

THE DIFFICULTY TO INTEGRATE LOCAL DEMANDED INVESTMENTS TO OVERALL STRATEGIC PLAN FOR THE CITY: A CRITIC TO THE "ORÇAMENTO PARTICIPATIVO - OP" IN PORTO ALEGRE"

INTRODUCTION

The Participatory Budgeting of Porto Alegre (Orçamento Participativo - OP) was implemented during the Olívio Dutra administration (1989-92) but flourished in fact in the following administration during Tarso Genro government (1993-97). The OP of Porto Alegre is worldwide known as a positive and successful experience, involving people in the decisions of investment resources for urban development. The presentation of this experience in Charles Landry's book *The Creative City* illustrates this international evaluation:

"The hallmark of Genro's administration was putting into practice the concept of citizen control, allowing the public to make the decisions of government by getting local professional, business and advocacy groups to join community boards that set strategic, long-term policy directions for the city." (LANDRY, 2000, pg.194)

In spite of understanding the OP as an advance in the management of local government urban investments in Porto Alegre, the participation of people in strategic, long-term policy directions for the city has been really difficult to put into practice. The purpose of this paper is to bring to discussion some questions that have systematically obstructed this proposal to progress.

THE PARTICIPATORY BUDGETING (OP) IN PORTO ALEGRE

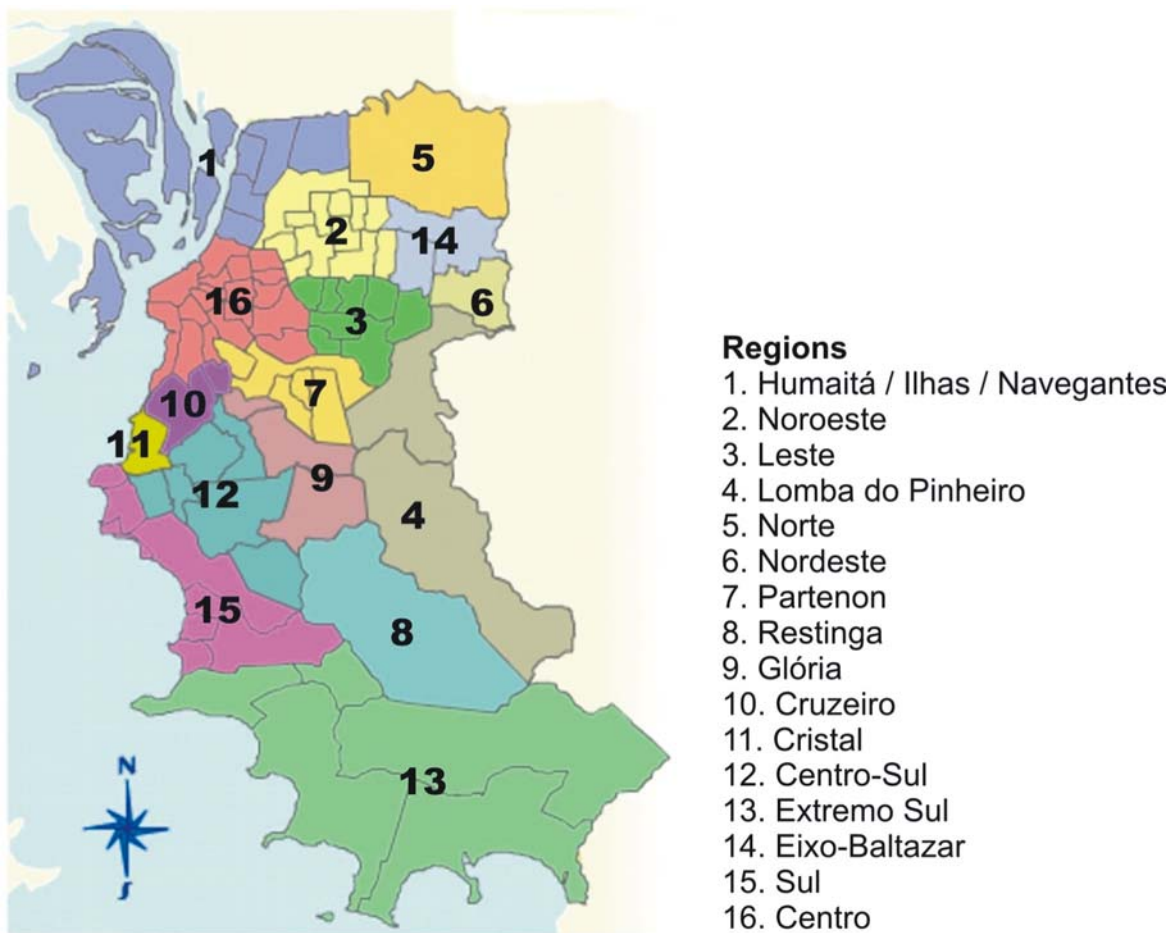
The OP operates in a participatory structure process developed according to three basic principles: a) all citizens are entitled to participate, community organizations having no special status or prerogative in this regard; b) participation is governed by a combination of direct and representative democracy rules and takes place through regularly functioning institutions whose internal rules are decided upon by the participants; c) investment resources are allocated according to an objective method based on a combination of general criteria, established by the participatory institutions to define priorities, a decentralized process of decision based on the division of the city in 17 budgetary regions¹, and technical or economic criteria defined by the executive.

