

Alexandre Fortes

Participatory Budgeting in Porto Alegre

An Experience in Democratic Innovation and its Historical Background¹

ABSTRACT

This article examines the successful experiences of democratic innovation created by the Workers' Party in four consecutive terms at the local government in the largest town in Southern Brazil. The Participatory Budgeting came to be praised both, on the one hand, by the World Social Forum (held in Porto Alegre precisely for that reason) as an example of a counterhegemonic policy able to challenge neoliberalism; and, on the other hand, it was praised by the World Bank as an example of a "good practice" proving that higher levels of transparency could lead to increased efficiency in public management. Already the subject of a vast body of literature produced mostly by political scientists, activists, NGO members and public administrators, Porto Alegre's Participatory Budgeting is placed here in an historical perspective, mostly by a critical examination of the hypothesis that past social and political struggles created a peculiar political culture that turned the Rio Grande do Sul state capital into an "ideal type" of participatory citizenship.

Keywords: participatory budgeting, citizenship, labour movement, political culture, Porto Alegre, Brazil

Introduction

Porto Alegre is the state capital of Rio Grande do Sul in southern Brazil, a region strongly influenced by its location in the vicinity of the River Plate countries. It is one of the ten largest Brazilian cities and is at the centre of the country's fourth largest metropolitan area, with 3.8 million people. Even so, according to Marshall Berman who visited the city in the early 1990s, it still seemed to be "one of those middle-sized towns where kids

1 A first version of this text was written for a lecture delivered at the Department of History, University of Michigan (Ann Arbor), 15 November 2006. I would like to thank Geoff Eley and Gina Morantz-Sanchez for the invitation.

envy the busy life of the big metropolis”. However, since the late 1970s the rise of social movements – which demanded better living and working conditions, gave rise to new collective identities, and protested against the military dictatorship – has been disturbing that atmosphere of seemingly provincial stillness. At the same time, some of the leaders and activists who emerged from those movements joined the survivors of clandestine leftist groups and began to build up the regional section of the Workers Party (PT).

The first time the PT ran for state government in 1982, it got only 1.5 per cent of the vote, an obviously disappointing result. The PT gradually and consistently increased its presence at both the 1985 local election and 1986 state election. During the election for Porto Alegre’s local government in 1988, for the first time the party presented itself as a possible winner. Taking advantage of the division among traditional parties in an election without a runoff, the PT managed to elect Olívio Dutra of the bank employees union as mayor with 38 per cent of the vote. The beginning of his administration was marked by difficulties but it quickly gained notice for its creative and successful policies, particularly for its Participatory Budgeting, whereby its citizens, through local assemblies, would define the public investment priorities for the following year.

Throughout the 1990s, PB became the object of national and international recognition, making Porto Alegre an obvious choice to be host of the World Social Forum (WSF). That visionary meeting, of what the mainstream media had always portrayed as a disgruntled and incoherent bunch of small groups united behind an “anti-globalisation” banner, consolidated the transformation of Porto Alegre into an international icon of democratic innovation. In 2001, at the beginning of the first meeting of the Forum, Luis Inácio Lula da Silva hailed the city as “the capital of the world”.

Bernard Cassen, leader of the movement advocating a tax on currency speculation (ATTAC²) and editor of *Le Monde Diplomatique*, praised Porto Alegre for its “democratic experiences and struggle against neo-liberalism” at a time when the PT already ruled the state of Rio Grande do Sul and six of its ten major towns.³ As Porto Alegre hosted the Forum for three consecutive years, local experience became almost synonymous with the global movement. Thus, Michael Löwy could say in 2002, “Davos and Porto Alegre represent two historical perspectives, two projects of civilisation”.⁴ Even

2 Action for a Tobin Tax to Assist the Citizen.

3 Francisco Whitaker: Fórum Social Mundial: origem e objetivos, 2000, in: José Correa Leite: Fórum Social Mundial. A história de uma invenção política, São Paulo 2003, p. 62.

4 Michael Löwy: Intervenção no I Fórum Social Mundial, in: José Correa Leite: Fórum Social Mundial. A história de uma invenção política, São Paulo 2003, p. 70. See also Emir Sader: Beyond Civil Society – The Left After Porto Alegre, in: *New Left Review* 17 (2002), pp. 87–99; Giovanni Berlinguer: Reflections on the anti globalisation summit of Porto Alegre, Brazil, in: *Ponte* 58:2 (2002), pp. 28–34.

intellectuals like Michael Hardt⁵ and James Petras⁶ who have been critical of the WSF's limitations, recognised it as a historical landmark nurturing the mystique surrounding Porto Alegre's name. Hardt even compared the Forum to the 1955 Bandung Conference, stating "[b]oth were conceived as attempts to counter the dominant world order: colonialism and the oppressive Cold War binary in the case of Bandung, and the rule of capitalist globalisation in that of Porto Alegre."⁷

My aim here is to analyse the experience of Participatory Budgeting implemented throughout the sixteen years of PT rule in Porto Alegre, and how it became a paradigm for the post-1989 Left or, as Hilary Wainwright put it, an example of what could become "popular power in the twenty-first century".⁸ I will explore the following questions:

1. What are the innovative aspects of Participatory budgeting? How should we conceptualise it in comparison to classical representative democracy?
2. To what extent do local historical peculiarities explain the success of Participatory Budgeting in Porto Alegre? What is unique about that experience and what can be generalised about it?
3. What role has the PT's successful administration in Porto Alegre played in building the party as a national political alternative? What are the continuities and ruptures between this local experience and Lula's government?

A New Kind of Democracy?

But what exactly is Participatory Budgeting (PB) as it is practiced in Porto Alegre?⁹ Although the process has been subject to changes, and procedures may vary from year to year according to the will of the majority of participants, some features of PB have remained stable since it was established in 1989. It starts with a series of neighbourhood, regional, and citywide assemblies, where residents and elected budget delegates identify spending priorities and vote on which priorities to implement. This decision-making process affects only investments, such as construction and contracted services, since fixed expenses such as debt service and pensions are not subject to public participation.

5 Michael Hardt: *Today's Bandung?*, in: *New Left Review* 14 (2002), pp. 112–118.

6 James Petras: *Porto Alegre 2002: A tale of two forums*, in: *Monthly Review* 53:1 (2002), pp. 56–61.

7 Hardt: *Today's Bandung*, p. 112.

8 Hilary Wainwright: *Poder popular no século XXI*, São Paulo 2005.

9 The next paragraphs follow closely the text prepared by its staff for UNESCO "Best Practices for Human Settlements", which is still the best-summarised description of Porto Alegre's PB, see: <http://www.unesco.org/most/southa13.htm> (accessed on 8 October 2013).

