Looking back, looking forward: Ten years of participatory budgeting in the city of Guelph, Canada

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Good evening everyone. Thank you all for coming to this AGM in this cold evening. Also, thank you Mark Bailey for the nice introduction and for your insightful comments as a member of the Neighbourhood Support Coalition and as a school trustee. It is for me an honour to have been invited to this Annual General Meeting of the Neighbourhood Support Coalition. I am also very happy to have the opportunity to share this moment with all of you. I want to thank the organizing committee for your great work preparing this evening, and I want to express a special thank you to Janette Loveys-Smith and to Lauren Goldsmith for sending me the updates on the recent work of the Neighbourhood Support Coalition. I also want to acknowledge the presence of two city councillors at this meeting. Tonight we have councillors Lise Burcher and Karl Wettsein. Thank you councillors for taking time from your busy schedules to be here with us today!

Many of you may not be aware of it, but this year the Neighbourhood Support Coalition is 10 years old. In my remarks tonight I would like to recognize and celebrate this important moment in your history as a coalition, and will try to put the NSC in a historical and international context.
First of all, then, I want to begin by congratulating all of you for the great work that the NSC has been doing in Guelph over the last 10 years. This is not a trivial thing. On the contrary, it is a significant milestone that is worth celebrating because you have overcome many challenges to arrive to where you are at today. Allow me to touch on three of those challenges.

The first big challenge is that of survival. This refers to the fact that many community coalitions, not only in Canada but also in other parts of the world, have a relatively short lifespan. Indeed, one of the main challenges faced by coalitions is their long-term sustainability. Coalitions may disintegrate for a great variety of reasons. Among them are early failures, difficulties to keep the momentum going, disputes and splits among groups, loss of key leaders, mistrust, lack of information and miscommunication, low incentives for participation, impatience with the slow pace of progress, frustration with the fast pace of process, unclear rules of the game, low flexibility to adapt to new conditions, and many other challenges that you probably have experienced during your first decade of existence. So, my first point is that you should congratulate yourselves for having overcome the challenge of survival by becoming an active and vibrant umbrella group that is 10 years strong!

The second challenge, one that affects too many coalitions, is the challenge of declining membership. If it is difficult for a coalition to remain alive for a decade, it is even more difficult to avoid losing members. It may start with five groups and in a few years it may end up with two groups, or just one group, or may even vanish altogether. If my information is correct, in 1997 this coalition had 5 neighbourhood groups and today it includes 12 neighbourhood groups, which means that the NSC has more than doubled in its first ten years of existence. This is a notable accomplishment that speaks of sustained efforts for
continuous outreach, and suggests a spirit of openness and inclusiveness that is not always present in coalitions.

The last challenge that I will touch on here, one that is often faced by community groups that work in collaboration with partners like municipal governments and local institutions, is the challenge of partnerships. When a partnership includes formal and informal agencies and groups that have different missions, different histories, and especially different cultures, there is a high risk of confusion and misunderstanding.

Confusion may arise when the roles, responsibilities and expectations of each partner are not clear to everyone. Misunderstanding may arise when the partners do not understand the logic of the other group, especially if there is no tradition of prior partnerships and hence there is no accumulated experience on how to work together and deal with differences. This often leads to cultural clashes, misperceptions and stereotypes. For instance, sometimes community members perceive government agencies as impermeable bureaucracies that are slow, irresponsible or controlling, and for this reason avoid engaging in partnerships with them. Conversely, government agencies tend to perceive community groups as unreasonable, selfish, or unwilling to consider legitimate concerns related to public policy, legislation, liabilities or specialized technical issues. From the perspective of many government staff, then, engaging with proactive community groups is often seen as a risky undertaking that is too complicated, burdensome, time consuming and conflictive.

