

Participatory budget in Southern Brazil

A collective and democratic experience

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Participation has become a widely used concept and covers a great range of political and social practices. This article describes and analyzes some aspects of the Participatory Budget in the State of Rio Grande do Sul (Brazil) in the period 1999–2002, representing the first attempt to implement this process on a larger geographical scale. The paper is developed around three foci. First, the experience of direct popular participation is situated in the context of the grassroots social movement that has developed over recent decades in Brazil. Then there is a presentation of the basic contours of the discussion and preparation of the state budget in Rio Grande do Sul. Finally, some of its effects are pointed out in terms of the political structure, regional development and pedagogical construction.

Keywords: Participatory budget, popular participation, social exclusion, social movements.

If there was someone in Brazil who doubted that a metal worker coming from a plant would become President of the Republic, the year 2002 proved precisely the opposite. [...] I have often been accused of not having a university degree, and now I'm getting my first diploma, the diploma of President of my country. (Luiz Inácio Lula da Silva, December 12, 2002).

Introduction

The beginning of the 21st century has brought a new scenario for Latin America and particularly for Brazil. Changes are taking place more rapidly than we could

imagine a few years ago. Some of them signal the deepening of old crises, as in Argentina, others rekindle dormant hopes, as with the election of Luiz Inácio Lula da Silva to Brazil's Presidency.

Luiz Inácio Lula da Silva's perseverance in agreeing to run for office for the fourth time represented the Brazilian people's obstinacy in believing in the possibility that one of its representatives would become the country's President. The polls' result — the victory of a former metal worker who came from a poor family, from the Northeast and who has no university degree, to become the successor of President Fernando Henrique Cardoso — is, in a way, the culmination of grassroots organization and struggle. Since the 1960s, social movements, progressive sectors of the church, labor unions, community organizations and left-wing parties had been reinforcing the voices of those who were excluded and marginalized from the condition of citizens throughout Latin America.

History tells us about the cruelties practiced by those who held economic, political and social domination since 1500. In order to achieve their goals, they resorted to strategies that would guarantee the continued reproduction of the wealth produced by the workers. The true producers of wealth were allotted the leftovers, the scraps of their labor's result. These authoritarian and excluding relations have produced the enormous and well-known social inequalities in Brazil and in the whole of Latin America.

The distribution of wealth hinges on the social and political structure that organizes a country's actions. It also hinges on the public and solidarity spirit that guides the members of a nation's government. It equally hinges on the people's participation in the decisions pertaining to society's present and future. A people that truly participates in the definition of the country's destiny helps to educate the government members themselves, in so far as it does not allow misuse of public funds by some at the expense of the majority.

In Brazil's recent history there is a broad movement focused on denouncing corruption, and an increase of actions to fight corruption. A milestone of this movement was the impeachment of President Fernando Collor de Mello in 1992. The same movement raises some important questions about the electoral system and the very nature of democracy: What relation may this generalized corruption have with representative democracy? What degree of control do those who are represented have on those who represent them? Is the representative process irremediably discredited? Does the present political system satisfactorily meet society's demands?

Perhaps one symptom of this crisis of political legitimacy is the growing migration to the left wing of voters who traditionally used to vote for right-wing

parties. The Workers' Party (PT, Partido dos Trabalhadores) in Brazil represents this new reality very well. It came into being in 1980, and nine years later it participated in the presidential elections. With Lula's victory in October 2002 this goal was attained. Florestan Fernandes¹ described this displacement of the social basis of political participation in the following way:

In my view, the history of the 21st century is beginning now, through the calloused hands of urban and rural workers. They are displacing the Republic's social basis by initially leading the institutional Republic to bankruptcy and then by bringing us, for the first time, closer to an authentically republican and democratic collective experience. (Fernandes, 1989: 17).

Lula's election means the negation of the minimal state and the concentration of income and privilege, presenting itself as the project of solidarity, social welfare, and the possibility of participation in the Republic's conduct. This is the great hope that the majority of Brazilians want to help materialize in the next four years. Some people compared the impact of Lula's election for Latin America to the attack on the twin towers in New York on September 11 2001: just as the world will no longer be the same after the towers tumbled down, Latin America will no longer be the same after Lula has taken office. This is a very pretentious sentence, but it illustrates the high level of expectation that this election created among people.²

We started this paper by looking at Brazil's present political moment, in order to demonstrate the importance of the electoral and political victory attained by the Workers' Party and its allies in the last elections in October 2002. This is not simply an electoral victory, but one more step within a collective and deeply participatory work of countless initiatives. One of these initiatives is the Participatory Budgeting (PB), which is at the center of the political strategy of the Workers' Party (PT). We do not know yet what role the experiences gained with PB will have in the administration at the national level, but it is fair to assume that there will be efforts to create new mechanisms for listening to the people in the setting of priorities and the control of the use of resources.

