Brazil is home to some of the most successful experiences in participatory local government. The proliferation of civil society organizations in Brazil during the transition to democratic rule was accompanied by the development of new political values and strategies that fostered institutional renewal at the municipal level. Brazil's 1988 constitution decentralized political authority, thereby granting municipal administrations sufficient resources and political independence to restructure policymaking processes. Coalitions of civil society organizations and political reformers have taken advantage of this flexibility to experiment with new institutional types. The political strategies of civil society organizations are often driven by the need to find immediate solutions to dire social problems and by a broader interest in increasing the access of ordinary citizens to key decision-making venues. The strategies of the political reformers, often led by the left-of-center Workers' Party (PT), have been based on transforming how and to whom public goods are distributed.

Scholars in the theoretical debate on democratization have missed key linkages among civil society activists, local participation, governing coalitions, and institutions because they have conceived of only two mutually exclusive options, the demobilization of civil society in posttransition settings and the emergence of counterinstitutional civil society organizations of a social movement type. These theoretical frameworks are unable to show how Brazil's civil society is linked to efforts to expand the institutional terrain on which citizens compete for political resources. This article identifies cases in Brazil where civil society organizations challenge old practices, such as clientelism and patronage, while simultaneously offering concrete alternatives for new practices, strategies, and institutions.

The specific political strategies developed by civil society organizations during Brazil's transition to democracy fostered the creation of deliberative policymaking institutions. One institutional type, participatory budgeting, incorporates citizens into deliberative decision-making venues. Political activity within civil society has led to significant political and social change in municipal government in Brazil, belying claims that Brazil finds itself trapped in a "deadlocked democracy."1

Participatory budgeting was initiated in 1989 in the municipality of Porto Alegre.
and had by 2001 spread to at least 103 municipalities.² Important characteristics of
the new institutional format include increased and sustained participation, public
deliberation and negotiation, and the distribution of public resources to poorer
neighborhoods. The institutional design of participatory budgeting reflects the dual
interests of its strongest advocates: immediate short-term resolution of specific
social problems and more general demands for greater access to and participation in
formal decision-making venues. Although participatory budgeting has been success-
fully disseminated to 103 municipalities, Brazil nevertheless has over 5,000 munici-
palities.

While it is often thought that the Workers’ Party dominates participatory budget-
ing, survey evidence indicates that fifty-one of the 103 cases of it are in municipali-
ties whose mayors are not from the Workers’ Party.³ There is substantial variation in
the outcomes generated by participatory budgeting programs, ranging from success-
ful to weak. It is necessary to look beyond party politics to account better for the
political groups that actively pursue a transformation of municipal policymaking
institutions.

Civil society organizations have promoted institutional redesign to address the
legacies of hierarchical social relations, a confined public arena, and patrimonial
control of the state that formed the parameters of nation building and modernization
in Brazil. For much of the twentieth century low levels of civic organization and par-
ticipation plagued Brazilian civil and political societies, contributing to the strength
of clientelism and patrimonial politics. Clientelism, based on personal exchanges
between individuals of different social and political classes, continues to be a pre-
dominant feature of Brazil. The political strategies developed by civil society organi-
zations and social movements during the final phase of military authoritarianism
(1977–1985), which was marked by new practices of civic engagement, were created
to promote open meetings, public deliberations, and transparent implementation
processes to overcome these enduring political legacies.⁴ New forms of voluntary
associations and new public practices renovated the repertoire of political practices,
thereby fostering new modes of civic engagement. Importantly, these efforts are part
of a broader campaign to deepen and expand democracy.⁵

The concept of participatory publics can bridge an unnecessary divide in debates
over democratization between institutional and civil society theories. Participatory
publics are comprised of organized citizens who seek to overcome social and politi-
cal exclusion through public deliberation, the promotion of accountability, and the
implementation of their policy preferences. During Brazil’s transition to democratic
rule in the 1980s citizens worked within voluntary associations and social move-
ments to develop innovative strategies to confront traditional local politicians to sur-
mount legacies of clientelism, patronage, and corruption. These strategies led to new
political practices, including the establishment of neighborhood assemblies and local
councils. With the advent of competitive elections, civil society activists linked
themselves to politicians and political parties to encourage the institutionalization of decision-making venues that would provide opportunities for citizens to deliberate over policy proposals. Participatory institutions, given official sanction in Brazil’s 1988 constitution and implemented in a variety of local formats, link civil society activists to formal political society. The new actors and their political allies institutionalized their strategies and practices in participatory decision-making systems, thereby creating a new sphere of deliberation and negotiation that can be conceptualized as participatory publics.

One institutional type, participatory budgeting, can illustrate how the emergence of participatory publics spawned innovative institutional formats. The mixed experiences of participatory budgeting will be considered in the municipalities of Porto Alegre, Belo Horizonte, and Recife. First, however, it is important to take stock of two competing theoretical traditions that have been utilized to account for Brazil’s democratization.

Democratization Debates

Since Brazil’s return to democracy in 1985, scholars have documented and theorized about a broad range of political activity: legislative gridlock and “deadlocked democracy,” continued social mobilization, and efforts by entrenched, traditional politicians to narrow reform. Political scientists have used institutionalist and civil society theories to account for this vast range of political change. Yet these theoretical debates run on parallel tracks due to substantially different methodological approaches, theoretical assumptions, and analytical interests.

The debates over transitions that flourished in the 1980s were notable for their focus on national political institutions, elites, and political society, and institutionalists garnered the lion’s share of political scientists’ attention. After the transition to democratic rule, institutionalists shifted the empirical phenomena they sought to explain, but there was not a corresponding shift in the actors and institutions they analyzed. The analytical emphasis remained on formal political society and national institutions, elites in particular. Civil society was placed on the backburner, as many institutionalists overlooked this diverse arena for reasons eerily similar to arguments made prior to the transition. The demobilization of civil society organizations and social movements was an empirical fact and a normative good because militant and contentious autonomous mobilization from below was thought to stress and destabilize new and fragile democratic systems.

