



SLICING UP THE PIE

**COMMUNITY INVOLVEMENT
IN PARTICIPATORY BUDGETING**
Porto Alegre, Brazil



December 2003

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***SLICING UP THE PIE:
Community Involvement in Participatory Budgeting***

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Community Pride Initiative works with communities to enable them to have a say in the running of their neighbourhoods and cities. The Participatory Budgeting project has received funding from Oxfam UK Poverty Programme.

“Being a participatory government doesn’t mean that representative democracy is denied. In Porto Alegre participatory budgeting has brought new life to this process, it has re-oxygenated democracy.”

Eduardo Mancuso, Secretary for International Relations, Porto Alegre, Rio Grande Du Sol

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Bridget E O'Rourke
Community Pride Initiative, December 2003

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INTRODUCTION

Participatory budgeting

Local authority budgets are often seen as a specialist, technical issue which are only of interest to mathematical wizards and senior officers in the town hall, and certainly not our business. In fact, the reality is very different and decisions about budgets are where the real power lies. The best policies in the world are of no use if funding is not available to implement them.

Participatory budgeting (PB) is a mechanism of local government that was developed in Brazil. It recognises that residents should have an influence on public budgets. PB was developed in the southern city of Porto Alegre more than fifteen years ago but since then it has been implemented in different forms in over 70 cities. PB has led to a renewal of local democracy, more transparent government, and significant improvements in service delivery. The results have sparked international interest and PB has been adopted many countries across Europe, Africa, and the Americas.

How it works

PB begins with the creation of an investment fund for the city called the participatory budget. A small percentage of the City Council's budget is top-sliced for this process. The unique feature of PB is that local community groups are given direct responsibility for deciding how this money is spent.

The city is divided up into sub-regions where local meetings are held each year. Residents come together to discuss the key issues about services in their area. They are asked to rank their top priorities for investment

according to a number of pre-determined themes, including education, health or crime. Thematic meetings are also held where residents can discuss a specific issue like transport or leisure.

People's priorities from across the city are then combined in a table called a budget matrix. The top priorities for the city are identified and money is allocated to the themes according to the views of residents. This could mean for example, that 50% of the money is spent on education, 30% on crime and 20% on leisure.

At the same time as they prioritise investment themes for the city, residents are asked to propose projects they would like to see implemented locally. Examples include recycling schemes, school clubs or road improvements. Project ideas are passed to the City Council for technical assessment. After this has been done the funding can be linked to locally proposed projects. An example of this would be education funding being used for a literacy skills project.

Decisions about which projects will be funded are made by a democratically elected body, called the Budget Council. This is made up of representatives from residents groups. A timetable for project implementation is agreed with the City Council for the following year. PB is different from traditional styles of budget consultation as there is a transparent decision-making process and a direct transfer of power to communities.

Using PB in the UK

Whilst there is a growing culture of consultation around public services in the UK, consultation around budgets is a relatively new idea. Despite the fact

that service planning is determined by the availability of funding, public forums usually overlook budgetary issues. This means that at best consultations are frustrating for participants, and at worst, they can be a waste of time.

Local authorities are increasingly holding budget consultations but many are held at a stage when plans are finalised. In addition the general subject of budgets is daunting for many people, and few people have an adequate understanding of budgetary processes. These factors combine to make such consultations of limited use.

Community Pride Initiative (CPI) has been promoting the idea of PB in the UK since 2000. At that time staff visited two cities in Brazil (Porto Alegre and Recife) to explore the opportunities and challenges of adapting PB to the UK context. A report, '*A Citizen's Budget*' details the key findings of the visit and explains how PB works.

CPI has so far developed a range of materials that explore options for PB in the UK. These include briefing papers, a website, presentations, training materials, and a role play game. There has been significant interest in these from a range of national and local organisations. Staff have carried out training sessions and contributed to conferences on community involvement processes, including national events hosted by the Audit Commission and the Neighbourhood Renewal Unit.

CPI have been exploring options for participatory budgeting with Salford Council since 2001. The context for this was that the Council only receives a handful of responses from the public about their plans to spend their annual

budget of £270 million. This is in huge contrast to the input residents have given to service planning for regeneration funds of around £20 million per year. The City Council began to open up its budgetary decision-making in 1996 when it embarked on a consultation process on its overall budget. CPI worked with the Council to carry out a feasibility study on PB and in June 2003 they made a commitment to pilot a participatory budget over three years. A report, '*Building a People's Budget*', outlines the findings of the study. Find this report and other resources on PB at www.participatorybudgeting.org.uk.

