

# Participatory Budgeting In Canada: Democratic Innovations in Strategic Spaces

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Struggles for democratic participation and citizenship sometimes emerge in unexpected places. In the small Canadian city of Guelph, for example, a grassroots neighbourhood coalition has enabled ordinary people to collectively decide what community services their city government provides. Although still evolving, Guelph's coalition has helped diverse city residents and staff learn about and build democracy, equity, and community. In the words of one participant: "Each group is individual but yet when we come to this table, we need to advocate and make decisions based on the good of the whole. I now understand the statement, what is good for you is also good for me."<sup>2</sup>

The experience in Guelph is only one example of how participatory budgeting, a democratic process originally developed in Latin America, is being adapted to Canada. In the face of increasing inequality and neoliberalism, participatory budgeting has made public participation more powerful, government decision-making more democratic, and public spending more equitable. In Canada, participatory budgeting is being applied in new ways, generating new strategies for progressive urban politics. This paper explores the initial Canadian experiences with participatory budgeting: Guelph's Neighbourhood Support Coalition, Toronto Community Housing's Tenant Participation System, and Ridgeview School's participatory budget in Vancouver, as well as the City of Toronto's 'Listening to Toronto' budget consultations. It compiles information collected over the course of three years, through interviews, site visits, primary documents, academic literature, and the media.

We examine how, in each of the four cases, transformative democratic participation and political action emerged from strategic cracks in the structures of local governance. First, we explain how participatory budgeting has been globalized as a progressive and democratic process. The second section discusses how the Canadian context shapes the possibilities for participatory budgeting. We then describe the four Canadian experiences, and the conditions that have enabled them to develop. The following section critically discusses the limitations and challenges of these initiatives. We conclude by exploring how participatory budgeting in Canada has revealed innovative strategies and techniques that can build more participatory and democratic local governance. They have created new spaces for budget participation by working through civil society organizations and different public bodies. They have grounded participatory budgeting in particular disadvantaged communities, and integrated diverse people by adapting popular education and facilitation techniques. Finally, the Canadian approaches are extending participatory budgeting beyond individual budgets, using it to influence other government bodies, shift the discourse on public spending, and build solidarity within and between cities.

## Participatory Budgeting: A Democratic Process Goes Global

Citizen participation in budget making is not a new idea, or a uniquely Canadian one. The Brazilian city of Porto Alegre initiated the first participatory budgeting process in 1989, driven by

active social movements and a leftist local government.<sup>3</sup> Since then, participatory budgeting in Porto Alegre has developed into an annual process of deliberation and decision-making, in which thousands of city residents decide how to allocate part of the municipal budget. In a series of neighbourhood, regional, and citywide assemblies, residents and elected budget delegates identify spending priorities and vote on which priorities to implement.

Since its emergence in Porto Alegre, participatory budgeting has spread to hundreds of Latin American cities, and dozens of cities in other continents. In Europe, towns and cities in France, Italy, Germany, Spain and England have initiated participatory budgeting processes.<sup>4</sup> Similar budget processes have been used in communities in India and Africa.<sup>5</sup> In Brazil, the state government of Rio Grande do Sul and the federal government have even discussed developing larger-scale processes. In some cities, participatory budgeting has been applied for school, university, and public housing budgets. These international approaches differ significantly, and they are shaped as much by their local contexts as by the original Porto Alegre model. Participatory budgeting is no longer just a Brazilian phenomenon from Porto Alegre. Through globalization, it has become a widely applied democratic process.

Despite the diverse ways in which participatory budgeting is applied, these different approaches share several common elements. Participatory budgeting processes are driven by and grounded in certain core principles – usually democracy, equity, community, education, and transparency. They have several basic design features: identification of spending priorities by community members, election of budget delegates to represent different communities, facilitation and technical assistance by public employees, local and higher level assemblies to deliberate and vote on spending priorities, and the implementation of local direct-impact community projects. Many of these principles and design features also exist in other participatory processes, but in participatory budgeting they are combined and implemented together.<sup>6</sup>

Why is participatory budgeting a strategic way to create more democratic and progressive cities? First, it *increases popular participation in government*. Since participants get to decide local issues that directly affect their lives, participatory budgeting offers more attractive ways for unengaged citizens, especially those with the greatest needs, to get involved. This increased popular participation *makes government decisions more democratic*. When more ordinary people participate in decision-making, decisions are more likely to represent the will of the people. Participatory budgeting expands democracy beyond occasional elections, by subjecting regular spending decisions to democratic decision-making. More democratic decisions result in *more equitable distribution of resources*. Since people with the greatest needs play a greater role in decision-making, spending decisions tend to redistribute resources to communities in need.<sup>7</sup>

Finally, because of its flexibility and constant evolution, participatory budgeting *can be extended and adapted to new spaces in new ways*. As it develops in different places, people experiment with new variations to participatory budgeting, to better respond to their local context. Because urban spaces are increasingly connected, these innovative approaches in one community can directly influence and build on urban politics elsewhere.<sup>8</sup> As we will now see, the distinctive Canadian context has inspired new innovations in participatory budgeting, which can contribute to progressive urban politics around the globe.

## **The Canadian Context for Participatory Budgeting**

Let us suppose that you, like participatory budgeting, were born and raised in Latin America. If you came to Canada to investigate the possibilities for budget participation, what would your main observations be? What factors would shape how participatory budgeting could be applied in

Canada? You would probably observe that Canadian cities are more affluent and have more developed infrastructure, and that city residents are much more diverse than in your homeland. After more research you might notice that Canadian city governments have little legal autonomy, and that neoliberal restructuring is leaving them with even fewer resources and powers. Finally, you would realize that social and economic inequality is increasing in Canada, but that progressive social movements and politicians are fighting back.

Perhaps the most obvious of these factors is that Canadian cities are *relatively affluent* and already have *developed infrastructure*, when compared with Latin American cities. In Latin America, many people take part in participatory budgeting in order to get roads paved or sewage systems installed in their neighbourhoods. City governments often initiate participatory budgeting to address the lack of essential infrastructure or services in shantytowns and extremely poor areas. In Canadian cities, these most basic needs are already met, leaving both residents and public officials with less incentive to engage in participatory budgeting. For participatory budgeting to be successful in Canada, it therefore needs to focus on different issues and devise new incentives to participate.

Participatory budgeting in Canada also needs to accommodate great *cultural and language diversity*. In most Latin American cities, the vast majority of residents share a relatively similar cultural background and speak a common language. In Canada, however, rapid immigration has resulted in extremely multicultural cities. In Toronto, for example, almost 50% of the population was born outside of Canada, 43% report themselves as being a visible minority, and over a third of residents do not speak English as their primary language.<sup>9</sup> Torontonians were born in over 169 countries and speak over 100 languages and dialects. Although other Canadian cities are not quite as multicultural as Toronto, they too are home to increasingly diverse populations.

Canada's diversity presents both challenges and opportunities for participatory budgeting. It is a challenge for citizen deliberation and discussion, which are the core of participatory budgeting. How can different residents decide on common priorities when they do not even speak the same language or share basic cultural habits? At the same time, immigrant diaspora networks might connect Canadian cities with the world, enabling foreign processes such as participatory budgeting to more easily filter into the country. The mixing of different cultural groups, and their distinct perspectives and customs, could also inspire new innovations to participatory budgeting. Moreover, although Canadians are not lacking basic infrastructure, because of their diversity they have greater needs for cultural services and support, community centres, language and skills training, and other social services that can be decided through participatory budgeting.

