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## Measuring Empowerment and Social Inclusion in Favela Upgrading Belo Horizonte, Brazil

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Measuring Empowerment and Social Inclusion in *Favela* Upgrading  
Belo Horizonte, Brazil

Submitted to the Graduate Faculty of the  
University of New Orleans  
in partial fulfillment of the  
requirements for the degree of

Master of Arts  
in  
Urban and Regional Planning  
Specialization in International Planning

by

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B.A. University of Arkansas, 2002

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## ACRONYMS AND ABBREVIATIONS

COHAB	Companhia de Habitação, Society of Public Housing
GAPLAN	Gabinete de Planejamento, Planning Offices
OP	Orçamento Participativo, Participatory Budgeting
PGE	Plano Global Específico, Specific Global Plan
PROFAVELA	Programma Municipal de Regularização de Favelas, Municipal Program for the Regularisation of Favelas
PT	Partido dos Trabalhadores, Workers' Party
URBEL	Companhia Urbanizadora de Belo Horizonte, Upgrading Company of Belo Horizonte

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## ABSTRACT

The Inter American Development Bank describes Brazil's *orçamento participativo* (OP) or participatory budgeting process as “an instrument of empowerment and social inclusion” implemented by the Worker’s Party to foster the “efficient and democratic allocation of resources and citizen involvement in the planning and management of their localities” (Serageldin, 2005: 4). Although the Inter American Development Bank refers to the OP as an empowering process it provides no formal framework for measuring the level of empowerment experienced by the participants. Three factors are necessary for social inclusion and empowerment; 1) spatial integration, 2) decision making power and 3) the creation of empowered, organized citizen groups. By outlining the steps of empowerment and social inclusion, this thesis provides a framework of measurement specific to the OP process and its use in *favela* upgrading. This evaluation can be used by government and international non-profits that require participation and empowering processes for the provision of funds.

### Key Words for Internet Searches:

*Favela*

Participatory Budget

*Orçamento Participativo*

Belo Horizonte, Brazil

Empowerment

Urban Inclusion



## INTRODUCTION

From the 1930s, when less than 30 percent of the population lived in urban areas to 1995, when about 80 percent of the population (150 million people) lived in cities Brazil experienced drastic socio-economic and spatial divisions, serious environmental issues and vast legislative changes due to the hasty progression of industrialization and urbanization (Fernandes, 1998: 140). Between 1933 and 1939, industry diversified throughout the country as the exports of coffee, once Brazil's main export, began to decline. Urbanization followed the industrialization process, leading to internal migration from northern rural states to the southern states such as São Paulo. The population of southern cities escalated resulting in housing shortages and illegal settlements. For decades, *favelas* (slums) acted as Brazil's unofficial solution to the housing epidemic created by this migration. Until the 1970s upgrading policies favored demolishing these communities and relocating the residents to housing projects over comprehensive social solutions. During much of this time, Brazil was ruled by dictatorships and authoritarian regimes.

After more than ten years of dictatorship, the 1945 elections drew crowds of people to voting booths. The March 1930 election drew 19,000,000 or 5.7 percent of the population while the 1945 election saw 62,000,000 people or 13.4 percent of the population (Fausto, 1999: 237). Despite the great public support of a democratic populist system, the liberal policies of the democratic party failed. In 1964, a military coup overthrew João Goulart and suspended the elections for president. The Military Regime remained in power under an authoritarian decree from 1964-1985. With inflation on the rise and the working wage and job security down, white collar unions sprang up in response to the Regime during the late 1970s. These union groups were unique because they were not tied to the state but instead organized by the workers themselves. The breakdown between the church, the unions and the state led to the formation of

independent neighborhood associations and white collar unions creating a societal reaction against authoritarianism. The redemocratization of Brazil and influx of active populations provided the backdrop for new political movements.

Neighborhood associations and grassroots political groups mobilized in resistance to authoritative government and influenced the transition from authoritarian politics to democracy (Abers, 2000: 2). The redemocratization of Brazil and influx of active populations provided the backdrop for new political movements including The Workers Party, Partido dos Trabalhadores (PT). This group sought to represent the interest of ‘wage-earners’ and supported new social programs that supported low income communities (Fausto, 1999: 280-307). In 1989, the Workers Party introduced *orçamento participativo* (OP), or participatory budgeting. Throughout the 1980s, political redemocratization of Brazil influenced *favela* upgrading procedures by incorporating several strategies for regularization and participatory processes.<sup>1</sup> Each strategic intervention provides *favela* residents different opportunities for empowerment and urban inclusion. The persistence of participatory processes in Brazil stems from strong desires for a new deliberative and democratic governance in Brazil. The OP created forums for public debate on municipal infrastructure and service allocation. The Inter-American Development Bank identifies the OP as an empowering tool that redirects the distribution of power and mobilizes the poor (Serageldin, 2005:4). In an effort to analyze the processes of the OP and the influence it has on power redistribution, this thesis seeks to identify a method of measuring and analyzing empowerment and inclusion in participatory budgeting, specifically designed for immediate analysis by local administrations.

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<sup>1</sup> Redemocratization describes the political atmosphere in post-Military Regime Brazil. This term is generally used to describe the mass political and popular movements of the late 1980s. Marie Huchzermeyer, *Unlawful Occupation: Informal Settlements and Urban Policy in South Africa and Brazil* (Trenton. Africa World Press, Inc. 2004): 16

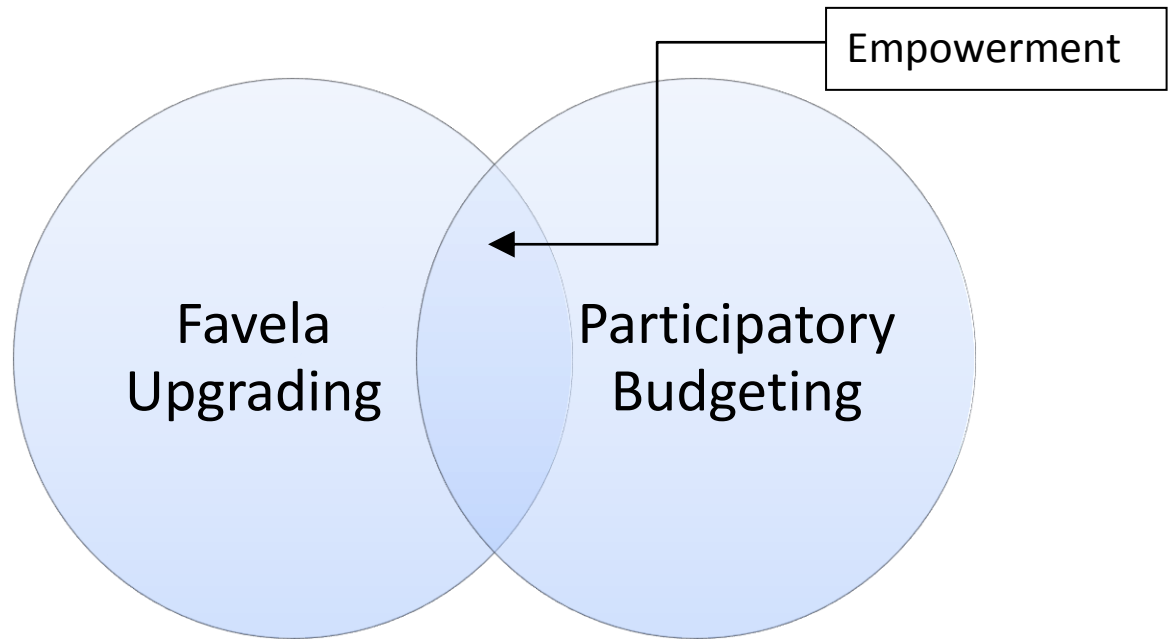
Sociologists, political theorists and planning academics suggest the OP has been successful in providing empowerment opportunities to poor communities (Serageldin, 2005; Abers, 2000; Nysten, 2003); municipalities continue, however, to neglect the importance of data collection and evaluation of OP processes. Rational planning models from the 1960s emphasize the importance of evaluation and monitoring of city plans and policies. Municipalities must collect data in order to identify the affects of the policy and to adjust the policy to better address the issues that policy has not improved. Without data collection, municipalities cannot identify levels of participation, the influence of neighborhood associations or even the participants themselves. Municipalities need to collect data about participants in order to understand and evaluate the process of empowerment and inclusion. Currently, all municipalities and local governments in Brazil claim that the OP benefits poor communities by strictly measuring the output or total number of projects implemented in an area. Without identifying the participants influenced by the decision making process at the OP meetings, the government agencies cannot truly identify who the OP programs actually empower or include. This thesis provides a framework created for the purpose of immediate evaluation of OP processes. Municipalities can implement the framework during the biennial OP process in order to provide a benchmark of empowerment and inclusion analysis.

The research presented here focuses on the issues of monitoring and evaluating participatory programs in Brazil. These programs impact international participatory planning programs and therefore deserve great interest from citizen participation advocates worldwide. This thesis presents the physical upgrading and participatory programs implemented in Belo Horizonte, Brazil for the purpose of outlining a framework of analysis to measure and identify empowerment and inclusion in participatory programs at the municipal level. Government

agencies and nonprofits worldwide seek to empower and include excluded communities through participatory processes but do not have a formal way of identifying their successes or evaluating their failures. This problem prohibits participatory programs from systematic improvement. Furthermore, without a better understanding of how processes empower participants, government agencies in municipalities continue to prefer representative processes to more deliberative democracy. The analysis of the Belo Horizonte case study and the easily applied framework of measurement presented in this thesis will assist municipalities in implementing successful and measurable participatory programs in the future.

Although Porto Alegre was the first city to implement participatory budgeting, Belo Horizonte is an ideal example of the successful process of merging *favela* upgrading with OP programs. The current reality of *favela* upgrading in Brazilian cities includes a combination of several forms of land tenure security, sites and service provisions, and in a few cities such as Belo Horizonte, participatory planning processes to assist in empowering *favela* dwellers. The combination of these two development schemes, physical upgrading and participatory planning, provides *favela* dwellers more opportunities for empowerment because they are integrated both physically and socially into the city. The government of Belo Horizonte is particularly interested in the benefits of urban inclusion that results from the OP, including spatial, social and political inclusion for all citizens. By looking at the overlap of *favela* upgrading and participatory budgeting, observers can identify the process of empowerment and inclusion. If the OP leads to empowerment and inclusion, these results would be visible in *favelas* because these communities are excluded physically and socially from society.

**FIGURE 1: RELATIONSHIP OF *FAVELA* UPGRADING AND PARTICIPATORY BUDGETING**



The slum upgrading programs used in Belo Horizonte were utilized in the case study for the analysis of empowerment. Several of the programs implemented in the city are provided here as an example of the impacts of slum upgrading and participatory planning. Based on the knowledge gained by researching *favela* development and slum upgrading programs, a framework was created to assist in identifying empowering practices. The framework was based on the international dialogue surrounding slum upgrading, participatory planning and social theories regarding empowerment and inclusion. In order for the reader to understand and utilize the framework, a review on the subject of upgrading is presented in the second chapter. Two approaches to slum upgrading executed in Belo Horizonte and their affects on empowerment of the civic populations are addressed in this chapter including previous physical mitigation activities utilized to integrate *favelas* into city infrastructure and participatory processes that socially integrate residents. In the future, municipalities will implement the framework in order

to better understand the process of empowerment and improve participatory programs. The results will also add to the international dialogue on the subject of empowerment and inclusion.

## CHAPTER ONE

### METHODOLOGY

Case study research provides a way to observe, analyze and understand processes through comparative analysis. The main focus of this thesis has been to develop an overall understanding of the OP process in Belo Horizonte, the problems and impediments of participatory processes as well as the factors of successful participatory policy, and a formal method of measuring the results of participation. The research question explored is: Does the OP function as an empowering and inclusionary device and if so, how can a municipality measure the affects of this policy? The case study of participatory budgeting in Belo Horizonte evaluates participatory slum upgrading and the affects of participation on empowerment and urban inclusion (social and physical inclusion). Research into complex processes such as participatory budgeting requires a methodology incorporating both qualitative and quantitative research techniques.

The case study reflects my field research in Belo Horizonte, which involved data collection through open-ended interviews with government officials. The case study begins by establishing the framework of meetings that take place every two years, the deliberative processes that invoke debate neighborhood specific projects, and the election of delegates and managing bodies. Data provided by the government of Belo Horizonte shows the location of projects and programs implemented during the last two phases of the budget. Several interviews with individuals working for URBEL (the agency tasked with *favela* upgrading) and the Office of Planning provide insight into the budgeting process in Belo Horizonte.

I visited Belo Horizonte in the summer of 2009, during which time I traveled also to Curitiba. When in Curitiba I interviewed officials at government agencies in an effort to understand the cultural and historical context of *favelas* and upgrading procedures. In Curitiba

the primary foci of my study included *favela* development, public policy, land use laws and slum upgrading procedures, specifically participatory upgrading programs. During my short stay in Belo Horizonte I interviewed government agency representatives from both the municipal planning department and URBEL. The planning department provided data regarding OP projects and programs while URBEL provided insight into how OP processes directly affect *favela* upgrading. I also had the opportunity to visit a few *favelas* and OP projects, however the next OP process will not take place until the summer of 2010 and I was unable to attend a participatory budgeting meeting. For this reason and due to the complexity of the subject matter, this thesis does not include surveys from participants.

The documents I reference include a collection of American and Brazilian authors who have written specifically on social and urban policy, Brazilian history, and political and participatory theory. Government agencies, universities, NGO's and international aid organizations produced these documents. I included data about programmatic products, analysis of local policies and OP programs, and discussions about empowerment and social inclusion. I do not provide commentary on individual proposals, projects or programs, or the reaction of participants for the reasons cited above.



