NUMBER 32

Challenging Traditional Participation in Brazil: The Goals of Participatory Budgeting

Pedro Jacobi

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

WASHINGTON, D.C., 1999

Comparative Urban Studies
Occasional Papers Series

This publication is one of a series of Occasional Papers on Comparative Urban Studies of the Woodrow Wilson International Center for Scholars. The series includes papers in the humanities and social sciences from Fellows, Guest Scholars, workshops, colloquia, and conferences. The series aims to extend the Center's discussions of urban issues to a wider community in Washington and throughout the world, and to provide, directly or indirectly, scholarly and intellectual context for contemporary policy concerns.

Single copies of Occasional Papers may be obtained without charge by writing to:

The Comparative Urban Studies Project
Woodrow Wilson International
Center for Scholars
One Woodrow Wilson Plaza
1300 Pennsylvania Avenue, NW
Washington, DC 20004-3027

(202) 691-4235

CUSP@WWICS.SI.EDU

Comparative Urban Studies
at the Wilson Center

Blair A. Ruble and Joseph S. Tulchin, Co-Chairs
Christina Rosan, Project Coordinator
Luba Shara, Project Intern

Since the Comparative Urban Studies Project's inception in 1991, we have sought to link sound academic scholarship and policymaking through international conferences, Guest Scholarships, and publications. Using a multidisciplinary, multiregional approach to urban studies, the Project engages experts from around the world in a substantive evaluation of urban practice.

Jacobi, Pedro. *Challenging Traditional Participation in Brazil: The Goals of Participatory Budgeting.* Washington, D.C.: Woodrow Wilson International Center for Scholars (Comparative Urban Studies Occasional Papers Series, 32), 1999.

This paper was presented in Washington, D.C. at "Examining the Legacy of Habitat II," the February 14, 1997 meeting of the Woodrow Wilson Center's International Working Group on Habitat II. Papers do not represent an official position of the Woodrow Wilson International Center for Scholars. Opinions expressed are solely those of the authors.

About the Author:

Pedro Jacobi

Pedro Jacobi is currently an associate professor at the School of Education and the President of the Graduate Program of Environmental Science at the University of São Paulo, Brazil where he was a vice-president from 1995 to 1998. Jacobi received his Masters degree in Urban and Regional Planning from Harvard University and a Ph.D. in Sociology from the University of São Paulo.

Jacobi has coordinated research on environmental policies at the Centro de Estudos de Cultura Contemporanea (CEDEC) in São Paulo, where he was a researcher from 1978 to 1997. From April 1997 to April 1999, Pedro Jacobi was a member of the board of administration of the State Agency for Environmental Protection. He is also a co-editor of the journal, *Ambiente e Sociedade*, a Brazilian review of environment and society and the editor of *Debates Socioambientais*, a review of environmental education. Dr. Jacobi has written about social movements and public policies, environmental policies in urban areas, institutional innovations in local governments, environmental education, educational policies, and decentralization.

Using the mechanism of "participatory budgeting" implemented in the city of Porto Alegre, Pedro Jacobi analyses a new practice of resource allocation in several Brazilian urban areas. He comes to the conclusion that participatory budgeting is an effective tool in the democratization of the city's management—helping to break old patterns of clientelist relations. According to Jacobi, the new mechanism promotes decentralization of municipal decision-making and increases public control over the city's investment policies.

According to Jacobi, the process of participatory budgeting consists of three important steps. First, the city's administration formulates the investment priorities and informally discusses them with the city's districts. Second, priorities are legitimized by the Regional Budget Forum, the formal meeting of the city's district representatives. Finally, the investment plan is implemented under the control of the Forum's representatives and civic associations. The increase in municipal revenues, animation of public discussion, and the decline of old-style clientelistic associations in Porto Alegre reflect the success of this new approach.