Like cultural and language diversity, the *limited autonomy of local government* has both negative and positive implications for participatory budgeting. As "creatures of the province," Canadian municipalities do not have any constitutional powers and have few options to generate revenue. They mostly rely on a limited range of taxes and grants from other levels of government.<sup>10</sup> Since cities do not have much financial or legal autonomy to drastically change their budgets, there is less incentive for residents to participate in municipal budget processes. Because of their predicament, Canadian municipalities are lobbying provincial and federal governments for increased autonomy and funding. They therefore may be more inclined to involve residents in budget processes, in order to increase public support for greater municipal powers and funding. The relative inflexibility of municipal budgets may also encourage Canadian budget activists to experiment with participatory budgeting in other agencies and organizations.

Since the 1980s, *neoliberalism restructuring* has resulted in changing roles, greater demands, and fewer resources for Canadian local governments. Higher levels of government, the media,

academics, and business leaders have increasingly encouraged city governments to act like businesses. Municipalities, in turn, market themselves as “competitive cities” or “urban entrepreneurs.”<sup>11</sup> They adopt new models of public administration, such as New Public Management, in which government only “steers,” while the private sector “rows”.<sup>12</sup> Municipal governments assume new roles: increasing the economic value of the city as a business location, facilitating private sector growth and business development, and aligning government programs and incentives with economic performance. As cities increasingly focus on creating better environments for business, it becomes more difficult to justify programs geared towards social inclusion, equity, or popular participation.

Meanwhile, neoliberal restructuring has left local governments with greater urban needs and fewer resources to meet these needs. In the name of fiscal restraint, federal and provincial governments have cut back their urban services. These cutbacks have left city residents with greater needs for basic services like housing, childcare, transit, and public health.<sup>13</sup> At the same time, these higher-level governments have decreased their transfer payments and funding to municipalities, while privatizing some public services. As a result, city governments have less capacity to meet residents’ needs.<sup>14</sup> Faced with huge budget shortfalls, they are under increasing pressure to further downsize and privatize, and there is little funding for new public programs.<sup>15</sup>

Partly as a result of restructuring, Canadian cities are faced with *increasing social and economic inequality and polarization*. The scaling back of public services has shifted costs to low-income people, and economic growth has disproportionately benefited the affluent.<sup>16</sup> As a result, there are more rich people, but also more households beneath the poverty line – over 550,000 in Toronto alone, almost a quarter of the city’s population.<sup>17</sup> This polarization often means spatial segregation, as the rich move into luxury downtown condominiums and the poor into cramped homes in the suburbs and ethnic enclaves. Average incomes in Toronto’s 12 poorest neighbourhoods fell 8% between 1985 and 2001, while they rose over 25% in the 12 wealthiest neighbourhoods.<sup>18</sup> Immigrants are especially suffering – Canadian-born low-income rates have been falling since the 1980s, but low-income rates for immigrants have been rising.<sup>19</sup>

Since more Canadians have unmet needs, more of them have strong incentives to demand budget funding and participate in budget processes. Those with the strongest incentives to participate, however, usually have the least time to do so. Meanwhile, there are more communities that are privileged enough to ignore public budgets, opt out of participatory budgeting, or dominate budgeting processes if they chose to get involved.

Canadian cities are also home to *active social movements and progressive politicians*, who are fighting against increasing inequality. Since many community groups are involved in budget activism and neighbourhood organizing, participatory budgeting already has a substantial support base. The recent election of progressive municipal politicians increases the likelihood of political support for participatory budgeting.

Given this context, participatory budgeting in Canada would have to be different than in Latin America. Relative affluence, developed infrastructure, cultural and language diversity, and the limited autonomy of local government pose challenges for participation. Neoliberal restructuring and increasing social and economic polarization have further limited the power of city governments and residents to change municipal spending. These limitations also, however, present new opportunities and incentives to experiment with participatory budgeting. In a few cases, progressive social movements and public officials have taken advantage of these opportunities by initiating participatory budgeting processes. The following sections describe the first such processes that emerged in Canada (and North America): participatory budgeting in

Guelph, Toronto Community Housing, and Vancouver's Ridgeview School, as well as budget consultations through the City of Toronto.

## **The City of Guelph: Neighbourhood Support Coalition**

Since 1999, Guelph residents have used participatory budgeting to allocate a small portion of the City's budget. Through the Guelph Neighbourhood Support Coalition, neighbourhood groups share and redistribute resources for local community projects, such as recreation programs, youth services, and physical improvements to community facilities.<sup>20</sup>

Guelph is a city of over 100,000 people in southern Ontario, 100 kilometres west of Toronto. A Mayor and 12 city councillors govern the city, although the Mayor is the only full-time elected official. Compared with other Canadians, Guelph residents are slightly more affluent, educated, and ethnically homogenous. The city's median household income (\$56,000) is slightly higher than the provincial average. Sixty percent of residents aged 25-64 have pursued post-secondary education, compared with 55% in Ontario and less than 54% in Canada. Over 85% of residents report that English is their main language spoken at home.

### **How the Coalition Developed**

The Guelph Neighbourhood Support Coalition and its participatory budgeting process developed through a combination of grassroots neighbourhood activism, funding from external donors, and municipal facilitation. In the early 1990s, several neighbourhood groups started to form in lower income Guelph communities to organize for social change. In 1990, a group in the Onward Willow neighbourhood successfully applied for funding from the provincial *Better Beginnings Better Futures* program. The group used the funding to organize recreation programs, family support, and other community-building activities.

Based on the success of the Onward Willow activities, Family and Children's Services of Guelph began to fund other neighbourhood groups, using money from the United Way. After a few years of collaboration between these organizations, some neighbourhood groups wanted to work more closely with the City and new groups wanted to get involved. In 1996, a neighbourhood group that was receiving municipal funding invited city staff at the Community Services Department to observe their work. After observing, the department decided it would be more effective to work with the groups through a formal umbrella organization.

The City and neighbourhood groups officially founded the Guelph Neighbourhood Support Coalition in 1997. Its aim was to enable neighbourhood groups, city staff, and supportive partner organizations to collectively allocate community funding and improve community life. At first, funding was divided equally between the neighbourhoods. City staff noticed, however, that some neighbourhoods were over-resourced and others were under-resourced. In 1999, Janette Loveys Smith, the City's Manager of Community Development, suggested that funding would be more equitable if the neighbourhood groups deliberated their needs and priorities together. The Coalition decided to gradually implement a participatory budgeting process, although it was not until the following year that Loveys Smith found out about participatory budgeting in Porto Alegre. Only in 2003 did the participating groups formalize this process in a written agreement.

The Coalition initially depended on around \$50,000 awarded by the City's community grants program. In 1999, neighbourhood groups persuaded City Council to transform the community grant funds into an official line in the City's Community Services budget. The Coalition also pursued external funding from other organizations, agencies, and regional government bodies. By 2000 it had consolidated its municipal funding and external funding in the Community Services

budget line. By 2005, the Coalition budget had reached a million dollars. It also began to include capital budget funds for infrastructure projects, in addition to the existing operating budget funds.

After starting with less than 10 neighbourhood groups, the Coalition has now grown to 15 groups. Some established ratepayer groups have begun to get involved in the Coalition, adding a social focus to their activities in order to share funding. In 2004, Guelph political leaders started to observe neighbourhood group and Coalition meetings.