This paper intends to offer a broad description of PB in the state of Rio Grande do Sul. It is developed around three foci. First, we situate this experience of participation in the context of the grassroots social movement that developed over recent decades in Brazil. Then we delineate the basic contours of the discussion and preparation of the state budget in Rio Grande do Sul. Finally we analyze some of its effects in terms of the political structure, regional development and pedagogical construction.

Background: Participatory budget and grassroots movements

PB can be seen as a participatory process that has its origins in the social movements that arose in Latin America in the beginning of the 1960s and are, in turn, related to the international debate on development (Jacobi 2000) They represent civil society's attempt to occupy public spaces in societies that so far have had little experience of effective participation in the nation's destinies. Paulo Freire, referring to Brazil, used the phrase "culture of silence" to characterize a closed society in which men and women were reduced to objects. In his view, literacy begins with the reading of the world, which is necessary to break people's adherence to reality and to make it possible for them to speak their own word, to be subjects.

Although these movements were persecuted during the military dictatorship from 1964 to 1985, the seed that had been planted could not be eradicated. In the midst of dictatorship, people's longing for the restoration of democracy showed that they did not want to be mere viewers of a "giant" that was being internationalized at the expense of millions of poor Brazilians.³ Countless initiatives emerged under the rubric "grassroots movements". Among them the church's work stands out, particularly the pastoral work with youth — Catholic Agrarian Youth (JAC), Catholic Student Youth (JEC), Catholic Working Youth (JOC), Catholic College Youth (JUC), labor unions of rural and urban workers, Culture Circles, cooperatives, educational movements advocating a free and public education. The Movement of the Landless Rural Workers (MST) was created during this period; today it is still the biggest social force able to challenge the agrarian structure. The Base Church Communities (CEBs) were organized and have had a powerful impact on society and the church, where they became a reference for Liberation Theology.

Another aspect that helps to understand the recent political and social history of the Latin American countries, and particularly of Brazil, is the organization of guerrilla warfare as an instrument and method for the transformation of society, as in Cuba (1958), for instance. In Brazil, there has never been unanimity about the organization and implementation of this form of seizing power, even among the most radical left wing. Those who opposed it — Florestan Fernandes was one of them — argued that in a continental country such as Brazil it was practically impossible to topple the existing power structure by taking up arms. Nonetheless, there were confrontations and persecutions that made thousands of victims. The most dramatic case was restricted to the Araguaia region in the Northern part of the country.

In the second half of the 1970s, the thesis of not seizing power through armed struggle gained momentum among labor union leaders, political leaders and churches. In that period the first steps were taken towards the creation of a workers' party. Long discussions resulted in the guidelines for the Workers' Party (PT), created in 1980, and which would become the largest political party in Latin America at present.

The Workers' Party has played a crucial role in the development of the Participatory Budget. To vote PT is tantamount to supporting the PB process. This was shown in the state of Rio Grande do Sul, when this issue became one of the main themes of the last state elections. Even though we do not have a complete picture of the use of PB by local administrations, the available figures express a constant growth of this experience. According to data from the Federation of Organizations for Social and Educational Aid (FASE), between 1989 and 1992, 12 municipalities adopted PB. Between 1993 and 1996, this figure went up to 36. By 2002, 103 municipalities had already implemented PB. This may be a small number when compared to a total of more than five thousand municipalities existing in Brazil, but it indicates that PB is not a sporadic phenomenon restricted to just a few cities (Sánchez 2002:28).

In Rio Grande do Sul the experience of PB gained in the municipality of Pelotas during the administration of mayor Bernardo de Souza (1983–1987) deserves to be highlighted. This was a process of “consultation of the people” within a project that became known as “All power comes from the people.” According to Souza himself, this proposal, which was implemented during the military dictatorship, was based on the following concepts: effectiveness, probity, decentralization and grassroots participation (Souza 2002: 18). In this public administration experience, as well as in others conducted in same spirit, both the theory and practice of grassroots participation in public policies were being tried out and improved.

