resident influence. Despite the limitations of PB in a context of urban neoliberalization, this discussion also suggests how the PB process might be structured to more substantially empower local communities. If the scope of the process were expanded to include social programming or a greater magnitude of funds, PB could potentially wrest some components of the mayoral budget from elite control. Most promisingly, there have been recent discussions about how to expand PB to Tax Increment Financing funds, including a 2014 pilot project in West Humboldt Park.¹⁴ It remains to be seen, however, whether there is sufficient political appetite to expand the process beyond ward-level infrastructure funds.

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¹⁴ For more details about the pilot project see: <http://www.participatorybudgeting.org/blog/pb-with-tif>.

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