Challenging Traditional Participation in Brazil: The Goals of Participatory Budgeting

Pedro Jacobi,
University of São Paulo

Introduction

Some innovative urban experiences have concentrated on democratizing urban administrations and providing access to services by encouraging participatory practices and the decentralization of power. This paper analyzes some complexities and innovations of some of the progressive local governments that have been multiplying in Brazil since the 1970s and that have become legitimized since the 1980s.[1] One contributing factor to this overall process has been the rate of urban population growth.[2] The fact that there are many more people living in urban areas in Brazil has introduced new variables into the urban dilemma. Urban problems are compounded by unequal access to services, the risk of environmental degradation, and the concentration of poverty and violence. Brazilian urbanization, confronted with fundamental changes in the paradigm of city management, must cope with the new demands of an urban globalized economy, the development of cities influenced by the public realm, and the growing scenario of social exclusion.

The challenge of innovation in urban management

The country entered an adjustment era in a context of the reduction of state activity. This was combined with a worrying expansion of social crises: the level of violence had grown significantly, reaching a coefficient of mortality through homicide of 21.04 per 100,000 in 1994—a rate of growth twice that of the population rate;[3] and, although the unemployment level was not high (4.56 percent),[4] according to official data, there had been an increase in the growth of the informal sector. Inflation has been kept under control (9.2 percent in 1996), but the level of economic activity has decreased (4.0 percent of GNP). The reform processes that are redefining the role of the state have suffered serious restrictions by Parliament and their approval has been delayed. The most serious problem arises from the fact that the economic plan demands that high interest rates be preserved (27 percent per year);[5] this has obliged state and municipal governments to recognize the need for administrative reform, in order to help sustain investment capacity.

Since 1994, Brazil has been governed by a social-democratic administration supported by a conservative coalition. Different experiences in several cities, which are the *loci* of most social inequalities, offer the possibility of confronting traditional political practices, and the neoliberal-oriented policies that have had a growing role in shrinking the state's responsibilities, in the face of social deprivation and exclusion. The new concept is to reform the structures and procedures of the state machine, a transformation based on a democratic culture of citizenship building and increased social rights.

Most Brazilian cities suffer from the same problem—an inability to sustain good local governance and citizen participation. This results in an increased dualism and the exclusion of democratic practices of participation from urban management. However, Brazil's participation in Istanbul's Habitat II created some possibilities for suitably linking governance and accountability. This new concept offers an urban management system in which local governments count on the participation of society to prioritize the allocation of resources and sometimes even to decide on administrative tasks and control of public policies.

The issues that were raised in the debates in Istanbul are closely linked to the innovative agenda being consolidated in several Brazilian cities: decentralization and the new role of local power; partnerships among government, nongovernmental organizations (NGOs), community based organizations (CBOs), and the private sector; institutionalization of channels of popular participation, such as Participatory Budgeting; concern with environmental preservation and recycling of urban solid waste; the right to housing; the need for public transportation; and defense of sustainable development.

In an effort to be more responsive to the needs of society, these new urban management principles run counter to the prevailing urban model in most municipalities, which still does not allow popular participation. The new model arose from grass-roots urban movements introduced in some municipal governments in the 1970s, which included participatory practices, decentralization policies, and the reversal of investment priorities as the main components of the local democratization. The process received added impetus with the emergence of the Workers' Party (PT) in the early 1980s.

Participatory budgeting: opening doors for democratic citizenship

The PT's experiences, prior to the elections of 1988, had confronted the party with problems of governability. The party suffered from a contradictory dynamic because at the same time that the party needed to institutionalize its actions, it also grappled with a participatory ethos that overwhelmingly valued organization via Popular Councils and emphasized the use of alternative structures of power and institutional action. PT's practices have been viewed as a contradiction between the logic of social movements and institutional logic. Some successful municipal experiences indicated that this barrier could be positively overcome through a judicial and institutional transformation. This would allow a new type of citizenship that, by permanently confronting the limits of formal democracy, might constitute its rights from a direct relationship with government.

