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**BRAZILIAN CITIES IN THE NINETIES AND BEYOND:  
NEW URBAN DYSTOPIAS AND UTOPIAS\***

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**INTRODUCTION**

The changes in Brazil's political economy since its transition to democracy in 1985 have not been kind to its urban landscape. While at one point in the past there were concerns that cities like São Paulo would not stop growing, that has been replaced today with a tacit agreement that those who can escape that city's steadily declining quality of life for private and exclusive spaces away from public problems should do so.<sup>1</sup> And the same for other large Brazilian cities; as changes associated with “globalization” take hold—decline in public sector spending, the liberalization of the economy, the restructuring of traditional industrial manufacturing—the quality of life for urban-dwellers, particularly the urban have-nots, has become worse and worse, *despite* the retrenchment of inflation in recent years. As a result, cities have become more exclusive: terrified middle and upper classes have sought refuge behind high-security buildings, have contributed to the growth in the private security industry, and have raised the demand for such items as electrified fences in residential neighborhoods and bullet-proof cars.<sup>2</sup> Most recently the must-have item for wealthy elites has been the growing fleet of personal helicopters that crowd São Paulo's skyline at sunset as businessmen avoid traffic, and

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<sup>1</sup> The discussion of the tacit acquiescence of governments before the “permanent” social problems in Latin American cities in Richard Morse. 1993. “Cities as People.” in *Rethinking the Latin American City*, edited by Richard Morse and Jorge Hardoy. 1993.

<sup>2</sup> Brazil is one of the fastest growing markets for private security products today. The discussion of urban fear in Brazil is a long-standing one, but see Teresa Caldeira. 1993. “Sao Paulo: City of Walls.” in *Anthropology*. Berkeley: University of California. and Gianpaolo Baiocchi. Forthcoming. “Pariahs of the Wonderful City: Fear and the Imagined Geography of Citizenship in Rio de Janeiro.” *DisClosure* 11..

crime, below. Some of the city's most exclusive shopping centers have now even developed landing pads.<sup>3</sup>

These changes in Brazil's cityscape are not unique to that country or even to the developing world. One of the salient features of the “world city” today is, in fact, its rising inequality<sup>4</sup>. North American urbanists, for instance, have made much of the disappearance of public space in places like Los Angeles. Once seen as a testing ground for the future of multi-cultural and post-industrial America, today L.A. seems to be heading for a nightmare scenario of exclusion, inequality, and post-industrial chaos<sup>5</sup>. High-tech security devices, a forbidding built environment, and a militarized police force demarcate and enforce boundaries between haves and have-nots, lines that have been increasingly drawn on the basis of race. What appears to be unique to the Brazilian case, other than perhaps how extreme its urban inequality has become, is that some of the very changes associated with neoliberal policies have inadvertently opened up institutional spaces for local democratic experiments, and that these have been seized by a progressive leftist party, the Workers’ Party (*Partido dos Trabalhadores*, PT) that has thrived on the success of these experiments to broaden its electoral base while re-inventing itself as a party of good governance and democracy. In this paper I trace both urban dystopias and utopias in their origins and try to account for why it is that the Brazilian city, home to so much exclusion and inequity, has also proven to be, of late, fertile ground for far-reaching experiments in democracy. In the final section of this paper I discuss some of the challenges for progressive city administrators of the new urban landscape.

## **URBAN DYSTOPIAS, and THE CHANGING URBAN LANDSCAPE IN BRAZIL**

Los Angeles is supposed to conjure up *Blade Runner*. But to really experience a *Blade Runner*, or maybe more appropriately, a *Mad Max* urban landscape, one should

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<sup>3</sup> Alex Bellos "Rich Brazilians look down on crime and traffic: Kidnappers, carjackers and congestion make Sao Paulo the world's helicopter capital." in *Guardian Foreign Pages* August 7 2000.

