Strengthening citizenship in Brazil’s democracy: Local participatory governance in Porto Alegre

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In Latin America, and particularly Brazil, inequality and social exclusion continue to plague the quality of democracy despite two decades of transition and consolidation. Still, in Brazil, the Workers’ Party has been remarkably successful over the past decade, explicitly addressing the problem of social exclusion and ‘incomplete citizenship’. This paper provides an analysis of the case of Porto Alegre covering the four Workers’ Party municipal administrations from 1989 to the present in order to assess the significance of social incorporation and citizenship for the quality of democracy in Brazil. The paper discusses some conceptual notions that are relevant for the question of democracy in Brazil, particularly the role of citizenship and civil society in ‘deepening’ democracy. Then the paper goes into the evolution and dynamics of Porto Alegre’s system of ‘participatory budgeting’. The paper’s assessment of this experience with respect to its performance, depth and robustness shows that ‘participatory budgeting’ has had positive effects with respect to the provision of public goods services, the quality of governance, and citizens’ participation in what is seen as a new ‘public space’ shared by the local state and grass roots organisations. The paper concludes by relating the case experience to the question of citizenship, civil society and democracy and by reflecting upon its wider implications for the current and future quality of democracy in Brazil.

Key words: Local politics, Brazil, Workers’ Party, democracy, participation, citizenship

Introduction

Inequality and social exclusion continue to plague the quality of democracy in Latin America despite two decades of transition and consolidation. This has been especially true for the Brazilian case. Despite significant progress in areas such as the electoral process, demilitarisation, and public opinion mobilisation, the huge social divide together with flaws at the level of political and administrative...
practice and culture mean that Brazil remains a ‘difficult democracy’. Against this
background, however, there has been a remarkable advance of the left – notably
the Workers’ Party – both in terms of electoral success and policy and
administrative prowess, particularly at the local level. As such, the Workers’
Party explicitly addressed the problem of social exclusion and ‘incomplete
citizenship’ at the local and recently also the regional level. In a number of cases,
such as the city of Porto Alegre, this has been translated into an effective agenda
of more participatory and accountable governance.

In Porto Alegre, the Workers’ Party has been in office since 1989 during which
period an elaborate and successful system for grass roots participation in
municipal governance has been in operation. This paper provides an analysis of
the case of Porto Alegre covering the four Workers’ Party municipal
administrations from 1989 to the present in order to assess the significance of
social incorporation and citizenship for the quality of democracy in Brazil. To do
so I first advance some conceptual notions that are relevant for the question of
democracy in Brazil, particularly the role of citizenship and civil society in
‘deepening’ democracy. Then I look at the evolution and dynamics of Porto
Alegre’s system of ‘participatory budgeting’. Finally I offer an assessment of this
experience with respect to its performance, depth and robustness. I conclude the
paper by relating the case experience to the question of citizenship, civil society
and democracy and by reflecting upon its wider implications for the current and
future quality of democracy in Brazil.

Democracy and citizenship in Brazil

Democratic transition and consolidation across Latin America over the past two
decades has given rise to a voluminous literature that strikes a mixed balance. On
the one hand we can observe the apparent consolidation of electoral democracy.
On the other hand many authors point to the persistent flaws and shortcomings
of the democratic process (Agüero and Stark, 1998) in view of problems such as
inequality and social exclusion (Castañeda, 1996), non-democratic politico-
administrative practice and political culture (O’Donnell, 1999), and various
forms of violence and insecurity (Méndez et al., 1999; Koonings & Kruijt, 1999).

Democratic transition and consolidation in Brazil echoes this overall situation.
Since 1985, a broad and often vibrant electoral democracy has taken root. Yet the
flaws of formal democracy have also been manifest in post-authoritarian Brazil.
Political institutions show persistent weaknesses (Power, 2000). State policies
often fail to address pressing social needs (Weyland, 1996). Hence, inequality and
exclusion on the basis of class and colour, as well as the unrule of law and social
violence cast shadows over the long-term chances for democracy (Hasenbalg &
do Valle Silva, 1999; Koonings, 1999; Lamounier, 1995; Peralva, 2000; Pinheiro,
1996). Such problems have earned Brazil the reputation of an ‘ugly democracy’
(Pereira, 2000) in which democracy only serves to adorn deeply rooted elite
privileges and structural forms of inequality and injustice.
Given this mixed balance, the fundamental question as to the ‘quality’ of democracy remains relevant. Linz and Stepan (1996) cast this question in terms of the ‘consolidation’ of democracy, that is to say, its social and political performance and sustainability. They define a consolidated democracy as a polity in which there is no real alternative for electoral democracy; when the latter has become ‘the only show in town’ (Linz & Stepan, 1996: 5). They continue to argue that this requires the establishment of democratic norms not only in the arena of politics (political society) but also in four other core domains: the economy, civil society, the administration (government), and the legal order. To consolidate democracy, these five domains have to interlock so that political freedom, plurality and electoral competition go hand in hand with good governance, the respect of human and citizenship rights on the basis of the rule of law, an open and socially just economy, and an active civil society that serves to mobilise and channel social interests within the confines of a peaceful and agreed-upon institutional framework (Linz & Stepan, 1996: 7–15). Diamond (1999) likewise argues that a consolidated democracy crucially rests on the interlocking of stable political and administrative institutions, the rule of law, civil society, a sense of community and civic culture, and a political culture that lends broad legitimacy to democratic principles and practice.

