

A Citizens' Budget

Regenerating local democracy through
community participation in public budgeting



Community Pride Initiative – November 2000

Includes Update – July 2002

Supported by the Oxfam UK Poverty Programme



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A Citizen's Budget Update: July 2002

Following initial exploration of the processes of participatory budgeting pioneered in cities across Brazil, the Oxfam UK Poverty Programme funded Community Pride Initiative to employ a part-time Public Budgeting Research Officer. The appointment of Jez Hall into this role has enabled CPI to make significant developments in its efforts to achieve two of the aims originally set out for the 'learning exchange', namely:

- To facilitate South-North learning around local governance issues, and in particular the Brazilian experience of participatory budgeting;
- For community activists and council representatives from Manchester and Salford to identify possibilities for changes to policy and practice which would enable greater participation of communities in municipal decision making and hence strengthen local democracy.

This short update draws together some of the developments made in the last 2 years.

Manchester Budget Consultation

Initial approaches to Manchester City Council were met with some resistance to the idea of learning from overseas, however, CPI was invited to facilitate a seminar for voluntary sector agencies concerning the local authority budget for 2001/2. In November 2001 CPI was invited to organise a second seminar concerning the 2002/3 Budget which served to build upon the previous year's process and engaged participants in a number of workshops with departmental heads about the way in which spending plans were developed. It is intended that CPI will proactively seek earlier involvement in the 2003/4 budget setting process in order to have greater influence over the decision-making process.

Local Strategic Partnership

More significant opportunities for exploring more participatory approaches to public budgeting have been identified through the development of Manchester's Local Strategic Partnership (LSP). A short paper has been written identifying the similarities between elements of the Brazilian PB model and the approach taken in Manchester in the development of its LSP. This has led to some interest in a more particular piece of work to explore the potential for using a 'budget matrix' approach in making investment allocations between geographical areas of Manchester and between Community Strategy themes. A pilot proposal is currently being developed with a view to it being presented to the LSP for application in Year 3 of the Neighbourhood Renewal Fund.

Alongside the LSP, CPI has become one of the lead agencies in the development of Manchester's Community Network (the process through which voluntary and community groups

become involved in LSP deliberations). CPI has been able to adapt a number of key elements of the PB model within the evolving structure of the Community Network for Manchester. This has included:

- Comprehensive geographical and thematic structures;
- A set of 'rules' and 'processes' to facilitate engagement;
- A 'budget matrix' approach to allocating the Community Empowerment Fund;
- The development of cartoons and briefings to facilitate communication of complex and challenging concepts.

This has also involved briefing a smaller group of activists, the CPI 'cross-community gathering' in a little more depth about some of the principles at work behind the PB process.

Salford

Efforts in Salford have focused around the development of a 'Shadow Budget Matrix' process. Following a series of seminars with senior councillors and officials in Salford City Council particular interest was taken in the 'budget matrix' element of PB as a mechanism to draw together locally articulated priorities with departmental spending plans in a more systematic fashion. A 'project proposal' to apply a budget matrix, together with a series of 'dialogues' between Council departments, concerning a notional sum of £5 million has been accepted by the City Council and work will begin in August 2002. The pilot scheme will compare actual investment in 2002/3 versus the investment allocations generated by a shadow budget matrix. Depending on the evaluation of the shadow process it has been indicated that a similar scheme could be run 'live' in 2003/4.

National developments

There has been considerable interest in PB outside Manchester and Salford, not least at a national level through the Neighbourhood Renewal Unit which invited CPI to organise a national seminar about PB and the neighbourhood renewal agenda in March 2002.

The seminar entitled *Making Participation Really Count!* attracted a wide variety of participants from within national government, local authorities and LSPs across the country, government offices in the regions and Community Network lead organisations. It generated considerable interest and debate about the usefulness of PB with respect to LSPs and Neighbourhood Renewal and has led to a series of recommendations which are to be explored by the Neighbourhood Renewal. A report of the seminar is now available.

The NRU seminar was followed up with a meeting with Sally Keeble MP, then Parliamentary Under-Secretary of State with responsibility for local government. The meeting reinforced national interest in learning from good practice overseas and led to an offer to visit our work in Manchester and Salford. The seminar has also generated considerable interest in a number of other local authority areas including Bristol, Bradford, Liverpool and Kirklees as well as a request to link into Scotland's *community budgeting* process.

CPI has also made presentations and participated in:

- The All Party Parliamentary Group on Poverty addressing issues of local democracy and public budgeting;
- A Local Economic Policy Unit seminar concerning LSPs;
- The Development Studies Association Annual Conference 2001;
- A European training programme on participatory governance held in Trento, Italy.

Research and resources

CPI has continued to produce a number of research papers on a variety of issues concerning participatory budgeting including:

- Local Strategic Partnerships and Participatory Budgeting in Manchester
- 1 page discussion documents on
 - Tools for greater participation
 - The democratic deficit
 - Reducing democratic exclusion
 - PB One page brief
- Salford budget consultations and PB
- Community participation publications- an annotated bibliography

CPI has also been approached by the New Economics Foundation to consider pulling together a number of these documents into a single publication about participatory budgeting in the UK context.

CPI has continued to develop its resource library of information concerning participatory budgeting and participatory governance around the world more generally. A short 'resource list' has been produced including a list of interesting websites on such issues.

Through contact with a placement student from the UK working in Brazil CPI has also been able to access and translate a number of useful resources about PB produced in Porto Alegre and Recife, including a series of PB cartoons.

Scaling-up

It has been difficult to maintain a good balance between developing the pilot models in Manchester and Salford at the same time as dealing with the growing levels of interest in PB at a national level and from other local authority areas. For this reason work has been undertaken scale up the PB work into a more sustainable programme of work. A project proposal has been developed for a 2 year programme of work which has attracted significant funding from Oxfam's UK Poverty Programme to employ a development worker on a full-time basis.

1. Introduction

The participatory budget (PB) pioneered in the Brazilian city of Porto Alegre and now adopted in at least 70 cities in Brazil represents a form of participatory democracy and local governance developed in the South from which much can be learned in cities in the North.

Community Pride, together with Oxfam's UK Poverty Programme, developed the idea of a 'learning exchange' between the cities of Manchester and Salford in the UK and Porto Alegre and Recife in Brazil. Following an initial visit by Guillermo Rogel of Oxfam's South American Regional Office the following aims of the learning exchange were drawn up:

- To facilitate South-North learning around local governance issues, and in particular the Brazilian experience of participatory budgeting;
- For community activists and council representatives from Manchester and Salford to identify possibilities for changes to policy and practice which would enable greater participation of communities in municipal decision making and hence strengthen local democracy;
- For community activists and council representatives from Brazil to learn from the experience of Manchester and Salford in areas of interest to them.

In May 2000 Evanildo Barbosa da Silva from FASE, an non-governmental organisation (NGO) working in Recife and other cities in Brazil, visited Manchester and Salford in order to introduce the concept of PB and issues surrounding local democracy through a series of seminars with the local authorities and at a conference of community activists. Evanildo's visit aroused significant interest in the further development of the learning exchange through a group visit to Brazil.

It had been hoped that the group would include representatives of the local authorities together with community activists from Manchester and Salford though for financial and logistical reasons the local authorities decided not to participate in this first visit. For this reason, at the end of July 2000, Jez Hall, Secretary of Levenshulme Community Association in Manchester, Ann-Marie Pickup, community activist in the Charlestown and Lower Kersal area of Salford employed by an Agency called SARP (Social Action Research Project), together with Ed Cox, Research Officer with Community Pride, made a 10-day visit to the cities of Porto Alegre and Recife.

This report will seek to reflect the learning which took place during the visit. As well as describing something of the context from which lessons were derived, it will highlight some of the key components of the participatory budgeting process, address its strengths and weaknesses and suggest areas which might be of particular interest for local government, particularly in the Greater Manchester context.