## CHAPTER TWO

### FAVELA PROLIFERATION AND SOLUTIONS

The term *favela* originated in the 1890s when a group of slaves turned soldiers formed an informal village as a statement against the government. These soldiers were sent to assassinate a rebel preacher who had vocally dismissed the government and setup a collective outpost of rebels. When the soldiers returned to Rio after completing their task, they were ostracized for killing a priest. The group fled Rio to *Morro da Providencia*, a hill outside the army headquarters and the city center. Here the group built a shanty town that they called *Morroda Favela* in honor of a weed that thrived in the rough terrain of the rebel outpost they had been sent to destroy, a message to the government that a new rebellion was at their feet (Neuwirth, 2005:22).

*Favelas* are generally recognized as the informal and illegal settlements of low income communities or slums. The residents of *favelas* are squatters who do not own the land and typically live below the poverty line. Several authors (Abers,2000;Nylen,2003; Avritzer,1999; Hutchermeier; 2004) have provided an in depth analysis of land tenure security rights, initial occupation processes, and the level of infrastructure provided or acquired within each community leading to nuanced typologies of informal settlements, *vilas*, *favelas* and *casas*. For the purpose of this thesis, however, the term *favela* describes low income communities living in irregularly or unofficially planned and illegally invaded neighborhoods. Over time several factors have influenced the development of *favelas* including economic disparities, unplanned urbanization, land use laws, and an ‘individualistic’ culture of private property rights.

## FAVELA DEVELOPMENT

The proliferation of *favelas* in urban areas has been attributed to hasty urbanization during the industrial period (1930s in Brazil) as well as disparities experienced by the poor due to economic polarization created through reliance on dominant key exports (sugar, cotton, and coffee). As Auguste Cochin wrote, “The story of a lump of sugar is a whole lesson in political economy, politics, and morality.”<sup>2</sup> Development in Northeastern Brazil was largely affected by the sugar industry whereas the South experienced inequitable development due to coffee. Marie Huchzermeyer attributes the development of *favelas* to the disparity created by the dominance of Brazil’s single key export, coffee. The economic powerhouse, the ‘coffee triangle,’ of São Paulo, Rio de Janeiro and the state of Minas Gerais [Belo Horizonte] are known to have some of the largest *favelas* in the country.<sup>3</sup> Huchzermeyer suggests the coffee economy “generated regional disparities and social inequalities, enclaves of privilege developed in vast disparity to the impoverished rural and semi-rural peripheries” (Huchzermeyer, 2004: 15).

Hasty and unplanned urbanization has created problems in most urban areas throughout the world. Today squatter populations continue to creep in and around large cities worldwide, representing about a billion people, or one out of every 6 humans (Neuwirth, 2005: 6). In the 1930s less than 30 percent of the population lived in urban areas, but by 1995 about 80 percent of the population (150 million people) was living in cities (Fernandes, 1998: 140). During these years of extreme migration, urban planning was not utilized by local governments. In the 1970s

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<sup>2</sup> Quoted in Manuel Moreno Fraginal's *The Sugar Mill* Manuel Moreno Fraginal. *The Sugar Mill* (New York. Montly Review. 1976):45

<sup>3</sup> Marie Huchzermeyer identifies the three wealthiest states in Brazil; Rio de Janeiro, Sao Paulo and Minas Gerais. Belo Horizonte is the capital city of Minas Gerais and has the highest numbers of favelas in the state. Marie Huchzermeyer, *Unlawful Occupation: Informal Settlements and Urban Policy in South Africa and Brazil* (Trenton. Africa World Press, Inc. 2004): 15

the Military Regime utilized urban planning interventions in from the federal and state level. Edesio Fernandes argues “the exclusionary pattern of urban development in Brazil has been largely due to the nature of state intervention through economic policies, lack of effective social housing policies and distorted attempts at urban planning” (Fernandes, 2002: 103). Under the regime, urban planning supported the interests of large private developers and commercial businesses. The centralized character of the regime severely restricted local government’s autonomy, creating municipalities without the technical and financial resources to tackle the issues of urbanization (Fernandes, 1998: 140-142). As a result of this political atmosphere along with the large economic disparities of the country, Brazilian cities were surrounded by very poor, illegal settlements.

Another factor in the growth of *favelas* is the culture of private property in Brazil. The Civil Code of 1916 established the ‘individualistic’ definition of private property rights in which the “economic uses to which a given property can be put are determined by the individual interests of its owner” (Fernandes, 1998: 145). With such strong endorsements of private property rights the state’s ability to mitigate urban issues was drastically restricted. Between 1930 and 1963, social movements attempted to redefine private property rights as the ‘right to private property.’ The concept of ‘social property’ first appeared in the 1934 Constitution and reflected a rising concern that private property rights and land use should take into account the public interest (Fernandes, 1998: 145). Whereas the 1916 Civil Code supported the private owners’ rights to identify land use, the 1934 Constitution attempted to endorse the state’s ability to specify the use of land. The Constitution, however, did not provide tools to enforce the democratization of land use and by 1964 the Military Regime once again embraced the private property rights of the 1916 Civil Code. Even though the Regime’s solution to illegal settlements

was demolition, *favelas* continue to propagate so quickly that no municipality could combat the land invasions. Two categories of interventions arose. The first addressed physical upgrades including land tenure or regularization coupled with slum upgrading. The second involved participatory planning programs such as participatory budgeting.

## REGULARIZATION AND SLUM UPGRADING

*Urbanização de favelas*, informal settlement upgrading encompasses several planning tools including land regularization, infrastructure extensions and social integration through education and health facilities (Huchzermeyer: 2004, 10). Municipalities address the problems *favela* residents face through a variety of land use laws, land tenure provisions and physical upgrading programs. These programs often work hand in hand with varying degrees of tenure requirements and infrastructure interventions. These two types of slum interventions have been grouped together for discussion because they provide limited levels of autonomy to individual residents, but are considered the first steps of comprehensive urbanization of illegal settlements.

### REGULARIZATION

Several laws addressing *favelas* and regularization have been enacted at the federal and the local level. Firstly, at the national level two Constitutions addressing the social use of property and squatters rights have provided municipalities the tools to address urban issues such as illegal invasions of land. Backed by the ‘Popular Amendment on Urban Reform’ signed by over 100,000 people and presented to Congress by urban reform and housing associations, the 1988 Constitution called for the recognition, regularization and upgrading of illegal settlements, democratization of the access to land and popular participatory urban management (Fernandes, 1998: 146-147). The 1988 Constitution gave municipalities more autonomy with greater fiscal independence including new taxes and the ability to implement more effective social policies.

The Amendment also recognized squatter's rights to the land they peacefully occupied for more than five years via legal tools such as *usucapião*, adverse possession. Under this new law, *favelados* were allowed to request private landholdings of up to 250 square meters on an individual basis (Fernandes, 1998: 147). Formal recognition of the rights of *favelados* was the first step towards their recognition as citizens instead of outlaws. The decentralized administration in Brazil with the 1988 Constitution allowed for the development of localized responsive *favela* interventions and opened the door for social movements to work with progressive governments, including the Workers Party, in the creation of participatory practices.

The 1988 Constitution set forth the concept that land should have a 'social function'. Not until 2001, however, did Congress adopt the legislation that provided the legal tools to support this function, making it possible to put the concept into practice. It is important to note that the 1988 Constitution provided legal tools for the individual *favelado* to apply for ownership of his land, but providing real solutions to such epic problems requires legislation that allows entire neighborhoods and communities to be upgraded. The 2001 City Statute, or *Estatuto da Cidade*, proposed urban planning tools to assist municipalities with the provision of low income housing and access to urban lands for all socio-economic groups. The Statute allowed cities to control the speculation of land in areas designated as social interest areas, expedite the process of regularization, and use several types of concession of rights or freehold rights to encourage low income residents access to land (Macedo, 2008: 262). Two legal tools came out of the Statute that provided *favelados* legal rights to the land they occupied. In the case of private lands, *usucapião* or adverse possession was expanded to allow collectives of *favelados* to apply for land tenure through *usucapião coletivo* (collective adverse possession). More importantly, though, and more affectively used thus far, the introduction of *Concessão de Direito Real de Uso*

(CDRU) or the “real right to use concession” provided *favelados* living on public lands the ability to not only stay on the land they occupied, but also the right to sell their land or use it as collateral (Macedo, 2008: 263). Public ownership keeps areas protected from speculation and CDRU’s legal standing protects the rights of those occupying these areas in the process of regularization.

At the local level, Belo Horizonte enacted the PROFAVELA law in 1983 which initiated zoning regulations that assisted in *favela* regularization (Huchzermeyer, 2004: 60). Unlike most municipalities which provide new housing options for *favelados* but not ownership opportunities, this law enacted a land use zoning category that recognized the residents’ rights to the land they occupied. The ‘semi-formal’ land titling process implemented in Belo Horizonte was complicated by bureaucratic processes and lack of political will which slowed the regularization of the *favelas* and proved to be more problematic than physical infrastructure upgrading. Today most land tenure programs in Belo Horizonte depend on CDRU as primary tool for the transfer of tenure rights. *Usucapião* and *usucapião coletivo*, CDRU and several new legal mechanisms combined with land use planning are changing private property culture of Brazil and improving regularization and upgrading of *favelas*.

In response to difficulties in titling land to squatters a separate public administration was created to oversee the implementation of the PROFAVELA law. In 1985, the municipal government of Belo Horizonte created URBEL (*Companhia Urbanizadora de Belo Horizonte*-Upgrading Company of Belo Horizonte) the public agency responsible for the physical upgrading of the *favelas*. URBEL worked with an Italian non-profit, AVSI, using new technologies and policies to improve the upgrading process. The groups outlined four principles that were used to direct the relocation of *favela* dwellers. In the case where residents needed to

move due to safety concerns, URBEL relocated them within their community or as close as possible. This minimized social disruption which generally led to more successful communities. URBEL also urged residents to be involved in relocation and housing option decisions (i.e. *favela* dwelling unit or modern housing flat). The new housing options depended on the size of the original units and residents lived in temporary housing in the interim. This program was unique because *favela* upgrading typically implied relocating *favela* residents to large scale housing projects and bulldozing the illegal structures. URBEL was one of the first organizations that required interim housing and the first to recognize *favela* dwellers as *de facto* land owners; however, these interventions did not overcome disparity and displacement. Housing advocates pushed for innovative *favela* regularization and advanced citizen participation programs in an effort to create a more autonomous civil society.<sup>4</sup>

## SLUM UPGRADING

Three primary policies have been adopted since the 1930s as the attention of public policy slowly migrated to the problems of urban *favelas*. During the thirties, urbanization led to dense *favelas* on the edges of Brazilian cities. Eradication or *desfavelamento* was the first solution to illegal settlements. The second policy included the rights for *favela* dwellers to stay in these new communities. The denial of *favela* urban form resulted in socially acceptable housing blocks. The third policy trend resulted in *favela* urbanization which we now understand as an ongoing process of urban upgrading. This process involves housing improvements and land tenure programs discussed earlier.

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<sup>4</sup> This paragraph draws heavily from Marie Huchzermeyer's work which provides the most extensive research on the PROFAVELA laws of the 1980's. Marie Huchzermeyer, *Unlawful Occupation: Informal Settlements and Urban Policy in South Africa and Brazil* (Trenton, Africa World Press, Inc. 2004):60-64

Two broad categories of upgrading exist in the international dialogue as concerned with slum upgrading in countries across the world. The first deals with the physical interventions such as housing and infrastructure. Until the 1970s the most common solution to *favelas* was to simply remove them. More recently the federal government has supported the relocation of *favela* residents by providing housing subsidies and building public housing blocks. The Brazilian program *Mi Casa Mi Vila* is a federal program that is currently implemented in all municipalities with a population of more than 50,000. The program assists low income families in purchasing houses by letting families pay ten percent of their income towards the mortgage for ten years. At the end of the ten year contract the families officially own the house. The other model of upgrading that has proved very successful is a socially minded, people oriented approach that includes residents through participatory intervention. *Companhia de Habitação Popular de Curitiba* (COHAB) reported that participatory programs that involved residents in upgrading programmatic decision making were more successful in the long term than those that simply provided subsidies for new housing such as *Mi Casa Mi Vila*. This success was determined by the number of residents who remained in their houses as opposed to the number who sold their houses and returned to *favelas* (COHAB interview, 04-14-09). Externally imposed upgrading and relocation programs remain unsuccessful because they do not take into account spatial, social and economic relationships that make *favelas* successful in their own right.

Marie Huchzermeyer wrote that “both the progressive Brazilian approach and the broader international approaches to informal settlement intervention have evolved from a technocratic, externally defined and market-driven paradigm towards that, to a varying extent, acknowledge informal settlements as a social process” (Huchzermeyer, 2004: 6). Although some cities in



Brazil continue to implement ‘external’ interventions many cities including Belo Horizonte have turned to participatory programs that provide citizens the opportunity to identify projects and set development goals. These responsive programs have been primarily implemented in municipalities with strong Worker Party administrations and have only occurred since the 1980s. The second form of *favela* upgrading is *orçamento participativo*, or participatory budgeting.

