

Unclassified

English text only

7 June 2024

**PUBLIC GOVERNANCE DIRECTORATE
COMMITTEE OF SENIOR BUDGET OFFICIALS**

Empowering Public Understanding: Citizen Dialogue in Budgeting

Draft for comment

Citizen dialogue in public budgeting can help empower public understanding and garner support for responsible fiscal policies. This paper explores OECD trends with citizen dialogue in public budgeting and considers the potential benefits and risks of it being further strengthened, examining both executive and parliament-led models. It also sets out key elements for fostering meaningful citizen dialogue in shaping public spending decisions.

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JT03545512

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Executive summary

The approach to policy making across many OECD countries is evolving, marked by a growing emphasis on citizen dialogue. The trend of increased citizen dialogue presents opportunities for public budgeting. Citizen engagement can help empower public understanding of the challenges faced by governments today and the trade-offs required in managing public finances in a sustainable way. By giving citizens the chance to input into how they would like to see governments handle public finances, there is an opportunity to engender political support for budget allocations. Citizen input can inform spending priorities, identify areas for efficiency gains, and foster a sense of ownership over the long-term health of public finances.

Current practices in OECD countries often rely on traditional methods such as calls for evidence and committee hearings. Emerging innovations include citizen budget portals, open innovation practices, and the introduction of deliberative processes – particularly within parliaments. However, the area of public budgeting has seen more limited advancements than other policy areas.

The increasing demand for citizen dialogue, coupled with the need to empower public understanding of fiscal realities, presents a valuable opportunity. By bridging the gap between responsible fiscal policy and public support, citizen dialogue can be a key strategy. However, some risks need to be considered during this evolution. Tokenistic dialogue or poorly designed processes can lead to frustration and a sense of disenfranchisement. Additionally, ensuring equitable representation is crucial to avoid amplifying existing inequalities.

To guide further advancement by OECD countries, this paper outlines six key elements that can support citizen dialogue in public budgeting:

1. Empower with fiscal literacy: Equip participants with the knowledge to understand budgetary constraints and trade-offs.
2. Strengthen parliamentary oversight: Citizen dialogue informs, enriches, and strengthens the role of elected officials.
3. Foster strategic input: Engage citizens on strategic conversations about the long-term health of public finances, as well as budget efficiency and value for money.
4. Link input to budget decisions: Clearly communicate how citizen input will be used in the decision-making process.
5. Ensure accessibility and representation: Design inclusive processes that overcome barriers and ensure diverse voices are heard.
6. Leverage technology as a tool: Use digital tools to facilitate broader engagement and complement in-person activities.

By considering these, and fostering innovative approaches to citizen dialogue, OECD countries can empower citizens and strengthen public budgeting for a more sustainable and prosperous future.

1 Citizen dialogue – a growing trend

The past two decades have witnessed a shift in how citizens interact with public life (OECD, 2022^[1]). The rise of social media and citizen-driven content creation platforms has empowered individuals to express opinions and engage on issues that matter to them. Easy access to information fuels this trend, allowing people to form informed opinions on a wide range of topics, from local community initiatives to national policy decisions. This engagement goes beyond formal channels like voting and consultations. Online polls, social media conversations, and even "cancel culture" represent new forms of public dialogue.

Governments and parliaments are not exempt from this trend. Traditional avenues for public involvement, such as voting, town hall meetings, and consultations, are increasingly seen as insufficient in today's evolving engagement culture. The act of voting every few years is no longer enough for some. Furthermore, a reliance on "the usual suspects" for expert advice can create a sense of detachment between public institutions and those they serve.

Recognising these changing dynamics, governments and parliaments have invested in citizen dialogue capabilities over the past decade. The growth of deliberative democracy practices¹, as documented in the updated [OECD Deliberative Democracy Database](#), is a clear sign of this trend. The database highlights the increasing variety of citizen dialogue activities, including citizens assemblies and mini-publics, and the rise of institutionalised practices.

In line with this trend, OECD countries are increasingly recognising the value of citizen engagement in the public budgeting. This engagement serves a dual purpose: it strengthens democratic processes (the means) and fosters popular buy-in for necessary fiscal measures (the ends). Citizen dialogue is a key strategy to bridge the gap between responsible fiscal policies and public support (Tanaka, 2007^[2]).

Citizen dialogue brings a fresh perspective to the table, fostering a deeper understanding of public needs and priorities. As highlighted in the OECD Recommendation for Budgetary Governance (OECD, 2015^[3]), fostering inclusive and participatory debates on budgetary choices is paramount. Principle 5 emphasises the crucial role of parliaments, citizens, and civil society organisations (CSOs) in engaging with key priorities, trade-offs, and resource allocation. This collaborative approach fosters a shared understanding of the opportunities and challenges that lie ahead, leading to more transparent, inclusive, legitimate, and accountable budgeting practices.

¹ Deliberative democracy processes typically involve smaller, carefully selected groups that aim to represent a diverse cross-section of the population. These groups engage in in-depth discussions, often facilitated by experts, to consider complex issues and arrive at well-considered recommendations.