The basic institutional setup of the OP consist of three kinds of institutions through which the mediation process between the Municipality and people happens: the first kind of institutions consist of the administrative units of the municipal executive charged with managing the budgetary debate with the citizens; the second kind of institutions are the community

¹ Today there are 17 Regions in fact. The Region of Humaitá/Ilhas/Navegantes was divided in two, with the islands being constituted as a new independent region.

organizations, with autonomy vis-à-vis the municipal government, constituted mainly by regionally basic organizations, which mediate between citizen participation and choice of priorities for city regions; the third kind of institutions is designed to establish a permanent mediation and interaction between the two first kinds. They are regularly functioning institutions of community participation.

MAP OF OP 16 REGIONS



Source: PMPA, 2007

The main purpose of the OP is to encourage a dynamic and establish a sustained mechanism of joint management of public resources through shared decisions on the allocation of budgetary funds and of government accountability concerning the effective implementation of such decisions.

The process of participation in the definitions of the municipal budget is organized along three main steps: 1) realization of Regional and Thematic Assemblies; 2) organization of institutional instances for participation, eg. budget council and the forum of delegates; 3) discussion of the Municipal Budget and approval of the Plan of Investments by the OP delegates. The two modalities of participation: regional and thematic are defined simultaneously and according the same dynamic but differing in terms of the character of the agenda for discussion: territorialized demands in the first case and specific cases in the second one.

The regional assemblies occur in each of the 17 regions of the city, while the five thematic plenary sittings occur in places unrelated to the regional demarcation. The thematic areas (or themes) for the discussion of the municipal budgeting are: 1) Transportation and Circulation; 2) Education, Leisure and Culture; 3) Health and Social Welfare; 4) Economic Development and Taxation; and 5) City Organization and Urban Development. Before the annual assemblies, preparatory meetings are organized by the dwellers in each of the 17 regions, usually during the month of Mars, without the participation of the municipality. These preparatory meetings have the purpose to discuss the main demands brought by the dwellers of each region and thematic, by social communities and organized groups. In this occasion they initiate community mobilization to select regional delegates to participate in high level instances of the OP.

During the months of Mars and April, occurs the first turn of assemblies when, besides the evaluation of the previous year, happens the first partial elections of the delegates to the forum of delegates (regional and thematic). These regional assemblies are open to the public, but only the registered inhabitants of the region have the right to vote.

During the months of Mars and June between the first and second turn of official assemblies, intermediary preparatory meetings are organized by the population of each region and thematic. During this time the meetings are followed by a member of the municipality. In these meetings the approved demands are organized according to a hierarchy of priorities through a process of negotiation and voting. In these meetings, each region or thematic select three priorities by theme and order of importance (eg. 1° - sanitation, 2° - paving, 3° - health) as shown in Figure 2 and also the topics demanded for investment in each of the three selected themes. After that the list of priorities is sent to the municipality.

The second turn of Regional and Thematic Assemblies happens during the month of June and July and are organized, chaired and coordinated by representatives of the executive in conjunction with the popular organizations of the region or theme, in the following way. After a presentation of the budget and criteria definition to the distribution of resources for investments by the municipality for the following year, the dwellers elected two councilors (and two substitute members), for one-year mandate (they can be reelected once), to represent the region and thematic in the main board of the Council of the Participatory Budget (COP).