Edien, Ann-Marie, Ed and Jez on the roof of Recife City Hall

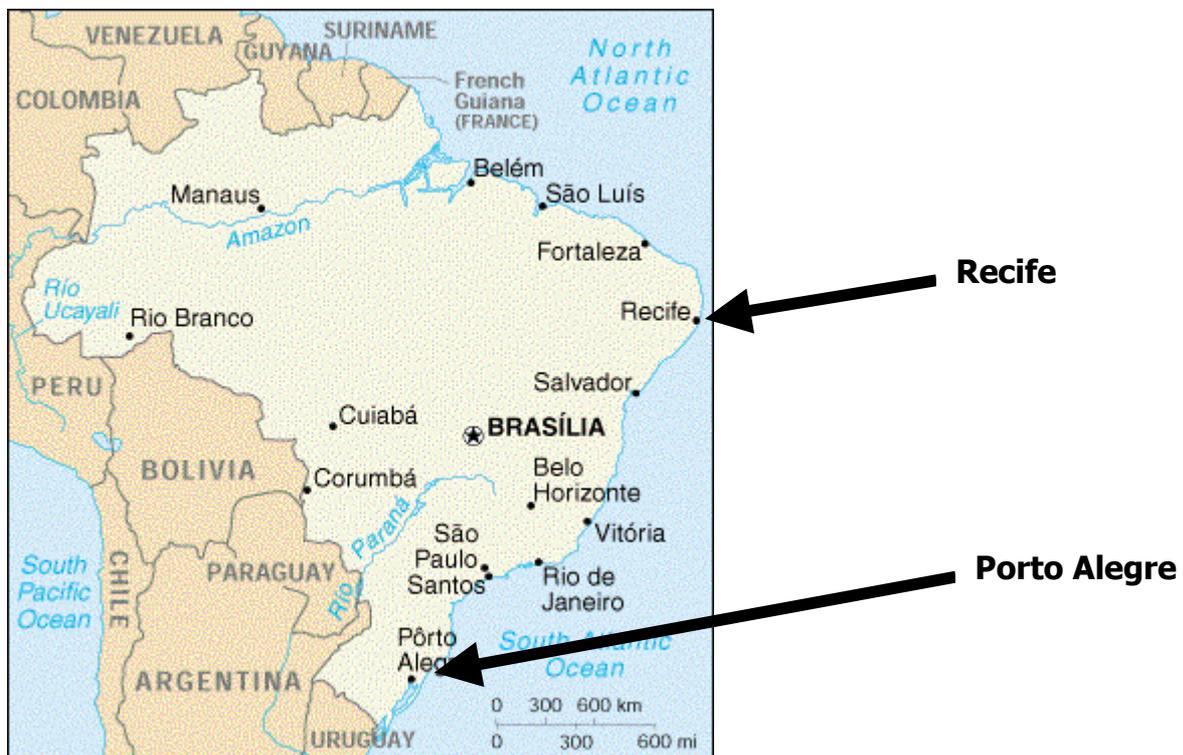
2. The Visit

The visit to Brazil involved travelling first to the city of Porto Alegre in the state of Rio Grande do Sul in the south and then Recife in the state of Pernambuco in the north east (see map). The visit was facilitated by Edien Pantoja of Oxfam Brazil. Although the visit was arranged at very short notice it was a full and interesting programme.

In each place we met with council officials and representatives of the NGOs. We also visited a variety of projects which had benefited from the PB process. Details of these meetings are included in subsequent sections. Prior to the visit a series of questions had been drawn up to guide discussions (see Appendix 1).

Below is a table of information about the two cities:

Characteristics	Porto Alegre	Recife
<i>Location</i>	South Brazil	North East Brazil
<i>State</i>	Rio Grande Do Sul	Pernambuco
<i>Population</i>	1.3 million	1.5 million
<i>Area</i>	497km ²	220km ²
<i>Altitude</i>	10m	4m
<i>Average temperature</i>	19.5°C	28°C
<i>Culture</i>	Strong links with Argentina & Uruguay. German & Italian influences.	A big 'carnival' city with Dutch and Spanish influences.
<i>Environment & economy</i>	A key business city with a busy working port and important administrative function.	A city of large rivers, prone to flooding, and beautiful beaches attracting many tourists.



3. Participatory budgeting – a brief summary

Participatory budgeting (PB) is a mechanism of local government which brings local communities closer to the decision-making process around the public budget. It is a flexible scheme which has been implemented in varying forms across more than 70 cities in Brazil and beyond, enhancing participation in local democracy whilst improving the delivery and cost-effectiveness of local services.

Some of its main **features** include:

- A clearly defined *geographical structure*, complementing political boundaries, which facilitates decision-making and service delivery.
- The development of popular *city-wide Fora* to involve local communities in discussion of thematic issues (transport, education, waste disposal etc.), to discuss strategic priorities and targets and evaluate and monitor on-going activity, in a manner which complements the representative democratic structures.
- A widely understood *Annual Cycle* which provides a framework not only for the local authorities but also for local community activity.
- A network of *support agencies* involved in local capacity-building and the communication and promotion of policy information and practice.

The amount of the public budget apportioned to this more participatory form of decision-making varies from city to city. Local authorities in Brazil face similar limitations on their tax-raising powers as they do in the UK but in those cities where PB has been established for a number of years the cost-effectiveness of the scheme has become an important factor in widening the scope of the PB process.

Some of the clear **benefits** of PB might be listed as follows:

- Cost-efficiency improvements in service delivery;
- Enhancement of community participation in local decision-making, reducing the so-called 'democratic deficit';
- A focus on issues of social exclusion and neighbourhood renewal bringing clear improvements to some of the poorest neighbourhoods;

Whilst there are obvious differences between cities in Brazil and the UK there are also clear similarities in the roles and responsibilities of local government. The *Modernisation of Local Government* agenda and cabinet-styles of working make similarities all the greater. Policies such as Ward Performance, Best Value and now Local Strategic Partnerships may be usefully enhanced by aspects of the PB model as well as complementing learning taking place through area-based initiatives such as New Deal for Communities, the development of 'community strategies' and new attempts to tackle neighbourhood deprivation.

4. The development of Participatory Budgeting and its broader democratic context

There are three necessary conditions for a PB process to develop: **community organisation; technical expertise; and political will.** Clearly the Brazilian urban context is different from that of Greater Manchester, and for this reason it was important to discover something of the historical development of PB in Porto Alegre and Recife and investigate how PB relates to the broader context of local democracy in Brazil.

a. Lessons from Porto Alegre

In Porto Alegre we held two formal meetings with local authority officials. The first meeting with Sergio Gonzalez, one of 17 people from the Planning and Communications departments involved in implementing the PB programme, allowed us to build up a clearer picture of the PB. The second meeting, with members of the CRC (Co-ordination of Community Relations) – a municipal body dedicated to ensuring community involvement in all local authority decision-making – allowed us to focus on some of the more ideological issues as well as local authority perspectives on community involvement. Our visit was one amongst an increasing flow of international visitors from countries such as Canada, France, Belgium, Spain and Sweden and it was clear, with promotional literature produced in English, that those with whom we were meeting were adept at answering the kinds of questions we had brought with us.

In Porto Alegre the PB has its roots in the process of *discussion and approval of Brazil's first post-dictatorship Constitution* in 1988. In this sense it arises out of the *high degree of grassroots organisation* that accompanied the transition to democracy and the reaction to military rule within squatter movements, women's organisations etc. The election of the *Workers Party (PT)* in the late 1980s provided a strong ideological and organisational framework for the PB with a particular view to bringing greater transparency to the previously corrupt 'black box' situation that surrounded national, state and municipal public budgets.

The PB process itself arose out of a number of *more specific issues* concerning banking, transportation and the raising of local taxes. Its development was initially haphazard with popular participation limited in the first few years and with a degree of political opposition to its development. As the process itself was developed and improved popular participation increased dramatically reaching what was recognised to be a *'critical mass' of about 10,000 in 1993*. It began to be recognised as a political success after the PT secured re-election with PB as a key plank of its manifesto. Resistance to its introduction and development was reduced by the fact that local authority officials tend to be political appointments unlike British civil servants. It was interesting to discover that political opposition parties now advocate different forms of PB and oppose the PT on the grounds of improving its efficiency rather than questioning its legitimacy.