Objective of the second visit

This report was written following a second study visit to Brazil in May 2003. It builds on the earlier trip, as well as significant promotional and policy work which has been carried out to transfer PB to the UK context over the last three years. Through this work CPI has learned that three factors are required for a PB process to be successful: political will, technical capacity and community involvement. Significant progress has been made in analysing the first two elements, but a number of critical questions about community involvement remained. So this was the focus of the second trip. Thus the aim was to explore how local people have been encouraged to get involved in PB. Many of the questions were framed in the light of the pilot project in Salford, but the findings are relevant to Councils across the UK.

A number of people were interviewed, including City Council officers, politicians and representatives from voluntary and community groups. The report addresses a range of practical questions about involving residents in public budgets. It includes the voices of some of the key players in the

development of the participatory budget process over the last fifteen years, and draws out some key lessons for adapting the approach for the UK context.

FROM THE BIRTHPLACE OF PB

Interview with Luciano Brunet

Luciano is a member of the left wing Workers Party (PT) which introduced participatory budgeting when they came to power. He has been interested in PB from its inception. He played a key role in the World Social Forum, which was held in Porto Alegre in 2002 and he currently works with a City Council consultation programme called the Congress of the City.

Q: How do people hear about PB?

Research shows that neighbourhood associations [Tenants and Residents groups in the UK] are the main way that people get involved. Many methods are used to promote meetings, including flyers and word of mouth. News adverts are prohibitively expensive. The highest participation is in the poorer neighbourhoods in Porto Alegre.



The Workers Party (PT) developed in the 1970's from an established urban working class, especially around the landless movement and industrialisation in Sao Paolo. Many neighbourhood associations were linked with the party. When they came into power there was a deep mistrust of local government so PB was initiated as a way to build links with the people. The aim was to build an open process for decision-making in the city, to deliver local solutions and to give more control to residents. The party were aware that if people don't know where funding comes from and how decisions are made, they are alienated from power.

Q: What is done to get people interested in PB?

People get involved in PB as they are desperate for change and have concrete needs to meet. When people attend PB meetings their concerns are about services, not about funding. PB just provides the methodology for decision-making. For example if people want a school, they will meet before the regional meeting and agree to prioritise education. What's new about PB is that there is a process of consultation from start to finish. It doesn't matter if just a few people come at the start, interest will grow as services develop.

Q: Who organises local people's participation?

The Community Relations Council (CRC) are a team who specialise in participation. They are employed by the City Council to facilitate the PB process and many have a trade union background. There is one member of staff for each region of the city. Another advance is that each service department now has someone as the key point of contact for consultation

issues as they now realise the importance of this now.

Q: How is PB presented to the public?

The easiest way to talk about public budgets is to compare it to household budgets as people can easily relate to this. For example building work on a house is like investment and food is a revenue item. Churches and schools are used as venues as they are locally-based and familiar to residents. Dates and times of meetings are advertised a couple of months beforehand. The City Council announces that it has a budget and that it needs to know people's priorities for investment.

Q: How are young people involved in PB?

A small proportion of young people are involved in PB. Meetings are held at the local level as well as on thematic issues like leisure. If young people do get involved they are more likely to go to these, rather than to the area-based ones.

Q: Are communities marginalised from the mainstream budget due to PB?

It is important to understand that as well as the participatory investment fund, the overall City Council budget is also discussed. If this overall discussion doesn't take place then PB can be seen as the 'budget for the poor'. This happened in the city of Recife where the government thought that the rest of the budget was too complicated for local people to understand. In Porto Alegre the strategy is twin-track as people make decisions about how the PB fund is spent, but they discuss and give feedback to the City Council on the whole budget. The challenge is to translate policy for people in a way that makes sense to them so they can

give practical ideas. Budgets should not just be for economists.

Different cities use different approaches. In Porto Alegre people decide their priorities and this is translated into percentages e.g. 50% of the participatory budget will go on housing and 30% on education. They find out the size of the investment fund later on. With this method there is some potential for expectations to be raised and for disappointment to be caused. In the nearby city of Caxias Du Sol everyone knows the amount of money that is available at the start of the meeting. This method is more straight forward, but it can mean that discussion around the overall budget is lost.

What are the main things people debate?

The themes were difficult for people to understand at first, i.e. what exactly do 'education' or 'health' mean? But in fact this debate happens quite fast and people soon have an understanding of which theme they need to prioritise in order to try to get their projects implemented. One of the biggest debates at the start was about the geographical boundaries of the regions.

