

LIVING UNDER A DEMOCRACY

Participation and Its Impact on the Living Conditions of the Poor

Leonardo Avritzer

Federal University of Minas Gerais

Abstract: The Brazilian democratization took place between 1985 and 1988. In 1985, the authoritarian power holders transferred political power to civilians, and in 1988, a new democratic constitution was enacted, thus finalizing the transition. The end of the transition triggered processes of participation in different Brazilian cities, such as São Paulo, Belo Horizonte, Recife, and Rio de Janeiro. However, only in Porto Alegre could the political context in the postdemocratization period generate a process of reverting priorities, that is to say, of inverting the pattern of democratic participation and the pattern of public investment at the urban level. In this article, I show the social conditions of the poor in the city of Porto Alegre in 1985, explain the emergence of participatory budgeting in the city, and show how democracy made a difference in the living conditions of the urban poor in the city of Porto Alegre. In the second part of the article, I analyze the recent expansion of participatory budgeting in Brazil and its recent expansion to midsize cities. In the final part of the article, I show how new participatory institutions are being introduced at the federal level of government. Participation at the local and national levels is making a difference in the living conditions of the Brazilian poor.

Brazil was democratized in 1985, when the military released control over political institutions. In the twenty-three years that have passed since democratization, Brazil has gone from being a country with low levels of participation and mobilization to a country known for its participatory institutions (Avritzer 2002a; Baiocchi 2005; Avritzer and Navarro 2003; Tandler 1997; Dagnino 2002). The Constituent Assembly marked the point of departure for building an infrastructure for participatory democracy. The 1988 Constitution was considered conservative at the time of its ratification given the temporary defeats of civil society actors and progressive political society on issues such as the duration of President José Sarney's mandate and the organization of the political system (Zaverucha 1998; Whitaker 1989). However, a historical perspective suggests a radically different picture. The Constitution opened the way for important changes in Brazil regarding access to social services and the creation of participatory institutions, among them participatory budgeting.

Brazil experienced a deep process of urbanization throughout the twentieth century. In the beginning of the century, more than 70 percent

of its population inhabited the countryside, and at the end of the same century, more than 70 percent of the population were urban dwellers. In this process, Brazilian cities grew in an unfair, disorganized, and illegal way. Unfairness was the result of modernization without any kind of planning—even when cities were planned, no space was reserved for the poor population, as in Belo Horizonte and Brasilia (Brasil 2004; Caldeira 2000). In those planned cities, the poor population was ignored and had to occupy urban plots of land illegally. Disorganization resulted from an absurd process of land concession during the colonial and imperial periods that created legal chaos in large cities such as São Paulo and Rio de Janeiro (Holston 2008). Illegality was the result of a civil code written in 1916, crafted for a rural society, which did not provide adequate legal instruments for urban policies as the country modernized (Fernandes 2002). The result was a process of urbanization completely out of control at the peak of Brazil's process of economic growth during the 1970s.

The late 1970s and early 1980s in Brazil, the last period of the authoritarian regime, involved the transition to democracy and a democratic civil society. The transition to democracy started as a conservative transition, limited to intralite negotiation without the participation of civil society (Alves 1988; Avritzer 1999). However, during the course of the transition, civil society actors reorganized themselves, which created tension with political actors (Avritzer 2002a). Brazilian civil society reorganized itself through several processes: the reorganization of professional associations, such as the Brazilian Bar Association, with its claim for human rights; the constitution of mass social movements on thematic issues, such as health; and the organization of neighborhood associations in the largest Brazilian cities (Avritzer 2002a). The neighborhood associations claimed many public goods and new policies to include the poor in politics, among them urban infrastructure (Gohn 1992). Access to public goods, such as paved streets, sewage systems, health clinics in poor neighborhoods, and property legalization, is the origin of most civil society movements in many Brazilian capitals. In the end, the Brazilian transition combined political negotiation from above and the reorganization of social actors from below (Alvarez, Dagnino, and Escobar 1998). The grassroots process generated new political practices and institutions that made a difference in the living conditions of the poor after democratization.

Brazilian democratization took place between 1985 and 1988. In 1985, the authoritarian power holders transferred political power to civilians, and in 1988, a new democratic constitution was enacted, thus finalizing the transition. The end of the transition triggered participation in different Brazilian cities, such as São Paulo, Belo Horizonte, Recife, and Rio de Janeiro (Avritzer 2009a). However, only in Porto Alegre could the political context in the postdemocratization period generate a process of reverting priorities, that is to say, of inverting the patterns of democratic participa-

tion and public investment at the urban level. In this article, I show the social conditions of the poor in Porto Alegre in 1985, explain the emergence of participatory budgeting in the city, and show how democracy made a difference in the living conditions of the urban poor in the city of Porto Alegre. In the second part of the article, I analyze the recent expansion of participatory budgeting in Brazil. Finally, I also show how new participatory institutions are being introduced at the federal level. Participation at the local and national levels is making a difference in the living conditions of the Brazilian poor.

AUTHORITARIANISM AND THE RADICAL NEEDS OF THE POOR

The Brazilian authoritarian regime radically altered the social and demographic structure of Brazil. Urbanization was the great imaginary of Brazilian authoritarian power holders, who believed that the population of a modern country should be concentrated in large cities. In 1984, the last year of authoritarianism in Brazil, 71 percent of the country's population lived in cities. Brazil's urban population increased 11 percent per decade from 1960 to 1980 (Santos 1987). However, the increase in the urban population did not lead to similar increases in the social services offered to those who were moving from the countryside to large Brazilian cities. In 1984, only 64 percent of the urban population of Brazil has had access to treated water, and of those, 59.6 percent were in the southern region of Brazil. Access to sewage systems was even scarcer: in the southern region of Brazil, only 11.8 percent of the urban population had access to sewage systems. More than 52 percent of the population of southern Brazil, where Porto Alegre is located, had only basic local sewage systems called *fossas* (Santos 1987). In this sense, at the end of authoritarianism in Brazil, all urban cities of Brazil had a concentrated population with little access to goods.

