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The Perilous Paths of Deeper Democracy: Understanding the Rise and Decline of Participatory Budgeting in Porto Alegre, Brazil

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ABSTRACT

Participatory budgeting in Porto Alegre, Brazil is widely regarded internationally as one of the most significant innovations in participatory governance. Launched in the late 1980s, it has been credited with deepening political and social inclusion, enabling ordinary citizens to shape municipal budget policy and redistribute state resources. But since the mid-2000s, this initiative has experienced significant weakening under a series of conservative local governments, putting into serious question its sustainability amid inhospitable political conditions. This article advances an analytical framework to understand both the rise and subsequent weakening of participatory budgeting. By drawing together elements in the state, civil society and broader politico-institutional and economic environment, and showing how these changed over time, the paper provides an analytical account of the shifting fortunes of participatory budgeting in Porto Alegre.

Keywords: Participatory budgeting, participatory governance, Brazil, democratization

INTRODUCTION

Participatory budgeting in the city of Porto Alegre, Brazil emerged in the 1990s as one the most significant institutional innovations to deepen democracy in the developing world. For more than a decade, this initiative generated active grassroots involvement in municipal budget-making, enabling some of the city's poorest communities to directly shape public spending, an arena which used to be the sole purview of local political elites. Globally, Porto Alegre's participatory budget (PB) became a well-known symbol of deeper democratic transformations in historically elitist political systems. As Brazil under its governing left party, the *Partido dos Trabalhadores* (PT) (Workers' Party), and Porto Alegre in particular, increasingly gave voice to a vision of transformative politics, the relative success of experiments like participatory budgeting highlighted the emergence of concrete challenges to political and social exclusion in a neoliberal era.

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But with the coming to power of conservative municipal governments since 2004 amid the successive electoral defeats of the Workers' Party in Porto Alegre, the PB process has experienced significant weakening, putting its sustainability into serious question (Melgar, 2014). How could we better understand analytically the increased vulnerability of an iconic democratic innovation amid Porto Alegre's changing post-2004 environment? What factors and processes contributed to its unexpected weakening, and what broader theoretical insights can we draw from this globally important case?

To address these questions, we need to examine a configuration of factors in the state, civil society, and politico-institutional and economic environment, as well as the relationships among them that have made participatory budgeting much more vulnerable in recent years. This "configurational" analysis has been particularly useful in exploring how participatory innovations took shape and became consolidated over time.[1] But can such approach also explain the weakening of such reforms? I suggest that it can and this article demonstrates how this framework enables us to better account for the challenges and vulnerabilities of participatory budgeting in Porto Alegre's post-2004 period.

I first discuss this framework of analysis, drawing out various elements that constitute the configuration of relevant factors highlighted by the literature as critical for local democratic reforms to take root. In the second half of this article, I use this framework to examine the case of Porto Alegre, exploring how this set of factors facilitated the emergence of participatory budgeting. Finally, I assess relevant changes in this original set of factors since 2004, when the Workers' Party, which historically supported the PB process, lost the first of several mayoralty elections in the city. By probing such shifts, I advance an analytical understanding of the weakening of the PB process in recent years. This article is based on key informant interviews, participant observation, and archival research conducted for six weeks in Porto Alegre, Brazil in April-May 2013. I also draw on findings from an earlier eight-month period of field research in the city in 2006-2007. [2]

TOWARDS A CONFIGURATIONAL ANALYSIS: THE ROLE OF A PROGRAMMATIC PARTY IN POWER

Institutional innovations like participatory budgeting constitute one of the most important mechanisms for democratizing governance in the developing world today. Beginning with Porto Alegre in the late 1980s, this reform measure has travelled

globally: it has been adopted by other municipalities in Brazil and subnational governments elsewhere in a bid to deepen political inclusion, often despite inhospitable political conditions. Certainly, the record of such innovations globally has been mixed.[3]

But in those settings where these institutional reforms precipitated critical changes in local politics and political culture, what factors enabled them to prosper and spur such changes?

Because they represent concentrations of institutional power, states play critical roles in activating these democratic innovations. A programmatic party in power, typically on the left or center-left that is committed to more inclusive policymaking is often highlighted as an important actor for advancing such reforms in this terrain (Heller, 2001; Baiocchi, 2003). By providing political, institutional and social support, progressive parties enable these experiments to gain ground. When in power, they can mobilize the local state to support such innovations, incorporating them directly in planning and policymaking processes. These parties' presence in civil society is also pivotal, enabling them to stimulate grassroots energies into building such experiments. Particularly when such parties are deeply rooted in social movements and communities, these parties can generate an effective countervailing force – mobilizing ideas, institutions and citizens to defend such reforms should these initiatives encounter opposition from conservative local actors.

But not all left or center-left parties in power seek to democratize political decision-making processes in ways that support citizen engagement, enhance social control over the state, and expand citizenship rights. In this context, winning local state power is clearly necessary but not sufficient: these parties must also embrace the democratization of policymaking as a key agenda and use state power to support this goal. Certainly, different imperatives may shape progressive parties' support for participatory reforms, such as preexisting ideological commitments to participation, a practical need to make governance more responsive to societal demands, or the need to strengthen grassroots support. Whatever the reason, democratizing policymaking is an eminently political process, likely to be shaped by the tug and pull of state-society engagements concerning the direction, content and aims of public governance.

DECENTRALIZATION OF THE STATE

Although having progressive parties at the helm of government is critical for generating democratic innovations, once in power, these parties have to deal with the institutional dimensions of local policymaking, which in turn provide specific opportunities and constraints for such reforms. In many developing countries, the decentralization of the state is a key feature of such institutional environment. Thus far, studies have identified the degree, depth and quality of political and administrative decentralization as key to the ability of progressive parties or other reformers in power to promote innovations like participatory budgeting (Chavez, 2004; Goldfrank, 2003; Fung & Wright, 2003). Goldfrank (2002) illustrates, for instance, how decentralization processes in Brazil and Uruguay gave more decision-making authority over key policy issues to local governments, thereby enabling progressive parties in power in the cities of Porto Alegre and Montevideo to invite much broader citizen participation over a range of policy questions, compared to Caracas in Venezuela (Goldfrank, 2002).

Decentralized environments nonetheless also interact with historically constituted local socio-political and economic dynamics. While decentralization may open opportunities for direct citizen engagement with state policies, the extent to which these are maximized will also be shaped by local dynamics, including their perceived legitimacy or effectiveness. Indeed, decentralization does not necessarily lead to deeper democracy: in some cases, local political elites are able to capture the immense resources and authority transferred to local political units, thus making democratization less likely (Malley, 2003; Montero & Samuels, 2004).

