Participation in Economic Decision-Making

A Primer

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Cover Photograph: Musokatanda women farmers' group
Photographer: Leeds CDKN team

About this primer

This primer is designed to develop a shared understanding and vocabulary around what 'participation' means for programmes that aim to build participation into economic decision-making.

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How to use this primer

This primer is designed to help programmes that aim to build participation into economic decision-making to better understand what 'participation' means.

It focuses on what does **meaningful participation in economic decision-making** mean, and what might it look like? What does it mean to support people to have more control over their economic futures, and how might programmes do this?

It recognises that participation can happen at three interconnected levels, with different levels of agency exercised by funders of programmes:

1. At the internal level: are programmatic processes participatory?
2. At the beneficiary level: do the organisations (grantees) funded to work with target audiences use participatory processes?
3. At the societal level: are there participatory processes within economic decision-making (e.g. government/investment decisions?) that programming can support?

This primer addresses all three levels and is intended to support developing a common language and understanding around key concepts to inform programme planning and implementation. It can also be used to develop ideas for different ways to build participatory practice internally.

The benefits of participation

There are three imperatives that are commonly given in support of participation:

1. The Democratic Imperative:

People participating in decisions that affect their lives is a core value of open and democratic societies.

2. The Effectiveness Imperative:

Programmes, investments, and policies are more likely to succeed if the people they hope to reach or impact are involved directly in developing and implementing them.

According to a [Ford Foundation](#) study, participatory grant-making matters because it helps foundations 'walk the talk of social change' (p. 22):

- It empowers communities, and this in turn allows for more flexibility and creativity in grant-making
- It brings the knowledge of those most affected by the issue of concern, leading to more informed and strategic analysis and decision-making in grant-making
- It builds leadership capacity of community participants and encourages collaboration between diverse groups
- It helps grant makers build trust and credibility among communities within which they work

3. The Rights Imperative:

The 'right to participate' is now found throughout global human rights documents.

If we apply these imperatives to economic decision making then at a societal level democracies should enable people to participate in decisions that might affect their futures. In order to contribute to this democratic imperative, programmes can support the effectiveness and rights imperatives - ensuring that internal processes and decision-making are participatory, but also that programme partners use participatory processes with ultimate beneficiaries.

While there are benefits of participation, there are also risks, especially if not adequately thought through and this will be explored more fully in a later section. Understanding participation, and how to support it in practice, thus becomes critical to minimise the risks, and to strengthen the positive contributions that it can bring.

What is participation?

Participation can be interpreted in a number of ways, and many have argued that there is a ladder or spectrum of participation, from nominal through to transformative. One needs to be very clear where any specific participation process sits on this spectrum in order to manage expectations and be realistic about what level of influence participants will have on any decision-making.

Table 1: Ladder of Participation

Form	What 'participation' means to the implementing agency	What 'participation' means for those on the receiving end	What 'participation' is for
Nominal	Legitimation—to show they are doing something	Inclusion—to retain some access to potential benefits	Display
Instrumental	Efficiency—to limit funders' input, draw on community contributions and make projects more cost-effective	Cost—of time spent on project-related labour and other activities	As a means to achieving cost-effectiveness and local facilities
Representative	Sustainability—to avoid creating dependency	Leverage—to influence the shape the project takes and its management	To give people a voice in determining their own development
Transformative	Empowerment—to strengthen people's capabilities to take decisions and act for themselves	Empowerment—to be able to decide and act for themselves	Both as a means and an end, a continuing dynamic

Source: Cornwall (2001)

In order for participation to be meaningful and for people to be active participants in their own futures, one should strive for participatory processes to be representative or transformative.

Another way to conceptualise this is thinking about what the goal and promise will be to those participating, ranging from informing to empowering.

Figure 1: IAP2's Public Participation Spectrum

Source: © International Association for Public Participation www.iap2.org.

See Box 2 below for an adaptation of this spectrum to grant-making processes.

What might participation look like in relation to programmatic interventions?