Over the years, the rules of the process became more refined in order to prevent distortions and to answer criticism about the limitations of the ways it was initially conducted. The city was divided in 16 sections, based in geographical, social and community organisation aspects, through which is organised the full participation of the population. In order to increase the participation of citizens and entities involved with issues that go beyond those geographical divides, five other “thematic” participation structures were created: city organisation and urban development; transport and circulation; health and social care; education, culture and leisure; and financial development and tax planning.

Yearly, the City Hall promotes at least two huge assemblies in the regions and also two meetings in each of the PB “thematic” branches mentioned above. In the first one, the accounts of the previous year’s approved investment plan are shown to check what has actually been achieved, what is in progress, and what has not been initiated and why. In the second one, the inhabitants of each street, each city section and the participants of the thematic structures choose their priorities and elect the counsellors of the Participative Budget. Between these two phases, there is space for an intermediate phase, in which many smaller meetings take place. It is during this process that the population raises their needs and establishes a priority for the most urgent works to be done.

After the priorities are chosen and the delegates and counsellors of each region and “thematic branch” are elected, the Regional and Thematic Delegate Forum and the Municipal Council of Government Plan and Budget are formed. The Municipal Council of Government Plan and Budget is formed by two main counsellors and the same number of elected substitutes in each of the 16 regions of the city, by two main counsellors and the same number of elected substitutes in each of the five thematic structures, by one main representative and one substitute of the Municipal Employee Union and one main representative and one substitute of the Union of Inhabitant Associations of Porto Alegre. There are two government representatives who do not have the right to vote. The mandate of the counsellors is of one year, with the possibility of re-election. This mandate, however, is revocable at any time, by a process through the Regional and Thematic Delegate Forum, which requires a qualified majority of two thirds.

The Council coordinates and organises the process of developing the budget and the investment plan and, later, checks the execution of the planned budget. There are regular weekly meetings where a debate list is brought and a permanent link with the Executive Power is activated. The delegates, who are more numerous than the counsellors, have meetings once a month and constitute the mentioned Regional and Thematic Delegate Forum. They support the counsellors in their job and help to keep the population informed of the issues discussed in the Council, and follow-up, in contact with the community, the updates on the public works planned in the Investment Plan.

Thus, it is only after a long and complex cycle of meetings, both open to all citizens at an early stage and restricted to elected delegates in the second phase that the final sketch of the municipal budget and the investment plan starts to be drawn. Firstly, all the secretariats together with government organs participate in the meetings of the Munic-

ipal Council to discuss the works, their cost and technical feasibility. With that type of information in hand, the counsellors and delegates commence further debates with the communities. Following these subsequent debates, the Executive Power presents the counsellors with a detailed budget proposal, including all the income/expense items. After the general guidelines of the Budget are defined, the next step is the definition of the Investment Plan. Three criteria are observed in conceiving the Investment Plan: a) the priority of the region (chosen in the regional assemblies – sewerage, education, street pavement, etc.); b) the total population of the region (the most populated areas receive a higher grade); c) lack of the service or infrastructure (the poorest regions receive a higher grade). Based on the combination between these different criteria, and after discussions with the populace, the thematic structures and the local governments define the investment and works that will take place in each region of the city.

At the end of the process the Investment Plan must be approved by the Municipal Council of the Government Plan and Budget, and the proposal is then sent by the Executive Power to the Municipal Town Councillors. The town councillors discuss with the Executive Power and with the counsellors the numbers of the budget, present amendments and eventually make changes and suggestions. At this stage of the process, negotiation is limited to details, since town councillors usually do not risk questioning the priorities expressed in a budgetary proposal that resulted from widespread popular participation.

When the recently elected administration of Olívio Dutra began this process for the first time, in 1989, the income of the City Hall, originating from taxes, was completely out of balance and was insufficient to finance even the most minimal public works required to alleviate the situation of one third of the local population who lived in misery. The scarcity of money available for investments and the unfamiliarity with the kind of participatory process proposed lead to low rates of attendance in the first PB meetings. By 1990, the city was already enjoying the results of a radical tax reform, that enabled it to fund the necessary investments, and that gave impetus to the Participative Budget. From then on the Government increasingly had the funds to carry out the investment plans decided by the PB, and the population had evidence that their decisions were both respected and were resulting in an improved quality of life.

From 1991 on, the Participative Budget became a massive and thrilling process that began to mobilise the communities of all the regions. In 1994, for instance, more than 11,000 persons and in 1995, more than 14,000 persons attended the meetings and the regional assemblies. By 2002 nearly 40,000 people were participating in the meetings and regional assemblies.

Since the Participative Budget has been consolidated, the City Hall has steered a percentage varying from 15 to 25 per cent of the income to investments. Thus, the works decided by the Participative Budget represent investments of over seven hundred million dollars. Over this period the Participative Budget had prioritised basic sanitation works, resulting in an increase in the water supply from 400,000 to 465,000 households

between 1990 and 1995. In 1996, 98 per cent of households were already served by the water system. The growth was even more substantial in the sewerage system. In 1989, 46 per cent of the population had access to the sewerage system. Seven years later, those figures had been raised to 74 per cent.

Street pavement in the suburbs is another priority in the Participative Budget. Annually, between 25 and 30 kilometres of streets are paved in the poorest city sections and peripheral areas. Drainage, public lighting and the urbanisation of areas, health and housing are other issues that are considered priorities. In the education system, investments decided by the Participative Budget doubled the number of enrolments between 1988 and 1995, along with an upgrade in the quality of teaching assured by substantial rises in teachers' wages.

Porto Alegre's PB was a huge success for at least fifteen years. The fact that a participatory practice became the trademark of an administration, contributing decisively to an unprecedented sequence of four terms in office by the same party in the municipal government, speaks for itself. It is also significant that the oppositional candidate who finally defeated the Workers Party in 2004 was the first one to recognise PB as a democratic advance and to commit himself to maintaining and even improving the process. Eight years after the Workers Party was removed from power, the PB remains in place – although leftist activists claim it has lost its original powers *vis-à-vis* the elected officials – and the local government still proudly highlights in its website that the mechanism was acclaimed by the United Nations as one of the forty best practices in public management in the world.¹⁰

Of course, one cannot underestimate the importance of a practice that expanded the citizen's power of decision regarding the use of public resources, especially when it was increasingly connected to other spaces of participation in decisions concerning municipal policies and the city's future. A study covering the period 1992–2000 demonstrated that, as a result of PB decisions, *per capita* investments expanded in the regions with “a higher percentage of mothers who had not completed elementary school, shanty towns and inhabitants below the age of fifteen” and decreased in those with “higher nominal average income by head of family”.¹¹

The civic virtues of this association between participation and access to public resources by those who most need them are unquestionable. But what would be the best way to define this democratic innovation? Some enthusiasts like Leonardo Avritzer saw it as an expression of a “deliberative democracy” which, he argued, would overcome the

