

Public deliberation at the local level: participatory budgeting in Brazil

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Brazil throughout the twentieth century had more authoritarian than democratic periods. In the first thirty years of this century a semi-oligarchic form of electoral democracy was in place. Periodical elections took place and, yet, only a very small portion of the population was reached by the existing form of suffrage. In the beginning of the century less than 1% of the country's population was entitled to vote and in 1930, when the country experienced its first authoritarian breakdown, only 2% of the population was entitled to vote.(Conniff,1989:35)

From the 30's on, Brazil entered a cycle through which its political system oscillated between authoritarianism and democratic populism. Between the 1930 and 1945, the dominant political system was corporatist authoritarianism. For a short period of time, elections were in place in spite of the state's prerogatives to intervene in labor and civil society associations (Weffort,1978). In the end of this period, the conflict between state and society led to the move from democratic to authoritarian corporatism (1937-1945) with the suspension of both elections and individual guarantees. Between 1945 and 1964 the dominant regime was an unstable form of democratic populism a period in which all presidential mandates were submitted to some form of anti-democratic challenge. Vargas (1950-1954) faced a rebellion attempt and did not complete his mandate; Kubitschek(1956-1960) needed the support of the army to seize office and Janio Quadros renounced the presidency after the failure of an anti-congressional coup that he sponsored. Finally, João Goulart's(1960-1964) was overthrown by a military coup in 1964.

Between 1964 and 1985 the country experienced its worse authoritarian experience. Congress was closed by the authoritarian regime twice, one 1968 and another 1977. Elections for president were suspended and after 1968 most of the individual guarantees, such as habeas corpus were also suspended. Redemocratization took place through a restricted pact between the opposition party to authoritarianism,¹ the PMDB, and a split within the support party of the authoritarian regime, the P.D.S. A new constitution is in place since 1988 and periodic presidential elections have been taking place since 1989.

Throughout the twentieth century Brazilian society and politics were organized around one central idea: modernization. The country's elites sponsored a project of modernization based on three pillars: economic development, industrialization and urbanization. In this process a predominantly rural country became the world 10th largest industrialized nation. The share of the population working in the industrial sector increased from 10,4% in 1940 to 24,3% in 1980. The share of the population working in agricultural and mineral activities decreased from 65,8% in 1940 to 29,9% in 1980(Santos,1987:137). The above described process far from being a success story in terms of the advantages of economic modernization is a demonstration of its social drawbacks: throughout the twentieth century Brazil became one of the world most unequal countries. In 1984, the last year of authoritarianism in Brazil, the number of poor and very poor people in the different regions of the country was above 35% of the

¹ Brazil experienced an exotic form of electoral authoritarianism. In contrast to all the other countries in the Southern cone the authoritarian regime in Brazil did not close congress during the entire authoritarian period and did not rule by decree. On the contrary, congress in the Brazilian case was kept open for most of the authoritarian period and what the authoritarian regime did was to actively intervene in its composition. In the short run such an action led to a mild form of authoritarianism in Brazil (Linz,1971). In the long run it led to more continuity between authoritarianism and democracy.

whole population reaching in the case of the Northeast more than half of the region's population.

The project of economic modernization in Brazil created sharp political and economic inequalities at the local level. The population of the largest Brazilian cities grew at an unbelievable rate between 1950 and 1980. In the case of the city of São Paulo its population grew from 2,198 million to 8,493 million in this period. In the case of the city of Belo Horizonte it grew from 352 thousand to 1,780 million and in the case of Porto Alegre from 394 thousand to 1.125.000 (Ibge, 1983). The increase of the urban population was not followed by a proportional increase in urban services. On the contrary, most of the urban services required by an urban population were very badly provided in the 1980's in Brazil. In 1984 in the southeast of Brazil – its wealthiest region - only 80,2% of the population of the cities had access to treated water and in the south region of Brazil only 59,6%. Access to sewerage was lower: only 55% of the urban population of the southeast and 11,8% of the urban population of the south region had access to it in 1984 (Santos,1987:161-2).

Two reasons might provide an explanation for the low level of public equipments and services in most Brazilian cities in this period: the low level of organization of the urban population and the strong clientelistic tradition existent in the country. The level of organization of the Brazilian population was traditionally very low. Some Brazilian cities had some very limited forms of neighborhood associations during the democratic populist period(1946-1964): the total number of neighborhood associations created in Rio de Janeiro during the whole period was 124 (Boschi,1987). Only 71 neighborhood

associations were created in Belo Horizonte between the 20's and the 70's (Avritzer,1998a). Thus, as a general rule it is possible to state that the level of organization of the Brazilian population was very low at the moment of the breakdown of the democratic regime in 1964. In addition to that, state violence was a factor, curbing organization throughout the whole authoritarian period. Afonso and Azevedo (1988) found fear as the main reason for the urban poor not resisting to urban relocation in Belo Horizonte in the early seventies; Gay (1994) also found fear as the main reason why the Vidigal population in Rio de Janeiro did not organize itself during the same period.

The second reason for the low level of access of the population to urban services is the predominance of a clientelist tradition (Nunes Leal,1946; Roett,1965; Cammack, 1991; Mainwaring,1990; Avritzer,1998b). The main political tradition at the local level in Brazil has been clientelism. The presence of political mediators as those responsible for the deliverance of public goods has marked Brazilian political life since the nineteenth century (Graham, 1990). Only in the late seventies as part of the reaction against authoritarianism and as part of the break between the church and the state² this tradition begins to change with the formation of independent neighborhood associations.