Porto Alegre, when compared with other capitals of southern and southeastern Brazil has had better social indicators in areas such as education and urban poverty.¹ However, the city also grew significantly, from 770,000 people in 1964 to 1,275,000 people in 1985. This growth, at 80 percent, is relatively low for a Brazilian state capital during that period, but it led to the creation of new neighborhoods for the poor with little infra-

1. What makes a Brazilian city more socially equal is a matter of dispute. Most Brazilian cities invest in economic development, whereas few cities invest in improving public policy, such as health or education. Porto Alegre has the highest Human Development Index ranking in Brazil, despite the facts that the city has not attracted huge investments since the late 1970s and that its per capita income is not as high as in many other southeastern capitals, such as São Paulo and Rio de Janeiro.

structure.² In Porto Alegre, social indicators did not deteriorate as quickly as they did in other Brazilian cities because Porto Alegre grew less than other Brazilian cities such as Belo Horizonte and was in a better situation in 1964. However, the number of people living below the poverty line reached 44.8 percent in 1986 (Instituto Brasileiro de Geografia e Estatística [IBGE] 1986).

When we move our concern from the social situation of the population to neighborhood and individual situations in 1985, a dire picture emerges. If we take as our measure one neighborhood in Porto Alegre, Vila Maria Degolada, we can see the kind of urban needs expressed in the preceding data. Vila Maria da Conceição or Maria Degolada (“beheaded Maria”), a poor neighborhood on the outskirts of Porto Alegre, close to the Catholic University, has a unique history. The name of the neighborhood comes from a late-nineteenth-century event in which a soldier beheaded his girlfriend during an out-of-town trip in November 1899. People experiencing unrequited love would later visit the site, and according to locals, the beheaded Maria made appearances nearby. A small chapel was established at the site. Vila Maria da Conceição or Maria Degolada became a community in the late 1960s, when many of its residents moved there after the removal of the poor from many areas of the Parthenon, the region of Porto Alegre where the Vila is located. At that time, the neighborhood did not have paved roads, sewage systems, day-care facilities, or a health center. In the early 1980s, as Brazil was democratizing, a new neighborhood association was created in Vila to dispute practices with an old neighborhood controlled by a religious sister, Irmã Neilah, who had been there since the 1950s and worked on the chapel. In 1985, the year of Brazilian democratization, Vila Maria Degolada still had no access to public goods.

In 1985, the process of participatory budgeting was introduced to Porto Alegre, and began to change living conditions in the city’s poor neighborhoods, including Vila Maria Degolada. There were three key actors in this process. One was Olívio Dutra, the future mayor of Porto Alegre, who had been arrested in 1979 for leading a bank tellers’ strike that was broken when the Ministry of Labor took over his trade union. Another was Iria Charão, the first director of Coordenação de Relações com a Comunidade (CRC), who was trying to reorganize the neighborhood movements in Porto Alegre. The third key actor was Marília Fidel, who would become an important leader in the Maria Degolada neighborhood association. She was organizing her neighborhood under very unfavorable political conditions and had to change her job shift from the day to the night to start

2. Other Brazilian capitals, such as Belo Horizonte and Salvador, have had much greater population gains in the same period. Between 1964 and 1985, Belo Horizonte’s population increased from 895,000 to 2,122,073, and Salvador’s from 747,000 to 1,811,367.

organizing her neighborhood during the day (Alexandre Cambraia, interview with Marília Fidel, Porto Alegre).

DEMOCRATIZATION AND THE EMERGENCE OF PARTICIPATORY BUDGETING

Brazilian democratization led to the emergence of many new forms of participation and to the growth of leftist political parties—in Porto Alegre more than any other city in Brazil. Still, at the beginning of democratization, neighborhood activities were reorganized, and União das Associações de Moradores de Porto Alegre UAMPA was created in 1983 with the aims of reorganizing neighborhood activities and challenging the old umbrella association Federação das Associações de Bairro (FRACAB). As early as 1986, during its second annual congress, UAMPA raised the issue of democratizing the budget. Iria Charão was elected the first president of UAMPA, and Fidel was trying to change the overall conception of local politics in her neighborhood. After unsuccessfully trying to transform the neighborhood association, she created the association Associação de Mulheres Bem Me Quer. This association opened a day-care center one year later. Charão and Fidel would meet again in 1990, the former in charge of CRC and the latter as a councilor of the Participatory Budgeting Council (the COP, by its initials in Portuguese). When they met again, participatory budgeting had been implemented in Porto Alegre.

Porto Alegre was an exception to the general left-right division that characterized most Brazilian cities during democratization between 1985 and 1988. In Porto Alegre, the division was between two leftist parties: the Democratic Labor Party (Partido Democrático Trabalhista, or PDT), a center-left party that sought to revive the populist past, and the Workers Party (Partido dos Trabalhadores, or PT), which sought to renew the Brazilian left and proposed popular councils as an innovative form of urban governance (Keck 1992; Abers 1996). The PDT won the first mayoral elections after democratization and tried to introduce participatory policies. At the same time, neighborhood associations and the PT claimed that the forms of participation were too limited. It was in this context that UAMPA launched the idea of participation in the budget-making process. Porto Alegre was the only city in Brazil in which postdemocratization political competition took the form of struggles in the left and was centered on the issue of participatory policies at the local level.