10 See: http://www2.portoalegre.rs.gov.br/smg/default.php?p_secao=86 (accessed on 8 October 2013).

11 Adalmir Marquetti: Participação e redistribuição. Orçamento Participativo em Porto Alegre, in: Leonardo Avritzer/Zander Navarro (eds.), *A inovação democrática*, São Paulo 2003, pp. 129–156.

dichotomy between participation and representation. Porto Alegre's former mayor, Tarso Genro,¹² who later became a Minister of the Lula government, the national President of the PT for some months, and currently the state governor of Rio Grande do Sul, argued that the constitution of a "non-state public space" is at stake. Yet Boaventura Souza Santos, in wording closer to the original debate inside the Workers Party, considered that PB combines "the rules of representative and direct democracy".¹³

Opponents of PB blame it for diminishing the role of the legislative power. This conflict was at first denied by the PT, but it was later made explicit by some party members, who pointed out the fact that PB delegates to unpaid citizens harder work than that of most city council members. For former mayor Raul Pont, defeated in his campaign for a new term in 2004, those who believe in popular participation should "put the city council in second place" in order to "strengthen the participatory democracy that we want to build up".¹⁴

Positive evaluation of the PB experience begins precisely with criticisms of the limitations and deformations in the practice of representative democracy, even when they are not explicit.¹⁵ That is why, in general, emphasis is put on citizen participation in the assemblies where popular claims are debated, and little attention is paid to the Participatory Budgeting Council (COP), which in fact, most of the time, is in charge of the process of codifying the assemblies' decisions into a concrete budget proposal.

Taking the process as a whole, it would be perfectly reasonable to regard the delegates' mandate as a new form of representation that has its origins in a participatory moment,

- 12 See for example, Tarso Genro: *O futuro das cidades na nova ordem global*, in: Ademar José Becker/André Passos Cordeiro (eds.), *A cidade reinventa a democracia. As contribuições do Seminário Internacional sobre Democracia Participativa*, Porto Alegre 2000, pp. 45–52; Tarso Genro/Ubiratan Souza: *Orçamento Participativo. A experiência de Porto Alegre*, São Paulo 1998.
- 13 Boaventura Souza Santos: *Participatory budgeting in Porto Alegre. Towards a redistributive justice*, in: *Politics and society* 26:4 (1998), pp. 461–509. For a classic formulation of the role of democracy in enriching representativeness see Francisco C. Weffort: *Por que democracia?*, São Paulo 1984.
- 14 Raul Pont: *Acreditar na participação popular para reconstruir a estratégia socialista*, in: Alexandre Fortes (ed.), *História e Perspectiva da Esquerda*, São Paulo 2004, p. 252; in an opposite view, the former Mayor of Belo Horizonte and current Minister of Industry, Fernando Pimentel, defends the idea that "the vision of those who would oppose participative and representative forms of government has lost considerable ground" (Fernando Pimentel: *O paradoxo brasileiro*, in: *Teoria e Debate* 56 (December 2003/January 2004), p. 26.
- 15 An example of explicit criticism can be found in Sérgio Baierle: *A explosão da experiência. Emergência de um novo princípio ético político nos movimentos populares urbanos em Porto Alegre*, in: Sonia Alvarez/Evelina Dagnino/Arturo Escobar (eds.), *Cultura e política nos movimentos sociais latino-americanos. Novas leituras*, Belo Horizonte 2000. Pp. 185–217.

as it is the case with the council members (assemblies in one case, elections in the other). There are, of course, fundamental differences between them: length of mandates, list of attributions, and explicit display of party affiliation or not, etc. While it is true that PB does have a representative aspect, there is a concrete basis for its conflict with the city council.

Historical research can contribute to this debate by providing elements for a comparison between the process that engendered and propelled PB in the 1980s and the role of the municipal legislative branch in the situation created by the fall of the Vargas dictatorship in 1945. In both cases, democratisation processes brought to the surface the participation-representation dilemma, creating new channels through which popular leadership and organisations could debate their demands, their ideas regarding social justice and their ideological stances.¹⁶ The transformation of the council members into “brokers of demands”,¹⁷ identified by left-wing critics in the 1980s, rather than being an expression of the inherent weaknesses of “representative democracy”, may actually result from the obsolescence of the city council as an institution for addressing the features of contemporary social actors, deepened by the political distortions induced during 21 years of military dictatorship.

PB opponents also argue that the PT uses it as a demagogic tool to get popular support for its projects. As a result, they argue, the city council institutional prerogatives get depleted and the opposition is left almost without any room of manoeuvre. This is a somewhat unfair criticism since creating mechanisms of popular participation was always a central element in the party program, particularly in the beginning. It is correct to point out, however, that PB offered an answer to acute problems of governability faced by the PT after its 1988 victory, which gave the party and its allies only one third of the seats in the City Council.¹⁸ That was not just a local problem. In March 1988, Celso Daniel, who was to be elected three times as mayor of Santo André, in São Paulo’s ABC, and later mysteriously murdered in 2002 when he was the head of Lula’s presidential campaign, had already approached the issue of how to govern with a minority of supporters in the city council. Procedures by means of which “the population would directly define budgeting priorities” could strengthen the executive branch in its struggle

16 For the period 1945–1954, see Alexandre Fortes: *Nós do Quarto Distrito. A classe trabalhadora porto-alegrense e a Era Vargas, Caxias do Sul/Rio de Janeiro 2004.*

17 Baierle: *A explosão da experiência.*

18 Fundação Perseu Abramo/Secretaria de Formação Política PT-RS (eds.): *História e Memória do PT Gaúcho (das origens a 1988)*, São Paulo, in press; Manoel Caetano de Araújo Passos/Maria Izabel Noll: *Eleições municipais em Porto Alegre. 1947–1992*, Porto Alegre 1996, pp. 51–55.

in favour of the “inversion of priorities” that characterises a “democratic-popular government”.¹⁹

This first set of considerations allows us to question some of the most recurrent myths about PB:

1. We must be careful when stressing the “direct” or “participatory” aspects of the process. It is true that PB opens up the possibility of a more active exercise of democracy. However, it does not necessarily imply the construction of “alternative powers” opposed to and isolated from the representative ones. In fact, the PB proposal arose exactly at the moment when, faced with the experience of exercising state power at local level, the debate about “popular councils” understood as a form of dual power, was abandoned inside the Workers Party;
2. This “enrichment of representative democracy through participatory democracy” does not happen without conflicts and contradictions, particularly with the local legislative body;
3. Whatever the local conditions for the success achieved by the experience in Porto Alegre, it responded to political challenges that had already been perceived and addressed by at least part of the national leadership of the PT.