The development of the Participatory Budget Proposal

The public budget cannot be reduced to a merely technical issue. It involves options that have deep implications for the whole of society and has, therefore, necessarily a political dimension. In the words of former governor Olívio Dutra, in whose administration PB was implemented in Porto Alegre (1989) and in Rio Grande do Sul (1999), the budget has to do with life: “The budget is not a piece of fiction, nor a mere technical element, nor a simple compliance with a

legal formality. The budget is related to life, to the life of people and their communities, of their state.”

In Pires’ (1999) view, for the PB to emerge there was necessary an evolutionary process in which he identifies four stages. These are different ways of managing public resources which, in our view, do not have to be seen as a strict sequence:

- a. The public budget is understood as the planning of public funds that must be collected and spent during a certain period of time;
- b. The Program Budget, originated in the USA (where it became known as Planning and Budgeting System), is a financial planning technique, already in use in companies, that structures and organizes information in order to show the goals and the means to reach them;
- c. Democratic Budgeting characterizes planning in representative democracy, where those elected feel responsible for the voters and, as a consequence, work out the budget for others, for those whom they represent. The public budget worked out by the representatives is formally democratic, but it may lack legitimacy, since the power to control remains diluted and distant, making it possible for corruption to emerge in the government machinery. This is one reason why participatory processes were reinvigorated from the second half of the 1980s onward;
- d. PB thus represents an important step in the political improvement of the relationship between government and society. The budget ceases to be a mere technical device and is invested with its political function. Conditions are created for people to participate in the decisions on finances and public policies, becoming active agents in society. The effects of participation are knowledge, mastery of relations and competences to intervene in social processes. People are no longer spectators, but become subjects committed to public matters. On the other hand, a shared management forces members of government to pay more attention to people’s demands.

The economist Arno H. Augustin Filho assessed the effectiveness and rationality of the participatory process implemented during Olívio Dutra’s first term as mayor of the capital of Rio Grande do Sul as follows:

Direct democracy works. This is the main conclusion to be drawn from the process experienced in Porto Alegre. It not only works, but also revolutionizes social relations in the participating communities by creating conditions for the population, after taking control over the decisions on municipal public services, to begin to want to exert influence also on the state and national public sphere. As the process continues, there is a natural emergence of the

need to democratize the whole of society's production forces, particularly those that are presently controlled by a minority (Augustin Filho 1994:61).

PB is a direct channel of permanent relationship between the government and the communities. It is a model of public administration, supposed to create opportunities for the control of the state by the population. According to its managers, PB is not a momentary remedy, but a public policy through which the participants of the process begin to appropriate information on finances and government policies. Ubiratan de Souza⁴ defines PB as "a process of direct, voluntary and universal democracy, where the population can discuss and decide on the public budget and public policies" (Souza 2001:240).

Various factors have contributed to the PB's genesis in Porto Alegre, which is the matrix experience for the implementation of this project at state level. One of them is the very context of changes related to the political transition that occurred in recent years in Brazil. Another one is the promulgation of the new Constitution in 1988, which decentralized actions, and changed the power balance, by transferring responsibilities and duties to states and municipalities. There were also structural and legal conditions that supported this experience, as we find them in the Federal Constitution: "All power comes from the people, who exercise it through representatives or directly, in accordance with this Constitution" (Article 1). The same Constitution guarantees Brazilian citizens the right of assembly, which means that there is no need for special legislation to carry out PB. The government's political will and initiative suffice to implement it.

The 1980s were characterized by a progressive reduction of federal policies executed in the municipalities, which led to an increase of pressure for participation of civil society in the decisions concerning public policies. When the Workers' Party took up the local government in Porto Alegre for the first time, it was forced to rapidly respond to the established demands. Since it had to face the fact that it was in absolute minority position in the City Council to have its projects approved, it sought support in the participation of organized civil society. This is when the introduction of PB caused a major change in public administration, and may be the reason why the citizens of Porto Alegre re-elected the Popular Front, a coalition of progressive parties led by PT, three times in a row after that, and contributed to the inauguration of the first popular administration at state level in Rio Grande do Sul (1999–2002).