In the Brazilian context, the major task at hand is to improve access to goods and services for a large part of the urban population living in the peripheries of cities. The challenge to municipal administrations that are, or intend to be, more democratic is to open channels to allow greater participation of the most diverse social strata in a citizen management strategy known as Participatory Budgeting which is designed for more redistributive urban policies. The legitimation of Participatory Budgeting in the daily management of a growing number of progressive municipalities (but still too small a number as to become a paradigm),[6] and the fact that the party or coalition in power has twice been re-elected in an important metropolis (Porto Alegre), open a stimulating field for analysis around the theme of popular participation—its close relationship with the processes of administrative decentralization and possibilities for democratizing local administrations.

This form of participation poses a potential break with the almost total separation between the centralized power structure and the social realities that expose the limits of the existing mechanisms—formal, vertical, corporative, and clientelistic—that do not allow the participation of citizens in public issues. These limits are increasingly being tested by social movements and by new political actors, who challenge tutelage and struggle for their rights and for the possibility to intervene in the construction of new ways of representation, organization, and cooperation.

Experience indicates the importance for policymakers to create public environments that facilitate citizen participation in an effort to broaden and deepen social capital. The goal of this experience, as Fox (1994: 13) puts it, is the creation of policy initiatives "to open more democratic doors as governments can bolster the positive incentives for participation by encouraging both the reality and the perception that citizen action can actually influence important governmental decisions."

Porto Alegre, with a population of almost 1.5 million, is an important case in point (Abers 1996; Jacobi and Teixeira 1996). The *parti pris* of the government was that the lack of systems to monitor and control popular demands could only be compensated for by a process that would attract civil society into the "decision-making arena" through the public discussion of the budget and investment resources. According to Tarso Genro, mayor of Porto Alegre between 1992 and 1996 and vice mayor in the previous administration, the challenge was to create a new governing relationship within a society that was basically organized under an efficient, articulated, and populist clientelism that calmed the fears and met the needs of certain sectors of the population. The main objective of the administration was to structure a new concept of governance "outside" the state sphere as the central element for increasing public participation in the management of the *respublica*.

The municipal government implemented Participatory Budgeting in 1988. It faced serious resistance from conservative groups in the city and, from the beginning of the process, a significant effort was needed to define a manageable area and negotiate regional boundaries. When the PT came to power in 1989, the administration proposed a continuation of the existing four administrative regions defined in the city's master plan. But neighborhood groups argued that those regions were too large and did not correspond to the structure of neighborhood organizations in the city; at the end of 1989, both sides agreed on sixteen regions (Abers 1996:6).

The administration created the position of Regional Coordinator of Participatory Budgeting—government representatives for each of the sixteen regions; their main task is to guarantee mechanisms, which will provide political support and pursue the daily practices of communities. Budgeting is done in three stages.[7] Initially, the administration formulates a proposal, discusses it with the regions in a decentralized way, and defines investment priorities. In a second stage, the administration formulates a strategy to weigh priorities against the expected resources in each secretariat in a general *forum* with delegates from each of the sixteen regions. On this occasion an overall investment plan is prepared as well as a list of the works that will be supervised by a Regional Budget Forum, a channel through which the public can control and monitor the city's investments. These *fora* follow a calendar of activities that are territorially devised, both locally and regionally.[8] The budget becomes the incentive for all popular debates, and the definition of priorities is an extremely important instrument in mobilizing community practices.[9]

Empowerment, social capital, and participatory institutional engineering

One of the outcomes of this policy has been that Participatory Budgeting has given vitality to civil associations.[10] This has had a multiplying effect as it acquires legitimacy as an instrument of fiscal control and the executive defines investment priorities strongly supported and validated by citizens. The different means of communication and information about programmed activities, with regard to the outcomes and the role of the coordinators, reflect the importance the administration places on strengthening the interactive process and the dialogue with the population.