Thus, state reformers will need to muster how a decentralized environment and the broader powers, authority and resources it typically provides subnational governments can be used to advance participatory reforms, or conversely, address obstacles to these goals. Civil society groups themselves will need to learn how to maximize such opportunities to further democratize governance, and contest efforts by traditional political elites to capture the benefits of greater access to state power or increased material resources at the subnational level. None of these in turn is predetermined; rather, they emanate from local struggles not only over the goals to which a decentralized environment can be directed, but also the manner by which they will be accomplished.

CIVIL SOCIETY VOICE AND AUTONOMY

While progressive parties and other state reformers provide crucial support, these democratic innovations cannot be established simply by state *fiat*, decree or unilateral action. Otherwise, they will not likely be seen as offering truly open, inclusive spaces for citizen engagement. Equally important, despite avowed commitments to democratization, state reformers are not omniscient: they do not necessarily appreciate all the intricacies of advancing participation in ways that engage citizens' ideas and visions and avoid paternalistic approaches to social mobilization. Hence, civil society groups are just as pivotal in building these innovations; they bring critical ideas, energies and inputs to such experiments, increasing the likelihood that these initiatives would more consistently reflect broad, democratic goals.

The relationship forged by civil society actors and state reformers in these democratic innovations is also crucial to their legitimacy and durability. Although they engage the state closely in these arenas, civil society actors need to retain substantive autonomy from the state. Doing so allows civil society actors to become serious interlocutors of the state and not simply its vessels, enabling them to cooperate with, redefine or contest state policies when needed. This is especially crucial in contexts where states historically tended to subordinate civil society actors, incorporating them in state-led projects without devolving a corresponding share of decision-making authority.

But what factors, in turn, enable civil society actors to engage the state effectively and robustly while retaining political autonomy in these arenas? Studies suggest that part of the answer is provided by historical legacies: a history of robust associational activity, infused with ideas of rights, democratic participation, citizenship or even mutual trust facilitates the building of strong networks of civil society organizations, able to engage the state confidently and relatively independently (Sandbrook, Edelman, Heller & Teichmann, 2007; Putnam, 1993). But such capacity can also be developed in places with little history of associational activity, stimulated by state reformers, political parties or the participatory reforms themselves (Fox 1996; Heller, 1997; Baiocchi, Heller & Silva, 2011) through "political construction" (Fox, 1994). Indeed, participatory innovations can become the locus for strengthening civil society capacities to effectively engage the state, provided that the design of these reforms enables the growth of such capacities.

DESIGNING PARTICIPATORY INNOVATIONS

The design of participatory reforms thus matters for these innovations to deepen democracy and citizenship. Depending on their institutional design or format, studies suggest that these reforms can generate a range of participatory outcomes – from broadly participatory and fully empowered, to limited decision-making among citizens (Avritzer, 2009; Baiocchi, Heller and Silva, 2011). Hence, generating broad participation is purposive, one that can be embodied in the design of these reforms. This might mean incorporating specific processes for identifying and vetting key policy questions and arriving at well-considered, binding decisions. It may also necessitate mechanisms that support the participation of those traditionally excluded, and conversely, help eliminate any systematic obstacle to the participation of any group due to gender, race, class, age or other historical sources of marginalization.

Because these democratic innovations often combine direct participation with some form of representation, they are also challenged to cultivate citizens who can effectively engage with both arenas of decision-making. Again, this cannot be left to chance or contingent factors, but can be incorporated in the design of these innovations. A participatory reform that consciously cultivates participant-representatives, schooled in democratic thinking and practices, helps encourage internal dynamism. Indeed, this constant infusion of participant-representatives able to effectively represent and inspire publicly-oriented thinking, yet be held accountable by politicized communities, can prevent such innovations from degenerating into narrow mechanisms for brokering with the state without engaging with broader constituencies.

In terms of the institutional linkages between these democratic innovations and state actions, studies suggest the importance of design properties that preserve the "chain of sovereignty" (Törnquist, 2009), that is, protect the decisions reached in these participatory arenas from being subverted or rescinded by state actors' exercise of discretionary powers (Baiocchi & Ganuza, 2014; Baiocchi, Heller & Silva, 2011). In the case of participatory budgeting, the presence of clear institutional linkages between community decisions and the state actors tasked to implement them helps preserve the "authoritative" and "binding character" of such decisions, and enables citizens to monitor their implementation by the state. Without clearly defined mechanisms and processes, participatory budgeting decisions are unlikely to be carried out. Should this happen, community support for the initiative, together with belief in the efficacy of participation in governance, is likely to erode.

CONSOLIDATING PARTICIPATORY REFORMS

Democratizing crucial arenas of state policymaking such as the direction of public spending, however, is also a political project, one that challenges entrenched practices and interests. It is thus likely to generate resistance from forces that benefit from undemocratic practices. As these democratic innovations gain legitimacy and popular support, conservative forces are likely to seek ways to weaken or supplant them with political projects less threatening to old systems of patronage and elite rule, yet supportive of citizens' demands for improved political institutions. Thus, for state and civil society actors, the crucial challenge is how to consolidate deeply transformative democratic innovations such that they become more durable over time.

Such efforts at consolidation, in turn, will need to carefully negotiate a tricky terrain, ensuring that they do not curtail the vitality of these democratic innovations amid the threat posed by resurgent conservative rule – the fate of many revolutionary projects in developing countries. Certainly, one cannot predict in advance how such processes will proceed. But consolidating democratic reforms is again invariably political, likely to be shaped by the solidarities, mobilizational capacities and institutional resources mustered by civil society and state actors, amid the oppositional threat posed by more conservative sectors. It can also be contingent on the extent to which such democratic innovations improve access to rights, social well-being, and the quality of governance. As democratic innovations fuel tangible changes in these domains, civil society and state reformers will likely find a much greater stake in defending them from those who seek their deconstruction.

PORTO ALEGRE'S PARTICIPATORY BUDGETING: THE FIRST DECADE

Having identified some of the crucial factors that support, enable and sustain participatory reforms, I now draw on this analytical framework to examine the case of Porto Alegre and its participatory budget (PB) process. By unpacking relevant elements of the state, civil society and the politico-institutional and economic environment in which they are embedded, I demonstrate how these factors contributed to the rise and relative success of the PB process particularly from the 1990s to the early 2000s, or its first decade. In doing so, I specify how the interplay of these elements reinforced such democratic possibilities.

