

Managing the Urban Civic Commons: Participatory Budgeting in Porto Alegre, Brazil

Matt Cohen

Draft Version: December 13, 2013

1 Introduction

While the commons are often conceptualized as natural resources or components of rural livelihoods, the notion of commons can also be applied to urban settings. The urban commons encapsulates public goods including “the air we breathe, public parks and public spaces, public transportation, public sanitation systems, public schools, public waterways...municipal garbage...streets...sites of commerce (Gidwani and Baviskar, 2011: 43).” Gidwani and Baviskar (2011) identify these good as civic commons, differentiating them from ecological commons. The provision, distribution, and ongoing maintenance of urban civic commons are governed by municipal budgets, which direct resources to funding priorities.

City budgets are finite resources that guide urban development. When funds are allocated for a specific capital project, social service, or operating expense, those same financial resources cannot be used to fund another program. Cities are rarely homogenous communities, and with diversity comes myriad needs, special interests, and agendas.

Numerous different voices compete for municipal funding and support. In many cases, power asymmetries lead to an inequitable distribution of resources, and the needs of many disadvantaged populations go unmet. Participatory budgeting (PB) presents an option for collective action in which citizens deliberate through a democratic process to identify municipal funding priorities and redistribute urban resources to vulnerable populations (de Sousa Santos, 1998). This paper presents a background on participatory budgeting, provides a case study of participatory budgeting in Porto Alegre, Brazil, and discusses potential challenges and fragilities that could impede the success of participatory budgeting.

2 Participatory Budgeting

The world’s first example of participatory budgeting was introduced in Porto Alegre, Brazil in 1989 (Souza, 2001). Today, more than 200 Brazilian municipalities have adopted PB (Pateman, 2012), and more than 250 cities around the world have practiced this collaborative decision-making process (Cabannes, 2004).

Participatory budgeting provides a stark contrast to the consequences of globalization. As countries in the Global South redemocratized and opened their markets, they commonly experienced the marginalization of disempowered communities and growing socioeconomic disparities. PB creates

democratic spaces where disenfranchised populations participate in local decision-making and prioritize investments in their communities (de Sousa Santos, 1998).

Cabannes (2004) identifies the political context in which PB typically occurs. PB is most successful in cities whose municipal officials are directly elected through universal suffrage. Also, in most cases of PB, there is a clear division of powers between the legislative and executive branches, and city governments typically feature a strong mayor. PB occupies the conventional space and powers typically enjoyed by municipal councils, challenging the traditional role of municipal legislative representatives. As a result PB requires a rebuilding of relations between executive and legislative authorities and requires rethinking representative democracy. Finally, to be successful, PB requires a mobilized citizenry.

PB processes typically influence between two and ten percent of overall municipal budgets—nine percent on average (Cabannes, 2004). The percentage of budget open to debate, the community concerns funded through participatory budgeting, and the legal codification of the PB process varies from city to city, and the local context in which participatory budgeting occurs is an important factor that influences process design and implementation. As a result there is no one model example of PB (Souza, 2001; Cabannes, 2004).

3 Porto Alegre, Brazil

Porto Alegre is the capital of the Brazilian state of Rio Grande do Sul. Located near Brazil's southeastern coast, Porto Alegre is home to more than 1.4 million residents (UN Data, 2013). Porto Alegre is Brazil's largest industrial city and is a regional metropolis (de Sousa Santos, 1998). Like most of Brazil, Porto Alegre experiences enormous disparities in wealth, status, and power (de Sousa Santos, 1998; Souza, 2001).

To understand the case of Porto Alegre, it is important to also understand the context of Brazilian politics and socioeconomic conditions. Brazil has an authoritarian history, with politics traditionally dominated by oligarchic, patrimonial, and bureaucratic systems. These political traditions have resulted in a Brazilian state characterized by asymmetrical power distributions, income disparities between elites and the majority of the population, political and social marginalization, co-optation through populism and clientelism, and superficial forms of democracy. Traditionally, Brazilian politics is accented by state power over civil society, obstacles to citizenship, weak civil rights, and low democratic participation (de Sousa Santos, 1998; Souza, 2001).