Neighborhood associations blossomed in the late seventies in Brazil as part of a general associative movement which was part of societal reaction against authoritarianism. In the city of Rio de Janeiro 166 neighborhood associations were formed between 1979 and

² The church in Brazil has been for most of the century an ally of the state in its project of modernization. In 1930 during the break with the semi-oligarchic form of electoral democracy in place in the country the church mediated the withdrawal of the elected president from Rio. In 1964 in the episodes that led to the authoritarian breakdown the church organized the so called marches of the family with god for liberty which were essentially an attempt to mobilize the middle class against agrarian reform and urban reform. Yet, in the beginning of the 70's the church broke its alliance with the state both for external and internal reasons. See

1981(Boschi,1987). In Belo Horizonte 80% of the existing neighborhood associations were formed after 1980. In all cases these associations were an expression of a change in associative pattern. They claimed organizational autonomy from the state; they challenged the presence of political mediators; they challenged the tradition of considering urban services as a favor to be delivered by the state (Avritzer,1998b).

Redemocratization in Brazil implied in strong challenges to the century old model of economic modernization and societal control sponsored by the countries elites. At the same time that urban social actors were challenging the control of political mediators upon the distribution of public goods, workers were challenging a tradition of control of trade-unions by the state and important middle class sectors, such as lawyers, doctors, university professors, were reevaluating their lack of organization and their support for a state-sponsored project of disempowerment of all social sectors. This movement led eventually to the electoral defeat of the authoritarian regime's support party in the state elections of 1982 and to a conservative pact within political society which allowed for the withdrawal of authoritarian powerholders from the political scene and the restoration of competition at the political level.

Continuities and Renovations in post-authoritarian Brazil

The political scenario of post-democratization Brazil in the late eighties involved a large dose of continuity at the political level and limited forms of renewal at the societal level.

(Bruneau,1974; Casanova,1994). From then on, it provided a protective umbrella for the organization of the poor.

At the political level in spite of some seeds of social organization the forces hegemonic during the whole process of modernization of Brazil kept their control upon the political system. The first civilian president, José Sarney, (1985-1990) has been the leader of the support party of the authoritarian regime during its final period. Within the constituent assembly there were more M.P.'s who belonged in one moment to the support party of the authoritarian regime (Arena) than M.P.'s who belonged to the opposition party (PMDB)(Rodrigues,1987).

Political continuity was built not only in terms of political actors but also in terms of their policies. One of the most important institutional leftovers of authoritarianism was the clientelist system built both in the nineteenth century and in the beginning of this century and strengthened by the authoritarian regime.³ The use of clientelism increased after 1986 through the creation of what can be called a “patrimonial budget”. The Ministry of Planning - the institution in charge of the elaboration of the federal budget - was transformed in a mechanism for the organization of patrimonial exchanges. Every year when Congress votes on the federal budget, MPs present amendments involving public works in the regions where their electorate is concentrated. The total amount of the patrimonial budget – the portion of the budget to be allocated on local public works - is, however, preset by the federal government, resulting in a tendency to pulverize the resources. Each MP is allowed to propose up to twenty amendments. In 1996, a local

³ The relation of the authoritarian regime with clientelist politician varied in its different phases. In its initial phase, the military incorporated a techno-bureaucratic ethos and dissociated themselves from clientelistic politicians. From 1974 on, as they decided to compete electorally with the democratic opposition they began to draw on clientelism due to the fact that most of the opposition was concentrated within the middle class sectors of the large cities. Arena, the authoritarian regime support party, became strong in the more clientelist regions such as the North and the Northeast. It also had strong presence in the countryside drawing on clientelist relations existing there. See Cammack,1990 and Avritzer,1998a.

election year, US\$600 million were set aside for the patrimonial budget, leaving on average roughly one to 1.5 million dollars in amendments for each MP (F.S.P, 1996d). Most MPs opted in 1996 to divide the resources under their control. Thus, for a public works project budgeted at US\$2 or 3 million, a MP could present an amendment allocating US\$200,000, which means its forecasted conclusion could be fifteen years or more away. In June 1996, there were 2214 public works projects involving more than US\$15 billion which were not expected to be completed because the necessary resources were not budgeted. There is no requirement that an MP who originally proposed a project continue to ask for resources for its completion. Since most of these amendments involve public works at the local level, this systems strengthens political mediators at the expenses of organized society.

The second element of the Brazilian clientelist system is a process of negotiation for the release of resources already budgeted. In general, the executive branch releases these resources slowly, in exchange for MPs' support for projects in which it takes an interest. For instance, if the government proposes a social security reform which faces opposition in Congress, the Ministry of Planning releases funds for ongoing projects in exchange for support for its proposal . Thus, clientelism in Brazil has two main consequences: the first one is to disempower social actors in their capacity to claim resources as part of their condition as citizens. The second, is the extreme inefficiency of social policies and government spending, which accentuates the already extreme inequality in the distribution of revenues in the country.

Thus, the specific institutional problem existent at the local level and to which participatory budgeting will provide a solution can be described by three elements:

- extreme inequality at the local level caused by an amazing rate of expansion of the cities and by the lack of any policy on how to provide the poor population with access to public equipments.
- the existence of a tradition of low propensity to associate and use of political mediators to claim for public goods. This tradition has led to extreme inefficiency in the utilization of public resources at the local level.
- lack of any mechanism of negotiation among the poor population on which public works should have priority and on how resources should be distributed at the local level.

