

## History of Participatory Budgeting in Brazil

### The context

After over 2 decades of military dictatorship Brazil became a democracy in 1988. Democratization brought two very important transformations in the political landscape: (1) grassroots organizations gained strength and multiplied all over the country, intensifying the demand to deepen democracy and (2) the new constitution of 1988 which legitimized spaces for participation and dialogue between government and civil society. Article 14 of the constitution acknowledged that popular sovereignty could be exercised by participation and by popular vote. Article 26 required participation of civil society organizations in the elaboration of public policy and Articles 204 and 207 actually required popular participation in the formulation and control of health and social security.

In addition the constitution reinforced the country's already decentralized structure of government. The states and municipalities were given significant autonomy to raise revenue and define their own budgets. They were also entitled to transfers from central government to complement their funds. The wave of decentralization and democratization generated a different relationship between citizens and the state.

The first participatory mechanism born out of the new political environment was the participatory management councils. These councils were composed of both citizens and government officials and managed resources from both the municipality and the federal government. In the 90s almost all municipalities had created councils focusing on specific areas such as health, children's rights and agriculture. By the end of the decade the total number of these councils across the country reached 27,000 (Cabannes 2004).

### The PB in Porto Alegre

Porto Alegre is a city with a deep tradition of community associations. In 1980 the community organizations came together under an umbrella organization, the Union of Neighbourhood Associations of Porto Alegre, created in order to demand popular participation in the discussions on the city's local budget. The Workers' Party joined the Union in the call for deeper participatory mechanisms and together they promoted the idea of a participatory budget process (Avritzer 2006).

The idea of having popular participation as the focus of public policy making was at the heart of the Workers' Party political platform. The Workers' Party is a left wing party born out of the labour union movement in Brazil's industrial sector at the end of the 1970s. The party's main goal was to promote democracy through decentralization and grassroots participation guaranteeing a more egalitarian distribution of resources. In its documents and proposals there were 4 key guiding principles to participatory budgeting (1) direct citizen participation in the decision making processes; (2) transparency to prevent corruption; (3) improvement in infrastructure and services focusing on the poor and (4) eradicating clientelistic practices and transforming residents into empowered citizens capable of pursuing their rights (Abers 1996).

The PB began 1989 in Porto Alegre after the Workers' Party won the election for the mayor's office. The city was bankrupt, public systems were bureaucratic and inefficient and poor areas lacked basic services. The government tested different participatory

mechanisms to try to address the city's problems. The first strategies revealed the challenges in promoting popular participation. Initial open assemblies to discuss and define how the city's resources should be allocated produced a long list of demands for infrastructure and services. The city only had resources to carry out a fraction of these projects. A criterion for selecting projects was improvised, by selecting the most common requests, or by prioritizing neighbourhoods which actively participated or by choosing projects that were most technically desirable. The government's promise to meet community's demands and the subsequent failure to deliver results led to a significant drop in popular support for the administration. Citizens were choosing not to participate as they had lost faith in the process.

The experimentation with different participation strategies led to the current PB model. The administration also adopted schemes to inform people about the structure of the city budget and how revenue was raised in order to facilitate deliberations on the matter. It was not until 1990 that the process in Porto Alegre was labelled participatory budgeting formalizing the model. As citizens became more familiar with the budget and as concrete results were being produced popular participation increased. In 1989 and 1990 less than a 1000 people were participating but by 1992 the number jumped to nearly 8000. In 2003 there were over 26000 participants (Cabannes 2004). Between 1996-98 the government was able to meet nearly 100% of its commitments although there was a backlog (Goldfrank 2007).

Marquetti's research (2002) measures resource distribution within the city of Porto Alegre. The results show that the spending has been concentrated in the poorer areas of the city. His data also showed that in the 1970s and 1980s, before PB, the majority of investment was spent in middle class neighbourhoods.

Although the PB was a Workers' Party policy centrist and conservative parties now implement more than 40% of PB programmes in Brazil (Tores and Grazia 2003). The process has also spread to other parts of the country and the PB is now being implemented in all five of Brazil's regions.

## References

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