Recently children have been a big issue, with many people asking how the needs of children can possibly be compared with issues like pavements? Until 1993 the key themes were housing, pavements and sewage. Now education and health are growing issues as basic infrastructure issues have been resolved.

Q: What was done to include marginalized groups?

After five or six years plans were made to include disabled people and braille

versions of the paperwork, wheelchair access and a sign language translator are now available at the meetings.

Q: Do communities have a better understanding of the financial limitations faced by the City Council?

There is much more understanding between local people and the City Council now. Residents see that one service must be prioritised over another and they see that if they want to increase services then taxes must be raised.

Q: What is the relationship between voluntary/community organisations and the City Council?

The relationship is quite good but there is an awareness that too much information is held by the government. In Brazil many of the government staff are politically appointed so they leave when the party in power changes and much information is therefore lost. There is a need for better research and monitoring by independent groups.

Q: How were local councillors encouraged to buy-in to the process?

At the beginning there was quite a negative reaction from the local councillors. In particular, they wanted the regulations that govern the PB process to be laid down by law. Councillors prefer set rules but self-regulation is a key part of PB. The whole point is that the people have control and that the regulations can change every year.

Q: Was there much resistance from more affluent areas?

Rich people pay their taxes and want to see concrete services in return. They worried that services wouldn't be as good with PB and there was

concern about tax increases at the start. Now many people in the wealthy regions see it as an interesting process and they recognise that services have improved. However, many are not comfortable with attending public meetings at the street level or events held in poor neighbourhoods.

Q: What are the main obstacles you had to overcome?

At the beginning the process was quite messy and confused. 1500 people participated at the start but by the second year fewer came as the government didn't deliver on all of its promises. By the third year people could see that a number of projects had been completed so 3000 people attended. This grew to 11,000 and 14,000 in later years. Some people attend once and never go again, while others are involved year on year. At least half the population has been to at least one meeting.

Lessons for the UK

CPI identified a number of critical lessons for developing community involvement in a PB process in the UK.

Requirements for a successful process

- Accessible venues like local schools should be used.
- People with a trade union background can play a key role in organising residents.
- PB needs to be discussed alongside the mainstream budget.

Benefits of PB

- There is evidence of a maturing public debate about budgets and services.
- PB can make a significant contribution to civic pride.

A COMMUNITY MEETS

Attending regional meetings

For the purposes of PB the city of Porto Alegre is divided into 16 regions. Members of the public meet together in their neighbourhoods at the start of each financial year. They discuss the key issues in their neighbourhood, identify local projects and agree their priorities for investment. Projects vary from year to year and from area to area but they have included pavements, new sewage facilities, evening classes and children's play areas.

The next stage is for community groups from a number of neighbourhoods to attend a regional meeting where they choose their top three priorities for local investment. These could be education, leisure or youth services.

Q: How is PB presented to the public?

School gyms start to fill up from the early evening and in many areas over a thousand people attend. Schoolchildren often put on entertainment for early arrivals, with samba dancing performances on stage while participants queue up to register. PB aims to be a fun event for all the family and uses a range of techniques to get people involved. This section describes two regional meetings in Porto Alegre.

Large overhead screens are displayed at the front of the hall and the PB process is explained to participants by staff from the Community Relations Council. This is a key department at the City Council who are responsible for organising the meetings and getting residents involved. A number of speakers are then given an opportunity to campaign on behalf of

their priority issue. Anyone can put their name down to speak when they register and the first 15-20 are given 3 minutes each on the microphone. The following issues were raised by speakers in Restinga, a poor semi-rural area on the edge of Porto Alegre.

Youth

- A younger man argued that more resources should be allocated to cultural activities. He reminded people that crime and violence were reduced in areas where there were good services for young people.
- A young man said children and education were the key priority, particularly that children should not have to be out on the streets.
- A woman said that social assistance and facilities for young people were the main priorities in her area.

Infrastructure

- A middle-aged woman campaigned for clean water and better sanitation.
- A middle aged woman said that housing was her priority for investment.

Education

- An older man said he was concerned about many problems in his area, particularly education.
- A young blind man asked for more to be done to help disabled people, especially in terms of special education.
- A woman argued that the community needed more education for the youth and that some classes should be held during the daytime.

Economic development

- A middle-aged man argued that employment and economic

development were his investment priorities.

In Norte, a mixed area to the north of Porto Alegre City centre, a range of priorities were also raised by speakers, including:

Youth

- Safe areas for children to play.
- Nurseries.
- Leisure facilities for families.