Such theoretical approaches point at the relation between the quality of democracy and citizenship. ‘Full’ or ‘inclusionary’ citizenship means both that all conventional dimensions of citizenship (civil, political, social) are operative and that no social categories are excluded from it (Turner, 1986). Citizenship has made considerable headway in Latin America as an analytical concept and a banner for social struggle since the demise of authoritarian regimes from the early 1980s onward (Roberts, 1996). It is here that we can find a key to alternative social and political projects centred on the notion of citizenship. Authors such as Castañeda (1994) and Angell (1996) have argued that such a project might inform a new progressive political agenda. For this to happen, a constructive interaction is called for between on the one hand social mobilisation and civic engagement, and on the other hand political access to administrative resources through free and competitive elections. In this way not only may limited or elitist conceptions of democracy be overcome through the constitution of what Avritzer (2002) has called ‘participatory publics’; also the performance of democracy may be enhanced through a better and more just provision of public goods and services.

In Brazil, the slow process of political opening and transition since the 1970s has given space to new forms of social organisation and mobilisation. From the late 1970s onward, this civil society reborn has found multiple ways to link up to the emerging political party structure. As such it played an important role in putting pressure upon the authoritarian regime. After 1985 the democratic transition gave rise to new debates as to the relevance of social movements in contemporary Brazil (Doimo, 1994; Hochstetler, 2000). On the one hand there is disenchantment in face of a perceived withering away of social movements (Foweraker, 2001). Democratic politics simply restored old political vices while being ineffective against the structural flaws of Brazilian social injustice. But
others argue that democracy has opened new spaces for civil mobilization. Social movements during the 1990s sought for what Telles (1994a; 1994b) called new forms of public space and a public identity. This led to practices that tried to avoid a closing off from the state but also to avoid a too optimistic allegiance to (opposition) parties. Social movements now are open to pragmatic and empowering arrangements with politicians and state agencies. Social movements and civic associations in Brazil have thus adopted the concept of citizenship as a banner for improving democracy and using it to empower and benefit the poor and excluded popular masses.

This agenda has precisely been given a practical significance by the electoral advance of the Workers’ Party (Partido dos Trabalhadores, PT) after 1985 (Keck, 1992; Nylen, 2000). Few would doubt the significance of the PT, not only with respect to the innovation of partisan politics in Brazil, but also with respect to a new progressive or left-wing agenda for democracy-cum-social justice. Nylen (2000) points at the broadly positive contribution of the PT to the consolidation of democracy in Brazil. According to Angell (1996), the PT should be seen as the most important development within the democratic Latin American left since the 1970s. For the purpose of this paper it is useful to note that the PT advanced not only in linking social movements to the political arena or in gaining electoral support to put up opposition, but also has been gaining control of government at the local and recently also state and federal levels. This advance has not been without ambiguities, however. The PT in office has shown a mixed track record of early failures and more recent success. The basic puzzle to be solved has been to strike a balance between the three faces of the PT: as social movement, as political party, and as government.

These dilemmas have come to the fore especially at the local level since 1985. Diamond (1999: chapter 4) highlights the relevance of decentralised governance as a potential underpinning of democratic consolidation insofar as it offers scope for increasing accountability, citizens’ participation, pluralism in the distribution of power, and administrative performance. Such positive effects are by no means guaranteed, of course; decentralisation can also increase the clout of local autocrats or augment the scope for clientelism and corruption (Diamond, 1999: 133–4). This paper argues that decentralisation can strengthen democracy to the extent that local political structures and cultures are becoming more responsive to the citizenry, especially the underprivileged. In Brazil, the new constitution of 1988 has contributed considerably to effective political and administrative decentralization (Montero, 2000; Samuels, 2000). Particularly, municipalities have been made more autonomous (having received full legislative prerogatives within their sphere of competence), more policy responsibilities, and more funding. In 1988, shortly after the adoption of the new constitution, the PT won a number of important municipalities, like São Paulo, Santos and Porto Alegre, alongside a fair number of smaller towns and villages.

Jacobi (1995) offers a perceptive analysis of the early experience of PT local governance. In those cases where this ended in failure (and subsequent electoral rejection) the PT had been unable to solve the puzzle of its potentially conflictive
orientations. This led to fragmented and divisive PT administrations that for this reason also were unable to tackle the leftovers from their predecessors in office or the constraints put up by hostile governments at higher levels. This has been most noteworthy in the cases of the early PT administrations of Fortaleza (1985–1988) and São Paulo (1989–1992). However, experiences such as Porto Alegre, Santos or Belo Horizonte, and also of small town PT administrations throughout the country, helped fuel new notions within the party about how to pursue its objectives of social reform and more participatory forms of governance. At the same time, the PT sought to solve the dilemma of conciliating its activist grass roots base and its oppositionary party legacy with its new responsibilities and opportunities as a party in power (Jacobi, 1995; Nylen, 1997). The case of Porto Alegre, to which we turn now, has been widely acclaimed as the most successful example.

**Participatory budgeting in Porto Alegre: background and evolution**

The system of participatory planning and budgeting has been in place in Porto Alegre since 1990, one year after executive power in Porto Alegre had been won by a leftist party coalition called Popular Alliance led by the local PT. The electoral victory, won late in 1988, followed upon a long period of authoritarian rule and, between 1985 and 1989, three years of municipal administration by the populist Democratic Labour Party (Partido Democrático Trabalhista, PDT) led by Alceu Collares. A large number of combative neighbourhood associations had played an important part in promoting the PT candidacy among the 500,000 or so considered to be the ‘urban poor’: one third of the inhabitants of Porto Alegre. Neighbourhood associations had been mushrooming particularly in Porto Alegre since the late 1970s.