The third turn happens during the month of August, when the municipality develops an internal work of compatibility between dweller's demands and institutional demands (the proposals of government municipal institutions). Finally the municipality elaborates the budgetary proposal to be discussed in the COP. After that, the proposal is sent to be voted in the Municipal Council, something that must be done up to November the 30th. In the last turn a Plan of Investments for each region of the OP is elaborated.

Figure 2 – Porto Alegre Municipality/RS. Facsimile of the priorities indicated by the regions for 1993

Microregion	Destituted pop.	Evaluation	Total pop.	Evaluation	Priority
1) Ilhas	11.856	2	15.255	1	1) pavement 2) sanitation 3) docks
2) Humaitá-Navegantes	10.508	2	68.637	2	1) sanitation 2) land regularization 3) health
3) Leste	46.016	4	110.553	3	1) pavement 2) land regularization 3) streets demarcation
4) Lomba do Pinheiro	32.176	4	40.220	1	1) sanitation 2) education 3) land regularization
5) Norte	84.176	4	124.383	3	1) sanitation 2) pavement 3) land regularization
6) Nordeste	26.618	3	27.028	1	1) sanitation 2) pavement 3) education
7) Partenon	60.106	4	62.200	2	1) pavement 2) sanitation 3) land regularization
8) Restinga	18.386	3	41.218	1	1) pavement 2) land regularization 3) sanitation
9) Glória	33.434	4	61.497	2	1) pavement 2) land regularization 3) sanitation
10)Cruzeiro	61.734	4	86.866	2	1) land regularization 2) sanitation 3) pavement
11)Cristal	2.180	1	17.673	1	1) pavement 2) sanitation 3) land regularization
12)Centro-sul	31.364	4	81.758	2	1) sanitation 2) pavement 3) land regularization
13)Extremo-sul	18.688	3	30.720	1	1) sanitation 2) land regularization 3) pavement
14) Eixo da Baltazar	11.637	2	109.902	3	1) sanitation 2) pavement 3) squares/leisure
15)Zona Sul	2.484	1	41.590	1	1) sanitation 2) land regularization 3) pavement
16) Centro	4.141	1	339.424	1	1) land regularization 2) sanitation 3) culture descentr.

Source: GAPLAN/PMPA

The Executive participates in the definition of the investments through its Planning Sector, with the presence of all municipal secretariat in the council meetings. In these occasions public works and projects of global interest for the city, for the metropolitan region or even for one specific region of the city are proposed and also, the total amount of resources of the municipal budget to be invested. The Plan of investments should, according

this procedure, be the result of a composition of works and actions derived from the demands of Regions and Thematic and from investments which should affect "all the city".

The distribution of the resources for investments in the regions is done according to a method of participative planning which begins with the indication of priorities by Regional and Thematic instances ending with the approval of a detailed Plan of Investments including all the public works and activities discriminated by sector of investment, region and for all the city. The criteria for the distribution of investments in the different regions are: lack of urban services and infrastructure, population without access to urban services and infrastructure, total population of the region, priority attributed by the region to the sectors of investment demanded by them.

COMPETING OPERATIONAL LEGITIMACIES: The COP and the EXECUTIVE

The relationship between regional participation and thematic participation is not a mere question of an overlapping of spaces of participation. It is, above all, a question of urban politics, and it has over the years become ever more contentious. The overlap hides a conflict of conceptions about city culture that may be related to the different social composition of the regional and thematic plenaries. However, the conflict in this respect is mainly between the regions and the executive itself. Since the creation of the OP many topics have been object of dispute between the regions and the executive.

Infrastructure is one of them. During Tarso Genro's administration the government obtained a loan from the World Bank to build various infrastructures, the executive proposed to the COP the construction of five avenues. There was great resistance on the part of the community councilors, who wanted the money to be invested in street pavement in the regions. Tarso Genro, former Mayor, recounts: "I myself, and the executive's staff engaged in a dispute right in the middle of the Council and I threatened: 'if you want to shred, OK, we'll shred and build a tiny street in every region. But you will be held responsible and shall answer before the city and will give arguments to the Right for whom you have no vision of how the city should be developed. The five avenues are crucial for all the city population, especially for those living in the periphery.'" After a long debate, the council approved the construction of the five avenues, with one vote against. Other urban infrastructures as the Alvaro Chaves drainage system and projects like the project "Parque Germânia", a mega residential project occupying an area of 40ha, were not even discussed in the assemblies of the OP.