### **The Participatory Budgeting Process**

The Coalition takes approximately four months to collectively decide how its budget funds are allocated, and another year to implement project funding. The budget deliberations start in December and allocations are decided by April. The budget process consists of five main phases:

- 1) The Coalition meets to discuss citywide priorities for the upcoming year and review the budgeting process. Meanwhile, Coalition members raise funds from partner organizations and sponsors, to establish the pot of money for the year's budget.
- 2) Residents meet in their local neighbourhood groups to discuss the citywide priorities and deliberate about their local spending priorities. Based on these discussions, each group prepares project proposals, along with a "needs" budget and a "wants" budget for its proposed activities. The residents elect two delegates to represent their group in the Coalition's Finance Committee.
- 3) The neighbourhood delegates meet in the Finance Committee to present their budget needs and wants to each other. Coalition partners and sponsors outline the budget funds that are available. After the meeting, neighbourhood delegates return to their groups to re-evaluate their needs and wants, based on the information from other groups and sponsors.
- 4) The neighbourhood delegates meet in the Finance Committee to decide on budget allocations. The delegates negotiate and make compromises on the proposed activities, until they can agree by consensus on a budget.
- 5) Neighbourhood groups implement and monitor their projects through a yearlong funding cycle. Groups are expected to use decreasing amounts of Coalition money for the first three fiscal quarters of their projects, and then raise other funds to finance the fourth quarter. The groups proposed this approach because they thought that established groups would be able to find additional funding sources, which would free up some money for new groups and projects. Some of this money is set aside in a \$25,000 "new group" fund, available only to new groups joining the Coalition. This money is a rare source of accessible funding for informal community groups.

City residents, neighbourhood groups, partner organizations, and city staff collaborate throughout Guelph's participatory budgeting process. *Residents* decide on local community service priorities. Most participating residents are from low-income or ethnic minority neighbourhoods. Participants have a wide range of skills and backgrounds, and many have little previous experience with community or political organizing. The Coalition attempts to reduce the obstacles to participation for low-income and marginalized residents. It provides groups with oral and written translation services for nine different languages, and sets aside \$5,000 annually to pay childcare, eldercare, and transportation costs for participants in need. It also provides food at Coalition meetings.

*Neighbourhood groups* represent local community interests in the budgeting process. They also design and oversee the Coalition decision-making process itself. Neighbourhood groups represent over 1100 residents on average, and they are managed by a combination of volunteers and paid

staff. Most hire a part-time Community Development Coordinator to facilitate group projects. City staff administer the payroll for these workers, but their salaries come out of the Coalition budget. Although not all groups are legally incorporated, the Coalition has agreed on organizational rules for participating groups. For example, each must elect a Board of Directors and make decisions by a collectively designed consensus process.

*Partner organizations* provide technical support and funding, and they participate in the Coalition decision-making process through appointed representatives. Several community organizations and local government agencies belong to the Coalition, including the Community Health Centre, the United Way, the county's Social Services agency, and local school boards.

*City staff* are responsible for Coalition administration. Five staff members at the Community Services Department organize and support the Coalition, as part of their general work responsibilities. They prepare minutes of Coalition meetings and often attend individual group meetings to offer support. The annual administrative costs for the City are roughly \$60,000, which includes staff time, food and other consumables, publicity, meeting space, and financial support through the Finance Department. The City has also begun promoting the Coalition and its budgeting process to other cities through the Federation of Canadian Municipalities.

### **Outcomes**

Each year, the budgeting process funds hundreds of prioritized community services and involves thousands of people in new neighbourhood activities and groups. In 2005, the Coalition funded 460 community-building events and programs, such as peer support groups, community carnivals, summer camps, and language classes. Roughly 10,000 people participated in the neighbourhood group activities, and the volunteer hours put into the Coalition resulted in \$270,000 in cost savings for the City.<sup>21</sup>

The Coalition has helped develop several new neighbourhood groups, and new partnerships between community organizations and public agencies. Coalition partners have provided free office space for neighbourhood groups in schools and other government buildings. Inspired by the Coalition's budget process, city staff have collaborated with progressives in other Canadian cities to plan a Canada-wide action research project in support of participatory budgeting.

City staff and Coalition members have also learned new skills and ways of thinking. By working together extensively as equals, staff have gained new understanding of the needs and perspectives of low-income residents, and residents are learning how to work with the city government and community groups. Residents are also learning about the needs of other communities, and often changing their own priorities as a result. In 2005, one neighbourhood group even decided to not accept any Coalition money, to leave the funds for groups with greater needs. The Coalition has also organized annual staff and community training workshops, on topics such as teambuilding, fundraising, and community organizing. The budget process has been a challenge. As a representative from the Waverly neighbourhood group said, "This is the hardest thing to do. There are a lot of emotions here at the table."

### **Toronto Community Housing: Tenant Participation System**

Since 2001, the Toronto Community Housing Corporation (TCHC) has used a participatory budgeting process to involve tenants in budget decision-making, as part of their Tenant Participation System.<sup>22</sup> Originally called Community Based Business Planning, the budgeting process has allowed tenants to decide how to spend \$9 million per year, or 13% of the TCHC's capital budget.

The TCHC is the largest social housing provider in Canada and second largest in North America, with 164,000 tenants housed in over 350 high and low-rise apartment buildings and 800 houses and duplexes. With an average income of \$15,400, TCHC residents are generally low-income individuals and families. Many residents are new immigrants, elderly, disabled, or single parent families – some of the most marginalized populations in Toronto.

The TCHC is a share-capital corporation that employs 1,500 people. It operates at arm's length from the City of Toronto, which is the company's sole shareholder. The 13-member Board of Directors, composed of four city councillors and nine citizens, oversees the company's management and is accountable to the City. When the participatory budgeting process was introduced, the TCHC consisted of two separate companies – Metro Toronto Housing Company (MTHC) and Toronto Housing Company (THC). The assets and management of these companies merged in January 2002, and the new TCHC became responsible for a \$568 million operating budget and \$70 million capital budget. Half of the revenues are from government subsidies and half from RGI (rent geared to income) rent payments and some market-rate rent payments.

### **How the Tenant Participation System Developed**

In 2000, staff at the THC and MTHC developed a participatory budgeting process in response to tenant demands and budget pressures. Tenants were asking for greater participation in budget decisions and more control over how funds were spent. The companies were also faced with new funding cuts, due to the provincial government's downloading of responsibility for social housing and the municipality's reductions in social programs funding. The companies' capital budgets were shrinking quickly, and staff and management choose to involve tenants in the process of making difficult decisions about capital investments.

Based on the Porto Alegre model, a small team of staff developed a new participatory budget process. Although the THC and MTHC were separate entities, staff from the two organizations anticipated their merger and therefore collaborated. After developing the basic process, staff and tenants revised the model through experimentation in two pilot projects. Tenants at the THC and MTHC decided on slightly different budgeting processes. After the companies merged, they integrated the two processes. Tenants began the first participatory budgeting cycle in 2001 and finished in December 2003. In 2004, the TCHC undertook an extensive evaluation of the first cycle, and based on tenant and staff input they began to revise the budgeting process.

### **The Participatory Budgeting Process**

The Tenant Participation System uses a three-year budgeting process, divided into six phases:

- 1) Tenants and staff gather at open meetings at the building level (within an individual apartment building or group of houses), to discuss local budget issues, identify their building's top five priorities, and elect budget delegates. They decide on budget priorities through "dotmocracy": First, they identify and discuss necessary projects, compiling a project list on flipchart paper. Second, they rank the projects by marking dots next to those they support. Finally, the projects with the most dots are chosen as priorities. Staff use visual aids based on colours, pictures, and symbols to help people communicate across language barriers. Tenants also elect delegates to represent their buildings at the regional level – the Community Housing Units (CHUs).

- 2) The building delegates meet at CHU Forums to deliberate spending priorities with other buildings and communities in their region of the city. At each Forum, building delegates review the list of building priorities, identify the priority issues that could be addressed with existing CHU resources, and identify the issues that would require additional external funding. The

delegates then rank the issues that require additional funding in order of priority, and they elect 40-65 CHU delegates for the citywide Tenant Budget Council.