Infrastructure

- Pavements.
- Housing.

Education

- Better schools.

Social care

- Health.

After initial statements from residents, the process continues with an address from the Mayor who identifies city-wide issues for people to consider that year. The meeting ends with two votes. In the first vote people choose 3 priorities for investment from a choice of 15 themes. These include education, youth and transport. In a second ballot representatives for the Budget Council are chosen.

Lessons for the UK

CPI identified a number of critical lessons for developing community involvement in a PB process in the UK.

Requirements for a successful process

- The presence of senior Council staff and elected representatives is critical.
- Votes at the end of the meeting add real weight to the process. People can get immediate

feedback about whether their priorities are shared by their peers.

- The process has to be fun and lively but adequately controlled to ensure the debate moves forward.

CRITICAL FRIENDS

Interview with Sergio Baerle

Sergio is a researcher at Cidade, a voluntary sector organisation set up by the architects union and a group of students from the University who were interested in democracy and governance issues. Cidade was set up before PB was introduced, and it functions as an external observer. It is generally supportive of participatory budgeting.

Q: How is PB presented to the public?

At the beginning people were asked to give investment ideas to the City Council. In the first year there were lots of ideas but not much money. Critically, there was no clear way to process the proposals. Then in the second year senior politicians and Council staff attended the meetings to discuss the budget but fewer people came. When people could see that the City Council had made progress with some of the projects residents began to trust them and attended the meetings in greater numbers. People from any party, not just the PT were encouraged to participate. This was a new approach as decisions had always been made as a result of contacts in the past. The communities couldn't believe their ideas were being listened to.

Q: What was done to get people interested?

When the Workers Party (PT) got into power they had many discussions with

community organisations and campaign groups about how to improve participation in public affairs. Early on the Mayor initiated 'sectoral forums' but nothing changed as people didn't have any more input to decision-making. The party realised that they didn't want 35 forums where nothing was decided, so the idea of a Budget Council emerged. There is a popular view that the party had the idea, but it was also something that the people demanded.

The context for the PB was that people had high expectations when the PT came into office, but the government had no resources for new investment. The PT decided that one way to give something to the people was to create a new investment fund and to hand over decision-making to residents. They introduced tax reforms to raise the necessary funds.

Q: Is there any pattern to the way people now participate?

Neighbourhood associations have increased by 40% as PB requires people to register as groups if they want to put forward delegates to the Budget Council. 40-50% of those who attend have come for the first time. Everyone is different, there is no one way to get people interested. Some come once and never come again. Others come until their pavement is fixed and there is no further need to attend. It all depends on the person, especially on their links to community organisations. There are three thousand community organisations in Porto Alegre today, and all are involved in PB. As PB gets more popular many new people attend who aren't members of community groups. These people haven't discussed the issues beforehand so they have no idea what to choose. They are not as

prepared and they can get frustrated if the process is not explained properly.

Over two hundred cities in Brazil are now claiming to have a participatory budget. This includes a range of political parties, including right wing parties, not just the left wing Workers Party. One of the difficulties at the start was that the PT were new to political office and there was some disagreement about whether they were a political party or a social movement. The danger now is that everyone goes to the PB and this has replaced other forms of independent lobbying. People only have so much time, so other areas of organising have been neglected.

Q: What is the role of the PB Councillors and the Budget Council delegates?

The City Council runs a number of councils (committees) who focus on various issues. These include health and education as well as one on PB. There are two PB Councillors and two vice-councillors for each region. They stay in post for one year and the job is voluntary. They are expected to work for up to fourteen hours a week. One of the aims of PB is to renew community leadership and to open up opportunities for participation and discussion. However, some people tend to move from one public post to another (like health or school boards) and this limits opportunities for new people to get involved. There is also a need to guard against councillors who don't confer or report back to the people they represent.

PB delegates have a different role. They are selected from the participants at the regional meetings and community or residents groups get one delegate for every 10 people who attend. They decide who their

delegates are after the meeting. The role of delegates is to decide which projects get funding according to the allocation of funds to each theme. They meet monthly in open meetings. When all the projects have been considered, the delegates prepare an investment plan for presentation to the City Council. These decisions used to be made by the Planning Department but PB has opened up this process to the community. The Council is responsible for implementing the projects, and service departments and PB Councillors have a key role in making this happen.

Q: Have projects changed over time?