The emergency of the participatory budgeting process

Participatory budgeting is a process of public deliberation on the allocation of budget resources first introduced by the Workers Party in Porto Alegre in 1990 and in Belo Horizonte in 1993. Porto Alegre is the capital of Rio Grande do Sul and a city which passed through the process above described: its population increased fourfold between 1940 and 1980, with a population growth rate of approximately 5% a year. In this period the state renounced to any attempt to regulate the informal expansion of the city creating room for a series of illegal occupations of urban land which would become *de facto*

neighborhoods. During the authoritarian period there were some attempts of removal of the poor population from the central areas of Porto Alegre and their relocation at the Restinga, an area with a complete lack of public services and equipments. Until the early seventies no utilities were extended to such areas creating an abyss between the formal and the informal city (La Horgue,1997).

The case of Belo Horizonte is very similar. In spite of the fact that it is a city created a hundred years ago and it is a planned city, the area allocated to the lower revenue population soon showed itself insufficient and different forms of occupation of the urban land took place. In 1960, there were already 70 slums in the city in which 25.000 lived (Moreira,1999:56). During the authoritarian period many slums were removed and its population relocated in areas with precarious infra-structure. Only in the eighties, with the reorganization of Brazilian civil society and the formation of neighborhood associations, the regularization of illegal forms of occupation of the urban land took place. In the early eighties a program called *pro-favela* was created allowing the legalization of the property in occupied lands and the incorporation of these areas to the city urbanization process (ibid).

The participatory budgeting process (from now on P.B.) is a local participatory policy which gives a response to the situation of the poor population in major Brazilian cities. It incorporates social actors, neighborhood association members and common citizens in a negotiated process of deliberation which takes place in two stages: a participatory stage in which participation is direct and a representative stage in which the participation takes place through the election of delegates and/or councilors. Due to differences in the

process in the two cities allow me to describe separately the functioning of the P.B. in each one of them.

The P.B. in Porto Alegre. The P.B. in Porto Alegre involves two rounds of regional assemblies, one round of intermediary meeting and the functioning during the whole year of a councilors body called the P.B. council. The process begins every year in the month of April when the first round of regional assemblies takes place. In this first stage the population attends an assembly in each of the regions. Every regional assembly in the first round is attended by the mayor and a short account settling process is triggered with the description of the stage of the administrative implementation of the decisions taken in the previous year. The floor is open for about an hour in which citizens express themselves about what has been taking place, about possible disagreement with the administration and about different views on what should be done in their region in the next year. Participation in these meetings is crucial because they will constitute the basis for the participation in the remaining parts of the process. Participation in these meetings is individual but individuals throughout the registration process are required to point out membership in voluntary associations. In 1999 about 2/3 of them expressed some link to associations in the regions. Delegates are elected at the end of the first round of regional assemblies based on two criteria: the first one is the total number of people attending the assembly. There is in Porto Alegre a criteria to determine the total number of delegates which is the following: for "... up to 100 people attending – 1 delegate for every 10 people, from 101 to 250 – 1 for every 20, from 251 to 400, 1 for 30, from 401 on 1 for 40"(Poa,1999 a:6). For instance, the first round regional assemblies in the center of Porto Alegre was attended in 1999 by 520 people. This means that the regional will have 26

delegates (10 for the first 100, 08 for another 150 people, 05 for the other 150, and 03 for the remaining 126 people who attended the meeting). The second criteria is the number of people registered by each of the regional groups. Thus, still in the center regional of Porto Alegre *the associação dos moradores do centro* registered 47 participants totaling 9,03% of the participants. It was entitled to two delegates.

The second moment in the P.B. process is the so called intermediary meetings. They are in charge of two things: the hierarchization of thematic priorities and the deliberation on public works to be claimed by the regional. Hierarchization is a process through which among twelve types of public goods (pavement, sewerage, legalization of urban property, organization of the city, housing, education, health and social assistance, transportation and circulation, leisure, sports, economic development and culture) five priorities are chosen. Hierarchization involves two previous processes done by the public administration: the evaluation of previous access of the population to public goods and the classification of each of the city's regions according to its population. Thus, two criteria are in operation in the process of hierarchization: the first one is the criteria of previous access (need). A table of classification of priorities assigns grades on an inverse relation to previous access to the public good at stake. According to the 1999 criteria up to 80% of previous access to a public good leads to grade 1, up to 60% of previous access grade 2, and up to 20% grade 5. The second element of the process is amount of the population concentrated in the region and the third is the decision of the community itself which also leads to grades from 5 to 1 to its choices. At the end of the process of hierarchization a region can reach up to 15 points if it had less than 20% of

previous access to a public good, chooses this good as its priority and has more than 120.000 inhabitants.

In the second round of regional assemblies the region elects its delegates to the P.B. council. This process which takes place in June leads to the formation of the Participatory Budgeting council composed in the following way: 2 councilors from each of the 16 regions (32), 2 from each of the five thematic oriented assemblies (10) one from the Uampa – the umbrella organization of neighborhood communities - and one from the civil servants trade-union (2). The total number of members of the P.B. council is 44.