The city had always enjoyed a fair degree of popular mobilisation since the days of populist party politics in the 1950s. After a period of repression under the military, associations of neighbourhoods (*bairros*) or ‘dwellers’ (*moradores*) were revitalised in the general climate of increasing mobilisation against the dictatorship and the prevailing patterns of social exclusion. Many of these associations adopted a more radical and militant stance that brought them into the ambit of the newly formed PT. In 1983 a city-wide union of neighbourhood associations was formed (União de Associações de Moradores de Porto Alegre, UAMPA) that adopted a platform of radical social reforms and local-level administrative autonomy. Their position towards the populist PDT administration during 1985–1988 turned from critical following to disenchantment, especially after the PDT had decreed a top-down, paternalist municipal decree to form Popular Councils at the very end of Collares’ term as mayor (Baierle, 1998).

Against this background the somewhat surprising victory of the Popular Alliance can be understood. Still, the first year of the Popular Alliance administration was marked by the familiar problems and dilemmas that many
new PT administrations had been facing at the time, as discussed above. The social movements linked to the PT expected immediate action to improve conditions in the poor zones. Trade unions, especially of the public employees, expected wage claims to be honoured, while the local party leadership expected the municipal administration to follow party directives aimed at the construction of ‘democratic socialism’ (Abers, 2000; Fedozzi, 2000a; Navarro, 1996). The eventual success of this and the following municipal administrations in Porto Alegre led by the PT up till the present initially depended upon a determined set of policy decisions made in 1990 aimed at restoring conditions for governance and for giving real substance to the party’s strategy of ‘inverting priorities’ and popular participation. Alongside restoring the fiscal capacity of the municipal administration and improving relations with the public sector trade unions and relevant business sectors this strategy included the revamping of the planning and administrative capacity of the municipal administration as well as the refurbishing and progressive consolidation of a system of participatory governance centred on the municipal budget. In the years to follow, this system of the Participatory Budget (Orçamento Participatico, OP) developed into the cornerstone of the PT municipal governance, lending it a consistently strong image of effectiveness and legitimacy among a significant portion of the city’s population. The principal indicator for this assertion can be found in the successful re-election of PT candidates for the position of city mayor in 1992 (Tarso Genro), 1996 (Raul Pont) and 2000 (again Tarso Genro).

The evolution and refinement of the OP system continued throughout the 1990s (CIDADE, 2001). These developments responded to the evolving experience within the system, both by participating citizens and involved civil servants, but also emanated from shifting visions within the political leadership of the ruling coalition, especially from one administrative mandate to the next (Genro & De Souza, 1997). Gradually, emphasis shifted from a process in which the administration and the militant grass roots organisations in the most mobilised neighbourhoods participated to a process in which an expanding and more shifting population across the 16 regions of the city participated in an institutionalised universe that became consolidated and was able to negotiate with city officials. In addition, the consecutive municipal administrations set about to constantly expand the universe of spaces for popular deliberation and supervision of policy areas. In 1994, participatory budgeting was extended to five (after 2000: six) thematic policy areas alongside the regional level. The thematic plenaries and forums were meant to discuss budget proposals for more wide-ranging issues such as city-wide transportation and infrastructure, urban zoning, taxation, economic development, etcetera. A large number of Popular, Tutelary and Municipal councils were set up for an increasing number of issues such as education, child rights and welfare, public health, public security, sport, environment, science and technology, etcetera. In 1993 the second administration led by Tarso Genro organised a city-wide ‘constitutional assembly’ to discuss long-term directions and priorities. Pluri-annual financial planning and urban zoning plans also came to be discussed in the institutional spaces of the
Participatory Budget and other arenas that link the citizenry and the municipal administration.

Organisational structure and functional dynamics

In April 2001 more than 1,500 people gathered in a school gymnasium in one of the low-income neighbourhoods in the Northeast region of Porto Alegre. While hundreds still waited in line to register at the long tables set up in the school yard, inside the gym the proceedings of the Plenary Meeting of the first round of the participatory budgeting cycle of 2001 had already started. The chairman of the evening welcomed the large crowd and asked for order so that the proceedings could end not too long after 9 PM. ‘We know all of us have to rise early to get to work’. The purpose of the meeting was to present the rendering of accounts concerning the progress of the public investments in the area during 2000, and to present the investment plan for 2001. While one of the coordinators of City Hall explained the procedure of the evening, Tarso Genro, the prefeito (mayor) of Porto Alegre for the Workers’ Party, entered the hall, drawing enthusiastic applause. In the presence of the mayor, a long rostrum of community leaders took the floor to comment upon recent or current obras (public works) or improvements in their neighbourhoods. In the crowd a complaint could be overheard: ‘Where are the obras in my vila (shantytown)? They have been proposed but are not executed! Where is the comando (leadership) of the neighbourhood?’ Most formal speakers, however, stated their approval. Some argued against privatisation of the municipal water and sewage company, clearly one of the themes of the evening considering the many cartazes (banners) to that effect. One woman denounced the high levels of street violence and muggings in her area. She felt that every neighbourhood should have a police post. ‘People who have to get up at five to work all day cannot even enjoy a good night’s rest! Is o senhor prefeito aware of the shortage of policemen in Porto Alegre?’

Those present were not only in a position to bring matters to the attention of the mayor and the other senior officials present. The attendants would also be able, towards the end of the meeting, to choose delegates from contending lists (chapas) to the budget forum for their part of the city. Later that year, in a second round of plenary meetings, attendants would also be voting for 2 members and 2 substitute members of the Participatory Budget Council (Conselho do Orçamento Participativo, COP). The COP would discuss and determine the proposal for the municipal investment plan for the following year, taking into account the priorities set in the neighbourhood meetings and consolidated in the budget forums.