<sup>4</sup> This has been developed most thoroughly by Saskia Sassen, Janet Abu-Lughoud, and others. For Latin America, see Alan Gilbert. 1996. “World Cities and the urban future: A view from Latin America.” in *Megacities in Latin America*, edited by Alan Gilbert. Tokyo: United Nations University Press. .

<sup>5</sup> See, most notably, Mike Davis. 1998. *Ecology of Fear: Los Angeles and the Imagination of Disaster*. New York: Vintage Books.

travel from Los Angeles farther South to Brazil, to São Paulo. Like L.A., São Paulo was once seen as the face of progress of the country, but the city today conjures up for most Brazilians apocalyptic images of a magnitude unimaginable even for most *Angelenos*. Since the 1970s urban inequality and exclusion in places like São Paulo has been steadily increasing: structural adjustment programs and the continued push-off from the land throughout the 1980s contributed to the swelling of an already crowded urban periphery at a time of cutbacks of admittedly inadequate social services. And while in the 1990s the rate of growth in mega-cities like São Paulo slowed down and Cardoso neoliberal plans have arrested rates of inflation, these changes have not improved urban scenarios. The continued decline in public-sector spending has coupled with changes in the global economy that have exacerbated the gap between haves and have-nots everywhere, but that have played themselves out with particular effect in Brazil, and today's urban Brazil concentrates both its wealthiest and its poorest. The net result has been that while a small portion of the population, a portion of the 1% who earn 17% of the country's income<sup>6</sup> (and who have ties to the dollar economy), has been able to recreate world-class luxury in urban settings like São Paulo, they have increasingly had to enjoy this luxury from behind the confines of secluded buildings and settings. The rest of urban Brazilians, portions of the bottom 50% who earn just under 12% of the country's income, have had to cope with increasingly difficult and violent cities.

It is not only São Paulo that has experienced a decline in livability in recent years. While São Paulo, as an urban agglomeration of 15 million, has its own problems by virtue of its size, the whole of Brazil's urban landscape has been changing. Since the 1950s Brazil has rapidly urbanized: today roughly 80% of Brazilians live in cities, and a third of the country's population lives in nine metropolitan areas. Fifty years ago, less than a third of the population lived in urban areas at all. Until the 1970s, urban populations grew most rapidly in a few major cities. Despite a relative deconcentration of growth toward medium-sized cities in the 1980s, the ability of municipalities to meet collective needs has not improved. Roughly one in five urban Brazilians lives in the make-shift *favelas* that cover and surround cities like Rio de Janeiro; some *favela*

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<sup>6</sup> Ladislav Dowbor. 1998. "Decentralization and Governance." *Latin American Perspectives* 98:28-44.

settlements, like *Rocinha*, are home to as many as 200,000 people, larger than many medium-sized cities and towns within Brazil. Rio itself, by some estimates, has a third of its population in favelas.<sup>7</sup> The result of all these dislocations in the context of increasing inequality has been, as a prominent Brazilian planner has put it, that now “municipalities are on the frontline of an explosive situation.”<sup>8</sup>

In most large urban centers the quality of life for urban dwellers, particularly the less well-off, has deteriorated steadily in the last two decades. The restructuring of urban economies associated with “globalization” has in fact only increased the inequities associated with Brazil’s “conservative modernization” of the 1960s and 70s. Cities have become increasingly unequal as result of the economic model: export-oriented growth in a liberalized economy has meant that those tied to the international economy have become wealthier and have helped create some of the trappings of world-level consumption in cities like Rio and São Paulo. Increased growth in service sectors has increased polarization between the highly skilled and the unskilled. And the increasing reliance on part-time and flexible labor—often in the form of subcontracting to the informal markets in shanty-towns by large manufacturers—has eroded the economic base of the traditional industrial working class. The inability of small businesses to remain viable in a credit-poor and competitive environment has also eroded middle-class and lower middle class income.<sup>9</sup>

The liberalization of the economy since the 1980s, and continued investment in large-scale agriculture did little to stop the flow of migrants to cities that had driven Brazil’s urban growth in the 1960s and 1970s. Brazil’s uneven land-tenure and the problem of the landless is well known, and rural out-migration *continued* at the pace of

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<sup>7</sup> Elizabeth Leeds. 1996. “Cocaine and parallel polities in the Brazilian urban periphery; constraints on local level democratization.” *Latin American Research Review* 31:47-73.