Despite high levels of inequality and marginalization, Porto Alegre's population has historically been civically active. Unlike much of Brazil, the city has a tradition of democratic politics and a well-organized civil society. Rio Grande do Sul, and Porto Alegre in particular, actively opposed the military dictatorship until its downfall in the mid 1980s. Political mobilization in Porto Alegre focused on "strengthening the unions and such community movements as neighborhood and street associations, soccer clubs,

cooperations, mothers clubs, [and] cultural groups (de Sousa Santos, 1998).” These movements pushed for bus lines, sewage systems, road paving, housing options, health centers, and other neighborhood-scale needs. In many ways, civic engagement in Porto Alegre is a unique case to Brazil, and Porto Alegre’s population is more civically active than in other Brazilian cities. More than 39% of people belong to civic associations, more than 92% admit to following current events, and over 76% say they research voting information (Souza, 2001). These statistics exceed national averages.

Out of Porto Alegre’s social organizations grew a heterogeneous popular movement that became involved in local government by the early 1980s (de Sousa Santos, 1998). Democratization following the fall of authoritarian control featured decentralization of power to sub-national levels, granting greater powers to local governments (Souza, 2001), further strengthening the involvement of Porto Alegre’s civil society in local-level decision making. Over the 1980s, political participation in Porto Alegre continued to grow with increasing demands for housing, education, health, nutrition, human rights, and unemployment leading into calls for democratization at state and city levels (de Sousa Santos, 1998). In 1988, Brazil’s constitution created mechanisms for allowing grassroots movements to participate in some decision making at the local level (Souza, 2001).

In January 1989, the Workers Party (Partido dos Trabalhadores) won administrative power of Porto Alegre through local elections. The Workers Party installed a “popular administration” in the municipal government, seeking to guarantee popular participation through the generation of the municipal budget, which would impact the distribution of urban resources and prioritize community investments (de Sousa Santos, 1998). The traditions of strong civil society in Porto Alegre, paired with the downfall of Brazil’s military dictatorship, the strengthening of local-level democratic processes, and the election of the Workers Party to Porto Alegre’s municipal government created the conditions for introducing participatory budgeting to the world.

4 Participatory Budgeting in Porto Alegre

PB was introduced in Porto Alegre in 1989 by the Workers Party. Direct citizen deliberation is limited to capital investments for infrastructure projects, which makes up approximately ten percent of the overall municipal budget (Souza, 2011; Cabannes, 2004; Pateman, 2012). The remaining ninety percent of the budget is open to citizen input through influence of citizen-appointed delegates. As a result, ten percent of Porto Alegre’s budget is constructed through direct participation and ninety percent is allocated through representative democratic processes (Cabannes, 2004). Participation in PB varies from year to year, and in Brazil, between two and seven percent of the total population participates in PB (Cabannes, 2004). In Porto Alegre, average participation is roughly eight percent (de Sousa Santos, 1998).

4.1 Structure of Porto Alegre's Participatory Budgeting Process

Porto Alegre's participatory budget process does not have formal legal recognition but is instead guided by an established internal structure. Through a series of general assemblies, citizen meetings, and budget council meetings, citizens prioritize projects for investment and the city's executive branch, with citizen-appointed delegates, publishes an Investment Plan and presents a recommended budget to the city's legislative body, which has ultimate say in approving, revising, or defeating the municipal budget. Although PB has no formal legal standing, the executive branch's power and the weight of popular support for the citizen-driven budget yield a powerless legislative body that must either approve the budget or face the political risk of ignoring the public will (de Sousa Santos, 1998).

PB in Porto Alegre is based on three principles: (1) all citizens may participate and no community organizations gain special status, (2) participation occurs through direct and representative engagements that are organized and governed by participants, and (3) potential investments are prioritized based on general criteria set by participants and technical criteria set by experts and legal norms. The executive branch implements the final decision (de Sousa Santos, 1998).

PB involves three types of institutions: (1) administrative units of the city's executive branch that facilitate citizen deliberation, (2) community organizations that provide mediation between citizens and city/regional priority, and (3) community participation institutions that mediate between the executive and community organization institutions (de Sousa Santos, 1998). The city is divided into sixteen geographic regions and five thematic areas: (1) transportation and circulation; (2) education, leisure, and culture; (3) health and social welfare; (4) economic development and taxation; and (5) city organization and urban development (de Sousa Santos, 1998).

Each year, two rounds of regional and thematic assemblies are organized and coordinated through a collaboration between the municipal government, participatory budget delegates, and city councilors. Prior to the annual assemblies, citizens hold preparatory meetings without municipal interference. In these meetings, citizens identify and prioritize demands of individual citizens, grassroots movements, and community organizations. Citizens also nominate regional delegates to represent them at the assemblies (de Sousa Santos, 1998).