2 Benefits and risks of citizen dialogue in budgeting

Citizen dialogue in the budgeting process offers benefits that extend beyond simply incorporating public opinion. Actively involving citizens in shaping public spending decisions can be transformative for both public institutions and citizens.

Citizen dialogue fosters greater understanding of the complexities of budgeting and resource allocation. This goes beyond just understanding how money is spent. Through dialogue, citizens gain a better understanding of the trade-offs inherent in public budgeting. They learn about the fiscal constraints faced by governments and the difficult choices involved in allocating resources across competing priorities. This knowledge empowers citizens to hold governments accountable in a more informed way, scrutinising policy choices with a clearer understanding of the practical realities at play. Crucially, it can also help foster political will for action in relation to fiscal challenges. In this way, citizen dialogue will become a useful tool for governments in helping bridge the gap between responsible fiscal policies and public support.

It also empowers citizens and enhances the legitimacy of the budgetary process. By directly involving citizens in discussions about resource allocation, governments demonstrate a commitment to responsiveness and accountability. Citizens feel empowered to have a say in how their tax dollars are spent, fostering a sense of ownership and trust in government institutions.

Furthermore, citizen dialogue brings more than just opinions to the table. It injects new ideas and approaches informed by citizens' lived experiences. This leads to a more informed and evidence-based budgetary process. Citizens often possess valuable knowledge about the effectiveness of existing programs and the needs of their communities. Their input can help identify data gaps and provide crucial information on programme outcomes, leading to more informed budgeting decisions that deliver better results.

While citizen dialogue in budgeting offers these benefits, neglecting proper management can transform this promising tool into a double-edged sword. A key concern relates to whether these exercises inadvertently serve to undermine democracy and – when led by the executive branch – weaken parliaments and their role as the primary body representing the public voice. It is crucial to ensure citizen dialogue complements, rather than replaces, the role of parliaments in shaping budget policy and allocating resources.

When not well-implemented, citizen dialogue exercises can also be perceived as tokenistic. Those initiatives lacking real influence on the final decisions can breed cynicism and disenfranchisement among participants. This can lead to feelings of wasted time and a sense that their voices are not truly heard, undermining the legitimacy of the budgeting process. Unlike the executive branch, which often has more flexibility in incorporating feedback, parliaments can be more constrained in their ability to directly respond to citizen input. Except for during the legislative process and in certain types of parliamentary vote, parliaments cannot typically compel a government to act in a specific way. Therefore, the extent to which a parliament can promise influence or impact is limited.

Another risk is that a well-intentioned citizen dialogue process can be easily skewed if it fails to reach a diverse range of voices. With any process, there is the potential for "capture" by well-organised interest groups. These groups, with established networks and vocal supporters, can easily dominate open consultations, flooding the process with their perspectives and potentially drowning out the voices of less organised or marginalised communities. Similarly, relying on the "usual suspects" - those who typically participate in public consultations - can lead to biased outcomes. These individuals may not represent the full spectrum of public opinion, potentially leading to budgets that cater to specific interests rather than reflecting the broader needs of the population.

Citizen dialogue in budgeting can also introduce a complex balancing act when it comes to managing expectations and costs. The process can ignite public enthusiasm and generate a surge of ideas and demands. However, balancing these aspirations with the realities of fiscal constraints can be a challenge. Governments must manage public expectations by clearly communicating limitations and priorities upfront. Additionally, citizen dialogue exercises themselves can be costly, requiring resources for outreach, facilitation, and data analysis. Striking the right balance requires prioritising engagement methods that deliver the most value while ensuring participants understand how their input is being considered within the context of broader budgetary realities.

By acknowledging these challenges and implementing well-designed, inclusive, and transparent engagement strategies, public institutions can mitigate risks and harness the true potential of citizen dialogue in shaping responsible and effective public budgets.

3 Executive-led efforts to strengthen citizen dialogue in budgeting

Citizen engagement in public budgeting displays a distinct pattern across different levels of government. Local governments have spearheaded efforts in this area, leveraging their closer proximity to citizens. This helps service providers get a better understanding of community needs in areas like the provision of public amenities. Consequently, local governments have actively experimented with practices like participatory budgeting (PB). PB empowers citizens to influence the allocation of a designated budgetary portion, often through direct voting, ensuring local spending aligns with community priorities. However, such practices are not practical for national budgeting.