<sup>8</sup> Ladislav Dowbor. 1998. “Decentralization and Governance.” *Latin American Perspectives* 98:28-44.

<sup>9</sup> Marcus Melo. 1995. “State Retreat, governance, and metropolitan restructuring.” *International Journal of Urban and Regional Research* 19:342-357.

Licia Valladares. 1995. “Introduction.” *International Journal of Urban and Regional Research* 19:339-341.

Jeroen Klink. 1999. “The Future is Coming. Economic Restructuring in the Sao Paulo Fringe: the Case of Diadema.” *Habitat International* 23:325-328.

1.4 million migrants per year throughout the eighties and early nineties, a rate much higher than could be absorbed by the urban labor market.<sup>10</sup> And although the growth in the country's mega-cities of São Paulo and Rio de Janeiro was relatively smaller than in other urban centers, much of the urban growth occurred in urban regions adjacent to mega-cities.<sup>11</sup> The increased suburbanization of industry, as well as the physical exhaustion of empty spaces in urban areas has created pressures for medium-sized cities in outlying metropolitan districts around large cities.

Since the late 1970s fear of “encroaching urban masses” has been a dominant theme in discussions about the city. “Fear of crime” became a problem of national proportions, as middle-class Brazilians clamored for law-and-order and increasingly aggressive police forces strove to accommodate them. But what has made the recent period different is that while the numbers of extremely poor urban residents have continued to grow, the well-off have achieved enough purchasing power to find completely private solutions to these problems. Teresa Caldeira has documented this new pattern of exclusion, with the rise in gated communities and private policing in Brazilian cities. The private security business in Brazil today is one of the fastest growing sectors of the economy, with total industry sales expected to reach \$650 million in 2000, making Brazil the world's largest market for armored cars.<sup>12</sup> An out-of-control police force structured during Brazil's military dictatorship combined with these continued middle and upper class calls for increasingly harsh measures have continued to reproduce Brazil's “social apartheid.”<sup>13</sup>

Brazil's extremely violent Military Police has been responsible for *thousands* of deaths a year since the transition to democracy, contributing to the country's dubious achievement of having one of the highest rates of death at the hands of the state, even

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<sup>10</sup> Stephen G. Perz. 2000. “The Rural Exodus in the Context of the Economic Crisis, Globalization and Reform in Brazil.” *International Migration Review* 34.

<sup>11</sup> Alan Gilbert. 1996. “World Cities and the urban future: A view from Latin America.” in *Megacities in Latin America*, edited by Alan Gilbert. Tokyo: United Nations University Press.

<sup>12</sup> Tony Smith “On Brazil's increasingly violent streets, armored car business is thriving.” in *New York Times* November 21 2000.

<sup>13</sup> This is a phrase of Cristovam Buarque's. Cristovam Buarque. 1993. *O Apartheid Social no Brasil*. Sao Paulo: Brasiliense.

though the country has no formal death penalty. Brazil has had death-squad killings of accused criminals since at least the 1950s, but there has been a rise in police abuses in the last several years. Brazil's military police was structured during the dark years of the dictatorship as a branch of the military to wage war against internal subversion, but its heavy-handed tactics have continued in the period of democracy. In Rio de Janeiro, for instance, police forces carried out “blitzkrieg” attacks on many of the city's slums in 1993 and 1994, militarily occupying slum areas for days at a time. And in 1992 the Military Police in São Paulo summarily executed 111 detainees involved in a prison riot. Also in 1992, the Military Police accounted for a third of the homicides in the city of São Paulo.

