

THE PEDAGOGICAL ROLE OF THE PARTICIPATORY BUDGET

Brief Description of the City of Santo André

Santo André is situated in the southeastern subregion of Metropolitan São Paulo, Brazil, a conglomerate of 39 municipalities that is home to 10.5 percent of Brazil's population--19,196,979 people (2000 IBGE Census)--concentrated within less than one thousandth of its territory. It is also part of the region known as the ABC, or Greater ABC, formed of seven municipalities (Santo André, São Bernardo do Campo, São Caetano do Sul, Diadema, Mauá, Ribeirão Pires and Rio Grande da Serra). Greater ABC has a population of 2,354,722, occupying 841 km². It is a densely populated region that constitutes the center of the nation's economy. Its landscape exhibits the profound socioeconomic and land use contrasts typical of the Brazilian development model. Roads and streets are continuous and the urban fabric is that of an urban complex, which means that the boundaries between municipalities are more political than physical. People constantly circulate through the region as they go about a wide variety of activities.

The area of Santo André, 174.31 km², with a population of 649,331 (2000 IBGE Census) is divided into two parts. One part is intensely urbanized (*Macrozona Urbana*) and almost fully served by basic infrastructure services (basic sanitation, trash and garbage collection), where 96 percent of the city's population lives on less than 40 percent of its territory. Sixteen percent of this population (108,000) is distributed among 139 shantytowns. The other part of the city is an environmental protection zone (*Macrozona de Proteção Ambiental*) where, despite the presence of extensive preserved areas, one finds a few occupied tracts, although some of them developed prior to the state law that declared the area a watershed protection area associated with the Billings Dam.

Crossing the city in a west-east direction is the Santos-Jundiaí Railroad, an important means of commuter and freight transportation. A trolleybus line, managed by a state government agency, runs north-southwest (the ABD corridor). There are also several intercity and municipal bus lines. Further to the south, the city is cut by the arm of the Rio Grande river, a tributary of the Billings reservoir, which limits access to and integration of the municipality's territory.

Known as the headquarters of the biggest companies in Brazil's automotive industry, the economy of the Greater ABC is also centered on other industrial activity, particularly chemicals and petrochemicals complexes, and metals and machinery, both significant contributors to the nation's GDP. Santo André's industry currently ranks second only to that of São Bernardo do Campo. Because of the shift of the axis of railroad transportation in favor of highways, the city underwent profound changes in its economic environment in the second half of the 1980s, when the tertiary sector began to take gain importance.

INTRODUCTION

The 1980s saw important conquests by the various actors in civil society, especially the social movements. These movements, which had been organizing since the 1970s, gained strength in the 1980s and had an important influence on the Constituent Assembly that drafted the 1988 Constitution, in terms of social rights and the creation of forums for the representation of collective actors in public policy development and management.

Today, it is especially at the local government level where the most fruitful practices in the implementation of efficient social policies are developing—policies understood as those capable of promoting a redistribution of income and an effective democratization of the relationship between the State and civil society.

It is in this context that the municipality's experiences with the Participatory Budget are particularly significant. Public discussion and decision-making concerning the priority areas of government investment has been making it possible to invert priorities, insist on administrative transparency, eliminate the middleman in the allocation of public funds and, especially, substantially change the way in which the residents relate to their local government. By making decisions on the budget, a key element in guiding the actions of a government, residents are truly exercising their rights as citizens and, in the last analysis, changing the traditional relationships between the state and civil society that had been marked by a profoundly elitist and authoritarian legacy and by systematic clientelism and the exchange of favors.

The experiences under way have shown that it is not enough to create spaces and channels for participation. It is also necessary to create the conditions under which this participation can actually take place, by training the various actors of civil society and the State in new ways of practicing democratic public management.

Therefore, the opening of new forums and channels requires an explicit pedagogical approach that can guide the needed process by which attitudes, values, mentalities, behaviors, and procedures are changed—both those shared by the general public and those shared by people who operate within the apparatus of the State.

METHODOLOGY AND FUNCTIONING OF THE PARTICIPATORY BUDGET IN SANTO ANDRÉ

The Participatory Budget acquires strong influence from the innovation represented by the introduction of citizen participation in the preparation and monitoring of the public budget, thus breaking with the traditional absence of societal controls that, in Brazil, has always made the budget an instrument to be manipulated by the elites and utterly vulnerable to the mechanisms of corruption and cronyism.

The Participatory Budget is an annual planning tool that helps prioritize the demands of the city, thus permitting universal access by the entire population to decisions made about the city. It is an arena for co-management in which the community and government decide together where and how the city's resources and investments will be allocated.

The Participatory Budget was adopted on a consultative basis in Santo André during the first PT [Workers Party] administration during the period 1989-92. The public was consulted about investment priorities. This process was interrupted from 1993 to 1996 when the PT lost the election and a conservative administration took over that dismantled all the arenas for participation that had been created.

In 1997, the PT returned to power and citizen participation once again became a priority, The Participatory Budget was refined and acquired decision-making authority that is still in place today.