The city of Porto Alegre has a rich history of associations, and the same applies to the state of Rio Grande do Sul in comparison to other Brazilian states.⁵ In 1956 a municipal decree made it possible for several community councils and associations to actively participate in the decisions on public

policies. In 1959 the Federation of Community Actions and Neighborhoods of Rio Grande do Sul (FRACAB) was created, which in 1979 already had 65 affiliated associations in Porto Alegre alone. The foundation of the Union of Residents' Associations of Porto Alegre (UAMPA) happened in 1983. This is a highly politicized consortium of organizations that reflected the political liberalization process going on in the first half of the 1980s in Brazil. The Union's first congress was held in 1985, with the presence of 78 community associations, and the event's final document expresses a desire to participate in the programs of administration, decision making and implementation of actions. According to some estimates, there are at present around 500 community associations in Porto Alegre.

Thus, the preconditions for the establishment of new participatory experiences were very favorable. Politically, the Popular Front, led by PT, made an adequate interpretation of the community movements, by calling on them to participate in a shared administration of the city. As Navarro puts it,

Actually, the ideas implemented by the new administration in 1989 were not entirely new for a part of the population, which had been involved in so many associative activities in the past. In some areas of the city there was already a solid history of community association, and, as soon as the social groups in these areas realized that the sharing of the decision-making process related to the municipal budget that the new government officials were proposing was not mere rhetoric, the gradual success of PB in Porto Alegre simply unleashed a 'participation fever' that was without precedent in the city's history (Navarro 1997:190).

Sánchez too recognizes the favorable context that Porto Alegre represented for the implementation of innovative participatory experiences.

Thus, in the climate of 1988 there were favorable elements for the emergence of a proposal such as PB. There was a political history in the social realm, represented by PT and its allied parties, and there was the experience of social activism, organization and struggle of the community movement in Porto Alegre. PB came into being as a result of the combination of these two elements. (2002:22).

On the basis of the reasons listed above for the emergence of PB in the capital of Rio Grande do Sul, it becomes evident that this process is a historical construction founded on the community spirit and that it requires a political decision based on the premise to radicalize democracy. Governments who are not attuned to the yearnings of the grassroots and community movements would hardly agree with the participation of the community's living forces in decisions pertaining to the public policies of a city, a state or a country. This

thesis is being confirmed in Rio Grande do Sul, in the wake of the victory of a conservative coalition in the last state elections that has already announced that it will not continue PB in this state.

On the structure and operation of PB

The PB experience cannot be simply transplanted from one place to another, be it at municipal or at state level, because of the preconditions it requires: political will by government officials, a solid community associative organization and a favorable political context. In this regard, many administrations, even of the same political party (PT), do not follow the same steps in the construction of the participatory process because local conditions demand it, or even because the team that implements the process has a different understanding of it. There is not one single formula for the implementation of PB, as its rules are constructed during the process and consider the peculiarities of each region.

Fedozi points out that

(T)oday in Brazil we can talk about the existence of PB in the plural. According to a research conducted by the National Forum of Grassroots Participation that is still going on, about 140 municipalities throughout Brazil adopt (between 1997 and 2000) some kind of grassroots consultation for the allocation of public funds. Most of these experiences are led by governments identified with the left wing. However, there is a growing number of cities administered by other ideological currents that practice some kind of popular involvement in the setting of local priorities (2001:7).

In what follows we describe succinctly the way PB works in the state of Rio Grande do Sul. Since it is almost impossible to separate the experience of the state from the city of Porto Alegre, we will again insert some comments. Our goal is to look at how this process, in which there is an intersection of initiatives and efforts of the state and of civil society, happens in practice. As existing analyses and the self-evaluation show, it contains limitations and virtues, potential for developing critical and healthy citizenship, but also dangers of deviations and possibilities of perpetuation of old vices present in Brazilian politics.

The first PT administration in Porto Alegre

In order to structure PB in the local government of Porto Alegre from 1989 onward, the Popular Administration made use of already existing regional

divisions of neighborhood associations. It even valued their representatives, who became members of a small municipal council. The process begins in March and April with preparatory meetings, at which the municipal administration renders accounts about the previous year, and presents the Investment and Service Plan for the following year. At present the city is divided into 16 regions that bring together different neighborhoods.

In assemblies that extend from April to May, the population chooses, in 16 regional plenary meetings and six thematic meetings, the priorities for the municipality, elects its councilors and defines the number of delegates who will make up its respective forums in the regions and thematic discussion groups. The Forum of Delegates is in charge of defining the priorities and services that will be discussed in the period between May and July (December 2002) (<http://www.portoalegre.rs.gov.br>).