Culture is another item of permanent conflict. Many regions have their own cultural traditions but they claim that the investments related to this topic end up being chosen by the Mayor's Secretariat, and biased in favor of "high culture" activities.

As seen above, the imposition of the will of the executive is not very difficult in face of the technical unpreparedness of the community councilors to decide about some specific matters and insecurity to assume the responsibility of their position against the arguments of the executive technicians.

In such a system of co-government, the executive has a very active role, if for nothing else because it controls technical knowledge and also because it either generates the relevant information or has a privileged access to it. Its presence in the OP is quite strong,

by reason of its coordinating functions both in the COP through its two representatives, even though they do not have the right to vote, and in the regional assemblies through its delegate in the region. Furthermore, the executive itself forwards autonomous investment proposals to the COP, the so-called institutional demands, as those cited above, that have their origin in departments of the executive, especially those concerned to maintenance of improvement of urban infrastructures of the city.

Also resorting to international loans to promote urban development immediately poses problems to the OP. Such loans require the previous, detailed indication of the investment to be made, which usually collide with the decision making process of the OP.

Concerning to the agenda, the conflict between some councilors and the executive is often quite open. The councilors have been consistently fighting for the expansion of the municipal activities to be submitted to the OP, and they have in general been met with the resistance by the executive representatives. The basic argument of the government is that there are topics that engage the city as a whole and, for this reason, cannot be submitted to a debate that tends to promote particularistic solutions, be they relative to the regions or to the themes.

Thus, the problems facing a system of power sharing are well expressed in the relationship between the COP and the executive. In the beginning, while the community leaders wanted the COP to have unconditional deliberative power, the executive searched for a formula capable of reconciling the decisions of the COP and the political representativeness of the Mayor inscribed in the constitution of the republic. The power of the executive is such that, in all three years since the creation of the OP, the Mayor never had the necessity to veto any deliberation of the COP, something that can only be exercised for technical reasons and financial evaluation. Since whenever the executive had reservations concerning a work, its position was explained to the community by its technical staff, and the community ended up agreeing.

In spite of being one of the most important instruments of economic management by the politically organized collectivities, the public budget must be understood, primarily, as an instrument of management not planning.

The urban development council is the institution responsible for urban planning, while the OP council is related to urban management. The urban development council is a participative instance responsible for city planning: definition, making and control of the implementation of public policies and interventions as master plans, transport, urbanization of slums, housing, etc.

Thus, the problem remains with the difficulty to develop a system of planning with a distribution of attributions in a way to incorporate the local particularities in the process of management, revision of the plan for the city and the institutional indications. In fact, the center of attention in all planning process is the State, represented by the planning sector and other institutions that constitute the local government apparatus.

As recommended by the actual coordinator of the OP in Porto Alegre, the solution might be the articulation between the two councils or the consolidation of the two in one that could articulate planning and management as the integration between the two usually does not exist or is inefficient. Another problem, says Souza (2001, p.377), is the lack of

qualification of the delegates of the OP as insinuated by the former Mayor Tarso Genro in the meeting to discuss the investment in five avenues of the city. How could be possible to adequately inform the delegates about problems that they are not technically prepared to decide about, especially those related to important interventions for the municipality or even to the metropolitan regions as, alterations in the system of metropolitan transport, alterations in the master plan, improvement of the main drainage systems, etc. This should be solved in the thematic assemblies, but the lack of qualification of the delegates and the great disparity in terms of access to urban facilities among social classes usually puts the delegates in a dilemma: to vote in favor of the implementation of basic infrastructure and services the people they represent do not have and are strongly demanded by them, or to vote for improvements in the existing infrastructure and services that will benefit the city as a whole?

