

Democracy pays

How democratic engagement can cut the cost of government

ANTHONY ZACHARZEWSKI

Abstract

Local authorities faced with difficult budget rounds should create deeper and more meaningful democratic conversations at local level. Evidence from the UK and elsewhere shows that strong democratic voices in decision making could reduce costs, increase public readiness for service redesign, and make government spending more efficient. The increasing availability of online solutions reduces the cost of engagement, while increasing reach.

Table of contents

- Executive Summary 2
- The forthcoming crunch 2
- How does democratic engagement save money? 3
 - Streamlining of consultation and engagement activity* 3
 - Better citizen information leads to better policy choices* 4
 - Personal choice leads to savings in social care* 6
 - Savings through better oversight* 7
 - Democratic engagement can increase civic productivity* 8
- Creating the democratic space 9
 - People want engagement* 9
 - Technology is driving engagement online* 10
- Creating the right spaces 11
 - Lessons from the evidence* 11
 - Online spaces are cheaper and moving into the mainstream* 12
- Conclusion 12

Democracy pays

Executive Summary

This is a time of fiscal pressure and service cuts. Councils are restructuring services and looking to cut back on non-essential areas of spending. Is democratic engagement one of those areas?

Aside from the moral argument for democratic engagement, there is evidence that investment in strong democratic participation is important if reformed local government approaches are to result in more efficient spending and better-targeted services.

The evidence of **self-directed support and personalised budgets** shows that involving citizens and users in service provision can produce better-tailored services that operate at lower overall cost.

Where councils need to cut expenditure, **high-quality democratic engagement in the budget-setting process** can provide them with better information, while increasing participants' opinion of the council.

In countries with a tradition of more participatory democracy, **higher levels of participatory democracy** correlate with more efficient services and greater willingness to pay tax.

Creating a single architecture for public consultation and engagement can also **reduce the cost of duplication in consultation exercises**.

If they can create an attractive offer on democratic engagement, councils should be able to realise benefits, because there is **a large untapped market** of people who want to get engaged in their local area, as well as **broader reach and range** for online democratic engagement tools.

The forthcoming crunch

Fiscal deficits are at the centre of current political debate, but the need for action is generally agreed. Party differences are on the timing and method of severe fiscal retrenchment, not whether it is necessary. All areas of the public sector will feel the impact.

Although this recession and its consequences are epochal, the manner in which decisions are being taken is very traditional. Experts in the Treasury and spending departments are conferring. The Institute for Fiscal Studies is producing learned reports. The conclusions will be agreed by Ministers and then sold to the public. The public will feel the consequences of retrenchment but, with the election over, they will only be spectators in the decision-making process.

Politicians ought to trust the public on fiscal matters more than they do, for principled and practical reasons. Despite the snippets of illogical opinion people give pollsters, practical experience from the UK and abroad is that the more involved people are in democratic discussions of financial matters, the more they can be relied upon to support targeted cuts – and that places with higher degrees of democratic control have stronger economies and more efficient governments.

New technology is making engagement cheaper, and increasing the reach of traditional forms of engagement such as the public meeting. At the same time, the desire for engagement beyond party politics is high, both in local and national politics. The conditions exist for a deeper and better public conversation on public services.

How does democratic engagement save money?

Local politicians are under pressure to act on democratic engagement. In some areas, local voluntary groups are setting up discussion and engagement tools, which are prompting councils to act.¹ Elsewhere, authorities are reacting to central government, which has pushed from Whitehall by giving councils a duty to promote local democracy and requiring them to introduce e-petitioning schemes.² More generally, the decline in political participation and voter turnout, particularly at local elections, has prompted a national debate about political participation and engagement, which must begin at local level.

There are barriers, though, to creating effective democratic engagement approaches in local government. Officials fear that the demands of the public, both for spending and for information, will be insatiable. They worry that pressure from special interest groups or self-interested voters will warp the messages coming through. At the same time, the elected councillors, holders of a representative office, can see participative approaches as a parallel system, threatening their own democratic legitimacy and fencing in their freedom to decide what's best for their area.