<sup>14</sup> And these underpaid and ill-prepared police officers in the best-case scenarios also moonlight as private security officers and carry out primitive justice; the worst case is when they become involved in the corruption and complicated schemes of parallel justice involving drug lords and other illicit activity. An execution of twenty-one residents of the *Vigário Geral* slum in Rio de Janeiro in 1993 by the police turned out to be retribution for a missing drug shipment.<sup>15</sup> Throughout urban Brazil, police forces are involved in disappearances, torture and execution of alleged criminals.<sup>16</sup> And despite lack of precise evidence, researchers are in agreement that the vast majority of victims of the police are young non-white men.<sup>17</sup>

Indeed one of the impacts of the increasing inequality and exclusion has been the reliance by growing segments of the urban poor on the parallel drug economy. Elizabeth Leeds has documented the growing power of local-level drug-lords in shantytown areas who stand in as local benefactors and maintainers of order in the absence of an effective and accountable state. Organized crime syndicates have taken hold and flourished, especially in Rio de Janeiro, and Rio now is one of the key international ports for

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<sup>14</sup> Human Rights Watch'. 1997. *Police Brutality in Urban Brazil*. New York: Human Rights Watch.

<sup>15</sup> Elizabeth Leeds. 1996. “Cocaine and parallel politics in the Brazilian urban periphery; constraints on local level democratization.” *Latin American Research Review* 31:47-73.

<sup>16</sup> Human Rights Watch'. 1997. *Police Brutality in Urban Brazil*. New York: Human Rights Watch.

<sup>17</sup> Vania Penha-Lopes. 1997. “An Unsavory Union: Poverty, Racism, and Murders of Street Youth in Brazil.” in *Globalization and Survival in the Black Diaspora: the new urban challenge*, edited by Charles Gree. Albany: SUNY Press.

distribution of cocaine, despite the fact that Brazil is neither the principal producer or consumer country on the drug route. Leeds has found that virtually all *favelas* in Rio have a number of persons involved in the parallel economy of the drug trade, with a complex division of labor employing men and women, young and old, in the distribution of drugs.<sup>18</sup>

And other factors have continued to affect the urban landscape. Recent changes have meant that more and more local and state-level governments are the ones in charge of attracting foreign capital. The resulting “race to the bottom” between Brazilian states competing for the attention of transnational giants has forced some states to essentially pawn off social services and state-owned enterprises to be able to meet the conditions of firms like G.M. and Ford. The selling off of state-owned enterprises has hurt working and middle classes dependent on state subsidies for services like telephone and electricity. Similarly, the net decline in social service expenditures in the last two decades has hurt those who cannot afford private health plans or private schools. And the virtual ending of the services of the Federal Housing System, the Brazilian government agency that throughout the sixties and seventies acted as guarantor and extended housing loans to middle and working class families, has transformed the pattern of new development in cities and contributed to social segregation. Most new urban developments today are in the luxury market for those who do not need credit.<sup>19</sup>

### **TOWARD A DEMOCRATIC CITY**

But if, instead of looking at Avenida Paulista (in São Paulo’s business district), where as many as eighty helicopter landings take place daily, we looked at some of the working-class and poor neighborhoods in the city’s periphery, particularly in the latter part of 2000, a very different picture would have emerged. There, as in the periphery of the capital cities of Porto Alegre, Belo Horizonte, or Belem in the weeks and months before the 2000 municipal elections, thousands of activists carried forth the grassroots

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<sup>18</sup> Elizabeth Leeds. 1996. “Cocaine and parallel polities in the Brazilian urban periphery; constraints on local level democratization.” *Latin American Research Review* 31:47-73.

