

Participatory Budgeting in Brazil

by William W. Goldsmith

In December 1999, seven PNers went to Porto Alegre and São Paulo, Brazil for nine days of conferences, meetings, and tours to exchange information about progressive alternatives for local government. In Porto Alegre, we made presentations at a three-day seminar hosted by the government of Porto Alegre, known for its pioneering work in participatory budgeting over the last ten years while run by the Workers Party.

About 70 city officials, professors and students attended the intensive workshop. Parallel presentations were made by the Brazilian and North American participants on the following topics: Globalization, Decentralization, Local Democracy, Privatization, Real Estate Markets, Environmental Justice, and University/Community Partnerships. Other PNers taking part were Tom Angotti, Jackie Leavitt, Johanna Looye, Barbara Lynch, Peter Marcuse and Ken Reardon.

In São Paulo, we lectured to nearly 400 students, professors, and professionals at the School of Architecture and Urbanism of the University of São Paulo about progressive planning in the United States. In both venues we met with urban professionals in Brazil who are forming their own network.

Participatory Budgeting

Since 1989 Porto Alegre, the capital of Brazil's southernmost state, Rio Grande do Sul, has been governed by mayors elected from a coalition led by the Workers Party (PT). Three PT mayors and their staff have promoted increasingly popular and innovative programs. Participatory Budgeting is the centerpiece of Porto Alegre's reforms.

Officials estimate that last year some 40,000 citizens participated in public meetings to allocate about half the city budget. Citizens thus take a healthy chunk of responsibility for governing the city, which has a population of 1.3 million.

Citizens decide on practical matters such as the location of new pavement or a new park, but what's even more important, according to officials we spoke with, is that citizens become conscious of new and better possibilities for their lives. They take up and sharpen weapons to resist the damaging pressures that come from the market and the marketeers. Thus, citizens challenge forces that usually dictate the miserable conditions that make life so difficult for the majority. The Secretary of Planning for the State of Rio Grande do Sul, as of the last election also governed by the PT, invoked Che and Fidel as he enunciated his vision of the opportunity to transcend the current situation and strive to construct the socialist person. (The current governor was the first PT mayor of Porto Alegre.)

The Process of Participatory Budgeting

Participatory Budgeting now involves three parallel sets of meetings — neighborhood assemblies, "thematic" assemblies, and meetings of delegates for city-wide coordinating sessions. Events begin each year with a formal report by the city government on the previous year's expenditures, called the Presentation of Accounts. Meetings continue all year in three series of highly organized, formal rounds. The first series considers allocations within each of the 16 districts or neighborhoods of the city, across the usual departmental responsibilities, such as water supply and sewage, street paving, parks and schools, and among the districts. District elections add a layer of representative democracy atop the directly democratic deliberations. Delegates at the district level are clearly constrained in their votes by the neighborhood meetings, ample reporting requirements, and workable recall arrangements to keep them in line. To encourage participation, the number of delegates is roughly proportional to the number of neighbors attending the meeting where elections take place.

The district-based meetings begin with 16 Great Assemblies in public places, including union centers, gyms, churches and clubs — even a circus tent that held 2,000 people. The government reports on the previous year. Then the government presents its investment plan for the current year (decided in the previous year's meetings). Then the debate starts for the year to come. The debates go on for nine months,

and each district produces two sets of rankings, one set for twelve major in-district “themes,” like pavement versus school construction versus water lines, the other for “cross-cutting” efforts that affect the entire city, like cleaning up the beaches.

Allocation of the investment budget among districts is weighted by a set of weights also determined by popular debate. This year these weights are population, an index of poverty, a measure of shortages (e.g., lack of pavement), and the assigned priorities. A healthy tension between the executive branch and the citizens has resulted in a steady expansion of popular involvement. Through citizen initiative, Participatory Budgeting has broadened its scope to take in more of the city’s budget. The leadership and design of meetings has shifted from executive-branch officials toward citizens and their elected delegates. Budget priorities have shifted in ways not anticipated by the mayors or their staff. The mayor and his staff stressed that one of the achievements of honest and effective participation is recognition that at some level allocation decisions are zero-sum games: e.g., more child care or less pavement.

This process has other consequences. Porto Alegre’s leaders reject the competitive-city ideology and have used the solidarity that has developed from widespread participation to make some unusual decisions. In spite of promises of new employment and the usual ideological pressures from the Ford Motor Company, the city turned down a proposed new auto plant, arguing that the required subsidies would be better applied against other city needs. The city also turned down a five-star hotel proposed for the site of a de-commissioned power plant, preferring to use the well-situated site as a public park, convention hall and public symbol of the city. And faced with a proposal to clear slums to make room for a large supermarket (called the BIG store), the city imposed stiff and costly relocation requirements.

Who Participates in Participatory Budgeting?

One index of the success of Participatory Budgeting is the increased level of participation. The number of participants grew from fewer than a thousand in 1990 to more than 16,000 in 1998 and about 40,000 in 1999. But even more important, participation isn’t limited to the middle class or the traditional supporters of the Workers Party.

Studies have shown that participants in the 16 district assemblies and delegates to the regional councils are drawn disproportionately from the poor, although participation in the thematic (ministerial) groups involves more professionals, technocrats, and middle-class people. Furthermore, the Participatory Budgeting process has brought into political action many who aren’t in or don’t support the Workers Party. This is in stark contrast with the traditional patronage approach of the other major parties that used city hall as a way to pay off their supporters.

This incredible achievement explains why the PT government is able to consistently get its budget proposal past the city council, where the majority remains in the hands of conservatives. The mayors (we spoke with two), the city planners, and other staff people report that members of the council are kept in line by direct pressures from their constituents.