By 2001, an intricate system had been consolidated in which (organised) citizens from the (peripheral) neighbourhoods, the political leadership of the municipal administration, and city planners and public servants met to prepare, discuss and decide upon the annual budget of the city of Porto Alegre. The process of participatory budgeting has been moulded into a yearly cycle through
which the budget for the following fiscal year is determined. Since the working of this cycle has been extensively reported in what has become a modest craft industry of “OP watchers and researchers” (Abers, 2000; Baierle, 1998; Fedozzi, 1997, 2000a; Fischer & Moll, 2000) I will limit myself to present its main features in a summarised way (Table 1).

The budgetary cycle kicks off in late summer (March and April) with a first round of plenary meetings in the regions and on the thematic areas. The main purpose of these meetings is to organise accountability with respect to the previous and current investment plan presented by the administration. The mayor, a number of his municipal secretaries and other leading civil servants are present at these meetings that total 22 (16 regional and 6 thematic plenaries). Over the years many of these meetings, especially in the various regions that agglomerate Porto Alegre’s poor districts, have turned into mass meetings, such as described above. The better part of the meetings’ agenda is taken up by spokespeople for the many grass roots associations active in the region. Meetings are concluded with the voting for regional delegates who will sit on the Regional Budget Forum and will coach and accompany the process from that moment onward. Election of these delegates is done by all attendants of 16 year of age or more; therefore all participants have to identify and register prior to the proceedings. The number of delegates to be elected depends on the size of the plenary meeting: one delegate for every 20 participants. Candidates are presented in ‘lists’ supported by competing neighbourhoods. Having delegates elected means more influence in the later parts of the cycle.

The so-called ‘intermediary rounds’ consist of many small-scale meetings in particular neighbourhoods and thematic working groups. The main purpose of these meetings is to gather, discuss and prioritise investment needs presented by the (organised) citizenry of every area and neighbourhood. (The 16 budget regions are therefore subdivided in a large number of ‘micro-regions’.) These meetings are supported by an active role of the forum delegates elected in the first round. In addition, Regional Participatory Budget Coordinators (CROPs), which are municipal employees supervised by the municipal Coordinating body for Community Relations (CRC), are positioned in the various regions to play an active role in the meetings. Out of these meetings come specific investment demands (in the form of prioritised lists of obras and other investments) that are presented to the plenary meetings of the second round.

The second round discusses these proposals and works toward a consolidated regional or thematic investment proposal. Any unresolved priority issue is voted on. At the same time, the municipal administration presents its own investment proposals for the region or theme, to be scrutinized in plenary debate. Finally, the plenaries elect members for the new COP: each regional and thematic plenary can send two members and two substitute members (suplentes) to the COP, to be elected from often competing lists. Depending on the proportion of votes received, a list may win all or none of these posts, or any combination in between.

From August onward, the centre of gravity of the participatory budget process shifts to the COP which organises a city-wide representation of the budget
Table 1. Annual cycle of the Participatory Budget in Porto Alegre (until 2001)

<table>
<thead>
<tr>
<th>Period:</th>
<th>March/April</th>
<th>April/June</th>
<th>June/July</th>
<th>August/September</th>
<th>October/December</th>
</tr>
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<tbody>
<tr>
<td>Step:</td>
<td>Primeira rodada (first round)</td>
<td>Rodadas intermediárias (intermediary meetings)</td>
<td>Segunda rodada (second round)</td>
<td>Discussion and consolidation of budget proposal in COP</td>
<td>Budget law discussed and voted</td>
</tr>
<tr>
<td>Action:</td>
<td>Regional and thematic plenary meetings: account rendering by administration; financial forecasts; election of forum delegates</td>
<td>Grass roots meetings and debates in individual neighbourhoods and thematic groups on investment requirements; election of additional forum delegates</td>
<td>Systematization of priorities; voting on leftover disputes over priorities; election of COP members; administration presents general budget outline (Lei de Diretrizes Orçamentários)</td>
<td>Regions, thematic forums and administration entities present proposals for the budget; COP weekly meetings with Administration support; supervision and neighbourhood articulation by forum delegates. 30 September deadline for presenting COP budget proposal to the mayor</td>
<td>Budget Bill (Lei do Orçamento Municipal) proposal presented by the mayor on the basis of the COP budget; COP discusses and establishes the detailed Investment Plan specifying “works” in each neighbourhood as well as larger scope projects and investments. Council members (vereadores); COP; forum delegates</td>
</tr>
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</table>

Involved agents
- Grass roots organisations and civic entities; mayor and municipal secretaries; GAPLAN; CRC
- Grass roots organisations and civic entities; mayor and municipal secretaries; CROPs; forum delegates
- Grass roots organisations and civic entities; mayor and municipal secretaries; GAPLAN; CRC
- COP; mayor; municipal secretaries and other entities; forum delegates

Sources: adapted from Abers (2000: 86); CIDADE (1998); Fedozzi (2000b: 67); Merino (2000); Navarro (1996: 19–20)
process. Currently, the COP has 48 members: 32 regional representatives, 12 thematic representatives, one representative of the Municipal Employees syndicate (in view of the payroll implications of the budget), one representative of UAMPA, and two non-voting representatives of the municipal administration (one from GAPLAN and one from CRC). CRC also provides an executive secretary for the proceedings of the COP. During August and September the COP debates the budget proposal on the basis of a draft prepared by the municipal Planning Office (GAPLAN) out of the regional and thematic priorities. COP reviews this proposal and enters into sessions with representatives from the various agencies of the municipal administration. COP and GAPLAN, working closely together, employ a set of fixed criteria to allocate the investment budget for each policy area or sector to the different regions. This set of criteria has been elaborated by the COP with the support of GAPLAN and consists of a sum of weighted grades for the deficiency of the region in a given investment sector (e.g. sanitation, healthcare, or paved streets), the number of inhabitants of the region, and the priority assigned to the sector by the regional plenary. In this way, every region scores a number of points for a certain sector, and funds are allocated to the region on the basis of this score. This system, although complicated at first sight, aims to infuse the allocation of resources with rationality and transparency on the basis of ‘objective needs’, the number of people living in the region, and the preferences voted by the participants in the budgeting process.