The thematic oriented meetings. From the second administration of the Workers Party (1993-1996) on the administration introduced the so called “thematic oriented meetings”. They were the result of a process called constituent city and had as its aim to incorporate into the P.B. social sectors who still stood aside of the process. (Navarro,1998). The result was the introduction of five thematic oriented assemblies on the following issues: city organization and development, health and social assistance, economic development and tax systems, transport and circulation and education, culture and leisure. (ibid). The cycle of the thematic oriented meeting is parallel to the cycle of the regional meetings and they are entitled to elected 10 delegates for the P.B council.

The P.B. council: the P.B. council is inaugurated each year during the month of July. Its attributions are: to elaborate the budget proposal having as its basis the decisions on hierarchization and the votes on public works which already took place in the

intermediary meetings. The P.B. council revises the final budget proposal elaborated by the Gaplan and mayor's cabinet. It also monitors during the whole year the implementation of its decisions by the city administrative agencies. In the month of September a final budget proposal is in place.

The P.B. in Belo Horizonte:

The P.B. is also in practice in the city of Belo Horizonte since 1993. Its format involves three rounds of regional assemblies (from this year on there will be only two rounds) which lead to a regional forum of priorities. The first round of regional assemblies is similar to its counterpart in Porto Alegre with the difference that it more argumentative and less deliberative. The administration opens each of these assemblies making a public accountability on what has been decided in the previous year and what is the current state of implementation of previous decisions.

It is from the second round of regional assemblies that the P.B. becomes more deliberative. In the second round of regional assemblies the administration points out the available amount of resources for public works in the areas of pavement, sewerage and housing. The process of decision is different from the one utilized in Porto Alegre. The administration announces the amount of resources available for each of the regions through the use of a formula which connects resources in a straight relation with the size of the population and an inverse relation with the average revenue:

$$PVR = \frac{\text{pop}R}{e \cdot 1/Y^*}$$

50% of the available resources for the P.B. are evenly divided among the regionals and 50% using the above formula. Still in the second round of regional assemblies the main proposals for public works in each of the sub-regions (Belo Horizonte has 37 sub-regions) are already presented triggering a process of negotiation among the communities.

The third round of regional assemblies involves the indication of the delegates who will vote on the public works to be included in the city budget. Delegates were elected in 1998 according to the following criteria: from 1 to 200 participants, one delegate for each 10 people attending the assembly; from 201 to 410 participants, one delegate for each 15 people attending the meeting; above 410, 1 delegate for each 20 people attending the meeting. In addition to that each regional is entitled to one delegate per legally constituted voluntary association which exists within its boundaries (BH,1999). Once the delegates are elected for the forum on regional priorities a process of negotiation and argumentation takes place.

The priorities caravans: the priorities caravans constitutes a moment within the regional in which members of the sub-regional negotiate among themselves their different proposals. Each community which has proposed a public work to be included in the city budget visits the other communities in order to evaluate its level of need. At the same

* popr is the regional population, pvr is the virtual population, Y is the regional average revenue and e is a constant with the value of 2,7182818.

time, different communities start to support each other claims forming coalitions which will be decisive in the deliberative process.

The forum of regional priorities: at this stage the delegates from each of the sub-regions who already visited other regions negotiate with each other on the final format of the budget. Differently from Porto Alegre the final decision in Belo Horizonte takes place through the formation of tickets with coalitions of proposals among the different sub-regions. Also differently from Porto Alegre the decisions of the regional fora are final. The public works approved by the delegates will be integrated into the budget proposal. 20% of the delegates present in the regional fora are transformed in members of the *Comforças*, a monitoring body with the prerogative to follow the process of bidding for public works and with the prerogative to negotiate the substitution of public works in case of technical problems.

Evaluating the process of institutional innovation

There is a general consensus in Brazil that the P.B. works better than the traditional method of making the budget. Yet, there is no consensus on why it works better and how its main features were introduced. Some analyst attribute the success of the P.B. to the original proposal of participation introduced by the Workers Party (Souza,1999) and other analysts consider the P.B. to be a product of multiple subjects having its origins in social movements' actions(Baierle, 1998). In this section of the paper I am going to analyze the origin of the P.B. and argue that its design is in fact a combination of

different proposals which emerged both at the level of social movements and at the local level.

The centrality assumed by the process of making the budget within the process of distribution of public goods is a process which began Uampa – the federation of neighborhood associations in Porto Alegre in the late 80's. Neighborhood movements have been strong in Porto Alegre from the beginning of democratization process in Brazil (Baierle,1998). Since the first popular elected administration in Porto Alegre in which a left populist party (PDT) was elected to run the city, there was a demand on the part of members of neighborhood associations to monitor the activities of the local administration (Baierle, 1998). In a meeting called to discuss the participatory policies proposed by the Collares administration which took place on March 26, 1986, UAMPA's deliberative council issued a document on popular participation in the city. This document had three main points: 1)the identification of the process of participation with “the control in the definition of the city budget”; 2)the identification of the process of making the budget with the discussion on investment priorities in each neighborhood; 3)the control and the monitoring of the budget execution. (Uampa,1986). Yet, the specific form of the process of democratization of the budget was not clear for Uampa.⁴

The Workers Party was part of the movement for the organizational autonomy of labor from the state and, at the same time, advocated an idea of participatory democracy more inspired in the Marxian conception of labor councils than in the social movements

⁴ I am very grateful to Marcelo Kunrath for pointing to me the existence of the Uampa's document.

trajectory in Brazil.⁵ The Workers Party program was a defense of local councils generating city councils and furnishing a workers based parallel form of administration (Abers,1996:38). The Workers Party had its first important victories in the local elections of 1988 in which it elected the mayors of São Paulo and Porto Alegre among other cities and in some cases, like the one of São Paulo, decided to practice something very similar to its workers councils proposal. Even in the case of Porto Alegre the conception which prevailed during the first year of Worker's Party administration was deeply influenced by the conception that politics always involved the representation of particular interests and that a Workers Party administration was supposed only to reverse the particular interests prevailing within the local administration (Utzig,1996:211).