One permanent improvement of this institutional engineering has been the formulation of basic criteria for the distribution of resources. An essential component of the process is that the debate on the needed urban infrastructure services, investments, municipal revenues, and the globality of expenses and policies is conducted in the context of a dynamic in which the assemblies—rather than traditional clientelist organizations—are the main nuclei of decision making. The impact of this process is that more people have begun to participate in associational lifestyles and are involved, for the first time, with the democratic habits of collective decision making. This is an important step because people gain organizational skills and the ability to negotiate with the administration on highly technical aspects that require access to information and an attitude of transparency on the part of the administration.[11]

The dimension of democratic governance: transparency, empowerment, and accountability

The experience in Porto Alegre, and in other cities that implemented Participatory Budgeting, brings up other points worth stressing. First, transparency is central to the process, even if the procedures differ. The administration must reveal its economic and financial situation to initiate discussion of each region's priorities. At the same time that it establishes a new connection between public administration and citizenship, it makes clear that needs must be balanced against the realities of municipal administration.[12] Putting up part of the municipal budget for public negotiation involves a productive trade-off among the state, the social movements, and the citizenry concerning the needs of the population and their priorities. According to Avritzer and Azevedo (1994), who analyzed the case of Belo Horizonte, this represents an important moment for the internalization by the population of the demands facing the municipal administration.

The transparency this process requires is an unquestionable innovation,[13] a challenge to the existing dynamics of the legislative structure, and shows an important shift in the investment decisions that have been made.[14] Transparency has also implied the possibility that these administrations could implement policies to challenge the process that traditionally controls and profits from public spending in Brazilian cities. In many cases, when leftist administrations have sought to transform existing governing practices, the result has been a barrage of media critiques, business boycotts, and political resistance from state and federal agencies and from the judicial system; this occurred several times during PT's administration in São Paulo between 1989 and 1992 (Jacobi 1995).

The transparency issue has been extremely central to PT's continued electoral success in Porto Alegre. The PT has also received important support from the influential middle and business classes. The administration's ability to raise revenues allowed it to begin investing intensively in the periphery, without abandoning maintenance and improvements in middle-class districts. This increased its reputation for transparency, honesty, and competent administrative practices.

Second, there is an implicit politicization in the formulation of budgetary proposals through assembly procedures. This process introduces two important political components that the Brazilian state has had great difficulty incorporating and that are increasingly assumed by the population: the practice of negotiation and the definition of priorities through public process. This implies the need for an empowerment process for the population, because the organizational structure of Participatory Budgeting stimulates negotiation: the sectors of the population that demand public works must negotiate and, when necessary, prioritize and defend the items that they want to be included in the budget.

One of the important observable changes in the various cities that have implemented this policy is the decline of closed, clientelistic associations, which involve little democratic decision making and great concentration of power. Participatory budgeting necessitates mobilizing people. Neighborhood leaders encourage local people to become delegates who are involved in the assembly process and are responsible for negotiating priorities with other regions throughout the year (Abers 1996: 12). The negotiation process has also ruptured the characteristic complicity frequently established between progressive administrations and organized movements. The participation process has gradually created its own language and has begun to depart from territorially defined corporatism. The administration has tended away from support of organized groups and toward the PT's *ethos* of including the widest possible spectrum of interlocutors, also called "enlarged participators," as opposed to restricted or instrumental participation.

Third, the credibility of public policy is a turning point at which the administration establishes effective interaction with citizen associations and stimulates activism, which includes concrete material benefits. Participatory Budgeting breaks with the immediacy that generally characterizes urban social movements because it departs from local and atomized demands, potentializes larger debates, and defines a normative product. The integration of members of these movements into *forums of negotiation and discussion* with clearly defined rules, introduces important elements to legitimize the substitution of clientelist practices that prevail in public administration in general, as the assemblies' decisions reflect both the self-interested concerns as well as an ethical concern to insure equity.