The PT's Olívio Dutra was elected mayor of Porto Alegre in 1988. Dutra was part of the group of eleven trade unionists who created the PT in 1980. Dutra, together with other local political leaders, created the PT in Porto Alegre, but the party was not very successful during elections in the early 1980s. The PT did not elect any members of Congress at the federal level, and Dutra received only 50,713 votes in the 1982 elections. In 1986, Dutra was elected a member of the National Constituent Assembly with

roughly the same amount of votes, expressing the increase in electoral share and political influence by the PT at that point. Dutra's election in 1988 illustrated the PT's change in fortune—it saw its first big electoral victories that year. Dutra led a participatory group in the PT to positions of power in the administration, which resulted eventually in participatory budgeting. Participatory budgeting was the result of a combination of factors specific to Rio Grande do Sul: the strong neighborhood movement in Porto Alegre, the election of the PT to executive power in the city, the new legal infrastructure of participation that the 1988 Constitution provided, and the claim for participation that emerged in the first thirty days of Dutra's administration (i.e., social movements raised claims for participation in the areas of health, education, and housing).

The initial design of participatory budgeting did not follow the will of any of its authors but was a compromise among their diverse proposals. The UAMPA wanted members of neighborhood associations to decide on all budget issues. The PT proposed that the city council members be elected to popular local councils and did not want assemblies at the local level with decision-making power. In contrast to UAMPA, and following the logic of local politics, the administration proposed that individual citizens should partake in the participatory budgeting process and not on a corporatist basis.³ However, the administration accepted UAMPA's proposal that participation take place at the local level in regional assemblies, following the popular mobilization in the city. The local PT insisted on the establishment of a council as part of a parallel system of power (Abers 1996), and from that, the COP emerged. Yet the COP's role in coordinating locally generated proposals was completely new. Also, the administration saw that it would need to change its functioning for participatory budgeting to work. It then completely changed the structure of the CRC, chaired by Charão, and created a new institution, the Planning Cabinet (Gabinete de Planejamento, or GAPLAN), charged with elaborating the budget under the supervision of both the COP and the mayor's cabinet.

Thus, I note here an interesting interaction among democratization, participation, and individual trajectories in Porto Alegre. Despite its relatively better social situation as compared to Brazil's southeastern capitals, Porto Alegre still had concentrated pockets of poverty, similar to other Brazilian cities. However, after democratization, it was only Porto Alegre that could reverse such a situation. Key actors at several levels took place in this process: Dutra, Charão, and Fidel. Dutra was mayor of the city's first PT administration; Charão moved from being president of UAMPA to the government and was the first CRC coordinator; Fidel, a neighborhood

3. This led to conflict in the early 1990s in Porto Alegre. Initially, UAMPA decided not to participate in the first rounds of participatory budgeting (see Baierle 1998).

activist, was elected to the participatory budgeting council and became an important leader in the city. Let us see how together they changed the condition of the poor in Porto Alegre.

**PARTICIPATORY BUDGETING, DELIVERY OF PUBLIC GOODS,
AND THE LIVING CONDITIONS OF THE POOR**

Participatory budgeting was highly successful in three areas: broadening democratic practices in Porto Alegre and later Brazil, broadening the access of the Brazilian poor to public goods, and renewing the composition of the Brazilian political elite (for a description of participatory budgeting, see Abers 2000; Santos 1998; Avritzer 2002; Baiocchi 2005).

There are three broad statements that can be made about democratic practices in Brazil at the end of the authoritarian period. First, the poor in Brazil were starting to enter politics. There was a moment in the early 1970s when the poor had been completely excluded from all venues of participation. In research done in poor neighborhoods of Sao Paulo in 1973, Kowarick (1980) found that 93 percent of those sampled did not participate in any way. Second, as the poor started to participate, by the late 1970s, several options emerged, including joining clientelistic arrangements and a more autonomous, independent political environment. In Rio de Janeiro, clientelism was an important form of political incorporation for the poor. *Chaguismo* was a proposal connected to both authoritarian power holders and the democratic opposition during the late 1970s.⁴ In São Paulo, the rearticulation of conservative politics around the ex-president Janio Quadros also led to the rearticulation of old clientelist networks (Avritzer 2002a). In opposition to that, a few new practices emerged in the realm of neighborhood associations, particularly horizontal assemblies and the public presentation of demands for public goods to local governments. These were the two main options available at the beginning of Brazilian democratization, and participatory budgeting led to the strengthening of the horizontal democratic option.

It is interesting to see how Vila Maria Degolada transitioned from clientelism to horizontal organization. The transition involved challenging the traditional leadership exercised of the sisters in the neighborhood. The sisters did not direct immediate political interests, but their long-time leader, Sister Nelih, had connections with the German church and

4. *Chaguismo* is the mode of incorporating the poor that Chagas Freitas developed in Rio de Janeiro at the end of the authoritarian period. Rio de Janeiro was the first state with a governor who belonged to the Partido do Movimento Democrático Brasileiro (PMDB) opposition party. Chagas Freitas constructed a clientelistic network in Rio de Janeiro during his administration, which was challenged by the formation of independent associations during democratization (Gay 1994).

received resources that allowed her association to provide the poor with limited public services. At that point, the sisters were part of a culture of the favor (Dagnino 1994), which involved the depoliticization and disempowerment of social actors. They did not want the community to organize itself to claim public goods from the state. However, as democratization evolved in Brazil, a community council was formed. Marilia Fidel challenged the sisters' leadership after Sister Nelih passed away. Fidel proposed direct election to the neighborhood council, whereas Sister Nelih had previously heavily influenced most of the council's decisions. In the mid-1980s, Fidel was elected member of the council, and then president of the community council in the late 1980s. It is at this point that participatory budgeting was introduced into the city and that the community began to leave behind the culture of the favor.