STATE AND CIVIL SOCIETY SYNERGIES

The initial context that accompanied the rise of participatory budgeting in Porto Alegre has been well-established in the literature. In the 1970s, community and neighborhood associations in Porto Alegre's working class districts increasingly clamored for participation in municipal budget-making, both as a basic right of citizenship and a tool to reform the highly clientelistic allocation of state resources in the city. This demand to participate in municipal budget making was prompted by the convergence of two critical trends: on the one hand, successive Porto Alegre local governments under Brazil's military rulers pursued an exclusionary development strategy that favored city industrialists, real estate companies and other economic elites via heavy spending for their infrastructure and other needs, while neglecting the city's peripheries in which working class communities lived (Fedozzi, 2000). In this context, local communities found themselves typically subordinated to populist political parties in power, able to access state services only in return for their political allegiance (Baiocchi, 2005). Amid such widespread exclusion, grassroots political activists increasingly saw the municipal budget as the linchpin of policy changes: by having a voice in budget-making, they sought to gain broader access to urban services as a matter of citizenship right, and challenge populist and clientelistic policymaking processes in the city. [4]

In the 1988 mayoralty elections —the second local electoral exercise after Brazil's transition from military rule —a crucial opportunity to realize such demands opened up with the victory of the left party, the Partido dos Trabalhadores (PT) (Workers' Party) in Porto Alegre. As a then rising national party, the PT was historically rooted in a variety of social movements, but at this point in Porto Alegre, it enjoyed greater support among academics, public sector employees and other middle class professionals, relative to grassroots communities.[5] Indeed, despite the aforementioned rise in organizing efforts based on ideas of citizenship rights, many grassroots communities were still under the influence of relatively clientelistic parties (Fedozzi, 2000). Nonetheless, the PT's mayoralty victory also meant that it had to prove that it could govern the city well and address grassroots demands, as its victory was largely attributed to low-income and middle class communities' disenchantment with traditional center and left parties, and their failure to deliver on promises of democratic reform.

Thus, by the late 1980s when rudimentary efforts towards participatory budgeting began, two critical elements in our analytical framework were present. On the one hand, community associations with a history of mobilization around demands for

urban services and participation in municipal budget-making were beginning to claim and expand spaces of citizenship. Having increasingly been politicized on questions of participation and access to services as a matter of citizenship rights, these community associations were thus primed to take advantage of the openness of the first Workers' Party administration, under Mayor Olivio Dutra (1989-1992) to democratize policymaking. At the same time, a programmatic left party that sought to govern with popular participation and "invert priorities" in public spending in favor of the city's poor communities was in power for the first time in the city. The PT saw the opening up of municipal budget-making to popular participation both as a means to make policymaking more inclusive and broaden the party's grassroots political support.

But how exactly did these two sets of actors interact in the course of building the PB process? Although the *petistas* [6] initially only had broad, rudimentary ideas on how to govern with participation (Silva 2001; Navarro 1997), this did not hinder more substantive discussions on the process of opening up the budget. In fact, this lack of a ready-made, state blueprint precisely provided the space for community movements to assert themselves, insisting on co-defining the then rudimentary PB process. Over the years, both state actors and community activists engaged in experimentation — debating and refining the mechanisms for opening up the budget, and in particular, capital investment spending to citizens' deliberation, typically seeking to balance concerns for community equity, democratic participation and effectiveness in deciding what mechanisms to adopt. In the meantime, local clientelistic parties' initial lack of opposition to this rudimentary initiative also helped it gain ground (Goldfrank 2003). Although these parties eventually opposed participatory budgeting vigorously (Melgar 2014), initially, they failed to take decisive action against it because, as Goldfrank (2003) argues, they did not anticipate how powerful it would eventually become, and because few of these parties were sufficiently "embedded in social life" to mount a successful campaign against the incipient initiative (Goldfrank 2003).

By 1991, some of the key features of participatory budgeting had been put in place. The yearly cycle began with discussions of community priorities in terms of investment sectors (e.g. housing) or projects (e.g. specific school in a community). Each of the PB's current 17 regions into which the city was divided then ranked and voted on these priorities, according to a set of objective, transparent and universal criteria agreed upon in the PB process. At the end of the cycle, the *Conselho do Orçamento Participativo* (Council of Participatory Budgeting) (COP), a key body in the PB that brought together elected representatives of the regions called

"councilors" and municipal officials, crafted the municipality's Investment Plan based on these priorities. The Investment Plan elaborates the planned capital investments for the city, and contains specific information on the municipal department responsible for each project, the amount allocated, and an identification number for each project to enable PB activists to monitor their implementation (Melgar, 2014). Prior to the PB process, only the Executive and municipal technocrats fleshed out this plan behind closed-doors, without any form of public participation and often subject to the particularistic interests of local politicians and economic elites.

As a key actor in the evolving process, the four Workers' Party administrations that governed the city from 1989-2004 supported participatory budgeting in various ways: institutionally, as I have argued elsewhere (Melgar, 2014) these administrations deployed municipal coordinators, most of them PT activists, to help organize the participatory budget with community activists and resolve various problems as they arose (Harnecker, 1999). The Dutra administration (1989-1992) also reorganized key municipal departments to support the incipient initiative. For instance, it transferred authority over the municipal budget from the *Secretaría de Planejamento Municipal* (Municipal Planning Department), previously known for its technocratic and insular approach to planning, to a newly established *Gabinete de Planejamento* (GAPLAN) (Planning Office) which was staffed by intellectual-activists ideologically attuned to the petista project of democratizing the state. The GAPLAN was hence tasked to coordinate directly with the PB process and ensure that municipal departments aligned their plans with evolving community priorities (Menegat, 1995; Abers, 2000; Fedozzi, 2000).

In the *Camara de Vereadores* (City Council) or local legislature, Workers' Party legislators played critical roles as well to protect the incipient experiment from local politicians who sought to clip its powers. For instance, a key debate that preoccupied PB supporters in the 1990s was the question of institutionalizing it via local legislation to guarantee its continuity should a hostile administration come to power. But in the course of these debates, opposition legislators filed several bills in the City Council that, if adopted, would have potentially disempowered the PB process, making it subject to greater legislative intervention in the guise of institutionalizing the initiative (Dias, 2002, p. 233-236). Although a minority in the legislature, Workers' Party legislators and their allies in the City Council managed to block these bills, aided by the lack of consensus among opposition parties as well, on the issue (Dias, 2002, p. 238). A Workers' Party legislator, Clovis Ilgenfritz da Silva, who sincerely believed in the need to institutionalize the PB precisely to help guarantee its continuity, also withdrew his proposed legislation

to avoid inadvertently aiding such opposition initiatives (Dias, 2002, p. 232-233; Da Silva, 1996).

But it was not only Workers' Party reformers in the Executive and Legislative branches of the local government who played pivotal roles in nurturing the incipient experiment. Local community activists also contributed significantly to move the PB forward, engaging state reformers on perceived problems in the PB's evolving design. While some of these activists were affiliated with various political parties in Porto Alegre, on the whole, these partisan affiliations did not prevent them from forging broad unities on the initiative. In fact, community activists with ties to the Workers' Party's rival on the center-left, the *Partido Democrático Trabalhista* (PDT) (Democratic Labor Party), constituted some of the most active supporters of the PB in its early years, often working with PT activists to mobilize communities around the initiative (Goldfrank, 2003). The PDT had previously been influential in Porto Alegre's poor communities due to the relatively clientelistic ties it forged with community groups (Fedozzi, 2000) and few would have expected PDT-affiliated activists to support the participatory budget under a Workers' Party government. But for most of these activists, the PB process offered, for the first time, a critical arena to address long-standing community needs and shape public spending without being subordinated to the state. Local activists thus seized this opportunity, increasingly acting on the basis of community interests rather than partisan affiliations.