When PB first started people chose basic infrastructure projects like pavements, sanitation and housing. As these needs were met, projects became concerned with social policy issues like education. Now they are interested in income generation, job creation schemes and setting up co-operatives. In Porto Alegre the income level varies greatly within neighbourhoods, it is different to other Brazilian cities as there are pockets of deprivation in many areas.

Q: Has the methodology of PB changed?

When PB began, funding was allocated to each region solely on the basis of population and deprivation. The process developed further when themes and priorities were introduced. This was followed by the introduction of PB delegates.

For a number of years there were two rounds of regional meetings in the PB process. In the first round the City Council gave feedback on progress with investment projects. In the second round of meetings priorities were identified by residents [as described

earlier]. Since 2002 the first stage has been dropped as the City Council staff had too many meetings to organise in a short time period. There was also a move to simplify the process to make it easier for people to attend. However, this has reduced the opportunities available for discussion and evaluation. During the first round residents could discuss the reasons behind delays. For example, if there were delivery problems with a water project people could prioritise this again for the following year. Under the new system the priorities are chosen in a more abstract way, i.e. not linked to progress and this is a shame.

In the future we need to build better links between the technical assessment done by the City Council and the budgetary decisions made by the PB delegates. For example, there has been much investment to improve sewage pipes but little in sewage treatment. This means that lots of domestic waste is polluting nearby lakes and this lack of joined-up thinking is really unhelpful. Another issue is that some projects (like pavements) are a one-off cost, while others (like schools) need staff which are on-going costs. This needs to be thought through in more detail.

Q: Does central government fund the PB process?

Central government doesn't contribute any funds directly to the PB. Overall in Brazil there is an increasing centralisation of funds at the national level and only 13% of the Gross National Product goes to local Councils. This has been done to be able to make debt repayments on loans like those from the World Bank and the International Monetary Fund. This means that less money is available for local services. There has been little discussion of this at the

local level so people tend to blame the City Council when funding is not available, when the reality is that they have limited control over it. People also need to be made aware of national budget issues now.

Lessons for the UK

CPI identified a number of critical lessons for developing community involvement in a PB process in the UK.

Requirements for a successful process

- Support for PB delegates should be run like a volunteer programme, with training provided.
- Project costs should be designated as 'on-going' or 'one-off', and the implications for future spending should be made clear.
- People need to be updated on the progress of projects or the debate is not a fully informed one.

Key messages

- Some awareness of national budget issues should be integrated into the 'budget literacy' element of PB.
- The relationship between Council Tax setting and service investment needs to be explored in a wider context e.g. within the current debate on capping powers.

Key players

- The role of the voluntary/community sector needs to be clarified in terms of arranging local meetings and disseminating information.

A WATCHING BRIEF

Interview with Betania Alfonsin

Betania is based in the Planning Department and has been following the PB story from the start. She is not directly involved in the process but she sees the need for a wide range of people to reflect on developments as those responsible for implementing a policy can often find it hard to critically evaluate progress.

Q: What is done to get people interested in PB?

Poverty and the desire to meet long-standing needs are the reasons that people participate. The best way to get people interested is through their links with community associations. These groups had the idea of PB a long time ago so there was a commitment to make it work on both sides (i.e. residents and government). For example UAMPA are an umbrella group for tenants and residents groups and PB is the most useful forum for them to be able to influence services. They used to be active on a range of issues but now their focus is on PB. This could be seen as a negative impact of the process.

When PB first started there was no clear methodology, and people just talked about their problems. It was a learning process for the City Council too. They learned that you need a process for decision-making and the development of a transparent process is what makes PB unique. Without this there is just frustration on both sides. Under PB there can still be tension when there isn't enough money for certain services but it is much better than before. We can see that some people are mobilised around specific issues for a period of time while others are always

participating, no matter what. We say that they are 'addicted' to participation. People in the richer areas are not so involved, but they are observing the process from a distance with interest.

Q: What has been done to include marginalized groups?

Young people only participate in small numbers but there is a need for new blood in community leadership. Many of the existing leaders have been involved for a long time and they want to hold on to the power and influence that they have which makes it hard for new and more diverse people to have an impact. There has been some progress, for example at the start few women had the confidence to talk in public meetings. Now they have become leaders and have the necessary skills. There are many more women PB councillors now.

Q: Have the City Council given enough resources to implement PB?

There were very few staff supporting PB at the beginning but now there are more staff to implement the process. When it began in 1989, a few hundred people attended. In the second year the City Council didn't have the money to implement the commitments they had made so there was a lot of anger and frustration. They decided to increase taxes to create the investment fund that was needed. Each year there is more money and trust builds up within the community as they see results.