<sup>19</sup> Luiz Cesar de Queiroz Ribeiro, and Luciana Correa do Lago. 1995. “Restructuring in Large Brazilian Cities: The Centre/Periphery Model.” *International Journal of Urban and Regional Research* 19:369-382.

effort that brought the unprecedented number of 172 Workers' Party (*Partido dos Trabalhadores*, PT) mayors to power. Once known for organizing broad strikes in the outlying industrial districts of São Paulo, the Workers' Party is now also known to very many Brazilians as a party of good governance, of sound municipal policies, and as a viable alternative to the ruling party coalitions.<sup>20</sup> While scholars have noted the failure of leftist parties to achieve significant successes at the national level throughout Latin America, an unexpected revolution has taken place at the local level. Not only has the left taken a "social" turn (as some have termed the increased concern with broad social issues away from purely "classist" platforms<sup>21</sup>); it has also gone "local" and developed platforms for "good governance." And normally, the changes associated with globalization are thought to erode the capacity for democracy; here, paradoxically, they have opened up conditions for the invigoration of local-level democratic and civic engagement.

Leftist thinkers in Latin America and in Brazil, like those within the PT, had long recognized that they must devise strategies for governance to remain viable in the post-authoritarian period. But even a cursory reading of party platforms in the early 1980s shows an emphasis on sometimes lofty concerns with how to carry out class struggle once in control of the municipal state.<sup>22</sup> What has perhaps been a surprise is that after some false starts, the PT has shown, since the early 1990s, that leftist parties like itself are not only able to run successful local administrations and manage well traditional city-planning concerns like sewage and water, but that they are unusually well-poised to do so and have profited tremendously in terms of building up of electoral support.

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<sup>20</sup> The history of the Workers' Party is recounted in Sue Branford, and Bernardo Kucinski. 1995. *Brazil: Carnival of the Oppressed*. London: Latin American Bureau.

Gay Seidman. 1994. *Manufacturing Militance: Workers' Movements in Brazil and South Africa*. Berkeley: University of California Press.

Margaret Keck. 1992. *The Worker's Party and Democratization in Brazil*. New Haven: Yale University Press.

<sup>21</sup> This is a phrase of Jorge Casteñeda. Jorge Castaneda. 1993. *Utopia Unarmed: The Latin American Left after the Cold War*. New York: Knopf.

<sup>22</sup> See, for example, Silvio Caccia Bava. 1983. "Os Conselhos Populares: As Propostas do PMDB e do PT." *Desvios* .

The cornerstone of PT success has been a strategy of redistributive administrative schemes at the local level that rely on broad popular participation for guidance. Municipal administrations of the PT have as their guiding principles the “inversion of priorities” (such as turning municipal investment priorities away from well-to-do neighborhoods) and popular participation in governance. The successful “formula” of combining the two, particularly at the municipal level, has proven a potent strategy—neither parliamentary nor extra-parliamentary—that has propelled this “mass-based socialist and democratic party” to the position of being able to challenge the traditional parties at presidential elections in the near future.

Of course, the idea of governing the Brazilian city in a democratic manner pre-dates Workers’ Party successes. A variety of new urban social movements appeared in Brazil in the 1970s, and the story of democratic governance begins with them. A diffuse pro-democracy movement brought together the “New Unionism” around São Paulo, Ecclesiastic Base Communities (*CEBs*), and national movements that articulated the demands for “urban rights” by neighborhood associations.<sup>23</sup> These new social movements brought new visions of urban democracy and participation to Brazilian politics. New neighborhood associations, founded under the influence of the ideas of radical popular educators, emphasized *autonomy* (both from manipulative government agencies and from patronage schemes), *proceduralism and democracy in decision making*, as well as democratic access to urban services. For instance, in 1976 the

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<sup>23</sup> There is a very extensive literature on the social movements of the 1970s and 1980s in Brazil impossible to review here. See, for example, Ruth Cardoso. 1988. “Os Movimentos Populares no Contexto da Consolidacao da Democracia.” in *A Democracia no Brasil*, edited by Fabio Wanderley dos Reis and Guillermo O’Donnell. Sao Paulo: Vertice.