HOW THE PARTICIPATORY BUDGET WORKS IN SANTO ANDRÉ

The Participatory Budget process followed a cycle that includes several phases:

- (1) The city was divided into 19 regions in order to permit broad participation by their residents.

(2) The City Council did not enact a specific law creating the Participatory Budget, but made provision for it in the city charter. A methodology and internal rules were developed to regulate the entire process. These are amended every year by both civil society and the government. in order to continually refine the process.

(3) Dissemination and mobilization – There is a communications plan, still in its early stages, but featuring materials such as pamphlets, billboards, articles in neighborhood newspapers, banners, mass mailings, and community radio broadcasts. Materials have been distributed via public schools, public health facilities, and other spaces.

(4) The decision-making process in Santo André is BIENNIAL. In one year the public selects demands. In the next, accountability meetings are held to review the works and services that were approved and incorporated into the Budget, and to hear reports on other government actions.

(5) Preparatory meetings are held to inform the public as to how the plenary sessions will work and to report on the financial situation at City Hall. Another important reason for these meetings is to afford an opportunity for an initial hearing of the needs that will be presented later.

(6) Once that is done, the community itself holds an organizational meeting to coordinate the demands to be presented and identify the candidates who are interested in serving on the Council.

(7) Next, deliberative plenary sessions are held in each of the 19 regions of the city. These are attended by the Mayor and the secretaries of the various city departments. At those meetings, three priorities are chosen for the region, and one for the city. A permanent council member and an alternate are elected to serve on the Municipal Budget Council – (*Conselho Municipal do Orçamento* – CMO). Regional representatives are elected to serve on the Regional Monitoring and Oversight Committees (*Comissões Regionais de Acompanhamento e Fiscalização*) that will oversee the works and services in the Participatory Budget that were selected for funding by the regions.

(8) Following the deliberative plenary sessions, the training of the council members begins. Because they have different levels of understanding with respect to the government, if they are to participate effectively in decision-making on the city budget, council members need to understand how the city’s revenue is structured, what the city’s budgetary limits are, and what powers each sphere of government (municipal, state, and national) has. They also need to see a diagnosis of the city and its regions, and, no less important, learn “negotiating skills” that can help them during discussions with the government.

(9) The training process is accompanied by a “Caravan of Priorities” intended to help council members gain an overall view of the chosen demands, besides bringing them in closer contact with the realities of other regions of the city and thus a more comprehensive view of the city as a whole.

(10) Once the council members are in possession of all this information, negotiations begin to decide which demands will be incorporated into the Budget. This is a difficult process in which conflicts arise, but an extremely instructive one for both the general public and the government.

(11) After negotiations end, work begins to draft a report that will announce to the public the demands that have been incorporated into the city budget and help monitor and oversee their execution.

The Participatory Budget is a powerful instrument for political, economic and social conquests and an arena for learning, assumption of leading roles, and development of new perspectives

- (a) It leads to greater transparency in preparing and executing the budget;
- (b) It gives society more control over the budget and public finance;
- (c) It creates a new pattern for distribution of resources, including the most socially vulnerable population groups;
- (d) It enhances the legitimacy of the public administration;

- (e) It encourages a sharing of power by public officials and society;
- (f) It strengthens cooperation and solidarity among the participants;
- (g) It ensures universal participation by mobilizing both organized and unorganized sectors of society;
- (h) Citizens cease to be mere spectators and become agents of transformation.

THE IMPORTANCE OF THE “RULES OF THE GAME” IN BUILDING THE DEMOCRACY

Ascribing value to the rules of the game is often seen as formalism or excessive fondness for bureaucracy, but during the course of the work on the Participatory Budget the importance of clear, transparent and well-known rules as guarantee of the universality and trustworthiness of the process became clear.

The Participatory Budget process demands a well-defined methodology and clear rules with which everyone is familiar that ensure broad-based participation and confidence in the selection of demands and the election of council members.

There also has to be a fairly regular flow of accurate information to assist the council members in their decision-making, and a gradual involvement of the society.

The internal rules are another important mechanism in the Participatory Budget process, which is self-regulating. The changes that occur every year need to be justified and defined with participation by the council members. This is done in order to further improve the process, which is not a finished product.

ELEMENTS NECESSARY FOR THE ADOPTION OF A PARTICIPATORY BUDGET

❖ Dissemination and mobilization

If there is to be vigorous participation in the Participatory Budget process, investments must be made in a communications plan and the organized sectors of society need to be identified and involved, and then used to multiply the effect of this invitation.

Use language that is easily understood. Produce good quality materials with messages that inspire people to participate.

Mobilization must be as broad as possible. Correct information must be given about locations, dates, and times when plenary sessions will be held, and the way an individual person can participate needs to be explained.

In most cities, an assortment of materials is used--such as pamphlets, billboards articles in neighborhood newspapers, banners, mass mailings, and community radio broadcasts. Materials have been distributed via public schools, public health facilities, and other spaces.