The political decisions on participatory budgeting were taken in a parallel way during the first two years of the Workers Party administration in Porto Alegre. The Olívio Dutra administration pursued from its inauguration a general orientation towards participation. Most of the secretaries introduced some component of participation in the first year in the process of elaboration of health proposals, education proposals and also of planing. At the same time a crucial decision took place in the first thirty days of the Olívio Dutra administration: the decision to assign to the CRC – Coordination of Relations with the Community - the role of centralizing of all the claims by the community. The CRC is one of the institutions which is central in the PB process. It already existed in 1989 (Lima,1999). Yet, the CRC role up to that point was to provide the city associations with a tax exemption certificate (atestado de utilidade pública). Thus, four actions in the

⁵ It is beyond the aims of this work to analyze the formation and evolution of the Workers Party. For an analysis of the movements which claimed for labor autonomy in Brazil during the democratization process

direction of the participatory budgeting overlapped in the beginning of the Dutra administration: the concern of urban social movements with the control of the budget and with direct participation at the local level; the importance assigned by the Workers Party to participation and to a councilors mechanism; the decentralized initiative of several secretaries including the planning secretary to give incentives to popular participation and the idea which emerged in the first thirty days to centralize the process of participation in the CRC. This combination differently from the a posteriori explanations available today (Souza, 1999) was not planned in advance. Table 1 below summarizes the initiative which led to the introduction of each of the elements of the participatory budgeting process.

Table 1: original proposal and final design of the P.B.

	original proposal	form of deliberation	final design
neighborhood associations	local assemblies and control of the population on budget decisions	based on direct deliberation at the local level.	Neighborhood associations proposal prevailed at the local level.
Workers Party	workers councils and a mechanism for the election of city councils	based on delegates electing new delegates	Workers Party proposal prevailed at the intermediary level (municipal budget council)
Local Administration	inversion of priorities on the city process of decision-making concentration of claims at the level of the CRC	based on a combination of participation and administration	administration proposal kept the connection between participation and the operation of administrative institutions (Gaplan, CRC, CROP)

see Avritzer, 1988. For an analysis of the formation of the Workers Party see Keck, 1992.

The consolidation of the P.B. also involved an important administrative reform which led to the creation of the GAPLAN, a crisis moment in which the planning secretary of the administration decided to leave due to reduction of the prerogatives of his secretary. Gaplan, the planning agency in charge of the making of the budget was created as a result of this process and the process of making the budget became centralized in the mayor's cabinet.

The P.B. has an institutional design that allows it to cope with administrative problems within the specific political culture in which they are inserted: a culture divided between clientelist and non-clientelistic, hybrid and deliberative elements. Abers (1998) showed how the Extremo Sul neighborhood in Porto Alegre which was dominated by clientelist politicians found in the P.B. an incentive to move to a more autonomous form of claiming public goods. According to her, in the first year of practice of the P.B. the Extremo Sul neighborhood made a very long and unordered list of demands which remained unattended (Abers,1998:520). Yet, one improvement made in the neighborhood through the P.B. caused a demonstration effect leading the neighborhood to inquire on how to participate. The willingness to participate led to a change in leadership. Neighborhood assemblies in the Extremo Sul used to gather around 80 people. In the next year after the change in leadership the neighborhood assembly gathered 569 people and city investments started to pour into the area. An example in Belo Horizonte in a neighborhood called Zila Spósito shows a similar process. The neighborhood was formed as a consequence of the need to relocate part of the population of another neighborhood due to the construction a new avenue

(Avritzer,1997). As the population arrived in the neighborhood water supply was irregular, sewerage and pavement were not available. In the first year of operation of the P.B. in Belo Horizonte a few leaders of the community made the claim for sewerage and pavement for the neighborhood. They did not know how to claim and they failed to convince other participants on the priority of their claims. A change in the neighborhood association and the formation of a new leadership led them to envision a much better organized form of participation in the next year leading them to have their claims included in the city P.B. plan for 1995. The examples in both Porto Alegre and Belo Horizonte show how institutions designed for public deliberation might have a positive effect in situations of previously existing deliberative inequalities: in the case of Porto Alegre inequality stemmed from the existence of clientelism in the neighborhood; in the case of Belo Horizonte inequality was the result of the lack of minimal organizational skills. In both cases, a participatory design leads the population to move from a situation in which there is a deliberative inequality to one in which they become equal members of a deliberative process. The P.B. facilitates the overcoming of two traditional mechanisms: hierarchical relations derived from the *favor* culture and the practice of claiming goods through mediators are substituted by forms of association and a forms of free expression