3) Staff develop a draft budget and tenant delegates prepare for budget council meetings. Elected CHU delegates go through an orientation to the corporation's budget, decide on guidelines for their budget deliberations, and present their CHU priorities.

4) Staff present their draft budget to the Tenant Budget Council, and the CHU delegates deliberate how to allocate funding amongst the CHUs' proposed projects. After negotiating trade-offs between the CHU priorities and the staff budget, the Tenant Budget Council recommends which capital projects should be funded.

5) The Tenant Budget Council submits its final recommendations to the corporation's CEO. The CEO finalizes the list of specific projects to receive funding. This final budget goes to the TCHC Board of Directors for approval.

6) Staff and tenants implement and monitor the approved projects and budget. Tenant delegates disseminate information about the projects and budget in their buildings. They oversee the implementation and financial status of approved projects through a Monitoring Committee, adjusting project funding when necessary. In 2005, the TCHC added an evaluation process in which tenants give feedback on their experience and work with staff to improve the next round.

Tenants, TCHC staff, and the TCHC Board of Directors collaborate throughout the budget process. *Tenants* decide on local (building), regional (CHU), and citywide spending priorities. They participate directly at the local level and through elected representative at the regional and citywide level. The TCHC uses translators and offered childcare at budget meetings to reduce barriers to tenant participation.

*TCHC staff* facilitate budget deliberations and provide technical support and guidance. Staff members at the community, CHU, and corporation level serve as facilitators and technical advisors at budget meetings. They work with tenants to identify budget issues, constraints, and priorities. *The TCHC Board of Directors* approves the final budget.

### **Outcomes**

The first participatory budgeting cycle provided funding for 237 local capital projects that were prioritized by tenants, such as new stoves, playgrounds, and roof renovations. In addition to these material benefits, the process helped tenants learn about each other and about different communities. Most tenants initially focused on their own needs, but after a few meetings many began to appreciate the interests of other participants. Some people voluntarily gave up funds to support more needy TCHC communities, after realizing that other tenants had graver needs. One tenant explained that this was a natural result of such an intense process of deliberation, that "once everybody gave a little bit, we all came together as a community."<sup>23</sup>

Tenants and management developed greater mutual understanding, trust, and reciprocity. Tenants learned about the problems faced by staff. As one participant said, "When you are sitting in your own community, you don't understand why they don't fix things or why you can't have the things you want, such as a new playground. With this budget process, people began to see how limited the funding was and the need for it out there."<sup>24</sup> Tenants also noted that staff began to respect them more and better understand their needs and capacities. According to Beatriz Tabak, the initial manager of the budget process, "There is this stigma that people who live in social housing

don't know anything...staff learned that tenants know what they are doing and the tenants were empowered."<sup>25</sup>

Staff and tenants have also connected with other participatory processes. The TCHC helped tenants attend the City's Listening to Toronto budget consultations by organizing childcare and transportation for tenant participants. Staff and tenants have shared their experience at several conferences and collaborated on the Canada-wide participatory budgeting research project with Guelph. The TCHC has even flown tenants and staff to Porto Alegre for the World Social Forum, and brought officials from Porto Alegre to tenant budget deliberations.

After the initial cycle ended in 2003, the TCHC redesigned its budget process. The new system is more decentralized, part of a larger restructuring process within the TCHC. Individual buildings and CHUs have more decision-making autonomy and greater control over their own operating and capital budgets. This new system focuses more on local engagement than corporation-wide redistribution. The TCHC is also increasing its capacity building training for staff and tenants.

## **Vancouver: Ridgeview School Participatory Budget**

Although tiny in comparison with the other initiatives, Canada's third experience with participatory budgeting is notable for its participants. In West Vancouver, elementary school students have used a participatory budgeting process to decide a small amount of their school's funding. In 2005, Ridgeview School's participatory budget enabled students to learn about their needs and democracy, and to fund a new school store in the process.<sup>26</sup> The Ridgeview process builds on previous experiences of youth participatory budgeting in Latin America.<sup>27</sup>

West Vancouver is a small municipality in greater Vancouver. Its residents are relatively affluent, well educated, and homogenous.<sup>28</sup> Roughly 25% of its students come from non-English speaking homes. Ridgeview is a public school with around 380 students in kindergarten through seventh grade. It has a progressive orientation, as demonstrated by its mission statement: "To inspire and develop independent lifelong learners who have a respect, acceptance, and understanding of self, others, and the global society, so that all can reach their full potential by providing a challenging, safe, supportive, and happy learning environment."<sup>29</sup> Even before 2005, Ridgeview parents had been looking for ways to include their children's voices in more school decisions.

In 2004, Heather Willard, a graduate student and part-time teacher at Ridgeview, approached school staff and parents to propose a participatory budgeting process for students. Willard had already experienced participatory budgeting in Brazil and studied it in Canada. Ridgeview's principal responded that students could not be allowed to decide any funds from the official school budget. The Parent Advisory Council, however, agreed to set aside \$2000, 10% of their budget, for students to decide. In British Columbia and elsewhere in Canada, parent councils fundraise up to \$30,000 dollars for their individual schools each year, to supplement government funding. At Ridgeview, parents were enthusiastic about participatory budgeting because of their concern that students had been excluded from decisions about the fundraised money.

### **The Participatory Budgeting Process**

Participatory budgeting at Ridgeview takes place over one month, in three main steps:

1) For the first two weeks, students in individual classes discuss their needs and identify their top proposals for school projects. In six classes, of 26-30 students each, teachers help students do a needs assessment to identify the school's needs. Students then dialogue about these needs and potential projects, in their own class and with buddy classes. Finally, each class decides on its top three proposals to address the identified needs.

2) In the third week, the school administration reviews the students' proposals for feasibility, and each class chooses its top proposal.

3) In the fourth week, students convene in a school-wide assembly, where they present their class proposals and vote on their preferred idea. Representatives from each class present their idea to the assembly, using prepared posters for illustration. All students, even those in kindergarten, participate in the voting. They are asked to vote, using paper ballots, for the proposal that they believe would most benefit the school. The top vote getter is then implemented during the following year.

*Students* are therefore responsible for identifying and deliberating school projects, and deciding which project is implemented. The school's *teachers* help design the participatory budgeting process, motivate students, and facilitate student discussions in class. *Parents* contribute funding, *administrators* offer feedback on student proposals, and an *external advisor* provides technical assistance and guides the process.

### **Outcomes**

The participatory budgeting process enabled students to improve their school experience and environment. In 2005, the students voted to allocate their \$2000 to create a school store. They chose the store partly because it could help them generate additional money for other projects. Other ideas included cooking classes, a small indoor climbing wall, a water fountain, new sports equipment, and a school pet that students would take care of. Parents and administrators said that they would find funding for the other proposed ideas as well, since they could be tied to the school's 2005-2006 goal of promoting a healthy school.

The experience also generated new discussion and learning amongst students and in classrooms. As Willard explained, "students and teachers alike were engaged in thinking about and discussing which idea would best help Ridgeview students learn, be healthy and contribute more to the Ridgeview community."<sup>30</sup> Through open dialogue on rarely discussed topics, students and teachers learned about school needs from students' perspectives. Students celebrated what they liked about Ridgeview, providing positive feedback for the parent council and staff, and building community. Students and teachers also learned about democracy, by doing it.

The Ridgeview participatory budget is even starting to have effects at a wider level. After the success of the first year, the school superintendent asked students to present their experience at a District Parent Council Meeting.

