

## Preface to the English Edition

Lula's victory at the 2002 presidential elections represented a turning point in the history of Brazil. This event has a very strong symbolic meaning. A former unionist from a poor family background won the most important political office: this is a lesson that goes much beyond the person of Lula. With the title of President, he has received his first diploma – and a certificate of dignity for those millions of Brazilians who, like him, have been educated in the school of life and have not had the opportunity to take advantage of the formal education that is a monopoly of the traditional elite. The Workers' Party's administration includes a lot of people who have been active in the unions, who were in jail or in exile during the dark years of the dictatorship. The circles of those who used to exercise power have been largely marginalized. This is a sign which shows that history is not over: the ideals of justice and democracy still give to the many enough energy and hope to move the borders of the possible. The victory of the Brazilian left objectively puts on the agenda a change of direction in the development of this huge country. It makes it possible to foresee another repartition of wealth and power. Brazil is one of the first ten economies in the world, but the poor have got no more than the crumbs of the affluence. Hunger is still a real problem, both in the poor countryside of the Nordeste and in the cities' *favelas*. Only an incredible contempt

for the poor can explain such a sharp inequality, and in turn inequality reinforces this social scorn because of its concrete effects: no good education for the majority, health problems, higher rates of crime, which affect mostly the working-class neighbourhoods... Lula's election is a break in this vicious circle. It makes everybody look at the social world differently, and understand that what had been considered as fate is only a historical contingency that can be changed. Brazil has a central position in Latin America, and this turning point should have regional consequences. The victory of the left in Ecuador a few weeks after the Brazilian elections was another step in the same direction.

This new situation makes the Porto Alegre experience even more fascinating. Three ministers come from the capital of the Rio Grande do Sul: Olivio Dutra, the first left-wing mayor, is now Minister of the Cities; Tarso Genro, his successor, is Minister of Economic and Social Development; Miguel Rossetto, the former pillar of the Rio Grande do Sul administration, is Minister of Agriculture. Participatory democracy has indirectly been a positive factor in Lula's victory. The left has strongly relied upon participatory procedures in order to reorient and to activate local public management in the towns and cities it has governed. The real impact of these participatory procedures has differed from one place to another, but they have been a key element in the demonstration that good government is compatible with a change of priority in favour of the truly disadvantaged. They also have proved that such a shift should be democratic, break from corruption and clientelism, and go beyond the limits of representative democracy. The credibility won at the local level has been decisive in convincing a large majority of the people that the left is now able to exercise power at the federal level.

Conversely, the victory of the left at the national level should contribute to a further deepening of participatory democracy. Participatory budgeting is not going to be introduced on a federal scale. Lula has rejected this idea; the methodology of participatory budgeting would hardly be efficient on this scale. However, other forms of participation could develop at the national level, enabling for

example a true dialogue between government and social movements. In addition, the victory of the Workers' Party is going to reinforce a previous tendency: the ideal of participatory democracy has become more and more legitimate in recent years. It is mentioned in the Constitution of 1988 and is now part of the new status of towns and cities, where participatory budgeting is referred to positively. In the coming years, the legal framework will go further in this direction. This will contribute to the legitimizing and facilitating of hundreds of experiments that have begun in the country and to stimulating new ones.

The deep parallel between Lula's election and the Porto Alegre participatory budget is a similar attempt at combining the energy of social movements, often very radical, with a progressive administration working towards more democracy and social justice. Traditionally, the left had always been in trouble because it was split between a technocratic vision of public administration and a spontaneist and naive conception of participation. The participatory budget has shown a way that can overcome this dichotomy. The margin of action on a municipal scale is limited; but, at the same time, the local scale is well suited for concrete actions and citizens may readily perceive the results of their mobilization. Moreover, deep changes in the urban infrastructures and in the civic culture of the people can take place. The Brazilian federal government will face draconian constraints. The weight of the national debt; the economic dependency of Brazil on international capital, markets and technologies; a world political context in which the United States, governed by an ultraconservative team, is hegemonic; an international economic situation which is even more depressed by the situation in Iraq: all these factors constitute fairly difficult handicaps for the new experience. Within the country, the force of the traditional oligarchy has not vanished; it will probably mobilize its resources to make sure the change is only cosmetic and preserve a fundamental continuity. The necessity for the Workers' Party to make political alliances to build a majority coalition in the legislature will strengthen these pressures.

