

## Financial Compensation for Citizens in Mini-Publics: Comparing Australia and Germany

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*Lyn Carson*

*Research Director, The newDemocracy Foundation  
lyn.carson@newdemocracy.com.au*

*Hans-Liudger Dienel*

*Professor, Technische Universität Berlin, Department for Labour and Technology  
hans-liudger.dienel@tu-berlin.de*

*This paper draws lessons from newDemocracy's experiences operating various citizens' juries in Australia and wider international research.*

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## Financial Compensation for Citizens in Mini-Publics: Comparing Australia and Germany

### ***What is the question?***

Should randomly selected citizens be paid for their democratic work and, if so, how much? We think, they should, and analyse (below) the different payment methods in Germany and Australia in particular.

### ***Background***

Federal and state elected representatives receive a financial compensation for their efforts. They are paid above-average salaries and in most parliaments are meant to be working full-time.<sup>1</sup> Even if they serve only part time as elected representatives, as for example in local government in Australia and Germany, they are recompensed accordingly. In some US states, for example, Idaho, elected representatives meet for only the first few months of each year<sup>2</sup>.

The practice of paying people to make policy decisions has a long history. In ancient Athens, following a lottery among adult males, the principal decision-making body—the *Assembly of the Demos*—would meet 10 to 40 times each year, voting on “public policy issues, war and peace, public finance, foreign policy, infrastructure projects...” (Tridmas, 2019, p.4). This was expensive, as at the end of the 5<sup>th</sup> Century BC this assembly required for certain decisions the presence of a least 6000 voting citizens. Financial compensation for participation in democratic decision making was seen as a core element of democracy in the merchant society of Athens (Aristotle, Politics, 1317 b; Pritchard, 2015, p.7). Consequently, coming late

<sup>1</sup> According to Parliament of Australia website, the base salary for senators and members is AUD207,100 [EUR125,100] per annum from 1 July 2018.

[https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1819/ParlBaseSal2018](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1819/ParlBaseSal2018)

At a state level, according to Parliament of NSW website, elected representatives will earn anywhere from AUD165,000 [EUR100,000] to AUD300,00 [EUR180,000] per annum depending on their role.

<https://www.parliament.nsw.gov.au/members/Documents/SalariesandAllowancesforMembersoftheLegislativeAssembly/LA%20Members%20Salaries%20and%20Allowances%20July%202018.pdf>

Local councillors in Australia receive a sitting fee. This varies from state to state, averaging AUD30,000 per annum [xx euros] although there is a wide variation across the country depending upon the council's size. For example, in Victoria the allowance ranges from AUD8,500 to AUD92,000 (the latter being for a mayoral position).

<https://www.abc.net.au/news/2016-08-05/what-it-takes-to-be-a-councillor/7693632>

In Germany, members of the national parliament (Bundestag) receive 120.000,- Euros plus 54.000,- Euros compensation for extra spendings. The members of the 16 state parliaments receive between 38.000,- Euros (Hamburg, which defines its parliament als “part time”) and 130.000,- (Bavaria, including compensations).

<https://de.wikipedia.org/wiki/Abgeordnetenschaft#A4digung>

Local councillors in Germany receive a sitting fee or/and a monthly compensation. The range between small villages and large cities is wide and ends up at sums above 60.000,- Euros/a.

<https://www.augsburgwiki.de/index.php/AugsburgWiki/Aufwandsentschaedigung>

<sup>2</sup> The Idaho legislature was only in session for three months: from January 7, 2019, through April 11, 2019.

[https://ballotpedia.org/Idaho\\_State\\_Legislature](https://ballotpedia.org/Idaho_State_Legislature)

to the assembly was financially punished. On the other hand, the attendees of theatre performances, which was seen as political education, received allowances too. According to Aristotle, Pericles himself claimed that poverty in classical Athens should be (and was) no barrier to political participation (Pritchard, 2015, p.52).