In this section we discuss four types of interventions that programmes aiming to build participation in to economic decision making might employ, and for each we begin to identify what participation looks like at an operational level.

Impact Investment:

Ensuring that investment decisions and/or partners include participatory dimensions (see example in box 1 below).

Box 1:

Transform Finance is a group of funds, foundations and family offices that are trying to invest with a community-centred, social justice approach. One of their investment strategies is to develop models of investment that can overcome existing barriers to converting enterprises to employee ownership. They argue that such a model could help preserve jobs and place-based benefits of businesses rooted in community. It also provides an opportunity for worker ownership and subsequent asset-building for the workers of these enterprises.

This is also an example of supporting employee participation in economic decision-making in terms of maintaining jobs in communities and developing assets.

More information available here: http://transformfinance.org/fostering-employee-ownership/.

Grant-making:

Developing participatory decision-making processes for the allocation of grants (see example in box 2 below).

Box 2:

The NoVo Foundation recently announced a seven-year, $90 million commitment to support the girls of colour movement—a strategy that grew directly out of a year-long listening tour with girls of colour, movement leaders, and organizers.

The Ford Foundation recently published this guide on participatory grant-making which includes this useful framework:

Figure 2: Participatory Grant-making Framework

Participatory Grantmaking:
Draft Overall Framework

INFORMING	CONSULTING	INVOLVING	DECIDING
Grantmakers tell	Grantmakers receive	Two-way communication that leads to grantmaker decisions	Two-way communication that leads to joint decision-making
Non-grantmakers receive	Non-grantmakers tell		Pre-Grant / Granting Process / Post-Grant
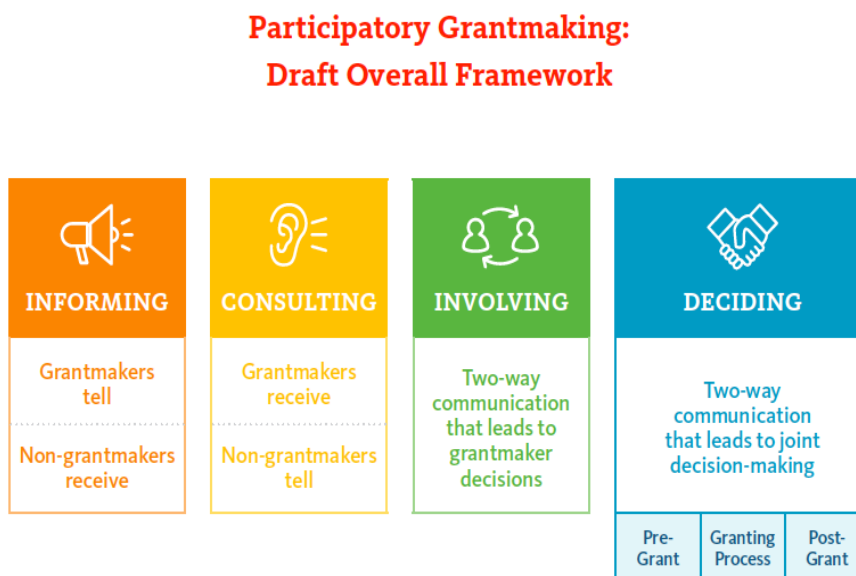
Source: Gibson, C. (2017). Kindly reproduced with permission from the Ford Foundation.

Stakeholder Engagement:

Choosing to foster and support coalitions that bring together diverse stakeholders, in particular actors that do not normally participate in economic decision-making, so that they can become more involved in debates that affect their lives (see example in box 3 below).

Box 3:

The New Economy Coalition is a network of community-based organizations in the US and Canada that is working towards a future where people, communities, and ecosystems thrive. Together, they aim to create deep change in the economy and politics—placing power in the hands of people and uprooting legacies of harm—so that a fundamentally new economic, political and social system can take root.

More information available here: *https://neweconomy.net/about*

Economic Policy:

Advocating for economic policy-making that opens up space for greater participation (see example in box 4 below).