National-level citizen dialogue in budgeting adheres to a more traditional approach. National governments primarily utilise public consultations (including online surveys) and town hall forums/workshops to gather citizen input. For example:

- In **Australia**, the Department of the Treasury conducts pre-budget consultations annually to gather public input on priorities for the upcoming federal budget. As part of this, the Treasury website hosts an online survey where individuals, businesses and community groups are encouraged to share their priorities and suggestions for the budget. The Department reviews all submissions and considers the feedback during the budget formulation process (Australian Treasury, 2024^[4]).
- In **Canada**, the Department of Finance holds annual pre-budget consultations inviting all Canadians to submit their ideas and priorities for the upcoming federal budget. Citizens can submit their views using an online questionnaire. The Department considers inputs alongside the information from pre-budget consultations led by the Parliament of Canada (Finance, Pre-Budget Consultations 2024^[5]).
- In the **United Kingdom**, the Treasury can launch public consultations at the time of the Spring Statement that are then responded to in the Autumn Budget. The Treasury also invites stakeholders to comment on government policy and suggest new policy ideas for the Budget via “Autumn Statement Representations” that can be submitted online (Treasury, 2021^[6]).

Moving beyond traditional and tokenistic approaches

In recent years national governments have increasingly recognised the benefits of strengthening citizen dialogue in budgeting. Elevated debt levels and future spending pressures have weakened budgetary outlooks. Governments must make difficult fiscal choices to ensure that public finances are on a sustainable path. Engaged voters can help governments take action in relation to these difficult choices. In response, some national governments are moving beyond these traditional approaches to citizen dialogue, towards more pro-actively seeking inputs from citizens.

A prominent example of this shift is **Ireland's** National Economic Dialogue. This forum fosters a broad-based discussion on the annual budget among stakeholders, including citizens. By facilitating this exchange, the NED promotes a shared understanding of Ireland's economic and fiscal landscape. Public

stakeholders and citizens contribute their perspectives and priorities, informing the government's budgetary decisions.

Box 1. Ireland's National Economic Dialogue

Established in 2012, the National Economic Dialogue is a key forum for public consultation and discussion on the annual Irish budget. This annual stakeholder engagement event is hosted jointly by the Department of Finance and the Department of Public Expenditure, NDP Delivery and Reform.

The Dialogue aims to facilitate an open and inclusive exchange between the government and stakeholders on the competing economic and social priorities facing the country. It serves as a platform for key stakeholders and citizens to gain a deeper understanding of budget-related challenges and decisions.

The Dialogue is held annually, typically around June, in the lead-up to the formulation of the national budget for the following year. It brings together a diverse range of stakeholders, including:

- Representatives from business associations, trade unions, and civil society organisations
- Social partners (employer and employee representatives)
- Economic and social policy experts
- Public interest groups
- Individual citizens (through online submissions)

The 2024 Dialogue will focus on the theme of a more shock-prone world: challenges and opportunities for Ireland. It includes an opening address by the Taoiseach as well as scene setter presentations from the Minister of Finance and the Minister for Public Expenditure, NDP Delivery and Reform covering the economic and fiscal context as well as the outlook for public finances. Breakout sessions are chaired by government ministers and cover topics such as building resilient public finances and the green transition.

The Dialogue provides a deliberative forum for stakeholders to participate in an open and inclusive exchange on the competing economic and social priorities facing the government. It is not intended to produce specific budget proposals or recommendations, but should assist participants in preparing their own pre-budget submissions.

Source: [Government of Ireland 2023](#)

Brazil's planning and budgeting process also demonstrates a strong commitment to citizen participation. Notably, the development of Brazil's latest Pluriannual Plan (PPA) incorporated a large scale exercise specifically designed to solicit citizen and stakeholder input (refer to Box 2 for details). This provided a platform for citizens to voice their priorities, concerns, and suggestions regarding the PPA's content. The final PPA included several programs directly proposed by citizens.

Box 2. Citizen input into the Pluriannual Plan in Brazil

The Pluriannual Plan (PPA) is the main planning document in Brazil, prepared at the start of each political term. It sets out the goals and objectives for the country, the programmes that will help achieve

these and the allocated resources and indicators used to assess success. The development of the most recent PPA for the 2024-27 period leveraged large scale citizen dialogue. This included:

- **A state plenary open to all citizens:** Social movements and civil society organisations. Participants debated and discussed government policy and new proposals.
- **Plenary meetings across Brazil:** Government officials travelled to the capital of Brazil's 26 states as well as the federal district to listen to citizens. Those attending could prioritise and programmes presented by the Federal Government and present new proposals. These brought together between 800 and 2,000 citizens in each area.
- **A digital platform to submit suggestions:** Citizens were able to submit their suggestions through a digital platform named Decidim. Citizens could also vote on up to three proposals suggested by others and prioritise up to three programmes presented by the government. The proposals with the most votes would be taken forward for further consideration. Almost 1.5 million citizens participated through this channel.

After the citizen dialogue exercise, the 50 most voted proposals in general and the 20 most voted proposals in each Ministerial area were selected for further consideration. In total, 760 proposals from the exercise were sent to the Ministries. They were also presented and discussed at Brazil's Intercouncil Forum, bringing together various councils and civil society groups. The Ministry of Planning and Budgeting then held bilateral workshops with each ministry to help examine the possibility for incorporating these proposals in the PPA. The results of this exercise were then further discussed at the Intercouncil Forum before the final PPA was sent to Congress. The activities set out in the PPA are then funded through the annual budget process.

