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International Trends in Participatory Budgeting

Edited by
Michiel S. De Vries · Juraj Nemec
David Špaček

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Editors

International Trends in Participatory Budgeting

Between Trivial Pursuits and Best Practices

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ISSN 2524-728X ISSN 2524-7298 (electronic)
Governance and Public Management
ISBN 978-3-030-79929-8 ISBN 978-3-030-79930-4 (eBook)
https://doi.org/10.1007/978-3-030-79930-4

This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG.
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

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CHAPTER 1

The Diffusion of Participatory Budgeting: An Introduction to this Volume—With an Intermezzo by Tarso Genro, the Mayor of Porto Alegre Between 1992 and 1996

Michiel S. de Vries, Juraj Nemec, David Špaček, and Tarso Genro

1.1 Introduction

As the saying goes, the sequel is never as good as the original and copies always contain flaws. That may be true for films, books, and paintings, but the question is whether it is also a valid remark concerning innovations in

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M. S. De Vries et al. (eds.), *International Trends in Participatory Budgeting*, Governance and Public Management,
https://doi.org/10.1007/978-3-030-79930-4_1

public policymaking. In public policy it might be the reverse, as pilots might contain imperfections to be removed when actors learn more from the first experimental case and the resulting innovative practice is repeated in an improved manner. Participatory budgeting (PB) was such an innovation, starting in Porte Alegre in Brazil as a result of efforts made by the Brazilian Workers' Party at the end of the 1980s. In that city, later referring to itself as the 'Capital of Participatory budgeting', it was seen as the first step from representative democracy towards that of direct democracy, calling PB a case of radically democratising democracy; a practice in which the until then marginalised people from poor neighbourhoods were allowed to deliberate with the municipality how to spend part of its budget. It proved to be a powerful instrument as was seen in the widespread diffusion of PB and becoming sometimes a standard practice in cities all over the world. Table 1.1 gives the number of PB processes in 2019.

Notwithstanding the impressiveness of the number, such figures can be deceiving. Europe seems to be the continent in which PB has spread the widest. However, almost half of those cases are to be found in Poland (1800 cases), which is due to a national law regulation concerning PB. This law from 2018 made PB compulsory in 66 cities and optional for the remainder of local governments. The same applies for South America in

Table 1.1 The spread of participatory budgeting worldwide in 2019

Continent	*Number of participatory budgeting cases*
Europe	4577–4676
South America	3061–3081
Asia	2773–2775
Africa	955–958
Central America and the Caribbean	134–142
North America	178
Total, 71 countries	11,690–11,825

Source: Authors, based on Dias et al. (2019)

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which Peru is, for similar reasons, frontrunner with 1869 PB processes in local government and 2089 in total, which accounts for two-thirds of all such processes in South America.

Notwithstanding such ambiguities, Table 1.1 shows that PB has, in name, travelled all over the world. Its diffusion was a process well described by Osmany Porto de Oliveira (2017). He argued that in this process of the international diffusion of PB individuals played a crucial role, especially local Brazilian authorities in the beginning and then by international experts (de Oliveira, 2017, p. 6). Its diffusion in Brazil occurred above all through the action of mayors, activists, networks linked to the Partido dos Trabalhadores (PT), the Workers Party, and the action of civil society (de Oliveira, 2017, p. 10). The United Nations (UN), the European Union (EU), and the World Bank have been responsible for the diffusion outside Brazil. They have been fundamental in stimulating cooperation between municipalities with the purpose of spreading PB. A major impetus was experienced when Porto Alegre won the award for 'Best Practice' for Urban Management during the International Conference on UN-Habitat II held in 1996 in Istanbul. In 2000, PB was adopted by a number of municipalities in Europe with France and Spain being the frontrunners.