## **The City of Toronto: Listening to Toronto**

In 2004, newly elected Toronto Mayor David Miller initiated Listening to Toronto, a public participation process for the municipal budget.<sup>31</sup> The new budget consultations brought together residents to discuss city priorities and offer input for the 2004 and 2005 municipal budgets. Listening to Toronto has not enabled participants to make budget decisions, so it should not be considered participatory budgeting. It is included here, however, because it has been repeatedly compared to participatory budgeting, has greatly increased public engagement in the budget process, and has had noteworthy educational and political effects.

Toronto is the largest city in Canada and the fifth largest in North America, with close to 2.5 million people. A disproportionate amount of the country's financial activities are based in Toronto.<sup>32</sup> As Canada's most popular destination for immigrants, it is one of the most

multicultural cities in the world.<sup>33</sup> The City of Toronto's amalgamation with five surrounding municipalities in 1998, coupled with federal and provincial downloading and cutbacks, has greatly increased the City's responsibilities while limiting its economic resources and autonomy.<sup>34</sup>

The City's 2005 budget was made up of a 7 billion dollar operating budget and 1 billion dollar capital budget. Toronto has recently experienced tremendous fiscal pressure, with a 72 million dollar budget shortfall in 2005. The budget process in Toronto has traditionally been highly closed, involving mainly senior level bureaucrats, the Mayor, and city councillors. Citizen input has mainly consisted of public deputations and lobbying of individual councillors, after much of the budget has already been decided.<sup>35</sup>

### **How Listening to Toronto Developed**

In November 2003, David Miller, a progressive city councillor aligned with Canada's left-of-center New Democratic Party, was elected Mayor. Throughout his campaign, Miller had stressed the need for more public engagement and greater accountability, particularly for the city budget process.<sup>36</sup> When he entered office, the City was faced with a \$344 million gap between revenues and expenditures. City councillors and staff were desperately looking for ways to overcome the budget shortfall. As one of his first acts in office, Miller initiated the Listening to Toronto consultations for the 2004 budget, to ask residents what the City should do. The Listening to Toronto sessions were designed and planned in only six weeks, after the annual budget deliberations were already in progress. The City's budget proceedings were delayed until the end of the consultations.

Listening to Toronto built on previous engagement efforts by city staff and was inspired by experiences elsewhere. Since 2002, staff had been publishing the City Budget Community Workbook, a guide to help community groups and citizens understand and explore the budget. The workbook was posted on the City's website and distributed to community groups, and its budget explanations were later incorporated into Listening to Toronto materials. City staff also drew on the experiences of Porto Alegre's participatory budget, and representatives from Porto Alegre even attended a 2004 budget consultation.

The high level of budget activism in Toronto also fuelled the consultations. The Metro Network for Social Justice, Toronto Budget Watch Committee, and Community Social Planning Council had all engaged in budget monitoring and analysis, while advocating for a more democratic budget process.<sup>37</sup> Starting in 2002, the Toronto Participatory Budget Network mobilized community support for the 10x10 campaign, calling for 10% of the city's budget to be decided through participatory budgeting by the year 2010.<sup>38</sup>

### **The Public Participation Process**

Listening to Toronto has inserted large budget consultations into the city's ongoing budgeting process. City staff and councillors remain responsible for developing the budget, but the consultations add a new layer of public participation.

For the 2004 budget, Listening to Toronto consisted of seven three-hour sessions across the city during January 2004, bringing together over 1,100 city residents. After introductory staff presentations, participants met in small groups to talk about Toronto's strengths, challenges, and budget issues. They were asked to discuss three questions: 1) What things make Toronto great, and why is it important that we not lose them? 2) What challenges do we face, and why is it urgent that we address them? 3) What advice do you have for City Council as it discusses the 2004 budget? Community engagement staff from different municipal departments facilitated the

discussions, using cartoon maps, colourful diagrams, and plain-speak budget guides to help participants understand complex budget issues. Budget staff offered technical assistance and information about the budget. The City also collected input by email and postal mail.

For the 2005 budget, there was one large November 2004 session in the city center, with over 700 residents. The City claimed that only one session was offered in order to focus on “the bigger picture” and on “one city”.<sup>39</sup> Participants were randomly grouped at tables with facilitators, where they listened to a few short presentations by city staff and councillors. Based on City Council’s presented budget priorities, they then discussed three questions: 1) How can we make Toronto clean and beautiful? 2) How can the city increase public involvement in city affairs? 3) How can the city strengthen neighbourhoods?

Including Listening to Toronto, the City’s annual budget process lasts roughly eight months. From September to November, individual departments and agencies prepare their budget requests. City staff integrate these separate budgets into a citywide budget. Residents offer input through Listening to Toronto sessions, before the City publicly launches the proposed budget in January. From February to April, city councillors and budget staff discuss and revise the proposed budget, and residents submit input through deputations at City Council’s committee meetings. Near the end of April, Council debates and approves the final budget.

City residents, municipal staff, and city councillors collaborate during Listening to Toronto. *City residents* exchange ideas and offer input at the consultations. *City staff* prepare explanatory and educational materials for the participants, and they design and facilitate the sessions. They listen to public input and help incorporate it into the budget. *City Councillors* also listen to public input at the consultations, and they revise the budget with staff. The City’s annual administrative costs for Listening to Toronto were roughly \$110,000.

### **Outcomes**

Listening to Toronto may not have resulted in specific budget decisions, but it appears to have bolstered the Mayor’s progressive agenda, increased citizen engagement, and educated city staff, politicians, and residents. The Community Social Planning Council of Toronto, a non-profit community organization, claimed that the City’s new budget was a welcome improvement on previous years: “The 2005 budget is almost unrecognizable to anyone accustomed to the six years of slash-and-burn budget decision-making we have experienced in the City of Toronto.”<sup>40</sup> It is unclear whether this change was due more to citizen input or to the shift to the left in the Mayor’s office. According to city councillors, however, the consultations mobilized residents to demand action from the federal and provincial governments, providing the City with more leverage in intergovernmental negotiations.<sup>41</sup>

Listening to Toronto seems to have had significant educational effects. As one participant explained: “I learned about the restrictions that are placed on council for raising taxes... and lowering costs. [Council] are basically in an impossible position, so I have more respect for the job they have to do.”<sup>42</sup> A number of city councillors who were initially critical of the consultations changed their mind after participating, calling them a “great thing” and “the people’s budget.”<sup>43</sup> The city’s conservative budget chief announced that, “It makes me believe in democracy.” As one journalist explained, “The Mayor’s importing of a consultation process from Brazil is winning praise even from his right-wing critics.”<sup>44</sup> This shift indicates that city staff and officials may be learning as much as participants.

The Community Social Planning Council found Listening to Toronto to be one of residents’ main sources of hope and excitement about political engagement.<sup>45</sup> According to participant feedback

in 2004, 89% of participants felt that attending the session was worthwhile and “a good way to communicate with the Mayor and Council.” Eighty-eight percent said that they would attend again in the future.<sup>46</sup> It is unclear if they will have the opportunity to do so, however. After being reduced from seven sessions for 2004 to one session for 2005, Listening to Toronto was replaced in 2006 with a new consultation process for the City’s operating budget.

## **Enabling Conditions**

How did these four initiatives manage to develop in the Canadian context of diversity, polarization, and neoliberalism? There is no secret formula, but several factors seem to have enabled budget participation in these particular locations. In general, participatory budgeting emerged when staff were passionate and prepared, politicians were looking the other way, community members were demanding, and budget funds were scarce.

Probably the most important enabling condition was *leadership from within the government or institution*. Notably, the leaders were mid-level staff people, not politicians, in each case of participatory budgeting. Managers at the City of Guelph and the TCHC, and a teacher at Ridgeview, were the main forces behind their participatory budgeting processes. Only the Listening to Toronto consultations were led by a politician, the Mayor. In each case, one or two enthusiastic and committed individuals were responsible for making participatory budgeting happen. These staff leaders were likely able to develop new budgeting processes because they were out of the political spotlight and able to work relatively autonomously.