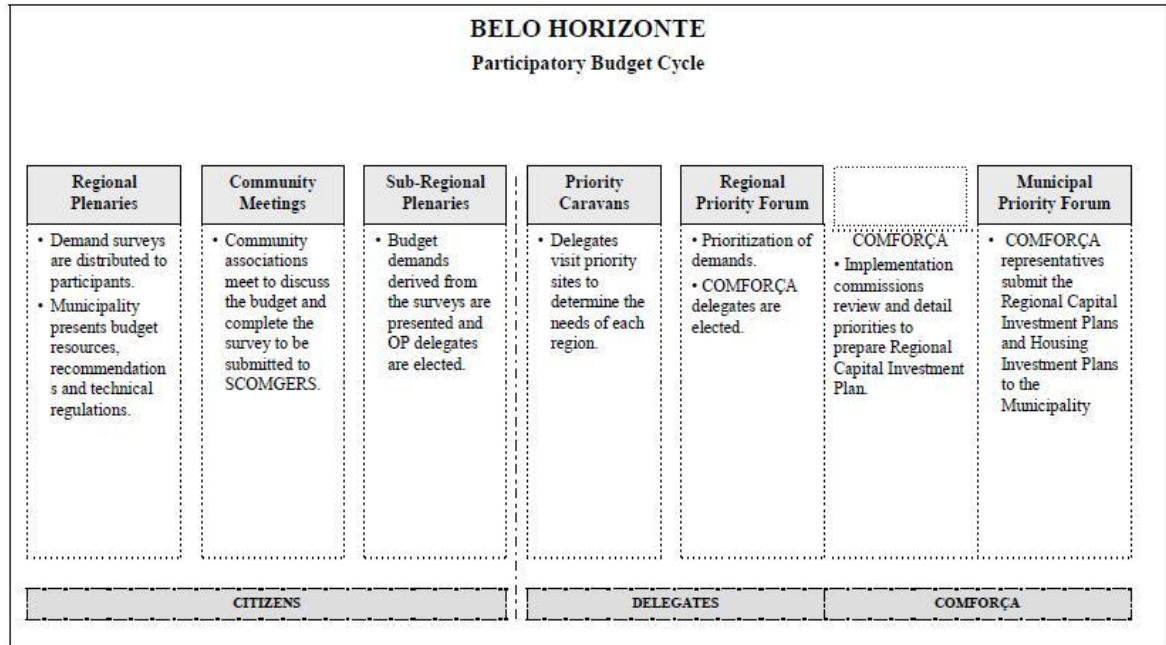
## ORÇAMENTO PARTICIPATIVO

The *orçamento participativo* (OP) process follows the same timeline every two years beginning in April with the mayoral kick-off and ending in September with the announcement of the approved public works budget.<sup>5</sup> **Figure 2** describes the activities of each meeting and the lowest level of participants included. During the first three meetings all citizens take part in the deliberation. As meetings become more technical in scope, the elected delegates and administrative staff analyze proposals, budget restrictions and quality of life concerns. At the end of the process the *comforça*, an elected managing board, reviews the budget before it’s presented to the administration for final approval and monitors the projects as they are implemented.

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<sup>5</sup>Several references are available for a general understanding of participatory budgeting timelines. All OP timelines reflect the original Porto Alegre process, but for the purpose of this case study I targeted the process in Belo Horizonte, outlined specifically by Paulo Bretas. Paulo Bretas. “Participative budgeting in Belo Horizonte: democratization and citizenship.” (Environment and Urbanization, Vol. 8, No. 1, April 1996):213-222

**FIGURE 2: BELO HORIZONTE: PARTICIPATORY BUDGET CYCLE**



Source: Inter-American Development Bank. “Assessment of Participatory Budgeting in Brazil.” 2005, <http://www.iadb.org/sds/doc/ParticipatoryBudget.pdf>

**REGIONAL MEETING – APRIL**

The first meetings are the Regional Plenaries of the nine administrative districts. During these meetings city administrators discuss the previous year’s expenditure and projects with the citizens. Street theater, puppet shows and comic strips have all been employed to present complex budget analysis and the participatory budgeting process in culturally appropriate and simple language in order to “genuinely invite” popular participation (Bretas, 1996: 218). Deliberation takes place through debates between citizens and city administrators, informal dialogue between residents, and individual questionnaires.

## COMMUNITY MEETING – MAY

The second round of meetings includes the 81 Planning Units and numerous community associations. The meetings take place at the neighborhood level and provide an opportunity for citizens to debate the allocation of public funds within their direct community. Neighborhood associations and community groups discuss budget restrictions with residents, hand out surveys and discuss possible project proposals. During community meetings, participants rank their preferences for projects through debate and questionnaires collected for discussion at the second sub-regional meeting.

## SUB-REGIONAL MEETING – JUNE

During the last round of discussion at the sub-regional level, participants reference discussions from the preceding meetings and previously collected surveys in order to decide what projects to lobby for at the regional forum. During this forum, participants are responsible for electing delegates from each district to lobby for the sub-regional projects. One citizen for every 50 participants is elected by popular vote to represent each district and sub-region in the city-wide forum for budgetary priorities. Once these delegates are elected, a process of negotiation between communities begins to take place. The government limits the number of projects it affords to each district; therefore communities often lobby one another for support and form coalitions.

## REGIONAL PRIORITY CARAVANS – AUGUST

Elected delegates visit all the areas of proposed investments during the Regional Priority Caravan (unique to Belo Horizonte OP). This process not only provides each community the opportunity to understand how regional planning impacts each district, it enhances awareness of

the needs of each region and allows citizens to make informed decisions regarding the allocation of public works funds.

#### REGIONAL PRIORITY FORUM – SEPTEMBER

Fifteen days after the completion of the caravans, the elected delegates from each sub-region meet to negotiate the final format of the budget. The elected officials discuss the local residents' reported priorities, project costs and benefits, and the level of need in each region. Priority projects are outlined, negotiations are finalized and the *comforça* committee is elected. The elected delegates and *comforça* present the final budgetary proposal, including lists of primary projects, to the Mayor, who incorporates the projects into the city budget.

Distribution of municipal expenditures has been altered significantly through the use of participatory budgeting. The OP provides citizens decision making power in regards to shaping the built environment of their community. Planners recognize the importance of citizen participation in planning and governmental processes as the primary instrument in gaining the local knowledge necessary in creating public policy. Over the last ten years or more, participation has become a catchword in public policy, but continues to remain a contested subject due to ambiguous terminology and immeasurable results.

## CHAPTER THREE

### PARTICIPATION, EMPOWERMENT AND SOCIAL INCLUSION

Most large loans from multinational organizations including the World Bank require participatory components for all state implemented programs however the question remains, do participatory programs such as Brazil's OP provide empowerment and social inclusion to all strata of society? William Nysten suggests the result of representative democracy played out in free market capitalism leads to disillusioned citizenry. He argues the evolution of representative democracy and free market economics has resulted in an increasingly disengaged populous (Nysten, 2003: 11). The debate over participation and empowerment from the 1960s to the 1980s persists with no standardized methods for the identification and analysis of empowerment, participation, and social inclusion or as several theorists describe as *fuzzy* concepts. Due to the contention of these concepts, a brief review of the literature and the relationship between participation, empowerment and social inclusion is necessary. The framework reflects this review and proffers a general understanding of these concepts for all agents who employ the framework.

Archon Fung and Erik Olin Wright argue that democracy has become too competitive and that representative democracy is ineffective in achieving the central ideals democracy was founded in: politically involved citizenry, consensus through dialogue, public policy supporting a strong economy and healthy society, and most importantly, a political system that would benefit all citizens of the nation (Fung and Wright, 2001: 3). In my opinion, Fung and Wright's discussion on deliberative democracy has become the definitive resource for political theorists researching empowered participatory government processes because their proposal develops a model of institutional Empowered Deliberative Democracy that guarantees efficiency and equity.

These two authors recommend that an *affirmative democratic state* needs to play a “creative and active role in solving problem in response to popular demands” (Fung and Wright, 2001: 4).

Gianpaolo Baiocchi also points out the central focus of Empowered Deliberative Democracy is to place “affirmative responsibility on institutional design to bring real-world institutions ever closer to normative utopian ideals” (Fung and Wright, 2001: 49-50). The Empowered Deliberative Democracy model is an ideal institutional process providing deliberative decision-making power to local units, or groups of citizens that direct their concerns and desires to a central body of governance. These units are in turn empowered to endorse their individual programs and projects. The model aims to redistribute decision-making power through deliberative and democratic processes.

The solution of ‘participatory democracy’ or ‘deliberative democracy’ is supported by several other theorists as well. Sherry Arnstein describes deliberative processes as, “the redistribution of power that enables the have-not citizens, presently excluded from the political and economic processes, to be deliberately included in the future” (Arnstein, 1969: 1). Many theorists of the 1960’s argued that involving citizens in decision making will result in more effective policy and greater achievement of goals. More importantly, however, theorists began to posit that citizen participation would empower disenfranchised communities, those participants who experience the highest costs and the fewest benefits in relation to participation. Elizabeth Rocha reflects on the anti-poverty policies of the early 1960s and the “envisioned solutions through the process of empowerment” (Rocha, 1997: 1). Similar to Arnstein’s ladder of citizen participation, Rocha’s ladder of empowerment identifies levels of autonomy and clarifies empowerment theories. Rebecca Abers argues that Arnstein’s “Degrees of Citizen Power,” the top three rungs of the citizen participation ladder, is the expected result of theorists

and politicians who propose participation in government decision-making. It follows that increased participation empowers the traditionally excluded (Abers, 2000, 7). Abers outlines a framework used to differentiate ‘institutional’ participation from ‘empowerment’ participation. As Rocha posited and Abers supports, empowerment theories are a ‘tangled web’ that provide no exact explanation of what empowerment is or how to measure it. All three of these authors provide tools to measure participation and empowerment that can be applied to participatory models in planning and government processes.

Marie Huchzermeyer identifies two purposes for resident participation in planning, the first being to ‘narrow the gap’ between decision makers and community members (Huchzermeyer, 2004: 57). This flow of information between residents and planners can assist planners in their technical assessment of interventions for each community. The second purpose is to bolster public support for projects. Communities involved in the decision making process are less likely to react negatively towards projects implemented in their neighborhood. There are however many issues that prevent citizens from engaging in planning processes. Many factors play into the ‘involvement equation’ such as equity, finances, time, education and general capacity issues. Development and democracy theorists have speculated on procedures and processes that will provide the most active level of participation. Archon Fung and Erik Olin Wright describe an “Empowered Deliberative Democracy” in which citizens are involved at different levels of government and are provided a voice to deliberate actively with representatives (Fung and Wright, 2001: 4). Rebecca Abers writes that an “Empowering Participatory Policy” would broadly include residents ‘hitherto excluded’ from public decision-making, these residents would be involved in the setting of policy goals and agendas, and allow participants ‘deliberative power’(Abers, 2000: 7). Theorists have a hard time defining

participation and identifying the results of participatory processes. Several organizations and individual theorists have attempted to define these ambiguous concepts.

### *FUZZY CONCEPTS OF PARTICIPATION*

The United Nations Research Institute for Social Development (UNRISD) provides a simple definition that closely resembles many of the theories discussed in this thesis. UNRISD identifies participation as the “organized efforts to increase control over resources and regulative institutions in given social situations, on the part of groups and movements hitherto excluded from such control” (Goulet, 1989: 165). Although the definition provides a basic explanation for identifying participation in government, it does not help practitioners produce more deliberative processes or classify the level of interaction occurring.

Denis Goulet expanded the UNRISD definition and identified three sources of participation: top-down, bottom-up, and third party. He explains that it is important to identify the source of participation in order to understand the objective of the participatory processes. He posits that most institutional participation promoted by local governments often aims at achieving the goals set by the government whereas participation that is bottom-up is in protest to government actions (Goulet, 1989: 167). Communities will often fight for participation in government when their values, customs or cultures are directly threatened. Goulet believes that in order to “judge whether participation is authentic empowerment of the masses or merely a manipulation of them” one must identify the “initial point of entry” (Goulet, 1989: 167).

Another theorist concerned with empowerment and manipulation is Sherry Arnstein. In her article “A Ladder of Citizen Participation,” Arnstein outlined eight levels of participation that range from Manipulation and Therapy, which Arnstein titles “nonparticipation,” to Delegated



Power and Citizen Control, in which citizens are allowed decision making power (Arnstein, 1969: 2-3). The fundamental purpose of her article is to categorize the redistribution of power which occurs through participation. The eight rungs of Arnstein's ladder provide a backdrop to better understand how participation empowers and includes the 'powerless citizens.' Arnstein warns, however, of the simplicity of her model which pits the powerless against the powerful leaving out the multiple levels of powers that exist throughout all participatory interactions. She also does not account for the objective of particular participatory processes that might necessitate different levels of control to result in a successfully implemented project. Essentially, in government there are programs and projects that require only minimal citizen input and would be hindered by maximum citizen participation. There are, however, some projects that would be improved by complete Citizen Control. The important issue for governments to take away from Arnstein's article is the necessity of identifying types of participation needed for each project, openly explaining this to the public and providing programs that do not offer "window-dressing participation" only. Two primary objectives result from participatory governance: empowerment and social inclusion. As governments implement participatory programs a basic understanding of these terms and how they can be identified is necessary in determining if these programs are successful.

Elizabeth Rocha explored variations of empowerment and outlined five types of empowerment from Atomistic Individual Empowerment, which merely identifies the power within each individual to make decisions, to Socio-Political and Political Empowerment in which entire communities are empowered to demand and receive necessary goods and services from the government. Rocha examined empowerment through four dimensions: locus, process, goals and power experience. With these dimensions, she charted empowerment linearly from the

individual to the community. Unlike Arnstein's model which suggests that Citizen Control is the best form of participation, Rocha posits that although the levels of her ladder provide different forms of empowerment, in the end they all empower people. In creating participatory programs theorists and government agents must understand the different outcomes and benefits of individual and collective empowerment. Rocha discusses the importance of all forms of empowerment, but to truly redistribute power I would argue that participatory programs must aim to empower entire communities and not just individuals.

The European Union defines Social Inclusion as "a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life. It ensures that they have greater participation in decision-making which affects their lives and access to their fundamental rights" (World Bank, 2007: 4). The article entitled *Social Exclusion and the EU's Social Inclusion Agenda* outlines patterns of social exclusion and dimensions that might be used to measure exclusion and inclusion in society. As with many *fuzzy* concepts, social inclusion and exclusion have no clear definition or clearly quantitative characteristics which allow governments to identify and characterize these issues. In an attempt to enumerate inclusion, the article outlines four types of measurable capital that can affect an individual's level of exclusion in society: Financial, Physical, Human and Social Capital. The data was drawn from household budget surveys which provided information for all forms of capital except for Social, which comprises of social networks and relationships. For Rocha's Atomistic Individual, this form of capital might be more important than the other three and can lead to high levels of participation and empowerment, but is not easily quantified or measured. These theories of inclusion,

empowerment and participation lay the foundation for analysis of participatory processes. Four theorists utilized these concepts in their analysis of participatory budgeting in Brazil.

