

PARTICIPATORY BUDGETING IN BRAZIL

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1. INTRODUCTION

The process of participatory budgeting is a key feature of local governance in Brazil, and is an institution in which citizens in various Brazilian municipalities can take part. Participatory budgeting has its roots in the civil society and the reformist politics of the Brazilian Workers' Party. This process, born in Porto Alegre, is now practiced in several countries around the world. Despite its success in Porto Alegre and other Brazilian municipalities, the process does have its weaknesses. This essay will look at the rise of civil society in Brazil and explain the participatory budgeting process. A brief history of the process will be discussed, as well as the state of the process in certain Brazilian municipalities. In addition to the Brazilian experience, examples of participatory budgeting in other countries will also be given. It is also necessary to discuss the weaknesses of the process to understand it as a whole.

2. THE RISE OF CIVIL SOCIETY IN BRAZIL

Brazil is Latin America's most populous and most decentralized democracy and has witnessed "the proliferation of participatory institutions at the municipal level, granting citizens access to decision-making venues as well as the right to engage in oversight activities" (Wampler, 2004:73). Citizens and civil society organizations (CSOs) play a prominent role in Latin America's new democratic regimes (Wampler, 2004:73). During the late 1970s and early 1980s civil society activism reemerged in Brazil (Wampler, 2004:79). Since 1985 civilian political forces have "expanded decentralization in the name of representation and participation" (Selcher, 1998:25). The political and social exclusion experienced by many Brazilians was challenged by CSOs and led to the development of new political preferences of citizens. Actors within the civil society activism, "sought to influence government officials during Brazil's transition to democratic rule" (Wampler, 2004:79). The institutional format of municipal and state institutions in Brazil has transformed after the "explosion of demands based on rights" by Brazilian citizens (Wampler, 2004:79). The expansion of the civil society had an important direct effect on political society. "Civil society leaders reached out to, and worked with politicians to help elect candidates and to influence

public policy” (Wampler, 2004:79). At the same time public officials sought CSO support to “mobilize potential voters” (Wampler, 2004:79). “The willingness of elected mayors to support and implement participatory institutions” (Wampler, 2004:79) can be linked with the fact that many of the mayors had political connections within the CSOs. The rise of civil society in Brazil had a large impact on the democratization process and the change of the Brazilian political system. Federalism and decentralization in Brazil, which will be discussed next, in combination with civil society, helped Brazil to become a country with some of the most successful experiences in participatory and local government (Avritzer & Wampler, 2004:291).

3. FEDERALISM AND DECENTRALIZATION IN BRAZIL

From 1964 to 1985, the military regime of Brazil heavily centralized government activities in Brasilia (Selcher, 1998:25). “Institutional reforms, free-market policies, and privatizations since 1990 have moved the country away from the legacy of statist authoritarian rule. The executive has lost power to the legislative and judicial branches, the union to states and municipalities, and the state to society, private enterprise and market forces” (Selcher, 25). In the 1988 constitution, municipalities are recognized as component parts of the Brazilian federation, and the constitution shifted significant political power from federal government to the states and municipalities (Selcher, 1998:25).

Municipal administrations were granted “sufficient resources and political independence to restructure policymaking processes” (Avritzer & Wampler, 2004:291). “Consolidation of democracy in Latin America has been directly proportional to a move toward fiscal decentralization” (Afonso, 2007). The political reformers’ strategy, often led by left-of-center Workers’ Party have been based on “transforming how and to whom public goods are distributed” (Avritzer & Wampler, 2004:291). The fiscal decentralization was welcomed by the municipalities and led to the establishment of participatory institutions within the municipalities, giving citizens a chance to take part in local politics.

4. WHAT IS PARTICIPATORY BUDGETING?

Participatory budgeting “represents a direct-democracy approach to budgeting” (Shah, 2007:1). It offers citizens an opportunity to be more involved in government operations and to “deliberate, debate, and influence the allocation of public resources” (Ibid.). The participatory

budgeting programs are implemented to allow citizens to play a direct role in deciding how and where resources should be spent. The institutional design of participatory budgeting “reflects the dual interests of its strongest advocates” which are “immediate short-term resolutions of specific social problems and more general demands for greater access to and participation in formal decision-making venues” (Avritzer & Wampler, 2004:292). It seeks to “enhance accountability, curtail corruption, end arbitrary allocation of public resources, and overcome the disempowering legacies of clientalism (Avritzer & Wampler, 2004:299)”.