With more than 20,000 people now actively involved in PB meetings it would appear that popular participation has levelled off in the past 2 years. As the process has developed priorities have shifted away from transport and sanitation towards education, health and social care. It was suggested that this reflected the increasing involvement of women in the PB process and the 'feminisation' of priorities. It was also noted that whilst initially it had been poorer communities who had had the greatest incentive to participate the 'middle classes' were now 'learning to play the game' and may become increasingly dominant.

It was clear from discussions and visits that the PB was seen as a pragmatic programme but that the ideas which underpinned the programme about participation and democracy were more important to local authority officials and participants alike. The development of social organisations such as unions, credit unions, health and sports centres and the promotion of active citizenship undergirded and formed the ultimate objective of the PB process. Interestingly, the cost-efficiencies resulting from the PB programme were often regarded as secondary to the aims of building participation and social inclusion – an apparent inversion of recent local government priorities in the UK.



Visitors meet Mayor Raul Pont in Port Alegre

b. Lessons from Recife

In Recife we held meetings with the Deputy Secretary for Social Policy, and with representatives from the 'Co-ordinating Forum' of the PB (often referred to as the COP). It was clear from both meetings that PB was still in its early stages of development and had not reached the level of sophistication or support that had been achieved in Porto Alegre. Furthermore it is important to note that Recife is a considerably bigger and poorer city than Porto Alegre and is more prone to natural disaster. We witnessed some severe flooding during our visit due to which it is estimated that up to half a million people were made homeless.

PB was introduced in Recife in 1995 with the election of a 'populist' mayor who had used PB as part of his pre-election commitment, influenced by the widely acknowledged success of the PT in Porto Alegre and elsewhere, and keen to be seen to be doing something to relieve poverty. Subsequent alliances formed by the Mayor with more right wing parties have meant that the PB process has struggled to be properly implemented. Although up to 30,000 people have participated in the PB process less than 1% of the municipal budget is allocated through PB decision-making and almost a third of all PB decisions have yet to be carried out since 1996.

The introduction of PB has been facilitated by a strong NGO sector used to working with the large population of urban poor through another municipal authority urban development scheme known as PREZEIS, which seeks to improve the many favelas in the city. The role of the Catholic Church has also been important through organising the urban poor particularly during the period of military rule. On the other hand community activists and local politicians remain vulnerable to political patronage and this has undermined the PB process. There remains considerable opposition to its implementation, not least from political parties seeking deeper privatisation. Hence in a number of districts PB implementation is weak. Furthermore, there is more widespread cynicism about political processes in Recife, particularly as a result of forced removals from favelas and the apparent failure of the political process to deliver improvements to the urban poor. In short, at the present time it appears that there may not be the political will to sustain PB in an effective manner.

A series of other factors also appear to hamper its successful implementation. The larger scale of the city makes travelling to central meetings problematic, and seems to have posed problems with co-ordinating the widespread publicity required to run the PB process. These factors are sometimes compounded by natural disasters which also disrupt the functioning of the 'annual cycle'. It is probably fair to say that due to a wide variety of factors PB is not yet operating effectively in Recife. That is not to say that we did not learn from our visit to that city, if anything we learnt more. Not least it emphasises that community organisation must be complemented by both political will and technical expertise and that a PB programme is dependent on there being some funds for meaningful investment. Further lessons will become clear in subsequent sections of the report.

5. Technical issues concerning the Participatory Budgeting process

One of the key aims of the visit to Brazil was to demystify some of the technicalities of the PB process. The problems with language and understanding the different forms of local government proved big hurdles in this regard, as did the fact that our party did not include experts on finance or local governance but people more concerned with issues of community development and organisation. Having said that, many technical issues are understandable and transferable and can prompt ideas as to what may still need to be learned in the UK context.

The paper will draw together learning from Porto Alegre and Recife in a series of sections on different 'technical' aspects of the PB process.

a. The geographical structure

In both Porto Alegre and Recife the PB is underpinned by a very clear and systematic 'three-tier' geographical structure. In Recife, for example, the city is divided into six 'political-administrative regions', each one being sub-divided into 3 'micro-regions'. Each micro-region then contains a number of 'barrios' or neighbourhoods. (See Appendix 2 for a map of the Recife structure). This hierarchical geographical structure is particularly important with regards the election and distribution of representatives in the different fora. We were not made aware of any problems with regards boundaries.

b. Fora and meetings

Decision-making within the PB process takes place primarily through a number of fora (forums). In Porto Alegre and Recife the fora have different titles but essentially they perform similar roles. The main fora may be listed as follows:

- The General Forum
- The Co-ordinating Forum
- Regional Plenaries
- Thematic Plenaries
- Micro-regional meetings

It was clear in both cities that the most important level of decision-making was the community or neighbourhood itself. The many community groups that exist in each neighbourhood all seem able to express ideas concerning the public budget and local service provision and send representatives to neighbourhood and 'micro-regional' meetings. Beyond this though anybody, including an individual not part of a wider group, may attend and at least question the area based plenaries which set priorities and gather ideas at the regional level. In Porto Alegre, when it comes to voting at community level 10 'individuals' are allowed to band together in order to constitute one vote, and such regional meetings elect representatives for thematic meetings, the General Forum and the Co-ordinating Forum. This obviates the need for all local groups to be formally constituted.

Thematic plenaries set priorities and gather ideas within different areas of municipal responsibility such as housing, health, education etc. The Co-ordinating Forum is established to set rules and criteria and ensure that the whole PB process actually works (see below). And the General Forum takes ultimate responsibility for setting the budget once priorities and ideas are gathered and analysed. (The General Forum is however still dependent on the budget being finally agreed by the Chamber of directly elected representatives - our local councillors). Each of these various fora are attended by delegates from the regions and micro-regions, though electoral processes and the nature of representation seems to vary between cities and even within cities.

c. The Annual Cycle

The PB operates according to an annual cycle. Dates for meetings and decisions are set out from year to year but participants generally understand the kinds of discussion that should be taking place from one month to the next.

Cycles were slightly different in Porto Alegre and Recife. The cycle in Port Alegre can be broken down into four broad phases (see Appendix 3 for detail):

- Phase 1 (March-June): 2 rounds of Regional and Thematic Assemblies;
- Phase 2 (July-August): Formation of the institutional fora and drafting of outline budget;
- Phase 3 (August-September): Discussion and approval of budget;
- Phase 4 (October – March): Monitoring and evaluation of work in progress.

The value of the annual cycle is that the decision-making process is easily communicated and slowly forms part of the 'routine' activities for local community organisations. (We were reminded on our visit that some city-dwellers still have memories of rural agricultural cycles and most groups follow a cycle with respect to preparation for the annual Carnival). It also produces a 'natural' mechanism for local authority 'consultation' and activity of other sorts. The process of evaluation and monitoring is also important in generating a greater sense of 'community ownership' over investment programmes and greater accountability of the local authority.

d. Rules & criteria

Prior to the visit we were unclear as to how specific community needs could be translated into an overall, city-wide investment plan and how such an apparently complex system was able to operate effectively and fairly. The answer lies in the fact that the PB is dependent on an apparently complex set of 'rules' detailing everything from how delegates can be elected to the different fora to what relative weights and criteria are set for different aspects of the budget. For this reason in both Porto Alegre and Recife there is a special Forum with representatives from each 'area' to revise, adapt and implement the rules and criteria each year.

In Porto Alegre the process is perhaps most developed. It depends upon the concept of a 'budget matrix' which is developed not in terms of finance but in terms of the relative priorities of different aspects of investment across each area of the city. For example:

	Housing	Crime	Health	Education	...
Area 1	Priority 4	Priority 1		Priority 3	
Area 2		Priority 2	Priority 1		
Area 3	Priority 1	Priority 3	Priority 4		
...					

These priorities are combined with three other factors:

1. City-wide thematic priorities developed across areas (though with maximum community involvement);
2. A measure of the level of infrastructure/service quality for each aspect of investment in each area;
3. The population of each area.