Source: (Ministry of Planning and Budgeting, 2023^[7])

Engaging citizens in more strategic conversations

The scope of citizen dialogue in public budgeting is expanding to encompass more strategic and long-term considerations. Traditionally, citizen input focused on annual budget priorities. However, a growing number of countries are now seeking citizen engagement in longer-term fiscal planning exercises. **New Zealand** provides one example (refer to Box 3 for details). Here, the Treasury consults with a diverse range of stakeholders, including indigenous Maori and Pacific communities, youth representatives, academics, and economic experts, to gather in-depth insights on key long-term fiscal challenges.

Box 3. New Zealand's public consultation on long-term fiscal challenges

At least every four years the Treasury produces a Statement on the Long-term Fiscal Position of the government, looking at least 40 years into the future. The preparation of this Statement usually involves two consultation phases:

1. Consultation on the scope of the Statement: The Treasury provides a consultation document that outlined the proposed subject matter for the Statement and invites written submissions on the proposed topics as well as possible policy directions the government could take.
2. Consultation on the Draft Statement. The Treasury invites public feedback on the draft statement. In addition, the Treasury meets with a range of stakeholders to get in-depth feedback on key themes.

The Treasury publishes a summary of the feedback received on its website.

Source: [Government of New Zealand, 2021](#)

France is another example of a country seeking citizen engagement in long-term fiscal conversations. The 2019 Great National Debate (*Grand Débat National*) launched a nationwide dialogue on taxation and public spending (see Box 4). This initiative provided a platform for citizens to express their views and priorities regarding these critical fiscal issues. The French government subsequently used the insights gleaned from the Great National Debate to inform its public finance decisions.

Box 4. France's Great National Debate on taxation and public spending

In a response to the yellow vest (*gilet jaunes*) protests over fuel tax increases, the French Government began a Great National Debate (*grande débat national*) in 2019. It intended to give French people a voice in the public policies that matter to them. One of the themes of this was taxation and public spending. Citizens could either respond to a questionnaire around taxation and public spending or submit their own proposals. As part of the questionnaire, citizens were asked their views on areas such as:

- Priority areas for reducing taxes
- Proposals to finance social expenditure
- Priority areas for strengthening social protection
- Policy areas where respondents would be willing to pay more taxes
- Proposals to reduce the government deficit
- Public expenditure reductions to decrease taxes and debt
- Expenditure areas where savings should be made

The consultation was open from 22nd January to 18th March 2019. The government received 345,578 questionnaire responses and 154,466 people submitted proposals. The results of the Debate were published online and are being used to help implement policy in Government.

Source: (Le Grand Débat National, 2024^[8])

Experimentation with open innovation practices

Governments are increasingly embracing open innovation practices to tackle complex public issues. These practices, including crowdsourcing, hackathons, and public challenges, harness the collective intelligence of a diverse pool of actors to co-create effective solutions.

Hackathons, a specific type of open innovation event, bring together public authorities, stakeholders, and technical communities (developers, coders, designers, data scientists, etc.) for intensive collaborative work. Participants typically leverage open data sets provided by the organising public authority to develop innovative solutions – such as dashboards, applications, or websites – within a compressed timeframe

(24-72 hours). This sprint-like format fosters creativity and rapid prototyping, allowing for the exploration of new approaches to policy challenges.

France's "budget hackathons" serve as a prime example of this approach (detailed in Box 5). These events show the potential of hackathons to drive innovation in public policy by engaging a wide range of talent on specific challenges relating to public finances.

Box 5. Budget hackathon in France

The French Ministry of Action and Public Accounts, in collaboration with the National Assembly and the Court of Auditors, organised "DataFin" hackathons in 2018 and 2020. These hackathons aimed to encourage the innovative use of open public financial data to improve transparency, accountability, and citizen engagement.

The first DataFin hackathon in June 2018 focused on national-level public financial data. Participants developed tools and visualisations to analyse budget data, track spending patterns, and identify areas for potential savings or efficiency gains. The second DataFin hackathon in January 2020 shifted the focus to local public financial data. Participants explored ways to use data to enhance citizen understanding of local budgets, improve service delivery, and promote citizen dialogue in local decision-making.

Participants included developers, data scientists, designers, journalists, researchers, and citizens with an interest in public finance and data analytics. They developed a variety of prototype applications, tools, and visualisations that addressed different aspects of public financial data analysis and citizen engagement.

The culture of hackathons has expanded to all Ministries in France, and has been used for example, to collectively process the millions of inputs received via online platforms during the Great National Debate (*grand débat national*).