Box 4:

Participatory budgeting is an example of pubic economic policy-making that has opened up space for the wider participation of people in economic decisions that will impact their lives. There are numerous examples from across the world, and the exact participatory process followed is adapted to each context. Usually the process will involve community participation in one or more of several stages: the design of the process; the development of proposals for budget spending; public deliberation on how money should be allocated; a vote to make a final decision; and a monitoring process.

More information available here: *https://www.participatorybudgeting.org/*

Across all of these types of interventions there are specific dimensions of participation that must be understood, in order to appreciate whether it is meaningful and effective.

Whose participation?

If programmes aim to support people to participate in economic decision-making, an important question to ask is: Who are these people that they need to target? Who needs to increase their participation in order to more effectively and actively participate in decision making? In each area that a programme works, consideration needs to be given to who the economically disenfranchised people are, and how they can be supported to participate.

A risk of all participatory processes is that they get co-opted by elites or certain groups. This is why it is so important to think carefully about who is participating. Due to practicalities, it is very likely that 'representatives' of certain groups or communities will participate. However, this throws up questions: How have those representatives been selected/chosen? Who are they claiming to represent? The idea of a 'community' or 'civil society' (or any large homogenous group) can be problematic, as within apparently cohesive communities/groups there will be differences in perspectives and experiences – between men and women, young and old, between ethnicities and religions, and between classes. Are participants there to represent others, such as beneficiaries, stakeholders, intermediaries, investors, or specific marginalised groups, or are they there to represent their own interests?

Meaningful participation is dependent on people being willing and able to participate and express their 'voice'. As stated above, people can sometimes feel unable to participate and express themselves in certain fora because they may feel intimidated, lack the relevant knowledge and language to understand and contribute, may not be seen as legitimate by others, or may not believe that they have a right to participate.

There is a debate about the impact of economic and social inequalities on participation, but they can reduce the participation of those who have experienced inequality and exclusion. This can mean that preparatory work needs to be done in order to identify any possible barriers to participation and support people to be willing and able to participate, including adapting the process to accommodate diverse needs.

Importantly, this is not just the case for those who are economically disenfranchised, it also includes working with elites and those in 'listening' positions, to enable them to see others as having legitimacy and to listen across difference. In economic fora, this means that economic 'experts' need to be willing to listen to those who they might regard as economically 'illiterate' or whose knowledge is drawn from their 'experiential expertise' rather than their educational expertise.

Where can participation happen?

Participation can happen in many different spaces. These can be understood as decision-making spaces, formal spaces like legislative bodies, or informal spaces like community groups, or even one off events like protests. These can be physical locations such as a meeting room or non-physical spaces such as having the chance to communicate with a decision-maker via an online consultation.

Claimed Spaces – supporting people in their own spaces

Decision-making spaces which have been claimed and created by people and organisations themselves.
- Associations and organisations
- Social movements and campaigns
- Alternative economic pathways
- Creative forms of expression

Invited Spaces – bringing participation into existing spaces

Existing decision-making spaces where people are invited to participate
- Grant-making processes
- Policy-making process
- Investment decision-making processes
- Alliances

Closed Spaces – opening up 'hidden' and 'closed door' decision-making to wider participation

- Global trade talks
- Government economic policy-making processes
- Negotiations between businesses

These spaces can exist at a macro level (e.g. the Davos World Economic Forum), a meso level, (e.g. a National Farmers' Association), or a micro level (e.g. a city's Chamber of Commerce).

What is power and how does it affect participation?

It is really important to understand how power operates in all of these spaces and how that power might affect who participates in that space, who doesn't, and how. It is probably more common in economic decision-making for spaces to be closed, as decisions get made through negotiations (e.g. investment decisions may be made during discussions between the Government and Private Sector). This means that in order for more people to meaningfully participate in economic decision making, one needs to challenge the status quo and open up who participates in those closed spaces.

Therefore, in order to promote meaningful participation in economic decision making, programmes need to develop an understanding of how power works – in particular economic power – and develop strategies for how they can contribute to shifting that power.