This Periclesian inclusion remained a main argument to pay elected representatives, or not to pay them, in order to keep out people, who were not financially independent (Buchstein 2009, 2019). When lottery selection (sortition) experienced a renaissance for criminal juries in the US, financial compensation immediately became a matter of discussion. So, too, was it discussed among those advocating deliberative democracy, when lottery-based selection and lengthy deliberations experienced a similar renaissance in the 1970s.

While the first citizens' juries designed by Ned Crosby in the US received a fixed lump sum per diem (steadily growing to about USD150 today), Peter Dienel's "Planungszellen" (Planning Cells) in Germany matched an individual compensation with his/her loss of earnings, which differed from person to person.

Since 2000, the number of citizens, which are brought together for several days for long-form public deliberation such as citizens' juries or citizens' assemblies, is quickly growing worldwide (See, [Our Work](#)). Hence, the topic of payment or compensation is of growing importance too. In this article, we focus on the German and Australia experiences, in planning cells—*Planungszellen*--and citizens' juries.

One argument for payment is inclusion. Like the *Demos* of ancient Athens, civic lotteries are used to allow rich and poor to have equal chance of participation. Unlike ancient Athens, our social norms now mean the inclusion of women - and the absence of slaves from society. The capacity for spanning the social fabric by class and income remains a highly attractive feature of civic lotteries. Spanning the social fabric means that we can hear from voices that would otherwise not be heard. We know it is worthwhile to tune into people other than the hyper-passionate who are often shouting rather than listening. We also know that this requires time and information in order to yield the best results.

The other argument for payment is the appreciation for the work being done, motivation and role definition of the randomly selected representatives. Payment in a capitalistic society is the most widely accepted sign for seriousness and importance of work. Payment defines an activity as serious labour. This is especially important in the initial phase of every lottery-based process, when citizens are selected at random and approached as "jurors" or "representatives" (Dienel, 2017, 79). At the end of the process, many citizens, consider the payment as of minor importance, but it is crucial at the initial phase in order to understand it as an invitation to work for the public, to identify the common good (*bonum commune*, κοινή συμφέρων) and not to defend individual particularistic interests (for this, you would not be paid).

It is with this background in mind that we consider the idea of paying everyday citizens when they participate in policy-creation processes.

### ***What are the usual answers?***

With most forms of public participation, attendance is minimal (for example, attending a public meeting, responding to a survey, participating in a focus group). Therefore, there is no expectation of payment. However, given that here we are talking about long-form

deliberations that occupy several days—from two to six and sometimes over months—the situation is quite different.

Payment varies throughout the world. For example, in Toronto, MASS-LBP covers expenses only (travel, childcare etc.) for its civic lotteries. This organisation is not alone in considering it a citizens' duty to participate in a long-term planning process. After all, attendance at public meetings goes unpaid. However, participants in focus groups often are.

***What are the weaknesses or problems with the usual answers?***

A big problem with usual answer is about diversity of the room: too many people with busy lives cannot be coaxed to attend, and too many people with very low incomes (for whom losing a shift or paying additional childcare is too big a burden) are also left out. A democratic decision must include the broadest possible mix of voices.

If voluntary, the tremendous work undertaken by citizens is undervalued if their attendance remains unpaid.

Further, citizens have to take time away from their usual pursuits—paid work, caring for others and so on.

***What alternative can be used to address these weaknesses?***

*Australian citizens' juries*

Payments to citizens varies from project to project and from country to country. In Australia, any project which newDemocracy has designed or for which it has oversight, typically recommends that randomly selected citizens receive an honorarium, paid by the decision maker but administered by the organiser of the mini-public. This honorarium is usually AUD100-120 [EUR70] per day, and most often a total of AUD500-600 [EUR350]. There are some instances, because of location, where travel costs will also be included. Additionally, participants are provided with refreshments and meals throughout a mini-public. They are told in advance they are expected to attend all sessions and receive the honorarium at the end of the final session.

