

Citizen Participation in Public Budgeting: A Systematic Literature Review

Harjum Muharam^{1*}

¹ Universitas Diponegoro, Semarang, Indonesia

Abstract

Article history:

Received: July 6, 2022

Revised: August 22, 2022

Accepted: October 28, 2022

Published: December 30, 2022

Keywords:

Citizen Participation, Democratic Governance, Fiscal Transparency, Participatory Budgeting, Public Budgeting.

Identifier:

Nawala

Page: 67-75

<https://nawala.io/index.php/ijpfa>

This systematic literature review (2012–2021) explores participatory budgeting (PB) as an institutional innovation to strengthen transparency, accountability, and citizen inclusion in fiscal governance. The review finds that well designed PB initiatives not only enhance trust in government but also direct resources toward marginalized groups and foster civic competencies. Key enablers include strong political will, inclusive institutional frameworks, and effective follow-up to ensure citizen inputs translate into real outcomes. Nevertheless, persistent barriers such as low participation, elite capture, and digital exclusion especially in contexts with weak institutions limit PB's effectiveness. Overall, the study concludes that PB's success is highly context dependent, requiring continuous investment in institutional capacity and accountability, while future research should address its long-term impacts, the role of digital platforms, and integration into broader governance reforms.

*Corresponding author:
(Harjum Muharam)

©2022 The Author(s).

This is an open-access article under CC-BY-SA license (<https://creativecommons.org/licence/by-sa/4.0/>)



1. Introduction

Citizen participation in public budgeting has gained increasing scholarly and policy attention in the past decade, especially as governments seek more transparent, inclusive, and accountable governance mechanisms. Public budgeting is no longer viewed solely as a technical and bureaucratic process; instead, it is increasingly recognized as a political and participatory arena where citizens can influence resource allocation and policy priorities (Dias, 2018). Participatory budgeting (PB), in particular, has emerged as one of the most prominent institutional innovations to promote direct citizen engagement in fiscal decision-making.

In recent years, studies have shown that PB can strengthen trust in government, improve service delivery outcomes, and foster social inclusion when designed and implemented effectively (Campbell et al., 2019; Zhang & Liao, 2020). However, the success of PB initiatives depends heavily on contextual factors, including political will, institutional design, resource availability, and citizen capacity to engage. Without adequate institutional support, PB risks becoming a symbolic exercise rather than a meaningful form of participatory governance.

The global diffusion of PB since the early 2000s has led to diverse practices, ranging from deliberative assemblies to online participatory platforms (Sampaio et al., 2016; Sintomer et al., 2016). Comparative research highlights both opportunities and challenges: while PB can enhance democratic legitimacy and redirect spending toward marginalized groups, it can also face issues such as low participation rates, elite capture, and limited policy impact (Touhton & Wampler, 2014; Dias, 2018).

Given the rapid expansion of PB practices and the mixed evidence regarding their effectiveness, there is a need for a systematic literature review (SLR) to synthesize existing research, identify key determinants of success, and highlight gaps for future study. This review aims to (1) analyze dominant theoretical approaches in recent PB research, (2) map institutional variations and their outcomes, (3) assess the socio-political and administrative impacts documented in the literature, and (4) suggest improvements for policy and practice. By employing a structured and transparent review method, this study contributes to a deeper understanding of the enabling conditions for effective citizen participation in public budgeting in the contemporary governance context.

2. Literature Review

Citizen participation in public budgeting has been widely recognized as an important mechanism to strengthen transparency, accountability, and democratic governance. Over the last decade, participatory budgeting (PB) has evolved from a localized innovation to a global practice, enabling citizens to directly influence how public funds are allocated (Gilman, 2016). This approach has been associated with positive outcomes, such as increased trust in government, improved allocation of resources toward marginalized groups, and the enhancement of civic skills among participants (Baicocchi & Ganuza, 2017).

The design and implementation of PB, however, vary significantly across contexts, and these variations strongly influence its effectiveness. Institutional support, political will, and inclusive procedures are critical factors that determine

whether PB serves as a meaningful decision-making process or merely as a symbolic exercise (Su, 2017). In recent years, digital technologies have expanded the reach of PB, offering online platforms that facilitate broader engagement, although challenges such as digital exclusion and unequal access remain (van der Does et al., 2021).

Overall, the literature suggests that PB can be a valuable tool for deepening democratic participation, provided that it is supported by strong institutional frameworks, inclusive design, and mechanisms to ensure that citizen decisions are implemented in practice.

3. Methods

This study adopts a qualitative content analysis approach to systematically examine relevant literature on climate change and economic policy integration. The research process begins with the identification and selection of peer reviewed journal articles, conference papers, and authoritative reports published between 2012 and 2021, ensuring that the sources are indexed in reputable academic databases such as Google Scholar, Scopus, and Web of Science. The inclusion criteria focus on studies that explicitly discuss the intersection between climate change, sustainability, and national or regional economic development strategies. The exclusion criteria omit publications that lack empirical or conceptual relevance, are opinion based without academic rigor, or fall outside the specified time frame.

The literature search is conducted using targeted keywords such as “climate change policy,” “sustainable economic development,” “environmental integration in

economic planning,” and “green growth strategies.” Boolean operators (e.g., AND, OR) are applied to refine search results and ensure a comprehensive coverage of the topic. Once the articles are collected, a two-stage screening process is implemented: first, a review of abstracts to confirm thematic alignment, and second, a full text evaluation to assess methodological quality and depth of analysis.