Implementing participatory budgeting: budgetary and mobilization challenges

Implementing a process of this type poses the challenge of increasing beneficiaries through greater commitment.[15] It must also strengthen the demonstration effect of the importance of mobilization and engagement in cooperative actions in order to override corporatism and consolidate a broader concern with community solidarity. Existing budgetary constraints considerably reduce room for maneuvering the allocation of resources by the executive and the three levels of government. This could jeopardize the effective implementation of this type of proposal.

The fact that administrations have to deal with different levels of mobilization requires the development of criteria to guarantee that the less mobilized, and also very frequently, the poorest, are included in the process. One of the important objectives of Participatory Budgeting is to reduce inequality and reverse investments that are, many times, given priority. State intervention has to be defined precisely, by actively pressuring participants to incorporate distributional justice concerns into their decisions in a more systematic way, and increase the potential for cooperation and solidarity.

The criteria used by the different administrations to implement Participatory Budgeting varies from a technically defined quality-of-life index, to determine the investment quota of each region, to more participatory approaches.[16] In both cases, the result is a system of distributing resources among regions that does not reflect mobilization differences. In Porto Alegre, distribution is under the control of participants themselves, who discuss and approve criteria that will be used.[17] As an outcome of the developmental dynamics of participation, the regions combine direct political negotiation with measures reflecting the needs and deficiencies of each neighborhood within the priority-defining process; various instruments are used to reduce the possibility of impasses during the negotiation.

Another important aspect is related to the role of the administration and the technical sectors involved in implementation. To overcome the initial resistance to active interaction with the population on the part of the authoritarian institutional culture, the administration must also encourage a learning process in its agencies. The type of initiatives are varied, but all have the objective of promoting distributional systems through the engagement of committed actors who understand the complexity and time-demanding characteristics of these proposals.[18]

The positive experiences of implementing Participatory Budgeting indicate a clear change of attitude on the part of most councilmen. The success and positive popular repercussions provoked a change in their strategy, demanding improvements in the executive structure so as to allow greater participation, instead of creating confrontation. This indicates a certain alteration in the traditional political practices, and not only represents the substitution of clientelistic practices by democratic political relations, but a different form of relationship of the state with civil society. Completely eliminating traditional practices will depend more on the prevailing type of citizens' organizations and their capacity to create a feasible and highly competitive option of alternative political participation to the clientelistic practices.

Most of the experiences in which difficulties were not overcome resulted from the inability to negotiate a certain reversion level of priorities in the Municipal Council. This meant that another logic had to become part of the process. In São Paulo, the resistance of most of the legislators, who were accustomed to a traditional dynamic in preparing the budget, indicated their fear of losing political space, given that the distribution of municipal resources is an important source of votes. The resistance was very strong, which added to the difficulties of publicizing the debates on mobilizing the population through participatory practices. The successful experiences of implementing Participatory Budgeting indicate the need to change the dynamics of institutional relationships. This implies increasing the practices of empowerment of civil society, reinvigorating the role of neighborhood associations, and the possibility for the population to establish a relationship with its representatives on a different basis.

Conclusions

This analysis was centered on the successful experience of a progressive administration in Porto Alegre to consolidate an innovative approach to city management. The experience showed that the growth of citizenship provided by the implementation of Participatory Budgeting is a relevant tool for democratizing public management in a community ethic that breaks with the old patterns of clientelist relations. The contradictions and complexities facing the different actors involved cannot be minimized by solutions of political convenience in a classist or particularized perspective. These experiences, which are having positive outcomes in the reversal of policy priorities through the implementation of Participatory Budgeting, are directly linked to the capacity of these administrations to legitimate channels of participation and combine elements of representative and participative democracy.