Eduardo Viola, and Scott Mainwaring. 1987. “Novos Movimentos Sociais: Cultura Politica e Democracia.” in *Uma Revolucao no Cotidiano? Os Novos Movimentos Sociais na America Latina*, edited by Ilse Scherer-Warren and Paulo Krische. Sao Paulo: Brasiliense.

Vera da Silva Telles. 1987. “Movimentos Sociais: Reflexoes Sobre a Experiencia dos Anos 70.” in *Uma Revolucao no Cotidiano? Os Novos Movimentos Sociais na America Latina*, edited by Ilse Scherer-Warren and Paulo Krische. Sao Paulo: Brasiliense.

Renato Boschi. 1987. *A Arte da Associacao; Politica de Base e Democracia no Brasil*. Sao Paulo: Vertice.

Tilman Evers. 1985. “Identity: The Hidden Side of New Social Movements in Latin America.” in *New Social Movements and The State in Latin America*, edited by David Slater. Amsterdam: CEDLA.

Movement of Neighborhood Associations (*MAB*) in the *Baixada Fluminense* neighborhood in Rio was an experiment in establishing a permanent forum of neighborhood associations. It brought together on a regular basis, representatives of 90 associations in the region, and while emphasizing democratic proceduralism, sought ways to organize these various associations in a common bloc for demands on city and state government.<sup>24</sup> There were, in addition, a number of nationally organized movements for urban rights, such as the Cost of Living Movement (*MCV*) which started in São Paulo in 1974, the Housing Movement (*MOM*) in 1975, The Health Movement (*MOS*) and the collective transports movement (*MTC*) in the late 1970s. These movements, which eventually would spread to many other state capitals in Brazil, were loosely based on networks of local activists, and linked an emphasis on active citizenship and participation with a vision of entitlement to specific urban services, like bus services and public clinics.<sup>25</sup>

There were some short-lived (and small scale) experiments in participatory governance in the late seventies and early eighties in Brazil that also served as reference points for later experiments. These took place in smaller cities and often revolved around mutual-assistance programs under the figure of a charismatic mayor, which has led to the charge they were simply more participatory populist programs.<sup>26</sup> Nonetheless, considering the context of the dictatorship and of the heavily centralized administration, these experiments served as examples for activists in the years to follow. In Lages, a city of 180,000 in the southern state of Santa Catarina, Mayor Dirceu Carneiro became well known in the late 1970s, for a program of popular participation in City Hall affairs. While much of the participation revolved around an extensive mutual-assistance and rotating credit program, this eventually developed into a participatory structure of intervention into the municipal budget, with representatives of different communities

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<sup>24</sup> Pedro Jacobi. 1987. "Movimentos Sociais: Teoria e Prática em Questão." in *Uma Revolução no Cotidiano? Os Novos Movimentos Sociais na América Latina*, edited by Ilse Scherer-Warren and Paulo Krische. São Paulo: Brasiliense.

<sup>25</sup> Ana Amelia da Silva. 1990. "A luta pelos direitos urbanos: novas representações de cidade e cidadania." *Espaco e Debatte* :28-40.

<sup>26</sup> Another experiment from this time was in Piracicaba, in São Paulo. In the 1980s there were participatory experiments in Osasco (São Paulo state), Curitiba (Paraná), and Juíz de Fora (Minas Gerais).

voting on budget priorities for the year. In Boa Esperança, a town of 18,000 in Espírito Santo, Mayor Amaro Covre, also in the late 1970s, developed a more sophisticated neighborhood participatory system that granted the community a substantial amount of decision-making power as well as establishing permanent fora for deliberation on local problems. The town would be organized into 32 communities, each around one of the town's schools; in each community, a number of leaders—one per street—were elected, and coordinated monthly meetings of all the resident families, to debate community problems with municipal officials. Although neither Lages nor Boa Esperança proved to be lasting experiments, they became well known examples for urban activists in the 1980s.<sup>27</sup>