Source: (Ministère de l'Économie, des Finances et de la Souveraineté Industrielle et Numérique, 2024^[9])

While innovative approaches to citizen engagement in public budgeting are emerging within some OECD countries, their implementation remains relatively limited compared to some other policy areas. Other engagement tools being used include:

- **Outreach and focus group engagement:** This approach facilitates in-depth discussions with targeted citizen groups, allowing for focused exploration of specific issues.
- **Online dialogue platforms:** Web-based tools can empower citizens to actively participate in the policy-making process, fostering debate, deliberation, and collective decision-making.
- **Social media engagement:** Social media platforms offer a valuable tool for both facilitating discussions on budgetary matters and directing the public towards other citizen engagement opportunities.
- **Citizen's assemblies or smaller citizen's panels:** These deliberative processes bring together a representative sample of citizens to discuss complex budgetary issues and make recommendations.

4 Parliament-led efforts to strengthen citizen dialogue in budgeting

Parliaments in OECD countries employ a range of citizen engagement practices to strengthen the democratic legitimacy of the budgetary process. Given their overall responsibility for budget scrutiny (OECD, 2023^[10]), budget committees can strategically focus public dialogue on the fiscal context. This is a two-way process where, as well as hearing from citizens on their concerns and priorities, budget committees have a responsibility to also use dialogue events to inform citizens about the trade-offs and risks facing public finances. Sectoral committees – who are primed to engage with citizens – then play a crucial role in amplifying this message to their specific constituencies. By translating the national fiscal context into the language of each sector's priorities (e.g., impact on education funding, healthcare access), sectoral committees ensure that public inputs are cognisant of the bigger picture.

Across OECD countries, both budget and sectoral committees regularly issue calls for evidence and invite key stakeholders to committee hearings on draft budgets. These practices foster a more inclusive and informed policymaking environment, allowing specific individuals or groups to contribute their perspectives and expertise to budgetary decisions. Examples include:

- In **Germany**, the Bundestag has established public hearings related to the approval of the annual budget and invites specific individuals or groups to testify or provide input. More specifically, the Parliamentary Budget Committee (Haushaltsausschuss) organises some "Public hearings and expert discussions (Öffentliche Anhörungen und Expertengespräche) (International Budget Partnership, 2022^[11]).
- In **Norway**, the Storting has established public hearings related to the approval of the annual budget across all of its standing committees. Members of the public as well as civil society organisations testify (The Storting, 2024^[12]).
- In the **United States**, the legislature engages with citizens on budgetary and economic policy matters through the committee hearings process. The House and Senate, and their committees, increasingly use social media to inform and interact with citizens. For example, the House Committee on Ways and Means collects "Submissions for the Record" from organisations and individuals and posts them to its website (Committee of Ways and Means, 2024^[13]).

Citizen engagement practices within legislatures can raise concerns regarding representativeness. In some instances, legislatures may inadvertently limit engagement to established stakeholders – the “usual suspects” – potentially overlooking the perspectives of diverse citizen groups.

To address this challenge, some parliaments have adopted more inclusive engagement strategies. **Canada's** Standing Committee on Finance, for example, holds public hearings across the country to ensure a broader range of citizen voices are heard during the budgetary process (detailed in Box 6). Such efforts display best practices in promoting inclusivity and ensuring that budgetary decisions reflect the priorities of wider citizens.

Box 6. Pre-budget consultations by the Canadian Parliament

The Canadian Parliament launched its pre-budget consultation exercise in the mid-1990s. As part of this it holds pre-budget consultations every year to gather public input on the upcoming federal budget. In the initial phase, the public can submit written submissions through an online questionnaire.

Following the consultation period, the Standing Committee on Finance reviews all submissions and holds public hearings in Ottawa as well as across Canada. Invitations are extended to selected individuals and organisations who have made written submissions. In addition, the Committee encourages all interested Canadians who are not invited to make a formal appearance before the Committee to speak on these topics during the 'open mic' sessions at each meeting. For the 2024 Budget, the Committee held hearings in Ottawa as well as in the following cities: Charlottetown, Halifax, Fredericton, St. John's, Newfoundland and Labrador, Québec, Toronto, Winnipeg, Edmonton and Vancouver.

Following on from these meetings, the Committee then prepares a report summarising the key themes and recommendations from the consultations. This report is presented to the House of Commons and sent to the Minister of Finance, who considers it – alongside information from its own consultations - when finalising the budget

Source: [Parliament of Canada 2024](#)

The rise of deliberative processes

In recent years, a growing number of OECD parliaments have embarked on experiments with innovative deliberative processes to deepen citizen engagement in budget oversight. These practices extend beyond traditional outreach methods and aim to foster more in-depth citizen dialogue.

The Welsh Parliament in the **United Kingdom** provides an example. To complement its annual budget town hall meeting, they have implemented additional engagement activities, including a workshop with the Welsh Youth Parliament and targeted focus groups (further details in Box 7). This multifaceted approach shows how parliaments can leverage diverse deliberative processes to enrich citizen understanding of complex budgetary issues and solicit their informed perspectives.