These may be poor arguments, but they are sincerely held, and held by those with the power to approve or deny funding for new democratic engagement activity. Usually, the case for stronger local democracy is framed in moral terms, and this is entirely appropriate. Citizenship is a moral as well as a legal construct, and widening and deepening democratic engagement is a worthwhile cause.

However, given the fiscal crisis and the demands of front-line services for public funding, making the moral case for work on this area is not sufficient. This is why it is also important to make the case that better democracy produces better governance and reduces costs.

Where might the fiscal benefits of stronger local democracy arise? There are four areas:

- Routing existing consultation through a single stronger system
- Better information on citizen needs and attitudes helping to target cuts and spending
- Closer oversight and better understanding of council business reducing costs and increasing tax morale³
- Savings or higher revenues from stronger economic development and greater "civic productivity" (the extent to which networks of citizens support themselves without public service involvement)

Streamlining of consultation and engagement activity

The most immediate financial benefit of a better democratic engagement system comes from creating a single vehicle through which much existing consultation activity can be channelled.

Councils issue a large number of consultation documents each year, some specialist and some less so. Brighton and Hove City Council issued fifty-seven during the fiscal year 2008/9.⁴ In the following year, Herefordshire Council (a unitary) issued fifty-five consultations, and residents of the city of Oxford would have been able to participate in forty-four, twenty-four from the county council, and twenty from the city.⁵

Major consultations, such as those around the

1. A partial list of online engagement projects can be found at <http://participatedb.com/projects>
 2. Local Democracy, Economic Prosperity and Construction Act 2009, §12-22. The duty to promote democracy has been deferred (Local Government Information Unit Policy Briefing, 12 January 2010).
 3. Tax morale is the willingness of people to pay tax, and their level of disapproval of those who avoid it.
 4. Consultation Calendar, accessed on brighton-hove.gov.uk
 5. Consultation calendars on the relevant council websites

budget, can be expensive. The London Borough of Lambeth spent sixty thousand pounds on its budget consultation in 2007.⁶ Others spend less, but costs of around twenty thousand pounds for budget consultations are typical.⁷

Many councils also operate citizens' panels, self-selected groups of citizens who express a prior interest in being consulted. The Metropolitan Police Authority estimated the cost of setting up and running a citizens' panel for a year at twelve thousand pounds.⁸ Ellesmere Port and Neston Borough Council (now abolished) also planned to spend twelve thousand pounds a year on running its citizens' panel, but estimated initial set-up costs at twenty-five thousand pounds.⁹

The creation of a strong single democratic engagement approach could reduce the overlapping costs of such consultation exercises, while increasing the number of potential respondents.

New tools would not be a replacement for all current consultation spending. Extra effort would be needed to ensure that marginalised groups and those neither Internet access or physical mobility to attend meetings could still have their voices heard. It is important, though, that we do not hold new engagement methods to higher standards than existing consultation. Response rates to many consultations are low, and targeted work to access hard-to-reach groups is not always undertaken.

Given the number of consultation documents being issued, and the high cost of engagement approaches for single events such as budgets or local development frameworks, a single strong democratic engagement approach could produce better quality consultation responses, while eliminating some duplicated costs.

Better citizen information leads to better policy choices

Deeper democratic engagement, if used well, can provide councils with better information about citizens' needs and attitudes, which should enable them to provide better services at a lower cost.

Officials and councillors often assume that more democratic engagement will lead to more demands for greater spending, with citizens not considering the trade-offs. In fact, practical experience suggests that consultations where citizens are given opportunities to discuss issues and wider scope to make trade-offs produce much richer and more thoughtful results than bare opinion polls on single issues.

In 2009, Leicestershire County Council (with Ipsos MORI) undertook a budget consultation exercise, which combined traditional paper surveys with a series of intensive focus groups (called "cabinets"), which presented participants with information on the council's financial position and service provision.¹⁰

Participants in the paper survey gave responses that reflected their immediate reactions. Their views were broadly that council tax should be reduced, but the level of service provision should be maintained or increased. This is in line with research from MORI in 2009, which suggested that three-quarters of Britons believe that the fiscal crisis can be solved by cutting waste without affecting front-line services.¹¹

In contrast to the simple 'temperature-taking' of the paper survey, the development of participants' views during the more involving "cabinet" process showed the benefits policy makers can obtain by promoting deeper and better-informed engagement.