The introduction of PB in three European countries was well described by Anja Röcke in 2014. She paid specific attention to the developments in Germany, France, and the UK. She concluded that specific actors and factors are crucial in order to start the process of PB: it is necessary to have a clear political will or leadership strategy that deliberately aims at going beyond established practices of citizen participation; a strong power position for implementing these goals, as well as a certain level of administrative and wider political support; and financial resources (for having the possibility, for instance, to use different mobilisation strategies or employ external facilitators for the discussion) (Röcke, 2014, p. 169).

Notwithstanding this knowledge, the question about the quality of sequels and copies remains an important one as the scholarly literature mentions that 'PB is being implemented in very different ways, largely as a result of legal, social, political, and historical traditions that exist in different countries' (Harkins & Escobar, 2015). Concerning Europe, Röcke was critical about the actual participation of participants, their procedural power in monitoring and controlling the process, and the deliberative quality (Röcke, 2014, p. 166).

She is not alone in this criticism. From a critical perspective, many scholars mentioned that such community-based meetings are often dominated

by certain groups/people while other groups are [still] marginalised (Fung, 2006; Irvin & Stansbury, 2004; Kuruppu et al., 2016; Lowndes & Wilson, 2001; Musso et al., 2011; Nyamori et al., 2012). Holdo mentioned that 'empirical studies have often been less encouraging for participatory democrats (Baiocchi & Ganuza, 2014). PBs do not necessarily empower civil society to self-organise independently of the government if such ability is lacking at the outset (Holdo, 2016, p. 1). Furthermore, he states that it 'offers opportunities for manipulation. … PB plays a strategic part in partisan power struggles, and therefore does not have empowerment as its primary political goal' (Holdo, 2016, p. 3). Regarding a Sri Lankan case, it was concluded that 'the practice of PB was just a symbolic means of monopolising power and exerting domination and symbolic violence' (Kuruppu et al., 2016); for a case in Laos it was concluded that the PB process had no intrinsic value at all (High, 2009) and for Latin American cases Goldfrank concluded that 'participatory budgeting has not generally led to poverty reduction, more accountability, and participation, or to better municipal government' (Goldfrank, 2007, pp. 94–98). This is rather different from what was concluded about the original case in Porto Alegre. There it was said to have resulted in measurable benefits, including the expansion of access to basic public services such as sewerage systems, water, and paved roads (Moynihan, 2007, p. 68). During the period 1989–1996, the first seven years in which PB was practiced, the proportion of households with access to water services rose from 80% to 98%; the percentage of the population served by the municipal sewerage system increased from 46% to 85%; the number of children enrolled in public schools doubled; and, on average, an additional 30 km of roads were paved every year (Gonçalves, 2014, p. 108). PB directed more investments to regions that were generally poorer (Melgar, 2014, p. 129), and the process fundamentally changed the relationship between the citizens and the state. It was claimed to have improved the functioning of government and to have led to improved public services and infrastructure. 'It changed not just "where" public money was spent (spatially) but also on "what" the money was spent (functionally)' (Calabrese et al., 2020, p. 1385). In Porto Alegre the achievement of substantive goals for poor neighbourhoods was crucial, with secondary effects in improving the relationship between the citizens and the state. This is seen in the intermezzo presented below, in which the mayor of Porto Alegre at the time PB started in that city, Tarso Genro, at our request, talks about the objectives thereof, the procedures followed, the opportunities it offered, and the challenges faced.

Intermezzo: The Political Genesis of Participatory Budgeting
Tarso Genro, Mayor of Porto Alegre between 1992 and 1996

Based on democratic political theory, I discuss the political and institutional policy genesis of Participatory Budgeting (OP). I am doing this as one of the active 'formulators' of its implementation and as a collaborator in diverse academic works, some of them as an interviewee, others as an informal 'consultant.' The hundreds of works about OP have already shown that it can be critically analysed as a victorious democratic experience, with its magnitudes and limits. The present contribution moves in another direction, as it looks for its ideological and political assumptions, until now 'invisible', that are not contained in those researches that contributed to its worldwide recognition.