The four factors are given relative weightings and the different priorities given points thus developing an overall 'budget matrix' upon which quotas for investment can be established and specific project proposals drawn up for each area.

All of the weightings, priorities and contributory factors to the budget matrix are published in a concise book which also sets out the overall annual investment programme on a project by project basis for each area.

e. What the PB can fund

The PB is used to fund a wide variety of projects and schemes including housing, drainage and waste, road-building, transport, health, education, business development, and cultural programmes. In Porto Alegre the budget matrix is broken down into 12 categories of investment. Schemes and ideas tend to be generated locally but, in the case of Recife and Porto Alegre, they are then managed by the appropriate local authority department. Further consideration of investment and impacts may be found below.

f. Participation & inclusion issues

Participation in the PB appears to take some years to build. In both cities people talked of the need to reach a 'critical mass' of participants after which the scheme would be widely known and understood and begin to take a life of its own. In Recife it was clear that after only 3 years of operation that point had yet to be reached though due to the various obstacles currently facing the programme there was some concern that such a point could never be reached.

In Porto Alegre far more research has been undertaken about participation in the PB. At present as many as 20,000 people take part in the regional and thematic meetings though many more are involved in local and micro-regional meetings. In its first 2 years no more than 4000 people participated in regional and thematic meetings and it took 4 years for a critical mass of around 10,000 participants to be reached. The proportion of women, young people and more middle class communities involved in PB has increased over time and this has had a noticeable impact on the kinds of schemes and priorities set.

g. Local authority organisation

In both Porto Alegre and Recife the operation of the PB had considerable impact on the way in which the local authority organises its structures. In Porto Alegre a separate 'department' known as GAPLAN has emerged with 15 staff who ensure the effective running and implementation of the PB and cross-departmental working within the local authority. Porto Alegre has also developed a department called CRC with 20 staff who are responsible for community capacity-building and participation in the PB process. In Recife no such structures have been put into place and it seems that the PB has been grafted onto existing structures without adequate resources. Whilst there is some evidence of improved cross-departmental working, representatives from the Co-ordinating Forum that we met highlighted this as a major obstacle to the PB's successful operation as even the most committed 'community development workers' found themselves too stretched to properly ensure participation in the PB.

h. Financial issues

There is considerable debate and interest in the proportion of the budget that is affected by the PB process. In most cities only the 'investment' part of the budget is affected by PB, and 'fixed costs' cannot be influenced by popular participation. It is generally considered that PB therefore influences between 10% and 25% of the total budget. Porto Alegre and Recife are both exceptions for different reasons.

In Recife, approximately 7.5% of the total budget is earmarked for investment. Of this, between 10% and 20% - less than 1% of the total budget - is allocated to the PB. In real terms this is around just US\$1 per person per annum and may well explain the lack of popular enthusiasm for the scheme. In Porto Alegre on the other hand, the budget matrix is now applied to the whole municipal budget and in this sense PB is responsible for dealing with not only investment but also decision-making about fixed expenditure and, where necessary, cuts. In real terms in 2000 this accounts for R\$850million, equivalent to £30million.

As with local government in the England and Wales, national government imposes limitations on the ability of local authorities to raise tax. Only 10-20% of total revenue is generated through

local taxes. Though due to growth in the size of cities and general economic growth Brazilian cities tend to generate larger amounts for investment than is the case in the UK. In the UK however the regeneration 'pots' are a useful equivalent to the 'investment budget' of Brazilian local authorities.

i. Impact and cost-effectiveness

We struggled to gather any clear statistical evidence of the cost-effectiveness of the PB programme, indeed at times our hosts in both cities were a little perplexed about our insistence about the issue. In Recife it was clear that the lack of evidence was both a function of the programme's short lifetime so far and that its implementation has not been particularly successful. In Porto Alegre on the other hand the need for statistics on cost-effectiveness per se was far outweighed by the huge evidence of improvements to almost every aspect of local authority activity and service provision. The following section will highlight some of the strengths and weaknesses of the PB process.

6. Participatory Budgeting and the Political Process

To locally elected politicians PB could appear, at one level, to undermine the traditional political process of representative democracy whereby citizens elect representatives to make decisions, such as budget-setting, on their behalf. This has not been the case; in fact PB has strengthened and enhanced traditional political processes and complemented them rather than undermined them.

In recent times in cities across the UK and beyond local representative democracy has, to a large degree, failed to attract sufficient 'voter turn-out' to give it the kind of legitimacy it deserves as a fundamental aspect of the democratic process. Many reasons are suggested for this so-called 'democratic deficit', but a very commonly cited cause is voters' perceptions that locally elected councillors 'make no difference'.

It is precisely this perception that PB has counteracted. Through PB meetings local councillors in Brazilian cities have enhanced their roles as local organisers and champions of key thematic issues. In some cities local PB priorities have been politicised (both to good and bad effect) and this has had the effect of localising and strengthening both political debate and the accountability and authority of the locally elected representative. Whilst PB does generate another group of non-political community leaders and activists this does not marginalise elected members but offers them a key group of local interests with which to engage and 'represent'.

In practice, then, PB has heightened the role of the elected member. Voter 'turn-out' on election day is very high; indeed, as visitors we witnessed a high level of local campaigning in August when elections were not due to take place until October/November – an indication of how PB has bolstered political awareness and participation in Brazilian cities. Such is the popularity of PB that few political parties now exclude such a process from their local manifestos and the Workers' Party – who have the greatest success in its implementation – are experiencing a dramatic rise in support in more and more cities across Brazil. In Porto Alegre, for example, they have won an unprecedented fourth term in office whilst gaining control of more than seven new cities - including Sao Paulo itself, the biggest city in Latin America – on a PB platform.

In addition it must not be forgotten that despite the participatory nature of PB the representative system still acts as an ultimate check - even after the PB process has run its course the elected Council must still approve and adopt its recommendations. In practice, due to the political involvement in the process itself and its popularity this very rarely leads to conflict between the two systems, demonstrating their complementary nature.

In effect, therefore, PB, whilst adding a level of complexity to the democratic process, has been shown to reinvigorate the local political process and augment the role of the locally elected member.

7. Community organisation

Community organisation is a necessary condition for the successful operation of the PB. Having said that, the PB also provides a suitable framework and catalyst for the development of community organisation and is a model for building active citizenship. Community organisation was also a key focus of our visit as two of our small party may themselves be considered community activists within their own context.

a. Lessons from Porto Alegre

In Porto Alegre we visited two 'projects' that had benefited from PB:

- Vila Cruzeiro – a favela community that had secured a properly paved and drained road through the PB;
- Associao Parque Arariboia – a sports centre in a more 'middle class' community.

We also had the opportunity of attending a 'thematic' meeting concerning transport issues at the Town Hall at which 'operators' such as taxi and bus drivers and users asked questions of transport officials based around priorities and policies agreed through PB.

As previously described, community organisation in Porto Alegre was historically good as a response to military rule and the more 'independent' tradition of this southern city. The level of *political awareness of the community* seemed high with campaigning and electioneering taking place in the city's squares, and hoardings and flag-waving along most city streets more than 3 months before local elections were due to take place. Awareness about PB also seemed high and those we spoke to, including interested passers-by, seemed familiar with the PB and its processes.

The level of '*community capacity*' may be accounted for by the fact that the municipal authority has a dedicated department, the CRC (Co-ordination of Community Relationships), with *excellent staff*, buildings, a publicity bus and other resources at its disposal to facilitate community involvement in the PB. However, it is also due to the *dedication and hard work of local community organisations* and activists, many of whom have very few resources other than their own time, energy and commitment.

In visiting the Vila Cruzeiro favela it was easy to conclude that when a community is lacking such basic amenities as a tarred road then it is no wonder that the community organises itself. The community which had been established for 15 years without the benefit of bus services nor decent drainage. The steep slope though the community had been nothing more than mud tracks alongside a dangerous gully. The community organised itself, called regular meetings and put forward a woman named Therese as a 'delegate' within the PB process who successfully negotiated the provision of a properly drained, tarred road. We were struck by the fact though that neither the 'level of need' nor the existence of the PB reduced the amount of hard work necessary in order for communities to organise effectively to ensure such services and amenities were provided. Theresa explained that her work had involved considerable *door-knocking and information sharing* within her community as well as attending many meetings and having to be involved in some hard negotiations in order to achieve the community's aims. Porto Alegre had *no 'magical solution'* for community organising other than that the potential rewards through the PB seemed great.