6. Finance Scrutiny sub-committee report, Lambeth Council, 15 February 2007

7. Carlisle (2002) - £26,342; Wyre Forest (2003) - £30,000; SIMALTO modelling used by several councils – 2004 cost for Cumbria, £23,300.

8. Metropolitan Police Authority Consultation Committee, report *Focus Groups and Citizens Panels*, 27 February 2003

9. Ellesmere Port & Neston Council Financial Strategy, Communications and Customer Relations proposals, 2008/9.

10. *Hard times, hard choices*, Leicestershire County Council, 2010

11. *Quoted in Beyond Beveridge*, 2020 Public Services Trust, March 2010

At the start of the cabinets, three-quarters of participants said that they did not feel informed about how the Council spends money. As might be expected, they generally shared public attitudes to council efficiency. Of the twenty-three service areas presented to them, they believed that spending should be maintained or increased in twenty-one. At the same time, fifty-three percent thought Council Tax was too high.

After a four-hour discussion, with data on council expenditure presented to them, the number of areas where service reductions were thought possible had increased from two to ten, while the number of people feeling that Council tax levels were too high had fallen by twenty-two percentage points.

Equally importantly, the participants expressed unanimous approval for the high level of participation in the process, and no one said that they had been unable to understand the issues being discussed (although some admitted that they had been worried about their level of understanding before the event began).

It is perhaps not surprising that people should come out of such an intensive process feeling better-disposed towards the council and its services – merely being consulted so intensely might improve their views of the Council.

Their personal views aside, however, the recommendations they reached at the end of the process were richer and more readily usable by the council than their reactive starting position.

Initially, participants believed that the only services to face cuts should be school bus subsidies and grass cutting on verges. At the end of the process, participants had expressed a willingness to cut several high-cost areas of expenditure, such as highways maintenance, libraries, museums, and residential services for older people. At the same time, it was clear that

other areas, such as recycling services and children's social services remained off-limits.

Before the exercise, participants were willing to look for cuts in budgets where total spend was about ten million pounds (grass cutting is such a small item it does not appear as a separate budget line). After the exercise, they were willing to countenance cuts in areas with total spend of two hundred and ten million pounds – giving the council much more flexibility.¹²

It is worth noting that the directions in which opinions shifted did not follow a pattern of self-interest or prejudice. Services used by the whole community (such as libraries and consumer protection) were identified for cuts, while services used by small, unpopular groups such as young offenders were identified for retention or increases in expenditure.

This work suggests that with the right tools, intensive information-based democratic engagement could enable councils to, in Richelieu's metaphor, pluck more feathers with less squawking.

This is important not just in terms of the council's popularity and chances of winning re-election, but in creating innovative new methods of service delivery that can protect or enhance the services that people receive at the same time as meeting difficult financial targets.

Trust is the key issue – both between council and citizens, and between different groups of citizens. Social media can support this relationship-building, creating an environment where pro-trust behaviours are encouraged. These pro-trust behaviours include quick response times, acknowledgement when an answer is not possible immediately, depth of information allowing follow-up questions to be answered easily, and visibility of others having trusting interactions.

12. Figures from the 2010/11 county council budget

Research suggests that innovative policies are more likely to arise in areas where levels of trust are high, and this is promoted by making citizens feel more involved in and understanding of councils' processes.¹³

Personal choice leads to savings in social care

As well as helping councils to direct cuts more responsively, citizen involvement can bring about direct savings in service provision. The most interesting evidence comes from the field of social care personalisation.