Both in the celebration of the 200th anniversary of the French Revolution and the destruction of the Berlin Wall, hundreds of intellectuals 'celebrated what would be an eternal marriage of capitalism with human rights, through a democratic and representative way (…), but, after thirty years, the couple finds themselves in the shadow of divorce (Spitz, 2019). *I adduce: with its illegitimate children evoking fascism, anti-science, xenophobia, indifference to death and the agony of the excluded and the poor.*

In the climate that preceded the implementation of Participatory Budgeting *in Porto Alegre, at the 'end of communism' festivals, the celebrations were not seen by us as though they were signs of a new future for the left, but rather as the start of recovery of a collapsing utopia. We were, therefore, distant from the liberal-democratic optimism expressed right after the historic explosion and were instead closer to being a rebellious orphanage.*

In November 1989, a breakdown of the 'real' experiences of the East and the liberal turning point of the European democratic social contract added to the destruction of the Wall, signalling, however, to the left of the world, the imperative of reflecting on the roots of our socialist ideology. Without an encounter with a past considered to be heroic (which was fading) the present of this past would fall into the void, and the dialogue of the left, on socialism and on the 'de-democratic issue', would lose its meaning.

While I write this text, capitalism is bound up, not with democracy, but with global financial capital, besieged by the coronavirus pan-

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demic. The world's poor and miserable remain 'on the margins of life', at the mercy of what capitalism has become after the fall of the Wall: Trump representing the humanist crisis of capitalism and Merkel representing its guilty enlightenment conscience. The spectrum of 'communis' does not hover in any part of the world and the lack of a humanistic (and possible) democratic counterpoint to neoliberalism unleashes market forces to their maximum level of fetishism in the global order.

The city of Porto Alegre was a fertile ground for debate in 1989. The dictatorship's political action, more repressive where attempts at armed struggle were intense, had not defused the left that operated in the region: liberation theology Christians, heterodox and traditional communists, 'autonomists' and social democrats, with their discrete or clandestine organisations, survived. Most of its cadres, then, were already part of the Workers' Party, which intended to build itself as the 'moral reserve' for a left, even if it was generally socialist, ready to recompose the old utopias.

When the 1988 Constitution came into force, whose assembly was agreed upon between the 'consenting' opposition and sectors of the military regime, the left again took on a relevant public role. That was when it put on another outfit and opened itself, successively, to new forms of struggle and organisation. The idea of a socialist revolution, through the different routes that the left proposed in the fight against the military dictatorship, began to collapse, obstructed by the clarity of the democratic political struggle that demands other forms of contention and more sophisticated views to understand the new questions of State and government.

Part of this military left in the neighbourhoods 'infiltrated', along with the city's social movements, defending community demands for basic sanitation, public electricity, day-care centres, improvements in public transportation and infrastructure works, such as paving the streets. In this new period, the left would also revive its influences with the universities and the trade union movement, as well as returning to be present in the representative organisations of the liberal professionals active in the resistance movements against the regime of exception.

In the democratic restoration, whose decisive moment was the promulgation of the Constitution of 88, the left maintained its momentum, to try to radicalise the emerging democracy. It was in this context that

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OP became the common project of a plural left, which emerged from hiding with its more hardened militants but had also already been integrated by young social struggle activists from the early 1980s onwards. Its principal ideas on politics were developed in direct opposition to the traditional parties of that time which were tolerated by the dictatorship and which had also reorganised after the political amnesty in 1979.

In this environment, the government programme of the first Popular Front Nominate (1988) in Porto Alegre was composed and which would prove capable of winning the direct elections for City Hall. This slate had the signatory of this text as a candidate for vice-mayor, under the leadership of bank-unionist Olívio Dutra as candidate for mayor. At the time, Olívio was an avant-garde union leader and had become the most influential figure in the state of Rio Grande do Sul in organising the Workers' Party.