As will be seen so far, having a progressive, programmatic party in power that provided cohesive institutional backing for the participatory budgeting experiment was critical for these efforts to move forward. But community associations that united across party lines and gave priority to community interests over partisan rivalries were also important in bridging community support for the PB. These community activists alternately cooperated with and contested state officials in crafting the PB's institutional design, insisting on mechanisms for broad participation, systematic community access to state documents, and equity in the allocation of resources.

FISCAL TURNAROUND UNDER DECENTRALIZATION

It was also propitious for the incipient initiative that Porto Alegre's state reformers and local activists embarked on these reforms when Brazil was beginning to decentralize governance. Given impetus by the 1988 Constitution, decentralization

in Brazil meant that municipalities came to have much broader political and fiscal autonomy, resources and responsibilities for delivering key services and regulating local economies. Municipalities were also allowed to develop organic laws to respond to local needs and conditions (Baiocchi, 2003).

In Porto Alegre, as I noted elsewhere, these efforts to democratize budget- making initially ran up against the city's inherited fiscal problems, making it extremely difficult for the Dutra administration to respond to community demands that flooded the incipient PB (Melgar, 2014 & 2015). But a decentralized environment eventually enabled the new administrators to turn the situation around. Flexing the municipality's broader powers, the Dutra administration sent 15 proposed tax reform measures to the local City Council, in a bid to reform the city's regressive tax system, shift the bulk of the tax burden to propertied classes, and raise more fiscal resources to support greater public investments in the city's poor communities (Filho 1997; Cassel & Verle, 1994). Amid a strong grassroots campaign, the Dutra administration succeeded in getting the City Council to approve most of these tax reform measures, in the process raising the city's revenue base. Together with higher revenue transfers to municipalities due to decentralization and other financial housecleaning measures, this rise in city coffers enabled the Dutra administration to respond more adequately to community demands via the PB process. In 1991, for example, 16.3 percent of total expenditures was alloted for public investments, or five times that set in 1989, the first year of the Workers' Party in office, which was 3.2 percent. In 1992, the last year of the Dutra administration, this rose to 17 percent of total expenditures (Fedozzi, 2000, p. 84; Filho, 1994, p. 58).

Having the capacity to respond to PB demands made a key difference to the incipient initiative: community interest around the experiment returned in the 1990s, after an initial round of frustration with it precisely due to government's inability to meet community demands (Melgar, 2014). Over the years, particularly under the first three Workers' Party administrations (1989-2000), a situation of general fiscal stability also proved to be one of the key elements in sustaining participatory budgeting. As these administrations implemented PB projects effectively across the years, community support for the initiative was also at its strongest, manifested in the thousands who consistently attended its assemblies.[7]

Hence, the presence of two key elements in our analytical framework, namely a progressive party in control of municipal state power that sought to democratize policymaking, and social movements politicized on social and political rights of citizenship, were critical to the rise of the PB. But given the lack of resources

around which to respond to pent-up community demands via the PB process, a third condition – the decentralization of the state– –proved pivotal as well in overcoming this obstacle. Decentralization provided municipalities a broader set of powers which local state reformers creatively marshalled, in turn, to address the city's debilitating fiscal crisis, while linking up with grassroots communities which mobilized in support of these reforms.

DELIBERATION THROUGH DESIGN

The first decade of participatory budgeting in Porto Alegre was also marked by efforts to fine-tune its institutional design. Institutionally, the PB process sought to be as socially and politically inclusive as possible. To address the monopoly historically exercised by clientelist community associations on the political representation of grassroots communities, state reformers and community activists eventually agreed on a PB design that allowed anyone to participate, provided they abide with consensually developed PB rules for participation. But even as the PB was open to everyone in principle, activists focused on getting low-income communities to participate precisely to democratize policymaking. Over the years, the PB regularly drew significant participation from the city's poor districts. Indeed, surveys consistently showed that more than half of PB participants had monthly household incomes that ranged from one to four times the minimum salary (MS) in Brazil, corresponding to the low-income class.[8]

Historically, the institutional design of the PB process also sought to promote a deliberative model, where state representatives and citizens not only discussed policy matters openly, but also shared crucial decision-making powers on budget frameworks and the allocation particularly of capital investments. This is not to suggest the absence of contention or debate between state and civil society actors or among the latter themselves. Indeed, debate, engagement and negotiation were intrinsic to the PB process in its first decade. But once the 17 PB regions had ranked and voted on their priority investment sectors (e.g. housing), such global ranking became the overarching framework adopted by the Council of Participatory Budgeting (COP) – which, to recall, brought together PB representatives and municipal planners – when it finalized the Investment Plan.

Under all four Workers' Party administrations in Porto Alegre (1989-2004), the annual budget proposal submitted by the Executive to the local legislature and the specific Investment Plan crafted by the COP consistently reflected these priorities.

For example, if the PB regional assemblies selected "community road paving," "housing," and "basic sanitation," as the PB's top three priority investment sectors, then these three categories also received the top allocation in the Investment Plan. This institutional design, where decisions reached through deliberation and voting by citizens became binding on the state's allocation of resources, illustrates the preservation of the "chain of sovereignty" (Baiocchi, Heller & Silva, 2011). Such design contrasts with other institutional reforms where citizens do not share decision-making powers with state officials, who retain the prerogative to decide whether or not to incorporate citizen input into policy decisions.

Part of what made this institutional design function well in the PB's first decade was the presence of community activists who, over time, developed the confidence to engage and debate with state representatives. As noted in our framework, democratic innovations need a relatively autonomous civil society able to serve as serious interlocutors of state preferences. Although some of these activists had ties to the Workers' Party, most studies suggest that they saw themselves as community leaders and representatives rather than party militants, and over time, did not hesitate to debate Workers' Party administrations or their representatives to PB bodies (Santos, 1998; Abers, 2000). In this context, an actively engaged, relatively autonomous civil society generally functioned to help preserve the PB's institutional "chain of sovereignty" up to state institutions. All these, in turn, enabled the PB to advance more socially inclusionary goals: in a series of studies, Porto Alegre-based economist Adalmir Marquetti (2008, 2003 & 2002) provided evidence of the redistributive character of public spending under the PB, demonstrating how it channeled greater public investments and services to poorer regions over time, in ways that challenged historically clientelist controls over these resources.[9]

PORTO ALEGRE AFTER 2004

I have already noted how a progressive party at the helm of municipal politics, together with community associations that have been politicized on ideas of citizenship rights, produced a fertile ground for the PB experiment. In addition, a decentralized environment provided broad powers and policy instruments which these reformers used to address the city's inherited fiscal crisis. At a time of general fiscal stability in the PB's first decade, the Workers' Party administrations were able to address PB demands, thus generating further popular legitimacy for the PB.

