



Budgets from Brazil

Prof Robin Hambleton, in the latest of his series of articles on local government around the world, looks at the way council finances are handled in Brazil



Public Service Futures

Several of my graduate students attending the University of Illinois, participating in last year's Great Cities London Programme, examined public participation in Camden LBC, and were impressed with the performance of the council in reaching out to groups which are often excluded from the formulation of public policy.

Colleagues of mine in the European Urban Research Association (EURA) have also commented favourably on UK local government's efforts to involve the public in a variety of creative ways in local decision-making.

British local government has, in fact, a long pedigree of innovation in relation to participation. Back in the 1960s, the Town and Country Planning Act of 1968 secured the participation of the public in preparation of development plans for their particular areas.

This requirement spurred fresh thinking, and in following years, there were widespread efforts to expand local government from 'representative democracy' to include forms of 'participatory democracy'.

Over the years, admittedly with some setbacks, councils in the UK have made significant progress in reshaping the way they engage with the diverse communities they serve. But, as critics are quick to point out, many local authorities limit public involvement to comparatively trivial matters.

Arguably, the most important decisions made by the local authority are embedded in the budget.

And how many UK councils have

opened up the budget-setting process to direct, public involvement?

It would be unfair to suggest that there has been no progress on this score. For example, some councils devolve certain budget powers – albeit limited – to area committees involving citizens, as well as local councillors.

School governors wrestle with devolved school budgets. And in some of the New Deal for Communities areas, local teams have been very inventive in developing community involvement in spending decisions.

But how many councils have developed participatory budgeting for the local authority budget itself?

Now, it would seem, the Southern Hemisphere is leading the way. A good example of participatory budgeting is provided by Porto Alegre in Brazil.

In her new book, *Reclaim The State: Experiments In Popular Democracy* (Verso, 2003), Hilary Wainwright describes how this particular city has developed an approach which moves grass-roots organisations beyond purely parochial concerns to draw them into an approach that provides for city-wide participation in the budget-setting process.

Local delegates, elected by an annual assembly in each of 16 areas within the city, are charged with making an influential input to decisions on new capital investment in the city. They are expected to sound people out on spending priorities in preparation for a delegates' forum and, in doing this, they are supported by 'co-ordinators' who provide technical advice on the practicality of different improvements.

The local forum examines the

needs of its area of the city using objective measures – for example, the number of children in local schools, the amount of streets which are unpaved, etc – and one subjective criterion: the priorities given to different issues by the local community.

The delegates from the 16 areas then express priorities to their representatives on the city-wide 'budget council' – a powerful organisation which draws up the overall budget, and puts it to the mayor and the municipal council for discussion and final agreement.

The process is not perfect, but the evidence suggests participatory budgeting has had a significant impact on both outcomes and process.

On outcomes, it is clear that the approach has helped the elected local authority shift its priorities so the bulk of its capital budget is now spent on making poor neighbourhoods fit to live in.

One of the arguments which is sometimes wheeled out against participatory democracy is that it tends to be short-lived – bursts of creative activity by citizens can be expected to fade over a period of time.

But the Brazilian experience in cities such as Porto Alegre suggests participatory budgeting can underpin the creation of a lasting process supported by firm institutional arrangements.

And these arrangements give citizens significantly greater power than they could possibly achieve through traditional, representative democracy.

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