This was also true in Associao Parque Arariboia (APA) where it was stated that committee representatives had attended more than 700 meetings between the sports centre's inception and its opening. We were initially interested to be taken to a more 'middle class' neighbourhood to see the benefits of the PB in the form of a fairly large sport and leisure facility, based around arguments of community health that reflect our own Healthy Living Centres. Vila Cruzeiro and other projects had demonstrated the way in which PB can *inverse normal patterns and priorities of council spending to favour poorer communities*. But APA represented an example of the way

in which *all communities could benefit from the PB* through the development of the overall priorities and criteria used to designate PB spending.

APA also demonstrated though the positive way in which PB can engender *community ownership of and involvement in service provision* within a local community. At one level the number of meetings it took to secure the Sports Centre might suggest an overly bureaucratic process, at another it was a demonstration of the *huge commitment and team-working* required by the APA community. Such commitment was particularly evident in the pride with which the facility was shown to us and maintained.

We were very struck by how busy the Sports Centre was. It seemed that *the whole community had been involved in drawing up plans* for what activities should be provided. We witnessed the involvement of local schools, disabled and elderly groups in sporting and social activities on one afternoon and we were impressed with the *inclusive outlook and holistic view of health* taken by the members of the management committee we met. For example, when asked about local drug addicts who had been the source of problems in the neighbourhood, we were told that APA was exploring ways of trying to get them involved in activities, rather than keep them out. This indicates that the sense of pride that seems to exist in the achievement of getting a sports facility is willingly shared throughout the community and has *fostered a sense of community spirit and inclusiveness* usually lacking in more middle class communities. It was interesting to note that trophies were proudly displayed without the fear of them being stolen and that there was no evidence of vandalism or damage to the building indicating a *strong sense of local ownership*.



The new road in Vila Cruzeiro



APA Sports Hall

b. Lessons from Recife

In Recife we visited 3 projects that had benefited from the PB:

- Ibura Community School – an independently run primary school facility in a state housing area that had previously been a favela;
- A health centre in the '27 Novembre' community;
- Rua 21 Abril – a main road linking 4 communities and allowing for much improved drainage.

Many of the lessons learned in Recife were similar to those learned in Porto Alegre about community organisation: the value of commitment, vision and hard work; the sense of community ownership and pride in facilities they have played an active part in developing; and the value of an inclusive approach. But there were other lessons to be learnt in what were clearly much poorer neighbourhoods on the outskirts of the city.

Ibura is a community of state-provided housing that resulted from slum clearance. Its community school was established in somebody's home as part of the resistance movement before the advent of democracy in Brazil. In recent years it has remained an independent, community-run school but now operates as a beacon of good practice for local state schools and has received funding through the PB. For example, through the success of accepting 5 year-olds (state school acceptance is not until age 7) and through integrating special needs teaching within the mainstream programme local state schools have now begun to adopt similar models. Furthermore, levels of absenteeism and drop-out are much lower than in state schools and standards of achievement higher. Ibura Community School demonstrates the importance of the independent and self-reliant nature of community organisation and that very often the local community has the most intimate knowledge of community needs and how to solve them.

The '27 Novembre' community is named after the date upon which favela dwellers invaded a large area of private land on the outskirts of the city in 1982 in order to build their homes. Following a protracted struggle to gain official recognition of their claim on the land the community has received money from the PB to establish and run a health centre to serve a community which has few other services. Following the success in gaining a health centre the community is now working on proposals for a better sewerage system. In speaking to both the health worker and school teachers at Ibura it was clear how important the facilities have been in generating local confidence and leadership which can then be used to tackle wider issues at more strategic levels. For Example, one of the participants in the management of the Ibura school now takes a place on the PB's Co-ordinating Forum for the whole city.

Rua 21 Abril is an impressive road which extends for about 5 kilometres between 4 different communities. Before the road was built it was a dirt track which was regularly flooded and pot-holed making it impassable due to problems with drainage in the area. Again, local activists such as Maria-Helena tell of the hard work and commitment that was required in order to win PB funding and of the importance of women and the churches in organising communities. She also told us about the great pride in the area and the fact that very few people ever move away from even the poorest parts of the neighbourhood. Rua 21 Abril also indicates the ability of community organisations to work beyond and across neighbourhood 'boundaries', defying common perceptions of the parochial nature of community organisation. Representatives from 4 different communities worked together in order to secure the road and found common leadership in the various meetings of the PB process.

A key issue we recognised in visiting community organisations in Recife was the value of the annual cycle. It was clear that despite problems organisations still had a good idea of what kinds of issues they should be concerned with at different times of the year: whether it was developing new ideas, electing representatives or evaluating last year's programmes. It was also evident that when the cycle could be disrupted by natural disaster and that during the

heightened political atmosphere during local and state elections the PB did not always operate smoothly.



Rua 21 Abril, Recife



Ibura Community School Classroom

8. The Role of NGOs (the voluntary sector)

It was clear before our trip that non-governmental organisations (NGOs) – similar to what we call the voluntary sector in the UK - play a vital role in the PB process, particularly in facilitating the flow of information between the municipal authority and community organisations and ensuring meaningful community involvement in the different meetings and fora.

a. Lessons from Porto Alegre

In Porto Alegre we met with CIDADE - pronounced 'sidaje' and meaning 'city' – the main NGO working with PB and wider municipal authority policy issues. Porto Alegre has other NGOs that work on 'capacity building' community organisations. It is also important to note that in Porto Alegre the municipal authority has a department called CRC, responsible for "operating" the PB. The CRC appeared to operate with a degree of autonomy, its workers adopting a 'community development' approach towards their work.

CIDADE formed in 1993 in order to facilitate community involvement in the PB process. Following the closure of the National Housing Bank and the development of the new constitution in 1988 a variety of individuals, some linked to unions, had been involved in developing links with the municipal authority with a view to forming policy and 'demystifying' budgetary and taxation issues. After its inception in 1989 PB did not receive popular support and so by 1993 a number of those individuals felt that an NGO needed to form in order to help facilitate the PB process.

CIDADE workers spent their first year simply listening at PB meetings, talking to individuals in order to build up a picture of what was needed. They discovered that the primary need was for greater technical knowledge of the PB process. For this reason they have endeavoured to explain the overall process in a straightforward manner, developing, for example, a pictorial representation of the annual cycle (see Appendix 3). They have also sought to gather information on the budget itself and make it accessible to community organisations. Much of their work involves attendance at meetings, providing information, and facilitating their smooth operation, particularly in the case of the Regional and Thematic Assemblies. More recently CIDADE has been involved in a major evaluation of participation in the PB which has been published in conjunction with the municipal authority. CIDADE is a team of 8 people, 4 concerned with technical issues and 4 with the development of resources, administration and finance. CIDADE does not appear to undertake grassroots 'capacity building' as other NGOs perform this role. However it does run courses and training on the PB, in conjunction with the municipal authority, according to the needs of community groups.

CIDADE emphasise the importance of the annual cycle. Their lively posters make it clear to community groups what discussions they should be having in each month and what is taking place with regards the PB process at any time of the year. CIDADE also produce and distribute information about the budget and promote PB meetings, resources and activities through attractive posters and newsletters. CIDADE also share information through their own website.

Workers at CIDADE did not hide the fact that there had been difficulties with the municipal authority, such as getting hold of 'public' information, and that although they did not play a "passive" role the relationship was a constructive one. They recognised that their independent action is made easier by the fact that they receive their funding from the international Inter-American Fund rather than the municipal authority itself.