The first important political contribution of participatory budgeting was that it created a venue for the new practices emerging in the neighborhood associations movement. Until 1990, associations had two main venues to claim public goods in Porto Alegre. In a survey applied of the neighborhood association's leadership in 2000, 41 percent of respondents said they used to get public goods through political connections and 54 percent said they used to get public goods through mobilization (Avritzer 2006). Among the important results of participatory budgeting was a change in this dynamic. Abers (2000) points out that clientelistic neighborhood associations lost access to public goods during the first years of participatory budgeting and reacted by changing social practices. I have also interviewed an important leader in the neighborhood association of Vila Jardim, who made a similar comment: the most important result of participatory budgeting was that it created a public method for the poor in Brazil to claim public goods. The poor are used to what might be called *cultura do favor*, in which important acts of political citizenship are decided through personal networks instead of open, public channels (Avritzer 2002b). Participatory budgeting added an element of political will to the process of claiming public goods and triggered a dynamic among neighborhood associations in which those who were not organized saw an organized neighborhood, for example, get public goods and then decided to emulate those actions, thus becoming more horizontal and democratic. However, in my view, it is a mistake to consider that the change in political practices has been definite. In the same interview with the president of the Vila Jardim neighborhood association, I asked her about the main advance of participatory budgeting and the main political problems created by participatory budgeting. She considered clear rules for claiming public goods the most important advance for neighborhood associations. However, she considered the main problem not having direct access to the mayor to claim public goods. Thus, participatory budgeting created a change in democratic practices among the poor, but the new Brazilian

Table 1 *Porto Alegre Selected Regions by Income and Irregular Housing*

| Region | Population | Income per region in 1991 (no. of minimum wages) | Number of irregular housing units in 1991 (%) |
|----------|------------|--|---|
| Humaita | 48,199 | 4.14 | 30.97 |
| Leste | 110,451 | 8.63 | 28.14 |
| Cristal | 30,054 | 6.24 | 26.32 |
| Sul | 62,837 | 9.47 | 17.57 |
| Restinga | 45,999 | 2.35 | 14.8 |
| Noroeste | 127,574 | 7.90 | 5.49 |
| Centro | 271,294 | 11.40 | 1.46 |

Source: Adapted from Marquetti 2003.

democracy still has a long way to go to disassemble old practices and to assemble new ones.

The second important difference that participatory budgeting made on the lives of average Porto Alegre dwellers affected access to public goods. Access to public goods is different in every Brazilian city, and Porto Alegre was not an exception in 1990. However, from 1990 to 2000, if one takes five major social indicators—access to treated water, access to sewage systems, incidence of infant mortality, access to day care, and housing—and analyzes their evolution in Porto Alegre, an important evolution is revealed. In 1990, Porto Alegre had a high ranking on the Human Development Index in Brazilian terms. However, the distribution of wealth in the neighborhoods was very uneven (table 1).

Participatory budgeting acted to decrease regional inequality, which is shown in table 1. Some of the city's regions had up to 30.97 percent irregular housing (e.g., a not-legalized house, a not-legalized land plot, an irregular neighborhood),⁵ whereas other regions of Porto Alegre had as little as 1.46 percent irregular housing. Participatory budgeting acted on these irregularities in two main ways: (1) by disassociating access to public goods from illegality, thus providing water and sewage systems to illegal dwellings and neighborhoods and (2) by providing access to housing and land in those areas. Participatory budgeting concentrated in the areas with the largest deficits in housing and public goods; in ten years, it managed to strongly diminish this deficit.

It is possible to see how access to both water and land tenure evolved in Porto Alegre in certain areas. Tables 2 and 3 show the increase in ac-

5. Most of the illegal housing in Brazil is linked to the occupation of public land and the related poor legislation that existed until 2001, when the Statute of the City was approved (see Fernandes 2000).

Table 2 Investments in Housing

| Region | Total investment in housing (reals) | Total investment per overall population (reals) | Total investment per capita in slums and vilas |
|-------------|-------------------------------------|---|--|
| Humaita | 8,080,731.00 | 162.57 | 493.92 |
| Leste | 11,599,704.00 | 97.54 | 331.36 |
| Cristal | 5,313,000.00 | 175.82 | 529.48 |
| Extremo Sul | 13,255,077.00 | 446.81 | 2679.17 |
| Sul | 1,851,000.00 | 27.30 | 156.89 |
| Restinga | 19,810,000.00 | 368.46 | 3,785.02 |
| Noroeste | 1,259,513.00 | 9.70 | 166.64 |
| Centro | 6,498,053.00 | 24.35 | 1,855.00 |

Source: Prefeitura de Porto Alegre and Hilgert 2005.

cess to housing and sewage systems and/or treated water in Porto Alegre from 1990 to 2000. Areas such as Humaita, Restinga, and Cristal received massive investments in the regularization of housing, particularly if measured per capita by those who inhabit slums and *vilas*. Neighborhoods such as Parthenon and the center received less investment as a percentage of the overall population (Center received only twenty-four reals per capita). However, the investments appear greater if measured in per capita terms for the slum and vila population. Table 2 summarizes housing investments from participatory budgeting from 1991 to 2004.

Table 2 shows that there has been meaningful investment in the poorest and middle-income regions. Regions such as Restinga, Leste, Humaita, and Extremo Sul received many resources, both aggregate and per capita. In aggregated terms, these areas received more than 38 million reals, almost one-third of the total housing investments in Porto Alegre between 1991 and 2004, or 115 million reals (Hilgert 2005, 90). Per capita investments are also very meaningful: Humaita received 494 reals; Leste, 331; and Restinga, 3,785. Other neighborhoods with lower deficits of public goods also received higher investments, among them the center of Porto Alegre, which, despite having only a 1.46 percent housing deficit still received 6.49 million reals. However, in looking at how this amount was spent, we see that the overall population of the center received 24 reals per capita, whereas the slum and vila population of the center region received 1.855 reals per capita. Thus, the bulk of the housing investment was in the poorest regions of Porto Alegre, and most of these reached the slum and vila population.