The Peculiarities of the *Gauchos*

Even so, we have to ask why Porto Alegre became the home of the “ideal type” of participatory budgeting. Leonardo Avritzer and Zander Navarro²⁰ summarised the set of conditions that would explain that successful experience:

1. Strong previous associative tradition;
2. Clear and viable institutional forms;
3. Political will to share the power of decision;
4. Financial capacity of the local government to make the investments decided on in the PB process.²¹

19 Celso Daniel: *Participação Popular*, in: *Teoria & Debate* 2 (1988). Available at: <http://www.teoriaedebate.org.br/materias/sociedade/participacao-popular> (accessed on 20 November 2013).

20 Avritzer/Navarro: *A inovação democrática*.

21 An important criticism made of this quest to discover the PB’s “formula for success” is that PB only makes sense as an element in “Political will”, something hard to be verified, cannot be limited to the mere implantation of PB. That point of view was expressed by Raul Pont in his presentation at the Seminar “Strategic and Participatory Public Management” held by the Federal University of São Carlos (May 2001).

One of the issues debated in some academic works that search for the reasons behind that paradigmatic success is “which political actors played the decisive role in the creation and expansion of PB?” Could it be the urban popular movements, as Sérgio Baierle has concluded?²² Or the municipal movement, as Rebecca Abers has suggested?²³ Choosing one approach or another, changes the nature of the field in which the experience is located. In the first case, it is defined as an “ethical-political conflict among different concepts of citizenship”. In the second, it is reduced to “innovations in practices of public management”.

For Baierle, urban popular movements in Porto Alegre, from the late 1970s onward assumed growing autonomy in addressing the public power, and became the main channel for the emergence of a new ethical-political principle and one of the poles in a conflict among different concepts of citizenship.²⁴ Of course this moment when “new characters walked onto the stage”,²⁵ as it was described by Éder Sader, played a decisive role in strengthening the proposals of popular participation. However, that by itself is not enough to explain the specificities of Porto Alegre. In São Paulo, undoubtedly the national centre of the uprising of popular movements at the time, the attempt to implement similar projects during the PT governments of Luíza Erundina (1989–1992) and Marta Suplicy (2001–2004) resulted in failure, or at most a very modest success.

Among those who have stressed the leading role of the municipal executive branch, are some of the Workers Party public managers, who generally took PB as an expression of the search of the international left for new programmatic alternatives after the fall of “really existing socialism”.²⁶ In fact the period in which PB emerges coincided with the fall of the Berlin Wall and the end of the Soviet Union. It is understandable that the currents inside the Workers Party that demonstrated this link between local and international processes at the time, were those engaged in an accelerated conversion from ortho-

22 Baierle: *A explosão da experiência*, pp. 185–217.

23 For example: Rebecca Abers: *From clientelism to cooperation. Local government, participatory policy, and civic organizing in Porto Alegre, Brazil*, in: *Politics and Society* 26:4 (1998), pp. 511–537; Rebecca Abers: *Orçamento Participativo. A população no controle das decisões*, in: Ademar José Becker/André Passos Cordeiro (eds.), *A cidade reinventa a democracia. As contribuições do Seminário Internacional sobre Democracia Participativa*, Porto Alegre 2000, pp. 75–78.

24 Baierle: *A explosão da experiência*.

25 Eder Sader: *Quando os novos personagens entraram em cena*, Rio de Janeiro 1988.

26 José Eduardo Utzig: *Notas sobre o governo do PT em Porto Alegre*, in: *Novos Estudos Cebrap* 45 (1996), pp. 209–222; In the same direction, but representing the opposite current within the PT, see Pont.

doxy to total rupture with the Marxist tradition. The majority of the party, however, had already distanced itself from Soviet Marxism since the founding of the PT in 1980.²⁷

In fact, instead of expressing a clear change in political-ideological outlook, it appears the generally overlooked reason for the success of the Workers Party in Porto Alegre resides precisely in the relative equilibrium among three internal factions or political fields, with no one of them able to assure a stable hegemony. Each of the three mayors elected by the party, for example, belonged to a different faction and each one of them gave its own contribution to the development of PB. The union-based *Articulação* (Connection) group, of Olívio Dutra, was deeply involved in the work of popular education inspired by Paulo Freire, which Wainwright correctly points out as a decisive influence for PB. The Trotskyist “Socialist Democracy” of Raul Pont, had strong roots among middle-class left-wing activists and its economists were among the first Workers Party cadres to master the technical details of public budgeting. Finally, activists such as Tarso Genro from the Revolutionary Communist Party (later renamed “the New Left”), engaged in theoretical debate about the radicalisation of democracy and displayed a good capacity for communicating with the public.

However, the reasons mentioned as explanations for the success of PB in Porto Alegre are not limited to the analysis of social movements, of the Workers’ Party’s political project or of its internal dynamics. Different authors and many PT members argue that Porto Alegre has been “more inclined to the Left” than most Brazilian cities since the time of the Populist Republic (1945–1964).²⁸ This hypothesis, however, must be examined in more depth. In that previous historical conjuncture, for example, in spite of having Porto Alegre as one of their most important strongholds, the *trabalhistas*²⁹ never managed to elect a mayor for two consecutive terms. Furthermore, their principal local leader, Leonel Brizola, disputed three elections for executive positions before 1964 (two for mayor and one for state governor), always allied with the extreme-right *Integralista* Party. Although the Brazilian Communist Party supported him in 1958, because of its affinities with his nationalist positions, Brizola was quick to proclaim that he favoured allowing the communists to legalise their party only because he would prefer to combat them “face to face, by daylight”.³⁰

27 See, for example: Margaret E. Keck: *The Workers’ Party and Democratization in Brazil*. New Haven 1992.

28 Baierle: *A explosão da experiência*.

29 Members of the Brazilian Labour Party (PTB) founded by former president Getúlio Vargas, who ruled the country from 1930 to 1945 and from 1950 to 1954.

30 Leonardo Avritzer: *O Orçamento Participativo e a teoria democrática: um balanço crítico*, in: Leonardo Avritzer/Zander Navarro (eds.), *A inovação democrática*, São Paulo 2003, pp. 22–23; Marcelo K. Silva: *Construindo a ‘participação popular’*. Análise comparativa de processos de participação social na discussão pública do orçamento em municípios da região

Avritzer also refers to Porto Alegre's supposedly "stronger associative tradition" in comparison to other Brazilian urban centres. Some authors even maintain that the organisations belonging to the Federation of Neighbourhood Associations (FRACAB) in the early 1950s were already characterised by their militant role, while the Societies of Neighbourhood Friends, created in the same period in São Paulo supposedly restricted themselves to a "recreational" role.³¹

In fact, recent historical research about the working class in Porto Alegre before 1964 has not found that FRACAB played an important part in popular mobilisations.³² On the other hand, with regard to São Paulo, some innovative studies indicate that even linked to charismatic leaders such as Jânio Quadros and Adhemar de Barros, the Societies of Neighbourhood Friends remained an important channel for popular demands.³³ Much more could be said about the Democratic Popular Committees, created under the auspices of the Communist Party immediately after the Second World War.³⁴ Thus, while it is relatively easy to demonstrate the associative vitality and the richness of popular traditions in Porto Alegre, their comparative strength and their precise influence in the recent experiences of popular participation has not yet been proved.