For these reasons, many municipal governments tend to avoid collaborative working relations; they prefer “planning for people” rather than “planning with people”, and limit their interactions with civil society to sporadic consultations or deputations. In the city of Guelph, civil society is lucky to have a political society in the municipal government that has
the political will to take the risk and support these processes. This is important, because the international experience suggests that without the political will of elected leaders, these partnerships are unlikely to happen. At the same time, City Hall and service providers are fortunate to have a community partner like the NSC that helps enhance collaborative efforts, maximize the use of public resources and better connect programs with the needs, desires and aspirations of neighbours.

So, if I understood well what you are doing here in Guelph, in the last decade you have overcome the challenge of survival with a viable, sustainable organization. You have also overcome the challenge of declining membership with significant growth. Last but not least, you have overcome the challenge of partnerships by bringing different partners to the table and keeping the dialogue going. Congratulations!

Ten years constitutes an appropriate moment in your journey to look back and to look forward. In every community process, it is important to stop once in a while to reflect on the past, to confirm the course ahead, and to celebrate success, and I want to suggest to you that this is one of those moments.

One of the reasons why is important to stop and celebrate is that most of these accomplishments were achieved with many hours of volunteer work. For instance, last year the NSC had 688 volunteers who helped organize 88 activities and 254 programs that included 2,268 children and 1,529 adults. This year, only in the first nine months - the statistics for the last quarter of 2007 are not ready yet - there were already 1,129 volunteers who helped organize 51 activities and 192 programs that included 2,269 children and 1,092 adults. These are impressive figures and you were the heart of these efforts. Without you, many of these things would not have happened. Unfortunately, in our societies these
voluntary activities are often invisible and unrecognized. As the field of social accounting tells us, volunteering efforts make a significant contribution to the economy. The city of Calgary, for instance, evaluates the benefits of volunteer participation in its Parks Volunteer Programs and calculates the annual value of environmental volunteers. Only in 2005 and just in the Parks Department alone, it estimated that there were over 6,000 volunteers that contributed over $1,000,000 in value to the city of Calgary. If someone does a similar exercise for your volunteer activities during the last ten years here in Guelph, your contributions to society would probably become more visible and more valued. I should add here that volunteering is not only good for society, but also good for you too, because several studies suggest that participating in volunteering activities increases your health, vitality, self-esteem and longevity.

Another reason why it is important to pause for a moment is to reflect on why we are doing what we are doing. What is the point of it, and how does it relate to other efforts and initiatives? Is there another purpose besides providing much needed services and activities? This is what I would like to address in the second part of this talk.

I think that in order to reflect on this, it is relevant to put the work we are doing here everyday in the broader context. Although many of you may not realize this, you are making history, because what you are doing here in Guelph today, even if it may seem small and inconsequential in the big scheme of things, is very significant for the democracy movement in Canada and abroad. Yes, in the same sense that there is an environmental movement or a peace movement in the world, there is a parallel movement for societal democratization that is known under different names such as “deepening democracy”, “participatory democracy”, “democratic renewal”, “participatory governance”, and the like. Regardless of the label, one of
the main concerns of this movement is the so-called democratic deficit.

I won’t delve too far into the vast amount of data on the democratic deficit, but I will mention three recent examples. The first example is the last provincial election here in Ontario just two months ago. With a referendum on electoral representation with long-term implications and controversial topics like public funding for religious schools, it was supposed to be an important election, but only 52.8% of those who were eligible actually voted. This was the lowest turnout rate in provincial history, breaking the previous record of 54.7% that had been set in the 1923 provincial election. Unfortunately, the turnout rates at federal elections are not much higher, and municipal turnouts are even lower, as in Canada they seldom rise above 35% or 40%.

The second example is a recent study that the BBC commissioned in 2005 to Gallup International. This is one of the largest surveys of public opinion ever on the topic of democracy and power: the sample consisted of more than 50,000 people in 68 countries. I share with you some of the results. Two thirds of respondents (65%) do not think their country is governed by the will of the people, and only 47% feel that elections in their country are free and fair. The figure is 55% for the US and Canada. Another interesting finding was that politicians are generally the least trusted group: globally, only 11% trust politicians – less than military, religious and business leaders.