A similar remark can be made in relation to investment in sewage and treated water, though the investments necessary to meet these needs have been relatively smaller than those in the area of housing, given the nature

Table 3 Investments in Water and Sewage in Selected Regions in Porto Alegre, 1992–2004

| Region | Total investment in reals | Per capita investment |
|-------------|---------------------------|-----------------------|
| Humaita | 3,532,752 | 71.07 |
| Leste | 12,749,011 | 99.98 |
| Cristal | 1,066,488 | 27.83 |
| Extremo Sul | 11,476,000 | 144.52 |
| Sul | 4,225,400 | 48.44 |
| Restinga | 2,587,820 | 45.04 |
| Noroeste | 900,881 | 6.93 |
| Centro | 4,595,505 | 13.57 |

Source: Hilgert 1995, 117.

of the public good in question. Deficits in these areas are huge, and all the neighborhoods demanded access to these goods.⁶ Regions such as Restinga and Humaita that received huge investments in housing received relatively fewer investments in water and sewage. Only Extremo Sul, the poorest of all the regions analyzed, with an average income of 2.95 minimum wages, received large investments in both housing and sewage and/or treated water. Also, the proportion of investments between poor and wealthy regions express themselves more clearly in the area of sewage than in the area of housing in which even in wealthy neighborhoods the demand emerges. In the end, the result in the area of sewage and treated water was a substantial increase in coverage. In 1992, only 5 percent of Porto Alegre's population had sewage systems, and 95 percent received treated water. In 2001, 25 percent of the population had sewage systems, and 99 percent of the population received treated water.

Where is Vila Maria Degolada situated in this context? Vila Maria Degolada was among the 5 percent of the city without sewage systems and water treatment. However, in 2002, from participatory budgeting they got a sewage system for the neighborhood. Today, there is a sanitized street that is the entrance of the neighborhood. In 2003, they got a public day-care center, and in 2001 and 2004, most of the center of the neighborhood was paved. Thus, it is possible to see how democracy allowed the poor to take politics in different directions: a neighborhood without access to public goods and controlled by a tradition and hierarchical leadership has been able, through participatory budgeting, to access public goods. This access occurred through a transformation of their leadership and through the new political opportunities that participatory budgeting created for the emerging leadership to engage in politics horizontally.

6. Hilgert aggregated total demands for the period 1991–2004: 702 million reals.

Table 4 Participatory Budgeting Councilors and Leaderships

| Councilor/leader name | Years | Current political post |
|-----------------------|-----------|--|
| Iria Charão | 1990–1996 | National Secretary on Cities (2003–2005) |
| Carlos Comasseto | 1999–2003 | City councilor |
| Renato Guimarães | 1998–2004 | City councilor |
| Maristela Maffrei | 2001–2004 | City councilor |
| Marília Fidel | 2001–2004 | Councilor of URBAN/Poa–Comissão de Planejamento Urbano de Porto Alegre |

Source: Cidade 2008.

The third element of change caused by participatory budgeting is related to internal movements in the city's political elite. The Brazilian political system was very exclusive up to the country's democratization. Though at the local level new people without experience have always entered the system, most of the time these were members of local clientelistic chains that made up the political system (Leal 1996). Participatory budgeting changed this configuration by creating a process for social movement representatives to access the political system. This process has two sides: the first one, the more visible one, is linked to integration into the local, state, and federal political systems of important participatory budgeting leaders. Olívio Dutra, the first mayor of Porto Alegre, is perhaps the best-known case: Dutra became governor of the state of Rio Grande do Sul and Ministry of the Cities, the ministry in charge of broad urban participatory policies. Iria Charão, the first CRC coordinator and community relations coordinator, also became a key player in participatory policies. She was the first coordinator of participatory budgeting at the state level in Rio Grande do Sul and later became national secretary for urban policies in the Ministry of the City. Second, there has also been a more horizontal process of creating new leaders through participatory budgeting. Hundreds of people who emerged as leaders through participatory budgeting became local democratic leaders, created in a democratic process. They made their way into the political system through the local PT and through various other venues the democratic process opened. Table 4 gives an idea of the process of creating new political leaders in Porto Alegre.

In this sense, it is clear that participatory budgeting also renewed political dynamics in Porto Alegre. Marília Fidel's experience is not unique. On the contrary, she represents a general movement in which new practices are creating new leaders who are less clientelistic, more horizontal, and formed by political mobilization in their neighborhoods. This new group of political actors has changed how Brazilian political elites understand participatory processes as they make their way to local parliaments.

THE EXPANSION OF PARTICIPATORY BUDGETING IN BRAZIL⁷

Participatory budgeting emerged in Porto Alegre in 1990 and expanded to the rest of Brazil during the 1990s (Avritzer 2002a, 2009a; Wampler and Avritzer 2005). The expansion of participatory budgeting in Brazil is noteworthy for several reasons. In terms of the numbers, participatory budgeting expanded from 13 cases in 1992 to 53 in 1996, 112 in 2000, and 190 in 2004. Research has shown that there were 201 cases of participatory budgeting at the end of 2008 (Avritzer and Wampler 2008). The significant expansion of participatory budgeting over a twenty-year period means that it has been adopted in municipalities that are significantly different from Porto Alegre. The greater number of participatory budgeting cases and careful tracking of participatory budgeting over the past twenty years provide an incredible opportunity to better understand how factors such as region, municipality size, and political party affect how participatory budgeting programs function.