Based on my own research,³⁵ I would argue that in the first half of the 20th century, a new working class, concentrated in neighbourhoods around middle and large-size factories, emerged in the city. From the 1929 General Strike demanding the observation of the "law on vacations" onward, such workers expanded their collective presence in the public sphere. At the end of the Vargas dictatorship, in 1945, the so-called "Fourth District" of Porto Alegre acquired great electoral weight following the effects produced by the Second

metropolitana de Porto Alegre/RS, Porto Alegre 2001. For those aspects mentioned in this paragraph: João Marcelo Pereira dos Santos: *Os herdeiros de Sísifo. A ação coletiva dos trabalhadores porto-alegrenses nos anos 1958–1963*, Campinas 2002; Maria Izabel Noll/Hélgio Trindade (eds.): *Estatísticas eleitorais comparativas do Rio Grande do Sul – 1945/1994*, Porto Alegre 1995; Passos/Noll: *Eleições municipais em Porto Alegre*.

- 31 Avritzer: *O Orçamento Participativo*, pp. 20–23. Among others the author bases himself on Silva: *Construindo a 'participação popular'*, Baierle: *A explosão da experiência* and Pedro Guareschi: *Urban social movements in Brazilian squatters settlements*, Madison 1980.
- 32 Fortes: *Nós do Quarto Distrito*; João Marcelo Pereira dos Santos: *Os herdeiros de Sísifo. A ação coletiva dos trabalhadores porto-alegrenses nos anos 1958–1963*, Campinas 2002.
- 33 Paulo Fontes: *Trabalhadores e cidadãos. Nitro Química. A fábrica e as lutas operárias nos anos 50*, São Paulo 1997; Adriano Duarte: *O populismo visto da periferia. Adhemarismo e janismo nos bairros da Mooca e São Miguel Paulista (1947–1953)*, in: *Cadernos AEL* 20/21 (2004), pp. 127–169.
- 34 John French: *O ABC dos operários. Lutas e alianças de classe em São Paulo, 1900–1950*, São Paulo/São Caetano do Sul 1995; Hélio da Costa: *Em busca da memória. Comissão de fábrica, partido e sindicato no pós-guerra*, São Paulo 1995.
- 35 The following four paragraphs are based on: Fortes: *Nós do Quarto Distrito*.

World War in a local society that, up to that moment, was marked by the socio-economic hegemony of the German-Brazilian community.

From 1930 to 1964, unionism faced structural limitations in its ability to express the potential of this new working-class configuration. A paternalistic culture, unable to completely accept women as citizens and workers, while both conditions had already been already legally recognised, presided over social relationships from factory to family. The mismatch between organisational traditions and new productive processes and the rigidity of the official union structure reduced even further the unions' ability to represent unskilled workers. The labour movement, however, was not alien either to wider social movements, such as the struggle against the high cost of living or to electoral participation, which at the time experienced unprecedented expansion. It provided the backbone for popular struggles and working-class candidates for the city council, which, after some of them got elected, became a privileged stage for the new relationship between social claims and established powers.

After the post-war period of re-democratisation, the city experienced frequent outbursts of strikes and mass mobilisations of workers and, in general, these movements advanced typical union demands like the struggle for a Christmas bonus and denunciation of the high cost of living, all of which made the workers' movement a spokesperson for what was to become one of the main banners of the urban mass movements. President Getúlio Vargas's suicide in August 1954, came after a yearlong period of mobilisation for raising the minimum salary that had been ratified in May of the same year but that had not been implemented owing to legal actions taken by employers' organisations. The tragedy of Vargas's death aborted what was to have been the second general strike in three months, but it also led to an uprising in which all the "enemies of the people", especially the anti-Vargas press and business establishments with real or imagined connections to North American interests, were attacked and ransacked by the crowd. The uprising ended only after the Uniformed Police Force shot at demonstrators who refused to obey the orders to disperse and left in its aftermath six dead and dozens wounded.

At the same time, many union and community leaders, belonging mainly to the communist and labour parties were elected to the city council, one of the most important examples being the garment industry worker and communist activist Julieta Batistioli. They even influenced their peers linked to the traditional elites, who also reacted, engaging themselves in the defence of the interests of the city's impoverished areas in some cases.³⁶ It was also in the council that issues such as the causes of the collapse of the metropolitan area's electrical system were brought up for discussion. An investigative committee was installed to examine the arguments of the Power Workers Union and of the North-American concessionaire CEERG (*Companhia Energia Elétrica Riograndense*) and

36 Interview with Zenon Galecki, 25 October 1999; Interview with Armando Temperani Pereira Filho, 10 October 1998; Fortes: *Nós do Quarto Distrito*, p. 579.

the debates contributed decisively towards building up a wide social consensus favouring state ownership of the sector.³⁷

In 1961, Porto Alegre was once more the scene of one of the most intense mass mobilisations to take place during the Populist Republic, when the military tried to prevent Vice-President João Goulart from taking office after the resignation of Jânio Quadros. The unionists organised the Democratic Resistance Movement and showed they were prepared to take up arms in defence of the constitutional order. That initiative moved the then governor of Rio Grande do Sul, Leonel Brizola, Goulart's political ally, to take over certain local radio stations and create a "network of legality", which made him famous throughout the land.³⁸

After the 1964 coup, the capital of Rio Grande do Sul suffered hugely from the great wave of repression that broke over the Left and the social movements throughout Brazil. People from the state swelled the ranks of several left-wing organisations and many of them were assassinated or forced into exile. The feeling of tension intensified as military dictatorships spread among the Southern Cone countries in the 1970s. Because of its position as a frontier state, Rio Grande do Sul became a favourite hunting ground where exiles were kidnaped and sent back to their original countries as part of "Operation Condor".³⁹

On the other hand, at the beginning of that decade many *Gaúcho* militants who had been sentenced to long prison terms were transferred to the *Ilha do Presídio* (Prison Island) in the middle of the Guaíba River where they actually enjoyed a regime of relative flexibility in their conditions for studying, debating and communicating with the life of the city. As they gradually began to be set free, those militants took up their professional careers and studies once more. They were usually linked in some way to supporting the work of organising unions and social organisations, which was mostly carried out under the auspices of the Catholic Church's Ecclesiastical Base Communities, as was the case in the rest of Brazil, but also through re-connecting and structuring the networks that had been formed during the experience of democracy between 1945 and 1964.

37 João Marcelo Pereira dos Santos: *Eletricitários. Toda energia é pouca*, in: *Cadernos AEL* 20/21 (2004), pp. 171–203.

