

## **Crisis in the Home of Participatory Budgeting: Technical Accuracy and Hierarchy**

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As many readers know, Porto Alegre is the home of participatory budgeting, a remarkable local process by which citizens discuss public needs and insert neighborhood priorities directly into municipal budgets. The practice has existed for 18 years, testament to the institutionalization of the process and the strength of the community organizations and citizens that see participation as both right and responsibility. In elections in 2004, the authors of participatory budgeting were turned out, in part as four consecutive electoral victories and sixteen years in office had produced predictable outcomes of bureaucratization and rigidity in a once innovative institution.

The elections brought new blood to city administration, including a new governing coalition, new administrators, and new strategies for the city. I am worried, however, that some new ideas and new practices of participatory budgeting are dangerous, especially for the poor. I write this article as a concerned observer, an outsider with no stake in local politics, realistic about my limitations in understanding Brazilian realities, yet with high hopes for participatory budgeting and Porto Alegre, in general.

My high hopes are based on ideas and practices that are core to participatory budgeting, even if not always present. The ideas of which I speak include deliberation, which is the construction of common understandings among citizens to create a self-conscious, independent and innovative civil society. The practices to which I refer include participation, by which civil society organizations are mobilized to support and legitimate state efforts to address pressing social needs, especially those associated with poverty and inequality.

At the best of moments, deliberation and participation in budgeting was able to accomplish some impressive things. The city administration increased progressive taxation with the eminently reasonable principle, "Who has more, should pay more." The city administration distributed investment funds to poor neighborhoods with an equally compelling motto, "Inversion of priorities," in which a formula distributed investments to neighborhoods on the basis of population, poverty, infrastructure need, and elected priorities. Participatory budgeting achieved these pro-poor transformations as a direct product of deliberative ideas and participatory practice, yet these ideas and practices are rapidly receding.

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They are being replaced by an alternative idea, technical accuracy, and an alternative practice, hierarchy. I do not argue that technical accuracy and hierarchy have no place in urban administration. Indeed, they are constructed from a proud Brazilian tradition of positivism and rationality, particularly strong in Rio Grande do Sul culture and history. Yet, this reorientation is dangerous in the current context. This was made clear to us in a preparatory meeting in the Northeast Region of the city on Saturday, March 24<sup>th</sup>, 2007.

At the meeting, Secretary of Solidary Local Governance Cesar Busatto spoke at length, a full twenty uninterrupted minutes according to the recording made at the event. His presentation introduced the idea of technical accuracy and the practice of hierarchy in no uncertain terms.

Sec. Busatto established the legitimacy of his insights by citing administrative working groups poring over social statistics. Highly specific data told him that the Northeast Region was “the Northeast of Brazil inside Porto Alegre. . . Here are the worst cases; here are the lowest social indicators; here are the highest infant mortality rates; here is the most elevated absolute misery; here is the highest number of Family Income Transfers. If you take any social indicator, it is here that our problems are located.”

Explicitly, Busatto suggested that his privileged access to statistics gave him greater understanding of the region than even the inhabitants, “Do you know how many children, adolescents, adults, senior citizens, and Family Income Transfers? How many? I think you don’t even know your own region in numbers. You live here, but when I show you, you will be scandalized.”

Statistics were the basis not only of his legitimacy, but also his hierarchical authority to set public priorities, “I am conducting a diagnosis, and I am locating in the region where we have the black holes of the black hole. The Northeast has problems, and within it, there is the Northeast of the Northeast.”

He explained, by geographically locating the pockets of poverty and crossing that information with government project data, he could rationalize the targeting of resources, “I will use the information to identify the greatest deficits: I have the diagnostic of the problems; I have a list of what the government is doing; so, I can define what is missing.”

The problem of the region, by implication, is not expanding needs and inadequate public service, but rather the poor coordination of the public sector. Busatto’s solution centralized information from all bureaucratic agencies in his own, thereby eliminating overlaps and allowing him to rationalize public administration.