The third example is a comprehensive survey of college students across the US conducted by the Harvard University Institute of Politics a few years back. This survey found that most students are disillusioned about and disconnected from the political system. Three quarters of students (74%) believed that politicians are motivated by selfish reasons, and 64% do not trust the federal government. In terms of political behaviours, only 16% have joined a government,
political or issues-related organization, and just 7% have volunteered or plan to volunteer in a political campaign.

I could go on and on with examples, but let me summarize by saying that electoral data, opinion polls and academic studies alike indicate that citizens in many countries of the world are losing confidence in their elected representatives and in political institutions, and are turning away from the ballot box. As voting turnouts decrease, there is an increasing belief that politicians have lost touch with the very people they claim to represent, and have become accountable only to themselves. This is, in a nutshell, the democratic deficit: a widespread cynicism about politics, a generalized lack of faith in politicians and in democratic institutions to resolve societal problems, and a decrease in political efficacy (that is, the feeling that we can make a difference), which in turn leads—in a downward spiral—to a gradual disengagement from elections and a decrease in political participation.

The democratic deficit is one of the great paradoxes of the 21st century. It is a paradox because during the second part of the 20th century it was a commonly accepted assumption among academics that economic growth, free trade and educational expansion would increase electoral participation and would improve the quality of democracies. Here we are now, at the end of 2007, in a world where people have on average the highest levels of formal education in the entire history of humanity, in a world with unprecedented economic growth and free trade, looking at these studies and trying to understand what happened with those unfulfilled promises about democracy. Why is there so much discontent throughout the world?

As you can imagine, there are many hypotheses to explain the democratic deficit. For the sake of time, on this occasion I am only going to mention one factor, which is the discontinuity of civic engagement in representative
democracies. As we know, a representative democracy is a form of government in which citizens elect a representative from a list of candidates on a ballot. These representatives form an independent ruling body that has the responsibility of acting in the people's interest for a few years, until the next election. They are not proxy representatives, who would be expected to act always according to the wishes of the people. On the contrary, representatives have enough authority to exercise their judgment, and are not bound to consult with their constituents, even for important decisions that involve many human lives. This situation sometimes creates a gap between people’s desires and public policy.

Allow me to give you a current example. At least since early 2006, that is, for the last two years, only 30% of people in the US have approved of the war in Iraq, and 65% of the people are opposed to the war. However, this has been irrelevant for policy decisions. Without the consent of the people the war goes on, with a high cost in human lives and a big drain in resources, estimated in 275 million dollars per day. Listening to the people could have resulted in stopping the war and redirecting those huge resources to life and not to death by using them to nurture sustainable development and healthy communities.

Let me be clear here to avoid misinterpretations. I am not arguing that elected politicians should only develop policies on the basis of opinion polls, and I am not arguing that representative democracy be eliminated. On the contrary, for simple reasons of scale, I cannot imagine governance today without some elements of representative democracy. We need it because, as Winston Churchill said, "democracy is the worst form of government except for all those others that have been tried." I also believe, contrary to public perception, that most elected representatives are good people who enter politics because they want to make a positive difference in the world and contribute to the common good.
My argument is that the very logic of representative democracy generates two problems. First, it generates a disconnect between those who govern and those being governed, which in turn reduces the accountability and transparency of government acts. Second, it creates a discontinuity in civic engagement, in the sense that, in terms of political life, we only meet every few years at the ballot box and then we disperse and watch politics on TV until the next election. This means that, in between elections, we tend to become spectators rather than actors, something like “political couch potatoes”. In short, the argument here is that the model of competitive elections and bureaucratic administrations that was developed two centuries ago is no longer capable to address, by itself, the issues that we are facing in the 21st century. As Archon Fung and Erik Olin Wright noted in their book “Deepening Democracy,” the representative model seems increasingly ineffective in accomplishing the central ideals of democratic politics: “facilitating active political involvement of the citizenry, forging political consensus through dialogue, devising and implementing public policies that ground a productive economy and healthy society, and, in more radical egalitarian versions of the democratic ideal, assuring that all citizens benefit from the nation’s wealth.”