38 Santos: *Os herdeiros de Sísifo*.

39 "Operation Condor" was a plan set up in 1975 by the military dictatorships of Brazil, Argentina, Chile, Uruguay, Paraguay and Bolivia for joint repressive operations against their political enemies. In 1992, torture victim Martin Almada and José Fernández, a Paraguayan judge, found the first big set of sources documenting the Operation (the so-called "terror archives") inside a police station located in a suburb of the Paraguayan capital, Asunción. Knowledge on Condor's magnitude and the details of specific actions have been expanding in the last two decades as historians and the public begin to get access to previously classified documents in many South American countries and in other parts of the world, such as the USA.

Given the force of the progressive wing of the local MDB (Brazilian Democratic Movement, the tolerated opposition party), many activists were able to find abundant political room to work with the party's parliamentary members at local and state levels and even worked as advisors to its leadership and directing bodies. So as early as 1977 the Socialist wing of the MDB began to form in a process that, as Raul Pont has stated, was of considerable importance in uniting the various militants who were later to found the PT in the state.⁴⁰

The city's population had grown from 753,740 inhabitants in 1963 to 1,083,103 in 1976, a leap of 72 per cent in only thirteen years, creating new outlying urban areas marked by extremely precarious conditions in regard to all kinds of public services: housing, paving, sanitation, transport, health services, education, etc. That certainly explains, not only the gradual emergence of the mass urban movements, but also the strong oppositionist profile of the electorate in the local elections that were held under military rule where the opposition party MDB was always at an advantage compared to the pro-government party Arena (National Renovation Alliance) as can be seen in the Table that follows:

Table 1: Porto Alegre Local Elections 1968–1976 – Vote distribution in percentages

	1968	1972	1976
Arena	35.81	38.81	31.15
MDB	59.91	51.09	58.20
Blanks	1.74	3.15	1.76
Spoiled	3.33	6.95	3.62

Source: Manoel Caetano de Araújo Passos/Maria Isabel Noll: Eleições municipais de Porto Alegre (1947–1992). Porto Alegre: Programa de Pós-Graduação em Ciência Política-UFRGS. Cadernos de Ciência Política 4 (1996), p. 33

Thus the Porto Alegre City Council continued to be a bastion of institutional resistance and gradually became a space for the expression not only of growing popular demands but also of dissatisfaction with the regime. In 1977, when the so-called “political distension” process conducted by General Ernesto Geisel's government was already underway, Porto Alegre became the scene of one of the last acts of political exclusion promoted by the military dictatorship. Two city council members elected by the MDB, Glênio Peres, a veteran radio reporter famous for his coverage of international events like the Suez Canal crisis, and Marcos Klassman, ex-president of the party's regional youth wing, lost their

40 Raul Pont, in an interview given on 7 December 2006, as part of the “Oral History of the PT” project.

mandates because they had denounced violations of human rights and the lack of liberty in the country from the speaker's rostrum of the municipal council chamber.

In September 1979, the "New Unionism" burst on the scene in the city in the form of a bank workers' strike led by *Olívio Dutra*,⁴¹ followed by another equally important one by state school teachers. Simultaneously, a complex network of mass movements was being organized on the urban perimeter, which in 1983 gave rise to the Union of Porto Alegre Residents Associations (UAMPA). As a result of the rising tide of social movements, some activists were elected as city council members, increasing the concern about the growing urban needs and inequalities inside the local parliament. The oppositionist nature of local politics was confirmed in 1985, during the first elections for mayor in twenty years, won by *Alceu Collares* of the PDT and in 1988 by the victory of the PT.

This succinct account seeks to suggest the complex nature of the process of constituting the traditions of social and political struggle in Porto Alegre in the decades leading up to the unfolding of the Participatory Budgeting experience. It also demonstrates how, at many moments of that process, the city council represented a channel for the construction of notions of public interest by the confrontation of different social actors and political projects, both in the populist period and under military rule. Thus, it would be possible to argue that in some sense it played a role somewhat similar to that played by PB since the 1990s.

On the other hand, it is also true that PB favours a deeper transformation in local political culture for a series of reasons:

1. because of the active engagement of a large number of citizens in the process;
2. because it implies more transparency in handling public expenditure;
3. because of the annual rotation of delegates;
4. because it leads social movements to overcome the logic of specific claims, and challenges them to formulate proposals that take into account the city as a whole and to conceive of themselves as actors in the process of designing, controlling and implementing public policies.

It is interesting to point out that, in the same way that the city council came to lose the vitality that characterised it in earlier historical moments, PB itself, in spite of its recognition as an instrument of democratic innovation, was not immune to the risks of "bureaucratic insulation".

41 *Olívio Dutra*, in an interview given on 8 March 2007, as part of the "Oral History of the PT" project.

From “Popular Participation” to “Good Governance”: the Rise of the Workers Party and the Struggle against Neo-liberal Hegemony

In order to understand the success obtained by the PT in heading local governments in large Brazilian cities (particularly Porto Alegre) from 1988 until the consolidation of the party as a viable national alternative, one should take into account three features that make the PT unique in the history of the Brazilian Left:

1. Its national and legal character;
2. its role in overcoming two decades of political fragmentation on the Left;
3. its organic links to a new class configuration.

Throughout the 1980s and 1990s, the relationship among these variables underwent profound changes. In spite of the great difficulties the PT faced on the political scene, the party's growth in its early years was based on the activism of the social movements. Yet its consolidation in national politics came at a time when those movements were experiencing a retreat, a time also marked by a neo-liberal offensive and a lot of ideological confusion on the part of the Left. It is in the transition from a vibrant organic link to social movements to “institutional engineering” and “high politics” that we should locate the experience of Participatory Budgeting and its transformation into a “government trademark”. The Workers Party, we should always have in mind, was the first national organisation of the Brazilian Left to be constructed in a period in which continuous legal political action was possible; in that regard, the only historical precedent was the fleeting experience of the Brazilian Communist Party, which was legal for two years after 1945, when its presidential candidate received 10 per cent of the national vote.

During the so-called populist period between 1945 and the 1964 military coup, the Soviet-associated Brazilian Communist Party (PCB) was the leftist group with the greatest societal penetration and representation. Yet except for that brief post-war period, not only was the PCB banned as an illegal organisation, but intervention in the unions it led and the imprisonment and torture of its cadres, even of its elected officials, was commonplace.