The emphasis of several municipalities, that incorporated Participatory Budgeting as an instrument of democratizing the administration, is on permanent access to information, which must be assured to all sectors of the population to effect control of the administration and to increase the level of co-responsibility of the citizens. The dynamic of the process depends mainly on the communication methods used by the government, the interactive strategies selected, and the participative methodologies. This is a process frequently marked by tensions and contradictions, not only within the civil society, but also among the members of the legislative body, who feel their responsiveness to the community that elected them may be jeopardized.

What can be observed is that the most successful experiences reflect the positive effects of inducing the organization of the population at all levels. As a political process, this exercise in democratic participation allows organized civil society to expand the publicization of budgetary decision-making at the executive and the legislative levels and incorporates a concern with transparency on the part of the municipal technicians involved in the process. The political transformations that are taking place open a stimulating space for the construction of a new institutionality, which has participation as an important component for strengthening the citizens' supply of social capital in the management of the *res publica*.

The dynamics of participation indicate the need to overcome or live with certain sociopolitical and cultural conditions, as the development of a different institutional engineering begins to obtain legitimacy. This also reinforces the importance of thinking of participation as a method of government, which presupposes the attainment of certain necessary preconditions, given the characteristics of Brazilian political culture. The experiences of participative administrations, which publicize decision-making forms and consolidate democratic public spaces, affirm a new culture of rights and strengthen the capacity of citizens to multiply and amplify the decision-making process.

However, this innovative relationship of the state and civil society is still far from representing a new paradigm in the Brazilian political scenario, mainly because of the lack of political will of those in office and the fragility of the associative network. What can be observed is that the organized groups that interact and make demands still represent only fragmentary initiatives that do not affect the bulk of a society, which tends to remain refractory to collective practices.

The Brazilian reality is that most of the population is not mobilized to use the instruments of participative democracy, to break with the prevailing social authoritarianism, and most of the social organizations are relatively fragile or extremely specialized, tending to establish direct and/or particularized relationships with local public administrations. The increase in public participation is linked to the predisposition of local governments to create public and plural spaces of articulation and participation, where conflicts become visible and differences are confronted.

In order for local administrations to encourage the accumulation of social capital a belief in the sociopolitical and cultural reaches of a new institutional practice must be acquired, pointing to an ever-growing affirmation of citizenship and stimulation of active participation in the public sphere. Local governments are the best loci to implement practices that may transform public life and state/society relations, and to mobilize a new and vigorous public sphere built through complex interactions and solidarities. Abers (1996: 23) points out in her research that "along the way, participants have developed a series of democratic skills. The most elementary are the basic habits of collective decision-making, holding coherent meetings, allowing all to speak, and learning how to debate and vote on complex issues where choices are multiple."

Participatory Budgeting is not a perfect or finished system. On the contrary, it has problems and vices that demand constant vigilance. For example, in São Paulo the administration did not carry out a comprehensive and systematic monitoring process to help evaluate the experience; and because the administration did not develop homogeneous criteria, each region organized according to its own particularities. In an attempt to overcome clientelist practices, an effort was made to emphasize the technical reasons for the demands that were addressed to the administration, the origin of the problems, and their urban role. The proposal was intended basically to constrain the personal interferences and particularized interests facing the administration.

The lack of response to most of the popular demands in the first two years due to political interference from the City Hall, eroded the process and created a loss of credibility in the population that participated in the process, not only because the aims were not realized, but also because of the delays caused by the negotiations between the executive and legislature to approve the budget. However, the successful experiences indicate that Participatory Budgeting is not a mirage, but to be legitimated takes an enormous effort and the consolidation of a methodology that adds technical and political aspects in equal perspective. It is essential that the Executive—its ideas, motivations and strategies—strengthen its conviction to modify the institutional culture, to make public institutions defend democratic rights, to overcome authoritarian and clientelist legacies, and to strengthen participation and accountability.