Social care personalisation is a fairly recent development, which enables service users to take control of some or all of the budget devoted to their care, and to use it in the ways that seem best suited to them. Research in councils that had piloted this scheme showed that giving social care users control of their budget had a positive financial effect, reducing costs or increasing outcomes for patients.¹⁴

More recent research has shown that personalisation has saved an average of nine percent on individuals' social care budgets.¹⁵ It also led to increased use of family and neighbourhood resources, while traditional routes of funding encouraged users to inflate their needs in order to qualify for support.¹⁶

Most importantly, the ability of users to specify the services they need – something taken for granted in most walks of life – has exposed areas where local authority commissioning of services was inefficient or poorly tailored to individual

needs. This is shown clearly by users' decisions when personalisation was introduced – eighty-two percent of users changed their service use, demonstrating how poorly-suited local authority provision had been. In Oldham, when a personalisation pilot was launched, users were more likely to hand back money to the authority than to say that their budget was insufficient.

The most common example of poorly targeted provision was in council-run day centres. Once personalisation was introduced, attendance at day centres reduced sharply everywhere. Many councils altered provision drastically. Northumberland County Council, for instance, closed seven day centres, saving four hundred thousand pounds a year.¹⁷

Although the closure did raise some protests from local residents and a few service users, the lack of demand was evident from the fall in usage of the centres after the introduction of personalisation. The Council's report said:¹⁸

“local authority day care centres have not for some time been used to their full capacity, despite strong budget pressures encouraging the use whenever possible of services whose costs are already committed”

Although the user control in social care personalisation is expressed through market mechanisms rather than explicitly democratic engagement, it demonstrates that the citizen has richer and wider range of information about their needs than even the best-equipped council officer could have.

Had Northumberland given service users more control at an earlier stage, the savings on

13. *Social capital and the quality of government*, Stephen Knack (World Bank) in the *American Journal of Political Science* (46/2002)

14. *Evaluation of the individual budgets pilot project*, Gendinning, Challis et al for the Individual Budgets Evaluation Network, October 2008.

15. *A report on In Control's second phase*, Hatton et al, In Control Publications (2008)

16. More than half of professionals questioned said that service users had improved their ability to maintain existing support networks as a result of personalisation. *A report on In Control's third phase*, In Control Publications (2010) p. 143

17. *Transforming daytime support for older people*, Northumberland County Council report, 17 September 2009.

18. *Ibid.* at 6.3

unnecessary day care centres could have been achieved even earlier, and there would have been no need for council staff to drive users towards them. Closer democratic engagement might have picked up on this poor provision earlier on – as the next section shows, there is a good deal of evidence that greater democratic involvement in decision making leads to lower costs.

Savings through better oversight

The third way in which deeper democratic engagement can save money is through better oversight of government expenditure.

The link between openness and good governance at national level is well-attested – eleven of the twelve least corrupt countries in the world are strong liberal democracies.¹⁹ There are multiple routes of causation for this – for example, strong governance institutions will ensure that illegal activity is effectively detected and punished, while at the same time people will find corruption more morally repugnant in a political system that has high levels of public trust and loyalty.

At local level, there is evidence from countries with experience of referendum-based governance that more direct democratic involvement is correlated with more cost-effective governance. This could be, as with the corruption example, through various routes, including wider oversight of procedures, access to sources of expertise beyond officers and experts, or better mobilisation of citizen concerns.

Two studies are of particular interest here, because they focus on differences between sub-national governments within the same country. This allows national political attitudes, national tax burden, and the legal framework to be held

constant, bringing out more clearly the differences between regions with greater direct involvement in democracy, and those with more purely representative systems.

The first study comes from the United States. In some US states, mostly in the West, voter initiatives (referendums called by voter petitions) can be used to make laws, including restrictions on tax raising. The most famous example is California's Proposition Thirteen, passed in 1978.²⁰ Proposition Thirteen was an amendment to the California state constitution, capping state property taxes, and requiring a two-thirds majority for tax increases in the state legislature.

Although Proposition Thirteen has been criticised for its wide scale, and has been cited by some as a cause of the current fiscal crisis in California, it is worth noting that not all anti-tax initiatives pass.²¹ Indeed, of the thirty anti-tax ballot measures proposed in 1978, only thirteen were passed. Initiatives also go far wider than the issue of tax. In the 2008 Presidential Election, for instance, California's voters also voted on initiatives to issue bonds for a high-speed rail link, set standards for care of farm animals, and improve drug treatment services.²²

Research in 1995 by John Matsusaka of the Hoover Institution showed that in US states where voters had easy access to initiatives (defined as laws allowing voter initiatives if 5% of voters petitioned), overall state and local expenditure was four percent lower than in comparable states with purely representative systems.²³ What government spending there was tended to be more focused on municipalities, with state general expenditure being 12 per cent lower in initiative states than in representative states, while municipality expenditure was 10 percent higher.