In addition to staff leadership, the Canadian initiatives have depended on *staff experience in community participation*. Each process was able to emerge because core staff members *already* had some experience facilitating democratic participation. They had therefore already acquired mentalities, attitudes, and capacities necessary to guide the participatory budgeting process. Several of the program leaders were aware of participatory budgeting in advance. Their skills and knowledge were especially important for the early phases of each initiative, to guide those with less experience. Later, staff and participants were trained and reoriented as necessary. None of the initiatives would have likely been feasible, however, without experienced staff that were already oriented towards democratic participation.

Although the participatory budgeting initiatives were not generally driven by politicians, they did depend on the *acceptance or inattention of political leaders*. In Guelph, politicians only began to take notice of the Coalition after it had existed for several years. The CEO of the TCHC has been supportive of the Tenant Participation System, but Toronto politicians have paid it little attention. At Ridgeview, the principal accepted participatory budgeting but was not actively involved in the process. In the one case where politicians were influential, Listening to Toronto, public participation was limited to consultations and reduced in scale after its first year. So far, therefore, staff have been able to experiment with participatory budgeting only when they have avoided the attention or interest of politicians. This contrasts with experiences in Latin America, where Socialist and Workers’ Party administrations have initiated many of the participatory budgeting processes. In Canadian cities, however, where radical leftists are not in power, it seems that participatory budgeting is more likely to emerge when politicians are not highly involved.

In Guelph and the TCHC, *grassroots community pressure and support* has been perhaps as important as committed staff members and inattentive politicians. Neighbourhood groups initiated the Guelph Coalition, and it was only after they had begun working together and pooling their funds that the City got involved. Since the Coalition formed, the neighbourhood groups have ensured its survival and continued growth by persistently seeking out new funding and setting

aside expansion funds for new groups. At the TCHC, tenant demands for greater involvement in decision-making motivated staff to develop a new budget process. Since the Tenant Participation System started, tenants have continued to pressure the TCHC for more autonomy and local control of budget funds.

Finally, *budget shortfalls and pressures* helped instigate the programs in Guelph and Toronto. In Guelph, neighbourhood groups began to raise funds for a collective budget largely because they were having difficulty raising enough money for their neighbourhoods independently. At the TCHC, major funding cuts forced management to reduce spending, and rather than deciding on budget reductions themselves, the corporation opted to let tenants decide. When Mayor Miller initiated Listening to Toronto, the City was faced with a huge deficit, which made a public budget debate seem more necessary. In each case, because funding was scarce, people were more willing to consider an alternative budget process.

## Limitations and Challenges

Although Canada's participatory budgeting processes have led to more democratic participation, they are far from perfect. The shortcomings of the four initiatives, especially Listening to Toronto, suggest key limitations and challenges for participatory budgeting in Canada.

Perhaps the biggest critique is that *the initiatives are too small and do not affect enough political decisions*. Unlike in Latin America, none of the Canadian initiatives have implemented participatory budgeting throughout a municipal budget. None of them, by themselves, fundamentally change their cities' political systems or create a more progressive urban political agenda. They only increase democratic participation for a small portion of the budget in a few local agencies and institutions.

Participatory budgeting in Canada has indeed had only limited effects thus far, and its scope needs to be broadened. These initial limitations, however, are neither greater than in Latin America nor as large as they may appear. Even in Porto Alegre, participatory budgeting started out as a small city program with only minor effects. Participatory budgeting, after years of implementation, generally applies to less than 15% of a city's budget.<sup>47</sup> This figure is deceptive, however. It is a small portion of the budget, but a large portion of the budget's discretionary funds. Most budget funds are fixed, or pre-determined, to pay for contracted staff pay and required infrastructure maintenance. Budget decision-making therefore focuses on the remaining funds, and participatory budgeting in Guelph and the TCHC is indeed affecting a substantial portion of these decisions. In Guelph, the budgeting process has also expanded over time to deal with new neighbourhoods, services, and infrastructure.

Even for the relatively small Canadian initiatives, *participants often have limited decision-making power*. In Toronto and Vancouver, the participatory budgeting processes were mostly designed and managed by staff, not participants. Staff therefore made key decisions about what and how participants could deliberate, and how much funding would be allotted to the process. This staff management is understandable at Ridgeview School, but less so at the TCHC or City of Toronto. Only in Guelph have city residents had the power to make decisions about the shape of the budgeting process. Listening to Toronto did not even allow participants to make decisions about budget priorities, limiting participation to a consultative role. If participatory budgeting is to truly democratize political decision-making, participants must be allowed to make decisions about both spending priorities and the budgeting process itself.

At the budget deliberations themselves, *participation is not always representative or equal*. It has been *unrepresentative* when those who participate do not accurately reflect the community's population. Since there is no demographic data on participants for any of the initiatives, it is unclear how representative they were. Even through casual observation, however, it is obvious that Listening to Toronto attracted many 'professional citizens' – the higher income, more educated, typically white people who seem to attend public consultations as a hobby.<sup>48</sup> As one participant said at a budget session, "This is not my community, I see Toronto on the bus every day. I don't see it here."<sup>49</sup>

Participation has been *unequal* when those who attend budget deliberations are not able to participate equally in discussions. If deliberations are not well structured and facilitated, they can reproduce class and knowledge hierarchies, by enabling those with more power and greater linguistic or technical skills to control discussions.<sup>50</sup> Although each of the initiatives used facilitators to structure discussions, it is unclear to what extent this compensated for people's different abilities. In Listening to Toronto, for example, people who were not native English speakers seemed to talk less than others during discussions.<sup>51</sup>

Even with these limitations, however, participatory budgeting tends to facilitate more representative and equal participation than other public engagement processes.<sup>52</sup> In Canada and elsewhere, it reduces barriers to participation by providing childcare, reimbursing transportation costs, offering translation services, and scheduling meetings at different times.<sup>53</sup> To make elected delegates more representative, it imposes short term limits, as well as delegate quotas and requirements. Not all of the Canadian initiatives have been equally pro-active, however. The TCHC has not paid for participants' transportation costs, which has been an obstacle for some tenants.<sup>54</sup> Listening to Toronto did not provide childcare or transportation reimbursements, and although translation services were allegedly available, they were rarely provided.

In addition to these problems with participation, *the relationships between participants, staff, and politicians have often been unequal and limited*. Listening to Toronto, for example, only brought residents, staff, and politicians together for a couple hours once a year, hardly enough time to build relationships. Without the opportunity to collaborate together and build more horizontal relationships, unequal neoliberal relationships have emerged – politicians as decision-makers, staff as service providers, and residents as service consumers. The Guelph program, however, has demonstrated how residents and staff from different public agencies can work together as more equal partners, blurring the line between citizens and government.

Not every initiative can be as flexible as in Guelph, however, and the Ridgeview experience has shown how *legal constraints can limit the effect of participatory budgeting*. As Willard discovered, the school administration would not allow students to decide part of the school's official budget. The Ridgeview and Guelph experiences demonstrate, however, how such a limitation can be partly overcome by seeking out creative funding alternatives. At Ridgeview, the participatory budget was smaller without access to the school budget, but the Parent Council provided an alternate funding source. In Guelph, various local agencies and organizations provided neighbourhood groups with funding that they could not get from the City.