Evaluating the Characteristics of the Participatory Process

An evaluation of the participatory characteristics of the P.B. shows both in the case of Belo Horizonte and Porto Alegre that participation is directly linked to the

credibility of the process and the existence of public rules for action. Participation in the P.B. plays two different roles: 1) assuring a form of deliberation which is public and makes available the information on the access to public goods; 2) in the case of PB council and *Comforças* participation, guaranteeing the implementation of the deliberations already taken. Table 2 below shows the levels of participation in Porto Alegre:

Some characteristics of the participation in the P.B. are worthwhile to stress: first of all, initial participation in Porto Alegre's P.B. was low. Participation in the first year was low in most of the regions and very low in the regions in which there was no previous tradition of social organization such as Restinga, Glória, Ilhas and Humaitá (36, 20, 80, 10 during the second round of regional assemblies). Probably the low levels of participation in almost all regions was linked to doubts on the effectivity of the process in its capacity to deliver public goods. From the second year on, there is a huge difference in the pattern of participation. On the one hand, effectivity of the first year deliberations was enough as an incentive in those regions which already had a previous tradition of community organization such as the Leste (east region) in which 705 attended the second regional assembly or Parthenon in which 264 people attended the second regional assembly. On the other hand, participation remained very low in the regions without a previous tradition of participation or community organization. These regions which are among the poorest, had low levels of political participation for some years. At this stage, the determination of the administration to continue with the participatory process and to implement decisions taken by very few people contributed to the increase in participation in the following years. Thus, the effectivity of the process is essential to the increase in the levels of participation.

There is a second element which is worthwhile to note which is how participation is directly linked to the deliberative issue. If we look into the pattern of participation during the first five years, participation in the second regional assembly was larger than in the first (in 1992 for instance 1,442 people participated in the first round of

regional assemblies and 6,168 in the second round). Throughout this period the deliberative moment was the second round of regional assemblies in which the election of the councilors took place. From 1996 on delegates started to be elected in the first round of regional assemblies making them more deliberative. From this moment on, attendance in the first the round of regional assemblies became higher than in the second round (in 1996 for instance 6,855 people attended the first round of regional assemblies and 4,966 people attended the second round). Such a tendency of larger participation in the first round persists to this day.

The most important aspect of the participatory process in Porto Alegre is the continuous increase in participation in spite of the fact that there has been a change in the places of participation. Participation increased from year to year with very few exceptions (such as the years of 1994 and 1996). The continuous increase in participation could be attributed to the lack of doubts that the deliberative process is going to continue due to the political hegemony of the Workers Party in the city. In this sense the pattern of participation in Porto Alegre can be contrasted with the pattern of participation in Belo Horizonte in which the political process has been more contentious. Table 3 shows the variations in participation in Belo Horizonte:

Table 3: Participation in Belo Horizonte's P.B.

PB/year	first round	Second round	Third round	regional Forum	total
93/94	3.671	4.215	6.202	1.128	15.216
94/95	5.796	5.323	14.461	1.243	26.823
95/96	5.801	11.796	17.597	1.314	36.508
96/97	2.938	9.586	17.937	1.334	31.795
97/98	3.416	3.081	11.871	1.050	19.418
99/2000	stage suppressed	2.905	16.323	1.947	21.175

Source: planing secretary

Participation in Belo Horizonte shows more variation due to stronger doubts on the continuance of the deliberative process. In the first year in Belo Horizonte participation was already high due to the demonstration effect of the Porto Alegre experience, that is to say, the population had strong reasons to assume that it was participating in a process of deliberation on distribution of material resources. Participation increases nonetheless once the effectiveness of the process at the city level becomes clear. In its second year of P.B., participation increased in more than 50% in relation to the previous year. Participation decreases in 1996 due to the emergence of doubts regarding the deliberative process. Elections for the city administration took place that year and there were heavy doubts that the Workers Party candidate would win and, thus, that the P.B. deliberations would be implemented. Participation decreases again in 1997 because in spite of the fact that the new administration was proposing to continue the P.B. process, there were doubts on the part of social actors that it would implement the decisions because it was not a Workers Party administration. Yet, once it became clear that it would make the deliberations effective participation grew again.⁶ Thus, it is possible to argue that social actors vary their participation on the P.B. based on two elements: previous traditions of association and their perception of the effectiveness of the process.

⁶ It is interesting to point out that the resources available did not vary in direct relation with the participation.

Equity

The P.B. became well-known as a form of distributive justice in the process of deliberation on allocation of public resources (Santos,1998). Differently from bargaining processes in which outcome are determined “by the relative power that parties bring to the negotiation” (Fung & Wright,1999) or from the clientelistic mechanisms in which outcomes are determined by the interests of political mediators to constitute a electoral basis in the P.B. two criteria play the role of determination of the deliberative process: the first criteria is previous access to the public good in question and the second is the number of people who live in the region. Table 4 below gives an example of the application of the two criteria in the area of urban pavement.