CIDADE recognise the importance of PB not simply in terms of more targeted spending of municipal authority resources. They understand that the PB process also strengthens community organisation and empowers groups at the local level, which is a benefit in itself.

b. Lessons from Recife

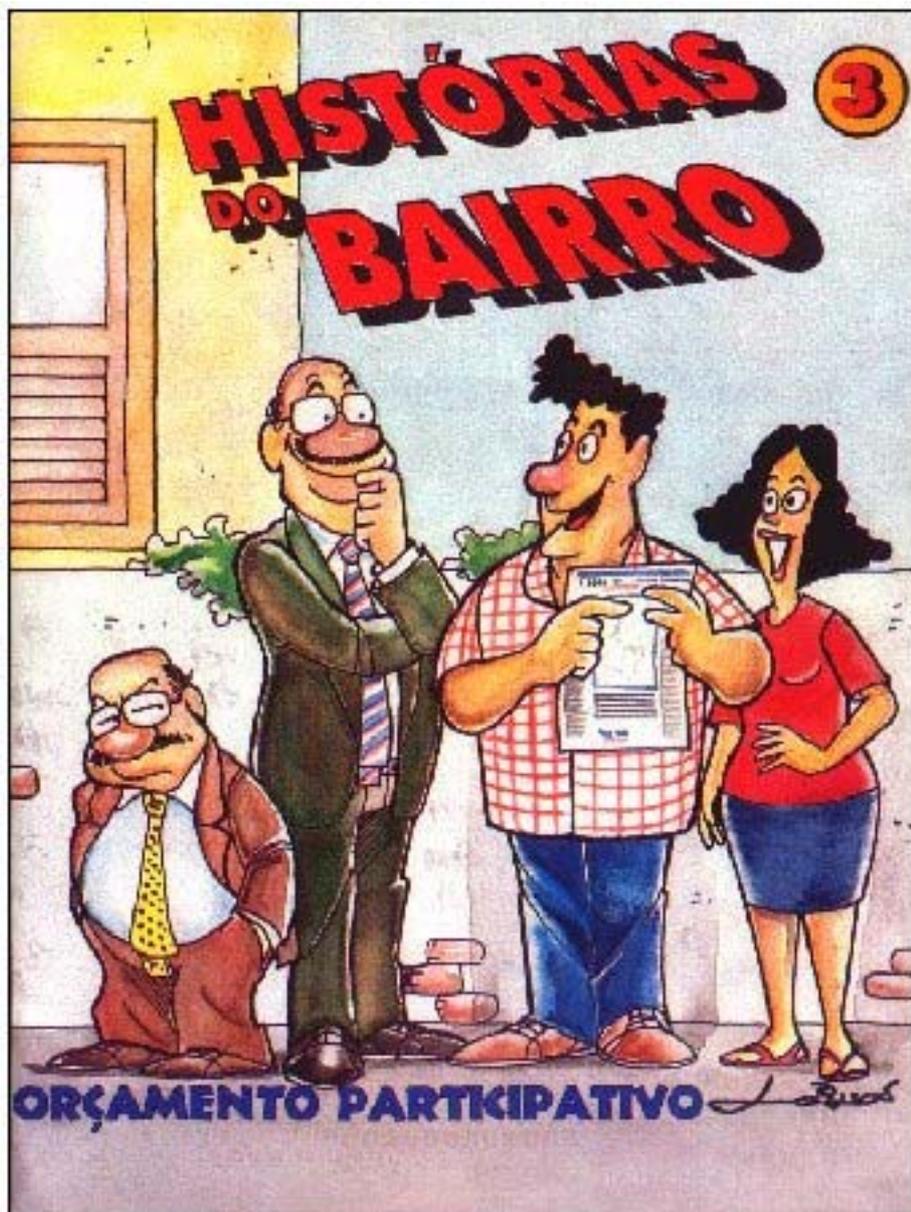
In Recife we had two formal meetings which involved representatives from NGOs and, as they also acted as our hosts, we were also able to share information with them in other social settings. A variety of NGOs are involved in the PB process in Recife though again the municipal authority has community development workers who liaise closely with the sector. Some of the key agencies are Centro Jose Castro (CJC), FASE, Centro Luis Freire (CLF) and the 'German Development Service'. NGOs played a vital part in lobbying to get PB introduced in 1996. Now, each seems to play a slightly different role from the other and specialise on certain themes such as the budgetary cycle, the role of the delegates or publicising and making transparent issues and information. Many of the NGOs also play a role in the PREZEIS programme to regenerate favela areas.

As previously described, in Recife the PB process and NGO involvement is problematic. Many of the NGOs are involved in the 'Co-ordinating Forum' and expressed their concerns about deficiencies in its operation. Some of the concerns that were expressed include: the need for greater political commitment to the process; the need for better publicity about the PB process as a whole and thematic issues rather than simply local demands; the need to strengthen the technical operation of PB; and the need for better organisation and consolidation of community organisations to avoid the politicisation and patronage of local representatives ('delegates'). NGOs clearly feel they have a role to play in addressing these issues though often expressed the view that they still feel inexperienced in handling the process.

NGOs in Recife seem to have a strong ideological stance. They seem to share the view that their central task is 'the democratisation of public space' and 'guarantee participation' in the PB process. With political patronage so strong in Recife they are keen to assert that they have no political links and fight for social issues in an independent and autonomous way. Their core funding comes from international agencies such as Oxfam and the European Union though they do receive small grants from the municipal authority. They highlighted the fact though that many of the grassroots community organisations are dependent on funding from political parties and are therefore less independent.

The activities of the different NGOs are diverse. FASE and CLF concentrate on data collection (at municipal authority and state level). They monitor the budget, levels of community participation and the extent to which proposed works are carried out – a major problem with Recife's PB. Some training on PB and budgetary issues has been provided for community groups although it has not been particularly successful and it was recognised that it needed to be provided more locally and with a greater practical emphasis. These NGOs are also concerned about how they can better communicate the information they gather using local radio, television and the press.

CJC works primarily with local community groups to assist them in their development and to nurture good local representatives. They have an agreement with the municipal authority to provide capacity building programmes in this manner. Such programmes address broad issues such as democracy and civil society as well as public budgets and how the PB works. However there was frustration that local activists seemed only to care their own local issues and did not share in a wider commitment to PB.



Cartoon Book explaining Participatory Budgeting in Recife

9. A Summary of the strengths and weaknesses of Participatory Budgeting

1. Strengths

a. Improvements to the provision of services and infrastructure

- Most cities that have implemented a form of PB indicate improvements to the provision of services and infrastructure.
- The following information is taken from Porto Alegre where monitoring has taken place for a longer period than in other cities:

Education

- ✓ Number of schools increased from 37 in 1989 to 89 in 1999
- ✓ Fall in illiteracy from 8% in 1995 to 3% in 1999
- ✓ Fall in truancy rate from 9% in 1989 to 0.97% in 1999
- ✓ Won national 'City of the Child' Award, sponsored by UNICEF in 1998 and 1999

Health

- ✓ Designated as a high priority in recent years (14.5% of municipal budget)
- ✓ Increase in 'mobile' primary health care teams from 2 (1996) to 29 (1999)
- ✓ 21% reduction in hospital admissions (1998-1999)
- ✓ 53% reduction in deaths caused by respiratory illness (1998-1999) following campaign

Housing and infrastructure

- ✓ Nearly 9000 families rehoused into brick dwellings since 1989
- ✓ 571 streets built or resurfaced since 1993
- ✓ 2 bridges built
- ✓ 99% population now have treated water

Other important indicators

- ✓ Significant improvements in local tax collection since introduction of PB
- ✓ Improvements in cost-efficiency and monitoring of services
- ✓ Using UN criteria Porto Alegre has the highest 'Quality of life' in the whole of Brazil.
- ✓ UN HABITAT II prize for human improvement, governance, administration and business development in 1996 and 1999

b. Strengthening of the community organisation and voluntary sector activities

- The introduction of PB has led to:
 - ✓ improvements in community capacity, community leadership and active citizenship;
 - ✓ increased awareness and understanding of decision-making processes in local governance;
 - ✓ a greater sense of community 'ownership' of resources and facilities;
 - ✓ and the development of more inclusive, 'healthy' communities.
- It has also promoted the development of a strong, innovative & engaged voluntary sector with some organisations working closely with the local authority to develop and improve community involvement in PB and other local authority programmes.