During the 1990s studies of presidentialism, party systems, electoral rules, federalism, and congressional behavior dominated the institutional field, as scholars sought to explain the quality of Brazil’s democracy. Rational choice institutionalism made considerable headway, as Latin Americanists sought to build on the theoretical
work done in the U.S. context (for example, on Congress). However, the ability of rational choice institutionalism to account for political change has been limited because of its focus on formal political institutions and a narrow conceptualization of citizens as voters. Rational choice institutionalism has proven incapable, theoretically and empirically, of linking political society to civil society. Its usefulness is therefore severely limited in the Brazilian context.

To explain social phenomena, rational choice institutionalist theorists rely on a standard of rationality illustrated by how Ames appropriates the work of Tsebelis: "rationality is an appropriate model when the 'actors' identity and goals are established and the rules of the interaction are precise and known to the interacting agents."9 While this model of behavior allows such theorists to maintain their theoretical integrity, its practical utility is limited due to the small number of research sites to which the theory can be applied. Rational choice institutionalism is ill-equipped to look beyond the confines of formal political society, especially where institutional renewal rewrites the rules of interaction, information is incomplete, and the number of actors is unknown.10

A complementary line of research, adopted by Przeworski, Stokes, and Manin, uses the principal-agent relationship to show how voters interact with politicians. They reduce the range of political roles that citizens can play to one: voter. "Governments make thousands of decisions that affect individual welfare; citizens have only one instrument to control these decisions: the vote."11 This narrow focus precludes the possibility of examining how a range of political strategies and actions (for example, lawsuits, public demonstrations, and interest group pressure) can be employed by activists to influence public officials.

Theories of democratization that focus on individual interests, party competition, legislative behavior, and elite conflict have been incongruous with Latin American social movement and civil society theories. These latter theories entered the Latin American democratic debates in the 1980s.12 They stressed the formation of new identities in the Latin American urban landscape, new emerging forms of collective action, and the process of political learning of the Latin American left.13 Alvarez and Escobar set the tone for the debate by arguing that emerging social demands "could not find accommodation within the prevailing institutional scheme."14

During the 1990s the attention of many social movement and civil society theorists turned to the strategic efforts by Latin American social movements and community activists to deepen existing democratic politics. Some theorists established an indirect connection between civil society activism and alternative conceptions of democracy: "new popular organizations may reflect a greater commitment to ideals associated with participatory democracy and greater distance from political parties."15 Others saw the deepening of democracy as solely a problem of collective action, "of inducing individuals with common interests to act collectively in pursuit..."
of common goods." Still others searched for the creation of new public spaces in which "cultural politics are enacted and subaltern identities, demands and needs are shaped." While these theorists were interested in broadening democratic politics, they failed to investigate how new forms of articulation with civil society would affect institutional change and renewal.

The concept of participatory publics can remedy the shortcomings of civil society and institutional theories of Brazil's democratization. With competitive elections, civil society activists linked themselves to politicians and political parties to encourage the institutionalization of decision-making systems that provided opportunities for citizens to deliberate over policy outcomes. Participatory publics are comprised of organized citizens who seek to overcome social and political exclusion through public deliberation, the promotion of accountability, and the implementation of their policy preferences.

The concept of participatory publics marries two dimensions of the debates over democratization, represented by Jürgen Habermas and Robert Dahl. From Habermas, it draws on the key idea that political and social renovation occurs at the public level. Debate, negotiation, and the proliferation of democratic spaces based on open, public meetings were conceptual tools and political strategies utilized by Brazil's democratic and reformist sectors. Dahl's work on local democracy shows how the emergence of a strong public dimension can help offset abuses of power that are embedded in hierarchical societies.

Participatory Publics: Three Stages of Development

Brazilian civil society reentered politics during the late 1970s and early 1980s when activists and organizations sought to deepen and extend democracy by acquiring citizenship rights (cidadania). New political actors, who demanded the deepening of democracy as well as solutions to dire social problems, included unionized workers, social movements, Christian base communities, and reformist political parties. Participatory publics grew out of the intermingling of democratic and social demands and in turn became a fertile breeding ground for new strategies that confronted the social and political exclusion of the majority of Brazilians.

First Stage: Proliferation of New Voluntary Associations  The renovation of public life in the urban centers fostered new forms of participation, rooted in face-to-face deliberation and association. Contentious issues were placed in the public sphere and deliberated in public forums. Face-to-face deliberation is a process through which social actors move issues from the private to the public level to raise new themes, express new identities, and promote new values.
In Brazil between 1978 and 1985, as the military government slowly withdrew from power, the number of voluntary associations surged. The number tripled in Belo Horizonte in the 1980s, doubled in Rio de Janeiro, and increased by a third in São Paulo. Neighborhood organizations grew in number and influence. The number of neighborhood organizations increased from seventy-one to 534 in Belo Horizonte. The growth was also impressive in São Paulo and Rio de Janeiro: 98 percent and 91 percent of their respective neighborhood associations were created after 1970.

The increase in the number of associations was accompanied by important changes in their strategic behavior. These new patterns included greater citizen participation, demands by new associations for material benefits such as neighborhood improvements, and associations dealing with postmaterial demands such as environmental protection and human rights. Urban centers throughout Brazil experienced this “explosion” of participation, although different civil society organizations placed varying emphasis on deliberation, public decision-making processes, and rights.