The present administration introduced a technological novelty. For the second year in a row, the population can send suggestions through the Internet. If these suggestions are compatible with the PB criteria they are forwarded for discussion in the regions. As the PB experience is being implemented since the Popular Front's first electoral victory in 1989, it already constitutes a consolidated practice in Porto Alegre. Nevertheless, it remains a very demanding and dynamic process, since the rules themselves are constantly revised.

The first PT administration in the State of Rio Grande do Sul

After the victory of the Workers' Party and its allies which made up the Popular Front in the state elections of 1998, the elected government implemented PB for the first time at state level in Brazil, according to campaign promises. As there was no specific structure for that purpose, it created two new offices that were given the status of state secretariats: the Office of Community Relationships and the Office of Budget and Finance.

The mission of the Office of Community Relationships is defined in these words:

To coordinate the relationships of the state government to the community of Rio Grande do Sul, stimulating the people's participation in the activities of discussion, preparation and execution of the state budget and public policies. It promotes the integration of the government agencies' community relationships in order to bring the government increasingly closer to the community and to add quality to public services. For that purpose, it is organized in 23 regional coordination agencies that also work directly with the community by

giving orientation, organizing activities and stimulating grassroots participation in the state's process and administration (December 2002) (<http://www.estado.rs.gov.br>).

The Office of Budget and Finance is a more technical agency that

(P)articipates in the public assemblies of the state's Participatory Budgeting and systematizes the priorities defined by the community. It coordinates the discussion and elaboration of the Law on Budget Guidelines of the Budget Proposal and of the Investment and Service Plan. It presents the Budget Proposal to the PB's Council and to the Regional Forums of Delegates. In the legislative stage, it follows the discussion and approval of the state's budget bill (December 2002) (<http://www.estado.rs.gov.br>).

PB is a process that lasts practically the whole year. The municipal public assemblies, in which there is the highest concentration of participants, are held between March and June. Then follows the stage of systematization and discussion of information until the budget proposal is submitted by the executive to the legislative branch on September 15. Between September and March the PB guidelines for the following year are reviewed and the themes for the state's development are discussed. These themes influence the scoring of the projects that will be later voted on. For example, if a region selects education as its main theme, the demands in this area will have more weight.

In short, these are the stages of PB in Rio Grande do Sul:

- a. Regional Guidelines Plenary Meetings: Everybody can participate in one of the 23 regions. The government and the population set guidelines for the state budget on the basis of regional diagnoses;
- b. Regional Development Themes Plenary Meetings: They are held in the 23 regions to debate the priority programs of the state development for the region, which will be concluded at the Municipal Public Assemblies. Regional theme delegates of the state's PB are elected;
- c. Municipal Public Assemblies: They are held in each one of the state's 497 municipalities. The population proposes, debates and decides on the priorities in terms of works and services for the municipalities and in terms of the programs of the State's Development Theme. Municipal delegates of the state's PB are elected;
- d. Plenary Meetings of Regional Forums of Delegates: The theme and municipal delegates participate in these meetings. They are held in the 23 regions. The delegates elect the councilors for the PB State Council and elect the Representative Delegate Commissions. They try to adjust the demands

defined by the population and the diagnoses on need and technical, legal and financial feasibility. This collective work results in the state's Investment and Service Plan;

- e. PB State Council: The councilors who represent the 23 regions participate in its meetings. At several meetings with government officials, they debate and decide on the final budget proposal that the state government submits to the legislative branch as well as the Investment and Service Plan prepared by the regions.

On the elected and their roles

All citizens older than 16, which is the legal age to register as a voter in Brazil, can be candidates for PB delegates in their municipality or region, except for those who have elective offices or are appointed by the government for public offices. The elections take place during the public regional and municipal assemblies. The higher the number of participants, the larger will be the representation of elected delegates. The delegate's task consists of debating and deciding on the Investment and Service Plan of their regions on the basis of the priorities set at the assemblies. Then they follow and inspect the execution of the state budget in their regions and municipalities. They have a one year term and are not paid for their work.

The PB State Council is the highest jurisdiction of the Participatory Budgeting. It is made up of representatives of the 23 regions, who are elected among the delegates in proportion to the population and to the rate of participation in the assemblies, as well as of two representatives appointed by each Regional Development Council. The councilors' task is to debate and define with the government the final proposal of the state budget project that the executive submits to the legislative branch until September 15. They also prepare, decide, follow and inspect the execution of the Service and Investment Plan. The council members have a one year term and are not paid for their work.

