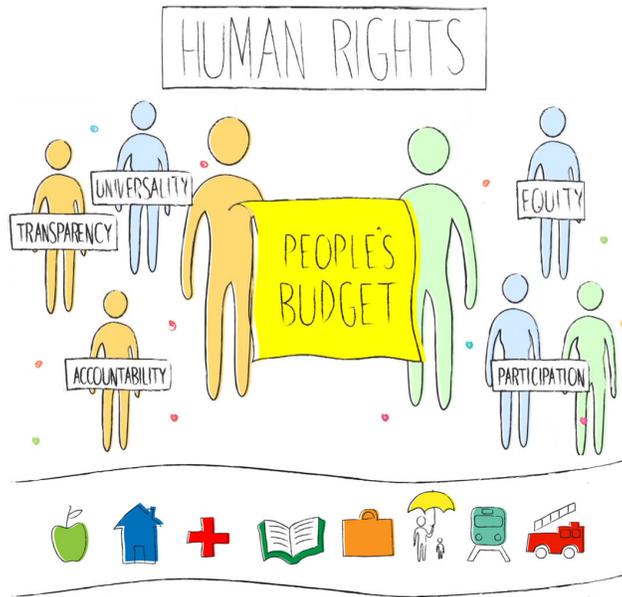


A People's Budget based on Human Rights

Frequently Asked Questions



What are fundamental human needs? How are human needs related to human rights?

Fundamental human needs are the things and conditions that make it possible for every person to live a dignified life and achieve their full human potential. These needs include clean air and water, healthy and sufficient food, housing, health & health care, education, social & income security, and dignified work.

Human rights are based on the principles of dignity and freedom. Both are severely compromised when human beings cannot meet their fundamental needs. Everyone has the right to a dignified life. Thus, fundamental needs give rise to human rights obligations on the part of governments. These are social and economic obligations (e.g. to ensure our rights to education, health care, housing, work), as well as civil and political (e.g. free speech, fair trial, voting). All of these human rights are inextricably linked to each other - e.g. without housing it is difficult to stay healthy or keep a job - and every person and every community, without exception, is entitled to meet all of their human needs and exercise all of their human rights (not just some of them).

What are "public goods"?

The services, goods and infrastructure necessary to meet our human needs and realize human rights must be treated as public goods, not as market commodities. Public goods such as

education, health care, fire departments, courts, libraries and parks belong to everyone. The financing of public goods must be shared by all and serve to meet everyone's needs, not make profit or for any other purpose. Thus, privatization of core public functions is unacceptable as it undermines accountability to human rights. Communities must be involved in making decisions about the financing, management and distribution of public goods.

What is a budget and how is it linked to taxes?

A public budget is the plan for allocating money to public services and public investments (spending), along with a plan for raising this money (revenue). The most common way of raising public money is through taxing individuals and companies. Every town, city, state and country develops its own budgets, and the rules about how to raise and spend money differ.

What are deficits?

A "deficit" is the result of a decision to set the taxes, fees and other public revenue at a level insufficient to fund public spending. It is a reduction of public wealth; at the federal level this usually takes the form of increased public debt. Most states are not allowed to run a deficit, so they tend to cut their budgets until the spending matches the estimated revenue. Deficits are grounded in an assumption of scarce resources; i.e. that needs are greater than the money available to meet those needs. Yet resources are in fact plentiful; they are simply tied up in private or corporate wealth rather than shared with all. Thus, deficits result from a failure to share resources equitably.

What does inequality have to do with budgets?

At a given time, different people have differing needs for public services, and different people have differing abilities to contribute to funding public services. Spending and revenue policy, therefore, can either reduce or increase inequality, by focusing spending on helping those most in need and focusing taxation on those most able to pay, or it can fail to do so. Over the past few decades, spending on essential public services and programs that benefit low and middle income people has continuously been reduced, whereas tax breaks and tax cuts that benefit wealthier people have increased. This has contributed to an increase in inequality in the United States.

What are equitable taxes?

Equitable taxes are individual and corporate taxes that are assessed with a focus on the payer's ability to pay. Historically, the income tax has been the most equitable, because it is progressive — those with greater incomes pay a proportionally greater share of their income. Inequitable taxes are those, such as sales taxes and fees, that do not take into account one's ability to pay. They may even be regressive — costing those who have less ability to pay proportionally more than those who have more ability to pay. After income, wealth (assets, stocks, property) is the most common measure of one's ability to pay.

How is a budget connected to values?

We form democratic governments in order to satisfy together the needs that none of us can satisfy alone. How our government raises and spends our public money to help us meet our needs is thus a reflection of the extent to which it recognizes the importance of dignity and equality in our communities.