Internal democratization often accompanied the numerical increase in voluntary associations. The internal practices of civil society organizations, social movements, and voluntary associations were often modified in order to democratize collective action decisions and allow new issues to be debated. Participants learned to negotiate, deliberate, and develop pointed critiques of existing state policies and social relations. While it would be naive to assume that all decisions within these associations were made according to the criteria of consensus, that organizational hierarchies disappeared, or that these organizations overcame the problems of clientelistic forms of representation, civil society activists nevertheless identified the pervasiveness of clientelism as a problem that they would have to confront first within their own organizations before confronting traditional politicians.

Studies of neighborhood associations in Rio de Janeiro, São Paulo, Belo Horizonte, and Porto Alegre illustrate how social movements shifted strategies to confront hierarchical social relations, clientelism, and exclusion. Gay describes how Rio de Janeiro’s Vidigal slum residents faced removal and relocation to Rio de Janeiro’s periphery during the military authoritarian regime. Residents who accepted the relocation offer quickly realized that their new neighborhood was deficient in basic services and hours from downtown Rio de Janeiro. Vidigal’s remaining residents organized themselves and sought out the local political boss, who was the political broker of the region’s interests. However, the politician vanished when the community needed him to present their demands to state and government officials. Their inability to find adequate political representation led to the activation of a community association. Subsequently, Vidigal’s activists sought to create an autonomous political and social organization that would not be beholden to the interests of traditional politicians.
The initial stage of development of the participatory publics therefore allowed citizens to develop negotiation skills based on face-to-face association and deliberation. This stage represents a rupture with a century-old pattern of disempowerment and marginalization of social actors. Social movements, voluntary associations, and community associations became the carriers of the new values and the practitioners of new strategies.

**Second Stage: Introduction of New Practices**  Social movements and voluntary associations raise contentious issues by introducing alternative practices. The second stage of the development of participatory publics recognizes that voluntary associations serve as an alternative locale that allows for the innovation of new democratic institutions. The new values and institutions promoted by social movements may create vibrant and inclusive public institutions. Existing forms of political organization, such as mass political parties, do not exhaust all possible forms of political organization. Instead, voluntary associations invent new democratic practices and institutional formats that confront social and political exclusion.

The second stage of development is based on voluntary association activists’ challenge to Brazil’s clientelistic and hierarchical tradition. State officials have long considered the distribution of public goods to the poor to be a “favor.” During the 1980s the “favor” exchange relationship was challenged by voluntary associations through the broad dissemination of the concept of “the rights to have rights.” Dagnino argues that urban dwellers made claims for material goods as part of a generalized effort to implement basic civil, political, and social rights in the country. At stake for members of the new participatory publics was their ability to define the terrain on which political struggles would take place.

Participatory publics created a venue for activists to experiment with new organizational strategies within their movements before they were offered as alternative practices in political society. The example of direct participation in the budgeting process that was demanded by activists in Porto Alegre, a municipality of 1.2 million inhabitants in southern Brazil, can illustrate how contentious politics were linked to the introduction of alternative practices.

In Porto Alegre during the mid 1980s community movements proliferated. They created the Union of Neighborhood Associations of Porto Alegre (UAMPA), a collective umbrella organization to represent a range of issues. UAMPA identified budgets as a contentious issue that deserved the attention of its members and proposed direct citizen participation in the process of budget making as a step to democratize the city. Their 1986 proposal closely resembles what is today called participatory budgeting: “The most important aspect that determines the actions of the city government is prioritizing the allocation of public resources. We want to participate in the decision-making process on investment priorities in each neighborhood, in each region, and in the city in general.” UAMPA determined that budget issues are cen-
tral to political life and offered specific suggestions on how new social actors could participate in policymaking processes.

Participatory budgeting emerged in Porto Alegre through the political strategies of activists who turned from neighborhood issues to broader concerns of the renovation of local government institutions to accommodate demands for active citizen participation in policymaking venues. The proliferation of civil society organizations encouraged citizens to engage in face-to-face negotiations and deliberations, which helped to challenge the traditional method of distributing public resources. Yet a third stage was necessary: how to institutionalize the new practices in binding decision-making venues.

**Third Stage: Development of New Policymaking Institutions** The third stage of the development of the participatory publics is the implementation of institutions that allow for binding deliberations to be made by citizens. The third stage emphasizes the need for civil society organizations and citizens to propose political designs in conjunction with elected municipal administrations. This stage of development is the empirical link that bridges the theoretical divide between institutional and civil society theorists.

Designing new institutions necessitated the incorporation of a broad range of actors to make the proposed institutions viable legally, politically, and administratively. The first efforts to institutionalize the direct participation of citizens in policymaking venues began during the 1987–1988 constituent assembly. During the constituent assembly Brazilian civil society was energized and able to promote significant institutional innovation, as civil society activists combined forces with political reformists to influence the drafting of Brazil’s new constitution.

Through this process values and provisions fostering participation were written into the new constitution, facilitating their incorporation into municipal charters and ultimately into local practices. During the constituent assembly civil society activists made several proposals that amplified citizen participation in municipal government. Article 29 of the 1988 Brazilian constitution addressed the organization of municipalities, indicating that municipalities should adopt laws that open access to the public decision-making venues. Such laws should incorporate “the cooperation of civic associations in city planning and the possibility of popular initiative in legal projects of interest to the city population.”