The state's Participatory Budgeting is a permanent and self-regulated construction that combines direct and representative democracy. The rules are improved every year through suggestions made by the community. The rendering of accounts is a very significant moment in the PB process. The decisions that result from the assemblies with the community are documented and edited in a publication that contains the Investment and Service Plan. This makes it possible to follow and inspect the plan's execution. The government

also renders accounts once a year at the assemblies with the community, which guarantees the process' transparency and allows society to control the government.

Effects and results

Effects on the political structure

Through PB new social actors enter the scene: those who were historically excluded from the decision-making process.⁶ What used to be “up to the politicians” begins to concern a significant part of the population, challenging the political representation that was already discredited because it did not meet social demands. The numbers are rather significant: in 1999 179,055 people participated throughout the state; in 2000 around 280,000; in 2001 more than 400,000; and in 2002 333,040, in a population of approximately 10 million inhabitants.

This new posture toward the political and social process impacts the traditional political culture. In the legislative branch one senses a certain uneasiness vis-à-vis the new reality that practically prevents personal favoring. The state congressmen felt thus challenged to reconfirm the legitimacy of their decisions. They did it by creating the Democratic Forum, a space where they propose that the Regional Development Council, made up of regional leaders, discusses once again the budget proposal worked up by PB. In this sense PB plays the role of a corrective for the present political structure. It confirms Tarso Genro's analysis that it is necessary to respond to the decadence of traditional political representation by looking for “new political forms that seek to politically reunify formal and informal society” (1999: 39).

As expected, this form of direct action has minimized the spaces of influence trafficking, which was common in public administrations, through the representation of the legislative branch or businesspeople who advocated their interests directly at the sources. In a process with little transparency, breaches were used to make suspicious or unfair deals. A mayor from the countryside summarizes this change by saying that previously one went to Porto Alegre (headquarters of the state government) and always came back with something, and that today this means does no longer work.

In the places where the PB experience was implemented, there is countless evidence of profound changes that occurred in local politics, in public administration, in the effective participation of citizens in decisions pertaining to public funds, in the setting of priorities, inaugurating public spaces that did not exist

before. Corruption, so strongly present in public administration, was practically eliminated. Navarro, referring to the PB process in the state capital, argues that

(O)fficial documents and a pervasive local opinion say that the PB experience radically changed the history of social and political relations in the city. It is argued that its promising results went beyond expectations by generating an unprecedented and real process of decentralization of municipal power, a reduction in the usual squandering of public funds, the inevitable diminishing of power concentration in the mayor's hands as well as a visible reduction in the practice of 'clientelism' and corruption. (1997:183).

Effects on the allocation of resources

Direct participation in PB assemblies has influenced the way resources are allocated. What was previously decided behind closed doors is now discussed at the assemblies, where people choose where and how the available funds will be invested. This process made it possible to have a more equitable distribution of resources on the basis of the priorities set through PB. There is a tendency, at least in the beginning, to prioritize small projects that add quality to the local spaces (schools, health care stations, intermunicipal roads). This does not prevent people from discussing larger projects, such as the creation of the State University of Rio Grande do Sul, in sharp contrast to the prevailing trend to privatize higher education institutions in Brazil.

A recent study by Adalmir Marquetti (2003) compared the investments in the various regions in Porto Alegre from 1989 through 2000 and concluded that indeed PB has a powerful redistributive character. He concluded that there is a negative relationship between the average income of the region and the per capita investments. On the other hand, there is a positive relationship between the percentage of mothers with incomplete primary education (less than 8 years), the percentage of dwellings as well as the number of irregular dwellings with the amount of the investments. We believe that a similar case could be made for the PB at the state level.

Although the funds actually available for investments are small in comparison to the total amount of the state budget, the whole budget is open for information and discussion: expenditures with personnel, essential services, off-budget resources, etc. In this way public policies tend to become "public" and the population is empowered to participate in public management.

In the experience of Porto Alegre, for instance, the PB process created concrete mechanisms of control over the payroll by forming a tripartite commission (government, PB council and public servants' union) that started

to discuss and decide on the creation of new public jobs and to make an internal and external control over the personnel increase. (Souza 2001:241).

Another important factor is the rationalization of expenditure. One sees that the available funds have broader reach. Waste tends to be avoided, since the community participates in the whole process, from planning to execution and inspection.