Box 7. Increased effort by the Welsh Parliament to engage citizens in budget oversight

The Finance Committee at the Welsh Parliament increased its efforts to engage with citizens in 2022. The aim of these engagement activities is to deepen the Committee's understanding of the issues affecting the people of Wales. The Committee usually undertakes a town hall external stakeholder event where it meets stakeholders and discusses their budget priorities. It supplemented this with two additional engagement activities:

1. Online workshop with members of the Welsh Youth Parliament (WYP): WYP Members were asked to choose up to three areas where they think the Welsh Government should prioritise funding in the next year and if the Government was going to increase spending in these areas, where should spending be cut.

2. Focus groups and interviews: The Committee use focus groups as part of a longitudinal study to enable them to monitor perspectives and attitudes over time. The questions posed at each focus group are based on the overarching question: What do you want the Welsh Government to focus spending on? Participants are chosen with the support of gatekeeper organisations to ensure that the sample was representative as well as diverse.

Source: [Welsh Parliament 2023](#)

The Scottish Parliament in the **United Kingdom** further demonstrates this trend of innovation in citizen engagement. Complementing their established approach to budgetary scrutiny, one sectoral committee in the Scottish Parliament is piloting a new deliberative process (detailed in Box 8). The information gleaned from this process helps inform the sectoral committee report on the budget which is then sent to the Finance Committee for consideration alongside similar reports from other sectoral committees. This initiative underscores the ongoing commitment of some OECD parliaments to explore and implement novel practices that enhance citizen dialogue in the budgetary process.

Box 8. Use of a citizen's panel in budget scrutiny at the Scottish Parliament, United Kingdom

Engagement has been a long-standing feature of the Scottish Parliament, but in recent years this has expanded to include more participatory and deliberative practice. This is in response to a Citizen Participation and Public Petitions Committee inquiry which found that [the Parliament should use Citizens' Panels more regularly to help committees with scrutiny work](#).

As part of a long-term focus on Human Rights Budgeting, the Equalities, Human Rights and Civil Justice Committee [decided to focus its pre-Budget scrutiny this year on dialogue](#). As well as supporting wider aims of embedding deliberative practice and reaching "easy to ignore" groups, the activity acted as a proof-of-concept exercise to explore what impact an increased inclusion of citizens' voices in the scrutiny process might have on the Scottish Government's response to Committee recommendations, and how using deliberative approaches might help to enhance and reframe pre-budget scrutiny.

As well as running [a public survey on people's understanding of the Budget](#), the Committee asked a group of volunteers from an existing citizens' panel to help the Committee to understand how best to use dialogue in a budget scrutiny context. A group from this existing panel met over three half-day sessions in August, September and October 2023 to learn about the Scottish Budget, explore barriers to dialogue and meeting human rights obligations with the Committee, and use their learning to generate and prioritise a set of questions for the Scottish Government. Participants were paid for their time, and expenses covered. Additional online and in-person support meetings took place between sessions. [The panel gave evidence to the Committee](#), which then went on to ask the panel's questions directly during [pre-Budget evidence from the Minister for Equalities, Migration and Refugees](#).

This process helped the Committee to understand how citizens interpret and engage with the Budget process, and gave the people involved a direct and meaningful way to take part in scrutiny. It was also a Scottish Parliament first – whilst committees have crowdsourced questions using online platforms before, none have used a deliberative process to build capacity within a group and support them to collectively agree their scrutiny priorities before.

Source: Personal communication.

Deliberative processes are also recognised for their potential to enhance not only budget prioritisation and approval, but also ex-post scrutiny of government spending. The Dutch Parliament provides an example

of this broader application since a deliberative process is used to support scrutiny of the government's annual accounts (detailed in Box 9). This approach fosters a more comprehensive and informed oversight process, allowing parliamentarians to delve deeper into how budgetary allocations translate into real-world outcomes.

Box 9. Citizen input into the scrutiny of annual accounts at the Dutch Parliament

Since 2017, the Netherlands House of Representatives (Tweede Kamer der Staten-Generaal) has been using a participative process called the V-100 in its review of the government's annual accounts and outcomes. Specifically, the Parliament invites one hundred individuals to engage in the accountability part of the budget cycle shortly after Accountability Day (when the Minister of Finance presents the annual reports of the national government to parliament).

The participants in the V-100 come up with questions about the annual reports of the ministries based on pre-selected themes (in sessions hosted and co-hosted by knowledge coordinators of the House and colleagues from the Dutch General Court of Audit). Relevant committees of the House or individual MPs can then put the questions to ministers during a plenary debate in early-June.

At the outset the intention had been to work with a cross-sectional group of citizens every year, but ultimately, as recruitment was on a self-selecting basis, the people coming forward to take part tended to have a professional connection to the budget process or area of interest. In recent years, specific participant groups have been targeted instead, for example:

- In 2022 [the target group was young scientists](#).
- In 2023, [regional journalists were invited](#) because of a dominance of regional themes in budget scrutiny.

The V-100 group works in a 'pressure cooker model', including a learning process, usually in a single day. Members of the House of Representatives are also invited to take part, and each group drafts questions relating to the theme suggested by one of the standing committees. This gives an opportunity for people with a fresh outlook to formulate questions to the cabinet about the annual accounts and outcomes. The questions developed and corresponding answers from ministers are made public on the Parliament website, and the answers from ministers are also shared directly with participants.