Acting on these principles in the federal constitution, many municipalities adopted charters that legally allowed for citizen participation. Porto Alegre’s municipal charter foreshadowed direct citizen participation in Article 1, which proposed “participatory and decentralized democratic administration.” The institutional framework that allowed for participatory budgeting was thus created in Porto Alegre’s charter. Indeed, most of Brazil’s urban municipalities adopted charters that allowed for the possibility of increased citizen participation.
Beyond the legal requirement, another necessary condition for the implementation of new decision-making venues was the election of governing coalitions that were willing to design and implement new institutions. Civil society organizations found it necessary to link themselves to political society, generally through reformist parties, to establish the necessary support for institutional innovation. The political practices based on deliberation and negotiation that had been developed in the participatory publics could be institutionalized only if municipal administrations adopted them. In the context of political renewal and institutional innovation, the specific design of participatory budgeting was initiated when the municipality of Porto Alegre elected a mayor from the Workers' Party in 1988. In Porto Alegre the PT emphasized decentralized forms of participation in decision-making processes that allocated public goods. However, before analyzing how participatory budgeting has modified political processes in Brazilian municipalities, it is necessary to explain briefly how its rules break with traditional forms of Brazilian policymaking.

**Participatory Budgeting: Rules of the Game**

Participatory budgeting offers a new deliberative format that incorporates citizens into a yearlong decision-making process based on the negotiation and deliberation of public goods. Participatory budgeting is a new type of decision-making system in which citizens have the authority to vote on general revenue streams and on specific policy outlays. Participatory budgeting programs create public decision-making formats that enable citizens to engage in policymaking. These institutions explicitly seek to enhance accountability, curtail corruption, end arbitrary allocation of public resources, and overcome the disempowering legacies of clientelism.

**First Round of Meetings**

A municipality is divided into regions to facilitate meetings, decentralize the administrative apparatus, and serve as the basis for the distribution of resources. Participatory budgeting begins each year in March when the first round of regional assemblies is held. Citizens begin the process by attending regional assemblies, which are open to the public, and all interested citizens are encouraged to attend. The government provides participants with technical and financial information that will serve as the basis for discussions on the availability of funding, revenues, and the administration's track record of implementation. These meetings involve deliberation, as community leaders attempt to convince their fellow participants to support greater percentages of resources in their particular areas of interest (for example, education, daycare centers, and pavement). Participants closely scrutinize year-end reports provided by the municipal administration, to question why the administration was slow to implement specific projects and to examine how resources might be used more efficiently.

Each region of the municipality is allocated a percentage of the overall funds based on three factors: population, socioeconomic status, and existing infrastructure.
(for example, schools, roads, and health clinics). More populous, poorer regions with substandard infrastructure will receive a larger percentage of resources than regions that are wealthier and smaller and already have access to basic infrastructure. Thus, poorer regions are guaranteed more resources than wealthier regions, but the distribution of resources among neighborhoods of a region is not guaranteed.

Political dispute, moderated through deliberation and negotiation, is intense, as participants seek access to scarce resources. Notably, participatory budgeting allows for a key change in the decision-making process: citizen deliberations occur in public, based on the information provided by the municipal government. These rules replace the politics of the “favor” by a rights-based political discourse, making it difficult for community activists to establish closed-door deals with politicians or the government to secure resources. This public procedure subverts the private exchange that is of fundamental importance to clientelism. Thus, the first characteristic of participatory budgeting is the continuation of a policy of public deliberation and a culture of rights introduced by civil society organizations, a key element of the concept of participatory publics.

Second Round of Meetings Neighborhood (subregional) meetings are the focus of the second round of participatory budgeting. The purpose of these meetings is to rank general priorities, deliberate over specific policy projects, and elect delegates to represent regional interests in the municipal council. Establishing general priorities, based on participants’ votes, helps to allocate the percentage of discretionary funding that different policy areas will receive.

After the municipality’s general priorities have been established, participants meet at their neighborhood level to deliberate over the selection of public works projects for inclusion in the budget. Mobilization is highest during this period, as participants seek to mobilize as many of their friends and neighbors as possible to increase the likelihood that their projects will be selected. Generally, no one group is large enough to have all of its projects approved, so neighborhood groups must negotiate with each other to have their projects selected.

This brief overview of the structure and rules of participatory budgeting should demonstrate that it offers a new institutional arrangement for policymaking. Public deliberation, access to information, negotiations among citizens, year-end reports, regional assemblies, and local councils are central features of this new institutional format. These features emerged within the participatory publics and were institutionalized through the format of participatory budgeting.

Participatory Budgeting: New Strategies and Practices

The vast majority of the 103 experiences of participatory budgeting in Brazil as of 2000, ninety-four, are in cities with less than 500,000 inhabitants. In fifty-two, the
Workers’ Party controls the mayor’s office. Thus, parties ranging from the PFL (a traditional, conservative party) to the PMDB (a catch-all party) and the PSDB (a centrist, reformist party), in addition to the PT, have implemented participatory budgeting. While participatory budgeting was initiated by the Workers’ Party and has been associated with its efforts to reform Brazilian political life, it should not be reduced to the most successful case of Porto Alegre.

Three municipalities, Porto Alegre, Belo Horizonte, and Recife, were selected for analysis because they represent different trends in large municipalities that have implemented participatory budgeting. Porto Alegre, with 1.2 million residents, is the most successful case, and it is also the municipality where participatory budgeting was initiated. The Workers’ Party has governed the municipality since 1989, winning four consecutive mayoral elections. Belo Horizonte, with two million residents, is also a successful case but has distinctive characteristics. The mayor’s office, where most budgetary, administrative, and legislative authority is concentrated, has been controlled by a leftist-progressive coalition that includes the Brazilian Socialist Party (PSB) and the Workers’ Party. Recife, with 1.8 million residents, must be characterized as a less than successful case. The PMDB, a centrist catch-all party, and the PFL, a traditional clientelistic party, governed Recife during the 1990s. Recife’s participatory budgeting illuminates how municipal administrations are vital to the success or failure of the program because the growth of Recife’s civil society did not result in the institutionalization of new decision-making authority. Civil society activists operating in Recife’s participatory publics were unable or unwilling to break the legacies of channeled participation. Participatory budgeting in Recife has thus limited deliberation among citizens.