19. Corruption ranking from Transparency International *Corruption Perception Index* 2009, freedom ranking from *Freedom House Freedom in the World* 2009. "Strong liberal democracy" = in the top category of freedom as defined by Freedom House. The exception is Singapore, third least-corrupt but only "partly free"

20. official name "The People's Initiative to Limit Property Taxation". The constitutional amendment created by the initiative can be found at http://www.leginfo.ca.gov/const/article_13A

21. *Foundering Fathers*, article in *The World in 2010*, November 2009

22. Secretary of State office voter information guide (2008), at sos.ca.gov

23. *Fiscal effects of the voter initiative*, Matsusaka, *Journal of Political Economy* 103:3 (1995)

Controlling for population, wealth and region, the top officials of initiative states were also paid less than similar posts in representative states.²⁴

Evidence from Switzerland - where the different cantonal constitutions also allow comparisons between different levels of democratic participation in local government - confirms this picture.

In 1983, Werner Pommerehne investigated the waste collection costs of different Swiss cantons.²⁵ He found that the cost of waste collections in cantons with high levels of direct democracy was nineteen percent lower than in cantons with purely representative constitutions, and that this held true whether the waste service in question was publicly or privately provided.

Although this is just one piece of data, it is worth noting that if the same level of cost containment could be achieved in a typical English local authority's waste collection service, the waste collection cost per household would fall by twelve pounds and forty pence.²⁶

It is fair to say that this assessment is an extrapolation from one piece of data. However, at a time when services are being redesigned and severe cost constraints are likely to be imposed on local government, the experience of the US and Switzerland provides a fiscal case for putting openness and democratic oversight at the centre of reform programmes.

Democratic engagement can increase civic productivity

Although the effects are less immediate, it is also worth noting evidence that deeper democratic engagement can increase productivity, both in pure economic terms, and in terms of "civic productivity" – where neighbourhood and social civic action replaces higher-cost state intervention.

In economic terms, as well as in the service provision terms discussed above, the more democratic Swiss cantons produce better results than the more representative ones. Between 1982 and 1993, the economic performance²⁷ of the most democratic²⁸ Swiss cantons was five and a half percent higher than in cantons with purely representative systems.²⁹ There is also evidence that tax morale (willingness to pay tax and disapproval of those who avoid it) is higher in states with higher levels of direct democracy.³⁰

The Swiss results are replicated in economic analysis of US states, where, with other factors held constant, the growth and output per capita of initiative states were higher than representative states between 1969 and 1986.³¹

Civic productivity can also make government services more efficient, and reduce overall demand for them. If minor needs can be met by the community, major demands on the state can be delayed or avoided – the usual example being the light bulb that an older person is too frail to change, in consequence of which she falls and becomes wheelchair-bound. The cost of a changed light bulb is tiny, the cost of social support when

24. *Are politicians really paid like bureaucrats?* Di Tella & Fisman, *National Bureau of Economic Research Working Paper 9165* (2002)

25. *Private versus öffentliche Müllabfuhr - nochmals betrachtet*, Pommerehne, *Finanzarchiv 41* (1983)

26. Association of Public Service Excellence Performance Network benchmarking data, 2007/8

27. GDP growth per capita

28. those using budget referendums and other methods of direct democratic control of state expenditure

29. *Direct democracy matters for economic performance*, Feld & Savioz, *Kyklos 50.4* (1997)

30. *Tax morale, tax evasion and the choice of policy instruments in different political systems*, Pommerehne, Hart & Frey, *Finances Publiques 49* (1994)

31. *The impact of voter initiatives on economic activity*, Blomberg, Hess & Weerapana, *European Journal of Political Economy*, 20.1 (2004)

she is hospitalised and after her return home is huge. Research by the Brighton & Hove Community and Voluntary Sector Forum estimated that volunteering work in the city supported services that would cost twenty-four million pounds a year if delivered by salaried staff.³²