### *FUZZY CONCEPTS USED FOR ANALYSIS*

Several authors who influence the framework presented in this thesis utilized the international discussions on participation, empowerment and inclusion in their appraisal of the OP. Each author assessed the OP from different perspectives and by directing their analyses to different aspects of the *participation formula*. By *participation formula*, I mean the factors that affect the level of involvement by different socio-economic groups or what many planners consider the ‘costs’ of participation; the structure of the participatory processes such as the size, location and deliberative atmosphere of the meetings; and the output that is derived from participation. Output can be described as both physical projects that are identified, funded and implanted due to participatory processes and the ideological output that includes more qualitative ideas such as empowerment or inclusion. The output can be addressed at both the individual and collective levels. The chart below addresses the specific case studies, focus, methodology and conclusion of the four authors.

**FIGURE 3: AUTHORS ANALYSIS OF PARTICIPATORY BUDGETING**

Author	Case Study	Reasons for the Lack of Participation	Research Method	Conclusion
Rebecca Abers	Porto Alegre	Inequality and capacity	Questionnaires regarding socio-economic status of participants.	OP mobilized large groups of people "hitherto excluded" resolving inequality issues among lower socio-economic groups.
Gianpaulo Biocchi	Porto Alegre	Inequality	Interviewed participants on levels of involvement.	Participants become more confident in participating the longer they continue attending OP meetings.
Leonardo Avritzer	Porto Alegre and Belo Horizonte	Credibility of process and equity	Tracked number of participants and projects 1993-2000	Greater number of projects directed by citizens to their community increases the number of participants.
William Nylen	Betim and Belo Horizonte	Civic disengagement	Interviewed/surveyed elected delegates (socio-economic status and involvement levels).	Elected delegates involved in OP programs are empowered based on their involvement levels with other civic organizations post OP participation.

Rebecca Abers’ analysis of the OP process in Porto Alegre identified three problems of participation and the solutions participatory budgeting provided. Building on the literature on participatory experiments Abers noted that several obstacles usually prevent the poor from participating in public forums. The dilemmas of participation presented by Abers include implementation, inequality and co-optation problems. Several factors can impede the implementation of participatory processes including time, government structure and powerful opposition from outside groups (Abers, 2000: 8). Inequality refers to the disadvantaged social groups that are less likely to participate in programs due to time, financial and capacity constraints. These groups of the population are less likely to argue technical policies or budgets in diverse public forums. The third dilemma, co-optation refers to the veneer that can be created by politicians who placate citizens with participation. In these cases, participatory processes may be implemented as a way of controlling the population rather than providing real decision-making power. These three obstacles suggest that creating an empowering participatory policy requires more than just good theories. Harkening to the remarks of Arnstein, Abers argues the

“balance of power must change and a broadly distributed, highly representative, autonomously organized civil society must form” (Abers, 2000:11).

Abers identifies who participates in the OP (or what socio-economic groups are involved) and how inequality affects participation levels. Specifically she addresses what she describes as the primary problem with participation, inequality as it refers to the “fact that even where governments are able to create new, transparent decision-making forums, not everyone has the same capacity to participate” (Abers, 2000: 115). Abers addresses a primary problem with participatory models, the question, who is participating? In an effort to understand the issues of inequality at play, she gathered data via interviews and questionnaires on three primary topics including the socio-economic status of participants, gender profiles and organizational issues (Abers, 2000: 121-133).

In her analysis of socio-economic statuses she found that mostly middle and upper-income residents did not participate in OP programs which were primarily attended by low income communities. Unfortunately, the very poor still represented the minority at OP meetings. Abers also found that women were less likely to participate, especially at the regional level meetings. Women were more likely to participate in the neighborhood meetings, but did not take on any role that might require them to leave the neighborhood regularly or speak publically. Literature on participation suggests that individuals who have regularly participated in an organized group such as a church group or neighborhood association will be the first to participate in new government participatory programs. Abers found this to be true among the neighborhoods surveyed in Porto Alegre, but found that neighborhood with historically strong associations are no longer dominating meetings and funds as they did in the beginning. Since the OP’s inception many neighborhood associations have grown in size and influence. This reflects

the sense of belonging discussed in the framework which results in increased Empowered Collective Units' (discussed later in the framework as ECU's) and the belief that citizens have a voice in government. It also addresses the need to document return rates of participants and their level of participation. In the end, Abers argues that although the Porto Alegre OP did not overcome all the obstacles of inequality it has provided a more-equal environment for participation to occur.

Abers concluded that two factors of Porto Alegre's OP had direct affect on the three dilemmas of participation. First, the sheer number of participants mobilized by the OP provided opportunities for new civic groups in poor neighborhoods, thereby reducing political inequalities. As the OP process grew in popularity it increased mobilization of ECU's empowering collective groups in society as well as individuals not historically included in civic populous (Abers, 2000: 135-147,217-219). This occurred by initiating meetings at the neighborhood level thereby reducing the participation 'costs' and providing direct resources thereby increasing the perceived benefits. Second, the alternative methods of the Workers Party dedicated to citizen participation, investment in poor neighborhoods and government transparency allowed the government to address co-option and inequality at the same time (Abers, 2000: 198-225). By mobilizing previously excluded citizens and organizations and by increasing transparency in government, Abers posits the Worker Party was able to address all three participation barriers by implementing the OP in Porto Alegre.

Similarly, Gianpaolo Baiocchi researched the influence inequality has on participation levels of citizens. He also focused on the participatory practices in Porto Alegre, but from the perspective of a sociologist attempting to outline and operationalize the concept of 'deliberative democracy.' Baiocchi describes his research as "body of political theory that seeks to develop a

substantive version of democracy based on public justification through deliberation” (Baiocchi, 1999: 2). Deliberative democracy relies on deliberation among citizens and the eventual direct dialogue between citizens and government. In the article *Deepening Democracy*, Archon Fung and Erik Olin Wright support Baiocchi’s argument stating that representative democracy “has become ineffective in accomplishing the central ideals of democratic politics” (Fung and Wright, 2001: 2). Abers and Baiocchi identify the primary impediment of deliberative democracy as the issue of inequality. They both outlined the issues of inequality found in participatory projects in the United States as well as the Brazilian OP, primarily the ‘cost’ associated with the poor or uneducated and their involvement in these processes. Baiocchi notes that it is “not a surprise” that these meetings “draw in needy persons” because after all, the meetings are designed to assess the local governmental service needs of areas without services such as clean water or garbage collection.

Baiocchi not only looks at the demographics of the participants, but also the rate of return of participants as it relates to participation levels (Fung and Wright, 2001: 58-65). He outlines four levels of participation and identifies the point most participants achieve these levels. Based on questionnaires, returning participants identified with one of the four participation levels Baiocchi outlines; participation at all, self-reported willingness to speak at meetings, domination of key leadership positions and manipulation of outcomes. Baiocchi’s findings support the argument that municipalities need to document the return rate of participants. He concludes that although gender, poverty and poor education are more likely to negatively affect the level of participation that after the first year of participation Baiocchi found a significant reduction in the adverse affects of these variables. Many of the participants he interviewed seemed more willing to participate at higher levels of responsibility at the end of the first year of participation. One of

the most obvious transformations Baiocchi identified was the increase of collectively empowered groups, or neighborhood association and community organizations. This too is tied to an increase over time which he estimates almost doubled within the first five years of Porto Alegre's participatory budget (Fung and Wright, 2001:67).

Another Brazilian author, Leonardo Avritzer compared the processes of the OP and the levels of participation in Belo Horizonte and Porto Alegre (Avritzer, 1999: 14-25). He focuses on the rate of return of participates or the change in attendance levels and the cause. His research includes data from Porto Alegre and Belo Horizonte on the number of participants involved in each city's participatory budget over a five year period. Much like Baiocchi, Avritzer attempts to understand how and why participation levels change over time. He found participation continued to increase overtime the longer each program was in place. At the time he wrote his article, Porto Alegre experienced higher numbers of participation because the participants were more familiar with the program which had been implemented ten years before the Belo Horizonte program. When comparing the data from 1999, the Inter American Development Bank found similar results. Participation has generally increased in the years that the Worker's Party held office in Belo Horizonte and in subsequent years, participation dropped due to mistrust of new government parties. The steady growth of participation outlined in **Figure 4** in Porto Alegre and the first years of Belo Horizonte demonstrate that dependable processes and transparent government lead to increased rates of participation.<sup>6</sup>

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<sup>6</sup> During my trip to Brazil in 2009 I learned that the Worker's Party is no longer in power in Porto Alegre and therefore, the OP is no longer implemented there. Although, Belo Horizonte experienced several years without a Worker's Party government, the OP continued to be implemented even under other administrations. As of two years ago, the OP in Belo Horizonte is the longest running participatory budgeting program in the country.



**FIGURE 4: NUMBER OF PARTICIPANTS IN OP PROCESSES 1990-2002**

Participants in the OP Process													
Years	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Porto Alegre	628	3,086	6,168	6,975	8,011	8,495	7,653	11,075	11,790	14,776	14,408	16,612	
Gravatá								16,084	11,536	20,113	25,134		
Belo Horizonte				15,216	26,823	36,508	31,795	19,418	(*)	21,175			
(*) Since 1999 OP is being run on a biannual cycle													
Source: Municipalities of Porto Alegre, Gravatá and Belo Horizonte ( See Annex III)													

Source: Inter-American Development Bank. “Assessment of Participatory Budgeting in Brazil.” 2005, <http://www.iadb.org/sds/doc/ParticipatoryBudget.pdf>

Avritzer states the level of participation is based on two primary factors, ‘previous traditions of associations and perceived effectiveness of the program’ (Avritzer, 1999: 25). The perceived effectiveness of the program is directly related to the perceived effectiveness of the governmental administration in power and the continuity between parties. Avritzer noticed a decrease in participation during election periods and when new administrations were elected into office. Neighborhoods with low levels of political participation or community organization (often the poorest communities) continued to experience low levels of participation in the OP even during its strongest years. Without a tradition of participation in community or government, Avritzer states residents are less likely to be involved in OP programs.

The second element of participation discussed by Avritzer is the issue of deliberation and decentralization. He found that more participants attend two meetings in particular, the two regional assemblies in which delegates are elected to lobby for specific projects and the previous year’s budget is examined (Avritzer, 1999: 24). Avritzer suggests these meetings are the most deliberative because they are so highly attended. In his analysis, Avritzer assesses the decentralization process occurring due to OP programs and examines the amount of financial

resources directed at low income communities. He explains that the Quality of Urban Life Index implemented in Belo Horizonte addresses inequity by connecting the distribution of public goods and services to hitherto excluded communities, primarily *vilas* and *favelas* (Avritzer, 1999, 28). A unique and very important aspect of Avritzer's analysis is the assessment of the Quality of Urban Life Index. He is the only author who has identified the correlation of large investments in low income communities to the Index as opposed to empowered deliberative processes. It is important to understand that many projects implemented in *favelas* are due to the influence of the Quality of Urban Life Index and not strictly the OP.

William Nylen looked at the impact OP programs had on the relationship between citizen and politics by extracting lessons from two case studies, Betim and Belo Horizonte. Most of his analysis focused on the issues of empowerment and effects of popular participation on the participants themselves. He posits that empowerment has both individual and collective dimensions and that an individual's empowerment is limited without political engagement through the collective dimension. Nylen states that empowerment therefore implies that the individual assumes the responsibility of acting collectively through *democratic citizenship* in the fight against all forms of oppression. The chart below outlines Nylen's three pro-OP claims that support the argument that empowerment is the primary result of OP processes and the results of his research supporting these claims. Nylen used both personal interviews with primary stakeholders, demographic data taken from questionnaires and information from the international literature on the topic to support his pro-OP claims of popular participation in Brazil's OP.

**FIGURE 5: NYLEN’S THREE PRO-OP CLAIMS**

Pro-OP claim #1	The OP is fundamentally popular participation including large number of nonelites	The majority of OP delegates have limited educational backgrounds and many delegates are unemployed or hold low paying labor positions.
Pro-OP claim #2	The OP is an instrument of empowerment through participation by nonelites.	An increased participation level of OP delegates in political society proves a correlation between participation and empowerment.
Pro-OP claim #3	The OP provides another layer of political representation from the bottom up	Leadership opportunities for delegates and transparency in government reduce clientelistic distribution of government services.

In an effort to better examine the above statements, Nylen interviewed numerous OP administrators, elected officials, members of neighborhoods associations and OP delegates. This research provides an illustrative understanding of the OP processes in Betim and Belo Horizonte. The first claim was supported by one interview with an Advisor to the Northern Regional Administration in Belo Horizonte who stated “the more wealthy and middle class... often ignore instruments of popular participation and go directly to the formal institutions” (Nylen, 2003: 63). The advisor goes on to suggest that this is due primarily to the types of problems low income communities face including running water, sewers, garbage collection and others. The OP provides access to government agencies and dollars to assist in these typically publicly funded problems.

Nylen distributed questionnaires at the OP meetings in both cities to collect quantitative demographic analysis of the delegates. The results of the questionnaires provided much of the data supporting the pro-OP claims. The questionnaires included personal data (Name, Age, Sex Education, Profession and Neighborhood), participation data (number of times elected as a delegate, reasons for wanting to participate, opinions on quality of government and distribution

of information, level of participation and positive and negative experiences), participation outside OP (type of organization or political party and level of participation), and political perspectives including which party participants support and whether they would vote if it weren't required by law (Nylen, 2003: 209-212).