The Australian Citizens' Parliament in 2009 was an exception. Randomly selected citizens received an honorarium at the initial regional meeting (one of 15), then at the end of the three-day gathering in Canberra. Their airfares and accommodation were covered because it was a national project and people travelled long distances. Expenses were covered for at least one carer of an older participant. When combined with such travel and accommodation costs, a face-to-face national mini-public in a country as big as Australia can prove to be a very expensive exercise.

*German planning cells*

The first German Planning Cells (*Planungszellen*) took place in the city of Hagen in 1973. Since then, more than 100 processes have been carried out in Germany, mostly with four planning cells (with 25 citizens each) per process and a duration of four days. (There is an English database on most planning cells: <https://www.planungszelle.de/datenbank/>)

In the first years, Peter Dienel and his staff members tried to adjust the financial compensation to the salary of the randomly selected citizens. People without a salary received a minimum lump sum. But, as the proof of salary is complex, the basic remuneration for all participants plus negotiations with some high earners became the standard procedure.

The basic remuneration remained somewhat lower than in American citizens' juries. First, because average salaries were higher in the US and second, because, the Jefferson Center had more financial scope than Dienel's "Forschungsstelle Bürgerbeteiligung" in Wuppertal. Until today, it remains a persistent problem to persuade state authorities as clients to pay the citizen representatives.

There was and is a second compensation in Germany: time. The randomly-selected citizens should be freed from labour for the four days of the Planning Cell. This is possible because of a special law, which grants every working citizen in Germany up to five days each year for education or training—so-called "*Bildungsurlaub*"— and this expense has to be covered by the employer. This unusual situation—in global terms (because we know of no others)—began in Hamburg in 1974 and, over time, nearly all other states have followed. Currently 14 (of 16) states offer such an *educational leave*. There are small differences from state to state. Despite this generous provision, it is not used very often. Most employees never ask for *Bildungsurlaub*.

Nearly every state—*Bundesland*—has a list of approved educational measures. When planning cells are conducted, organisers first write a letter to the state government to seek approval for the planning cell to be an approved measure so that the educational leave can be used to attend. So far, it has been approved in eight of the 14 German states that have an "education vacation law".

Employees must apply for this leave six weeks in advance and the employer must agree (determining the relevance and timing of the leave). If unemployed, citizens receive either an "unemployment salary" (first 12 or 24 months) or "basic support for job seekers" (after 12/24 months). In these cases, an unemployed person can apply at the unemployment office to participate in the educational leave.

For entrepreneurs and professionals who are not "employees" sometimes compensation is paid for loss of earnings. However, it seems that time is much more important for them than money. If top earners participate, they most often do not want any financial compensation. While the "paid educational leave" is not visible (the employer just continues payment), the additional remuneration is a visible sign for the honouring the important work of the citizens. At the moment, the German Nexus Institute pays every participant an honorarium of 60 Euros per day (and would like to double the sum, if recompensated by the client). All participants receive this amount (Dienel, 2014, 79).

### ***What is still untested?***

Research is needed to establish the motivational effects of remuneration, across various constituencies.

In Belgium, Hungary and the United Kingdom, the Sortition Foundation carries out an explicit visible marketing strategy and prints the lump sum (honorarium) in capital letters right on the envelope, which is sent to the selected candidates: "Do you want to earn 600 Pounds and serve the public?" (<https://www.sortitionfoundation.org/>).

On the other side, there are countries where citizens selected at random are not remunerated, e.g. in Japan. The Japanese form of planning cells (shimi-kogi-tai) does not pay the citizens (Dienel, 2014, 213-35). The Japanese mini publics normally run only one and a half days, while the German Planning Cells run four days and the new citizens' assemblies (Bürgerrat) between four and nine days. Evaluating the process ex post, the Japanese citizens are as excited as in Germany, Australia and the US. But, they claim, the process could be shortened, while in Germany the citizens normally claim for more time for deliberation. Cultural differences remain in a globalised world.

Paying the randomly selected citizens is – of course—expensive. But the results are worth these investments. A referendum or election is much more expensive. When citizens that are selected at random and invited to serve the public, the money is a good investment in collective binding democratic decision making.

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