Nonetheless, even though a revolution is impossible in such a context, important reforms on the agenda could fundamentally transform the face of Brazil. The deep-rooted social problems that affect the country could paradoxically facilitate moving forward, notwithstanding the small margins for action. When the richest 10 per cent of the people earn sixty times more than the poorest 10 per cent, to redistribute one-sixtieth of the former's wealth to the benefit of the latter would be sufficient to double the income of the poorest – and economic growth of 2 per cent would be enough to make this redistribution financially neutral for the most well-off, who could balance their loss through new earnings. The perspectives that are put on the agenda by the new Brazilian government should therefore be credible: to break with corruption and clientelism; to reform and modernize the state in order to improve the quality of public administration; to introduce tax reform with the aim of rationalizing the tax system, increasing its redistributive logic and limiting tax evasion; to offer to the most disadvantaged a true range of protection, in particular enabling hunger to be eradicated, but also extending the services of the welfare state so that they are equal for everybody, most notably the middle class; to initiate real agrarian reform in order to reduce inequality in the countryside; to reorient economic growth towards a more sustainable development; to adopt a legislative framework facilitating equality between men and women; to move quickly towards regional integration with other Latin American countries, within Mercosur and beyond. Such measures should have legitimacy for a large majority of Brazilians and could initiate a dialectic of deep cultural, political and economic transformation.

The challenges are not much different from those that the Porto Alegre participatory budget had to face on another scale. The first is to develop a public policy that really differs from the past but at the same time remains or becomes efficient. This is not to be underestimated. European social-democratic parties have managed to administrate states relatively efficiently in the last decades, but most have renounced any attempt really to transform society – and

this has led to grave disappointment among left electors as well as among citizens in general. Conversely, Latin American populism has often tried to change society but has collapsed due to chaotic public management – the situation in Venezuela is a case in point.

The capacity to face this challenge depends largely on the ability to overcome a second challenge, the articulation between governmental action and social mobilization in order to transform the structure of power relationships and the sense of justice of the majority of citizens. The European left has completely failed to meet this challenge in recent years. The strength of the World Social Forum, which has met three times in Porto Alegre, is precisely that a true dialogue has been initiated between radical movements that politicize civil society, NGOs that foster a more social and more sustainable development, and public authorities, mostly local, that have begun to transform public administration and public policies. To some extent, the peace movement that has developed all over the world is also a product of this dynamic. The World Social Forum tries to bring together the people of Seattle, of Genoa, of Florence, of Porto Alegre with the institutional left that proclaims its desire for another globalization, different from neoliberal globalization. This is why it is a symbol for the planet, but also for Lula's government. The Workers' Party has been active in a movement that has propelled it from the struggle against dictatorship to federal political power. Will it be able to keep alive the spirit that has provided its appeal in the past decades? This will depend upon the international context; upon the capacity for building a hegemonic coalition for social change; upon the mobilization of the lower class and its capacity to face the pressures that the privileged class will make. Last but not least, it will depend upon the government's ability to open, at all levels, channels for democratic participation in order to increase communication with citizens and to promote social control over the state. In this direction, the Porto Alegre example, although not mechanically reproducible on a federal scale, is truly inspiring.

## Introduction

The parliamentary regime lives by discussion; how shall it forbid discussion? ... The debating club in parliament is necessarily supplemented by debating clubs in the salons and the pothouses; the representatives, who constantly appeal to public opinion, give public opinion the right to speak its real mind in petitions. The parliamentary regime leaves everything to the decision of majorities. How shall the great majorities outside parliament not want to decide? When you play the fiddle at the top of the state, what else is to be expected but that those down below dance?

Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*

In the 1988 municipal elections, a left-wing coalition dominated by the Workers' Party (Partido dos Trabalhadores, or PT) known as the 'Popular Front' was swept almost by surprise into the Porto Alegre city hall. After some initial birth pangs, the city's new government launched an innovative endeavour which over the coming years grew in an unprecedented manner, eventually becoming a veritable institution: the participation of the city's residents in the setting of the municipal budget. Twelve years on, the experiment has caught on in some hundred Brazilian municipalities as well as elsewhere in Latin America. It has been commented on all over the world and has played a decisive role in ensuring the subsequent re-election of the PT and its allies as the municipal government: the mayor Tarso Genro was elected on the second ballot with more than 60

per cent of the vote. In January 2003, Porto Alegre hosted for the third time the World Social Forum – the summit for the opponents of neoliberal globalization built around the economic forum in Davos, Switzerland. The city looks as though it may have become the centre of that ‘other world’ and proudly proclaims itself the ‘capital of democracy’.

The reasons for this fascination are not hard to understand. Virtually everywhere the gap between the ruling class and the people is widening, bringing with it a latent legitimacy crisis within the political system. Yet long-standing elitist prejudice against the people is increasingly difficult to justify. Just as it is no longer possible to defend publicly the idea that women have to be kept out of positions of responsibility, it is no longer acceptable that mere citizens be declared incapable of directly taking political decisions on the grounds that they do not understand the global problems of the polis. Has historical experience not indeed shown that ‘the world has suffered more from its leaders than from the masses?’<sup>1</sup> Relying exclusively on elected officials and technocrats is rarely a good idea: the ‘progress’ whose meaning they alone defined has on some occasions led to catastrophes and, more often still, to two-tiered societies.