Q: What is the role of voluntary and community organisations?

Voluntary and community groups contribute but in a distant way - they observe the process but don't participate. Cidade are the main organisation working on PB. They have done lots of useful research work

on examining the profile of participants and organising training courses for community leaders.

Q: Has PB had an impact on the methodology of other consultations?

We have learned that in many cases PB doesn't link well with other sectors and there is a need to link them together. For example, a new process has started called participatory urban planning. Many rich people are interested in this, but it runs as a parallel process to PB. We need a forum where rich and poor people come together to plan services and developments in their city. This can be a difficult process politically, as PB is seen as a success and has become institutionalised as a result. However, there is always room for improvement in any policy.

Q: Do people have a better understanding of the financial constraints faced by the City Council?

Now there is more understanding that the City Council's resources are limited. The community know that they need to prioritise their ideas for investment. One of the greatest results has been the positive dialogue between the Council and residents and the potential for separation or conflict is reducing. Now we have a good balance between democratic and participatory democracy. We have proved that you can have both, and most people accept that now.

Lessons for the UK

CPI identified a number of critical lessons for developing community involvement in a PB process in the UK.

Requirements for a successful process

- There is a need for a clear process for voting and running meetings.
- PB needs to evolve into a comprehensive urban planning tool and links with Local Strategic Partnerships and other social inclusion initiatives are needed.

Promoting diversity

- There is a need for minimum targets for involving marginalized groups and communities of interest.

Role of local authority

- Councils need to consider whether they are using PB to simply meet consultation targets or to genuinely create a dialogue and share decision-making.

SPREADING THE WORD

Interview with Guanacy Cunha

Guanacy was the Press Officer responsible for co-ordinating media relations at the City Council when PB was launched. He developed a media strategy to promote public awareness of the Participatory Budget.

Q: Was the initial investment fund significant enough to have an influence on services?

In 1989 98% of the city budget was already allocated to salaries so only 2% was available for investment. As PB is used for planning services through the investment budget, this meant that limited changes could be made. Journalists asked why PB covered such a small percentage of the budget but the plan was always to start small and increase it each year.

Tax reforms were introduced in the second year in order to increase the investment pot available. This meant

that 80% of the budget was reserved for staff and other revenue costs and 20% was available for investment. Of this investment budget, 40% is allocated by the City Council, and 60% by the participatory budget. These proportions may have changed slightly, but around 12% of the total City Council budget was decided by local people.

Q: How did you manage expectations?

At the start people's demands were limited as it was a new process. A few hundred people attended across the city and the City Council was careful to implement exactly what the people asked for in order to gain their trust. Now more people are involved and there are more demands so many projects cannot be implemented. The important thing is that people understand the process for decision-making around the budget. This is very different to before where it was a closed process.

Q: What form of media has been most effective in promoting awareness of PB?

The advertising budget was mostly spent on a newsletter and on flyers. Loud-speaker vans were an effective way to inform people. Press releases were sent out and media staff talked to journalists. The main technique was to propose interviews with senior figures at the City Council as an opportunity to discuss PB. There was good take-up as the Workers Party (PT) was in power for the first time so everything they did was news. People were really interested in new policy ideas.

A strategy was agreed that PB would be mentioned in all media interviews by members of the Workers Party. By 1991 a small number of TV and radio

adverts were used. Later on, a two minute TV and radio programme was shown with the aim of improving public awareness about the functions of the City Council. Overall, the main way that PB became well known was due to the credibility of the PT government. Word of mouth had a massive impact too.

Q: How do the media portray PB?

Since PB was established the City Council has used three key slogans to promote awareness of PB: "Popular administration: courage to change", "More city, more citizenship" and "Where participation builds democracy". A number of journalists who opposed the Workers Party were negative about the policy. But in general it was taken seriously and seen as a good idea. The City Council was seen as trying to do something to change people's lives. It is a transparent process with no vote buying and most of the media saw it as an honest project. Some of those who opposed it said that the people weren't educated enough and that they would be manipulated. It was said that the Workers Party were naïve and stupid to trust the people. Now that the party have power at the state level more people are becoming critical of PB as it becomes identified particularly with the PT.

Q: Did the projects change as PB developed?

People's priorities have definitely changed over time. At the beginning everyone wanted pavements. Now projects are increasingly sophisticated and they cannot be implemented as fast. The level of resources has not increased for some time so this has made things more difficult recently.