When this step is concluded by the end of September, the COP officially present the budget proposal to the mayor, who then puts it up for deliberation and approval by the Municipal Council, the legislature of Porto Alegre. The council must vote the budget no later than 30 November. COP, Forum delegates and representatives of grass roots organisations usually stage an active scrutiny of the proceedings in the Municipal Council. At the same time the COP establishes a detailed Investment Plan within the parameters of the budget proposal.

The participatory budget and democratic consolidation: an assessment

The participatory budget process was designed to be a key component of the mode of governance of the PT and its ‘popular administration’. For many observers, the participatory budget contributes in a decisive way to the core goals of ‘inverting priorities’ and ‘popular participation’ adopted by the PT as its governance proposition. From a more analytical point of view the question may be raised whether the participatory budgeting process contributes to strengthening (or consolidating) democratic governance through the promotion of political and social citizenship rights. In this section I will try to assess this question by looking at what Diamond (1999: 74–76) holds to be the key parameters for democratic consolidation: performance, institutionalisation and deepening.
Performance: redistribution of public goods and ‘good governance’

Although there are no systematic data that monitor the output and impact of projects and investments decided in the participatory budget, it is possible to assess the redistributive significance of the process with respect to public goods and services. The overall investment budget amounts to 15 percent of the total annual budget of the city of Porto Alegre (the bulk being payroll and overhead expenditures). Throughout the 1990s, the municipal administration has significantly increased its direct revenue capacity while greatly reducing the outstanding public debt. As a result, the real availability of investment resources has grown substantially. Some estimate that roughly half of the investment budget responds to the community priorities generated through the channels of the participatory budget (the other half being based on ‘administrative and technical’ priorities brought in by the administrative apparatus of the city, yet also discussed by the plenaries, forums and the COP). Approximately 35 percent of the investment budget is allocated to regional (or micro regional) priorities.

Marquetti (2001) has reconstructed the shifting pattern of the allocation of public investments on the basis of the yearly publicized investment plans. These plans are systematically put up for scrutiny in the plenaries and forums. Since the early 1990s, implementation of the projects has been progressing in a steady way (with a completion rate of close to 90 percent), so that the plans can be validly taken as a proxy for the output of the participatory budget process. Marquetti (2001: 6–7) shows that there is a systematic relationship between poverty indicators of the various regions and the per capita public investments in each region. The system, through its weighted allocation criteria, appears to discriminate in favour of the poorer districts and population segments. In addition, these investments have been made predominantly in the areas of basic physical infrastructure (systematically indicated as top priority of ‘collective consumption’ throughout the decade): water, sewerage, road paving, public lighting, and drainage systems. Secondary areas of investments were in educational facilities, housing and land titling, and health care. Particular progress can be noted with respect to street paving (a major grass roots demand) and education (responsibility for which has been delegated to the municipal level by the federal Constitution of 1988, imposing minimum proportional levels for municipal spending on education).

Such indicators confirm what can be witnessed ‘in the field’: a significant improvement of the quality of public space in the peripheral areas of the city. In addition, the Workers Party administrations have made substantial efforts with respect to citywide projects in infrastructure, green areas and cultural facilities, among others. This does not mean that re-directing public investment has been able to solve the poverty problem in toto. Poverty dimensions related to income and assets are largely beyond the scope of municipal government, if we do not consider specific instruments such as micro-finance or work programmes. Regularisation of titles of occupants of private urban terrains is legally cumbersome and takes years, although it is seen as one of the key poverty
problems in the city (ca. 20 percent of the population still lives in precarious, ‘irregular’ slum dwellings).

With respect to ‘good governance’, Marqueti (2001) also notes that the efficiency of public investment has improved; he found a more favourable investment/civil servant ratio than in the past. It is not clear, though, to what extent this has been caused by the participatory budget. In general, popular scrutiny of the implementation of the investment plan tends to put pressure on the administration’s apparatus to deliver. This scrutiny also applies to supra-regional investments and to projects funded with external resources such as IDB loans. In addition, the COP has gained some influence on public employee issues through a tripartite commission for the civil service.

Good governance may be seen as having not only an ‘efficiency and effectiveness’ dimension but also an ‘accountability’ dimension. In this respect, the participatory budget – through its meetings and publicly distributed material – seeks to be open and transparent. Particular emphasis is placed upon account rendering by the administration and direct supervision of implementation by citizens’ commissions. This has eliminated most of the space for conventional neopatrimonial and clientelistic practices in municipal politics. Politicians, e.g. Municipal Council members (vereadores) have effectively lost the spaces for pork barrel politics. No obra or investment can be offered in exchange for votes or other forms of political support. Instead, participants in the budget discuss and decide on public priorities within a level institutional context that has fixed (though somewhat complicated) rules beyond the tinkering capacity of individual politicians.