At the first assembly, the executive office settles accounts from the previous year's budget and presents a plan for the current budget. Citizens evaluate the Investment Plan from the prior year and hold a first round of elections of delegates to represent them on regional and thematic issues (de Sousa Santos, 1998; Souza, 2001).

Between the first and second assembly, there are a series of preparatory meetings organized by regional or thematic organizations without interference by the municipal government (Souza, 2001). Citizen and organization demands are ranked by participants based on the established general criteria. Once the list

is created, prioritization is debated at larger regional meetings. Although this phase allows for direct citizen input, many significant negotiations occur behind the scenes at informal meetings between community leaders. The degree of community organization dictates the level of ethical conflict under this scenario (de Sousa Santos, 1998).

The second assembly is chaired by representatives of the executive branch and two citizen-elected councilors and alternates representing every region and thematic area (Souza; 2001). The council meets once per week to discuss revenue and expenditures, general criteria for resource allocation, and prepare the Investment Plan. The Investment Plan details investment priorities and presents the resource allocations for every region and thematic area (de Sousa Santos, 1998). This period features delegates negotiating citizen investment priorities and guiding council decisions on how to distribute resources for each identified priority (Souza, 2001). While working on the Investment Plan, the council simultaneously meets with and pressures the legislature to influence their budget proposals. The process concludes with the Participatory Budget Council approving and publishing the Investment Plan (de Sousa Santos, 1998). As described above, the executive branch then recommends a budget to the municipal legislature, which under pressure by popular support must make a final budget decision.

4.2 Outcomes of Porto Alegre's Participatory Budgeting Process

PB in Porto Alegre is generally considered to have been successful in redistributing urban resources to the city's more vulnerable communities (Souza, 2001). More public resources have been invested in poorer areas than in richer ones (Novy and Leubolt, 2005) during a period when resource distributions favor richer areas in the majority of Brazilian cities (Pateman, 2012). In 1989, 49% of the city population had access to basic sanitation (water and sewage); by 1996, 98% of the population had water and 85% had sewage connections (de Sousa Santos, 1998). The number of students enrolled in elementary and secondary schools doubled from 1989 to 1996 (de Sousa Santos, 1998).

PB has also had an indirect positive impact on Porto Alegre's municipal government. The PB process created a more transparent municipal spending process, which led to greater trust in the municipal government. As a result, tax delinquency declined and the city experienced a 48% increase in tax revenue from 1989 to 1996 (de Sousa Santos, 1998). Increased government transparency has also reduced clientelism and corruption in Porto Alegre (Novy and Leubolt, 2005).

One concern about public participation is the question of who truly has access to decision-making processes. In Porto Alegre, participation has been balanced between men and women, and the average age of participants is 41, showing an even distribution of age groups. In terms of socioeconomic status, forty percent had a household income one to three times minimum wage and an elementary education. Sixty percent of participants had an income up to five times minimum wage (de Sousa Santos, 1998). The black community and the poor, two marginalized populations in Brazil, have been well represented in PB as well (Novy and Leubolt, 2005; Pateman, 2012). Still, it is not clear if PB reflects the interests of

those who do not participate. While the poor participate in PB, those living in extreme poverty typically do not participate (Souza, 2001; Pateman, 2012).

4.3 Recent Developments in Porto Alegre

After sixteen years in power, the Workers Party lost the mayoral election in 2004 (Novy and Leubolt, 2005). The new government maintained participatory budgeting, but it also introduced new policy-making mechanisms. One such program, “local solidarity governance,” operates parallel to participatory budgeting. Because of this, PB is no longer the sole central focus of urban governance in Porto Alegre. The shift in focus to local solidarity governance led to a decrease in attendance of PB engagements by government officials. Decreased government participation has led to less technical assistance and reduced accountability in PB. Also, the period following the end of the Workers Party control saw an increase in allocated investments that were not implemented by the new government (Leubolt et al., 2008).

In 2010, a member of the Democratic Labour Party was elected mayor. The Democratic Labour Party worked with the Worker’s Party in supporting Participatory Budgeting in the 1990s and went so far as attempting to officially recognize the practice in efforts to open more of the municipal budget to the participatory process (Wampler, 2010). It is unclear how this election has impacted the implementation of PB in the last few years. It is clear, however, that PB is vulnerable to shifts in political power at the municipal level.