But by the mid-2000s, the original configuration of factors that supported the growth of the PB has considerably changed. I now discuss these critical changes, underscoring how they weakened the PB process and reduced its centrality to local politics. In doing so, I provide an analytic account of the challenges in sustaining the PB as a robust, democratic innovation.

CHANGING OF THE GUARD

Without a doubt, the most important change in Porto Alegre's landscape was the shift in local administration: as noted earlier, in 2004, the Workers' Party lost the mayoralty elections after an unprecedented four consecutive terms in office. This pivotal loss has been attributed to a combination of factors, including growing middle class disenchantment with the Workers' Party due to its failure to generate new economic investments in the city (Marenco, 2004); the unusually effective campaign strategies adopted by the political opposition, which successfully de-linked the achievements of the PB from the Workers' Party, emphasizing the PB as an accomplishment of Porto Alegre's citizens and not of any single political party (Dias, 2006); and a fiscal crisis in the early 2000s that weakened PB project implementation as will be discussed later in this article, creating frustration with the Workers' Party among grassroots communities (Marquetti, 2008). Thus, even as the PB process continued to enjoy relatively broad legitimacy among poor communities, it was not enough to propel the Workers' Party to a fifth term in office.

Since then, the Workers' Party has become much weaker in Porto Alegre, unable to recover the broad cross-class support it enjoyed in the 1990s. In the meantime, traditional parties on the left and more conservative parties have strengthened their ranks by forging electoral alliances against the Workers Party. This relatively successful alliance-building on the center-right, amid a much weaker Workers' Party, in turn, helped seal the latter's successive electoral defeats in the 2008 and 2012 mayoralty elections.

As I have argued elsewhere (Melgar, 2014), the rise to power of center-right parties since 2004 radically constricted participatory budgeting in the city. Because these new governing parties saw the PB as a tool that politically benefited their electoral adversary, the Workers' Party, they were not keen to support it. But given its broad legitimacy and international recognition, neither could they dismantle the PB process

without generating a political backlash. Hence, in recent years, these post-2004 administrations – the first two under Mayor José Fogaca (2005-2008; 2009-2010) and the next under José Fortunati (2010-2012)—have pursued a dual strategy over the PB process, supporting it in rhetoric as an "accomplishment" of Porto Alegre, but not in substance (Melgar, 2014). Although reelected mayor José Fortunati (2013-2016) has once more promised to invest heavily in PB priorities (Meneghetti, 2014), local analysts are not optimistic that such investments will materialize given his administration's previous dismal record in implementing PB priorities.

Indeed, the absence of a strong commitment to participatory budgeting by the city's post-2004 administrations is best reflected in the marked decline in PB project implementation. Thus far, the Porto Alegre-based non-government organization CIDADE, which has monitored the PB over the years, has provided the most reliable estimates, comparing government completion figures with PB projects in the Investment Plan. From 2005-2010, non-Workers' Party administrations completed only an annual average of 47.5 percent of PB projects, in stark contrast to the 97.6 percent annual average completion rate of Workers' Party administrations for a similar 6-year period from 1992-1997.[10] PB activists have also consistently complained about the absence of municipal officials in regional assemblies, and government refusal to involve the PB in drafting major budget-related policy documents (Melgar, 2014). Indeed, as recently as May 2013, in a dialogue with Mayor Fortunati which I attended, PB activists repeatedly denounced the non-implementation of PB priorities and the absence of state representatives in their meetings.

The absence of a supportive political party in power had two further implications for state attitudes towards the PB process. First, from a politico-administrative viewpoint, this meant that participatory budgeting was no longer as central to municipal planning and resource allocation as it was in the Workers' Party era. This is not to say that Porto Alegre's municipal departments suddenly closed their doors to PB activists—the participatory budget continued to have formal access to municipal departments and even maintained a small office in Porto Alegre's City Hall. It also continued to be recognized in the municipal bureaucracy. What has changed, however, is the centrality of participatory budgeting to state planning processes.

Whereas in previous petista administrations, most state projects relevant to the city—whether funded by local, federal or international sources—were typically discussed in the PB process, often at the insistence of PB activists themselves,

since 2004, this has not been the case. Porto Alegre's post-2004 administrations have undertaken key and often controversial projects without bringing them to the PB process. In preparation for the 2014 World Cup games, for instance, the Fortunati administration undertook various infrastructure projects that relocated thousands of low-income families, including those that participated in the PB. But these projects and their social consequences to local communities were hardly discussed in the PB process. Indeed, these issues only became part of broader political debates in the city after urban popular movements – led not by PB activists but by students and young professionals–spearheaded mobilizations together with other nationwide protests in Brazil.[11]

From the broader perspective of state-society relations, however, the shift in municipal political leadership has provided an unprecedented opportunity for parties on the center-right to recast the ideas and models which previously anchored citizen participation under the petistas. Whereas most state reformers under the Workers' Party administrations saw direct participation in policymaking via the PB as a means for enlarging citizenship and democratizing state power, even as they sought to consolidate a popular base, the post-2004 governments have promoted a different vision of participation, one that sought mainly to mobilize civil society to assist the state in providing infrastructure and services within the framework of "partnerships" and "co-responsibility" (Melgar, 2014).

This approach to participation is best reflected in the municipal government's *Governança Solidaría Local* (Local Solidary Governance) (GSL) program, launched by the Fogaça administration in 2005 and which, under the current Fortunati government, has become a central state project (Melgar, 2014). Reflecting similar trends in other parts of the world where fiscal pressures and ideological shifts along neoliberal lines are compelling states to withdraw from active governance tasks, the program seeks to develop "partnerships" with the private sector and civil society actors to generate services and social programs, purportedly because the state could not undertake these tasks alone. Teams of municipal employees in the 17 PB regions are tasked to take the lead in building these networks on the ground (PMPA, no date). In the meantime, the PB process itself is now being coordinated by a recently-constituted municipal department, the *Secretaría Municipal de Coordenação Politica e Governança Local* (Municipal Department for Political Coordination and Local Governance) (SMCPGL) that replaced the Workers' Party-era planning department GAPLAN.

Analysts have criticized the GSL approach as a "depoliticized," watered-down vision of participation compared to the PB: while civil society actors are expected to carry out social responsibilities, they do not get to shape the broader policy frameworks that undergird such programs or participate in political decision-making processes, in the tradition carved up by participatory budgeting ("Orçamento Participativo," 2007). In this sense, as I argued elsewhere (Melgar, 2014), it deemphasizes the core idea of citizenship rights which fuelled participatory budgeting in the city. But in recent years, more state funding has been allotted to building such GSL networks in contrast to PB projects, suggesting the strategic role of the GSL to these administrations relative to the PB (Melgar, 2014). While it is not yet clear how the GSL will impact state-society relations in the long term, the post-2004 administrations' broad embrace of this program amid the marked decline in PB project implementation suggests once more the tenuous status of participatory budgeting in the city. As I noted in the analytical framework, opposition to deeper participatory reforms may come in the form of projects less overtly threatening to old systems of inequality and privilege yet supportive of demands for better political institutions. This shift to a more constricted version of participation in governance relative to the PB's citizenship-based model suggests that such processes are at play in Porto Alegre's post-2004 period.