Source: Personal communication.

While still evolving, deliberative approaches to budget oversight hold significant promise for OECD countries. Integrating citizen deliberation into this process can yield a multitude of benefits for parliaments. These include strengthening the legitimacy and credibility of their budget oversight role, enhancing their ability to represent constituent concerns, and bolstering budget oversight by committees.

5 Key elements that can support citizen dialogue in public budgeting

Assessment of existing practices gives insights into how citizen dialogue in public budgeting could evolve to become more meaningful and effective. Simply continuing to invite the usual suspects to the table is not enough. For citizen dialogue in public budgeting to be truly effective, it requires careful design and implementation.

Drawing on best practices observed across OECD countries, this section outlines six key elements that can support effective citizen dialogue in public budgeting.



Source: Developed by authors

1. Empower with fiscal literacy

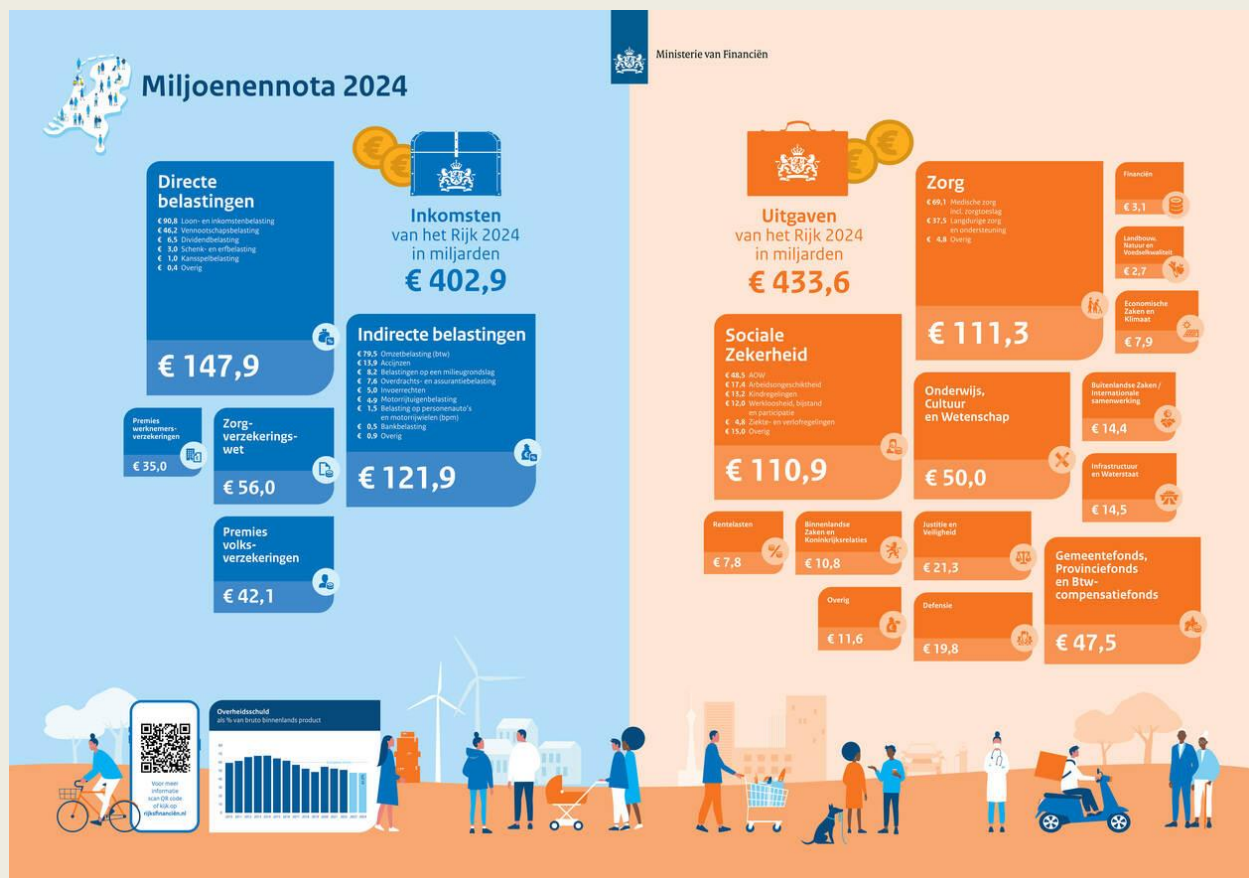
There is an important relationship between citizen dialogue and fiscal literacy. The electorate must be well informed if citizens are to engage in dialogue activities. Clearly not all citizens will be equally concerned or will possess the same amount of knowledge to contribute constructively. Equipping participants with basic budgeting knowledge is crucial (see Box 2 for the example of Sweden). Educational efforts should be tailored to specific topics or complex issues. Citizens also need clear information on budgetary constraints, policy costings, potential savings, and long-term impacts of

different spending options. Open and accessible budget information, like online portals, can also be a useful tool in empowering citizens to engage with public budgeting.