Institutional and political consolidation

In the course of 12 years, the participatory budget system has been strongly institutionalised. There have been fairly frequent modifications of the format of the process, but with some exceptions these changes have been on details. The pillars of the budget process are the rounds of meetings with their fixed procedures, the criteria for consolidating priorities and dividing sectoral investment funds over the various regions. The architecture of the participatory budget is in principle communicated on a permanent basis but it can be assumed that not all are equally knowledgeable about the details. Baierle (1999: 12) reports that almost half of the participants in the 1998 plenaries stated that they knew “little or nothing” about the rules of the budget. Knowledgeability moves up when dealing with grass roots association leaders, forum delegates, and COP councillors. But despite the apparent complexity of the system, rank-and-file participants overwhelmingly think that the participants have voice in the budget and that delegates and councillors respect the priorities of the plenary meetings.

The municipal administration has set up a specific bureaucratic support structure for the participatory budget. The three main elements of this structure are the Gabinete de Planejamento (Planning Office, GAPLAN), the Coordenação das Relações com a Comunidade (Community Relations Co-ordination, CRC),
and the Regional Participatory Budget Co-ordinators (CROPs) who are based in
the regions and linked to Regional Administrative Centres. These entities are
directly linked to the mayor’s office and serve to lubricate the budget process, to
provide it with necessary technical information, and to support the involvement
of line departments (secretárias) in the budget procedures. GAPLAN furthermore
has the role to consolidate the administration’s input in the process and to assist
the COP with the technicalities of the budget preparation. CRC harbours an
active, committed and hands-on staff. In addition, NGOs such as CIDADE are
active in monitoring the participatory budget process, advising the municipality
and offering training to participants such as forum and COP delegates.

The broader political embeddedness of the participatory budget is potentially
more complicated. Over the past 12 years, the participatory budget has grown
and ripened in the political leeway of PT/Popular Alliance control of the
municipal Executive. As such, its inception was the prerogative of the mayor and
his staff, supported initially by militant grass roots associations and later by the
apparent success of the process, as indicated above. The net result has been the
consecutive re-election of PT candidates for the mayoralty. However, critics,
especially opposition politicians, argue against the participatory budget on the
grounds that it erodes the legitimate prerogatives of the Municipal Council. On
paper, the Council can make any amendment it sees fit, but deviations from the
budget proposal as voted in the COP could in that case be annulled with a veto of
the mayor. Still, both the Executive and the Municipal Council have preferred
not to seek open confrontations with respect to the annual Budget Law. Council
members have the additional consideration of the potential electoral costs of
being openly against a budget supported by the grass roots (Baierle 1998; Abers
2000).

Related to these considerations is the issue of consolidating the participatory
budget through municipal legislation or to include it in the municipal
constitution (Lei Orgânica Municipal). So far this has not been done, although
a debate to that effect was waged in the municipal council in 1996. Some parties
were in favour of regularization by law to give the Municipal Council more
influence in the process, but the Administration rejected this on the grounds that
this would limit popular sovereignty and the self-regulatory capacity of the
participatory budget. The issue has not been brought up since.

Deepening: popular participation and civic engagement

There is a quantitative and a qualitative side to the issue of participation in the
budgeting process. In the starting years of the participatory budget, participation
was modest and basically limited to leaders and militants of grass roots
associations that were strong in certain popular councils and already had ties
with the PT. Failure to deliver on the priorities even led to an initial decline in
participation. This situation was reversed only after the financial problems of the
municipal administration had been resolved. After 1991 the number of
participants in the plenary assemblies of both rounds of the budget cycle
increased from 3,694 (in 1991) to 20,724 in 1999, dropping somewhat to 19,025 in 2000 (GT Modernização, 2001). Although there is the problem of double counting (those registering for the first round assemblies and for the second round assemblies are added up despite the fact that an unknown number of people go to both rounds), it still means that, over the past decade, several tens of thousands of people may have been directly and actively involved in these meetings. To this must be added the (unregistered, hence unknown) numbers of those participating in the grass roots meetings during the intermediary rounds. The municipal Working Group for the Modernisation of the Participatory Budget (GT Modernização, 2001) estimates these participants to be close to 40,000 each year.

Even in pure quantitative terms this looks favourable in view of the size of the total population of Porto Alegre (roughly 1,3 million people) given the fact that we are looking at numbers of direct participants (aged 16 years and older). It might just mean that over the past five years or so, at least 100,000 individuals took part in one way or another in budget meetings; in other words, up to one third of the total ‘poor’ population of the city. According to several surveys conducted in the course of the 1990s (Abers, 2000; Baierle, 1999; Olegário Filho et al., 1999), most participants in the plenaries are indeed to be considered poor (earning less than 5 minimum wages), with low educational levels, and living in poorer districts and shantytowns (vilas). Men tended to participate more than women, although towards the end of the past decade female participation was increasing. On the levels of forum delegates and COP councillors, those elected to these positions tended to be less poor, better educated, and older (e.g. retired so that they had time available for the more laborious tasks in the forums and the COP).

Critics tend to compare the smaller number of participants to the larger number of voters in general municipal elections. Such a comparison misses the point, first of all because voting in elections is mandatory in Brazil, while going to (and voting in) budget meetings is optional. Tens of thousands of (up till then) excluded city dwellers showing up voluntarily mean, therefore, a quite valid representation of the total poor population. What is more important is that the spaces opened up by the participatory budget process offer the possibility to participate if and when organised groups or individual citizens decide it is in their interest. These spaces apparently have come to stay, are stable and yield results. They contribute to a sense of trust among the people in the system and hence to its legitimacy.