Lessons for the UK

CPI identified a number of critical lessons for developing community involvement in a PB process in the UK.

Requirements for a successful process

- It is easier to manage expectations early on when fewer people participate.
- Councils need a clear media strategy to pro-actively promote awareness of PB.

Role of local authority

- Political leaders need to get behind the process and promote it.

Benefits of PB

- The sophistication of debate grows over time, creating a space for wider dialogue.

A TALE OF TWO CITIES

Interview with Alex Biton Tapia

Alex works for the Community Relations Council (CRC) in Caxias Du Sol, the second largest city in the state of Rio Grande Du Sol. The city is located in the mountains two hours from Porto Alegre. PB was introduced in 1997 and the city is divided into nine urban and one rural region. The local CRC has eight staff and they are responsible for publicising the participatory budget.

Q: How do people hear about PB?

The most important way that people know about the PB is through local neighbourhood associations. They are very well organised in Caxias Du Sol and 190 groups are now registered with the City Council. It is important to note that there was a lot of pressure from community groups for the administration to adopt PB as a policy.

Q: How is PB presented to the public?

Although Caxias Du Sol took the idea from neighbouring Porto Alegre, it uses a different method to divide up the budget. The City Council started off by researching the main social and economic needs in each area. After this analysis they allocated resources to each region according to deprivation.

This is different to Porto Alegre as each area has been allocated a set amount of funds. For example, if participants choose pavements as their top priority, they know by the end of the evening how much money will go to that area. In Sao Paulo and Belo Horizonte they use this approach too. It is not as abstract as in Porto Alegre where the priorities are decided before the size of the investment pot is known.

Regional meetings are held like in Porto Alegre, but at a different time of year (July and August). Local people know that meetings are held at the same time every year and they organise neighbourhood pre-meetings in order to identify key local issues. On request, the CRC can facilitate these meetings. Some critics of PB say that people only discuss narrow issues, so it can be helpful to have a facilitator to widen out the debate. Regional meetings involve speakers addressing the meeting with a microphone like in Porto Alegre. Most of the groups agree their priorities beforehand at the neighbourhood level.

The next stage is for participants to vote on their priorities so the investment funding can be divided between the themes (such as education or transport). This is done through the use of coloured cards,

which are held in the air when each theme is called out. In a second vote priorities are taken on spending the funding allocated to each theme e.g. which pavements should be fixed. By the time the meeting has ended the financial allocations and project plans have been agreed and written up. This is critical so participants can make the link between the plan and their involvement. They can see it was an open process, which gives it credibility.

Q: What is done to get people interested in PB?

People come because of their relationship with community groups. In 6 years 90,000 people have participated in PB. Last year there were 21,000 people out of a total of 360,000 residents in the city. All of those under 16 must be discounted so that is a very good number. People want to come because they feel they have some decision-making power over public resources and it is a good space for democracy. At the start the CRC made an effort to invite a wide range of people but now there is no specific strategy for targeting marginalised groups.

Q: What is the role of the media?

Limited media promotion was possible due to the immense cost of advertising. The media situation is the same as in Porto Alegre i.e. dominated by a right wing media who are either negative or uninterested. If all goes well with PB there will be no news, but if something goes wrong, you can be sure it will be covered.

Q: What is the role of voluntary/ community groups?

There are very few voluntary and community groups here, even less than in Porto Alegre. There is nothing

like Cidade here and no-one is working on democracy or governance issues. The university here is very right wing so they were not interested in supporting the process.

Lessons for the UK

CPI identified a number of critical lessons for developing community involvement in a PB process in the UK.

Requirements for a successful process

- Having an annual cycle for consultation is critical.
- Pre-meetings at the neighbourhood level enable groups to agree their priorities. It prepares people and enables the business to run smoothly.
- Use of technology can create an open process, such as adding up voting figures before the end of a meeting.
- There is a need to build on existing networks i.e. word of mouth played a critical part in the success of the programme.

Promoting diversity

- Community Networks can play a role in promoting participation.
- Registration of groups a key way to increase the profile of groups in civil society.
- There is a need to continually re-stimulate participation and a need to guard against going for maximum numbers in lieu of involving marginalized groups.
- There is a need for alternative ways for young people to get involved if there is a minimum age limit.