Box 10. Efforts to support fiscal transparency and literacy in the Netherlands

The Netherlands has developed a government web portal (rijksfinancien.nl) for the publication of all budgetary information related to the central government. In addition to information on laws and regulations relevant to budget policy, the portal includes open data and data visualisations to support fiscal transparency and literacy among key stakeholders – including the media, parliament and policy makers - in the Netherlands. It helps these users understand and communicate public finances with the general public.

This web portal compliments the Budget Memorandum poster that the Ministry of Finance publishes on budget day to provide an overview of the expected income and planned expenditure (see 2024 posted below). It is intended for use by teachers to teach secondary education students what the budget entails. The Ministry of Finance also provides an explanatory guide as well as animated videos to support teachers in delivering the lesson, including general lesson suggestions on the topics of the Budget Memorandum.



Source: (Dutch Ministry of Finance, 2024^[14])

2. Strengthen parliamentary scrutiny

Citizen dialogue should strengthen, not replace, the role of elected officials. For example, this might involve incorporating citizen dialogue within the parliamentary scrutiny process so that it complements representative democracy and helps strengthen the existing scrutiny process. By incorporating citizen priorities into discussions, elected representatives can make well-rounded choices while retaining their ultimate responsibility for resource allocation. Where this is the case, it can inform and enrich the decision-making process.

3. Foster strategic input

Citizen dialogue in public budgeting can extend beyond the annual cycle to encompass strategic discussions on the future of public finances. This broader engagement fosters a sense of ownership and accountability for long-term fiscal health. Effective exercises move beyond simply soliciting requests for increased spending. To facilitate informed citizen dialogue, discussions should address the budgetary constraints faced by governments. This can involve exploring the trade-offs citizens are willing to make in a context of fiscal limitations. Citizen perspectives can also offer valuable insights into promoting budget efficiency and ensuring value for money in public spending.

4. Link input to budget decisions

Impact is key. Citizen dialogue processes should be organised only when there is room for meaningful input in the budgeting process. In this sense it can be helpful to link dialogue to specific budget items or decision points, and provide feedback so participants understand how their contributions influenced budget decisions. Public participants will have greater confidence in engagement efforts if they are consulted early in the decision-making process. Public institutions should avoid tokenistic consultations and establish clear feedback mechanisms. Political commitment to act on recommendations is essential for trust-building.

5. Ensure accessibility and representation

Outreach efforts should be designed to include "hard-to-reach" groups, ensuring that dialogue goes beyond the "usual suspects". Participation should be inclusive and representative of diverse socioeconomic backgrounds. This may mean that there is a need for additional support for some citizen groups to participate. Random selection techniques can further broaden dialogue and ensure that a broad range of voices are heard.

6. Leverage technology as a tool

The right methods for citizen dialogue in budgeting should be chosen based on available resources, time constraints, and the potential impact. Public institutions can benefit from being iterative and innovative with their approaches to citizen dialogue, rather than sticking to a single model or approach. In doing this they may seek to leverage digital tools like online surveys, discussion forums, or interactive platforms to facilitate broader engagement and complement in-person activities.

By implementing robust citizen dialogue initiatives aligned with the key elements outlined above, public institutions can cultivate more engaged citizens. This empowered public can serve as a powerful asset, helping generate the political will needed to make difficult fiscal choices.

6 Conclusion and way forward

Public budgeting has traditionally been a realm reserved for government officials and economic experts. While OECD countries recognise the importance of citizen dialogue in public budgeting, many continue to rely on traditional or tokenistic methods of engagement. This includes government consultations or surveys on the budget priorities of citizens or parliamentary committee hearings with key stakeholders.

A growing number of OECD countries, however, are pioneering more proactive and innovative approaches. Canada and Ireland, for example, actively engage citizens through external events to discuss budgetary priorities. New Zealand and France are fostering strategic conversations on public finances, empowering citizens to shape long-term fiscal choices.

Furthermore, some countries are experimenting with novel practices. France's budget hackathons leverage open data to enhance transparency, accountability, and citizen engagement. Parliaments across the OECD are introducing deliberative processes – such as focus groups and citizen panels – to bolster the legitimacy of committee oversight.

These advancements highlight the opportunity for OECD countries to expand citizen dialogue. Innovative tools successfully employed in other policy areas – outreach activities, online dialogue platforms, social media, and deliberative democracy mechanisms – remain largely untapped in public budgeting. Experimenting with these tools can foster public support and ownership for long-term fiscal health. Simply continuing to invite the usual suspects to the table is not enough.

However, effective citizen dialogue requires careful implementation. The six key elements to support citizen dialogue in budgeting and outlined in this report aim to equip public institutions with the necessary framework to navigate this new course in public budgeting.

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