### THE DECENTRALIZATION OF THE STATE

But it was a combination of factors in the late 1980s and early 1990s that created the conditions for the transformation of urban visions of democratic entitlement into broad-based experiments in radical city management. Urban poverty and exclusion had actually increased quite sharply throughout the 1980s in Brazilian cities, and the increasingly visible “belts of poverty” around cities made for a powerful impetus for urban activists to organize around the delivery of urban services. But the crucial change, the “decentralization of government,” was codified with the first post-dictatorship constitution, ratified in 1988. A number of actors formed the coalition behind the change, including modernizers within government, progressive politicians, and activists.<sup>28</sup> Representatives of social movements were allowed to testify as “consultants” in the deliberations that crafted the constitution that eventually allowed for greater

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<sup>27</sup> Herbert Jose de Souza. 1982. “Município de Boa Esperança.” in *Alternativas Populares da Democracia: Brasil Anos 80.*, edited by Jose Alvaro Moises. Petropolis: Vozes.

Silvio Caccia Bava. 1983. “Os Conselhos Populares: As Propostas do PMDB e do PT.” *Desvios* .

Silvio Caccia Bava. 1995. “Dilemas da Gestão Municipal Democrática.” in *Governabilidade e Pobreza no Brasil*, edited by Licia Valladares and Magda Prates Coelho. Rio de Janeiro: Civilizacao Brasileira. .

<sup>28</sup> Andrew Nickson. 1995. *Local Governments in Latin America*. Boulder: Lynne Rienner Publishers.

municipal discretion on a number of areas of policy hitherto dependent on the Brazilian state's heavily centralized structure.<sup>29</sup>

Calls for the “decentralization of government” were also coming from other quarters. “Decentralization of government” was a catch phrase for policy makers throughout the Americas in the 1980s, who argued that a less centralized state would be less bureaucratic, more responsive, and more efficient.<sup>30</sup> The fiscal crisis of Latin American governments intensified in 1982 when Mexico’s default on its debt payments led the IMF to impose a series of austere structural adjustment policies throughout the continent. Hardest hit by these austerity measures were urban services—provided by central agencies—at a time when the need for them was increasing. In order to adjust national fiscal spending to meet with IMF requirements, international lending agencies very actively encouraged the transfer of responsibility for social services to the local level. Most notably, the Inter American Development Bank and the World Bank in the mid 1980s encouraged local institution building, by offering loans and training programs directly to municipal governments.

The decisive shift toward local provision of services opened up many possibilities for strategically placed local actors willing to contest power at the most local level and to eventually assume control of the local provision of services. The Constitution of 1988 signaled a broad shift from national to local state power in a number of ways, reversing a the historical pattern of the centralization of power in Brazil<sup>31</sup>. First, local governments were given more political autonomy from their regional and national counterparts. The increased independence of municipal governments meant they were to be thus considered “state-members” of the national federation. They were free to develop “organic laws”—in essence, municipal constitutions that were more responsive to local needs. Cities were thus also allowed greater discretion with land legislation, particularly “social

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<sup>29</sup> Sonia Alvarez. 1993. “Deepening Democracy: Popular Movement Networks, Constitutional Reform, and Radical Urban Regimes in Contemporary Brazil.” in *Mobilizing the Community*, edited by Robert Fisher and Joseph Kling. Newbury Park: SAGE Publications.

<sup>30</sup> See the discussion in Ladislav Dowbor. 1998. “Decentralization and Governance.” *Latin American Perspectives* 98:28-44..