5 Challenges and Fragilities

This analysis of Porto Alegre and scholarly literature on PB in general identify potential challenges and fragilities that could threaten the participatory budgeting process:

Tensions between executive and legislative powers. PB relies on a strong mayor system and typically solidifies executive powers at the municipal level (Cabannes, 2004). In Porto Alegre, the executive branch, by empowering citizens to provide input into the budget process, essentially revoked the legislative body’s budgetary powers (de Sousa Santos, 1998). In some settings, this arrangement could cause tensions between branches of municipal government with consequences to the efficiency and equity of PB implementation.

Over-institutionalization and co-optation. As is the case in Porto Alegre, PB is typically an informal social movement that is supported by the municipal government but not codified by local law. This arrangement ostensibly protects PB from “instrumentalization” and co-optation (Cabannes, 2004).

Generic adoption of participatory budgeting. Some international agencies are interested in standardizing PB, but doing so would be damaging to the process because each PB case is unique to the

community within which it is applied. There is concern that large-scale, top-down adaptations of PB would turn the process into “copy and paste” programs that don’t translate well (Cabannes, 2004).

Budget proportions. It is unclear if PB should be limited to allocating resources to special issues or if it should allow full control of public resources. In some cases, less than one percent of a municipal budget may be open for PB, while in other cases the entire budget is publicly debated (Cabannes, 2004). Balancing process equity and technical demands of running a city is a complex matter.

Balance between direct and indirect participation. In the case of Porto Alegre, as in many cases of PB, citizens participate directly in some aspects of budget deliberation but elect delegates to represent them in deciding upon the majority of budget allocations. When designing and managing PB, it is important to balance forms of participation in a way that yields a fair system (de Sousa Santos, 1998).

Institutional transformation. Cabannes (2004) asserts that “transformations within municipal administrations have not kept pace with the process of PB (38).” PB shifts the power between executive and legislative branches, and it builds citizen power in decision making; however, the basic structures of local government remain unchanged. Also, PB typically focuses on short-term, neighborhood-scale projects, which must be integrated into longer-term city-wide plans (Cabannes, 2004).

Vertical dependence. Significant portions of municipal budgets are dependent on funds distributed by federal governments. National-level fiscal crises could threaten budget processes at the local level (de Sousa Santos, 1998).

Shifts in political power. In Porto Alegre, PB was a pet project of a specific political party and support for PB waned when that party lost control of the municipal government (Leubolt et al., 2008). While scholars assert that PB should not be over-institutionalized through municipal law, some measures must be taken to ensure its success over time and under the guidance of different political interests.

6 Conclusion

Cities are home to diverse populations that occupy different levels of the socioeconomic spectrum. These populations face myriad challenges and have varying priorities that they need addressed by their local government. Municipal budgets are one tool for managing the urban commons, and participatory budgeting presents a collective action opportunity for guiding municipal investment.

One of the clearest lessons is that participatory budgeting is a process unique to each municipality, and there is no standard, model process (Souza, 2001; Cabannes, 2004). The temptation to view successes in one city and copy their methods in another is dangerous, and this “copy and past formula” poses one of the greatest risks to designing PB processes (Souza, 2001).

References

- Cabannes, Y. (2004). Participatory budgeting: A significant contribution to participatory democracy. *Environment and Urbanization*, 16(1), 27–46.
- de Sousa Santos, B. (1998). Participatory budgeting in Porto Alegre: Toward a redistributive democracy. *Politics & Society*, 26(4), 461–510.
- Gidwani, V., & Baviskar, A. (2011). Urban Commons. *Economic & Political Weekly*, xlv(50), 42–43.
- Leubolt, B., Novy, A., & Becker, J. (2008). Changing patterns of participation in Porto Alegre. *International Social Science Journal*, 59(193-194), 435–448.
- Novy, A., & Leubolt, B. (2005). Participatory budgeting in Porto Alegre: Social innovation and the dialectical relationship of state and civil society. *Urban Studies*, 42(11), 2023–2036.
- Ostrom, E. (2005). *Understanding Institutional Diversity*. Princeton, NJ: Princeton University Press.
- Pateman, C. (2012). Participatory democracy revisited. *Perspectives on Politics*, 10(1), 7-19.
- Souza, C. (2001). Participatory budgeting in Brazilian cities: Limits and possibilities in building democratic institutions. *Environment and Urbanization*, 13(1), 159–184.
- UN Data (2013). City population by sex, city and city type. Resource online; available at <<http://data.un.org/Data.aspx?d=POP&f=tableCode%3A240>> Accessed 10 December 2013.
- Wampler, B. (2010). *Participatory Budgeting in Brazil: Contestation, Cooperation, and Accountability*. Penn State Press.