These are the specific conditions in which the 'anti-system' idea of the Participatory Budget arises, through the social and political left, which proposes to encourage an imagined popular participation, but with a form far from what it would be in the future. Our inspiration came from the examples of the Paris Commune, the Soviets, the German Social Democratic Councils, the spontaneous popular plenary sessions of the community movements in the city which had remained alive albeit in a reserved and sometimes clientelist manner during the military dictatorship.

In assuming, in the 1989 elections, commitments to governance 'on the left' through what we called Popular Councils, we initiated a practical movement in search of a model of popular participation and, afterwards, we opened a theoretical debate about the normative form of our project, which was still undefined. The discussion, which travelled extensively through the plural bases of the PT, was not internalised by the other left-wing parties, indifferent to a movement that began with little chance of becoming a national and world example.

The practical movement was naturally supported in community movements (organised or in nucleation), which allowed it not to have to start from 'zero' and encouraged us to capture the energy of the existing community struggle which had survived the authoritarianism of

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the military regime. We proposed new forms of organisation to communities for their valorisation before the State, assuming the commitment that they would have a privileged impact on the composition of the public budget so that their demands would be met.

In the ongoing elaborations we defended direct democracy, idealised by traditional conceptions of the left, which saw the institutions and the political spaces of democracy as spaces of struggle, refusing to be endowed with a 'universal value.' In the process of its implementation, direct democracy became, however, a democratic instrument of public management, integrated into the ongoing legal order, pushing its limits, but truly reorganising the institutional life of the city.

The normative model that was perfected would come from a peculiar form of understanding of public law which proposed to constitute through a dialogue with the General Council of the OP an internal regulation which in turn would regulate the operation of the OP in a negotiated way with its regional city councils. This form of regulation was agreed upon with the elected government and therefore governed a political-legal contract of local scope, as of a non-state public right, agreed upon by the political delegation via electoral vote and the regional councils of the OP.

This contract, in order to 'work', would have to be respected by governments that, by ideological conception, assimilated democratic radicalisation and understood that the production of the budget 'should go down' to the lower classes.

The next moment would be the objectification of a fraction of the Social State at the local level, not as the preliminary moment of a socialist project as we unrealistically wanted. The democratic conciliation that had won in Brazilian society, with the Constitution of 88, recommended that we put aside the most immediate illusions and absorb entirely the new democratic political process, the result of the conciliation that had removed us from the dictatorship.

Here, that which has been formulated by Boaventura de Souza Santos is a good fit for understanding our itinerary: 'The problem of democracy in non-hegemonic conceptions is closely linked to the recognition that democracy is not a mere accident or a simple work of institutional engi-

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neering. Democracy constitutes a new historical grammar. This is not the case, as in Barrington Moore Jr., of thinking about the structural determinations for the constitution of this new grammar. It is about realising that democracy is a socio-historical form and that such forms are not determinable by natural laws' (Boaventura de Sousa Santos, 2002).

In the debate on how to compose the Budget, the question of participation that had gone through electoral dissent was now presented as a concrete question of governance, and this need for governance would have a decisive influence on the concept of popular participation that we inaugurated. It would, in fact, turn to the democratisation of local political management (in the city), and no longer to the 'subversion' of formal state institutions. This political and theoretical formulation effort for the new times, in which we would no longer be in systematic opposition to the military regime and its governments, occupied our revolutionary imaginary and called us to the real, ongoing policy, originating from the controlled 'opening' that became an open road from the Social Constitution of 88 onwards.

In our first two governments in the city (1989–1992; 1993–1996), we faced issues that would influence the format of OP in Porto Alegre, giving the city a worldwide projection, not only before the leftist governments, but with all of the governments that bet on some level of innovation in the liberal-representative agenda in the local environment. This innovation was brought about by the political restructuring of city management, *at the municipal level, through the absorption of direct democracy combined and integrated into representative democracy.*

The process carried out there promoted a meeting in that space between different social groups that crossed the city's class structure, at a specific moment of 'non-revolutionary conjuncture', when 'the OP of the capital of Rio Grande do Sul in 1989–2004 became the experience that best illustrated a radical-democratic solution in the direction of a political pedagogy of self-emancipation' (Marques, 2005).