The PT is also distinctive because it is the first leftist group that owes its origins to the initiative of organic leadership that emerged from a new configuration of the Brazilian working class, specifically the so-called New Unionism identified with the metal workers strikes of the ABC region of Greater São Paulo from 1978 to 1980. This group of trade union leaders, which included Lula, was not tied to earlier leftist organisations or to political movements of an international character. It was these individuals who

played a decisive role in defining the character of the party they set out to create in 1979–80.⁴²

Thus, setting value judgments aside, one must recognise the depth of the organic link between the PT and the Brazilian working class, as well as the singularity of the political context in which the party was constructed. To summarise, the PT has been simultaneously the fruit of, and key actor in, the most profound and durable process of democratisation seen to date in Brazilian history. After overcoming initial skepticism about its viability as a national political force, the party became a convergence point for a broad array of groups from the Left, with many distinct origins. This began to reverse a long process of fragmentation initiated in 1962 with the creation of the Maoist Communist Party of Brazil (PC do B) and the Catholic student group Popular Action (AP), a splintering process that intensified after the military coup and greatly weakened the previous hegemony of the PCB on the Left. The PT's growth also made possible a relatively stable alliance between the Workers Party and the other parties of the Brazilian Left. These processes of convergence led, for the first time in Brazil's history, to the establishment of an autonomous national political presence of the Left, both from an electoral point of view and in its relations with social movements, the state, and other segments of Brazilian society. It is extremely difficult to imagine how this could have occurred without both a democratising process in the political arena and the construction of the PT as a point of convergence characterised by an absence of doctrinal rigidity and by deep ties to social movements and processes.⁴³

As the political sequel to the new unionism, the PT got off to a fragile start with a disappointing performance in its first elections in 1982, when it received only three per cent of the national vote (Lula achieved only nine per cent of the vote for governor in the state of São Paulo). But in 2002, unlike 1982, Lula was no longer presented as a victim of “the system” who had been unfairly arrested, someone “just like you”, as his early campaign slogan went. He now addressed voters as a self-made politician, internationally acknowledged but still proud of his origins. He displayed a realistic and responsible awareness of the country's critical situation but, at the same time, raised even higher his 1989 campaign banner “without fear of being happy.”⁴⁴

The PT's successful experiences of municipal administration were pivotal in engendering this assertiveness. They had proven the party was capable of carrying out the reorientation of public policies for the benefit of majorities. Of course, the slogan about a “PT way of governing”, postulated as completely different from that practiced by other

42 See Keck.

43 See: Alexandre Fortes: *In Search of a Post-Neoliberal Paradigm: The Brazilian Left and Lula's Government*, in: *International Labor and Working-Class History* 75:1 (2009), pp. 109–125.

44 Emir Sader/Ken Silverstein: *Without Fear of Being Happy: Lula, the Workers Party and Brazil*, London/New York 1991.

parties, was in great measure a propaganda tool. Yet it worked because it was rooted in something real: practical policies that expanded access to education, health, and housing and that improved the quality of services and goods provided; programs of popular credit; and, most of all, initiatives to raise the levels of citizen involvement, such as Participatory Budgeting.

These became the trademarks of many PT local governments and assured them wide recognition, not only in the form of an increase in popular support but also in a disproportionate number of “good government” awards. Taken together with the slow decline in popularity of the government of Fernando Henrique Cardoso (1997–2003), these successful local experiences contributed to the PT’s exceptionally good performance in the 2000 municipal elections, which in turn provided the party with an expanded power base that would prove critical in the presidential race two years later. As a result, in the early 21st century, the PT’s national leadership became more pragmatic and its local governments increased their capacity to innovate in public management. At that very moment, however, the original base of the PT, its social movement roots, faced a deep crisis. For example, the size, composition, and bargaining power of those workers who had done so much to change Brazilian unionism in the 1980s, such as metal workers and bank employees, declined dramatically. Even the idea of an automobile plant with forty thousand workers, like the São Bernardo do Campo Volkswagen plant in Lula’s day, now seemed part of a remote past. The combined effects of economic stagnation, high unemployment rates and productive restructuring drove unions into retreat. The situation was somewhat different in the countryside, where landless workers (the MST and other new groups) expanded their efforts and remained active.

Within the Catholic Church, progressive groups suffered harsh setbacks at the hands of Vatican conservatives and began to lose popular support to Pentecostalism and the reactionary Catholic charismatic movement. Furthermore, although the PT had always been critical of “really existing socialism,” intellectuals of the Left were deeply affected by the fall of the Soviet Union and the Eastern European regimes. Those intellectuals faced intense difficulties as they sought to build a renewed socialist theory that might provide the conceptual tools capable of linking day-to-day political activities with some kind of utopian perspective. Thus, when the PT’s electoral strategy for the 2002 presidential election was outlined, the party was stronger in the institutional field but weaker in its organic base, all the more so because of the brain drain from social movements into public administration.

Since Lula’s first election, it has been possible to observe a mixture of responses among foreign observers interested in Brazilian developments. Many foreign and Brazilian left-wing activists assumed that Lula and the PT had already either “sold out,” were about to do so, or did so once in power (the most-cited criticism being the government’s observance of the orthodox macroeconomic policies dictated by the international capitalist system).

The great paradox in which Lula and the PT were, and in some sense still are, trapped was summarised at the end of 2003 by the mayor of Belo Horizonte, Fernando Pimentel: “Current macroeconomic guidelines, necessary consequences of the choices made by Brazilian society in the 1990s [...] undermine the great national goal, which is to quickly achieve full social inclusion.”

Part of the left, frustrated with Lula’s government, criticised the timid quality of the participatory measures adopted by Lula’s Administration, such as the creation of the Council for Social and Economic Development. They point to the success of Porto Alegre’s Participatory Budgeting as a demonstration that it would have been feasible at the national level to break with traditional politics and its logic of reproducing dominant interests. This has been advocated by Raul Pont, former mayor of Porto Alegre and later national secretary-general of the Workers Party, and by Hilary Wainwright, among others.⁴⁵

However, it is important to recognise that in spite of achieving the same success in towns of a similar size or smaller than Porto Alegre, the difficulties were of greater magnitude in larger scale experiences. As we have already mentioned, in São Paulo, with its 10 million inhabitants, attempts to organise similar participatory mechanisms achieved quite modest results. The experience of the Rio Grande do Sul state government has also shown the complexity of transposing the logic of the local process to the regional sphere.⁴⁶ At the moment of Lula’s inauguration, fourteen years after the beginning of Porto Alegre’s experience, no one had even figured out what shape a proposal might take that would apply at least some aspects of PB to the Federal Budget, despite the fact that the problem had been the subject of debate as far back as 1994.⁴⁷

Even in Porto Alegre, the PB experience was already facing different kinds of deadlocks. At the beginning of 2002, Sérgio Baierle concluded that the process had entered a “thermidor stage”, in which it had been “dramatically challenged by internal and external

45 Hilary Wainwright: *Poder popular no século XXI*, São Paulo 2005; Raul Pont: *Acreditar na participação popular para reconstruir a estratégia socialista*, in: Alexandre Fortes (ed.), *História e Perspectiva da Esquerda*, São Paulo 2004, pp. 249–255.

46 In a conversation we held at the time, Iria Charão, coordinator of Participatory Budgeting in the Olívio Dutra government admitted that in spite of widespread mobilisation and considerable results having been achieved in many regions, the definitions of the assemblies were strongly influenced by local political and economic power including the fact of depending on transport being made available from various distant spots to participate in the assemblies.