In this context, the perspective of a participatory democracy seems increasingly appealing. At the local level, it has been implemented in Europe through two mechanisms. First, consultative neighbourhood councils open to all residents or composed in a more formal way (the co-optation of local activists, elections, and so on) enable ordinary citizens’ voices to be heard on local topics or specific problems related to municipal public policy. Such councils were implemented by law in 2002 in all French cities with more than 80,000 residents. Second, ‘citizens’ juries’ selected by lot – following a principle widely known in ancient Athens and still used for criminal juries in many modern countries – have been introduced again in politics in the last decades. Dozens of such experiments have been carried out in different European countries, such as Great Britain, Germany and Spain.<sup>2</sup> Most often, these juries have

only a consultative role. Local democracy does, of course, promise 'governing with' rather than from above, liberating popular initiative by providing it with institutional access, and making it possible for elected officials to be called to task by citizens. Very often, however, the viewpoint expressed by the inhabitants is of purely consultative value; participants thus soon grow weary and give up, for nothing is really at stake. Generally speaking, participatory initiatives are neglected by young people, the least privileged sectors of society, and the immigrant population. Their structures tend to be monopolized by middle-class sectors, relatively unrepresentative of the population as a whole. Moreover, 'local democracy' deals almost entirely with micro-local issues, and politics tends to come down to a question of the modernization of public management while power relations remain unquestioned. Porto Alegre, by contrast, seems to be way ahead: Tarso Genro proclaims that the Brazilian municipality is in the throes of 'radically democratizing democracy'.<sup>3</sup> This utopian horizon appears henceforth to be an embodied reality. Stimulated in this way, the idea of a truly participatory democracy is spreading progressively in Europe. Some elected representatives in Germany, Spain, France and Italy have stated that they intend to apply the mechanisms of the participatory budget in different contexts. Others have implemented still other participatory schemes, which seem equally promising.

The capital of Rio Grande do Sul hosted the first three gatherings of the partisans of a different form of globalization, because the participatory democracy which is developing there appears so exemplary. By giving power back to the citizens, the experiment has rehabilitated politics in a context where neoliberal globalization appeared to have condemned it to wane. On the municipal scale, Porto Alegre's participatory budget is an instrument for 'reversing the priorities' of public policy in favour of the poor. According to the United Nations, in 1960 the wealthiest 20 per cent of the world's population accounted for up 70.2 per cent of global income; the poorest 20 per cent having to make do with 2.3 per cent. By 1997, this inequality had grown deeper still, the figures standing respectively

at 86 per cent and 1 per cent! Porto Alegre shows this process to be less inexorable than it seems, suggesting that it is possible to fight for a different globalization. Are we not, in effect, entitled to draw a universal lesson from the experience? Is it not precisely because politics has been brought closer to the people and has become genuinely participatory that it is in a position to muster the energy required to reverse, at least partially, the formidable movement towards the concentration of wealth that goes hand in hand with neoliberal globalization? Are the stakes in the World Social Forum – the ‘anti-Davos’ forum – not to flesh out planetary-scale alternatives, making it possible to foster social justice, the democratization of societies and sustainable development?

It is important, however, to base judgement on actual evidence. History has taught us to be wary of radiant myths which are subsequently liable to disclose a far less radiant reality. The experience has to be closely examined; its underpinnings, like the challenges it faces and the answers it has provided, all have to be understood. Can the inhabitants taking part in public management really strengthen its efficiency? Can they avoid backsliding into populism? Is genuine participation possible without small groups or the middle classes essentially monopolizing power? Can the activity of movements stemming from civil society be institutionalized without bureaucratizing them and cutting them off from their roots? Can neighbourhood mobilization play a role in the construction of the common good and go beyond mere parochialism? The mechanism that goes by the name of the ‘participatory budget’ is sufficiently complex to require a detailed description. How is it justified by its supporters? Does actual practice correspond to theory? What exactly are the mechanisms it is based upon? What are the dynamics that characterize such a radical attempt to establish a participatory democracy? What are its strengths and its limits? What is the reality of political participation, and how many people actually participate? Who are they? How is a representative system to coexist in conjunction with the participatory pyramid? Is the municipal budget as a whole truly decided within the framework of popular participation? Is

there any comparison between Porto Alegre's participatory budget and participatory mechanisms in Europe? How are context-specific factors to be distinguished from those which, conversely, can be generalized?

In short, is the Porto Alegre experience really as exemplary as it first appears – exemplary not in the sense of a model to be imitated mechanically, but as a thought-provoking endeavour, on the basis of which it is possible to build projects in other places?