RECOMMENDATIONS FOR THE UK

Building a successful model

Objectives

1. PB is a valuable tool that local authorities can use to develop transparent decision-making processes and develop civic pride
2. Local authorities can use PB as a tool to improve and expand budget consultation processes
3. PB can be an effective approach for reducing the alienation from decision-makers that many residents feel
4. Local authorities and residents can use PB to develop joint solutions to the challenge of limited resources and high demand for services
5. PB can stimulate and progress debate about service levels and resources between local authorities and residents
6. Politicians from any party can initiate a PB programme and this has been the case in Brazil

Application

1. The opportunities and challenges identified in the Salford feasibility study are relevant for organisations across the UK
2. Neighbourhood and regional meetings should discuss all aspects of the budget to promote awareness and stop PB being a marginal fund
3. Organisations should adapt the model to fit their own context and requirements. The original model in Porto Alegre has been adapted by other cities in Brazil
4. The meaning of investment themes should not be a cause for concern as participants in Brazil developed a shared understanding of the themes very quickly
5. Many councillors in Porto Alegre have championed PB and used the

- process to build better links with communities
6. The role of the voluntary sector in promoting participation should be agreed in a contract with the city Council
 7. Using voting systems for choosing investment priorities enables participants to have immediate feedback on decisions
 8. Sound co-ordination between investment priorities and technical advice must be built into the process
 9. Discussions about national budgets are critical in order to provide a wider picture
 10. The nature of costs must be identified at an early stage i.e. one-off investment or projects with on-going costs
 11. A process for reporting back on progress to date needs to be established early on
 12. A publicity strategy backed by senior politicians is critical to success

Community involvement

Motivation

1. PB has helped communities gain a better understanding of the financial constraints faced by councillors and council officers. People understand that services must be weighed against another.
2. People participate as they have seen that services are improving

3. Regional meetings should follow an informal and enjoyable format
4. Tenants and residents groups should be used as a vehicle to promote participation
5. Organisations should recognise that some residents will attend to lobby about one issue while others will participate on an annual basis
6. The main motivation for residents is to have a direct influence over decision-making and resources
7. Word of mouth is the most effective tool for encouraging participation

Application

1. The Council needs to provide staff resources to promote and facilitate participation in the PB process
2. Comparing Council budgets to household budgets is the easiest way to present complex issues
3. A strategy (with targets) for involving young, old, women, disabled and ethnic minority residents is needed. Interpretation services, varied formats and wheelchair access are provided in Porto Alegre.
4. Community and voluntary sector groups need to monitor and evaluate the process as it develops
5. Local and familiar venues like schools should be used in place of formal council buildings which may be intimidating

LIST OF QUESTIONS

Community involvement

- What is the most common way that people hear about PB?
- How is PB presented to the public?
- What is done to get people interested?
- How are young people (10-16 years) involved?
- What was done to get marginalised groups involved?
- Many people in the UK are too busy to go to public meetings, how did you overcome this problem?
- Was the concept and process hard for people to understand?
- What are the main sources of debate at meetings?
- Has there been much confusion about the meanings of the themes?
- Was the City Council realistic in the resources they allocated?
- Do communities now have more understanding of financial limitations?
- Are communities marginalised from the mainstream budget due to PB?
- How were expectations managed at the start with a small investment fund?
- Do participants become over-familiar and 'bored' with the process?

Role of the voluntary/community sector

- What is the role of voluntary/community organizations?
- What is their relationship with the City Council? Has this changed since?
- Do voluntary/community organisations co-operate well together?
- Do voluntary/community organisations strike a good balance between capacity building, public education and reflection?
- What is the most useful contribution they have made to the PB process?

Role of the media

- How do the media portray PB?
- What form of media has been most influential in promoting awareness of PB?

Political issues

- What were the key obstacles that had to be overcome at the start?
- How were councillors encouraged to buy in to the process?
- Was there much resistance from more affluent areas?
- Has the change of government at the state level had an impact on PB?

Consultation processes

- Has PB had an impact on the methodology of other consultations?
- Is there any kind of consultation process about the overall City Council budget?
- Have the methods used in the regional meetings changed over time?
- Has the national government contributed funds to the PB investment fund?
- Did the projects change as PB developed?
- Was the initial investment fund significant enough to have an impact on local services?

LIST OF INTERVIEWEES

1. Sylvio Schneider, LFD, Porto Alegre
2. Luciano Brunet, Congress of the City, Porto Alegre
3. E Mancuso, Secretary for International Relations, Porto Alegre
4. Betania Alfonsin, Planning Department, Porto Alegre
5. Sergio Bairle, Cidade, Porto Alegre
6. Guanacy Cunha, former Media Manager, Porto Alegre
7. Alex Biton Tapia, CRC, Caxias Du Sol