The adoption of participatory budgeting evolved regionally as the practice expanded from its original base in southern and southeastern Brazil to other regions, particularly the Northeast (see table 5). The expansion of participatory budgeting poses important research and institutional design questions for policy makers, including, How does municipality size or region affect participatory budgeting performance?

The distribution of participatory budgeting programs along regional lines is quite similar in the periods 2001–2004 and 2005–2008. However, it has increased between 1997 and 2001, from seventeen to forty-five cases. When comparing the last two mayoral administrative periods, it is remarkable that the rate of adoption along regional lines is nearly identical. The South, Southeast, and Northeast are the three regions with the most significant number of participatory budgeting programs. The Southeast continues to have the largest number. The distribution of participatory budgeting results from three factors. First, the PT base of support has traditionally been in the Southeast; the PT was an early proponent of participatory budgeting, and early adoption in the Southeast resulted from the party's electoral strength in the states of São Paulo, Minas Gerais, and Rio de Janeiro.

Second, there is a state and regional diffusion effect. When municipalities in a certain state adopt participatory budgeting, neighboring municipalities governed by rival parties have the opportunity to learn about participatory budgeting, which then increases the likelihood of non-PT municipalities adopting the practice. In other words, the PT's electoral strength set the stage for competitors' adoption of the practice. However,

7. This section is the reelaboration of a research report written with Brian Wampler on the expansion of participatory budgeting in Brazil (Avritzer and Wampler 2008).

Table 5 *Distribution of Participatory Budgeting by Year and Region*

| | 1997–2001 | % | 2001–2004 | % | 2005–2008 | % |
|--------------|-----------|------|-----------|------|-----------|------|
| Center-West | 3 | 2.5 | 8 | 4 | 12 | 6 |
| Northeast | 17 | 14.2 | 45 | 22.6 | 45 | 22.4 |
| North | 3 | 2.5 | 11 | 5.5 | 17 | 8.4 |
| Southeast | 50 | 41.7 | 90 | 45.2 | 83 | 41.3 |
| South | 47 | 39.1 | 45 | 22.7 | 44 | 21.9 |
| Total | 120 | | 199 | | 201 | |

this phenomenon did not occur in the state of Rio de Grande do Sul, where Porto Alegre is considered the birthplace of participatory budgeting.

The third reason the Southeast first adopted participatory budgeting is that participatory budgeting programs are more likely to be adopted in municipalities with higher standards of living—and the Southeast has the country's highest standard of living. Although it is impossible to establish any definitive causal relationship that links adoption of participatory budgeting to a higher standard of living, there are several factors that may be involved, including a greater number of unions, deeper support for policy reforms initiated by center and leftist parties, denser civil society organizations (CSO), a broader range of CSOs, CSO-employed political strategies, and greater support from high-capacity nongovernmental organizations (NGOs).

The most significant change in adoption of participatory budgeting occurred during the 2001–2004 mayoral administrative period, when participatory budgeting was adopted at higher levels in the Northeast. During the 1997–2000 period, 80 percent of all participatory budgeting cases were in the South and Southeast, but by 2001–2004, that figure had dropped to 68 percent, which was maintained during 2005–2008. Municipalities in the Northeast adopted 23 percent of participatory budgeting cases in the 2001–2004 period and 22 percent in the 2005–2008 period. Why did the Northeast begin to adopt participatory budgeting?

First, there is a high level of economic dynamism in the Northeast region of Brazil that expresses itself in higher rates of economic growth, as well as in the increasing number of science and technology institutions and a more serious approach to public administration. All this has led to increased knowledge about participatory budgeting and willingness to implement it. Second, reformist mayors in major urban municipalities (e.g., Recife, Fortaleza, São Luis) adopted participatory budgeting, and those cities were important hubs for the dissemination of information about participatory budgeting. Third, the PT expanded its electoral base outside of the Southeast, which meant that PT municipalities were much more likely to adopt participatory budgeting and would serve as new hubs to allow for information and knowledge dissemination.

Three processes appear to drive the spread of participatory budgeting across Brazil. First, PT-governed municipalities have consistently adopted participatory budgeting. As the PT's influence map expanded, so, too, did the map of adoption of participatory budgeting. Second, there is a state and regional spatial diffusion effect (i.e., the hub effect discussed previously). Third, informal knowledge networks that include NGOs, CSOs, unions, and social scientists spread information on how the process took place. The lack of a centralized governing system mandating the adoption of participatory budgeting worked to the benefit of participatory budgeting, because mayors and public officials interested in new participatory policy-making processes could avail themselves of different sources of information. Therefore, the key lesson to be learned from the spread of participatory budgeting in Brazil is that local political actors took the initiative given their perceptions that participatory budgeting would provide some type of benefit to their municipality.

The rate of continuity between participatory budgeting programs from 2001–2004 to 2005–2008 is high: 61 percent. What are the key characteristics of that continuity? First, the continuity rate across the five regions is strongly related to the rates at which each region adopted participatory budgeting. In other words, region significantly affects participatory budgeting continuity. Second, as the city populations increase, there is greater likelihood that participatory budgeting programs will span mayoral administrative periods. Forty-five percent of continuity occurred in cities with more than fifty thousand residents, slightly greater than the 41 percent share of participatory budgeting cases during 2005–2008.

Importantly, there were thirty-six municipalities using participatory budgeting in 1997. This suggests that once a municipal government adopts participatory budgeting programs, there are better odds that the program will become part of the municipality's decision-making process. This does reveal much about how the programs will function, but it suggests that governments and citizens are growing accustomed to the idea that budgetary processes should be transparent, open to the public, deliberative, and participatory. Sixty-seven percent of the continuity that spanned three mayoral terms occurred in municipalities with more than one hundred thousand residents, although the group accounted for just 41 percent of municipalities practicing participatory budgeting in 2005–2008.