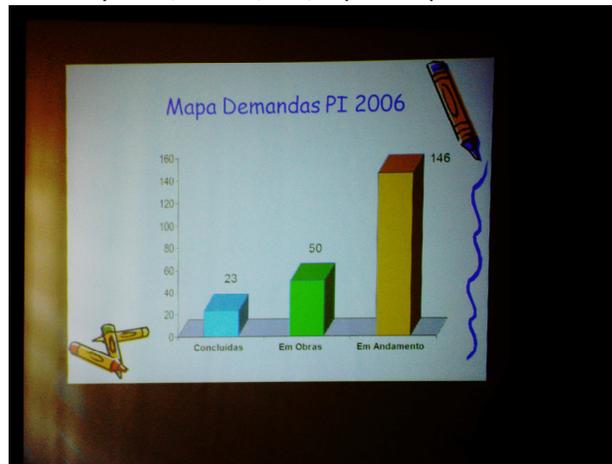


We found this dynamic truly remarkable. It was remarkable in the sense of establishing a completely new idea of legitimacy and a completely new practice for making decisions. Technical accuracy creates legitimacy only for those with access to statistical knowledge. Further, it establishes a hierarchical process by which priorities are set and implemented through administrative procedure and technical calculation.

This process seems of dubious efficacy. In generating new statistical diagnostics of each region, the government is reproducing data that already exists, and have existed for the last 18 years as part of the formula for distributing funds within participatory budgeting. Further, reproducing statistical measures will take time, perhaps longer than the current government has in the remaining 18 months of its mandate. This bodes ill for an administration that has not exactly operated at top speed. According to the government's figures for 2006 presented at the meeting, 23 of 219 requested projects in the city had been completed, and 50 others were at various stages of "in process." One almost gets the impression that the city administration is pursuing other priorities while participatory budgeting and statistical study distract poor citizens.

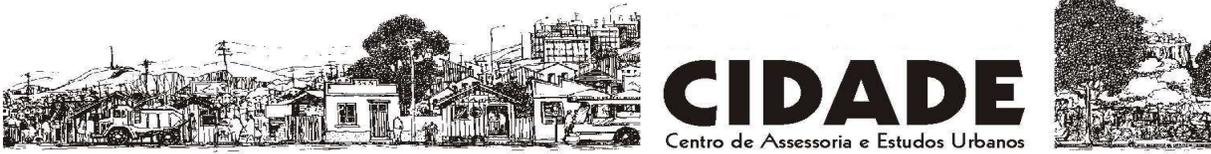
**Government Presentation**

(photo taken by Cidade, march 24, 2007; no printed copies have been distributed)



That is not entirely the case. Sec. Busatto expects poor citizens to play specific roles, "We have to begin to discuss who can help us, because on its own the city government cannot do it all. I need you to help, to look for other partners, to make the rich people cry, as many know how to do, so that they open their pocketbooks and put some of their money in this neighborhood, and the university also, and the NGOs too, and those rich doctors who could start free medical consultations here, also."

Going further, he suggested that it was time to remind the wealthy that they ignore the poor only at their peril, "The marginal citizen leaves this neighborhood and he goes out to mug



people out there. . . The rich person from Moinhos de Vento needs to know that if he does not treat this here, it will be his sons that will be kidnapped.”

The point the Secretary was making was not a facetious one. He was making an appeal for new municipal resources, and he offered his Secretariat of Solidary Local Governance as the vehicle. Through his Secretariat, wealthy individuals and entities could make donations, which poor citizens could help elicit.

Of course, donated funds, unlike taxes, come with strings attached. The wealthy only donate if the state acts to improve the opportunities for economic growth and accumulation. A good example is a proposed public private partnership to build a new infrastructure for city bus transport. The investments will be massive, with opportunities for lucrative construction contracts and strategically placed commercial establishments. Further, to make it happen, the government has to reserve funds that could be invested in small scale, neighborhood priorities decided in participatory budgeting meetings. Instead, such savings can be used as a counterpart to subsidize expected private investments in projects like the bus terminal.

In political terms, I have to admit that Sec. Busatto was quite brave in presenting the new ideas and practice. These were certainly not the typical words of the vote-seeking Brazilian politician. He clarified, “I am no longer a candidate. I am no longer a candidate to anything; I gave up being a candidate because I can no longer stand this kind of politics, the pure rottenness of it.”

Still, despite the Secretary’s refreshing honesty about his political intentions, I am doubtful of the viability of this new idea and practice of participatory budgeting, especially with respect to the poor. Mobilizing revenues to target poverty through the beneficence of the wealthy seems inherently limited. In fact, it almost seems an afterthought.

The new idea of participatory budgeting, technical accuracy, appears to limit the independence and innovation of civil society. Further, the new practice of participatory budgeting, hierarchical decision-making, seems likely to demobilize the poor, removing their political agency and transforming them from citizens into supplicants. They are no longer mobilized as a support-base for progressive taxation and redistributive spending; they now appear merely convincing the wealthy to be more charitable.

In fact, the Solidary Local Governance appears to free the municipality from the burden of responding to an active and mobilized poor population, and leaves it free to pursue priorities entirely alien to participatory budgeting.