Participatory budgeting has an annual character, in which different parts of the process take place regularly on certain dates (Ginsborg, 2008:70). It is not an “open-ended discussion or a mere consultation, but a series of decisions made according to a seasonal timetable available to all” (Ginsborg, 2008:70).

5. PARTICIPATORY BUDGETING IN BRAZIL

5.1 The Story of Porto Alegre

“Since 1989 Porto Alegre, the capital of Brazil’s southernmost state, Rio Grande do Sul, has been governed by mayors elected from a coalition led by the Workers Party (PT). Three PT mayors and their staff have promoted increasingly popular and innovative programs. Participatory Budgeting is the centerpiece of Porto Alegre’s reforms” (Goldsmith, 1999). Paul Ginsborg (2008:69) uses this Porto Alegre PB model as an example where local government is a key to the renewal of democracy. In Ginsborg’s (2008) book *Democracy: Crisis and Renewal*, he argues that democracy needs to be both participative and representative. People need to be actively involved in decision making as well as being properly represented. Porto Alegre is thus a great example of a representative and participative local democracy.

The Workers’ Party won the mayoral election in 1988, but it also inherited a bankrupt municipality and a disorganized bureaucracy. “During its first two years in office, the new administration experimented with different mechanisms to tackle financial constraints, provide citizens with a direct role in the governments’ activities, and invert the social spending priorities of previous administrations” (Shah, 2007:24). It was in these two years that participatory budgeting was born. It started with just 1 300 participants, but as the citizens started to realize that participatory budgeting was an important institution and a place

where they could take part in the budgeting process, the number of participants has increased to 31 300 in 2002 (Ginsborg, 2008:70).

The mayor's office is responsible for initiating the budget bill. The municipal government then organizes a series of public meetings by region (Shah, 2007:67). The meetings take place as follows: "In April and May there are territorial and thematic assemblies which vote the priorities for the coming year" (Ginsborg, 2008:70), and elects forty-eight delegates from these assemblies to the Budget Council. "At the end of this first phase the requests of the citizens are handed solemnly to the mayor and Municipal Council" (Ginsborg, 2008:70). After the first stage is completed, the elected Budget Council meets from September onwards where a program is set up. The mayor then adopts the program at the end of the year. "The whole process is aided and facilitated by twenty coordinators from the city's Coordination Committee for Relations with the Community" (Ginsborg, 2008:70).

5.2 Participatory Budgeting in other Brazilian cities/municipalities

Another Brazilian municipality that makes use of participatory budgeting is Belo Horizonte. The 1993 elected city government introduced a participative budget system designed to "involve and give importance to the views of people's organizations", as well as to "share information about the financial and administrative situation of the city". The budgeting system should also "define investment priorities" within all the different regions, and guarantee citizens "the right to be involved in defining government goals and strategies in order to meet social needs" (Pacion, 2005:598). In 2006 Belo Horizonte introduced a new form of participatory budgeting, known as "Digital Participatory Budgeting" (Peixoto, 2008:10). The DPB is a system "where citizens registered as electors in Belo Horizonte [...] vote exclusively online for 1 out of 4 public works for each of the nine districts of the city". This new process intends to "increase citizens' participation in the participatory budgeting process". It is also aimed at modernizing the city and "broaden the scope of public works that are submitted to voting".

The success of participatory budgeting depends on the success of the mayor, and the support of the town council and citizens. Participatory budgeting proved to be unsuccessful in the city of Sao Paulo. The city was governed by a coalition led by the Workers' Party, with Luiza Erundina as mayor of the city. Erundina was closely aligned with CSOs and she sought to implement reform, but her government proved to be incapable of the task. Due to factions

within the coalition, Erundina could not focus all her attention on participatory budgeting. The municipal council in Sao Paulo was hostile and unwilling to “rubber-stamp her proposals” (Wampler, 2004:93). A lot of the opposition council members did not support “the delegation of authority to citizen decision-making bodies” (Wampler, 2004:94). Although a participatory process was implemented, it was only on a small scale, and the administration had difficulties to implement selected public works. The pressure from the municipal council was far greater than pressure from the CSOs. It can be seen that the mere existence of the PT in power is not a sufficient condition to guarantee the success of the program (Wampler, 2004:93).