Number of Participants: Mobilization and Turnout

Participation in budget meetings gradually increased in Porto Alegre and Belo Horizonte. Regional assemblies have been attended by tens of thousands of citizens in both cities. Participation in budget meetings in Recife has not increased over time, although tens of thousands of citizens voted in special elections for representatives. Table 1 demonstrates that Porto Alegre’s and Belo Horizonte’s participatory budget assemblies have drawn increasingly larger numbers of citizens into formalized policymaking venues.

There are several reasonable explanations of the increase in participation rates. Citizens affiliated with the Workers’ Party or the Brazilian Socialist Party might turn out in higher numbers to support their political parties. There is some evidence for this explanation. Nylen indicates that many of the most active participants (community leaders) in two smaller municipalities, Betim and João de Monlevade, were affiliated with or at least sympathetic to the PT, the party that implemented partici-
Table 1 Participants in the Participatory Budget in Porto Alegre and Belo Horizonte, 1990–2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Porto Alegre</th>
<th>Belo Horizonte</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>976</td>
<td>N/A</td>
</tr>
<tr>
<td>1991</td>
<td>3,694</td>
<td>N/A</td>
</tr>
<tr>
<td>1992</td>
<td>7,610</td>
<td>N/A</td>
</tr>
<tr>
<td>1993</td>
<td>10,735</td>
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</tr>
<tr>
<td>1994</td>
<td>9,638</td>
<td>15,216</td>
</tr>
<tr>
<td>1995</td>
<td>11,821</td>
<td>26,823</td>
</tr>
<tr>
<td>1996</td>
<td>10,148</td>
<td>36,508</td>
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<tr>
<td>1997</td>
<td>11,908</td>
<td>31,795</td>
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<tr>
<td>1998</td>
<td>13,687</td>
<td>19,418</td>
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<tr>
<td>1999</td>
<td>28,549</td>
<td>21,175</td>
</tr>
<tr>
<td>2000</td>
<td>26,807</td>
<td>31,369</td>
</tr>
</tbody>
</table>


patory budgeting in the two municipalities. Yet this evidence says little about the larger numbers of citizens who participated in meetings but did not assume leadership roles. A second explanation, also argued by Nylen, is that participatory budgeting has most successfully incorporated citizens who have been previously engaged in some type of civil society activity. Nylen’s evidence indicates that it has not succeeded in inducing previously inactive citizens to increase their involvement in social and political life but that it principally provides new, institutional opportunities for the already politically active. Nylen does not consider how the experiences and outcomes generated by the new institutional format will affect participation rates. Porto Alegre’s and Belo Horizonte’s experiences show that there is a demonstration effect that encourages participation by individuals who were not previously active. Positive demonstration effects, based on deliberation, negotiation, and implementation, account for the rise in participation in Porto Alegre and Belo Horizonte. Conversely, weak results in Recife have not produced the necessary demonstration effects to encourage increased citizen participation in participatory budget meetings.

Positive demonstration effects are the result of direct citizen participation that involves face-to-face deliberation, which helps to inculcate a political culture of deliberation. Face-to-face deliberations, originally initiated in the internal practices of civil society organizations during the growth of the participatory publics in the 1980s, are vital to the decision-making processes within participatory budgets. Citizens must engage with other citizens to secure the necessary support needed to include their policy preferences in the budget. In addition, positive demonstration effects are also the result of the implementation of policy projects (such as sewage, paving, and housing) selected by participants. Simply stated, citizens will participate when and if they evaluate that it is worth their time and effort to do so.

Initial rates of participation vary between and within municipalities. Within Porto
Alegre different rates of participation demonstrate that some regions of the municipality were more likely than others to participate in the initial stages. The reason is attributable to the associative tradition of each region. Table 2 illustrates that participation began at moderate levels in neighborhoods and regions of Porto Alegre with strong traditions of community organization but that participation in regions without a previous tradition of association began at low levels and only rose after participatory budgeting had been successfully institutionalized.

In 1992 there were already moderately high levels of participation in regions characterized by relatively strong traditions of community organization. Participation increased in these regions between 1992 and 1998, but it increased more rapidly in regions that had weak traditions of community organization. The first group of regions initially had high levels of participation for reasons similar to Nylen’s argument. Previously active citizens participated. Yet the more robust increases in participation occurred in regions with weak levels of associative traditions. This increase in participation can be attributed to demonstration effects as citizens in weakly organized communities came to understand that the most effective way to secure public resources was to work within the institutional structures of participatory budgeting.

Belo Horizonte was similar to Porto Alegre. The regions with the strongest tradition of community organization, Venda Nova and Barreiro, had the highest initial levels of participation. From observational evidence and a close analysis of single case studies, the differences among regions in both Porto Alegre and Belo Horizonte are analogous to the differences among municipalities. The associative tradition of a municipality determines whether participatory budgeting will be implemented and shapes the initial rates of participation.

In contrast, participatory budgeting in Recife demonstrates uniformly lower vitality and participation. It confirms the lessons of the other cases, for it shows that,

### Table 2 Participation in Porto Alegre by Selected Regions for Selected Years

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regions with strong associative traditions</strong></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Leste</td>
<td>152</td>
<td>510</td>
<td>339</td>
<td>623</td>
<td>710</td>
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<tr>
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<td>575</td>
<td>973</td>
<td>638</td>
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<tr>
<td>Partenon</td>
<td>75</td>
<td>1096</td>
<td>661</td>
<td>809</td>
<td>805</td>
</tr>
<tr>
<td>Cruzeiro</td>
<td>181</td>
<td>297</td>
<td>494</td>
<td>649</td>
<td>604</td>
</tr>
<tr>
<td><strong>Regions with weak associative traditions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navegantes</td>
<td>15</td>
<td>165</td>
<td>135</td>
<td>495</td>
<td>624</td>
</tr>
<tr>
<td>Nordeste</td>
<td>33</td>
<td>276</td>
<td>350</td>
<td>682</td>
<td>906</td>
</tr>
<tr>
<td>Restinga</td>
<td>36</td>
<td>369</td>
<td>1096</td>
<td>763</td>
<td>1348</td>
</tr>
<tr>
<td>Centro-Sul</td>
<td>101</td>
<td>591</td>
<td>352</td>
<td>1513</td>
<td>1461</td>
</tr>
</tbody>
</table>