FISCAL CRISIS AND AUSTERITY MEASURES

Our discussion earlier emphasized the critical role played by the city's fiscal recovery in the 1990s in enabling local state support for PB projects, thus generating popular enthusiasm for the initiative. By the early 2000s, however, Porto Alegre was once more squeezed by a fiscal crisis, in the process undermining PB investments (Melgar, 2014). Hence, aside from decisive shifts in the governing parties, a declining fiscal condition also proved pivotal in weakening the PB process, just as fiscal recovery and stability in the 1990s enabled the municipal government to generate support for it a decade earlier.

As Marquetti (2008) incisively noted, Porto Alegre's fiscal crisis in the early 2000s was due to the convergence of three factors: reduced federal and state government resource transfers to the municipality; higher spending due to the decentralization of health and education services to the municipality and the bimonthly adjustment of personnel salaries for inflation; and the continued deindustrialization of Porto Alegre, which meant lower tax revenues (Marquetti, 2008). The combined effect of

these pressures, as I argued elsewhere (Melgar, 2014) was to reduce the fiscal ability of the local government to implement PB projects, beginning with the fourth Workers' Party administration of Tarso Genro and João Verle (2001-2004) where PB project completion reached only an annual average of 78 percent.[12]

But with the rise to power of center-right parties in 2004, what began as an inherited fiscal crisis became the starting point for transforming Workers' Party policies on social provisioning via participatory budgeting. To manage the fiscal crisis, successive post-Workers' Party administrations adopted a broadly neoliberal approach to governance, albeit as noted earlier, politically savvy enough not to dismantle the PB process given its broad legitimacy. This approach brought more cuts in public investments and other austerity measures,[13] while seeking to expand private, philanthropic contributions to social programs. Invoking the need for "social solidarity," Porto Alegre's post-2004 administrations increasingly tapped business entities, churches and civil society groups, including the PB's low-income communities themselves, to provide or manage those services and programs that the state used to fund via participatory budgeting (Baierle, 2004/05). In this sense, such austerity measures also helped frame a new political rationality in state institutions, one which saw the local state increasingly distance itself from broad claims for social provisioning and participation in defining such programs as basic citizenship rights.

With respect to participatory budgeting, however, these actions meant further cuts in state implementation of PB priorities, as these administrations either reduced capital investments, or refused to spend on projects already decided by the PB process (Melgar, 2014). Given the sharp drop in project implementation, the PB process became much weaker and fragmented compared to the 1990s, as communities increasingly became frustrated with the lack of concrete results for their efforts. In various interviews I conducted in 2013, PB activists repeatedly cited the post-2004 administrations' lack of substantive efforts to implement PB priorities and its continued "disrespect" for PB decisions as threatening the continued viability of the initiative.[14]

Thus, in terms of participatory budgeting, the city's fiscal health and the character of state response to its crises once again proved pivotal to the PB's sustainability. Whereas in the 1990s, a state-led, social movement-backed effort to make the tax system more progressive enabled the city to overcome a fiscal crisis, thus strengthening participatory budgeting in the city, in the early 2000s, the state's implementation of austerity measures in response to a new fiscal crisis weakened it substantially.

ERODING THE "CHAIN OF SOVEREIGNTY"

Finally, the third set of changes we need to examine concerns the institutional design and overall internal dynamics of participatory budgeting, assessing how and why these too have shifted in recent years. Although participatory budgeting remains in place in Porto Alegre, clearly it has changed internally compared to its first decade, and some of these changes have also contributed to its weakening.

Institutionally, the "chain of sovereignty" that links PB decisions to expected state actions has become less reliable and coherent. Whereas the PB priorities used to be substantively binding on the state, thus protecting PB decisions from state officials' veto and other discretionary exercises of power, this is no longer the case under the post-2004 governments. Certainly, during the PB's first decade, Workers' Party administrators did not always agree with community activists' choices and priorities. Likewise, the municipal government did not always carry out projects identified in the PB process. But under petista administrations, state officials generally tried to explain such deviations from PB decisions before its assemblies. More importantly, they developed strategies to further avoid such discrepancies between PB decisions and state actions. In the mid-1990s, for instance, the second Workers' Party administration of Tarso Genro (1993-1996) persuaded municipal departments to make most of the technical and legal criteria used to evaluate projects openly available, so communities could study and consider them before forming their priorities. This was in response to the increasing number of PB projects being rejected by municipal planners as non-viable, inevitably raising tensions between PB activists and the local government (Abers, 2000). Since then, these criteria have become a regular staple of the PB process, annually made available in a booklet together with the PB's *Regimento Interno* (Internal Rules) and discussed widely in communities to aid in the formulation of priorities.

In contrast, Porto Alegre's post-2004 governments have produced little strategic response to activist demands for accountability in the non-implementation of PB projects. A review of the minutes of most PB regional and thematic assemblies in 2010, for instance, shows that municipal officials did attempt to explain the delays or non-implementation of PB priorities, pledging to address these concerns.[15] But by the end of 2010, the completed PB projects was still a very low 24 percent,[16] suggesting that these verbal commitments did not necessarily lead to more strategic state action on these issues. In the aforementioned meeting with Mayor José Fortunati in May 2013, PB activists again repeatedly denounced the non-implementation of PB priorities. Again, while Fortunati was receptive to these complaints, he stopped

short of articulating a coherent strategy on how his administration intended to address the huge backlog in PB projects–a crucial issue given that it ended the previous year with a fiscal deficit (Muzzell, 2013).

Long-time analysts of the PB have also noted serious concerns about the conduct of PB assemblies and its impact on the quality of discussions. One of the most important properties of PB regional or thematic assemblies was their open character: any individual or organization may participate, with voting reserved for residents of a particular region in the case of regional assemblies. Any individual or organization from any region may also participate and vote in the case of thematic assemblies (Santos, 2005), which discussed policy proposals on specific areas such as housing. During the PB's first decade, these assemblies generally relied on such direct, open participation which municipal coordinators and activists facilitated. The agenda for these assemblies typically included a *prestação de contas* (rendering of accounts), where state officials accounted for the status of PB projects and explained any delays or non-implementation; discussions of regional or thematic PB priorities; and election of PB delegates (*delegados*) for the region or thematic assembly (Melgar, 2015).