In order to prove that participation leads to empowerment, Nylen asked delegates to compare their level of involvement in other social and political organization before and after their involvement as OP delegates. Although, Nylen found an increase of non-elite participation in other political sectors of society post OP delegate election it is also notable that although participation levels increased, the delegates were already involved in organizations outside the OP. Nylen argues that without determining causality, it is obvious that participation in the OP has led to empowerment in that delegates feel empowered to get involved with other political organizations (Nylen, 2003: 71-77). This being said, it is also important to recognize that involvement levels were increased amongst populations that were already involved. Therefore suggesting that the disengaged citizenry in these communities are either not being empowered or have simply been left out of Nylen's study because he focuses on OP delegates only and not the general participant population. In conclusion, Nylen states that the primary increase found in participation levels outside the OP process was due to participants previously active in civil society but that despite this data, the general increase indicates support for his empowerment hypothesis (Nylen, 2003: 77).

In Nylen's third claim regarding bottom-up participatory representation in government, he used case studies and first-hand interviews of OP delegates and government administrators to identify the types of interactions created by OP programs. He found that the discussions that resulted from OP meetings provided lateral understanding between neighborhood associations

leading to collective interests and actions (Nylen, 2003:80-83). Delegates are required to tie their individual interests to those of the community or they will not get their projects supported. The OP provides opportunities for delegates to learn political leadership and compromise between different groups. Nylen's interviews provided insight into these interactions and understanding about representative democracy. Another point Nylen makes in reference to representative democracy and OP processes is accountability in government. Presenting city finances and operations creates transparency in government and holds administrations accountable to the public. Transparency in government has resulted in decreased corruption and challenges the traditional clientelistic distribution of services.

Nylen's research provided accurate detailed information about the demographics of OP delegates including their educations, profession, age, gender and neighborhood associations. He also provided insight into involvement levels of the elected delegates only, leaving a large population of OP participants out of the study. Without analyzing the demographics and participatory influence of general participants, Nylen is only addressing the top tier participants of OP processes and therefore the most politically driven and involved members of the process. This is another reason the framework presented should be implemented at the sub-regional level, one of the most attended meetings due to the fact that delegates are elected at this meeting. Although his work proves the influence of many non-elites, the issue remains what populations are not involved, what neighborhoods are not represented and how can the OP process expand to include all the citizens and communities in Brazil.

Although the above studies detail the levels of participation and inclusion of *favela* residents, they are laborious and time consuming. Municipalities need a method of benchmarking successes and downfalls of the OP that is easily used and analyzed. Currently,

most municipal research implies that the increased output in *favelas* proves that empowerment and inclusion is being achieved, but does not account for the analysis of participatory processes. In order to understand the process of empowerment or how individuals are empowered, analyst must look at the recipients of the process. *Favela* residents are only slightly empowered when their built environment is improved by the government (projects including streets, bridges, schools, housing), but they are increasingly empowered when they are provided the decision making power over how their environment is changed. The participatory budget gives residents the power to decide, thereby empowering them, but many other constraints continue to limit empowerment and inclusion including capacity issues and limited control over the PGE.

## CHAPTER FOUR

### FRAMEWORK FOR MEASURING EMPOWERMENT AND INCLUSION

The Inter American Development Bank (IDB), the World Bank and the International Network of Cities (URBAL) have all described the OP as an empowering and inclusionary device but provide no tools to formally measure empowerment or social inclusion. Building on the literature of participation, empowerment and social inclusion theories, the framework provides a concise methodology for identifying and measuring these typically *fuzzy* terms. The study provides both quantitative and qualitative tools for measuring and examining elements of empowerment and social inclusion as it relates to urban development. Fifteen quantitative variables were grouped into three key units of analysis that are discussed in the form of a five rung ladder in an effort to mimic fundamental literature including Sherry Arnstein's "Ladder of Participation" and Elizabeth Rocha's "Ladder of Empowerment." Each rung will reference the primary units of analysis, *Empowered Collective Units*, *Involvement* and *Project Typology*.

These elements are discussed within each rung of the ladder. In the bottom rung of the ladder, (1) Materiality, citizens are manipulated by politicians in order to win votes and projects are rarely implemented. This rung provides no source of empowerment or social inclusion for residents. The second rung, (2) Spatial Integration, begins to incorporate *favelas* into the surrounding urban fabric of the city. During Social Belonging (3) and Participatory Materiality (4) Empowered Collective Units begin to form and citizens believe they have a voice in development. Full Socio-Political Participation (5) creates empowered autonomous communities that are spatially and socially integrated into society. The rungs provide both a description of each level of empowerment and social inclusion. The final step in analysis includes the matrix which assists in quantifying these *fuzzy* themes.

**FIGURE 6: LADDER FOR MEASURING EMPOWERMENT AND INCLUSION**



Ken Thomson argues that to study “participatory, face-to-face interaction” we must first examine the smallest unit of this interaction, the neighborhood organization (Thomson, 2001:33). For the purpose of this study we will use the term *Empowered Collective Units* (ECU) to include all socio-political groups formed in response to government actions. These groups often initially mobilize in reaction to negative government actions, however as the participatory programs continue to grow ECU’s will assemble due to institutionalized processes that empower positive roles of interaction and democratic decision-making.

To achieve empowered deliberative democracy ECU’s must be involved in setting policy goals, program agendas and projects implemented by the government. The level of *Involvement* of each ECU is one of the most important characteristics of empowered participatory programs, but high levels of involvement are often the most difficult to achieve. The level of involvement defines the autonomy of each community. As communities become more autonomous and



empowered, citizens in *favelas* will become more socially included within the socio-political atmosphere of the city.

*Project Typology* ranges from strictly material based infrastructure projects to social policies and programs. As project typology advances from material projects to social programs *favela* dwellers will become spatially integrated into the urban fabric and eventually socially included as more social support programs are offered in *favelas*. It is important to recognize that not only the provision of social programs leads to social inclusion. Citizens in hitherto excluded neighborhoods must be involved in the decision-making process about these programs in order to feel that their community has a voice that can be heard in the political arena.

## MATERIALITY

The lowest rung on the ladder is materiality in which citizens receive strictly material based projects and are not encouraged to participate in government. The units of analysis for this rung are described as:

- *ECU's*: do not exist; organized groups are formed out of distress and lack of government interaction
- *Involvement*: communities benefit from new infrastructure, however this infrastructure is temporary in the sense that residents do not know how to maintain the systems and government may not return to maintain it
- *Projects*: are strictly physical and provide minimum government infrastructure such as road ways, sewage systems and water pipes

The most common example of materiality in Brazilian development is clientelism or *troca de favores* (Abers, 2000: 3). This is a system of political bargaining in which votes are exchanged for the promise and sometimes the provision of infrastructure. Through this process state resources are distributed through personal discretion inhibiting systematic planning for most neighborhoods throughout Brazil. The system has proven particularly detrimental to the

development of *favelas* by encouraging the haphazard growth of these communities while at the same time discouraging their improvement. In some cases, politicians have turned a blind eye to the development of illegal *favelas* in exchange for votes from the inhabitants. Abers also notes that it is not necessarily favorable for candidates to later resolve the issues in these communities because they might lose the inhabitants' votes (Abers, 2000: 29). The concern of candidates is that once these communities are well established without infrastructure concerns the inhabitants will no longer remain interested in politics because they will have no more needs.

From the perspective of empowerment, clientelism promotes a system of bargaining that suggests governmental services and infrastructure needs are not the rights of citizenry, but are gifts that must be earned (Abers, 2000: 30). Without the negotiation skills of the elite, the citizens of *favelas* are left pleading for handouts randomly gifted by the government. The system discourages participation and civic involvement. Projects are doled out on a case by case basis, impeding synergy between projects and without scheduled maintenance of infrastructure. Materiality is easily identified by a complete lack of ECU's, extremely limited decision making power for citizens, and temporary or unmaintained projects that are primarily material based projects (i.e.: sewers, road networks, retaining walls, and electricity). The process of materiality encourages dependence, low quality of life and highly limited vertical participation of residents.

## SPATIAL INTEGRATION

The second rung on the ladder of inclusion, Spatial Integration, is the first true step towards social inclusion. The units of analysis are described as:

- *ECU's*: may form over the issue of management of government provided infrastructure, however these groups are not empowered to make decisions for future developments, they merely organize in reaction to new government programs

- *Involvement*: communities may benefit from new infrastructure that can be maintained locally without dependence on government agencies
- *Projects*: remain physical in scope and provide minimum government infrastructure such as road ways, sewage systems and water pipes

Citizens who are spatially separated or excluded from the rest of society generally do not have access to the same level of government services including localized school districts, public transportation, and sewage and water treatment. These citizens are also often limited to alternative and sometimes illegal economic markets that are not typically as sustainable as primary markets. Providing programs that spatially integrate *favelas* into the urban fabric of the city will assist the *favelados* in eventually integrating into the social, economic and governmental fabric. During this phase citizens and communities receive benefits from government provision of infrastructure, community management training programs and/or grassroots infrastructure. The most important aspect of this stage is the limited autonomy the community begins to experience.

During this phase, citizens join ECU's in an effort to manage government provided infrastructure. This might take the form of neighborhoods associations, church groups or volunteers from within the community who provide maintenance for the community's infrastructure or begin to request services and projects from the local government. This group can provide empowerment to other community members by training them on maintenance and management procedures. However, these groups are not considered fully empowered because their creation and activism is typically in response to government projects or lack thereof.

During this stage the government does not provide programs for the community members to participate in development decisions. The self-help groups that form in this manner will often

feel frustration and may even protest in the response as the government implements projects but does not include the citizen in the planning, placement or design of these programs.

Projects implemented during this phase will seek to spatially integrate the community into the surrounding urban fabric. Programs that support the social aspect of infrastructure, however, should also begin to be implemented during this phase. Essentially the government and the citizens begin to form a participatory relationship during this phase but it takes the form of either reaction from citizens or instruction from the government on infrastructure management. Sewage and water systems might be managed by the community and retaining walls or road ways are likely repaired by community organizations during this phase. Towards the end of the phase, the government should design projects easily managed by community members and work with the community on the maintenance of a 'collective' infrastructure. Bottom-up empowerment groups are also likely to form in order to fill this gap. If the government does not create an open relationship with the community, the residents will slowly be empowered to solve their infrastructure issues on their own. Both solutions provide empowered communities in that the residents work together to solve to problems of the community, but without the government's influence the process to arrive at phase three is likely to take longer. It is important for citizen to feel that their voice is being heard by the government in order to move from spatial integration to social belonging.

## SOCIAL BELONGING

Social Belonging is defined by the belief that citizen participation can lead to an autonomous community. This rung is identified by:

- *ECU's*: form through the growing belief that citizens have a voice in government

- *Involvement*: communities may benefit from making proposals to government for specific projects; however no formalized setting has been created to achieve this dialog
- *Projects*: include schools buildings, sewage systems, roads, and bridges, some government services such as trash pickup or electricity. Projects begin to include services and infrastructure.

Political theorist William Nylen posits, “When talking about democratic participation, one is talking about individuals acting upon a feeling of citizenship; that is a sense of belonging” (Nylen, 2003: 15). The concept of membership in society is the root of participatory budgeting’s success. Ronald Beiner wrote that ‘civic allegiance’ to a specific political community “derives from a sense of belonging” (Nylen, 2003: 15). Both Nylen and Beiner argue that without membership, belief that an individual belongs to a political community and the ‘collective identity’ that stems from this group, democracy would be impossible. During this phase the government usually begins to reach out to citizens after finding that top-down approaches are continually not successful, but there is no institutionalized system for participation. The *Alvorada Programme* of 1985 is an example of this interaction. This program was implemented by the Prefeitura of Belo Horizonte through URBEL (*Companhia Urbanizadora de Belo Horizonte*- Upgrading Company of Belo Horizonte) and was the first upgrading program in the country to urge residents to be involved in the process of relocation and housing interventions.

The ability to choose housing solutions leads to the expansion of ECU’s. These groups develop from the growing belief that citizens have a voice in government and that their neighborhood can make choices that affect change within their community. Brazil experienced high levels of ECU development during the 1980’s when collective consciousness and the redemocratization of Brazil was taking affect after the fall of the Military Regime (Guattari and Rolnik, 2008; 9-19). These groups have not achieved full influence with the government or project outcomes, but they are mobilizing support for specific programs. Many ECU’s will

begin to benefit from making proposals to the government for projects in their communities, however no formalized process for participation has been created to achieve an open dialog between the citizens and the government. The primary issue with this form of participation is that it continues to favor those who have the knowledge, power and training to petition the government for necessary interventions. It is important to register ECU's with the government in order to move to the next rung in which neighborhood associations collaborate with government on planning related interventions for their individual communities.

Projects delivered during the third rung should comprise of a mixture of social and material based projects with increase government service supply. Physically, *favelas* should begin to blend with the urban fabric of the city through the implementation of material projects and upgrading infrastructure programs. The social projects would include school buildings and libraries while the material based projects would continue to provide basic infrastructure such as roads, bridges and retaining walls. The government should provide increased services including garbage collection, sewage and water treatment. Primarily this phase should be identified by the collaboration between the government and the citizens in identifying projects in the community, either social or material based.

## PARTICIPATORY MATERIALITY

The fourth rung is defined by citizen's control over the built environment and popular participation by all including non-elites. Citizen power defines the beginning of this rung. The elements of analysis are determined by:

- *ECU's*: work within an institutionally defined system to make demands of the government and to mobilize communities

- *Involvement*: communities make decisions and exert control over the built environment, communities file demands through proper channels but experience high levels of control over infrastructure
- *Projects*: include schools buildings, sewage systems, roads, and bridges, some government services such as trash pickup or electricity. Government services and social programs are apparent during this stage of development.