Taking the priorities of the Regional Partenon from the Figure 2, it would be possible to follow some of the demands included in the Plan of Investments for each priority: construction of the pluvial system in the Pereira Ibiapina St., prolongation of pluvial system in the Humberto de Campos St., construction of the sewerage system in the back of Dona Firmina St. (Sanitation), 80m of paving in the Silvio Romero St., 400m of paving in the Ari Tarragô Av. (Pavement). But also in the Thematic Assemblies the demands had a local character, eg., urbanization of Saibreira square, urbanization of Darcy Azambuja square, continuation of the Muamba Popular do Carnaval project (City Organization). In 2007 the situation is not distinct, in the Thematic Assemblies the main demands are: improvement of the Zero Court dressing room, sportive material for APAE, wire in of the Vermelhão and São Francisco courts, (Education, Sport and Leisure), 500m of paving in the Beco do Davi, (Circulation and Transport), infrastructure for two self-management cooperatives (City organization and Urban development).

In Porto Alegre, the desire of participation is very strong among poor and less educated people and the effective participation is bigger among the poorest than the middle class. In this sense, the obstacles related to inequality generally described in the international literature, as pointed out by ABERS (1997b, in Souza, 2001), in which the poorest excluded from the participative processes, is not manifested in the OP. The reason for this may be related to two important aspects, firstly while in the center of capitalism the poor are in minority in the Brazilian cities they constitute the majority of the population (both in relative and absolute terms) and, while the middle class have all their necessities in terms of infrastructure already solved, the poor have their basic necessities: housing, water and energy supply, sewer, etc. unattended. The urban poor, habituated to organize themselves, in the slums and in the peripheries, to demand for infrastructure and improvements, are more familiar with this kind of organization and participation. So at the level of the regions and the thematic the higher income classes are usually in minority and, as a result, the defined main priorities at this level of the process are always those related to the precariousness of low income urban areas and never related to strategic, long-term policy for the city.

So, those investments of interest for the whole city are usually decided in the COP where the technical state apparatus have a very strong power and may manipulate information and bureaucratic procedures as:

- the management and circulation of information is precarious, being almost always relatively easy to the government concentrate and filtrate important strategic information, to administer its publicity and control the meeting dynamic;

- in situations of conflict, the popular representatives obtained effective spaces of power only from external mobilization, and not in the meetings, through public mobilization, denunciation in the press and involvement of NGO's and/or political parties;
- the capacity to elaborate and propose policies and programs has been always an initiative from local government what enables it to impress its interests;
- the great questions over which the delegates must decide usually are presented in a hurry with little time for discussion.

Besides, there is a permanent dispute over the scarce resources that shall be effectively invested during the year among Secretaries and among Regions of the OP, all of them fighting for the better slice of it. This happens because, the Plan of Investments is much more an intention than a guarantee of investment since the allocation of funds for budget items does not mean that the money effectively exist. The solution has been the definition of a percentage of the budget to be used in the OP demands. In 2007 this percentage shall be something about 5 to 7% of the total budget for investments in infrastructure.

CONCLUSION

The OP of Porto Alegre, put the people living in the "vilas" in the center of power decisions over public investments. Nonetheless, the great majority of the participants of the OP are low income workers without qualification, the majority women, without primary school, familiar monthly income inferior to US\$ 500-00 and a strong participation of afro and indigenous descendants in a city where the majority is considered European descendants. Besides, the rituals of receiving individual projects and send them to the analysis of the counselors and the regional forums end to occupy the majority of the time of the members of the council. The idea that the regions could discuss its planning did not advance as expected during the time of existence of the OP. Even the government teams, partly composed by people indicated by the political party to occupy especial functions in the government structure, in general, are political militants without any technical qualification in urban planning.

The OP in Porto Alegre has not the direct participation of planners, usually much more interested in planning instruments. Besides, It is possible to detect see the manipulation of assemblies in all instances of the OP, by the municipality and local dweller associations, and also in the public audiences for discussions as for example, the master plan for the city. In these occasions, economic groups as the building sector interested in reformulate the plan according their interests, usually manipulate the meetings.

What we see is that, in countries with great disparity among social classes, like Brazil, the integration of the poor making less unequal their access to the necessary means for a better way of life continues to be one of the more important and basic challenges to be won. A better and major access to food, clothing and housing, information and basic education, health, etc., all this are elementary and indispensable requisites as a base to increase self-confidence and to increase the possibilities of most people, consciously, participate in the political life of the country.

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