The evolution of the number of demands in our first three governments (Olívio Dutra, Tarso Genro and Raul Pont) clearly demonstrates the degree of confidence that the process had acquired in the city's poorest communities and in its lower middle classes; the demands had

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evolved 87.71% since the beginning of the OP in 1990, having started with 230 demands reaching 440 in 12 years. The demands were met, totally or partially, by the government, with the execution of each budget in this period.

The final 'baseline' dilemma, which would involve the nature of a left-wing government, within a new legal order which opened spaces for a combination of direct and representative democracy would be the following: would the workers and their allies, having been elected to Government by democratic means, govern the city only for the workers and the excluded or did they govern for 'the whole city?'

Would the inversion of the hierarchy in public investments, prioritising the lower income classes, be enough to characterise a leftist government within the city? However, the axial theme to be answered was more complex; the workers govern for the whole city, but how to transparently privilege the needs of the 'low' in the public budget? It was a question then of establishing regulated budgetary privileges, based on the weight of the direct participation of the communities in the discussion of the public budget, which would be absorbable by the local legislative power, as an organ of the political representation that voted on the budget and transformed it into a legal norm.

This transparent budget privilege is what would drive contractual regulation, between government and councils through the OP's internal regulations, and its consequent success with the popular classes. As investments in public works and investments in health and education appeared as real fruits of popular decision in the lives of the communities, confidence in the march of direct democracy articulated with the electoral delegation was visibly increasing.

This view of management, as a task of the left, implied the formation of a new 'ruling group', implicit or agreed upon within the Workers' Party and the government itself, to expand its support. The conscious institution of a direct democracy, as 'seed of a new State', allowed a process of popular participation combined with respect for political representation.

After 16 years in force by the PT governments, which reorganised the city of Porto Alegre, OP gradually weakened and lost its decision-making *power, without being fully dismantled, until its liquidation in*

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2020 by the extreme right-wing city government. Such liquidation took place under the indifference or the applause of the local media oligopoly, which perceived the OP as harmful to its influence in the formation of opinion and had always acted in defence of the 'business' vision of public management, with the State being 'managed' as a private company.

In our first and second governments (between 89 and 96), traditional communist parties and the parties that had configured themselves as being from the 'popular' field (workers, above all), did not only sympathise with the forms of direct participation that according to them competed with parliamentary representation in the City Council (Municipal Legislative Power), as well as because, in their view, they empowered the Workers' Party among the city's most popular strata.

In the winning perspective in our country, in which 'place would become a privileged space, (to) make the relationship between government and society more practical', Castells' vision made perfect sense; 'the municipality (…) is the state organ most permeable to a political representation of the dominated classes (…). It was this (view), in opposition to the left, that gave municipal policy its avant-garde character in the long permeability of the left's march through democratic institutions' (Castells, 1980, p. 1269; Larangeira, 1996).

The successive centrist and right-wing governments, which succeeded one another in Porto Alegre, gradually broke with that political contract that granted reliability to the OP, as this relevant information reports: 'in 1989, there were 13 municipalities that adopted the policy of participation in the budget. In 1993, 36 cities adopted the policy; in 1997 (the year that expanded the implementation of OP in medium and small cities) 103 cities; in 2001, 177 cities; in 2005, 203 municipalities; in 2007, 353 municipalities; in 2009, 437 cities; and finally, in 2014, 482 cities had adopted OP in the 26 states of Brazil. In 2017, according to a survey by the Municipal Planning Secretariat of the prefecture of Rio Grande (then the coordinating city of the BR OP Network), only 120 municipalities adopted this policy, and of these, only 24 are in full operation' (encurtador.com.br/dpxEL).

The degradation of OP, until its political death in the hands of the extreme 'managerial' right, is also clear in these data:

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