Some new initiatives in the UK are attempting to create new social networks to enhance civic productivity. For example, the Southwark Circle project in south London aims to recoup five pounds of social care savings for every pound invested, although implementation is still at an early stage.³³

Government research on participatory budgeting pilots also shows early evidence of a positive outcome for social capital.³⁴ Of the eight pilot areas considered in the research, all eight reported positive results for people's self-reported ability to influence decisions in their areas, while seven reported that participants left with a better understanding of how budget decisions are taken, and four (of six responding on the issue) said that the social capital and cohesiveness in the community had increased as a result of the exercise. These are preliminary results in small areas, but they are in line with other evidence.

Stronger democratic engagement can support civic society efforts, and create a stronger civic space within which new efforts can take root. The 2020 Public Services Commission propose a system of *democratised commissioning* in their recent interim report, in which service design “start[s] from the lowest level possible.” They say that “opening up the commissioning as well as the delivery of public services (through choice of commissioner, individual budgets, and through local integrated single point commissioning models) would give individuals, groups and localities the ability to control or direct the

resources allocated to their needs.”³⁵

As the Commission report notes elsewhere, this requires a shift in power from central to local, and from local to citizens, that has previously been referred to as “double devolution”.³⁶ Democratic engagement is an essential part of that process.

Creating the democratic space

Given the evidence for fiscal savings from greater democratic engagement set out above, what practical steps can local authorities take to create an environment in which productive engagement can take place?

In discussing that, it is important to understand two essential elements of today's democratic landscape. First, people want engagement, but feel that party politics cannot provide it. Second, technological advancement is bringing the possibility of mass online engagement closer.

People want engagement

There is an assumption – not always unspoken – in some town halls that the desire for democratic engagement is fleeting or non-existent. The assumption could be summed up as, “people don't want to be engaged as long as their bins are being collected”.

This is almost certainly wrong. While most people may not want to devote hours a week to political or democratic engagement, there is evidence both for significant unmet democratic demand as a whole, and for a strong desire for engagement opportunities at local level.

In local government, the Place Survey 2008 (a large scale survey of opinion on local government services in England) showed that

32. *Taking Account*, Brighton & Hove Community & Voluntary Sector Forum, 2008

33. *The perfect gift? How about an end to loneliness*, Jonathan Freedland, Guardian, 22 December 2009

34. *Interim Evaluation Report*, National Evaluation of Participatory Budgeting in England, CLG 18 March 2010

35. *Beyond Beveridge*, p. 13

36. Speech to National Council of Voluntary Organisations by David Miliband, February 2006.

Available at: <http://www.guardian.co.uk/society/2006/feb/21/localgovernment.politics1>

twenty-seven percent of those questioned wanted to be more closely involved in decisions that are taken about their local area.³⁷ Since the voting age population in England & Wales is almost forty-two million, that means that existing local engagement and participation activities have a potential market of eleven and a quarter million citizens, while more engaging and powerful engagement might attract even more.³⁸

Nationally, demand for greater involvement in democracy is higher. Eurosceptic thinktank Open Europe found that seventy-seven percent of German voters wanted a referendum on the Lisbon Treaty, while a poll for the BBC suggested (before the Treaty was passed) that sixty-four percent of British citizens wanted a similar vote.³⁹

More generally, Eurobarometer in 1997 found that seventy-two percent of Britons – in line with most of the rest of Europe - would want “the Swiss system of direct democracy with frequent votes and referenda” to be considered as a model for their country’s governance.⁴⁰

Technology is driving engagement online

The technological and societal background in which citizens are operating is also changing rapidly.

