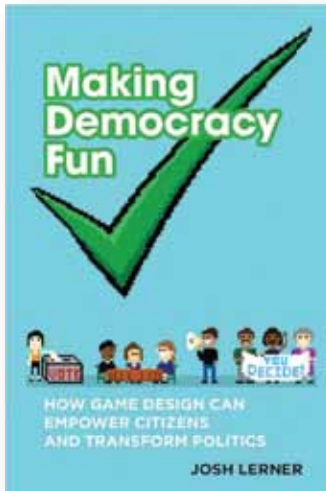


The Science of Games and Budgeting

By Shayne Kavanagh



Making Democracy Fun:
How Game Design Can
Empower Citizens and
Transform Politics

Josh Lerner

MIT Press

2014, 288 pages, \$27.95

When the goal of the budget process is to best align a government’s limited resources with community goals, there will often be tough decisions about which programs and activities those resources will be allocated to. If these decisions are not deemed legitimate by all involved, some might work to delay or even prevent such a budget from ever being adopted. Even when the budget is adopted, its implementation might be impeded.

What can public budget officers do to enhance the perceived legitimacy of tough budget decisions? An answer comes from an unexpected place: games. Author Josh Lerner, a leading authority on community participation in public budgeting, argues that games can teach us a lot about politics in *Making Democracy Fun: How Game Design Can Empower Citizens and Transform Politics*. Given the financial incentive—the video game industry recently overtook the film industry in gross revenues—there is a rich and rapidly developing science behind what makes a game engaging.

Exhibit 1 compares features that help make a given game fun to ways a public hearing for the budget is often conducted.

Lerner, an authority on community participation in public budgeting, has

identified four critical game mechanics that promote democratic decision-making: conflict and collaboration, rules, engagement, and outcomes.

CONFLICT AND COLLABORATION

Conflict (or competition) is an inherent part of budgeting. Public budgeting often seeks to minimize competition because it frequently leads to antagonistic relationships. (That’s why incremental budgeting is so popular: everyone’s budget remains largely the same from year to year, with incremental changes around the margins. Leaving base budgets alone minimizes conflict.) In games, however, competition can be not only be fun and inspiring—it can even encourage collaboration.

How can this dynamic be translated to public budgeting? First, prepare people to work together by helping them get to know one another. Research has shown that even the most basic physical contact raises levels of a brain chemical called oxytocin, which (among other things) reduces social fears and increases generosity. An activity as simple as participants introducing themselves to one another and shaking hands is a good start. Priming participants to work together will better equip them to come together on the issues.

Another goal is to move from conflict-based competition to “collabora-

Exhibit I: Fun Game Versus Public Budget Hearing

Fun Game

- There is a clear set of rules that everyone knows from the beginning.
- The rules apply equally to everyone. Everyone has a chance to compete under the same rules and cheating is not tolerated.
- The game has sensory appeal, such as bright colors and attractive design.
- Participation leads to a clear outcome.
- Multiple players work together, with some competitive element to the game.

Public Budget Hearing

- The participants are not clear on how budget decisions are actually made or their role in influencing them.
- Rules for speaking at the hearing are ignored. Different people are treated differently.
- The hearing is drab, with minimal sensory appeal.
- At the end of the hearing, the participants don't know what impact, if any, their participation had.
- There is no structured interaction between participants to solve problems, either collaboratively or competitively.

itive competition.” In games, competition can mean a lot of different things. Some games pit individuals or teams against each other. Other games have individuals or teams working together against a system. (This is common in video games, where players often compete against the computer system rather than directly against other human players.) As much as possible, frame your budget as teams against the system, where the system is the limited resources of the government and teams need to figure out how to best achieve the community’s goals within those limits. Define a clear objective for the participants to accomplish. For example, maybe the participants need to develop a short list of the programs that are most critical for the government to fund in order to achieve its goals.