Table 4: asphalt distribution in Porto Alegre’s regions in 1995

region	total popul.	paved road (in meters)	need of paved roads	Level of need
01	4,3%	3.930	11,810	75,03%
02	NA	101.202	8,337	7,61%
03	6.5%	118,520	23,030	16,27%
04	8.7%	32,100	57,,710	64,26%
05	7.6%	105,392	27,298	20,57%
06	7.2%	40,510	24,790	37,96%
07	8.0%	104,586	33,394	24,20%
08	4,3%	65,379	17,080	20,71%
09	7.6%	46,935	31,290	40,0%
10	5.4%	44,000	12,950	22,74%
11	5.4%	28,470	4,540	13,75%
12	8.3%	120,480	53,640	30,88%
13	9.8%	32,280	151,010	82,39%
14	5.0%	213,530	6,350	2,89%
15	6.9%	112,630	24,255	17,72%
16	4.3%	348,675	2,095	0,60%
total		1.516,524	489,579	

source: Poa,1995

The first criteria - the previous access to the good involved - represents an introduction of an equity component in the process of deliberation on the distribution of public goods. Brazilian cities, as it has been remarked in the introduction of this article, had historically a very unequal access to all sorts of public goods. As table 5 above shows there is a general need of approximately 1 to 4 of new paved areas in relation to the already paved ones. Yet, in some areas, the need of new paved areas could be as low as 1% whereas in other areas the need of new paved areas correspond to 82,0% of the existing roads. Thus, the introduction of a criteria of previous access to the public good played the role of inverting the form of functioning of the public administration. If we compare the level of access to paving in 1999 with the level of access of 1995 (the first year quantitative data were available) we can see the following variations:

Table 6: change in the access to asphalt appropriation in selected regions

region	total popul.	Level of need In 1995	Total paving done	Level of need in 1999
04	8.7%	64,26%	7,218	55,91%
05	7.6%	20,57%	7,207	15,35%
07	8.0%	24,20%	10,283	18,93%
08	4,3%	20,71%	9,081	10,94%
11	5.4%	13,75%	3,370	4,09%
16	4.3%	0,60%	955	0,33%
total				

source: Poa,1995

It is possible to point out a sharp change in the regional distribution of pavement access with most of the new appropriations distributed to areas in which there has been a huge lack of previous access to the mentioned goods. Thus, the P.B. introduces

an equity component in the distribution of public goods by being able to transform into a public information something that remained hidden, that is to say, how many people lived in each part of the city and how much access they had to public goods.

The P.B. in Belo Horizonte points in the direction of a similar connection between public deliberation and equity. In the case of Belo Horizonte the formula which distributes resources (see page 15) plays the role of connecting the distribution of public goods to the total population trying to correct previous unbalances between population and access to public goods. At the same time it tackles the problem of poverty by making the distribution of resources inversely proportional to each regions' average revenue. The result is that public administration becomes capable to deal with the pockets of poverty in the city and to correct previous imbalances and political mistakes in the process of urban growth. In the case of Belo Horizonte a very significant amount of the P.B. resources is being applied in slums and/or regions with very low revenue as table 7 below shows:

Table 7:Resources allocated in improvements in slums(favelas) and poor neighborhoods in BH(vilas)

OP	total R\$	Vilas e Favelas	% Vilas e Favelas
94	15.360.390	5.149.126	33,52%
95	18.185.909	5.520.636	30,35%
96	27.165.470	6.624.831	24,38%
97	26.948.339	6.686.719	23,20%
98	15.974.186	3.713.775	23,49%
99/2000	60.208.600	14.1444.400	23,49%
total	163.842.894	41.839.487	25,53%

source: secretaria municipal de planejamento of Belo Horizonte

Thus, between one third and one fourth of the total public works decided through the P.B. are allocated to poor neighborhoods. Such a fact has very important consequences for the democratization of the process of allocation of resources in the city: it creates disincentives to clientelism because it establishes a clear and public method for the distribution of public resources. In addition to that, once the population at the local level is empowered with the decision-making capacity on budget issues the possibility of development of clientelistic relations is lowered because both the criteria of previous access to the public good avoids concentration of resources in the neighborhoods and also because the presence of the population in the assemblies constitutes the ultimate criteria in the deliberative process.⁷

Deliberation and Monitoring in the P.B. process

The P.B. also addresses in an original way the relation between public deliberation and administrative implementation. The P.B. provides a different answer to this problem because it neither conflates deliberation and administration nor it accepts the neutrality of administrative processes. It retrieves mechanisms of monitoring introduced by social movements in Brazil in the early eighties and establishes a process of checks and balances between administration and monitoring. The P.B. adopts two different forms of monitoring. In the case of Porto Alegre the P.B. council has as one of its tasks the monitoring of the budget implementation. Monitoring in

⁷ In an interview with the president of a previously clientelistic neighborhood association in Porto Alegre on the advantages and disadvantages of the P.B. process she made the following observations: the president

Porto Alegre is exercised through the tension between two administrative arenas – Gaplan and CRC – and the P.B. council. Thus, administrative offices are in charge of implementation but their access to decision-making is not exclusive. They are required to explain choices to a body of delegates which is in charge of monitoring the administration of the deliberative process.

In the case of Belo Horizonte there is a special monitoring body – Comforças – in charge of the monitoring process. According to Faria (1996) the aims of the Comforças are: 1) check and supervise the schedule of implementation of the budget (timetable, expenses and accountability); 2) in the cases in which choices made by the community face technical opposition, Comforças is in charge of supervising its substitution for another priority or its redimensioning; 3) Comforças is charge of presenting the community point of view before a technical decision is made; 4) Comforças is in charge of asking explanations on polemical issues in the P.B. implementation; 5) Comforças organizes meeting with the community to explain the administration point of view on certain issues; 6) Comforças is in charge of indicating two representatives to the bidding process of P.B. public works; 7) Comforças participates in the organization of the regional forum; 8) Comforças investigates abuses of power and cases of existence of special interests in the deliberative process. (Faria,1996:103-104).