One of the greatest dangers in Canada is that *participatory budgeting can be co-opted by politicians*. When participants become embedded in government decisions, they may become less critical of the political system.<sup>55</sup> This can allow politicians to use participatory budgeting to download public services and shift the blame for spending cuts from elected officials to citizens.<sup>56</sup> This may have partly occurred at the TCHC, where management involved participants only when it was faced with large budget cuts. In this case, however, involving tenants in the TCHC's

difficult budget decisions is still preferable to making these decisions without tenant involvement. Since the TCHC has established links with Porto Alegre officials and helped tenants participate in Listening to Toronto, it appears that management is genuinely interested in facilitating participation and empowerment.

Alternately, if politicians retain control over participatory budgeting, they may gradually transform it into a less participatory process or take away its power. This appears to be the case for Listening to Toronto. Originally, this budget process was compared to Porto Alegre's. It did not meet this ideal, but it did have substantial impacts on the budget, municipal politics, and citizen participation in its first year. The next year, however, participation was reduced in scale and distorted. The originally open-ended discussion questions (e.g. What advice do you have for City Council as it discusses the 2004 budget?) were replaced with leading questions that imposed the priorities of politicians (e.g. How can we make Toronto clean and beautiful?). As the Guelph Coalition has demonstrated, on the other hand, enabling participants to design and manage the participatory budgeting process can reduce the threat of co-optation.

Regardless of who controls the process, *global and national pressures can disempower participatory budgeting*. Although Canadian cities have their own individual contexts, they are simultaneously embedded in networks and processes of globalization.<sup>57</sup> These global influences increasingly shape and define decision-making processes on the ground. In Canada under neoliberalism, they have created fiscal pressures for local governments and institutions. The resulting budget shortfalls, at the TCHC and City of Toronto for example, encouraged participatory budgeting, but they also left participants with less money to allocate. To withstand global pressures, participatory budgeting programs need to develop strong local power bases.

## **Innovative Strategies and Techniques**

The Guelph Coalition, TCHC, Ridgeview School, and Listening to Toronto have demonstrated innovative ways to address the challenges above and create more participatory and democratic local governance. Although these strategies and techniques were developed specifically for participatory budgeting, they can also be useful for other progressive local initiatives.

### **Initiate participation in receptive organizations that are autonomous from the city budget**

In Toronto, Guelph, and Vancouver, participatory budgeting started outside of the municipal budget, in public housing, neighbourhood groups, and a school. Although progressives in these cities also lobbied their municipal governments, they were best able to implement participatory budgeting in other public and private organizations. The TCHC, Ridgeview School, and the groups in the Guelph Coalition were particularly appropriate hosts because their leaders were interested in participatory decision-making and had enough political autonomy to adjust their budget processes. Although these initiatives are relatively small in themselves, they show that participatory budgeting can democratize not only the municipal budget, but also a wide array of organizations and institutions throughout the public sector and civil society.

### **Start out with a low profile**

The Guelph, TCHC, and Ridgeview participatory budgets established themselves without trying to attract attention from the media and politicians. The Guelph Coalition developed informally at the community level, out of sight of politicians and without a formal framework for several years. The TCHC initially kept its process confined to public housing buildings and residents, without seeking out media attention. These low profiles allowed organizers to develop each process organically and avoid legal, procedural, or political challenges. Rather than subjecting the participatory budgets to the commercial media and politicians' interests, they developed internal

networks to communicate directly with participants. Coordinators only promoted their programs externally once they had established strong institutional and participant support.

### **Expand the funding base by incorporating multiple organizations**

Faced with scarce budget funds of their own, the Guelph Coalition raised additional external funding by attracting the money and participation of different agencies and foundations. The neighbourhood groups overcame limited municipal funds by establishing their own funding and governance mechanism, together with supportive agencies. As a result, the Coalition is less dependent on any one funding source, and it has more financial autonomy. This creative fundraising shows how groups can overcome seemingly insufficient budget funds by involving different funding organizations and working outside of the municipal budget. It also suggests that participatory budgeting can attract enough interest from external organizations to increase the overall size of the budget. More broadly, the Coalition demonstrates how co-production (the involvement of external groups in the production of an institution's goods and services) can be used for progressive means, to support a grassroots political process.

### **Start by only involving communities with the greatest needs**

The Guelph and TCHC programs started out by limiting participation to people with the greatest needs, helping them get a head start and develop a greater capacity to participate. The initial neighbourhood groups in the Guelph Coalition were all from low-income and minority areas. Only after these groups had learned to manage the budgeting process did residents in more affluent neighbourhoods get involved. By developing participatory budgeting for public housing residents before it was available for the city as a whole, the TCHC established a base for participatory budgeting in Toronto's low-income communities. By the time Listening to Toronto began, TCHC tenants already had two years of budgeting experience, and they participated actively in the citywide consultations.

Focusing on communities with the greatest needs helps ensure interest in the participatory budget, balance out differences in people's abilities to participate, and establish the budgeting process as a pro-poor initiative. Because poor and marginalized people have the most pressing needs, they have the greatest incentive to participate in programs that can help them meet these needs. Since they offer a motivated base of participants, they are an ideal target group for new participatory budgeting processes. Building the capacity of these groups before others helps them overcome the obstacles to participation caused by poverty and social exclusion, so that they can participate as fully as other people. Limiting initial participation to those in need allows them to shape the process as an organic initiative driven by and for poor and marginalized people. They may even push other institutions to adopt more participatory and pro-poor budgeting, as TCHC tenants attempted to do through Listening to Toronto.

### **Adapt facilitation and popular education techniques to involve diverse participants**

Faced with participants from many different cultures, speaking different languages, and with different abilities and levels of education, the Canadian programs have experimented with new ways to facilitate equal participation. Dotmocracy, interpreters, cartoons, and low-tech visual aids have helped people learn about budget issues, deliberate, and vote across language barriers. Listening to Toronto helped privileged participants learn about the needs of low-income and marginalized communities in a non-confrontational way, by raising a wide range of city issues in facilitated discussions. Ridgeview teachers turned budget deliberations into classroom activities for elementary school children. Each process adapted its pedagogical approaches to the types of people participating, allowing different people to learn how to participate in democratic decision-making in different ways.

### **Educate politicians and staff**

The participatory budgeting initiatives not only seek to educate community participants, but also politicians and staff. After city councillors participated in the Listening to Toronto consultations, several of them reversed their initial criticism of budget participation and expressed greater appreciation for community needs. At the TCHC and Guelph, staff have learned about resident priorities by observing their budget debates. At Ridgeview, staff and teachers seem to have learned as much as students. By organizing learning opportunities explicitly for politicians and staff, these initiatives help transform municipal government and local institutions from within.

### **Use community mobilizing to influence provincial and federal policy**

Although it is a municipal program, Listening to Toronto has been used as a tool to influence the decision-making of the provincial and federal governments. The mayor has used the budget consultations to pressure higher levels of government for a “new deal for cities,” a new agreement that would allow municipalities to raise additional revenues. Because Listening to Toronto helped participants understand municipal budget issues and constraints, it helped the city mobilize residents to demand action from the provincial and federal governments. The increased public awareness of city budget limitations and support for new municipal revenues has provided the local government with more leverage in negotiations. It has also intensified public scrutiny of the provincial and federal governments’ urban policies.

### **Shift public discourse on government budgets and spending**

The Toronto programs have used the media and internal communication to help staff and residents understand public budgets as something that ordinary people *can* and *should* be involved in. Mayor Miller repeatedly stressed to the media and bureaucrats that residents needed to be involved in the budgeting process, even delaying the budget schedule to allow for consultations. Although the TCHC has been less publicly vocal, it has emphasized to tenants that their participation is essential. This new discourse helps people understand budget participation as a practical opportunity to address their needs and understand broader social issues. By validating participation, the TCHC and City of Toronto’s political leaders encourage public officials to invest their time and effort in the slow and messy task of democracy.