Five years ago, the access to and use of broadband technology was much less widespread. In June 2005, OFCOM estimated that there were eight million broadband connections in the UK.⁴¹ At the end of 2009, there were almost eighteen

and a half million connections, most operating at much faster speeds than were available in 2005.⁴²

Those connections were used for very different sorts of media than five years previously. Streaming video has come from almost nothing in 2005 to one of the major uses of the Internet today. YouTube, which did not launch until February 2005, now serves one billion video views every day.⁴³ The BBC iPlayer service, which has been running for two years, has five million unique users per week, and in November 2009 served eighty-two million programmes.⁴⁴

Social media has also changed the way in which people understand online interactions. Five years ago, Facebook was thefacebook.com, and its activities were restricted to a few American universities.⁴⁵ Now it has four hundred million users, twenty-three million of whom are in the UK.⁴⁶

Fifty percent of Facebook users are active on the site every day, so from a standing start, eleven and a half million Britons have made Facebook part of their daily routine. To put that into a democratic participation context, forty-three percent of the voting age population are on Facebook, and twenty-two percent of voters use the site every day.

If all this technological and behavioural change can happen over five years, it is reasonable to assume, even with the recession, that change will be at least as rapid over the next five.

Prediction is a dangerous business, but given the spread of social media in younger generations, an

37. Place Survey 2008, Local Government Statistical Release, Dept. for Communities & Local Government, June 2009

38. Voting age population estimate England and Wales mid-2008 41,590,900 (source: Office for National Statistics). Number of those wanting deeper engagement: about 11.23m. Note: Place survey excluded Wales.

39. Open Europe press release, 26 June 2009 (research by Psyma); BBC Daily Politics poll from 10 June 2008 (research by ComRes), reported at <http://bit.ly/gxynAY>

40. Eurobarometer 47.1, question 21.

41. OFCOM press release, 13 June 2005

42. Point Topic research, March 2010

43. *YouTube: We're Bigger Than You Thought*, New York Times Bits blog, 9 October 2009

44. BBC press office, 23 December 2009

45. *Open Facebook*, Forbes, 2006.

46. Facebook users source: Facebook; UK users source: Clickymedia UK Facebook statistics January 2010.

obvious direction of development is for social media companies to try to increase their usage among older users, particularly if computer manufacturers broaden their market appeal in that segment with simpler, less configurable devices such as the forthcoming Apple iPad.

Businesses (including government) will need to adapt to a world where online consumer interaction becomes much more widespread than offline. Gartner research forecast earlier in 2010 that within five years a fifth of businesses will replace email with social media platforms for internal and external communications.⁴⁷

Even without further technical advances, broadband speeds in five years will be much faster than they are today. In the UK, Point Topic research predicted in October 2009 that use of direct fibre connections to the home will overtake regular broadband in 2015, providing speeds between ten and a hundred times what is possible at the moment.⁴⁸ Broadband will be much more widely available on mobile devices, with US firm Coda research predicting that seventy-four million Americans will watch video on their phones in 2015, five times the current number.

Creating the right spaces

Lessons from the evidence

The evidence on the efficiency of democratic engagement suggests some criteria that local authorities could use to assess their own efforts. Apart from the personalisation of services, which is essentially an individual decision supported by the local authority, the democratic engagement efforts in Leicestershire, Switzerland and the US shared a number of common features:

The engagement took place *with the approval of the state, but in an arena beyond its direct control*. So, the Swiss and American referendum voters knew that they would be listened to – that was constitutionally

mandated – but they also had complete control of how they voted and what initiatives they proposed. Although the focus group participants did not have a constitutional right to be heard, they knew that they were part of a process that the council had put in place to hear user views, and that the outcome of the process was in their control.

The engagement was *focused on information, with a clear decision point*. Rather than repetitive sloganeering or campaigning, a particular set of questions were asked on a specific subject, and information provided to allow voters to be informed.⁴⁹ It is noteworthy that Leicestershire focus group participants said that they had worries about understanding the information before they began the process, but that by the end they had felt able to make a contribution.

The engagement was *potentially open to the whole community*. Although neither initiative votes nor focus groups in reality involve the whole community, they are available to any potential voter, and in the case of focus groups, the membership is designed to be representative of the community as a whole.

They were *limited to those with a local connection*. The local political authority curated the engagement, and so participants knew that the decisions were in the hands of local people.