Shifting power and empowering people to participate can happen in a variety of ways. There are different sources of power and different ways in which it can be exercised or experienced.

Challenging the 'power over'

'Power over' is the ability to make others do something; it is the power to dominate others. It is often derived from controlling resources and decision-making processes. Funders have a lot of 'power over'. Therefore, shifting 'power over' means challenging who has the ability to dominate. Challenging 'power over' means supporting the opening up of decision-making processes or widening access to resources, ensuring wider participation. This might mean supporting the right of employees to sit on company boards, or supporting participatory budgeting processes that open up the decision-making process of budget allocation. Advocacy strategies are often used to challenge 'power over'.

Strengthening the 'power to'

'Power to' is the ability to act and influence change. When based on mutual support, it can be expressed through 'power with'. It is sometimes referred to as 'agency'. Shifting 'power to' means supporting the ability of groups with less power to influence change. Strengthening people's 'power to' means supporting their access to decision-making forums, but also making sure they have the skills and resources required to participate in those forums. This might mean supporting the representation of particular groups (e.g. an ethnic minority) within a Trade Union, or to form their own alternative businesses or enterprises.

Figure 3: Power to

Encouraging the 'power with'

'Power with' is collective strength. It is power based on mutual support, solidarity and collaboration, 'power with' multiplies individual talents and knowledge, the sum is greater than the parts. 'Power with' can help develop 'power within' when people see that collectively they can have influence. Shifting 'power with' means creating alliances where they are needed, or challenging business cartels, when powerful actors work together to fix a market. Encouraging 'power with' means supporting alliances and collective action by less powerful actors who may have shared interests, and are more able to participate by working together.

Figure 4: Power with
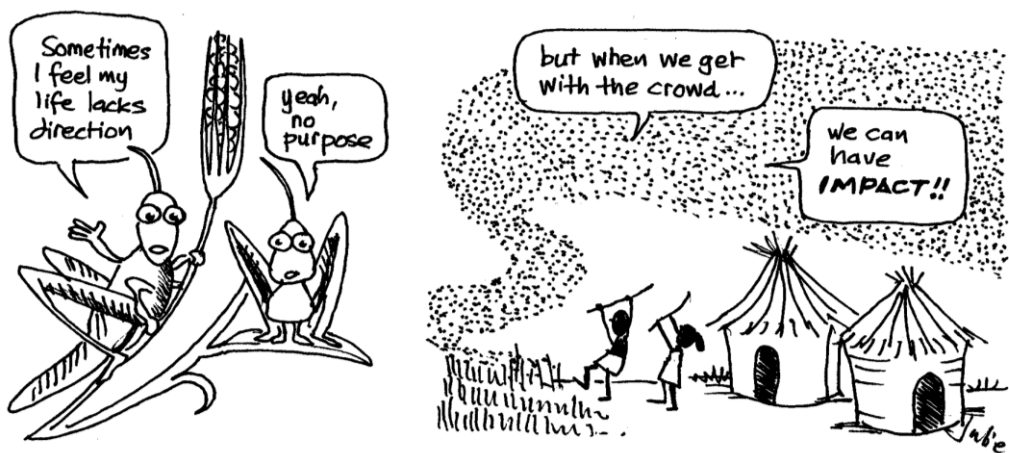
Enabling the 'power within'

'Power within' is a person's sense of self-worth and self-knowledge. Power within is the capacity to imagine and have hope; it affirms the common human search for dignity and fulfilment. It is the ability for people to recognize their 'power to' and 'power with'. Shifting 'power within' means changing the way a person views their abilities and self-worth. Enabling power within means providing a supportive and reflective environment in which a person can understand their own strength and potential, and gain the confidence they need in order to participate and resist their oppression or challenge their exclusion. This might mean supporting people to feel they have economic literacy and the ability to participate in economic decision-making, drawing upon and developing their own life experiences and local forms of knowledge.