❖ Technical Knowledge

In order to achieve a Participatory Budget it is vital to coordinate technical and statistical skills with political knowledge of the local society. It is essential to be familiar with the characteristics, problems, and needs in the city, based on statistical data and official indicators.

It is important to back the decisions on the budget with figures pertaining to infrastructure needs and the social policy needs of the neediest populations groups in the municipality. Discussions with residents are a means of checking the true impact of these problems.

Technical knowledge is fundamental if the grassroots leaders from the general public are to be ready and able to defend the interests they represent with respect to the budget. Therefore, these leaders need to understand the entire budgetary process: preparation, timelines, criteria for classifying revenue and expenditures, approval by the legislature, budget execution, etc.

❖ **Definition of criteria**

In general, the criteria used to decide which demands to fund are based on the available financial resources, but if an inversion of priorities is actually to occur, the prioritization of demands submitted by the public must be combined with an analysis of the needs in terms of services, equipment, and cost/benefit, applying technical criteria.

To create transparent and clear criteria for determining which priorities will be incorporated helps prevent unfair decisions from being made in choosing them.

❖ **Production of Information**

Making available the information furnished by the government for use in their decisions needs to be done in a way that is clearly presented and readily understood by the participants.

In this regard, the seminars held in Santo André to provide details on the various demands contributed greatly to the technical and financial clarification of the limits and potentials of each demand that was submitted to the deliberative plenary sessions.

Council members have an overall view of the political conception and of the actions that each part of the government carries out in order to improve the quality of life for the inhabitants, as well as the available budgetary resources, the technical limits, the real needs and the cost/benefit analysis of those needs in each area of the city.

This information needs to be systematized, using language that is easily understood and messages that are publicized throughout the city as a whole.

Training Cycle

Training and information are indispensable elements for making participation a forum for a re-development of local identity and to reinforce and raise the consciousness of the citizenry.

In order that participants may make decisions, there must be intensive dissemination of information about the municipality and its public services. Language must be used that the people can understand. This means giving up the *power* that coded language gives them [sic].

When encouraged, the public feels challenged to change their relationship with the government, since they realize that they must go beyond submitting sectoral demands. They need to prepare themselves and develop the tools with which to exercise their right to participate in local management.

When council members are clear about the role of the Council, as well as its duties, relations between government and civil society become less conflict-ridden. Each person knows his/her responsibility and so they respect the boundaries of each role.

In this regard, investing in training and information means encouraging society to organize to *become informed, get trained, and jointly manage* the public trust.

PRINCIPAL RESULTS AND IMPACTS UNDER THE PARTICIPATORY BUDGET

The Participatory Budget is not a finished product. It is in the construction phase and becomes more refined every year.

When I headed the project I observed certain impacts. One of them was an effort to classify the regions of the Participatory Budget by vulnerability and participation, in order to find out if an “inversion of priorities” was occurring in the neediest regions.

Of the seven regions that were considered vulnerable, six of them received more resources than expected. So I can say that the Participatory Budget made it possible to combat their exclusion and to distribute resources more equitably.

Another impact, no less important, is the perception on the part of council members that participation in the Participatory Budget and on the Municipal Budget Council afforded them important learning experiences.

They reported that they came to understand how the administrative machinery works and how to prepare a public budget. The knowledge gained permitted a better dialogue with government managers when it came time to claim rights and improvements for their particular region.

This experience also gave them a new perspective about the problems of the city, and a wider view of the world.

LESSONS LEARNED, RECOMMENDATIONS

The training and information sessions were limited to a very small group, the Participatory Budget council members. In order that we can actually gain greater social control of the public finances, I see a need to expand the courses on the functioning of the public budget to include groups of leaders, participants in the Participatory Budget plenary sessions, members of other councils in the city—in short, to expand the information about how the public budget is composed to whomever may be interested.

One of the recommendations is to refine the determination of the costs of the services provided. For example, the construction of a health care facility or school is considered an investment, but equipping them and maintaining the services are considered costs. That introduces distortions into the final value of the approved project, since we do not consider the funds spent on installation and maintenance of this service when we approve its funding. We need to make progress on this issue.

In order for the Participatory Budget to happen, there must be political will and a drastic change in the administrative machinery. It needs to be adapted for participation by the public by focusing on the transparency, efficiency, and effectiveness of the administration and a democratization of public management.

The Participatory Budget fosters a new culture that favors an active exercise of citizenship in the broadest sense of the word. It constitutes a school for the exercise of citizenship and, we can also say, a school for education in social inclusion.

Final Comments

To conclude, true citizenship exists only if citizens take advantage of the arenas available to them, their city, their neighborhood, their school, as well as the right to claim their rights. Therefore the population must be well informed about those rights.

We cannot think of citizenship only in terms of the rights we receive. Instead, we must think of ways for citizens to be agents in the conquest of these rights.

Citizenship is not given, it is won. The concept of “right” needs to be built collectively by the citizens and not restricted to basic needs. Citizenship is the very right to life in its fullest sense.

Therefore, citizenship can and must be appropriated by the population, by working men and women. This is a continuing and effective struggle to assert social, civil, and political rights.

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