Thus, there are two general points to make on the expansion of participatory budgeting in Brazil. First, there has been strong expansion of participatory budgeting to the Northeast after the year 2000. Participatory budgeting emerged in the South and rapidly expanded to the Southeast, the two most developed regions of Brazil. The expansion of participatory budgeting to the Northeast is a good indicator that the practice, despite its slow growth during the period between 2004 and 2008, is expanding to a region of very fast economic growth and rapid change in administrative

performance. The cases of participatory budgeting in the Northeast (from seventeen to forty-five cases, including in Recife and Fortaleza) also show that participatory budgeting is being adopted in regions where it can contribute to the improvement of the living conditions of the poor.

The second important characteristic is the continuity of cases of participatory budgeting in cities with more than one hundred thousand inhabitants. Participatory budgeting has an overall high rate of continuity in Brazil (61 percent). In addition, 67 percent of cases of continuity took place in cities with more than one hundred thousand inhabitants. These cities are today the most dynamic cities in Brazil, they are beyond the spotlight of political disputes, they have good administrative infrastructure, and they have provided greater access for the poor population to public goods. The data suggest that participatory budgeting is changing its role in Brazilian politics, thus leaving the forefront of the political dispute in large capitals and assuming a stronger administrative role in cities with more than one hundred thousand inhabitants and in the Northeast. In both cases, the data show that participatory budgeting is likely to remain politically relevant in Brazil in the years after 2008.

PARTICIPATION IN BRAZIL TODAY

The expansion of participatory budgeting to the rest of Brazil took place simultaneously with the introduction of two new, very important participatory institutions in Brazil: the Statute of the City, with its requirement of participatory master plans for every city with more than twenty thousand inhabitants, and the expansion of national councils by Lula's government. Together, these two things brought participation to the national level.

The Statute of the City was approved in 2001 as the legal specification of the 1988 Constitution chapter on urban planning. The bill, Pompeu de Souza, remained dormant in Congress for a long time, and when it was approved in 2001, it required that all Brazilian cities with more than twenty thousand inhabitants elaborate a master city plan with the participation of the population. Master city plans are being elaborated in more than 1,500 cities with the help of the Ministry of the City, which Lula created in 2003. The ministry brought to the national government long-term activists from the urban reform movement (Avritzer 2009).

Lula's government has also adopted a policy of sponsoring national councils and national conferences. The 1988 Constitution emphasized the principle of participation for some public policies, such as health, social assistance, urban politics, and environment. These four councils, together with Conselho Nacional do Meio Ambiente (CONAMA), constituted the mainstream national councils until the beginning of the Lula government. Lula's first mandate was characterized by a huge increase in the number of national councils. By the end of 2006, Brazil already had more

than thirty national councils, the most important of the new councils created being the Conselho de Desenvolvimento Econômico e Social (CDES, or Council for Economic and Social Development), which involved important civil society participants in discussions of economic policies and political reform and that the president attended many times. The National Youth Council is also very important; it is the basis of a new fellowship program for unemployed youths in the outskirts of Brazilian cities (Avritzer 2009b).

In addition to national councils, Lula's government adopted a policy of sponsoring national public policy conferences. These conferences already existed for a handful of areas, such as health, social assistance, and child and teen issues, among others. After 2003, Lula's government generalized the organization of conferences to almost all areas of social policy, which led to the organization of thirty-six national conferences in his first term (Avritzer 2009b). In his second term, national conferences became a rule in almost all social policy-related ministries. In August 2009, the first national conference took place on public security, thus further extending participation at the national level in Brazil. These conferences collected and systematized the civil society's agenda on national issues and prove the continuation of participatory policies at the national level in Brazil.

Democratization can be understood as the restoration of political competition among elites. This concept, which has been hegemonic during the postwar period, places the center of the democratic practices at the electoral level (Przeworski 1991). Brazilian democratization, as I have shown, expresses a different conception of democracy, a conception that understands democracy as a relationship between the state and civil society that may lead to social and political inclusion. *Inclusion* can mean the generation of new political practices, a change in political elites, or the change in a specific pattern of state-civil society relations. All three of those aspects are present in the Brazilian process of democratization. Brazil is one of the important cases in Latin America showing a process of political and social inclusion following a process of democratization.

There is currently a debate in Latin America on whether democracy changed citizens' living conditions. Data from Latinobarómetro (2003) show that many Latin Americans still do not see how democracy changed their lives and would not oppose a nondemocratic regime that could deliver economic changes. There are no doubts that, during the sharp economic crisis of the 1980s and the neoliberal stabilization of the 1990s, many Latin Americans identified their harsh economic plight with the existing democratic regime (Pereira and Margheritis 2007). However, it is important to point out that this is only part of the story. Democracy also opened up important venues for new democratic experiences. Participatory budgeting in Brazil could not have existed without the restoration

of democracy in the country. The Constituent Assembly and the political mobility that led the PT to power in Porto Alegre would have never taken place without the process of democratization that occurred between 1985 and 1988.

Participatory democracy changed Brazilian politics in three important ways: it created a political process that included the poor in the political field; it created a process of inversion of priorities that gave the Brazilian poor access to public goods; and it allowed a new political group to come into politics from below. All three elements together changed the view of the Brazilian poor, showing them that politics is a process that is accessible to them. However, it is important to point out that participatory budgeting is not a participatory island in Brazil's representative democracy. At the same time that participatory budgeting was being implemented in the first half of the 1990s, many people living in neighborhoods singled out for public investment were losing their jobs, and unemployment in Porto Alegre went from 3.72 percent in 1990 to 7.18 percent in 2000.⁸ It is also true that levels of violence increased in Porto Alegre, as they did everywhere else in Brazil during the same period. However, I do not argue that participatory democracy solved all the problems of the new Brazilian democracy. On the contrary, I argue that participation provided poor citizens in Brazil with a vision that democracy may create mechanisms to help them, despite drawbacks related to the general situation in the country before 2003. Democracy allowed the poor to take into their own hands decision making on urban policies and to increase their access to public goods. Participatory democracy did not resolve the problems of the poor in Brazil. It allowed them to see the role of democracy as opening up new methods to solve those problems, ones that today exist in many parts of Brazil.