The success of Participatory Budgeting takes place amid substantial pressures hostile to democracy. Citizens face a constant ideological assault from local newspapers and television, all of them right-wing, which glorify the market and globalization. They harken to the conditions that created patronage and graft, which for so long and so profitably pervaded budget making and public spending, as they still do in most Brazilian cities. Nevertheless, through active participation, the efforts of radio broadcasting, and a long history of resistance, a majority of the Porto Alegre population has managed to pressure the city council to vote in favor of the mayor’s budget proposals, and they have managed to keep the progressive agenda intact.

Poverty in Porto Alegre

We must add that Porto Alegre begins from a relatively advantageous position. It is the capital city of a wealthy state, and both city and state have enjoyed a long history of populist and often left-populist politics. But this populism has many shortcomings. In 1989, despite a high life expectancy and literacy rate,

conditions in Porto Alegre mirrored the inequality and segregation of other Brazilian cities. A third of the population was in slums, isolated and distant from the center and with low levels of public services.

However, it appears that the participatory process has begun to yield some important changes in substance. Conditions for the poorest citizens of Porto Alegre have improved in some respects, in spite of difficulties in the economy that have deepened poverty and unemployment in all Brazilian cities. Between 1988 and 1997, sewer and water connections in Porto Alegre (generally, in Brazil, no guarantee of frequency of service or quality) went from 75 percent to 98 percent of all residences. The number of schools quadrupled since 1986. The city's health and education budget grew from 13 percent to nearly 40 percent between 1985 and 1996. New public housing units, which sheltered only 1,700 new residents in 1986, housed an additional 27,000 in 1989.

The progress in Porto Alegre would be no small matter in any city of the world, but since Brazil has what is often said to be the world's most unequal distribution of income, public sector efforts can be of extraordinary importance for the well-being of the majority. Although broad statistical comparisons are always complicated, the Brazilian disparities in wealth and poverty are so extreme that they present extraordinary odds against a progressive city government. Consider that in the United States, which is perhaps the least equal of the rich industrial democracies, the top twenty percent of households earn, on average, about nine times what the poorest twenty percent earn. In Brazil this spread is more than thirty to one. For very large numbers of people near the bottom in Brazil, sometimes for whole neighborhoods, near homelessness and hunger are not remote dangers but ever-present realities.

The vast majority of the Brazilian population is urbanized, and a very sizeable portion live in very large metropolises. The Porto Alegre metropolis houses about three million inhabitants. In most Brazilian cities, roughly one-third to one-half the people live in favelas, generally illegal or irregular settlements that are grossly underserved with water and sewerage connections, schools, health centers, public parks and recreation areas, lacking even paved streets and sidewalks. Most favelas lie on the distant outskirts of cities, imposing physical isolation, very long commutes for work, and severe shortages of public services. This geography of dispersed poverty prevails in Porto Alegre.

Under these conditions, exacerbated by massive federal budget cutbacks and the severe inequality generated by the private market economy, what can a city government do? We asked this question to officials in the Porto Alegre government. Their answers were hopeful but highly cautious. We were reminded by the current mayor that while the United States in some sense grew up from localities to a federation, leaving at least a residue of local control and a tradition of local decisionmaking, Brazil is growing down from a centralized empire which has yielded a long tradition of deference and passivity. Following a number of progressive urban initiatives in the 1989 post-dictatorship Constituent Assembly, all Brazil is now involved in a double-edged process of "municipalizing" and increasing local autonomy. The downside of this process is that it shrinks national responsibility and reduces financial pressure on banks, corporations, and wealthy individuals. The positive side is that it offers to increase both local control and locally controlled resources.

We asked about local progressive innovations familiar to us – living wage laws, restrictions on banking practices, etc. Any intervention in banking practices or in the determination of private wages, even of suppliers, would not be legal, we were told, but the city does practice its own progressive wage policy, making increases every two months to follow inflation (a perpetual Brazilian problem, under control only in recent years). Porto Alegre municipal workers are the best paid, compared to other city halls in the country, and their high and often adjusted wages also serve as a model for other local workers and unions.

Five or six days visiting a city could give us only a taste and can lead to false impressions. Two of the seven of us have worked for years in Brazil, and others have visited and studied Brazilian and Latin American cities, but we are loathe to present this report as definitive. On the other hand, our observations lead to the inescapable conclusion that the Porto Alegre experience challenges Brazilian and global capital. The elected leadership has assisted these choices with extraordinary intelligence and marked dedication to progressive principles. This is an important experiment to watch. Throughout Brazil, state and municipal governments are governed by leftist parties and coalitions — mostly by the PT, but by other parties as well,

some 200 state and local governments in all. These local governments face enormous obstacles, but their work should be taken by political activists and planners everywhere as a signal and test of the possibilities for progress.

Further reading:

Rebecca Abers, "From Ideas to Practice: The Partido dos Trabalhadores and Participatory Governance in Brazil." *Latin American Perspectives* 23,4 Fall 1996, pp. 35-53.

Gianpaolo Baiocchi, "Transforming the City: Political Practices, Civil Society, and Participative Governance in Porto Alegre, Brazil, 1989-1999, Chapter 1 of Ph.D. thesis draft, University of Wisconsin, revised September 1999.

Boaventura de Sousa Santos, "Participatory Budgeting in Porto Alegre: Toward a Redistributive Democracy." *Politics and Society* 26,4 December 1998, pp. 461-510.

William W. Goldsmith is a Professor of Urban Planning at Cornell University.