The inspiration for autonomous or community controlled upgrading programs has been ascribed by many theorists to John Turner, author of *Housing by People: Towards Autonomy in Building Environments* and a housing advocate who supported sites-and-services programs. The general theme to come from Turner's work, and many theorist of the 1960's, was that housing should be understood as a process acknowledging the human aspects of slum intervention instead of merely providing material structures (Huchzermeyer, 2004: 29). Turner sympathized with the human element of housing which identified that human needs are diverse and ever changing and therefore not successfully met through standardized material based projects. The resolution to identifying these needs and providing housing solutions was to provide residents the ability to choose. Turner supported a framework for decentralized government and highly autonomous communities in which citizens would have greater control in housing intervention and slum upgrading.

During Participatory Materiality these ECU's begin to experience deliberative participation and empowerment through the implementation of an institutionalized process of vertical participation. This process allows citizen to influence the types and locations of projects in their communities and instructs them on the processes of government so they can have continually higher levels of influence over their environment. Democratic decision making is used to address problems with inequality and inequity between different regions of the city. The participatory process implemented during this phase should reflect the qualities of *empowered*

*participatory governance* (EPG) outlined by Archon Fung and Erik Olin Wright. These qualities are described by Fung and Wright as dependent on the dedication and capacity of ordinary citizens or highly participatory democracy, deliberative decision-making that involves all citizens, and discussion driven policy creation that empowers residents to be involved in the process (Fung and Wright, 2001: 5). With increased transparency and efficiency this participatory process will evolve into a highly autonomous community driven process that will be reflected more in the fifth rung of the ladder.

ECU's evolve into large, well managed and mobilized groups that affect change within their urban environment. With the defined system of participation, the groups are able to target goals and projects. Citizens are able to choose which ECU best fits their desires and needs and quickly learn to advocate for preferred outcomes. Communities do not exert Sherry Arnstein's Citizen Control, but have entered into a partnership with the government and maintain high levels of decision making power (Arnstein, 1969:9-13). Capacity and time are still issues that must be accommodated for especially with lower socio-economic communities; however repetition of the participatory process will eventually lead to strong active ECU's throughout all levels of society. Government and NGO's can assist by providing training programs for low income communities and ensuring that meetings are held in evening hours and within close proximity of the neighborhood. Accommodating for all socio-economic groups creates transparency with government and empowerment for all levels of society.

Projects should begin to include a social agenda including programs that promote higher levels of education, improved community health, workforce training and childcare. It is important to see physical projects supported by social programs for more successful and sustainable results. The government should continue to increase services for all areas of the



communities including garbage collection, sewage and water treatment, public transportation, schools and libraries. The most important aspect of Participatory Materiality is that citizens are allowed to address the physical environment in which they live. The primary concern is not simply the types of projects, but how the projects are identified. Citizens must begin setting the goals and policies for their region in order to become a fully empowered and autonomous community.

## SOCIO-POLITICAL PARTICIPATION

During the final rung on the ladder, citizens experience transparent and defined social rights, equality of opportunity, and popular participation. The elements are defined as:

- *ECU's*: become self-sustaining, mobilizing and governing bodies of the district
- *Involvement*: communities begin to set the stage for development, deciding what programs or issues should be addressed by government
- *Projects*: include schools with high levels of education, computer training, literacy programs, healthcare and gender related programs. Social programs are necessary during this phase.

Citizens from all socio-economic levels of society are provided equal level of decision making power. Deliberative processes create semi-autonomous communities with highly empowered citizenry. All sectors of society are included through both the built environment and the socio-political arena. As all citizens gain access to government services including public transportation, schools, libraries, healthcare facilities, parks, greenspace, daycare, garbage collection and water and sewage treatment; all neighborhoods retain similar infrastructure and urban fabric; and all residents become involved in collective deliberative governing processes, social inclusion and empowerment will be obtained by the entire citizenry of the city. By the end of the fifth phase citizens should experience equality throughout the physical, social and political realms of society.

ECU's become self-governing bodies that reflect the needs and desires of each district. It is imperative that these groups begin to reflect the entire community instead of special interest groups as they most likely initially formed. These groups no longer exist in reactive mode, but instead are tied into the larger political system and are recognized as active representation of each community's citizenry. In *Neighborhood to Nation*, Ken Thomson discusses *The Core* group which is similar to the ECU in that these groups are the "face-to-face decision-making bodies" that provide the link between all citizens and the government (Thompson, 2001: 5). The groups are mobilized by the citizens and provide access for all residents to be involved in decision-making processes. This is a necessary aspect of participatory governing. Through these groups citizens begin to set the stage for development and decide what programs or issues should be addressed by government. The defined system of participatory governing initially implemented during the Participatory Materiality phase is altered from merely provided partnership opportunities to allowing citizens to set policy agendas and program designs. This means that citizens do not pick from a variety of possible projects but instead decide what projects are being discussed.

The types of projects will be decided completely by the citizens and may include a variety of material and social projects; however it is assumed that the majority of the physical concerns of communities have been addressed by the time this rung is reached. Under this assumption, most projects will address social concerns of the community including after school programs, increased educational programs, technology training for adults and children, literacy programs, healthcare, entrepreneurship and agriculture training, and gender related programs. This is a limited scope of possibilities for tailored agendas that might be set by the community. The most important aspect of the final rung is that the individual communities set the agenda for

both social policies and physical improvements instead of choosing from options proposed by the government.

## MATRIX

The ladder provides a theoretical framework for the analysis of empowerment and social inclusion, however the fifteen variables discussed earlier will assist in quantifying the impacts of the OP process. Again the three elements examined in each rung and diagramed through these measurements include *Empowered Collective Units*, *Involvement* and *Projects Typology*. The smallest unit of measurement for the OP process is the sub-regional level because community meetings cannot be measured do to the informality of the gatherings. For this reason, all data should be collected at the sub-regional meetings. Five quantifiers were outlined as key measures of successful ECU's; (1) the number of organizations or ECU's represented at planning or OP meetings, (2) the percentage of sub-regional population represented by ECU's, (3) the population by neighborhood in attendance at OP meetings, (4) the number of elected delegates from the sub-region, and (5) the rate of return for participants. This data illustrates the impacts ECU's have on the OP process, identifies the amount of outreach that is occurring, portrays the level of participation and whether citizens feel the program provides them a voice in planning processes.

In order to measure *Involvement* a combination of data collection and participant surveys are required. Much like the strength of ECU's, *Involvement* can be measured by looking at the number of participants or in this case (1) the average attendance at regional meetings and (2) sub-regional meetings. Documenting the average attendance of meetings measures the level of community participation in the meetings, not just the few die-hard neighborhood associations. The other three measures are documented through surveys that address (3) transparency, (4)

efficiency of the process and (5) the level at which citizens feel they affect *Project Typology* or in other words, do citizens feel they have high levels of decision making power.

*Project Typology* is measured through the (1) the number of material based projects implemented during each OP, (2) the number of social support programs implemented, (3) the amount of money directed into a sub-region and (4) the percentage of population affected by the project in the region and sub-region, and (5) the location of each project. There should be a correlation between the number of ECU's from each sub-region, the average attendance at the sub-regional meetings and the location of projects. If the process is providing high levels of decision making power to the citizens and empowering them to address the concerns of their community, this correlation should occur.

Identifying this correlation will require the government of Belo Horizonte and other municipalities using the OP to gather more in depth data at the sub-regional level. Currently there is no information regarding the number of ECU's in each neighborhood or how many are vying for projects during the OP process. The neighborhood and address of the participants is not recorded so it is impossible to document the correlation between the allocation of funds and decision making power of residents. Another missing piece of data is the rate of return of participants. If participants feel their participation is having a positive effect in their community they are more likely to return to meetings in the future. This is a straightforward way of measuring the affects of empowerment and inclusion. As the government begins to collect this data the form below could easily chart the level of empowerment and social inclusion and its relationship to the ladder. The form below reflects the three units of analysis and the five variables within each category. With this systematic collection of information analysis of the process of empowerment and social inclusion will be more easily identified.

**FIGURE 7: MATRIX FOR MEASURING EMPOWERMENT AND INCLUSION**

		1	2	3	4	5
<b>Empowered Collective Units</b>						
1	Number of ECU's per sub-region					
2	The percentage of sub-regional population represented by ECU's	0%	1-7%	8-25%	26-50%	50-100%
3	Percentage of neighborhood population at sub-region meeting	N/A	N/A	N/A	0-30%	31-100%
4	Number of elected delegates in the sub-region	N/A	N/A	N/A		
5	The rate of return of attendants at participatory programs	N/A	N/A			
<b>Involvement</b>						
1	Attendance at regional meetings	N/A	N/A			
2	Attendance at sub-regional meetings	N/A	N/A			
3	Transparency of the OP process	Participants rank transparency on a scale of 1-5				
4	Efficiency of the OP process	Participants rank efficiency on a scale of 1-5				
5	The level at which participants feel they affect project typology	Participants rank affectiveness on a scale of 1-5				
<b>Project Typology</b>						
1	Identify the location of projects in the sub-region	Project typology analyzes each sub-region separately				
2	Percentage of material based projects	76-100%	51-75%	21-50%	11-20%	5-10%
3	Percentage of social programs	5-10%	11-20%	21-50%	51-75%	75-100%
4	The amount of money directed to this sub-region	Document the amount of funds for the sub-region				
5	The percentage of population affected by projects	5-10%	11-20%	21-50%	51-75%	75-100%

CHAPTER FIVE  
ANALYSIS OF ORÇAMENTO PARTICIPATIVO  
A CASE STUDY: BELO HORIZONTE, BRAZIL

While studying in Brazil for six weeks in the summer of 2010, I spent two days in Belo Horizonte gathering information about the OP process and *favela* upgrading. During this brief visit I interviewed two government officials working at GAPLAN and URBEL. Monday June the 7<sup>th</sup> I arrived at GAPLAN unannounced because the planning department no working phone numbers were listed online or in the phone book. Luckily, Leonardo Oliveira, an intern at GAPLAN, met with me for several hours and explained all the current OP programs in the city. GAPLAN publishes pamphlets every year outlining the number of projects implemented in each district. Leonardo also supplied several exploratory studies analyzing the outcomes of the OP in regards to physical projects and urban inclusion. Monday afternoon I repeated my good fortune, arriving at URBEL unannounced and finding Humberto Soares, director of URBEL, excited to explain (in English so he could practice) how the agency manages *favela* upgrading.

Soares explained the two agencies tasked with implementing OP projects, URBEL and Sudecap. URBEL retains the responsibility of implementing urbanization programs in *favelas* and *vilas* while Sudecap manages projects in non-priority areas. Soares provided several maps documenting the location of *favelas* throughout Belo Horizonte and explained some of the difficulties in physically integrating these communities into the physical fabric of the city. He stressed the difficulties his office has with documenting the participatory process of the OP, collecting demographic data and finding a simple systematic process for examining the program (Soares, Umberto. Personal Interview 8 June 2010). With the overwhelming task of implementing all projects located in *favelas*, his office does not have time for extensive analysis.

Leonardo Avritzer identified one of the primary problems facing participatory budgeting when he wrote “there is a general consensus in Brazil that the participatory budget works better than traditional methods of making the budget, yet there is no consensus on why” (Avritzer, 1999: 16).

On Sunday June 7<sup>th</sup> I toured the city with José Washington, a local architect who administered several small OP projects. He drove me through two *favelas*, Bairro Serra and Cafezac, where he identified OP and Vila Viva projects. These two programs overlap in the *favelas* but Vila Viva is not a participatory program like the OP. He believes these programs are “doing a lot for the citizens of *favelas*, but that drugs and violence continue to be a problem” (Washington, José. Personal Interview 7 June 2010). This is especially true in larger cities such as São Paulo and Rio de Janeiro. Washington said Belo Horizonte is lucky, “the *favelas* in this city are not as bad as the old *favelas* of other cities” (Washington, José. Personal Interview 7 June 2010). Although Belo Horizonte has large *favelas*, they do not have the extreme congestion, crime and environmental concerns as bigger cities. All of the people I spoke to agreed that Belo Horizonte needs to be proactive so they will not incur the difficulties of larger cities.

Belo Horizonte is located in the southeastern part of Brazil and is the capital city of the state Minas Gerais. According to the *Instituto Brasileiro de Geografia e Estatística* (IBGE), the Brazilian Institute for Geography and Statistics, the 2007 population of the city of Belo Horizonte was 2,434,642, making it the sixth most populated city in the country.<sup>7</sup> This population accounts for roughly fifty percent of the Metropolitan Region which is the third largest in the country at 4,786,369. Belo Horizonte has 248 *vilas*, *favelas* and housing

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<sup>7</sup> Population and demographic data was collected at [www.ibge.gov.br/english](http://www.ibge.gov.br/english) and from the URB-AL sourcebook entitled Instruments and Mechanisms Linking Physical Planning and Participatory Budgeting.

developments and estimates that 202,431 residents are living below the poverty line.<sup>8</sup> The 2007 URB-AL sourcebook on Instruments and Mechanisms Linking Physical Planning and Participatory Budgeting reports 512,529 residents living in *vilas* and *favelas*, 230,000 residents living without access to sewage, 10,650 families living in environmentally unsafe areas and 50,000 homeless households (URBAL, 2007:5). When the Workers Party came into power in 1993, their platform was based on support for the poor and promotion of popular participation especially for residents living without basic government services.

Born out of union organizers and protestors, the Workers Party desired a more transparent government that could be “a part of the everyday life of its citizens,” reflecting civic demands instead of bartering for votes (Bretas, 1996: 213). Previously government agents leveraged the needs and demands of the citizens against them in turn for their votes. After gaining power in Belo Horizonte, the Workers Party’s first action was to divide the city’s capital investment budget in half. Proposing one half be allocated by the people through participatory budgeting and the other half disseminated to communities identified as having a low quality of life (Bretas, 1996: 213). The Workers Party utilized the OP in Belo Horizonte in an effort to provide comprehensive alleviations to *favelas*.