REFERENCES

- Abers, Rebecca N.
 1996 "From Ideas to Practice: The PT and Participatory Governance in Brazil." *Latin American Perspectives* 23: 35–53.
 2000 *Inventing Local Democracy: Grassroots Politics in Brazil*. Boulder, CO: Lynne Rienner Publishers.
- Avritzer, Leonardo
 1999 "The Conflict between Civil and Political Societies in Post-Authoritarian Brazil: An Analysis of the Impeachment of Collor de Mello." In *Corruption and Political Reform in Brazil: The Impact of Collor's Impeachment*, edited by Keith S. Rosenn and Richard Downes, 119–140. Miami: North South Center.
 2002a *Democracy and the Public Space in Latin America*. Princeton, NJ: Princeton University Press.

8. Values are related to economically active persons, an IBGE classification (see <http://www.ocaixa.com.br/bancodedados/desptoal.htm>).

- 2002b "Orçamento participativo: As experiências de Porto Alegre e Belo Horizonte." In *Sociedade civil e espaços públicos no Brasil*, edited by Evelina Dagnino, 17–46. São Paulo: Paz e Terra.
- 2006 "New Public Spheres in Brazil." *International Journal of Urban Regional Research* 30 (3): 623–637.
- 2009a *Participatory Institutions in Democratic Brazil*. Washington, D.C.: Wilson Press and Johns Hopkins University Press.
- 2009b *Experiências nacionais de participação social*. São Paulo: Editora Cortez.
- Avritzer, Leonardo, and Zander Navarro, eds.
2003 *A inovação democrática no Brasil: O orçamento participativo*. São Paulo: Cortez Editora.
- Avritzer, Leonardo, and Brian Wampler
2008 *The Expansion of Participatory Budgeting in Brazil: An Analysis of the Successful Cases Based upon Design and Socio-Economic Indicators*. Washington, D.C.: World Bank.
- Baierle, S. G.
1998 "The Explosion of Experience: The Emergence of a New Ethical-Political Principle in Popular Movements in Porto Alegre, Brazil." In *Cultures of Politics/Politics of Cultures: Re-Visioning Latin American Social Movements*, edited by S. E. Alvarez, E. Dagnino, and A. Escobar. Boulder, CO: Westview Press.
- Baiocchi, Gianpaolo
2005 *Militants and Citizens: The Politics of Participation in Porto Alegre*. Stanford, CA: Stanford University Press.
- Brasil, Flávia de Paula Duque
2004 "Espaços públicos, participação cidadã e renovação nas políticas urbanas locais nos anos 80." Master's thesis. Belo Horizonte: FAFICH and Universidade Federal de Minas Gerais.
- Caldeira, Teresa
2000 *São Paulo, City of Walls*. Berkeley: University of California Press.
- Dagnino, Evelina, ed.
1994 *Anos 90: Política e sociedade no Brasil*. São Paulo: Brasiliense.
2002 *Sociedade civil e espaços públicos no Brasil*. São Paulo: Paz e Terra and UNICAMP.
- Fernandes, Edésio
2000 "Do Código Civil de 1916 ao Estatuto da Cidade: Algumas notas sobre a trajetória do direito urbanístico no Brasil." In *Estatuto da Cidade comentado*, edited by Liana Portilho Mattos, 31–64. Belo Horizonte: Mandamentos.
- Gay, Robert
1994 *Popular Organization and Democracy in Rio de Janeiro*. Philadelphia: Temple University Press.
- Holston, James
2008 *Insurgent Citizenship: Disjunctions of Democracy and Modernity in Brazil*. Princeton, NJ: Princeton University Press.
- Keck, Margaret E.
1992 *The Workers Party and Democratization in Brazil*. New Haven, CT: Yale University Press.
- Kowarick, Lúcio
1980 *A espoliação urbana*. Rio de Janeiro: Paz e Terra.
- Latinobarómetro
2003 *Data for 2003* (accessed May 2008 at <http://www.latinobarometro.org>).
- Leal, Victor Nunes
1996 *Coronelismo: The Municipality and Representative Government in Brazil*. Cambridge: Cambridge University Press.
- Przeworski, Adam
1991 *Democracy and the Market*. New York: New York University Press.
- Santos, Boaventura de Sousa
1987 "The Law of the Oppressed: The Construction and Reproduction of Legality in Pasargada." *Law and Society Review* 12: 5–125.
- Tendler, Judith
1997 *Good Government in the Tropics*. Baltimore: Johns Hopkins University Press.

Wampler, Brian, and Avritzer, Leonardo

2005 "The Spread of Participatory Budgeting in Brazil: From Radical Democracy to Participatory Good Government." *Journal of Latin American Urban Studies* 7: 37–52.

Whitaker, Francisco, Carlos Michiles, Emmanuel Gonçalves Vieira Filho, João Gilberto Lucas Coelho, Maria da Glória da Veiga Moura, and Regina de Paula Santos Prado

1989 *Cidadão constituinte: A saga das emendas populares*. Rio de Janeiro: Paz e Terra.

Zaverucha, Jorge

1998 "A Constituição brasileira de 1988 e seu legado autoritário: Formalizando a democracia mas retirando sua essência." In *Democracia e instituições políticas brasileiras no final do século XX*, edited by Jorge Zaverucha, 113–148. Recife: Bagaço.