Source: Municipal Administration of Porto Alegre, Center for Community Relations (Porto Alegre, 2000).
when participatory budgeting does not allow deliberation or effectively permit citizen participation in decision-making venues, the rates of participation will remain low. Recife’s participatory budgeting utilizes both the ballot and direct nominations from affiliated community organizations to select 550 official representatives. In 1998 over thirty thousand people voted, electing 320 delegates to two year terms. Another 230 representatives were chosen from community organizations that had registered with the municipal administration. While the absolute number of participants in the participatory budgeting elections was higher than in Porto Alegre and Belo Horizonte, participation in meetings was far lower due to the absence of any clear rewards for citizens who attended. Ordinary citizens did not have a direct role in discussing or selecting priorities, because all decisions were made by the 550 official representatives.

One reason for the weaker emphasis on face-to-face deliberation of citizens in Recife stems from the initial development of its participatory publics during the 1980s. While Recife’s associational history involved contentious mobilization and the extension of rights to ordinary citizens, community leaders favored the “channeling” of demands through them rather than through direct group negotiation with public officials.

Demonstration effects were also much weaker in Recife than in the other cases, because the municipal administration did not implement policy projects selected by participatory budget representatives. The governing coalition that implemented participatory budgeting in Recife (PMDB and PFL) drew its electoral strength from broader and more diverse sectors than in either Porto Alegre or Belo Horizonte. Recife’s mayors, during the 1990s, did not dedicate their full attention or resources to promote participatory budgeting as a vibrant, alternative policymaking venue. The fact that mayors from centrist and traditional parties implemented participatory budgeting attests to the strength of Recife’s civil society, but the mayors’ continual unwillingness to support it is a reminder that this new institutional format depends on a political alliance of civil society organizations and political reformers.

There are two arguments that help to explain the relationship between previous traditions of association and levels of participation in participatory budgeting. First, the three cases show that initial levels of participation depend on a previous tradition of association. The neighborhood data for Porto Alegre confirm the argument because they show very low levels of initial participation in regions with weak associative traditions. Participatory budgeting is not likely to be implemented in a municipality or state with low levels of associative traditions. While Recife had robust levels of contentious civil society activity prior to participatory budgeting, the specific pattern of incorporation (channeling of demands through intermediaries) significantly limited direct citizen participation in it.

Second, the municipal administrations’ broader political coalition greatly affects the degree to which participatory budgeting will develop as a real decision-making
venue. If civil society organizations are a minor or weak part of the administration's base of support, then it is less likely that the rates of participation will increase. In Porto Alegre and Belo Horizonte the leadership of the municipal administrations (PT and PSB/PT, respectively) built political coalitions based on the support of civil society organizations, labor unions, students, and left-leaning members of the middle class. These political coalitions supported experimental participatory institutions that were designed to undermine clientelism and to promote new mechanisms for distributing public resources, a key element of the concept of participatory publics. In Recife changes in the governing coalition over time (from a reformist coalition to a traditional/conservative alliance) resulted in weakened support by municipal administrations for the new participatory institution.

Deliberation and Negotiation

It is necessary to evaluate if and how participatory budgeting alters the political process through which citizens make demands in decision-making venues. After all, if participatory budgeting has helped to institutionalize a participatory, deliberative process, then changes should be seen in how citizens make their demands. The most prevalent forms of political organizing in Brazil, until the emergence of the participatory publics and their new practices, were the clientelistic and patrimonial distribution of public goods and resources.46

Participatory budgeting has helped to create new processes through which citizens can make demands in decision-making venues. These changes are leading to important, albeit incipient, shifts in the political cultures of Porto Alegre and Belo Horizonte. A survey of a sample of budget participants in Porto Alegre and Belo Horizonte elicited revealing answers to three questions. “Did you ever make demands for public goods before [participatory budgeting]? How did you demand these goods? How did you obtain public goods after the introduction of the [participatory budgeting]?”47 The survey results indicate that the most significant change involved how participants placed their demands on the local government. Prior to participatory budgeting, 69 percent of the respondents in Porto Alegre and 49 percent in Belo Horizonte responded that they were able to obtain public goods. Prior to participatory budgeting, 54 percent of respondents in Porto Alegre responded that they gained public goods through community mobilization, while 41 percent of respondents claimed that they obtained public goods through the direct intermediation of politicians. In Belo Horizonte, again prior to participatory budgeting, direct political mediation of politicians was even higher: 40 percent of respondents cited community mobilization, while 60 percent cited direct intervention of politicians.

After the implementation of participatory budgeting, however, the survey's
responses indicate key shifts in how public goods were obtained. After implementation, 90 percent of respondents in Porto Alegre and 60 percent of respondents in Belo Horizonte responded that they were able to gain access to resources by working within the new institutional format. When asked if the intervention of politicians was needed in order to secure the implementation of a public project, 74 percent in Porto Alegre and 67 percent in Belo Horizonte responded negatively. These results suggest that participatory budgeting in Porto Alegre and Belo Horizonte has curtailed the direct clientelistic political mediation that local politicians have long used to distribute public resources.