6. PARTICIPATORY BUDGETING AND ITS WEAKNESSES

Although Participatory Budgeting empowers citizens and enhances transparency, it comes with great risks (Shah, 2007:1). The participatory processes can be captured by interest groups. “Such processes can mask the undemocratic, exclusive, or elite nature of public decision making, giving the appearance of broader participation and inclusive governance while using public funds to advance the interests of powerful elites” (Shah, 2007:1). As seen in the case of Sao Paulo the budgeting process can be unsuccessful and can also lead to factions within the municipal councils. Other weaknesses of participatory budgeting includes: the scarcity of finances and resources for the process, which limits the scope of the programs; the slow pace of public works that disappoints participants; and fragmented decisions and short-term demands, which may jeopardize urban planning and long-term projects (Souza, 2001:179). Some academics argue that the low level of participation is a fatal flaw of the budgeting system (Ginsborg, 2008:71).

7. PARTICIPATORY BUDGETING IN OTHER PARTS OF THE WORLD

7.1 South Africa

Local government in South Africa is recognized as one of the three spheres of government in the country. “It has its own suite of legislation governing the way it operates and has been given a number of powers and functions relating to the delivery of service to the local community and revenue raising mechanisms” (Shah, 2007:122). Local government has an

obligation to provide mechanisms for public participation in “the planning, policy-making and budgetary processes of municipalities”.

There are two municipalities in South Africa that can be used as case studies for participatory budgeting: Mangaung Local Municipality and Ekurhuleni Metropolitan Municipality. Public participation in the municipalities began with the formation of ward committees (Shall, 2007:101). The focus of the committees has been to obtain inputs from the community, and does not, as in the case of Porto Alegre and Belo Horizonte in Brazil, give a chance for the public to come together for meetings where a vote is taken to make a decision. People in the different wards come together in their neighborhoods to voice their priorities, but do not vote for solutions. Although municipalities realise the importance of the implementation of inclusive decision-making processes, participation of citizens in the budgeting process is still new to the two South African municipalities (Shall, 2007:113), due to challenges the municipalities are facing, it is not easy to implement a truly representative system of budgeting.

7.2 Albania

The Brazilian experience of participatory budgeting was accompanied by civil society and policies of political parties in the municipal councils. However, participatory budgeting in Albania was established on other grounds. Participatory budgeting in Albania was a World-Bank initiative, implemented through “the Urban Institute in partnership with local NGOs” (Shah, 2007:139). The program was launched to improve citizens’ participation in the budgeting process. “The process selected municipalities in which the local government were willing to include participatory mechanisms in the budgeting process” (Ibid.). Each municipality was divided into localities. At the first locality meeting a budget forecast and the information on the implementation of the current budget were presented. At the second meeting, an election was held to elect representatives to the participatory budget council. “The council and local government staff subsequently conducted field visits in order to evaluate priorities, constraints, and possible solutions with citizens” (Shah, 2007:137). In this process officials and citizens were exposed to each others problems. After undergoing intense training on “priority setting and financial planning”, the elected council then hands in a proposal to the city council, which implements the proposal.

8. CONCLUSION

Brazil's democratization process was heavily influenced by civil society, and the features of Brazil's contemporary political structure was greatly determined by the goals of the CSOs and politicians who wanted to reform the way in which resources were distributed. The 1988 Brazilian constitution decentralized political authority, thereby granting municipal administrations sufficient resources and political independence to restructure policymaking processes. The election of a Workers' Party candidate as mayor of Porto Alegre, was a key event that lead toward the establishment of participatory budgeting in Brazil. The Workers' Party introduced policies that helped the municipalities to achieve economic goals as well as upgrading the lives of the Brazilian people. The budgeting process gives a chance to civilians to take part in the decision-making processes on local government level, and leads to a more transparent government. The process also legitimized accountability and the participation of individuals in the budgeting process helps individuals to become better citizens.

Participatory budgeting has spread to various regions around the globe. Although it is a relatively new process in most of the countries, it is becoming a popular institution. Most municipalities are still experimenting with the process, but not all of them will have the same outcome as in the case of Porto Alegre.

Participatory budgeting is not successful in all the cities where it has been implemented, but it gives a chance for all the different municipalities to experiment with budgeting and participative institutions. Due to Brazil's very diverse economy, and the huge differences in the municipalities, one model of participatory budgeting cannot work in all the different municipalities. Adopting a participative program and adapting the program within a framework of the municipality can create a more transparent and accountable system of governance.

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