This video, produced by the Pathways to Women's Empowerment research consortium, is an example of how a hairdresser can become an activist and enable the development of power within in her clients:

https://vimeo.com/48884547.

How do we recognise power?

Power isn't always obvious or visible. Power can be hidden. For example, vested interests can maintain their power and privilege by creating barriers to participation, by excluding key issues from the public arena, or by controlling politics and economics 'backstage'. This may often happen in the private sector, where decisions are made in non-transparent processes or only certain stakeholders are invited to negotiations.

Figure 5: Hidden power

Source: http://www.powercube.net/resources/pictures/ CC BY-NC-SA 3.0

Through hidden forms of power, alternative choices are limited, less powerful people and their concerns are excluded, and the rules of the game are set to be biased against certain people and issues. Within the economic sphere, the global dominance of neo-liberal economics can be seen as a form of hidden power, where alternative economic models are not considered or indeed ridiculed.

Power can also be invisible. Power can be the dominating ideologies, values and forms of behaviour that maintain the status quo. The social norms, common sense, and dominate beliefs that can keep poor and marginalised people powerless.

This can also be understood as 'internalization of powerlessness' because it affects the awareness and consciousness of potential issues and conflicts, even by those directly affected. This form of power means that people may be unaware of their rights, their ability to speak out, and may come to see various forms of power or domination over them as 'natural', or at least unchangeable, and therefore unquestioned. Invisible power means that certain people do not believe they 'understand' economics and therefore do not participate in economic debates or decision-making processes, or they just accept that the status quo is unchangeable and economic systems will never work in their favour.

These forms of power are interrelated and can compound and influence each other.

Invisible power in particular is the trickiest form of power to understand, as by its very nature, it is almost impossible to see! There are different theories about what this form of power is and how it operates.

Empowerment strategies to support participation

Once we have identified the forms of power that might be a barrier to certain people participating, we can identify empowerment strategies to support increased participation.

Table 2: Empowerment strategies

	How does power work	Barriers to participation	Empowerment strategies
Visible power	Power is the visible competition between interests in decision-making the public arena.	Individuals choose not to participate, perhaps due to apathy, lack of information or skills.	Strengthening power to; Advocacy and lobbying training, information campaigns to make people aware of opportunities to participate.
Hidden power	Power is the ability to set the agenda of decision-making in the public arena.	Some people do not have the resources or skills to participate and get certain issues onto the agenda.	Challenging power over, strengthening power to and encouraging power with; Building alliances and mobilisation around issues not currently on the agenda, leadership training.
Invisible power	Power is the social norms and values that maintain the status quo.	Social norms mean that certain people are not seen as legitimate participants or do not see themselves as having a right to participate. Or they accept the 'inevitability' or legitimacy of an unfair or unjust economic situation	Challenging power over, strengthening power to, encouraging power with, and enabling power within; Consciousness and awareness raising, particularly for marginalised and excluded groups; Building alliances to promote alternative ways of participating.

Source: Adapted from VeneKlasen and Miller (2007).

Entry points using different intervention modalities

When thinking about participation, we need to consider who participates, in what spaces and across what levels, what kind of empowerment is needed and what forms of power might create barriers. We need to work in a systemic way.

On the next page are some examples of how intervention using different modalities might connect to participation.