Then, I suggest to you that one of the social projects for the 21st century is to complement the institutions of representative democracy with community-based processes of participatory democracy. Participatory democracy refers to processes that involve people in decisions that affect their lives on a regular basis. Participatory democracy is about civic engagement in-between elections. It is about creating opportunities for all members of a community to make meaningful contributions to decision-making, and it is about broadening the range of people who have access to those opportunities. Participatory democracy responds to a broader and more fluid definition of democracy than a
sporadic election. For instance, a century ago, people like Mary Parker Follet and John Dewey understood democracy as something more than a form of government: they conceived democracy as a network of human relations, as community in the making, as a mode of associated living, and as a conjoint communicated experience.

An important lesson from previous attempts is that participatory democracy cannot happen in a vacuum. It requires communities and institutional settings that provide opportunities for active participation. It requires enabling structures and clear terms of reference. It requires democratic processes of deliberation and decision-making based on agreed-upon values and criteria. It requires transparency, accountability and regular communication. Last but not least, it requires a new political culture that puts dialogue before confrontation and the common good before self-interest as regulating principles.

One particular form of participatory democracy is something called participatory budgeting. This is, as its name suggests, a process of democratic deliberation and decision-making on budget allocations, or at least a portion of budget allocations.

Budgets are important societal tools: they are policies without rhetoric. Indeed, if we want to know where the priorities of a society or an institution really are, budgets speak louder than words. Usually, we understand budgets as something very obscure and complicated that are external to us and only experts can do and understand. Participatory budgeting is attempting to demonstrate that we don’t need a business degree or an accounting degree to make budgetary decisions, and that ordinary citizens not only can understand budgets but can also take part in the making of budgets that affect their lives. As Moses Coady and the pioneers of the Antigonish movement in Nova Scotia used to say, we need to trust the collective expertise that emanates
from associative intelligence, because when people have the opportunity to work together and to have informed deliberation they eventually come up with good ideas. Some professionals may look down at these exercises run by amateurs, but we could tell them to remember that amateurs built the ark and professionals built the Titanic.

A participatory budget can occur in any setting, like a household, a religious institution, a university, a neighbourhood organization, or a school. In fact, I have seen schools where some budget allocations are decided by all stakeholders, including teachers, parents, staff and children, and the results are very promising.

Participatory budgeting has also been implemented in municipal governments, and some municipalities have been doing participatory budgeting for almost 20 years. A well-known example is the municipality of Porto Alegre, in southern Brazil. This city, with a population of 1.3 million, started participatory budgeting in 1989, almost two decades ago, and since that year it has been conducting it in annual cycles without interruptions. Today, there are more than a thousand cities in the world doing participatory budgeting in one way or another. A recent study conducted by POWER Inquiry and the University of Southampton in the UK on hundreds of democratic innovations from around the world identified 57 participatory experiments that were considered particularly inspiring and interesting. In the final report, entitled ‘Beyond the Ballot Box’, they identify the three most exceptional innovations, and one of them is participatory budgeting. If you want to learn more about participatory budgeting I suggest you visit the website participatorybudgeting.org, which has some very good resources on this topic.

And this brings us back to Guelph. Because here in the city of Guelph you have a democratic process for allocating resources; what you are doing belongs to the family of participatory budgeting experiments that are happening
throughout the world. Moreover, Guelph is one of the first cities in North America that is implementing participatory budgeting with communities throughout the city in direct connection to its municipal budget. Of course, there are today, and there have been in the past, many experiments of participatory democracy in North America. However, to the best of my knowledge, there are very few municipalities that are implementing city-wide participatory budgeting processes in the way that Guelph is doing it.