The administration utilized three OP typologies in order to target specific problems identified throughout the city. The traditional OP program outlined in Chapter Two was introduced to incorporate public deliberation on capital investments funds. The second budget was designed to specifically address the housing deficit that accounts for much of Belo Horizonte’s slum growth. The Housing OP addresses the production of low income housing and is implemented by URBEL, the Upgrading Company of Belo Horizonte (Cabannes, 2007: 14).

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<sup>8</sup> Counting illegal settlements and categorizing them is a very complex and difficult task in Brazil. My assumption is that this number is much smaller than the true number of informal settlements or slums in the area.



GAPLAN, the planning department of Belo Horizonte, introduced the third budgeting program, OP Digital, as a way to identify city-wide projects through online voting (Prefeitura Belo Horizonte, [www.pbh.gov.br](http://www.pbh.gov.br)). This thesis focuses on the affects of the traditional OP on public deliberation and *favela* upgrading.

In 2000, the municipality employed a Quality of Urban Life Index to assist in efficiently identifying neighborhoods in need of public works. The Index directs OP projects and funds to the neediest areas based on population, density and income levels. The Urban Life Quality Index is comprised of 11 variables and 70 indicators which measure each community's access to urban resources. The 11 variables include: food supply, social welfare, culture, education, sports, housing, infrastructure, environment, health services, urban services and safety (Cabannes, 2007: 19-22). GAPLAN uses this approach in order to reduce inequalities and prioritizes citizens living in precarious conditions.

The *Plano Global Específico* (PGE) or the Specific Global Plan, is another tool employed by municipalities to direct public work funds. The PGE is a comprehensive plan, much like a neighborhood master plan, that guides the interventions of urbanization, environmental programs and social development in villages and slums throughout the city. The plans strengthen the results of the OP programs by ensuring comprehensive interventions in *favelas*. Designed initially in 1998, the plans included surveys of the physical issues in each *favela*, the legal and social ramifications of land tenure, diagnosis of integrated data and prioritization of programs and policies. All projects eligible for OP funding must be outlined as an approved PGE project first.<sup>9</sup> *Favela* residents cannot nominate projects that do not fall into the guidelines of PGE.

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<sup>9</sup> The PGE is explained in detail at the Prefeitura BH web-page. <http://portalpbh.pbh.gov.br/pbh/>. 2009

When used together, the Quality of Urban Life Index and the PGE direct funds to low income communities within a systematic comprehensive urban plan.

GAPLAN divided the city into nine administrative districts, each with its own appointed administrator, further opening the dialogue between citizens at several levels throughout the city. From neighborhood conversations to city-wide discussions, discourse about citizenship, participation, government affairs and budgetary constraints expanded. These districts were further divided into 41 sub-regions, 81 Planning Units (PU's) and 465 neighborhoods improving deliberative interactions and civic understanding of government actions (Cabannes, 2007: 11). Twenty-five projects are divided among each district's sub-regions. For this reason, dialogue and debate between sub-regions often results in partnerships amongst civic organization as the 25 projects are chosen.

**FIGURE 8: OP ADMINISTRATIVE DISTRICTS AND REGIONS**



Source: Prefeitura Belo Horizonte, Orçamento Participativo. [www.pbh.gov.br](http://www.pbh.gov.br) 2009

The projects designated by the OP are categorized into eight themes or types of projects including, culture, education, sports, infrastructure, environment, health, social and urbanization of *vilas*. From 1994 to 2008, the city of Belo Horizonte implemented 494 infrastructure projects

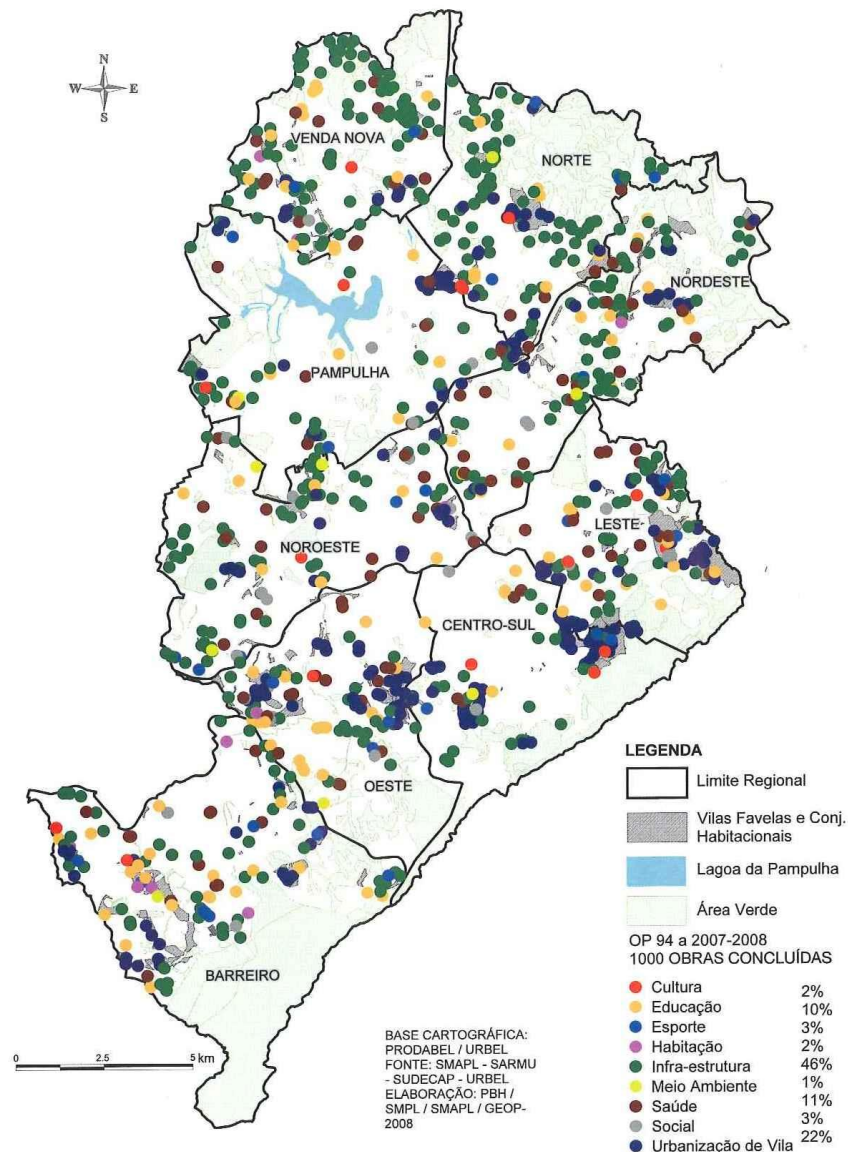
which accounts for 46% of all OP projects during this period of time (Prefeitura BH 2009: 10-11). During the same time frame approximately 308 urbanization projects were implemented in *favelas* and *vilas* throughout the city. Urbanization projects accounted for 22% of all the projects from 1994 to 2008. Projects in these areas continue to focus on infrastructure and upgrading processes and not social programs. If the city of Belo Horizonte implemented the framework, the types of projects implemented thus far suggest the OP process provides citizens with low-level Participatory Materiality because the city has an institutionalized system of deliberation but only provides limited access to control of the built environment. Citizens cannot propose projects that do not reflect the PGE and very few social programs are implemented in *favelas* as a result of the OP. The map below shows the location of all the projects implemented between 1994 and 2008. The *favelas*, *vilas* and housing projects are depicted in grey. Although a large percentage of projects are executed in and around low income communities the map shows the majority of projects directed to other communities throughout the city.<sup>10</sup>

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<sup>10</sup> Data discussed in this chapter was provided by GAPLAN in Belo Horizonte. Plano de Empreendimentos, Orçamento Participativo 2009/2010 (Prefeitura BH 2009): 10-11

**FIGURE 9: 1994- 2007/2008 REGIONAL OP PROJECT TYPOLOGY**

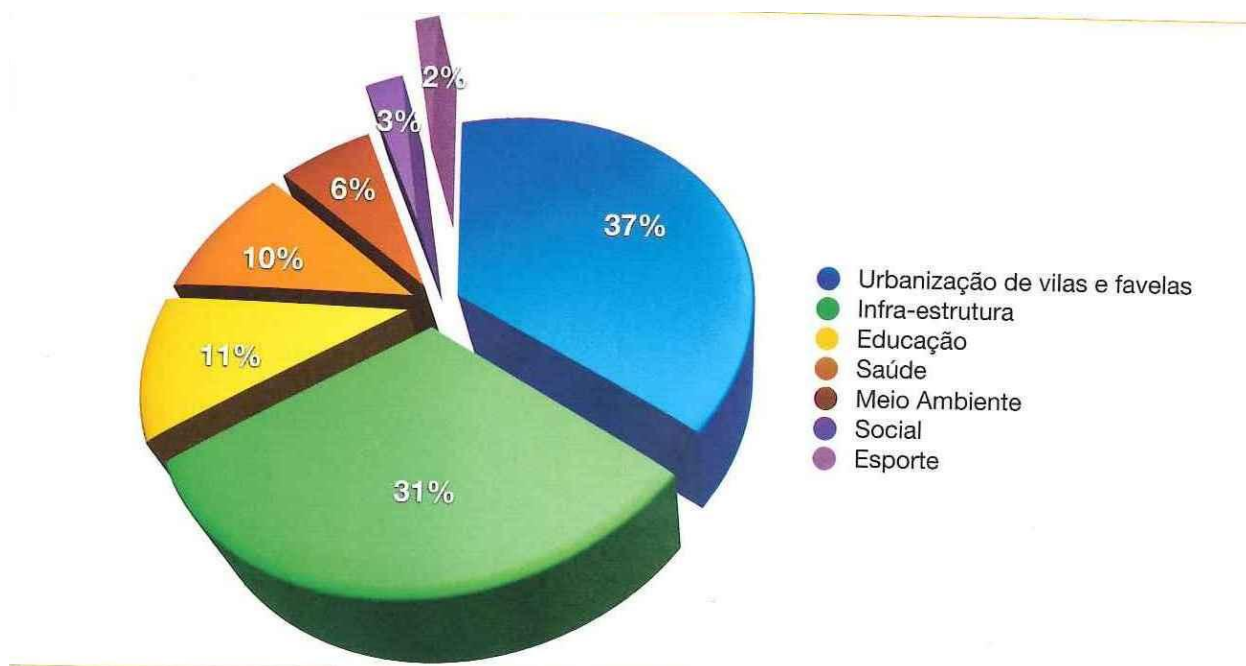
**1.000 obras concluídas no OP Regional de 1994 a 2007/2008 – por temática**



Source: Plano de Empreendimentos, Orçamento Participativo 2009/2010, Prefeitura BH 2009

**Figure 10** outlines the percentage of projects implemented during the 2009/2010 OP in Belo Horizonte. Urbanization projects for *vilas* and *favelas* represented 37% of all the OP projects for this time frame. **Figure 11** depicts the project locations throughout the city of Belo Horizonte. Only three social programs were implemented throughout the city and none were implemented in *favelas* or *vilas*. As the OP continues to affect the development of Belo Horizonte and the upgrading of *favelas*, OP projects should include more social programs in *favelas*. In order for the OP process in Belo Horizonte to reach the final rung of the ladder, Socio-Political Participation, social programs must be identified and implemented in *favelas*. Social inclusion cannot be attained until these types of programs are put into practice.<sup>11</sup>

**FIGURE 10: 2009/2010 REGIONAL OP PROJECT**

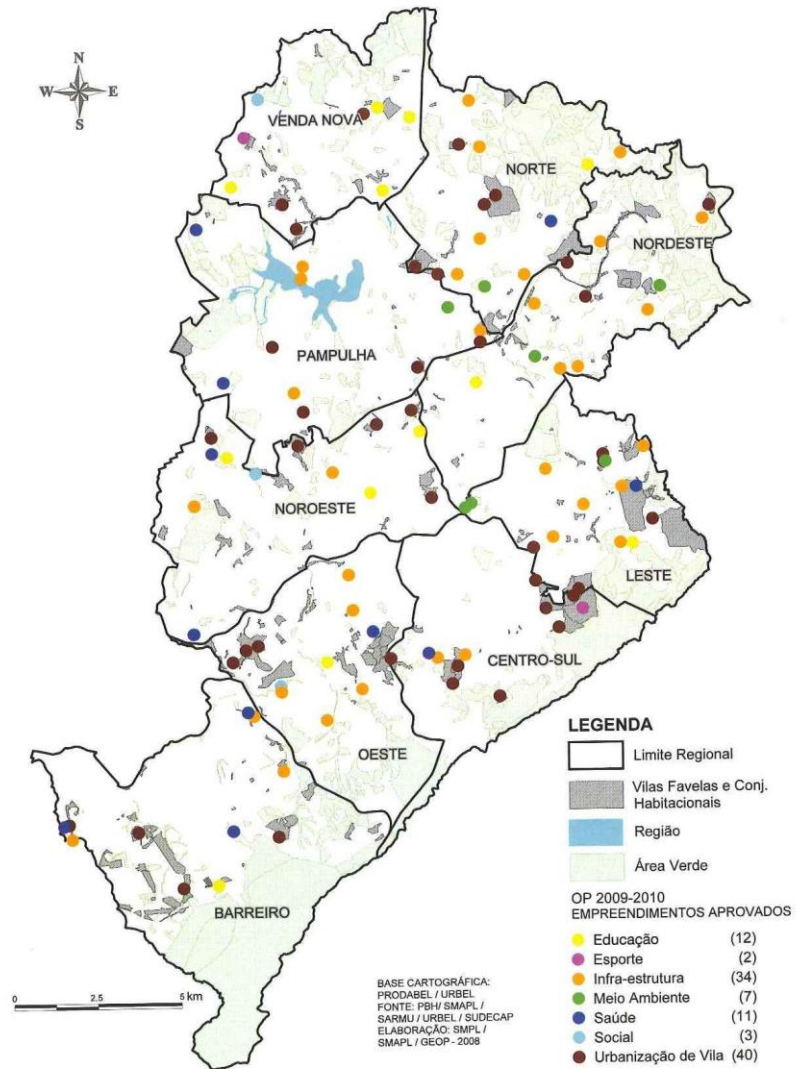


Source: Plano de Empreendimentos, Orçamento Participativo 2009/2010, Prefeitura BH 2009