The parallel experience of the city of Belo Horizonte, capital of the state of Minas Gerais confirms the proposition that expectations with respect to predictability and output determine the level of participation. In Belo Horizonte, participatory budgeting started in 1993 (on a slightly different institutional format than in Porto Alegre) showing immediate high levels of participation that subsequently started to oscillate according to the public’s expectation whether or not the system would be kept in place or its outcomes indeed implemented by the municipal administration (which in fact was the case despite the PT’s loss in the 1996 municipal elections) (Avritzer, 2002: 153).
Of course quite another dimension of participation is the quality of the participatory experience and the ensuing outcome in terms of empowerment. Not all are equally active or vociferous in the meetings. Only a minority of participants states that they fully understand all the details and technicalities of the process. What matters, though, is that participation is spreading horizontally and people by and large acknowledge the validity of the participatory budget process. One question that can be raised, but not answered, is the representativeness of the budget process for the middle classes and elite segments. It is well known that these people hardly go to regional budget meetings and tend to dismiss it as irrelevant or coisa do PT (something of the PT), although middle class representatives are more active in the thematic meetings. The recent decision to open up an Internet access to the participatory budget process is intended to stimulate middle class interest and input in the system.

A further and important point to consider here, given the conceptual observations made earlier in this paper, is the question how and to what extent did the participatory budget further the role of civil society? Abers (2000) has argued in her excellent study of the participatory budget process in its initial seven years that the experience offers a clear example of synergy between autonomous grass roots mobilisation and associational life on the one hand and pro-active government action to further result-oriented participation on the other hand. Survey data make clear that civil associations, particularly neighbourhood movements, still play a heavy role in the budgeting process. Abers (2000: chapter 8) shows that the mechanisms of the budget tend to favour more open and ‘horizontal’ types of associations that can compete with each other or build alliances according to fairly autonomous perceptions of short- or long-term interests. She demonstrates that in fact the number of civil associations has grown as a result of the budget process, particularly in districts with a weak tradition of mobilisation. Apparently, collective action can be strengthened once people perceive the relevance and impact of this action to be good both in terms of procedure and outcome. This does not mean that there are no issues such as an enduring technocratic logic within the administrative apparatus, or the often dominant role of the budget institutions (especially the regional forums) to dominate the agenda for civil mobilisation. What matters more is that what Fedozzi (1997) calls a new public domain of ‘co-governance’ has been created that empowers the hitherto excluded precisely because of political-institutional conditions created by a municipal state that professes to seek this empowerment within the context of formal democracy. The consecutive PT administrations have strived to multiply spaces for empowerment, not only within the participatory budget but also through other mechanisms such as numerous new councils, debates on the urban master plan, regular citywide conferences on strategic issues, etcetera.

This still leaves the question whether the participatory budget has become more than just a scheme set up by the PT. Although the mechanisms of the participatory budget have indeed been designed and implemented by the PT municipal administration, the participating public is in a position to exercise a
certain degree of influence not only on the way the system works in practice, but also on the formal rules and procedures within the participatory budget. Regional and thematic plenaries discuss these procedural issues and can bring them to the COP. The COP is entitled to change the budget regulations, although here also the input of the ‘budget technocrats’ may be important.

A final question is to what extent citizenship as a subjective notion, as a lived experience or aspiration, has been furthered. Many observants have pointed to the ‘pedagogical’ aspect of the participatory budget, in the sense that it contributes to civic experiences and thus to a change in the broader political culture. Baierle (1999: 12) reports that over 40 percent of a sample of participants in the 1998 budget stated a desire to serve the community, to participate, or to support democracy and citizenship as important reasons for participation. In general, the participatory budget works to enhance citizenship in a number of ways. First, it demonstrates to participants and their grass roots organisations the value-added of operating within a public space governed by rules. This creates what Diamond (1999: 130) calls ‘contingent consent’: the acceptance of political outcomes because of the legitimacy of the rules of the game. Second, ordinary, often poor people learn to deal with such rules as well as with the bureaucratic apparatus that has to implement the budget decisions; an important element of civic socialisation is provided by the active monitoring of the progress of municipal works by the numerous neighbourhood associations or street committees. Finally, participating in the budget has contributed to a less parochial and more city-oriented outlook among an increasing number of people in Porto Alegre (Navarro, 1996).

Conclusion: participatory governance, citizenship and the quality of democracy

A reflection on the broader significance of the participatory budget experience in Porto Alegre brings out a number of points with respect to the interrelationship between political democracy, popular mobilisation, participation, and citizenship in Brazil and possibly elsewhere.

In the first place, the Porto Alegre experience of participatory budgeting strongly suggests that electoral democracy can indeed be relevant – in the sense of being one of the necessary conditions – for attacking the syndrome of incomplete citizenship that has so thoroughly pervaded the Brazilian social fabric and polity. Mobilising for local elections brought a party coalition to power that managed to give practical meaning to the ideological and programmatic discourse of promoting popular participation and social justice. The political and institutional format of ‘PT governance’ closely corresponded to institutional and constitutional changes brought about in the course of the democratisation process. Particularly the federal constitution of 1988 and subsequent state and municipal constitutions enshrined important provisions with respect to an administrative and fiscal decentralisation as well as popular consultation and
participation. The gradual elaboration and consolidation of a system of governance over a (by now) 12 year period contributed to a certain robustness and performance level of participatory governance, in turn leading to consistent legitimacy of and electoral support for the PT, at least during the three elections that have followed the initial rise to power of the PT in 1988.