THE RULES OF THE GAME

Popular games have a widely understood and accepted set of rules. These

rules are seen as *legitimate*. Game designers know that rules are not seen as legitimate simply by virtue of being the rules. Steps must be taken to ensure their legitimacy. Most fundamental is the way in which the rules are presented. Even if the rules were defined in advance, if the players find out about them too late then the rules will *feel* arbitrary. The same is true in a budget process. Hence, the designers of a budget process should use multi-modal presentation of the rules, including saying them aloud, writing them on forms, printing them on posters, etc. Also, they should give specific rules extra emphasis right before they are needed in the process so people don’t miss them.

If possible, instead of just defining the rules, provide opportunities for participants to participate in their creation. Rules that the participants helped invent will feel more legitimate than rules that were created by others. For example, participants could

help define the criteria that would be used to prioritize the government’s spending options.

Finally, there must be a process in place for when a situation arises that the rule makers did not foresee. Be clear how rules will be adjudicated.

ENGAGEMENT

Players enjoy games that appeal to the senses. Video games and board games use bright colors and attractive designs, and sports teams give a lot of attention to creating attractive uniforms. Likewise, Lerner recommends attractive visuals for the budget process, such as posters, cards, colored paper, custom t-shirts, etc. Sound effects or enjoyable physical activities can also be used to make meetings more interesting. When meetings are staid and uninteresting to the senses, participants can more easily grow bored or frustrated.

OUTCOMES

In any good game, the player’s efforts lead to a clear outcome (score being a common one). The participants in the budgeting process must see that their participation has had some impact. Otherwise, the participants will not feel their time was well spent, and the legitimacy of the final budget decision will suffer. This does not mean that participants must feel that they have “won” the budget — just that their input was given serious consideration and that they participated in a fair competition of ideas. For example, participants can give “points” to their favored funding options on a large poster board or otherwise vote in some visual and public manner. This

helps them see how their input fed into a larger whole. It is essential that participants feel they have been heard.

Critically, there has to be something to play *for*. At the end of the process, there must be a concrete conclusion that connects the players' efforts to the results. (For example, at the end of the process the most important programs for achieving the community's goals have been prioritized.) At the same time, participants must not believe that the end of the process is "GAME OVER." Games are engaging partly because players know that losing is not the end of the game. The unofficial motto of one of the most popular teams in baseball, the Chicago Cubs, for example, is "Wait 'til next year!"

How can budget officers bring this same sense to the budget process? First, take steps to acknowledge the real strengths unselected alternatives may have had. This makes it clear that the final decision was based in reality. Describe your process for monitoring how the decision works out and adjusting the government's course. This shows that the organization will revisit the decision if it turns out to be necessary. Finally, make it clear that the government is on an ongoing journey to best use its budget to meet community needs. Budgeting policies or principles that are public and that clearly describe the intent to continue such a budget process can help.

Josh Lerner's book brings a new and interesting perspective to the perennial question of how to productively engage stakeholders in the budget process. Using a perspective based on the new, but rapidly developing, science of games, he demonstrates the vast potential of using game mechanics to make public budgeting deliberations more productive, the decisions more enduring, and the experience more engaging. |

SHAYNE KAVANAGH is senior manager of research at the GFOA's Research and Consulting Center in Chicago, Illinois. He can be reached at skavanagh@agfoa.org.

Think finance transformation is too costly and time consuming?

Think again.

Many governments are hampered by systems that are outdated. But replacing them can be costly and take years. That's where KPMG Powered Enterprise can help. Pre-built for a faster, streamlined implementation, it delivers end-to-end Oracle Cloud-based ERP and HCM solutions that can simplify processes, drive business performance and perform data and analytics for a more efficient government, with a lower total cost of ownership. And that's something to think about.

To learn more, contact Manolet Dayrit at mdayrit@kpmg.com or John Vaughan at johnvauhan@kpmg.com.

kpmg.com

KPMG
cutting through complexity

© 2015 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network, a Swiss entity. All rights reserved. KPMG LLP is a member firm of the KPMG network, a Swiss entity. All rights reserved.