<sup>11</sup> Data discussed in this chapter was provided by GAPLAN in Belo Horizonte. Plano de Empreendimentos, Orçamento Participativo 2009/2010, (Prefeitura BH 2009): 48-51

**FIGURE 11: 2009/2010 REGIONAL OP PROJECTS TYPOLOGY**

## OP 2009/2010 – Empreendimentos aprovados por temática



Source: Plano de Empreendimentos, Orçamento Participativo 2009/2010, Prefeitura BH 2009



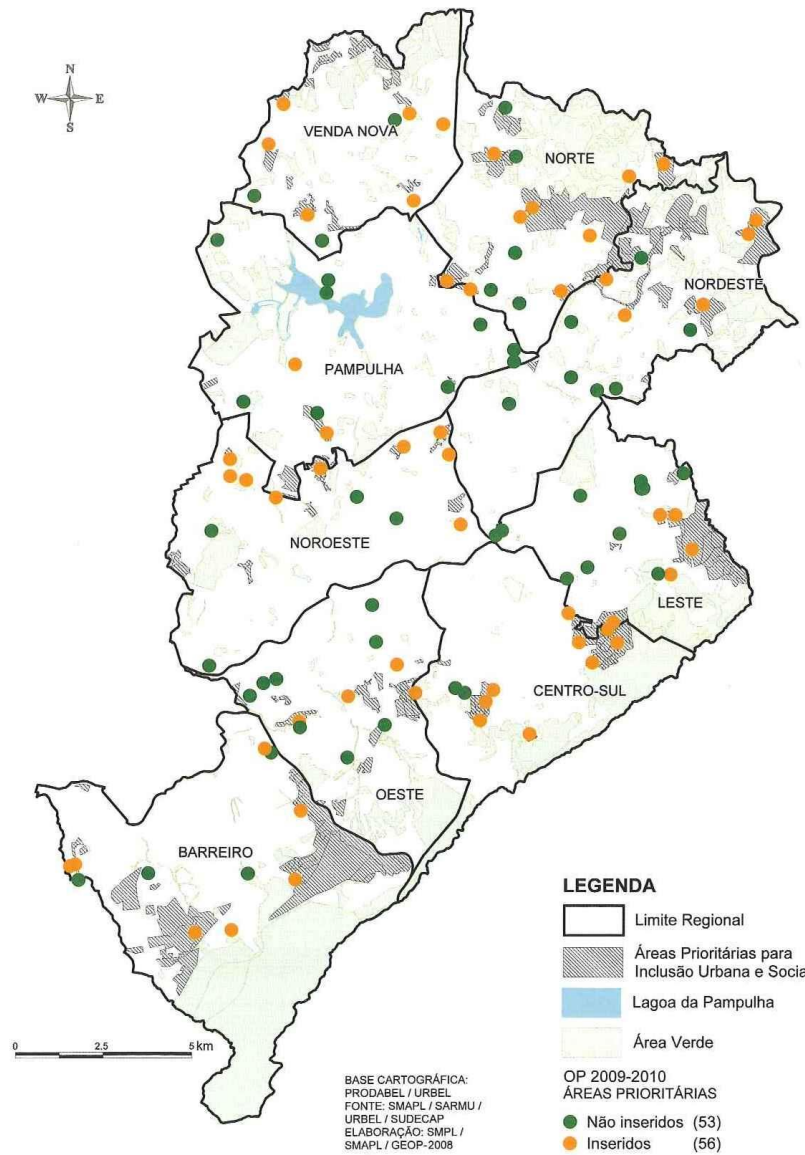
The map below depicts the 2009/ 2010 OP total projects for the city. Projects directed to urban and social inclusion of *favelas* (priority areas) accounted for 56 developments (Prefeitura BH, 2009:52). Other projects included infrastructure, health and environmental programs for non-priority areas. In recent years the number of projects directed to *favelas* has increased to more than half of the total projects identified through the OP. This suggests more *favelados* participate in OP processes, however, GAPLAN and URBEL do not gather statistics on where participants live and therefore this correlation does not withstand the rigors of close analysis.

Paulo Bretas reports that the amount of public works money allocated to projects in the *favelas* of Belo Horizonte more than doubled between 1992 and 1995 (Bretas, 2000: 221). He also points out that since the inception of the OP process, more projects have been implemented in the periphery of the city (where low income *favelas* exist) as opposed to the city center (typically more developed and often gated communities of elites). The study by Bretas as well as all the evaluation and monitoring procedures setup in municipalities across Brazil analyze only the physical output in relation to the location of projects targeting low income communities. It is not enough to simply say low income communities are empowered by participatory budgeting because a large number of projects are located in *vilas*, *favelas* and housing projects. Projects are located throughout the city in all socio-economic communities which suggests analyst must dig deeper into the process of participatory budgeting to understand who is empowered and if the process of decision-making has been decentralized.



**FIGURE 12: 2009/2010 REGIONAL OP PROJECTS APPROVED FOR URBAN AND SOCIAL INCLUSION OF FAVELAS**

**OP 2009/2010 – Empreendimentos aprovados  
Áreas prioritárias para inclusão urbana e social**



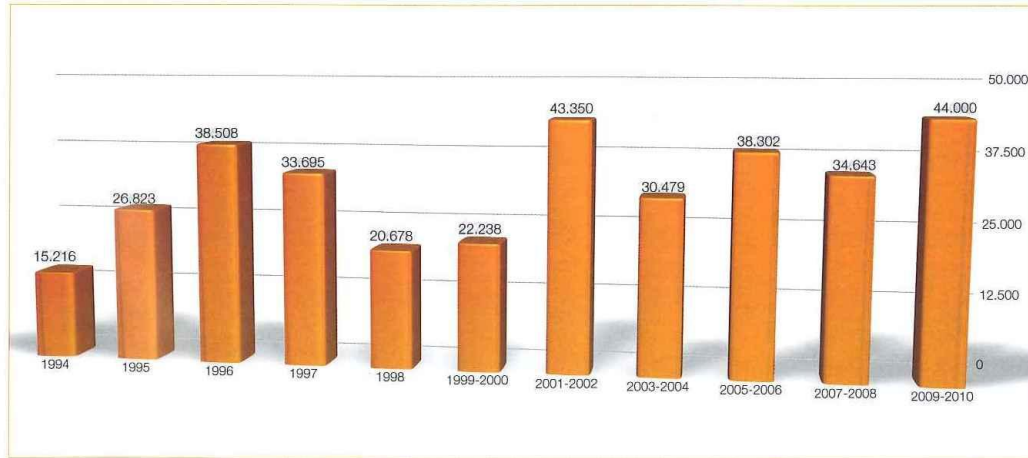
Source: Plano de Empreendimentos, Orçamento Participativo 2009/2010, Prefeitura BH 2009

The graph below provided by GAPLAN includes the number of participants in attendance at the regional meetings for the last 15 years. At the first OP meeting in 1994, 15,216 participants attended. Most recently 44,000 participants attended the 2009-2010 regional meeting (Prefeitura BH, 2009:7). This influx of participants suggests that residents believe their participation in the process will lead to the desired outcomes, the crux of Social Belonging. Again, it seems the OP process has achieved the level of Participatory Materiality because the process has surpassed Social Belonging by providing an institutionalized process for participation.

**FIGURE 13: 1994-2009/2010 POPULAR PARTICIPATION IN REGIONAL OP**

## Participação popular OP Regional

OP	Nº de Participantes
1994	15.216
1995	26.823
1996	38.508
1997	33.695
1998	20.678
1999/2000	22.238
2001/2002	43.350
2003/2004	30.479
2005/2006	38.302
2007/2008	34.643
2009/2010	44.000
<b>TOTAL</b>	<b>347.932</b>



Fonte: SMAPL/GEOP; GERORP

Obs.: o dado para o OP 2009/2010 refere-se a uma projeção. Somando-se a Abertura Municipal, a Abertura Regional e a 2ª Rodada do OP 2009/2010, 35.386 pessoas participaram do processo.

Source: Plano de Empreendimentos, Orçamento Participativo 2009/2010, Prefeitura BH 2009

In 1998, William Nylen collected data on elected regional OP delegates from Belo Horizonte (not general participants of the OP) regarding sex, age, education, employment,

residency and years of OP experience.<sup>12</sup> Nysten statistics provide an understanding of who is empowered by the OP. A large majority of the participants reported to having not completed primary school (elementary school). In Belo Horizonte 2.15% of the delegates interviewed considered themselves illiterate and 45.23% semi-literate. Looking at gender issues, women constitute 44.2 percent of Belo Horizonte's delegates and 39.6 percent of Betim's. The non-elite profile of the delegates is also apparent in the employment status of delegates with labor workers, housewives, retired, and unemployed delegates constituted 59.9 percent of the participants in Belo Horizonte and 64 percent in Betim. Nysten also calls attention to the fact that in all cases, the poorest of the poor are more than likely continually left of the process, but that the process is reaching a large percentage of non-elites time (Nysten, 2003: 90).

Perhaps most interestingly, 582 delegates or 54.49% of the delegate population was participating in the OP for the first time (Nysten, 2003: 215). This data directly contrasts Gianpaolo Baiocchi's argument that returning participants are more likely to participate at higher levels after their first year of participation. The disagreement over the impact of continued participation would be solved if data about return rates was collected on a regular basis. This data would also show the integrity of the OP or how much citizens believe the process will provide them the results they desire. Participants will only continue to participate if they believe they have gained decision making power.

Based on the limited data provided by GAPLAN and other studies, the OP process in Belo Horizonte is ranked at Participatory Materiality on the Ladder of Empowerment and Inclusion. In order to move to the top rung of the ladder, *Project Typologies*, *Involvement* levels

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<sup>12</sup> Data provided in this paragraph is taken from Nysten's survey results from 1998. William Nysten. *Participatory Democracy versus Elitist Democracy* (New York. Palgrave MacMillian. 2003): 213-215

and ECUs must improve. Project Typologies need to include social programs directed to *favelas*. Involvement levels must increase providing more autonomy to communities. One example of this might include community groups working in partnership with the government to reevaluate the PGEs in order to update and align policies with community needs and desires. This process would include larger and more organized ECUs that can help mobilize the community. The key aspect to the final rung on the ladder is social inclusion. *Favelas* and *vilas* should be physically integrated into the city at the completion of the Participatory Materiality rung and programs should begin to stress social inclusion into the political and social fabric of the city in order to move into the final rung.

## CHAPTER SIX

### CONCLUSION

For fifteen years the *orçamento participativo* (OP) has been helping citizens in Belo Horizonte decide annual public works projects for each region of Belo Horizonte. Aurenir Pereira da Silva, a member of the *Comforça* (Regional Review and Monitoring Commission of OP) explained that the OP provides “citizenry to those that did not have it and gave the right to define the priorities of public investments, improving the quality of life of the poorest regions” (Municipal Prefecture of BH, 2008: 9). The process redistributes decision-making power to the residents of *favelas* and helps direct necessary funds to their neighborhoods. The framework presented in this thesis will assist municipalities in identifying and measuring this process.

The government of Belo Horizonte needs to begin the process of systematic data collection in order to identify populations excluded from planning processes. Data collection will also confirm that all citizens are empowered by the OP. Assumptions for the correlation between empowerment and allocation of resources should not occur and governments need to directly address the fact that empowerment stems from capacity training and participatory programs by analyzing their processes. This thesis reviewed the difficulties of defining and measuring *fuzzy* planning concepts such as participation, empowerment and social inclusion and provided a brief overview of each term. The thesis also outlined briefly the *orçamento participativo* of Belo Horizonte and some of the current practices used for measuring its success.

The level of empowerment and social inclusion achieved through OP programs persists as a central theme throughout much of the literature on OP processes in Brazil. This occurs through deliberative or democratic decision making processes and is not easily identified or measured. This thesis provides a framework for analyzing the process, not strictly the outcome,

of OP programs in order to better identify true empowerment and inclusion. The primary concern reflected in this thesis consists of the need for improved data collection. The matrix offers a simple solution to the issue of data collection.

In the end, *favelas* and informal settlements pose a complex issue that continues to escalate throughout the world. Successful *favela* upgrading solutions must incorporate resident feedback and involvement in decision making and policy creation. The purpose of this thesis was not to suggest the *orçamento participativo* programs are not successful in supplying infrastructure, housing and urban improvements to *vilas* and *favelas*, but to identify the process of empowerment and social inclusion. My findings suggest that analyzing the location and types of projects implemented does not directly identify empowerment and urban inclusion. Municipalities must collect more data about the participants and involvement levels in order to identify and measure empowerment. In fact, with increased data collection and research it is possible that theorists will alter the OP to create higher levels of participation and capacity. Only through increased systematic data collection will theorists and government agencies begin to understand how the OP process empowers citizens and includes traditionally excluded communities into society. Physical infrastructure and improved urban landscapes can only account for the spatial integration of these communities. Increased levels of participation and capacity are needed to fully incorporate *favelas* into the social, economic and political urban fabric of society.

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## VITA

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Before studying at UNO, Rosie served as a Peace Corps volunteer in Western Samoa from 2004 to 2006. She worked was in village based development, which included working on projects proposed by village members, providing technical assistance on grant development and project management and directing several projects in the capital city and the village

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