The institution of a monitoring body shows the possibility of separating deliberation from implementation without having to assume the need of exclusive access of technicians to administrative arenas. The P.B. instituted a public body in charge of

presenting and representing the community point of view inside the administrative arena. Such a solution offsets disadvantages of elitist designs because it gives a more democratic and less particularistic solution to the conflation of technical knowledge and exclusive access within administrative arenas. Monitoring bodies generate groups of active participants, which detains, a higher level of information of technical issues. Such groups can convey to the general population technical details and also argue technically with administrative bodies. In seven years of P.B. in Belo Horizonte 1428 people participated in the P.B. monitoring bodies. Asked if participation in Conforças led them to understand better the problem of their sub-regions, 88,5% and 76,9% of the members of Conforças in the center south and Barreiro's region of Belo Horizonte answered positively (Faria,1996:126). Thus, an interesting element about monitoring institutions is that they keep the differentiation between deliberation and administrative implementation and at the same time give a more adequate response to technical considerations making technical bodies more accountable.

The experience of a monitoring body also provides elements to assume that administrative decision-making under the constraint of participatory bodies is more efficient than when such bodies are not in place.⁸ At different levels of the administration the presence of members of deliberative fora with an interest in rapid implementation of proposals constitutes an additional source for the efficiency of

⁸ In an interview with the president of Sudacap – the state company in charge of public works in Belo Horizonte he acknowledged that the presence of monitoring bodies with the ability to pose questions regarding timetables and implementation details regarding the city public works increased both accountability and efficiency within the city company (Faria,1996).

decision-making process. The more the population knows about technical details, the less usual explanations for inefficiency and delays are accepted.

Public Deliberation and Democracy

The P.B. shows the advantages of public deliberation in its capacity solve contentious issues at the local level. I identified in the beginning of this paper three problems at the local level which were the heritage of authoritarianism and, yet, were not adequately addressed by a democratic political system: the levels of poverty at the local level and their association with the lack of urban infrastructure; the persistence of clientelism and its contribution to the lack of efficiency and generality at the level of public administration; and the lack of forms of negotiation among urban actors.

Public deliberation helps to tackle all three issues. Public deliberation creates a form of dealing with unequal access to the urban infrastructure by making information on the distribution of this goods available and connecting information with the deliberative process. The tables of previous access to public goods during the hierarchization process provide social actors with the information on their distribution, turning a non-public process of resource allocation into the source of a new form of allocation of resources. At the same time, it provides a democratic connection between participation and complexity that the political system has been unable to provide: the rules of the process of hierarchization incorporate complexity into a participatory process of deliberation. Thus, the P.B. is a case in which public

deliberation create more administrative efficiency than the available forms of administrative decision-making.

The P.B. also offers an alternative to the problem of clientelism by offering incentives to association and disincentives to clientelism. The P.B. by playing the role of an institutional forum for the negotiation of material and thematic demands acts on two fronts: it offers institutional and material incentives for those who belong to the clientelist tradition to substitute it for full deliberative equality. The presence of the population in the regional assemblies creates an effective form to claim for goods in a tradition in which the same goods have been delivered by political mediators. At the same time, the P.B. acts on a second front by increasing the deliberative and participatory practices of those already convinced of their utility through their integration in institutions for public deliberation, such as the P.B. council or monitoring bodies. Thus, public deliberation becomes capable to give a non-clientelist answer to the distribution of public goods within a still predominantly clientelistic tradition.

The third level to which public deliberation provides a democratic answer is at the level of the internal negotiation between social actors. Urban actors in Brazil did not develop a capacity of negotiation of priorities among themselves for a very long time because all the capacity to distribute resources was concentrated at the state level and forms of association and public deliberation were very weak. The P.B. is a demonstration of the democratic role played by the extension of deliberation to the public level. Urban actors develop participatory skills; the form coalitions, they

develop conceptions of justice, they incorporate technical knowledge as the case of members of monitoring bodies in the P.B. shows. By developing these capacities there is an increase in deliberative equality, that is to say, social actors develop their capacity to make equal choices.

The P.B. as a form of public deliberation allows us to point out some of the limits of the current institutional forms of liberal democracy. These forms in the Brazilian case have entwined with clientelism making political institutions unable to convey the more democratic and egalitarian drives which emerged during Brazilian democratization. The P.B. is a participatory process of deliberation which addresses the Brazilian gap between continuity in elite culture and renovation in public culture. It provides the Brazilian political scenario with an example of a public form of deliberation which directly addresses the obstacles to democracy in the region: the nature of its political elites; the hybridization of its democratic practices; and the lack of institutional mechanisms capable of either expanding the public culture or responding to the specific problems of building democracy in the region. The P.B. is an excellent example on how to utilize democratic potentials in order to transform informal publics into deliberative publics. It shows that it is possible to locate an alternative source of democratic values at the public level. Once democratic values become available within the public culture, it is possible to transfer them to the decision-making level through innovative institutional designs. Deliberative designs transfer innovation and the more egalitarian aspects of the public culture from the societal to the public level. The P.B. shows that in late democratization settings, the

full realization of the democratic ideal requires the attempt to radicalize the deliberative aspects of democracy.