But according to local analyst Sergio Baierle, who has monitored the PB over the years, recent state-led changes in the conduct of these assemblies have posed limits to direct, broad participation on the floor. For example, PB participants who wanted to speak in these assemblies now had to register one week in advance in the state-run *Centros Administrativa Regionais* (CARs) (Regional Administrative Centers) in each PB region, presumably so "government could prepare how to respond." But as Baierle noted, "this is very difficult for [poor] people [who work daily and live far from the CARs]. . .as these CARs have limited hours. They close at 6 PM."[17] Accordingly, particularly in regions with strong oppositional community movements, municipal coordinators have also been known to hold PB assemblies in places that were not conducive to broad participation apparently to constrain participants' criticism of government.[18]

Taken together, these narratives suggest that the original institutional design properties that previously made the PB a powerful instrument for incorporating citizens' preferences in policy-making – namely, the open, participatory format of its assemblies and the binding character of its decisions on the state—have increasingly been strained and weakened, once again by municipal administrations less committed to the PB's substantive ideas and processes. Community activists, in other words, could no longer be confident that the state would seriously carry

out PB priorities and decisions, and that in cases where municipal officials had important grounds to disagree with them, that these would be openly discussed with the PB process. Consequently, the sense that the PB offers a viable mechanism for citizens to shape state policy on the budget has increasingly been put in doubt among grassroots communities.

INTERNAL VULNERABILITIES

The institutional properties that enabled the PB to democratize municipal budget-making, however, have not only been subverted by the absence of supportive municipal administrations since 2004. They have also been affected by shifts in the PB's own internal procedures, thus reducing its ability to critically engage the state.

To recall, I highlighted the importance of a relatively autonomous civil society, able to serve as serious interlocutors of state preferences especially in arenas where activists share decision-making power with state officials. In the PB's first decade, I also noted that community activists developed this ability to critically engage state representatives over time. This was especially evident in the Council of Participatory Budgeting (COP) where PB councilors and state representatives discussed broader revenue and spending policies and crafted the final Investment Plan. Indeed, that Workers' Party administration officials sometimes felt "like they were being thrown into a snakepit" (quoted in Goldfrank, 2003, p. 44) in discussions with the COP suggests not only the contentious debates that often took place, but also the increasingly confident manner in which community activists engaged the state.

In recent years, however, community activists' ability to critique and engage state preferences or broader policy questions appears to have been weakened by changes in internal PB rules, such as those which redefined the eligibility rules of PB councilors and their terms of office. In its first decade, the PB's internal rules stipulated that PB councilors could only serve two consecutive, one-year terms. Such limits were adopted to encourage the socialization of skills and knowledge gained from the experience of directly engaging state representatives on policy questions, thus generating a broader set of community leaders. This, in turn, reflects the PB's principle of "auto-regulation" where participants themselves, and not the state, regulate the PB through consensually-agreed upon rules, standards and responsibilities of participation. The COP annually reviews these PB rules, called *Regimento Interno* (Internal Rules), and votes on any proposed changes.

Beginning in 2008, however, PB rules no longer stipulated any limits on councilors' eligibility to run for consecutive terms (PMPA, 2008). In addition, since 2006, only those who had previously served as PB delegates (*delegado*), an elected position in the PB regional and thematic assemblies, for a specified number of years and met minimum attendance requirements, became eligible to run as PB councilors.[19] This was in contrast to the PB's first decade when anyone who had participated in PB regional or thematic assemblies, typically for at least a year, was eligible to run as councilor.[20]

The combined effect of both changes in the PB's rules, and thus its institutional design, has been to reduce the pool of people from which councilors have been drawn in recent years, putting limits to the goal of ensuring a relatively broad, constantly renovating leadership in the PB. These trends are reflected in a study of the COP by CIDADE. Accordingly, in 1992, some 79 percent of elected councilors in the COP were "first-timers," that is, they had not previously occupied the position of either primary or substitute councilor in the then relatively new PB process.[21] Four years later, in 1996, this was still a fairly high 72 percent. The proportion of "first-time" councilors, however, began to consistently decline beginning in 2001, still part of the Workers' Party era, when it reached just a little more than half, or only 66 percent of councilors.[22] By 2005, or the first year under the post-Workers' Party administrations, it further dipped to 45 percent, and by 2008, only 34 percent of elected councilors had not previously occupied the position whether as a primary or substitute councilor (CIDADE, 2007).

The low rate of leadership renovation in the PB process has become a source of weakness for civil society. But it is important to qualify this point. Certainly, some long-time PB councilors have provided some of the most independent, critical voices in PB assemblies and COP meetings over the years, thus likely generating credibility for them and partly explaining their constant re-election. Indeed, a review of the minutes of COP meetings from the 1990s to the 2000s, and my earlier, direct observation of COP meetings in 2006-07 clearly suggest that some of these long-time councilors, many of whom also served as PB delegates at some point, constituted some of the most vigorous interlocutors of state officials over the years.

But in the post-2004 conjuncture where the state has ceased to provide robust institutional support to the PB, this narrowing down of the PB's leadership has created an additional pitfall for participatory budgeting. It has prevented the PB from cultivating a broader set of grassroots leaders sufficiently rooted in the

regions and communities yet densely connected to each other via the PB, who could generate encompassing challenges not only to state efforts to marginalize the PB process, but also to apparent attempts to reinvigorate clientelistic ties with local communities. In various interviews I conducted in 2013, local activists constantly noted the resurgence of clientelism among PB communities, citing state efforts to capture their political loyalties by granting contracts to community associations to manage daycare centers and other services, or by appointing individual activists into the municipal bureaucracy. While it is difficult to directly confirm the extent of such clientelist resurgence, PB activists persistently noted the problem in the post-2004 conjuncture, often attributing it to the parties in power. As PB priorities suffered from state neglect, local solidarities appear to have also eroded, making these communities and grassroots leaders much more vulnerable to clientelist appeals.

The lack of leadership renovation in the COP has also made it less likely to pose a more robustly independent, even oppositional stance on key policy issues vis-à-vis the state, as individual members become much more comfortable in their interactions with the state over time. That some of these councilors are affiliated with the new governing parties has made the situation more complex, triggering complaints that they are largely beholden to government. To be sure, party identities and allegiances have historically crisscrossed the PB process. But precisely because of the state's strong implementation of PB priorities during the PB's first decade, the party affiliations of PB activists did not tend to matter as much – community activists could reasonably construe their demands as common concerns and act collectively to attain them. But in light of the post-2004 governments' lack of institutional support for the PB, the seeming loyalty of some PB councilors to these administrations and their vigorous support of state positions particularly on key PB debates have been seen – not surprisingly – as symptomatic of the COP's overall decline in dynamism and independence from the municipal government.