Similar survey data do not exist for Recife. Yet different research projects undertaken in Recife suggest that participatory budgeting has not altered basic patterns of political mediation by association leaders and politicians. The implementation of public works is a two step policy process. The first step includes intense negotiations among the elected delegates to have public works projects included in the budget. This step follows the rules and the intent of participatory budgeting. The second step of the policy process in Recife, however, includes intense political mediation by politicians within the municipal administration to release funds and implement projects. The implementation of public works in Recife continues to depend on the direct intervention of the mayor, the mayor’s staff, and local politicians, thereby subverting the intent of participatory budgeting. In Porto Alegre and Belo Horizonte implementation of projects is more administrative than political. Political dispute in Recife does not end with the inclusion of an item in the budget but continues through the implementation cycle as different groups pressure government officials to implement their preferred projects.

These data demonstrate that there are indeed two forms of organizing the distribution of resources in Brazil. Clientelism continues to be associated with Recife’s participatory budgeting as public officials circumvent the new institutional format in order to secure specific resources for their constituents. A second type of political organizing, introduced and championed by civil society organizations and left-of-center parties, is based on demands for political inclusion and democratic decision-making processes. This second type is institutionalized in new structures of decision making that directly challenge clientelism by confronting private exchanges. Participatory budgeting creates opportunities for activists to have their voices heard and their specific demands implemented in the form of public works and policy programs.

Participatory Budgeting: Policy Impacts and Outcomes

How do new institutional formats, especially those that incorporate poor and traditionally excluded segments of the population, affect political outcomes? Are the decisions
made within the participatory budget format implemented by the municipal administration? Is participatory budgeting emerging as a legitimate site of decision making? If it is, then a shift in the location of decision making may cause a shift in the municipality's political culture due to the inclusion of new actors and new processes. On the other hand, if the data indicate that participatory budgeting is not a real venue for decision making, then there will be no significant shifts in the municipality's political culture.

The first row in Table 3 shows the resources spent between 1996 and 1998 in each municipality on projects selected by budget participants. Analysis of expenditures moves beyond negotiations to policy implementation. Participatory budgeting programs work almost exclusively with the discretionary portion of the budget. In Brazilian municipalities, personnel, pensions, debt servicing, and maintenance (for example, trash collection, potholes, and cleaning parks) consume between 85 and 90 percent of the overall budget. Discretionary spending, the remaining 10 to 15 percent, includes all new infrastructure projects. In the 1996, 1997, and 1998 fiscal years, Porto Alegre outspent both Belo Horizonte and Recife in both absolute and per capita terms, even though Porto Alegre had the smallest annual budgets of the three municipalities. Table 3 clearly indicates that Porto Alegre is far more successful than Belo Horizonte and Recife in implementing projects selected through participatory budgeting. Porto Alegre's higher level of spending indicates that participatory budgeting has carved out a significant space in the policymaking process. Decisions made in Porto Alegre resulted in concrete shifts in access to resources as well as in the level of resources. In Porto Alegre all (100 percent) of discretionary spending is negotiated; participatory budgeting is the only policymaking venue in Porto Alegre in which discretionary spending decisions are made. In Belo Horizonte it is relatively well funded; about 50 percent of discretionary spending is spent on projects selected through participatory budgeting.

In Recife participatory budgeting begins the initial stages of negotiation with only a very small percentage of resources to negotiate, roughly 10 percent of discretionary spending. This already low amount dwindles further as the administration implements only a small share of the projects selected by participatory budgeting representatives. In 1996–1998 less than 1 percent of the overall budget was spent on participatory budget projects. The lower levels of spending in Belo Horizonte and Recife can be explained partly by a shortened time frame: participatory budgeting

<table>
<thead>
<tr>
<th></th>
<th>Porto Alegre</th>
<th>Belo Horizonte</th>
<th>Recife</th>
</tr>
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<tbody>
<tr>
<td>Total PB Expenditures</td>
<td>259,161,563</td>
<td>88,325,557</td>
<td>15,536,041</td>
</tr>
<tr>
<td>Total Expenditures Per capita</td>
<td>201</td>
<td>42</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Municipal Administration of Porto Alegre, Department of Finances, "Balanço Geral" (Porto Alegre, 1996-1998); Municipal Administration of Recife, Department of Finances, "Balanço Geral" (Recife, 1996-1998); Municipal Administration of Belo Horizonte, Department of Planning, "Planejar BH" (Belo Horizonte, 1996-1998).
was initiated in the former in 1994 and in the latter in 1995. Yet the shortened time frame is not a sufficient explanation, as each municipality’s associative history and type of governing political coalition offer stronger explanations of the outcomes.

Two factors most significantly affected the success of participatory budget programs. The first was the willingness of leaders of civil society organizations to promote public deliberation. Porto Alegre and Belo Horizonte experienced democratic participation based on face-to-face deliberations, as well as access to new rights and institutions. In Recife many civil society organizations tried to recover a populist tradition of participation that had been strong during the 1950s and 1960s. While some features of deliberation were available to activists, many community leaders preferred to act as intermediaries rather than to encourage direct mobilization and participation. The second important factor was the ability of civil society organizations to forge political coalitions with reformist, leftist politicians. In Porto Alegre participatory budgeting emerged as an attempt to break with a clientelistic tradition of political mediation in the distribution of public goods. Activists aligned themselves with the Workers’ Party first to implement participatory budgeting and then to guarantee its institutionalization. The success of Porto Alegre’s participatory budgeting is linked to the way civil and political society joined the same project of bottom-up empowerment.

In Belo Horizonte support for participatory budgeting was strong among the reformist governing coalitions and civil society actors, yet it was not the sole focus of the governing coalition. In addition, no single party dominated Belo Horizonte. Mayoral support for participatory budgeting varied depending on the alliance between activists and the municipal administration. Again, coalition building between civil society activists and reformist politicians is vital in explaining outcomes.