As you may know, there are two other experiments of participatory budgeting currently underway in Canada. One is the Toronto Community Housing Corporation (TCHC) and the other is the Montreal borough of Plateau Mont-Royal. The experiments of Toronto and Montreal are very innovative and inspiring, and are making important contributions to the “deepening democracy” project, but I would argue that the case of Guelph is a little different in terms of scope. While the Toronto process is restricted to TCHC tenants and the Montreal process is limited to the borough budget and its residents, the Guelph initiative allows every resident in the city to participate in the process. I am not saying that the Guelph process is better or worse, just that it is different. One of its original features is that it involves a creative partnership among three social actors: city hall, a city-wide coalition of neighbourhood groups, and social agencies and service providers.

For this reason I think that you are making history, because Guelph, with its city-wide experiment of participatory budgeting, is providing other municipalities in Canada and in other countries with new and creative ways of connecting city hall with citizens, and of best using available human and material resources. And I can tell you that many people in Canada and abroad who are interested in promoting civic engagement and participatory democracy in their cities are starting to look at the Guelph model for inspiration and for practical lessons. Although you are a young experiment, and
you have been learning through trial and error, you are already ten years ahead of many cities in North America that are considering moving in a similar direction. Sooner than later, more and more people in those cities will be eager to learn more about the particularities of the Guelph process because they will want to emulate your successes and avoid your mistakes. This opens new and exciting possibilities for Guelph as one of the leading North American municipalities in democratic renewal with its accumulated experience of 10 years of work on the ground.

It is a privilege to be considered a leading municipality in North America, and with this privilege also comes important responsibilities. One of them is to share the lessons you have learned with other communities. Another is to recognize that those communities can also teach you many good lessons that can help you to improve your process, because teaching and learning usually go together. Finally, another responsibility is to strive continuously to make your process better and better every year.

This brings me back to my opening remarks, and I would like to conclude with four points that hopefully summarize the spirit of my intended contribution to this AGM and provide some useful input for future dialogue.

The first concluding point is about the importance of pride and joy. You must be proud of yourselves and celebrate with joy your first ten years with happiness because, despite all the problems you have experienced in your journey, you have overcome many obstacles. I mentioned before the challenges of survival, membership and partnerships, but I am sure that you can identify many more. You are developing, slowly but steadily, an interesting model of participatory urban governance, and you are at the forefront of initiatives in North America.
The second concluding point is about conflict. In the last ten years you have been growing consistently, and you will probably continue to grow as you bring more participants to the table, and as the City of Guelph grows in the next decade. With more groups will probably come more difficulties and more conflicts.

I would go one step further and argue that conflict is unavoidable, necessary and even desirable. It is unavoidable because every time there is more than one person there is a possibility of conflict, and sometimes even one person can have internal conflicts. I confess that it happens to me all the time! If participatory democracy processes imply conflict by definition, participatory democracy with growth implies more conflict, so be prepared for more conflict in the next ten years! And will be a good, because, as I just suggested, conflict is necessary and desirable. In most organizations, a scarcity of conflict indicates stagnation. In order to develop and grow, organizations need to consider a diversity of perspectives, ideas and visions. Remember that when everyone thinks alike, it can happen that nobody is thinking very much.

The issue is not to hide conflicts under the rug but to find the best ways to deal with differences and reach consensus through a process in which everybody has the opportunity to speak and to be heard. The previous speakers were talking about growing pains, and I would suggest that growing pains are a curse but also a blessing because they indicate that there is development and change going on. And in processes like this, suppressing conflict is not a good strategy because unresolved issues often come back, and the later they come to the table the more complicated they become and the more difficult it is to deal with them.

What I am trying to say is that we need to accept that conflict is a normal component of any social group, and that democratic decision-making cannot occur in an artificially
conflict-free environment. If the rules set up by the group are clear to all, if diversity is not ignored but embraced, and if the group operates in fair, respectful and democratic ways, conflict can actually be a great source of creative renewal and improvement for any organization. For coalitions like the NSC, a key attitude for dealing with conflict is to build bridges across groups to seek commonalities instead of walls that reinforce differences.