Pedagogical Effects

Participatory processes are carriers of a pedagogy whose effects cannot be measured only by its immediate impact.⁷ Íria Charão Rodrigues⁸ (2002) argues that insofar as the basic needs are met, the interest for general issues also grows. People are no longer focused only on their own navels and start paying attention to their neighborhood, city, state and country. “At this moment, what matters is not the public work as such, but the whole process of organization and construction that precedes it (...) As people get organized for participation, their relation to politics begins to change. Politics is no longer something for politicians, but begins to concern everybody.” (2002:332).

PB opens the possibility for a collective learning process, overcoming the authoritarian relationship between a person who (only) teaches and another who (only) learns. There are countless experiences of the kind of a dialogical relationship that Paulo Freire prized so much, among people from different generations, as well as ethnical and social backgrounds. In many communities teachers began to relate the PB process with school pedagogy, bringing into the classroom discussions from the assemblies. Most importantly, they realized that the curriculum itself could be shaped in a participatory way.

It is quite difficult for any sector of society to remain indifferent to PB. It reveals itself as a promising path, whose format is not finished and that is not the property of any political party, although the PT administrations have developed the most successful experiences. Power is here being reinvented through participation in what is at the very core of public planning, i.e., the budget.

Prospects for PB

It can be argued that PB has already left positive marks on the democratization of power relations, paving the way for institutions and social movements to consolidate another form of dealing with power. The mechanisms of grassroots

participation in which the citizens decide on and inspect public actions have resulted in a better, more effective and efficient public service. Their participation includes in the political agenda the interests of the expropriated and excluded sectors that make up the majority of the population. In short, grassroots participation promotes the deepening of democracy.

This process of decision and control that alters the profile of the state's actions hinges on some premises, such as the need to create participation channels where the population can express itself, the socialization of information and the guarantee of autonomy and freedom to express opinions (Rodrigues 2002). It is a democratic practice that introduces and recovers values of cooperation, solidarity and sustainable development, revolutionizing the priorities both at the local and regional level.

Although Porto Alegre was not the first city that implemented PB, it was through this city that it entered the public scene and, after that, PB became a kind of myth, causing admiration in some people and suspicion and rejection in others. For many administrations it stands as a model or simply as an inspiration. The fact that it is carried out with different formats confirms the proposal's dynamic character. After all, what matters is not the format, but the better quality of public services through a qualified citizenship. The experience in Rio Grande do Sul shows that it is possible to implement PB in larger contexts, such as states or countries.

Even accepting the positive results produced by PB, we are not free from the risk of its mythification. The process' dynamic character has to be maintained in order to avoid its legal imprisonment as advocated by the conservative forces of the State Congress or its transformation into a manipulative practice by non-democratic governments. The Brazilian Constitution of 1988 allows for grassroots participation in decision-making at different levels of society. What cannot be lacking is the conviction that the population's presence in decision-making brings with it a sensible reduction in the possibility of making mistakes which, in social matters, used to have long lasting consequences.

Notes

1. Florestan Fernandes, who died in 1995, was one of the most influential Brazilian sociologists.
2. As Boaventura de Sousa Santos puts it: "Lula's victory represents the true and successful conclusion of the transition to democracy that started in the mid-80s. (...) A new political

culture is emerging in Brazil, although in a selective and regionally unequal manner.” (Santos, 2002).

3. According to data provided by the Brazilian Institute of Geography and Statistics in November 2002, 54 million Brazilians earn half a minimum wage (R\$ 100,00 = about US\$ 30.00) per month.
4. Economist and former secretary of the Budget and Finance Office of the state of Rio Grande do Sul.
5. The culture of participation in the communities can be illustrated by the interview made with a female participant at a PB assembly in the state’s countryside. When asked about her opinion on PB, she answered that in that place people were used to discuss their problems together. Nilton Fischer and Jaqueline Moll emphasize the role played by more than 2,000 community schools created by European immigrants until 1938 as experiences that left a deep mark on the state’s culture (Moll and Fischer 2000: 146).
6. The article by Celina Souza (2001) shows how low income groups, although not the poorest ones, started to exert influence on the allocation of resources. At the same time, in an unequal society such as ours, the low income segments spend time and energy struggling for services and investments which are considered normal by the middle and upper class.
7. On the educational role of PB see Danilo R. Streck (2002).
8. Coordinator of the Community Relationships Office from 1999 to 2002.

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