The current way of making budgets emphasizes not human dignity, equality and the goal of strong, healthy communities, but a pull-yourself-up-by-your-own-bootstraps mentality that denies the importance of collective action for the common good. Cutting spending on essential public services and making lower-income people pay proportionately higher taxes than rich individuals is destructive to our communities, leads to blaming victims, glorifying greed and increases inequities. The "values" espoused in this kind of budgeting are rugged individualism, greed, and distrust of others. In contrast, a People's Budget — a budget based on human rights — is a budget that seeks to foster the well-being and dignity of all members of our communities and to advance equity by lifting up those most in need.

Is a People's Budget different from participatory budgeting?

The right to participation is a key component of a People's Budget, yet other human rights principles - universality, equity, accountability and transparency - serve as equally important foundations of the budget process. A People's Budget based on human rights seeks to both strengthen the democratic process and improve budget outcomes. It is a comprehensive approach to public spending and revenue policy, whereas participatory budgeting mainly addresses decision-making about how to allocate a small portion of public money (discretionary capital funds in NYC and Chicago). A People's Budget represents the application of human rights principles to the entire public budget process, including revenue policy, and, therefore, to budget outcomes.

In practice, a People's Budget requires an entirely different way of developing budgets:

- The budget must be crafted to directly address fundamental human needs (rather than match revenue estimates).
- Budgeting decisions must be explicitly connected to accountability measures, so that we can assess people's needs, and evaluate progress and outcomes in meeting those needs, using indicators based on human rights principles.
- People must be able to participate in the entire budget process, especially in developing goals and priorities for spending and raising money. The budget process must be fully transparent.
- Revenue policy must follow from spending policy — not the other way around - and seek to fund a needs-based budget in an equitable way.

What are the different ways in which people can participate in the budget process?

Under the current representative system, participation in policymaking is largely limited and tokenistic. People vote for an official to “represent” them and allow all major policy and legislative decisions that impact their lives to be made by this “representative.” Some opportunities exist for members of the public to give testimony in front of a decision-making body before a law is passed or a policy decision is made. People can also participate in local entities (e.g. community boards) that allow them to act in some sort of advisory capacity. In both cases, elected officials are under no obligation to act on the recommendations of these entities. People from disadvantaged groups tend to be marginalized from these political processes and the government does not take a proactive role to ensure their participation.

Participatory budgeting is designed to give people a much greater role in the budget process. It adds key participatory mechanisms to our representative system, enabling ordinary people to take part in spending decisions. In general, participation looks like this:

- First, people brainstorm ways to allocate part of the public budget at a public assembly.
- Second, some people volunteer to be budget delegates and convert those brainstormed ideas into viable project proposals.
- Third, all people vote on which project proposal should get funded.
- Lastly, some people volunteer to monitor the implementation of the funded project.

Participatory budgeting processes can be very welcoming and open to people who have social, economic, and legal barriers to participating in the current system. In New York City, for example, the PB process is open to all people regardless of their immigration or parolee status and the voting age is 16.

With a People’s Budget based on human rights, people’s participation would start at the beginning of the budget process and influence both spending and revenue decisions. Everyone would be encouraged to take part in assessing unmet needs in their communities. People would be engaged throughout the process and would have a key role in setting budget goals and priorities. Any public participation process would also be responsible for amplifying the voices of those who are most disadvantaged and excluded from the usual representative mechanisms. The People’s Budget Campaign in Vermont has developed a detailed proposal for a participatory process that is inclusive and tied to each step in the budget process.

What will it take to fundamentally change the way our governments make budgets? What are the first steps toward People’s Budgets?

Changing the entire budget process and starting with people’s needs and participation instead of estimates of available money is a long-term goal. But as soon as we recognize that the current budget process has it all backwards, and that we need to change goals and priorities in order to address people’s needs and rights, we gain a fresh perspective on the annual budget debates.

We can take first steps toward a People's Budget based on human rights by shifting the conversation about budgets from money to people. Yet there are powerful interests vested in the way our federal, state and city governments currently make budgets, and without building people power through grassroots organizing, advocacy efforts can easily be sidelined by those with more money and influence. We have to get organized and build our own power to get our voices heard and our demands taken seriously.

We can also begin by changing just one part of the budget process, for example through participatory budgeting that gets people involved in spending decisions for the first time. In a growing number of U.S. cities, this appears to be a feasible starting point. At the same time, the People's Budget Campaign in Vermont started with a vision of a state budget process based on human rights. As a first step, this campaign succeeded in requiring the state by law to address people's needs and advance equity and dignity. Making this legal provision a reality on the ground is the next task in Vermont, whereas in cities with participatory budgeting next challenges include a greater focus on needs, and an expansion of participation to more aspects of the budget and revenue process.