### **Establish links with participatory processes elsewhere**

The coordinators of the Guelph and Toronto processes have linked their programs with participatory processes in other cities, to build legitimacy, counter neoliberal pressures, and deepen political engagement. The Guelph and TCHC programs have connected with progressives elsewhere in Canada, and the TCHC and Listening to Toronto have even collaborated with representatives from Porto Alegre. This bottom-up local government networking validates and strengthens each individual program, by presenting participatory budgeting as a best practice that is already successful elsewhere. It allows respected third parties to suggest progressive goals and directions, countering the global pressures for cities to compete as entrepreneurs. As residents learn that people in other cities are participating in similar ways, they can more easily link their political engagement to broader global struggles.

## **Participatory Budgeting in the North: A Progressive Agenda**

A better understanding of the contexts, conditions, challenges, and strategies for participatory budgeting in the geopolitical North can help us build more democratic and participatory cities. In Canada and other Northern countries, participatory processes must adapt to contexts of relative affluence, cultural and language diversity, neoliberal politics, and increasing social and economic polarization. Despite their limitations, the Guelph Coalition, Toronto Community Housing, Ridgeview School, and Listening to Toronto programs managed to deepen public participation

through a combination of grassroots initiatives and local government action. These experiences demonstrate how new strategies of democratic participation can take advantage of the opportunities provided by Northern contexts, and adapt to the challenging conditions.

The initiatives in Guelph, Toronto, and Vancouver have already begun to influence other progressive political programs. Elsewhere in Canada, city governments in Montreal, Vancouver, and Hamilton are considering implementing their own participatory budgeting processes. In 2004, this growing interest fuelled a Canadian participatory budgeting network of academics, community organizations, and local government officials. Some of these people, including the authors, went on to establish a broader international network in 2005.<sup>58</sup> Participatory budgeting is even beginning to filter south into a few US cities.

As the Canadian experiences demonstrate, participatory budgeting is a strategic agenda for progressive urban politics in the North. It changes public spending to deliver concrete improvements in people's lives, generating greater incentives for political participation. While changing spending policies, participatory budgeting also transforms the way these policies are decided.<sup>59</sup> It thus moves us closer to a more democratic and participatory political system, and helps participants learn to act more democratically. Participatory budgeting in Canada has only affected small segments of local governance so far, but the initial experiences reveal new ways to broaden and deepen democratic participation. By experimenting with these strategies, we can make urban politics more progressive now, and at the same time build the foundations for even more democratic forms of government.

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<sup>2</sup> Resident's quote provided by Loveys, Janette, Manager of Community Development, City of Guelph, *personal communication*, 2003.

<sup>3</sup> For an overview of the Porto Alegre experience, see De Souza Santos, 1998 and Abers, 2000.

<sup>4</sup> Recent experiences of participatory budgeting in Europe are explored in more detail in Allegretti and Herzberg, 2004.

<sup>5</sup> Canadian Centre for Policy Alternatives, 2003.

<sup>6</sup> For more explanation of these principles and design features see Lerner, 2004.

<sup>7</sup> For an assessment of participatory budgeting's effects, see Baiocchi et al., 2005.

<sup>8</sup> This argument follows from 'global city' theories, such as those discussed in Brenner and Keil, 2005.

<sup>9</sup> Toronto Community Foundation, 2003.

<sup>10</sup> Magnusson and Sancton, 1983.

<sup>11</sup> For discussion of competitive cities, see Kipfer and Keil, 2002. For urban entrepreneurs, see Harvey, 1989.

<sup>12</sup> Osborne and Gaebler, 1993.

<sup>13</sup> Community Social Planning Council, 2000.

<sup>14</sup> Isin, E.F., 1998.

<sup>15</sup> Community Social Planning Council, 2000.

<sup>16</sup> Albo et al., 1993 and Community Social Planning Council, 2000.

<sup>17</sup> City of Toronto, 2003.

<sup>18</sup> Toronto Community Foundation, 2003.

<sup>19</sup> Picot and Myles, 2004.

<sup>20</sup> Unless otherwise noted, information on the Guelph Coalition is based on City of Guelph, 2004; City of Guelph, 2003; Guelph Neighbourhood Support Coalition, 2003; and Loveys Smith, Janette, Manager of Community Development, City of Guelph, *personal communication*, 2003, 2004, 2005.

<sup>21</sup> Calculated using the Volunteer Canada formula for volunteer work pricing.

<sup>22</sup> Unless otherwise noted, information on the TCHC is based on Tabak, Beatriz, Toronto Community Housing Corporation, *personal communication*, 2003 and 2004; Toronto Community Housing Corporation, 2003, 2003a, 2003b.

<sup>23</sup> Toronto Community Housing Corporation, 2003a.

<sup>24</sup> Shared Learnings on Homelessness, 2002.

<sup>25</sup> Shared Learnings on Homelessness, 2002.

<sup>26</sup> Unless otherwise noted, information on the Ridgeview School's participatory budget is based on Willard, Heather, *personal correspondence*, 2005 and 2006; and Willard, 2005.

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- <sup>27</sup> Porto Alegre and Sao Paulo have initiated large-scale children's participatory budgeting programs, and Cabannes (2005) describes similar initiatives elsewhere in Latin America.
- <sup>28</sup> Herbert, 2005.
- <sup>29</sup> Ridgeview School, 2005.
- <sup>30</sup> Willard, 2005.
- <sup>31</sup> Unless otherwise noted, information on Listening to Toronto is based on City of Toronto, 2004, 2004a, and 2005, as well as the authors' participation in the consultations.
- <sup>32</sup> Todd, 1995.
- <sup>33</sup> Driedger, 2003.
- <sup>34</sup> Community Social Planning Council, 2005.
- <sup>35</sup> Community Social Planning Council, 2000a.
- <sup>36</sup> Miller announced, "One of my goals as Mayor of Toronto is to find more ways to engage Torontonians in discussions with the Mayor and Council before important decisions are made. Among the most important debates on City Council's annual calendar is the budget. I can think of no better place to start a dialogue" (City of Toronto, 2004).
- <sup>37</sup> Conway, 2004.
- <sup>38</sup> Lerner, 2004.
- <sup>39</sup> City of Toronto, 2005.
- <sup>40</sup> Community Social Planning Council, 2005:1.
- <sup>41</sup> DeMara, 2004.
- <sup>42</sup> DeMara, 2004.
- <sup>43</sup> Wanagas, 2004.
- <sup>44</sup> Wanagas, 2004.
- <sup>45</sup> Community Social Planning Council, 2005:37.
- <sup>46</sup> City of Toronto, 2004b.
- <sup>47</sup> Wampler, 2000.
- <sup>48</sup> Based on the authors' observations at the consultations.
- <sup>49</sup> James, 2004.
- <sup>50</sup> Bourdieu, 1991 and Baiocchi, 2003:52-3.
- <sup>51</sup> Based on the authors' observations at the consultations.
- <sup>52</sup> De Souza Santos, 1998.
- <sup>53</sup> Schugurensky, 2004.
- <sup>54</sup> Shared Learnings on Homelessness, 2002.
- <sup>55</sup> CIDADE, 2002.
- <sup>56</sup> Lara Hernandez, 2004.
- <sup>57</sup> Brenner and Keil, 2005.
- <sup>58</sup> Based on discussion at the 2005 World Social Forum, we initiated a network of activists, elected officials, city staff, and researchers involved in or interested in participatory budgeting, including an international email listserv. For more information, see <http://lists.topica.com/lists/participatorybudgeting>
- <sup>59</sup> Participatory budgeting could thus be considered a *nonreformist reform*, to use Nancy Fraser's (2003: 79) term.