All these criteria are common between the initiatives and the focus groups. They are doubtless not sufficient for a productive democratic conversation – that needs a set of shared rules, a democratic culture and a public authority sufficiently committed to engagement. However, they highlight the difference in sophistication between deliberative democratic engagement, which treats the citizen as an individual and respects the validity of their views, and more basic methods of participation such as polling or Internet message boards.

47. *Predicts 2010*, Gartner research, 2 February 2010

48. Point Topic research quoted on ISP Review, 15 October 2009

49. For an example of a California initiative voters' guide (issued by the State), see <http://www.voterguide.sos.ca.gov/quick-reference-guide/propid.htm>

Online spaces are cheaper and moving into the mainstream

Technological change means that citizens will become much more willing to engage using social media, and will have acclimatised to online video and interaction. In the next decade, they will shift from reading papers and watching webcasts to living a mixed media life – video, audio, text, online and face-to-face interactions will be integrated and seen as different facets of social interaction rather than artificially divided between “work” and “play” or “online” and “offline”.

This will not happen immediately for all citizens, but groups where social media penetration is currently low are likely to be drawn into participation both by companies wishing to extend their markets, and by wider use creating a momentum in under-represented groups. The “silver surfer” moment of the mid-2000s, when Internet use among older generations suddenly began increasing rapidly, is likely to be the “silver social media user” in a few years.⁵⁰

This social shift in the use of media brings will bring benefits to councils’ democratic engagement work, giving them the ability to reach wider for lower cost.

The *cost of interaction* online is much cheaper than face-to-face or telephone interactions in terms of staff time and other resources such as shop front space. Online interactions with councils cost councils an average of twenty-seven pence each, with telephone interactions costing twelve times more, and face-to-face interactions twenty-four times more.⁵¹

The cost ratio of online to offline democratic engagement is likely to be even greater than with more process-driven interactions such as registering to vote. Offline democratic engagement requires consultation documents, broadcasting time or the staging of public meetings. A similar

reach, both numerically and demographically, can be obtained using social media at a much lower cost, and once participants are obtained the connection with them can be used repeatedly.

Conclusion

As services and attention moves online, cheaper and more accessible online methods of engagement are likely to move into the mainstream, although local authorities will always need to work to ensure that the voices they hear are representative.

Research suggests that deeper democratic engagement will bring financial benefits for local authorities considerably greater than the likely costs of establishing and operating strong local engagement processes.

The calculations at the start of this paper suggested that the total running cost of deep democratic engagement might be two hundred thousand pounds in a typical authority, as well as development and set-up costs totalling about three hundred thousand pounds.

Research suggests that the potential savings far outstrip that level of costs. For a typical authority, the streamlining of consultations could save sixty thousand pounds a year directly, while democratic engagement has been shown to lead to indirect savings through better specification of services and closer public oversight.

User or democratic engagement in services has been shown to deliver savings in major areas of expenditure such as adult social care and waste collection. The scale of such expenditure will vary from authority to authority, but examples from elsewhere suggest savings of up to twenty percent of costs might be possible in some high-cost areas.

50. Internet Access Report 2007, Office for National Statistics

51. SOCITM Insight, quoted in Kable GC News, 27 April 2009

Even if this level of savings is not achieved in every case, the annual investment in the engagement process we have defined amounts less than one tenth of one percent of a typical authority's budget, and will produce considerable intangible benefits in terms of public attitude to council services, and tax morale.

Creating deeper and better democratic conversations is right in principle, and will certainly be a major element of public service reform in the next few years. Those are likely to be the main reasons for councils to seek to invest in democratic engagement in the near term. It may be reassuring to finance directors, though, to know that better democracy is also an excellent investment.

About the author

Anthony Zacharzewski was one of the founding members of the Democratic Society in 2006. A writer and consultant on policy and politics, he spent thirteen years working in government, including time at the Treasury and the Cabinet Office, and on the management board of a city council. He has a degree from Cambridge, where he specialised in the history of the Athenian democracy, and lives in Brighton with his wife and two children.

About the Democratic Society

The Democratic Society is a non-partisan, non-profit organisation that works to support political participation and citizenship. The Society works to promote the concept and practice of active citizenship, and to create a network of democratic engagement organisations in the UK and elsewhere.

<http://www.demsoc.org>