Secondly, the system of participatory budgeting was set up initially in close collaboration with grass roots movement historically linked to the governing coalition. Subsequently however, the stability and performance of the system inspired a horizontal expansion of civic engagement. Rather than seeing this as ‘civic selfishness’ aimed to benefit from the institutions and resources put in place by the state, I argue – following Abers’ (2000) convincing analysis – that this can be seen as evidence that a sizeable number of city residents appreciated the openness and usability of a new public domain. This new public domain precisely enhanced access to state resources for the underprivileged sectors of the urban community. This access depended not on clientelistic or corporatist ties but on the timeliness and efficacy of voluntary collective action, i.e. the exercise of citizenship in civil society that according to prevailing theories of democratic consolidation are supposed to engage the state in the process of mobilisation, organisation and policy making precisely because this serves the legitimate interests of the civic community.

Hence, the participatory budget has produced a synergy between civil associational life, government action, redistribution of basic public goods, and the exercise of formal democratic freedom and rights both in conventional and new public domains. I argued that there has been a real redistribution of public goods, a gradual broadening and deepening of participation, improving governance on the basis of results, transparency and stable institutional arrangements. In this sense, citizenship has become more substantial and inclusionary. The case of the participatory budget shows a dynamic interplay of the various formal dimensions of citizenship. Civil rights helped shape active and dynamic social mobilisation and grass roots associations in Porto Alegre going back to the years of military rule. Political rights were fundamental in bringing into office a municipal government that sought social justice through redistribution and empowerment. Redistribution of certain basic public goods and services enhanced social citizenship rights, which in turn supported associational life. The manifest success of the experience brought electoral boons to the administration on the basis of the continuing exercise of political citizenship, etcetera. In this sense, we could speak of a local-level example of democratic consolidation in the manner proposed by Diamond (1999).

To conclude, I want to reflect briefly on the broader relevance of local participatory arrangements for improving the quality of democracy in Brazil and Latin America. Experiences such as the participatory budget of Porto Alegre may strengthen democracy ‘from below’ through the spread of such experience at the local level. In fact, many politicians from other parts of Brazil and Latin America have come to Porto Alegre to observe and learn from the participatory budget experience. Mostly these are PT or likeminded left wing politicians, but
throughout the region such parties win local elections and have an interest in successful governance. In Brazil, other parties than the PT have announced, on some occasions, to adopt participatory budgeting in their administrations. The PT itself has won major cities (such as São Paulo) in the 2000 municipal elections. In this way, local participatory governance can build an important substratum of support for democracy and may yield results in terms of social reform on the basis of democratic procedures. This could be enhanced even more through a renewed agenda for political and administrative decentralization which has become a less remote proposition in some countries precisely because of formal democratic consolidation.

It should be kept in mind, however, that successful participatory governance is by no means easy or guaranteed once a party sponsoring it gains power and sets up the institutional apparatus. Much will depend on the resources made subject to participatory decision making, the seriousness of its implementation, and the overall preparedness of both administrators and grass roots and civil society actors. In addition, the prevailing configuration of forces within political society may work in favour of participatory governance (as was the case in Porto Alegre) or against it (as was the case in Fortaleza in the 1980s and São Paulo between 1989 and 1994).

A further interesting aspect is the replicability of participatory governance at higher politico-administrative levels and with respect to other societal issues than those directly related to (basic) public spending. Participatory forms of governance have been reproduced in Brazil at the state level. Particularly in Rio Grande do Sul, where the former mayor of Porto Alegre, Olívio Dutra, won the governorship for the PT in the 1998 regional elections, the new regional government started to set up participatory mechanisms at the state level. Although I do not now have specific information to assess the degree of success of this policy, it can be readily seen that at the state level in Brazil there are important policy areas that affect the life and well-being of citizens: (rural) infrastructure, land tenure and agricultural policy, policing, secondary education, etcetera. In general, the replication, mutatis mutandis, of more inclusionary forms of politics and policy making out of efforts to repeat political successes on the local level at higher levels may contribute to improving the overall quality of democracy. At the same time, as the scope and complexity of policy issues increase and become more contentious, their amenability to participatory approaches may become more difficult. This in turn may increase the risk of failure leading to a decreasing appeal of participatory arrangements.

In this context, the PT victory in the 2002 presidential elections raises some additional considerations. In terms of the overall political climate, federal support for policies that envisage social reform and participation can be expected. The Lula administration’s first conspicuous reform policy (Fome Zero – Hunger Zero) incorporates some participatory mechanism in the sense that it seeks to operate through local ‘popular’ administrations. The specific impact of the federal government led by Lula on municipal issues is, however, limited; one important sector that has a direct bearing on local affairs, namely policing, public
security and the rule of law, is controlled by state governments. The shift to the left in Brazil should also not be overestimated. In the 2002 elections for state governments and legislatures, the PT did rather poorly, winning only four, less important states. In Rio Grande do Sul, the PT candidate for the governorship was Tarso Genro, who had won the mayoral elections in Porto Alegre just two years before but had stepped down in order to dispute the governorship. This time he did not win, in part due to the less convincing performance of the 1998-2002 PT administration of this state. The 2004 municipal elections will show if and how this defeat affects the political position of the PT in Porto Alegre.

Still, we have potentially a clear demonstration effect of the proposition that democracy may work for empowerment and social justice in a country and on a continent where voicelessness and exclusion have deep roots and are often seen as rendering formal democracy hollow and meaningless. This may be a particularly rewarding perspective for new brands of progressive (or leftist) politics. The democratic left could use these experiences for a general platform of regaining the public domain and strengthening inclusive or substantial citizenship as a shared practice of state and civil society. To nurture and propagate examples to that effect may have important long-term implications for changing political institutions and political culture in support of full democracy.

References

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