c. Renewing democratic and political processes

- The PB has introduced a clearly structured and popular means of engagement and ‘partnership’ between local authorities, citizens and other agencies in the city leading to much improved transparency and co-operation between parties.
- It has gone a long way to tackling what is sometimes termed ‘the democratic deficit’ and led to high levels of participation in local elections.
- PB has also proved very popular from a political perspective. The ‘Worker’s Party’ have been returned to office an unprecedented 4 terms in succession in Porto Alegre. In the second round of current municipal elections they look set to triple the number of municipal authorities that they control from 107 to more than 300 including winning Sao Paulo (Latin America’s biggest city) and Rio de Janeiro each for the first time.

d. Tackling neighbourhood deprivation

- The PB has demonstrated its success in involving people from the poorest and most marginalised communities and groups in the decision-making process. (In Porto Alegre more than 40% of participants in regional plenaries come from households which earn less than 3 ‘monthly minimum wages’ and 9% from households which earn less than 1).
- PB has also demonstrated its success in prioritising the needs of poorer communities within the budgeting process, particularly with regards the provision of basic services and facilities to poorest neighbourhoods.

e. Attractive to business and international recognition

- The PB has also provided a wider context for considerable economic development in Brazilian cities. In Porto Alegre:
 - ✓ Unemployment has been reduced to 14.5%
 - ✓ More than 30 ‘business-focussed’ projects have been initiated through the PB including the development of a technology park
 - ✓ In 1999 it came runner-up in a survey to discover the ‘best city in which to do business’ by a leading Brazilian business publication
- PB has also gained considerable international profile for Brazilian cities with a growing list of international cities now adopting similar PB processes themselves. The list includes:
 - ✓ Barcelona
 - ✓ St Denis (Paris)
 - ✓ Stockholm
 - ✓ Toronto
 - ✓ Cape Town
 - ✓ Mexico
 - ✓ Montevideo
 - ✓ Edinburgh & Glasgow
 - ✓ and many others
- In Porto Alegre the PB process has gained international recognition through the United Nations, World Bank and International Council for Local Economic Initiatives (ICLEI).

2. Weaknesses

a. Complexity and bureaucracy

- Perhaps the greatest weakness of the PB is the complexity of its organisation. It is important to ensure that the PB is not 'tagged on' as another scheme but 'builds on' existing structures and processes.
- It also seems that it takes a number of years to become effective and generate sufficient participation to achieve results. Its cost-efficiency in early years is therefore questionable.

b. The need for strong commitment

- The PB requires strong commitment in order to work. Although it could be piloted in small areas to work effectively requires strong and confident administration and which delivers action on the ground.
- There is a danger the PB can be seen simply as a slogan or populist programme unless it deals with a significant amount of the annual budget. Popular participation requires the sense that it is worthwhile getting involved.

c. The need for capacity-building

- Community and voluntary sector groups require capacity-building and support if they are to play a dynamic role in the PB process.
- Councillors and local authority officials also require 'training' concerning the principles and the practice of the PB process.

d. The danger of raising expectations

There is also the danger that introduction of a PB process can raise the expectations of local neighbourhoods beyond sustainable levels. Again, this requires careful information and training in order to ensure people are aware of the true nature of the programme.

10. A summary of the opportunities and challenges of PB for local authorities in Greater Manchester

a. Participatory Budgeting and the 'Modernisation of Local Government' agenda

Interest in PB is timely in that it fits well into the broad framework set out in the government's agenda to modernise local government. The Local Government Act 2000 places a duty on local authorities to promote and improve the economic, social and environmental well-being of their areas. This duty includes the preparation of a 'community strategy' to ensure that *'the various bodies who provide services to the public are better co-ordinated; are responsive to the concerns of local communities; are delivered in ways that suit the people who depend on them; and take account of the needs of future generations.'*

Draft DETR Guidance about 'Preparing Community Strategies' (DETR, June 2000) makes the opportunities for some form of PB mechanism very clear:

- '... a community strategy will have to meet three objectives. It must:*
- allow local communities to articulate their aspirations, needs and priorities;*
 - co-ordinate the actions of the council, and of the public, voluntary and community, and private sector organisations that operate locally;*
 - focus and shape existing and future activity so that they effectively meet community needs and aspirations.'* (Page 8)

'The development and implementation of community strategies needs to become embedded firmly into partners' managerial cultures, resource planning and budgetary decisions.' (Page 10)

'It should be central to an authority's planning and resource decisions, ensuring that local priorities and concerns are genuinely reflected in the allocation of resources.' (Page 20)

Similarly, HM Treasury Guidance about the formation of Local Strategic Partnerships also places heavy emphasis on the involvement of the community and voluntary sector in setting local priorities and developing local Public Service Agreements (PSAs). Guidance states that:

'Local authorities will need to demonstrate that the local priorities they are proposing are important to and supported by local people and partners.' (Page 33, *Local Strategic Partnerships*, HM Treasury, October 2000).

Already, regeneration programmes such as New Deal for Communities are beginning to demonstrate the value of community leadership in setting priorities for regeneration spending. PB offers the opportunity of a mechanism to extend such good practice to the mainstream expenditure of the local authority. All local authorities are adopting different approaches to the *Modernisation of Local Government* agenda and responding to guidelines in different ways. This paper will now consider the different approaches taken by Manchester and Salford city councils and indicate 'opportunities' whereby aspects of PB may be usefully integrated within emerging programmes.

b. Case study 1: Manchester

Corporate Aims

- Manchester City Council demonstrates a clear commitment to the ethos underpinning the PB. Part of Manchester City Council's Corporate Aims states:
'The City Council is the only democratically elected and accountable body in the city and we take this role very seriously. We will consult widely and actively involve local people in decisions so that their views and interests are fully represented in the planning and future development of the city.'

Annual Budget Consultation

- In 2000, for the first time, Manchester City Council held a public meeting to consider the 2000/2001 budget prior to its acceptance by the full Council. Discussions are currently to be held between Councillor Clare Nangle, Executive Member for Finance and Human Resources, and representatives of the voluntary sector with a view to wider involvement in the budgetary decision-making process.

Manchester Ward Performance Planning

- There is express commitment within the Executive Committee "to involve local communities in planning and monitoring the provision of local services to ensure their priorities and aspirations are fully understood" (*Best Value: Ward Co-ordination and Ward Performance Plans* report, December 1999). This is to be undertaken through the production of annual Ward Performance Plans under the supervision of a Ward Co-ordinator and Ward Service Co-ordination Groups.
- Such a structure would seem ideal to begin to generate discussion concerning budgetary issues. The principle of an annual cycle for discussions also seems to fit very well with the Ward Performance process and may be key to increasing the level of community involvement in the planning and monitoring process. Such 'Co-ordination Groups' could be serviced by local voluntary and community sector networks, and with good levels of community involvement become the means for other forms of consultation such as Best Value Reviews.

Manchester's Regeneration Partnerships

- Manchester's various regeneration partnerships have already demonstrated a commitment to involve the local community in setting priorities for their local areas and, in the case of East Manchester's *New Deal for Communities* process, involved forms of community involvement in the budget-setting process. Covering more than one ward such areas may reflect a 'second tier' of geographical organisation, and have partnership structures which could be adapted to fulfil a role similar to the 'regional plenaries' in Brazilian cities. There is already consideration in some regeneration areas as to how such programmes might impact the mainstream provision of services and the budgetary implications of such processes could well be considered in this context. Again, concepts such as the 'budget matrix' could be usefully deployed in this context.

Manchester's Community Strategy

- Manchester is currently developing its own Community Strategy. As the process is in its initial stages it would again lend itself to discussion about how forms of PB could be integrated within the overall strategy.

Voluntary Sector Grants

- Increasingly, the City Council is looking to voluntary sector organisations to administer grants, such as the CASG Grants scheme. This may well develop the processes and principles for consideration of some form of devolved budget which could be administered on a geographical basis.