47 Leonardo Avritzer: *Governo Lula e o desafio da participação*, in: *Teoria e Debate* 54 (2003), available at: <http://www.teoriaedebate.org.br/materias/nacional/governo-lula-e-o-desafio-da-participacao> (accessed on 20 November 2013). On the origins of the debate: Renata Junqueira Ayres Villas Bôas (ed.): *Participação Popular nos Governos Locais*, São Paulo 1994, available at <http://www.polis.org.br/uploads/1098/1098.pdf> (accessed on 20 November 2013).

constraints”.⁴⁸ One year before, I coordinated a national seminar dedicated to analysing popular participation and the feasibility of generalising it in the newly elected left-wing local governments. Clearly differentiated conceptions could be perceived in the presentations of the three most important Workers Party experiences: Porto Alegre, Santo André and Belém (state capital of Pará, in the Amazon).

The representative of Franca, an important centre of the shoemaking industry in São Paulo state, was particularly bitter. Because of the scarcity of financial resources, the Participatory Budgeting process was reduced to summarising popular demands in one year and to getting back in the following year to explain why the defined priorities had not been met. In fact, one of the conditions rarely mentioned in narratives about the case of Porto Alegre is the importance of the progressive version of “fiscal adjustment” implemented in the first years of Olívio Dutra’s administration, which significantly increased municipal revenues. It is also important to stress that in the period 1989–1992, local government could enjoy the benefits of the revenue-sharing victories obtained by their advocates at the 1988 constituent assembly, before facing new measures that would concentrate resources in the hands of the federal government in the 1990s.⁴⁹

Placing PB in the context of fiscal reforms of the 1990s brings with it the need to be more careful about presenting it as “an expression of the struggle against neo-liberalism”. Navarro reminds us that decentralisation, transparency and participation were guidelines of the compensatory policies championed by the World Bank, which, not surprisingly, became an enthusiast of PB, integrating it in its toolkit of “methods for good governance”.⁵⁰ Baierle also points out that structural problems are generally beyond the reach of local power, social demands increase more and more, and they are channelled to PB. As financial resources are very limited, in many cases the process ends up by legitimising forms of delegation of responsibility to a third party (*terceirização*) as in the case of “communitarian daycare”.⁵¹ Urbanist Raquel Rolnik stresses an even greater risk: mechanisms such as PB could be diluting popular dissatisfaction and finding more “rational” ways to manage minor claims, while the private appropriation of urban space goes ahead without any restraint on the most strategic issues. In order to avoid this, it would be fundamental to connect the participatory element with new ways of long-term urban planning,

48 Sérgio Baierle: OP ao Termidor?, in: João Verle/Luciano Brunet (eds.), *Construindo um novo mundo. Avaliação da experiência do Orçamento Participativo em Porto Alegre – Brasil*, Porto Alegre 2002, p. 132.

49 Carlos Henrique Horn (ed.): *Porto Alegre: o desafio da mudança. As políticas financeira, administrativa e de recursos humanos do Governo Olívio Dutra, 1989–92*, Porto Alegre 1994.

50 Zander Navarro: O ‘Orçamento Participativo’ de Porto Alegre (1989–2002). Um conciso comentário crítico, in: Leonardo Avritzer/Zander Navarro (eds.), *A inovação democrática*, São Paulo 2003, pp. 89–128.

51 Baierle: OP ao Termidor?, p. 157.

something that was only outlined in Tarso Genro's administration as Porto Alegre mayor (1993–1996) with the experience of the “City Congresses”.

One last criticism about the limits and risks of PB is that it might become the instrument of privileges for the left-wing and social movement activists that control its “institutional engineering”. It is quite clear that the intention has always been to stimulate collective organisation as a privileged means of access to public goods. However, in the last years of the Workers Party government in Porto Alegre, criticisms arouse from those who could not or did not want to engage in the process and, as “tax payers”, wanted their claims to be met irrespective of any active participation.⁵²

As one can see, some of the harshest criticisms about the limits and contradictions faced by the PB did not come from conservative sectors, but from those who worried about the risks that the lack of a judicious balance could present for the prospects of fully developing its potential. The increasing involvement of the Workers Party with mass politics in the post-modern age brought, as a by-product, a tendency to replace the evaluation of experiences by marketing, frequently with ruinous consequences.

Conclusion

The transformation of Porto Alegre into a paradigm of democratic innovation springs from the richness of the participatory processes lived out in the city at different historical moments and involves a selective appropriation of the social memory celebrating either the Workers Party's novelty or the “local leftist tradition”. If *gauchos* do have their “peculiarities”, they probably reside in the traditional polarisation of society into different political fields. In a certain sense, the local Workers Party itself reproduced that logic internally, opening a process of conflicts, alliances and exchanges among party factions that up to a certain moment nourished party life, but later ended up draining its strength.

In a democratic context, the confrontation of these divergences and convergences contributed to enhancing participatory mechanisms, thereby renewing the relationship between society and political institutions. This was something new. During the Populist Republic, despite great advances in popular struggles, *caudilhismo* (the authoritarian rule of political “bosses”) inside the Labour Party (PTB) and the polarisation between communists and anti-communists among grass-roots political forces made that kind of virtuous dynamic impossible. After the military dictatorship, many echoes of the period before 1964 remained present, but local society had undergone profound transformations. The search

52 Indeed, as Navarro recalls, even at its uttermost, “participatory democracy” inside the PB process was somewhat limited. While, on one hand, expanding the numbers of independent citizens actively involved in the decision making, on the other hand, it was heavily influenced by Workers Party activists, who took part in PB meeting in disproportionately high numbers. Navarro: O ‘Orçamento Participativo’.

for autonomy in the relationship between political parties and social movements was one of those changes. The Workers Party, brought to municipal power by a combination of auspicious circumstances, would find in democratic invention an answer to the imbalance between its commitment to the inversion of priorities and its lack of a legislative majority.

Participatory Budgeting rescued and renewed a history of popular participation at the local level, but the greater part of that history is still unknown by the current generation of activists. Today that experience faces the risk of becoming imprisoned by the myths engendered by its own success. If we want to evaluate the ways in which the Porto Alegre participatory experiences may contribute to the reconstruction of the political project of the international left, we need less indulgent celebration and more historical contextualising and critical enquiry.

Alexandre Fortes (PhD in History, State University of Campinas, 2001) teaches at the Federal Rural University of Rio de Janeiro, and holds a position as a researcher at the Brazilian Council for Sciences and Technology (CNPq). He is the author and editor of several published works on Brazilian labour history, and was the chair of the *Worlds of Labor* workgroup, a section inside the Brazilian History Association. He is also the current editor of the association's journal (*Revista Brasileira de História*). In 2012, he was awarded a Mellon Visiting Professorship at Duke University.