Beyond the COP, however, most PB councilors recognize the need for the PB to renovate itself as a whole to prevent its further marginalization. One PB councilor, for instance, argued that it was important to "return the power of the PB to councilors and the communities," in reference once again to state efforts to disempower the PB in municipal politics.[23] Others felt that the state ought to invest in further capacity-building among relatively newer PB councilors to strengthen participatory democracy in the city.[24] But in interview after interview, PB activists unanimously identified the need for the state to implement PB priorities and respect PB decisions as key to the revitalization of this initiative.[25]

CONCLUSION

In this article, I sought to provide a common analytical framework to explain both the rise and subsequent weakening of participatory budgeting in Porto Alegre, Brazil, one of the most internationally prominent contemporary reforms to deepen democratic participation and social inclusion. This framework brought together elements in the politico-institutional and economic environment and specific institutional design properties of the PB process, as key to understanding its rise and decline. Drawing on relational perspectives in the social sciences, I demonstrated how the presence of progressive political parties in power committed to democratizing policymaking in a decentralized, fiscally stable environment, and a politicized and relatively autonomous civil society, able to serve as serious interlocutors of the state, were crucial building blocks for the rise of participatory budgeting in the city. In addition, certain institutional properties, such as the binding character of citizens' decisions on the state, the relatively open design of PB assemblies and broadly representative structures were all pivotal to the vitality of participatory budgeting in the city during its first decade.

Since 2004, however, a number of critical shifts in the elements that constituted this framework have taken place, thus contributing to the weakening of participatory budgeting. Center-right parties have displaced the Workers' Party from local state power, opening up a broader politico-ideological effort to reconfigure participation in the city by deemphasizing citizenship rights, while cutting public investments to address a resurgent fiscal crisis. The result has been a huge drop in PB project implementation, undermining what used to be the institutionally binding character of PB decisions on the state, increasing community frustration with the process, and further weakening the initiative. In the meantime, other shifts in the institutional characteristics of participatory budgeting, such as the narrowing down of its leadership base, has made it much more vulnerable to recent state efforts to disempower the initiative, preventing it from launching a more robust and encompassing grassroots defense of participatory rights in governance.

This approach illustrates the fruitfulness of a configurational analysis in accounting for the rise and weakening of local democratic innovations like participatory budgeting. Much of the literature on local democratic innovations has sought to explain their emergence, while, with a few exceptions (e.g., Nylen, 2003; Canel, 2010), little attention has been given to their decline. This article probes not only the circumstances by which a pioneering experiment like Porto Alegre's participatory

budgeting became much more vulnerable to political marginalization in the last decade. It also advances a multidimensional framework to analyze these conditions, demonstrating that just as Porto Alegre's PB process emerged from a confluence of critical enabling factors, so is it being weakened by combined shifts in those conditions that once made it flourish.

The changing fortunes of Porto Alegre's participatory budgeting mark a critical juncture for participatory governance in the city, and discussions on democratic reforms more broadly. As a touchstone for how states and societies might operate under deeper forms of democracy, Porto Alegre's participatory budgeting has broad global implications, demonstrating that more politically and socially inclusive processes are not only desirable, but also possible. Thus, its weakening is of global concern, holding lessons for democratic experiments elsewhere. Few can predict whether the PB process could overcome its current vulnerabilities. But understanding how and why this iconic democratic innovation was weakened is the first critical step, one that should move us closer to its desired revitalization.

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ENDNOTES

[1] See, for instance, Heller (2001) and Baiocchi, Heller and Silva (2011).

[2] This was done as part of my Ph.D. dissertation field research. Hence, some of the ideas and arguments in this article draw on my Ph.D. dissertation. See Melgar (2010) for the said work.

[3] See, for example, the case studies in Shah (2007) and Selee and Peruzzotti (2009).

[4] For a more extensive treatment of these issues, see Melgar (2015).

[5] I am especially grateful to Sergio Baierle for this insight.

[6] Workers' Party members are called *petistas* in Portuguese, from the acronym PT.

[7] PB attendance figures from the early 1990s to the early 2000s was consistently high, before it declined slightly in the mid-2000s. See Fedozzi (2007, p. 23) for a breakdown of PB attendance figures from the 1990s to the mid-2000s.

[8] These surveys generally measured the household monthly income (*renda familiar*) as multiples of the federally mandated monthly individual minimum salary (*minimo salario* or MS) in Brazil. See CIDADE (1999, 2002 and 2003) and Fedozzi (2007) for some of these surveys.

[9] See Melgar (2015) for a detailed discussion of these issues based on Marquetti's (2008, 2003 & 2002) various studies.

[10] Computed from data given in CIDADE (2012). Since the study contained some minor errors in the percentages given in the post-2004 period, I used only the raw data for "total number of PB projects" and "number of projects completed" and recomputed the percentages.

[11] For some of these campaigns, see: http://comitepopularcopapoa2014.blogspot.com/

[12] Computed from data given in CIDADE (2012)

[13] See Melgar (2014) for a detailed discussion of these cuts in public investments.

[14] Interviews with various PB activists, April-May 2013, Porto Alegre. I noted the same issues in Melgar (2014), which focuses specifically on the changing post-2004 political and economic configuration of Porto Alegre.

[15] Participatory Budgeting, minutes of various thematic and regional assemblies, 2010 (in Portuguese).

[16] Computed from data given in CIDADE (2012).

[17] Interview with Sergio Baierle, member, CIDADE Board of Directors, April 15, 2013, Porto Alegre, my translation.

[18] Baierle cites the case of the Partenon region where PB assemblies were once held in a gymnasium of the *Policia Militar* (Military Police). Aside from being held in close proximity to an institution that has been widely criticized in Brazil, participants also had to travel much longer to reach the place.

[19] Since 2006, PB rules on the number of years in which candidates for councilors should have previously served as delegates have varied. In the 2006-2007 *Regimento Interno* where this provision was first introduced, only those who had been delegates in the preceding two years and attended at least 60 percent of delegates' meetings, were eligible to run as PB councilors. In 2012-2013, only those who had previously been delegates in one of the last 5 years, and attended at least 50 percent of the said meetings, were eligible to run as PB councilors.

[20] See, for instance, any of the PB *Regimento Interno* from 2005-06 or earlier.

[21] Each PB region elects 2 primary (*titulares*) and 2 substitute (*suplentes*) councilors to the COP.

[22] This decline in the proportion of COP "first-timers" even before the said changes in PB eligibility rules for councilors were adopted in 2006 may have been due to the possibility that councilors who previously served for two consecutive 1-year terms, ran again for the position after at least a 1-year break which PB rules did not prohibit.

[23] Interview with "Ronie," councilor from Norte, May 2, 2013, Porto Alegre, my translation.

[24] Interview with "Carlos," councilor of the Thematic Assembly on Circulation, Transport and Urban Mobilization (*Temática Circulação, Transporte e Mobilidade Urbana*), April 22, 2013, Porto Alegre.

[25] Interview with various participatory budgeting activists, April-May 2013, Porto Alegre.

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