Manchester People / Your Council Your Say Events

- There are wide variety of opportunities for Manchester City Council to disseminate information about the budget and decision-making processes which, to some degree it already uses. The *Manchester People* publication and *Your Council Your Say* events represent just two.

c. Case study 2: Salford

Salford's Community Strategy

- Salford has a number of year's experience in developing community involvement in the decision-making processes of the local authority through its 'Community Strategy' and 'Community Committees'. Elements of the Community Strategy already bear some resemblance to similar PB structures, for example, the nine Community Committee areas are similar to the 'second tier' or regional level of Brazilian cities.
- Within the Community Strategy consideration might be made as to how to develop the geographical structure and nurture more of a local or neighbourhood tier for smaller areas and also the development of some form of city-wide 'Community Forum' similar to the General Forum.
- Community Committees are currently producing 'Community Action Plans' which have a relationship with the budgetary planning process. Again, some form of 'budget matrix' might be helpful in this process and a clearly defined 'annual cycle' might facilitate wider involvement at such committee meetings.
- Community Committees already have 'Budget Groups' with a small devolved budget. Such a budget could be increased, perhaps according to 'performance' or 'community involvement'. Furthermore, such groups would seem ideally placed to undertake a process of priority-setting for the mainstream budget.
- Neighbourhood Co-ordinators and Community Development Workers again appear to play a very similar role to organisations such as Porto Alegre's 'CRC'. It would seem that there may be scope for mutual learning about methods and strategies for community involvement in decision-making.

Regeneration areas and publications

- As with Manchester above, Salford is pioneering different approaches to community involvement and budget-setting in its regeneration areas. These might well be potential places for further exploration of PB principles and methods. Again, like Manchester above, Salford has publications such as *Salford People and Local Performance Reports* which could be further used to disseminate budgetary information.

11. Two recommendations for local authorities in Greater Manchester

On the basis of this report and the learning it raises Community Pride and the Oxfam UK Poverty Programme recommend that:

1. **Each local authority establishes a small working group** made up of Councillors, representatives of the relevant Council departments; and voluntary and community sector interests to consider lessons that may be learned from the Brazilian experience of *Participatory Budgeting* with particular respect to:
 - a. Issues of participation in the budget-setting processes of the local authority;
 - b. Maximising the opportunities for community involvement in promoting the economic, social and environmental well-being of their areas;
 - c. Developing new mechanisms for transparency and accountability in line with current government legislation about local government, such as Local Strategic partnerships and Community Strategies.

2. **Each local authority considers nominating two or three representatives** to respond to the invitation of local authorities in Brazil to go on a **similar exploratory visit to Brazilian cities** in Spring/Summer 2001 with a view to learning more about Participatory Budgeting and forging innovative partnerships with local authorities in Brazil.

In each case Community Pride is committed to offering the support to any local authority seeking to undertake such activities.

12. Acknowledgements

As this paper makes clear, our visit to Brazil taught us a great deal, not only about the intricacies PB and Brazilian urban life but also about voluntary and community sector activity more generally. Lessons that are already informing our own activities now that we have returned to Greater Manchester.

We are extremely grateful to all of our hosts in Brazil: local authority officials in the two municipalities; the various NGOs who were so welcoming; our translators; and community activists across both cities who shared so much of their experience with strangers in so short a time. Above all though we are grateful to Edien Pantoja of Oxfam Brazil who accompanied us throughout the very busy schedule and remained calm and good-humoured when we found it difficult prizing ourselves away from one place to the next and when airports and airlines conspired against us! All this in the midst of a major crisis in her own city.

Thanks are also due to Julie Jarman, Christine Abdy and Audrey Bronstein of the Oxfam UK Poverty Programme for their financial and administrative support; to Anne Stewart and Lilian Wardle of Community Pride for their encouragement and office back-up; and to our families for liberating us from the usual routines to be part of such a unique experience.

It is our hope that this paper, together with others, will form another piece of the puzzle as we strive to improve local democracy in our cities at an exciting time of urban change and democratic renewal.

Appendix 1

The following questions were developed during a 'brainstorm' prior to the Community Pride/Oxfam UKPP visit to Brazil. It is hoped they will serve as a guide for thinking during the short visit but we feel sure we will soon have many more and different questions! The questions are divided into 5 broad and overlapping sections:

1. Questions concerning political will and broader democratic issues

- What were the key events/decisions which allowed the development of PB in Porto Alegre and Recife?
- Where did the inspiration come from?
- Was it a sudden or gradual process?
- What were the key obstacles that had to be overcome?
- What issues might be considered specific / cultural that assisted Brazilian cities to achieve PB?
- Are there differences in the way in which PB has been introduced in different Brazilian cities? If so, what are they and why?

- How does the local democratic process work? How are politicians elected? How is local politics run?
- Who takes responsibility if PB decisions taken go wrong? To what extent are citizens accountable for the success/failure of their decisions?
- How far is PB used simply to legitimate the control of municipal authorities?
- Does PB have a wider impact on local democracy? Has it evolved in any way?
- To what extent are citizens' decisions about budgeting any better than that of the local authority?

- What would be Brazilian advice to citizens in the UK about moving towards a PB system?
- How might citizens in the UK 'sell' the idea to local authorities here?

2. Questions concerning community organising and involvement

- How do neighbourhood associations and other forms of community organisation work? What is their history? What other issues are they involved with?
- How are groups structured? Are they dependent on key people? How big are they?

- What is done to get people interested in the PB?
- Why do they want to be involved?
- How important is the annual cycle?
- How do they overcome apathy and cynicism?
- Is the process fun? Do people enjoy the meetings?
- Are people rewarded for their input?
- Are groups proud to be part of PB?

- How are young people (10-16 years) involved and do they have their own fora?
- Is this true for older people / veterans and other 'communities of interest'?

- Does it not raise all the old problems of 'representation'?
- How are representatives accountable to their communities?
- How are committees set up? How is representation decided?
- How is conflict resolved?
- Do people involved in the PB process find it revolutionises other aspects of their lives? How do they answer a charge of self-promotion?

- Are there any particular stories of individuals/small groups and their successful involvement and benefit?

3. Questions concerning technical issues for NGOs

- What is the role of NGOs like FASE and others?
- What is their relationship with municipal authority?
- How are they funded?

- How long did capacity building go on before the level of involvement took off? What was the reason people took up 'training' /capacity building?
- How is the PB process communicated? How is information presented? How is the media used? e.g. newspapers, radio, word of mouth, press officers?
- How important is the annual cycle?

- What is the greater success: more targeted spending by municipal authorities or better organisation of local resources e.g. childcare sharing, co-ops, self build etc.?

4. Questions concerning technical issues for the municipal authorities?

(These are so many that they cannot be listed fully – some broad themes are indicated below)

- How big is the PB? What proportion of the whole municipal authority budget is PB? How is this calculated and by who? Whose money is being spent? What figures can we get hold of?
- Does the PB cover all municipal services and works? Is it cost effective? How can this be demonstrated? Is it expensive to run?
- To what extent are citizens involved in service delivery as well as decision-making?

- What is the relationship with private companies?
 - contractors doing infrastructure work
 - local business
 - multi-nationals

- How is it evaluated – how does the evaluation process?

5. General questions and issues

- What difference has PB made: to spending decisions, people's lives, priorities etc.?
- What are the problems with PB? – ideological & practical?
- Are there differences between PBs in different cities? If so, what are they and why?
 - Has PB worked wherever it has been tried? Does it work better in some communities, concerning some services, or in some cities rather than others?
- How do different 'partners' perceive the money that's being spent? Whose money do they think it is?
- Has the PB raised issues of gender in terms of participation, decision-making and impact?
- What impact does ethnicity have on the process? Is 'multi-culturalism' an issue?
- What is the effect on corruption, which exists in many guises? How accountable are the different representatives?
- What might Brazil want to learn from us in the UK? What do Brazilian partners hope to get from our visit?

Appendix 2 – Geographical Structure in Recife