The third concluding point is about the long-term impact of these experiments of local democracy. What you are doing every year in the NSC not only has an impact in terms of programs, events, activities and services rendered, but also has an impact—less tangible perhaps but equally important—in its contribution to the larger movement of urban democratic renewal. Local democracy can also ensure more transparency, accountability and efficiency to our decision-making processes and to the allocation, use and preservation of public resources. Local democracy can nurture a healthier, inclusive and participatory society, and can energize civic engagement in between elections.

Besides all these impacts on the societal fabric and on institutions, local democracy has another impact that is even more invisible, and it is the impact on participants themselves. Over a decade ago, in 1995, a brilliant political scientist named Jane Mansbridge posed an intriguing question: “Does participation make better citizens?” Then, she replied to her own question with these words: “Participation makes better citizens. I believe it, but I can't prove it. And neither can anyone else.” She was correct at the time, because in 1995 there was little evidence to show that participatory democracy creates better citizens. This is not easy to uncover, because personal transformations are usually the result of slow, subtle and unconscious processes.

Well, a few years ago I decided to take up the challenge posed to all of us by Mansbridge, and started a research
project to make a modest contribution to this field. With a group of students, we are undertaking studies in several Latin American municipalities to better understand the change experienced by people as a result of their participation. This is a topic of another presentation and obviously at this moment we have no time to talk about this, but allow me to tell you that we are finding abundant evidence that through participatory democracy citizens become more knowledgeable, skilled, democratic, engaged, tolerant, inclusive, confident, caring, and the list goes on and on. Many neighbours reported a transition from feeling isolated and disconnected to becoming active citizens who feel full members of their communities and enjoy contributing to their wellbeing. In a nutshell, through positive changes in democratic knowledge, skills, values, dispositions and practices, participants become better citizens. We are not born democrats, and because one of the best ways to learn democracy is by doing, it is possible to suggest that participatory democracy can have an invaluable educative role in our societies.

The fourth and final point is that you are part of a larger family, the international movement for democratising democracy, which includes a great diversity of neighbourhood associations, governments, institutions, and many other actors. Part of this movement includes civil society-government partnerships like yours. Around the world, there are many municipal governments, or at least a critical mass of community-minded civil servants and elected officials within municipal governments, willing to take a risk and engage in processes of sustained partnerships with civil society. Sometimes these processes are known as co-determination, that is, processes in which citizens and government agencies work together on a regular basis, and in which citizen groups can also have a say about the best ways to develop vibrant neighbourhoods and healthy communities. This model moves the logic of the relationship
from the traditional “planning for” to a more inclusive “planning with.”

When they work well and are based on good relations and open dialogue, partnerships between government agencies and neighbourhood groups allow the connection of the technical expertise of city planners and service providers with communities’ invaluable knowledge about their local realities that comes from lived experience. I think that it would be good for the NSC to make more connections to like-minded groups in other municipalities who are engaging in similar experiments to learn from each other. In this regard, I am happy to let you know that at the Transformative Learning Centre of the University of Toronto we are organizing an international conference in October 2008 entitled “Learning Democracy by Doing,” and its main purpose is precisely to provide an interactive place for dialogue among different groups interested in deepening democracy. For the Canadian cases, we hope to organize a gathering of participants from Guelph, Toronto and Montreal to share their experiences and explore collaborative initiatives. In this context, I want to take this opportunity to invite the NSC to send representatives to the conference to present what you are doing in Guelph and to learn from what others are doing in Canada and other parts of the world.

To conclude, I want to tell you again that I am very happy to be here today to celebrate these accomplishments with you and to say with joy: Guelph Neighbourhood Support Coalition, happy 10th anniversary! I wish you the best for the next decade and hopefully for many decades to come!

Thank you very much for inviting me to share this moment with you, and now let’s celebrate!