As the state assumes a facilitating environment—mobilizing energies and resources, stimulating different types of public/private partnerships, and guaranteeing the implementation of policies that privilege a narrow relationship between equity and participation—the chances for innovation in local governance increase. The importance here is the creation of a thinking civil society and creating a new dimension based on the possibility of transforming what is generally seen as an indissoluble tension into a productive relationship.

Given the frequent extreme urgency, in response to the multiple social demands of the most excluded sectors, participative practices are strengthened through the stimulation of permanent dialog based on reciprocity, stimulating vertical and horizontal access to information and horizontal networking among community associations to encourage greater engagement in active citizenship and informed participation.

The touchstone of this initiative departs from sectorial demands of public goods to be negotiated and reaches—through an institutional format of successive bargaining between community groups and local government—a more global debate on the city. The logic is to add social capital and to turn away from a "restricted" participation based on concrete and immediate needs of the neighborhood where people live. It is to reach an "amplified" participation where the discussion is centered on the city's priorities, equity issues, the role of the legislature, and the capacity of the administration to implement a democratic management of resources through transparent practices.

Endnotes:

[1] The most significant progressive party in Brazil, the Workers Party (PT), has administered and administrates important municipalities. The Workers Party (PT) victory in São Paulo and 31 other municipalities in November 1988 was a unique historical moment for the country; a leftist party took control of the largest Brazilian metropolis and implemented several innovative proposals to democratize the administration of the city. Before 1988, the PT had an elected mayor in only two cities. In 1992, they won ten re-elections in 57 municipalities. In 1996, the PT had 115 mayors, two of them in capital cities (Porto Alegre in the South and Belém in the North).

[2] Data from 1996 indicates that 75 percent of the total population is urbanized and population is growing at 1.4 percent per year as compared with 1.9 percent between 1980/1991. The average number of children per family is 2.4 as opposed to 5.8 in the 1970s.

[3] This occurs most often among adolescents; in São Paulo adolescents accounted for 88/100,000. This compares with 57.4/100,000 in New York. *Folha de S. Paulo*, 11/11/96.

[4] When accounting for "disguised unemployment," the rate reaches 14 percent in the São Paulo Metropolitan Region, which is the most important industrial region of the country. "Disguised unemployment" refers to unemployed workers that are engaged in informal activities and are not recorded as unemployed in the formal sector.

[5] On average, the consumer is paying 7.5 percent interest monthly when financing consumer goods. *Folha de S. Paulo*, 05/01/97.

[6] Imprecise data reveal that around 70 municipalities implemented this policy by 1996.

[7] The budget discussions are formally launched in April of each year with the calling of an open general assembly in each region of the city. Following this assembly, intermediary meetings are held at the neighborhood level to draw up the priorities that are formally presented to the administration at a second round of regional assemblies during the month of June. In early September, the government presents the Municipal Budget Council with its proposed distribution of expenditures among the agencies. The Council discusses and debates the investment plan from October through December, following the order of priorities determined by each Regional Forum. At the end of this period, the administration publishes and widely distributes an Annual Investment Plan itemized by region.

[8] The delegates are elected to the Regional Budget Forums by a percentage of those present at the first assembly and the intermediary neighborhood meetings. At the second set of regional assemblies, participants vote for two representatives and two alternates per region to sit on the citywide Municipal Budget Council. The Regional Forums negotiate with the administration about how resources will be allocated within regions and the Municipal Council concentrates on the distribution of investments among the regions. Abers (1996: 8) points out that after the intermediary meetings, t he Regional Budget Forums begin to coordinate the priority lists of the numerous neighborhood assemblies into a single list of priorities for the region as a whole. The work of the Forum delegates is permanent, and their main task consists of inter actions with city agencies.

[9] The beginning of the process was frustrating because of the incapacity of the administration to respond in a streamlined way to define priorities. Since 1991, the Municipal Budget Council has defined a policy that

distributes the resources by sector of activity instead of concentrating the resources in the areas of maximum priority. In 1993, five Thematic Forums were created to provide a space in which spending issues not relevant to any specific region could be discussed.