Table 3: Participation in interventions

Impact Investment	*Participation Strategy*	Participation of 'beneficiaries' in setting criteria for investment and evaluating impact
	Who needs to participate?	People who may be impacted by investment, investment team, private sector stakeholders
	In what space and at what level?	Opening up closed negotiation spaces at the micro- and meso-levels
	What kind of empowerment is needed?	All types – but in particular supporting economic literacy so that people can understand how to engage in investment decisions
	What are the barriers to participation?	Hidden and invisible power – who decides who can participate and do people have the skills/confidence to participate?
Grant-making to civil society	*Participation Strategy*	Participation in problem assessment, strategy development, and implementation and evaluation of success – throughout the grant cycle Strengthening participation in creating alternative economic spaces and challenging economic decisions
	Who needs to participate?	Potential beneficiaries and partner organisations
	In what space and at what level?	Invited spaces and supporting claimed space at all levels
	What kind of empowerment is needed?	All types – but in particular challenging invisible power by modelling alternative economic models and challenging economic status quo
	What are the barriers to participation?	Hidden and invisible power – who decides who participates? Who decides what alternative economic models are viable and legitimate?
Economic Policy-making	*Participation Strategy*	Support to engage people throughout the economic policy-making cycle
	Who needs to participate?	People impacted by economic policy
	In what space and at what level?	Invited/create spaces at the meso- and micro-level where debate and dialogue about economic policy can be supported, but also closed spaces at all levels – challenging economic policy decision-making to open up to wider participation. Supporting accountability and transparency initiatives. Working with those inside closed spaces
	What kind of empowerment is needed?	All types – but in particular supporting economic literacy so that people can understand how to engage in economic policy debates
	What are the barriers to participation?	Hidden and invisible power – do citizens have the ability, skills, confidence and trust to participate in these policy debates?

Stakeholder engagement	*Participation Strategy*	Bringing new voices into national and global conversations through convening and dialogue
		Challenging and changing global discourse towards more inclusive, participatory economic decision making
	Who needs to participate?	Stakeholders not usually involved in economic decision making dialogues
	In what space and at what level?	Closed, created and invited spaces at all levels, but particularly the macro level. Supporting transparency and accountability initiatives.
		Particularly important to support new voices in closed spaces
	What kind of empowerment is needed?	All types, but when bringing diverse voices and stakeholders together, supporting them to 'hear across difference' is important
	What are the barriers to participation?	Hidden and invisible power – challenging dominant discourse on who relevant stakeholder are
		Supporting new stakeholders to have the confidence to engage in dialogue

Source: Authors' own.

Risks of participation and how to mitigate

We know from research that there are substantial benefits to participation, but that there are also potential risks. Reviewing evidence from 10 years of research on participation and its relationship to citizen engagement, IDS found that participation could have positive and negative impacts, as outlined in the table below:

Table 4: The outcomes of citizen engagement, both positive and negative

Positive	Negative
People's capabilities	
Increased civic and political knowledge	Increased dependency on a few intermediary experts
Greater sense of empowerment and agency	Disempowerment and reduced sense of agency
Increased capacities for collective action	New capacities used for 'negative' purposes
Effective services and access to development resources	
Greater access to state services and resources	Denial of state services and resources
Deepening of networks and solidarities	Lack of accountability and representation in networks

Responsive and accountable states	
Enhanced state responsiveness and accountability	Violent or coercive state response
New forms of participation	Tokenistic or 'captured' forms of participation
Rights and deeper democracy	
Greater realisation of rights	Social, economic and political reprisals
Inclusion of new actors and issues in public spaces	Reinforcement of social hierarchies and exclusion
Greater social cohesion across groups	Increased horizontal conflict and violence

Source: Adapted from Gaventa, J. & Barrett, G. (2010)

All the potential risks can be mitigated. However, participation is never risk-free, so thought needs to go into risk management before any process of participation is implemented. What might the risks be, can we mitigate against them, and are there some risks worth taking?

Some recommendations of how to manage these risks are outlined below.

Co-option by elites:

A common and significant risk is that when processes are opened up to wider participation, the processes and spaces get co-opted by elites. People who have greater knowledge, resources and networks can more easily participate and may be more able to influence decisions, as they have the relevant knowledge/skills. This is particularly pertinent to economic issues, because fluency in economics requires a certain level of education, and people can feel intimidated or unable to contribute to discussions if they feel they don't have the relevant knowledge. This means that participatory processes need to consider the following:

- **Outreach**: How is it decided who will participate? Is it self-selective? Are you inviting people? How can you ensure you are inviting those who are often excluded?
- **Accessibility**: Time and place – think about how much time people are able to give up in order to participate, when might be the most appropriate time (evenings, during the day, weekends?), and whether or not the location is easily and cheaply accessible? If participation is happening online, how can people without internet access or skills participate?
- **Language**: What is the most appropriate language to use? Are people literate? Does complex language (economic jargon) need to be translated?
- **Safe space**: Will certain people feel uncomfortable speaking in large groups or in front of others? Do you need separate spaces for different groups (men and women; different age groups; investors and employees, etc.)?
- **Preparation**: Not all participants will be starting from a level playing field. As well as providing separate spaces, some participants may need support in preparing for their participation – this might be confidence building activities, support in understanding economic policies or investment processes, public speaking skills, or coalition building, or a range of other context-specific stuff.

Raised expectations:

Inviting people to participate in decision-making processes can raise expectations about the amount of influence they will have on the outcome. If these expectations are not met, this can lead to resentment and cynicism, undermining democratic processes and lead to 'participation fatigue'. Therefore, it is really important that expectations are made clear and managed so that all participants have a shared understanding of how much influence they have. This relates to the spectrum of participation below – participants need to be clear about where the process sits in that spectrum.

The risk of reprisal:

Participatory processes can have unexpected and unintended consequences. They also will involve some shift in power relations, which always carries a risk of reprisal by those with power. For example, if a participatory process raises the awareness of women to demand more rights, what about the risks of their demands being met by repression or even violence? Or perhaps a participatory process sparks a movement to engage in risky or violent protest, ending in the arrest of participants. Would the agency that supported the original process be at risk of reprisal or be responsible for the well-being of those participating?

These are questions of risk, but also ethical dilemmas to which there are no easy answers. To a certain extent, the control an agency has over the consequences of a participatory process is limited, and any participatory process must be implemented with this in mind. Planning how to mitigate against risks and deal with potential ethical considerations, should be part of the development of any participatory process.

Further reading:

https://participedia.net/

http://www.participatorymethods.org/

http://www.drc-citizenship.org/

http://archive.ids.ac.uk/pathwaysofempowerment/www.pathwaysofempowerment.org/index.html

https://www.powercube.net/

http://www.drc-citizenship.org/system/assets/1052734701/original/1052734701-gaventa_etal.2010-so.pdf

http://www.drc-citizenship.org/system/assets/1052734700/original/1052734700-cdrc.2011-blurring.pdf

http://www.ids.ac.uk/files/dmfile/Wp347.pdf

https://www.fordfound.org/media/3598/has-the-time-come-for-participatory-grant-making.pdf

Credits

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https://www.flickr.com/photos/52797059@N06/8559494060/

Table 1
Cornwall, A. (2001). *Making a difference? Gender and participatory development* (IDS Discussion Paper No. 378). Retrieved from IDS website: http://www.ids.ac.uk/files/Dp378.pdf

Figure 1
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Figure 2
Gibson, C. (2017). Retrieved from Ford Foundation website: https://www.fordfound.org/media/3598/has-the-time-come-for-participatory-grant-making.pdf

Figure 3
"Power to" http://www.powercube.net/resources/pictures/ CC BY-NC-SA 3.0

Figure 4
"Power with" http://www.powercube.net/resources/pictures/ CC BY-NC-SA 3.0

Video 1
Seivals, M. (Producer), & Mansoor, K. (Producer and director). (2013). A Vida Politica [Vimeo]. Available from: https://vimeo.com/48884547

Figure 5
"Hidden power" http://www.powercube.net/resources/pictures/ CC BY-NC-SA 3.0

Table 2
VeneKlasen, L., and Miller, V. (2007). *A new weave of power, people & politics.* Rugby: Practical Action Publishing. Retrieved from https://justassociates.org/en/resources/new-weave-power-people-politics-action-guide-advocacy-and-citizen-participation

Table 3
Authors' own

Table 4
Adapted from Gaventa, J. & Barrett, G. (2010) *So what difference does it make? Mapping the outcomes of citizen engagement* (IDS Working Paper No. 347) Brighton: IDS. Retrieved from https://www.ids.ac.uk/files/dmfile/Wp347.pdf