In Recife community activists aligned themselves during the 1980s with a progressive, left-of-center politician (Jarbas Vasconcelos) who had his political roots in Recife’s participatory publics. Vasconcelos was elected mayor in 1985 as a member of the leftist Brazilian Socialist Party. During the 1990s he migrated to the catch-all, centrist PMDB and forged an alliance with the traditional Liberal Front Party. Civil society organization activists discovered that participatory budgeting was not a priority of Recife’s center-right coalition. The principal shortcomings of Recife’s participatory budgeting can thus be attributed to the rejection of its basic tenets by the center-right political coalition that controlled the municipality throughout the 1990s and by the municipality’s weak tradition of independent and deliberative associational life.

Concluding Remarks

Over the past decade, citizen participation has been an important but often overlooked facet of democratic politics in Brazil. New institutional venues through
which citizen activists can engage in politics and policymaking have been established. The concept of participatory publics illuminates how changes within civil society can lead to institutional renewal and innovation. The case studies demonstrate the viability of this concept in bridging the unnecessary gap between institutional and civil society theories. The framework and concepts connect changes within civil society to new themes, strategies, and practices that have created institutions after a decade of experimentation and innovation.

The implementation of participatory budgeting depended on legal changes, notably the new constitution and the subsequent adoption of municipal charters that allowed for direct citizen participation in decision-making venues. The institutionalization of participatory budgeting also required the election of a reformist political coalition that was willing to implement a new institutional format based on the deliberation by citizens over the distribution of scarce resources. The varying outcomes of participatory budgeting are best explained by the interactions of the three core elements of the participatory publics: the type of voluntary associations that proliferated during the 1970s and 1980s during the rapid expansion of Brazil's civil society, the extent to which new practices were disseminated throughout civil society, and the willingness of political actors, especially elected mayoral administrations, to reform institutions according to these new practices.

The extension of different participatory experiences in Brazil shows that institutional renewal is not linked to abstract institutional engineering. Rather, institutional innovation in Brazilian municipalities emerged in response to demands from civil society organizations to participate directly in the distribution of scarce public resources. In Brazil civil society activists, through public forums and contentious mobilizations, challenged traditions of weak enforcement of social rights and the direct intervention of politicians in the distribution of public goods through clientelism and patronage. These actors introduced alternative practices that eventually were institutionalized, both legally and politically. Once these new institutions were in place, they generated new patterns of interaction between state and civil society, patterns that are now having an impact on century-old institutions and political practices.

The concept of participatory publics provides a new analytical framework to explain the changing form of political participation after Brazil's democratization. It links the strategies of political renewal and contestation to the new institutions that are now spreading across Brazil. This framework overcomes an unnecessary conceptual division within political science. It shows how citizen participation, policymaking, and the creation of new institutions interact to contest the political practices of clientelism and patronage that have long dominated Brazilian politics.
NOTES

We would like to thank Kenneth Erickson and the reviewers for their thoughtful and helpful feedback. Brian Wampler would also like to thank Lawrence S. Graham, Sonia E. Alvarez, and Ross E. Burkhart for their insights.

12. Weffort; Escobar and Alvarez; Leonardo Avritzer, *Sociedade Civil e Democratização* (Belo Horizonte: Del Rey, 1994).
15. Oxhorn, p. 35.


23. Habermas; Alvarez, Dagnino, and Escobar, eds.


27. Baierle.


29. For other representative examples in Brazil in the 1970s and early 1980s, see Baierle; Ana Maria Doimo, A Vez e a Voz do Popular Movimentos Sociais e Participação pós-70 (Rio de Janeiro: ANPOCS, 1995).

30. The concept of favor is an important part of the Latin American political tradition. It signifies a depoliticization of demands in exchange for material goods delivered by the state. See Nestor Garcia Canclini, Hybrid Cultures: Strategies for Entering and Leaving Modernity (Minneapolis: University of Minnesota Press, 1995).

31. Dagnino.


33. Brazilian Constitution, Article IXXX.

34. Porto Alegre Constitution, Article I.

35. The Workers’ Party is a left-wing party established in Brazil during the last phase of the democratization process. It advocated a participatory form of grass-roots organization based on local councils. In its program for the city of Porto Alegre in 1988, it did not include the idea of participatory budgeting but only the idea of popular councils. Margaret E. Keck, The Workers’ Party and Democratization in Brazil (New Haven: Yale University Press, 1992).


38. Data were compiled from multiple sources. They are similar but not exactly the same across the three municipalities. The data touch on similar themes in each municipality, and the range of data allows analysis of relevant issues from several different vantage points. To substantiate the argument, surveys, data on participants provided by the local administrations, documents internal to participatory budgeting, and official government documents were included. Finally, ethnographic and individual interviews from all three municipalities were conducted.

Participatory Budgets of João Monlevade and Betim, Minas Gerais," unpublished mimeo. While it is beyond the scope of this article to analyze the composition of participants, survey evidence indicates that it is roughly equal between men and women. Citizens with less than a high school education and from lower income brackets make up the bulk of the participants. See Cidade, *Quem é o público do Orçamento Participativo: Se perfil, porque participa, e o que pensa do processo* (Porto Alegre: Cidade, 1999).


42. Nylen, "Testing the Empowerment Thesis."


45. Ibid.

46. See Hagopian.

47. The survey was taken among a sample of participants in the 1999 meetings of participatory budgeting in Porto Alegre and Belo Horizonte who belong to voluntary associations. In Belo Horizonte, of the 800 individuals identified, eighty were randomly selected for interviews. In Porto Alegre, of the 2,440 individuals identified, 122 were randomly selected for interviews. See Avritzer, "O Orçamento Participativo: As Experiências de Porto Alegre e Belo Horizonte."


50. Ibid.