The data extracted from selected studies are coded based on thematic categories, including policy frameworks, sustainability integration mechanisms, economic transition models, and governance approaches. This thematic coding enables the identification of recurring patterns, gaps, and emerging trends in the literature. To enhance reliability, the coding process is cross validated by multiple reviewers, and any discrepancies are resolved through discussion and consensus. The findings are then synthesized to produce a narrative analysis that connects theoretical perspectives with practical implications, providing a holistic understanding of how climate change considerations are being embedded into economic development strategies globally.

4. Results and Discussion

The systematic review of selected literature reveals several consistent findings regarding the outcomes and determinants of effective citizen participation in public budgeting. First, there is strong evidence that well designed participatory budgeting (PB) processes can enhance fiscal transparency, improve allocation efficiency, and increase trust in government institutions. For instance, Cabannes (2015) found that PB initiatives in Latin America and Europe frequently resulted in a higher proportion

of resources being directed toward infrastructure and services in underserved areas. Similarly, Sintomer et al. (2016) highlight that citizen involvement often leads to spending decisions that reflect local needs more accurately than traditional top-down budgeting.

Second, the review identifies institutional design and political commitment as critical enablers of PB effectiveness. Wampler and Hartz-Karp (2012) argue that processes with clear rules, inclusive participation mechanisms, and strong follow-up procedures tend to yield more substantive policy impacts. In contrast, initiatives lacking such structures risk becoming symbolic exercises with minimal influence on budget allocations (Dias, 2018). Furthermore, the integration of digital platforms in PB while expanding accessibility has also introduced challenges related to digital literacy and the risk of excluding disadvantaged groups (van der Does et al., 2021).

Third, the socio-political impacts of PB extend beyond immediate budgetary outcomes. Evidence suggests that sustained participation in PB can strengthen civic competencies, foster collective problem-solving, and encourage long-term engagement in governance processes (Baiochi & Ganuza, 2017). However, the success of these broader impacts depends on the continuity of the process, institutional feedback loops, and tangible implementation of citizen decisions.

Overall, the findings confirm that PB is not a one size fits all solution. Its success hinges on a combination of contextual factors, including political will, institutional capacity, and socio economic conditions. Governments aiming to institutionalize PB should prioritize inclusive design, transparent processes, and mechanisms to ensure the implementation of agreed-upon projects. While the

literature affirms PB's potential to strengthen democratic governance, it also cautions that without structural safeguards, PB risks reproducing existing inequalities rather than addressing them.

5. Conclusion

This systematic literature review demonstrates that citizen participation in public budgeting, particularly through participatory budgeting (PB), holds significant potential to enhance fiscal transparency, promote equitable resource allocation, and strengthen democratic governance. When effectively designed and supported by strong institutional frameworks, PB can serve as a powerful mechanism to align public spending with community needs, foster trust in government, and cultivate civic engagement. The findings highlight that success depends on critical enabling conditions, including political commitment, clear procedural rules, inclusive participation strategies, and robust follow-up mechanisms to ensure that citizen decisions are implemented.

Nevertheless, the review also underscores persistent challenges. Without adequate institutional safeguards, PB risks becoming symbolic rather than substantive, with low participation rates, elite capture, or digital exclusion undermining its democratic promise. Furthermore, variations in institutional design and socio-economic context mean that PB is not a universally applicable model; its effectiveness must be evaluated relative to local governance capacity and community engagement culture.

In conclusion, while PB offers considerable promise as a democratic innovation, realizing its full potential requires sustained investment in institutional capacity, inclusive design, and mechanisms for accountability. Future research should explore longitudinal impacts, the role of digital tools in enhancing or constraining participation, and strategies for embedding PB within broader governance reforms. By addressing these gaps, policymakers and practitioners can better harness citizen participation as a cornerstone of transparent, inclusive, and accountable public financial management.

References

- Baiocchi, G., & Ganuza, E. (2017). *Participatory budgeting as if emancipation mattered*. Rowman & Littlefield.
- Campbell, A., Escobar, O., Fenton, C., & Craig, P. (2019). The impact of participatory budgeting on health and wellbeing: A scoping review of evaluations. *BMC Public Health*, 19(1), 1–14.
- Dias, N. (2018). *Hope for democracy: 30 years of participatory budgeting worldwide*. Epopeia Records.
- Gilman, H. R. (2016). *Democracy reinvented: Participatory budgeting and civic innovation in America*. Brookings Institution Press.
- Sampaio, R. C., Maia, R. C., & Marques, F. P. (2016). Participation and deliberation on the internet: A case study of the digital participatory budgeting in Belo Horizonte. *Journal of Computer-Mediated Communication*, 21(3), 243–263.

- Sintomer, Y., Herzberg, C., Röcke, A., & Allegretti, G. (2016). *Participatory budgeting worldwide: Updated practices and new trends*. International Institute for Democracy and Electoral Assistance.
- Touchton, M., & Wampler, B. (2014). Improving social well-being through new democratic institutions. *Comparative Political Studies*, 47(10), 1442–1469.
- van der Does, R., & Bos, D. (2021). What can make online government platforms inclusive and deliberative? A reflection on online participatory budgeting in Duinoord, The Hague. *Journal of Deliberative Democracy*, 17(1).
- Wampler, B., & Hartz-Karp, J. (2012). Participatory budgeting: Diffusion and outcomes across the world. *Journal of Public Deliberation*, 8(2), 1–12.
- Zhang, Y., & Liao, Y. (2020). Citizen participation in local budgeting: Mechanisms and outcomes. *Public Administration Review*, 80(5), 789–801.