[10] Data from research conducted in 1995 by FASE and Cidade, two Porto Alegre NGOs, indicated a strong involvement (76 percent) in some kind of civil association of participants attending regional assemblies.

[11] The administration implemented an information tracking system to allow step-by-step control over agency expenditure.

[12] In Belo Horizonte the regional forum represents the first moment where the movements' capacity to propose is balanced. After the regional forums, the delegates participate in the Municipal Forum of Regional Priorities (Avritzer and Azevedo, 1994: 15-16).

[13] Each year since 1991 the PT administration has published a detailed Investment Plan that represents the outcome of the yearly negotiation process and its commitments.

[14] Most of the investments, according to official documents, have been allocated to small infrastructure projects in the poor neighborhoods. In 1994, the Investment Plan represented 22.7 percent of total expenditure of the municipality; 75 percent of the resources were earmarked for land tenure regularization/housing, risk areas, paving, and basic sanitation.

[15] Many activists interviewed by Abers (1966) understood that those who participate will have greater commitment to and control over the activities of the government, whereas those who receive without participating may benefit materially, but are less likely to become involved as citizens.

[16] In Belo Horizonte, the city is divided into nine administrative regions, each of which receives an annual quota for the Participatory Budget. The quota is determined by a quality-of-life index that projects larger amounts per capita to poorer regions of the city (Abers, 1996: 29).

[17] In 1995, four criteria were prioritized by the Council to direct the investments in a politically viable manner. In each region, investment priority was defined according to: (1) the need for infrastructure; (2) the priority each region placed on infrastructure development; (3) the number of residents living in extremely needy areas, and (4) the total population of the region (Abers, 1996: 21).

[18] In Porto Alegre, community organizers hired by the administration work closely with the regional delegates all year round.

References:

Abers, Rebecca. 1996. Learning Democratic Practice: Distributing Government Resources through Popular Participation in Porto Alegre, Brazil. UCLA. Unpublished manuscript.

Avritzer, Leonardo and Sergio Azevedo. 1994. A Política do 'Orçamento Participativo': Formas de Relacionamento entre Estado e Sociedade Civil. Belo Horizonte. Unpublished manuscript.

Fox, Jonathan. 1996. "Local Governance and Citizen Participation: Social Capital Formation and Enabling Policy Environments." In *Second Annual Proceedings International Workshop in Local Governance,* ed. Robert Wilson and Reid Cramer. LBJ School of Public Affairs, Ford Foundation.

Jacobi, Pedro. 1996. "Ampliação da Cidadania e Participação. Desafios na Democratização da Relação Poder Público/sociedade Civil no Brasil." Livre Docência Thesis, School of Education, University of São Paulo.

_____. 1996. Participatory Budgeting in São Paulo: the Complexity of Challenging Traditional Practices. São Paulo: Cedec/UNRISD. Unpublished manuscript.

_____. 1995. "Alcances y Limites de los Gobiernos Locales Progresistas en Brasil: las Alcadias Petista." *Revista Mexicana de Sociologia,* 2.

Jacobi, Pedro and Marco Antonio Teixeira. 1996. Orçamento Participativo: Co-responsabilidade na Gestão das Cidades. São Paulo: CEDEC. Unpublished manuscript.

Martine, George. 1995. A Trajetória da Urbanização Brasileira: Especificidades e Implicações. Center for Population and Development Studies, Harvard University. Unpublished manuscript.

Moreira, Morvan. 1995. "Evolução e Perspectivas da Dinâmica Geográfica Brasileira: Concentração Populacional e Migração." In *O Novo Brasil Urbano,* ed. Flora Gonçalves. Porto Alegre: Mercado Aberto.

Prefeitura de Porto Alegre, ecretaria da Cultura. 1995. Orçamento Participativo de Porto Alegre: Você é quem faz uma cidade de verdade. Porto Alegre: Unidade Editorial.