<sup>31</sup> Joan Bak. 1985. “Political Centralization and the Building of the Interventionist State in Brazil.” *Luso-Brazilian Review* 22.

use” and “social interest” laws that guaranteed broad rights to municipal government to regulate the use of empty plots of land, or to develop municipal policies to deal with squatter settlements. Local governments were also given more fiscal autonomy from their regional and national counterparts. Traditionally, the principal source of funding for local government came from federal revenue-sharing arrangements. The 1988 Constitution increased the number of taxes the city could raise, as well as the proportion of state and federal taxes passed directly to the city, like vehicle, sales, and services taxes. Also, local governments were given responsibility for the main aspects of social service delivery. In 1987, the national health system was abolished in favor of municipally based service provision. The Constitution formally recognized that cities would be responsible for health services, along with transportation and education. Finally, the 1988 Constitution established legal provisos for participatory mechanisms calling for the input of "popular councils" in the development of social programs.<sup>32</sup>

With the constitutional change, and democratic elections for municipalities in 1986 and 1989, most large city governments in Brazil established decentralization and participatory programs of some sort by 1990. While these were most often *not* radical programs that granted any kind of substantial decision-making powers to local groups, “decentralization and participation” became part of municipal government plans of many state capitals in Brazil in the early 1990s.<sup>33</sup> The capital cities of Curitiba, Rio de Janeiro, Recife, and Salvador, for example developed some sort of participatory institutions by 1989. Some cities, like Curitiba, have become well known for well-executed participatory schemes in transportation and the environment.<sup>34</sup> But it was with Workers’ Party administrations that participatory experiments in governance have been the most

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<sup>32</sup> Silvio Caccia Bava. 1995. “Dilemas da Gestao Municipal Democratica.” in *Governabilidade e Pobreza no Brazil*, edited by Licia Valladares and Magda Prates Coelho. Rio de Janeiro: Civilizacao Brasileira.

<sup>33</sup> Andrew Nickson. 1995. *Local Governments in Latin America*. Boulder: Lynne Rienner Publishers.

<sup>34</sup> Some discussion is in Tim Campbell. 1997. “Innovations and Risk-Taking - The Engine of Reform in Latin American Countries.” : World Bank.. See also the discussion in Silvio Caccia Bava. 1995. “Dilemas da Gestao Municipal Democratica.” in *Governabilidade e Pobreza no Brazil*, edited by Licia Valladares and Magda Prates Coelho. Rio de Janeiro: Civilizacao Brasileira. . For a discussion of Recife at this time, see Willem Assies. 1992. *To Get out of the Mud: Neighborhood Associativism in Recife, 1964-1988*. Amsterdam: Center on Latin American Research and Documentation.

developed. These experiments have served the party well, propelling it to an unprecedented number of victories in the municipal elections of 2000.

### **ENTER THE WORKERS' PARTY**

"The Workers' Party no longer scares me. Corruption is far less or nonexistent in those cities run by the Workers' Party."

—Mario Amato, ex-president of the São Paulo Federation of Industry<sup>35</sup>

The city of Porto Alegre was covered with red flags in the weeks prior to the municipal elections in November of 2000. Ex-mayor Tarso Genro of the PT ran a difficult race against the state's ex-governor from the center-left party PDT, but beat him, and on assuming the office in January of 2001, started the fourth term of the PT administration in Porto Alegre. For the days before the election, PT activists and sympathizers, and often entire families together, took to the streets and street corners with their red flags in festive atmosphere to attempt to win over any undecided votes. Elaborate marketing campaigns run from São Paulo were not able to stymie the impressive number of eclectic PT victories, including in São Paulo itself. Some evangelical religious orders told their followers about the evils of "communism" and radio talk shows announced that under PT administrations small landowners would have their land taken away and "collectivized." There were threats that federal funding for public works, such as road building, would be suspended and social programs terminated in case of a PT victory as punishment from the national government. Nonetheless, many medium-sized cities, thought to be conservative strongholds, favored the PT, in addition to the larger cities, like Porto Alegre and Belo Horizonte that voted the Workers' Party back to power.

The PT's style of campaigning was old-fashioned: canvassing, leafleting, and one-on-one discussions by thousands and thousands of unpaid activists who spent hours a week on the campaign. Activists who had the flexibility left capital cities for more conservative towns and cities in the interior to organize election campaigns. Others went

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<sup>35</sup> "A Leftist Wins Sao Paulo Race in Runoff Vote." in New York Times October 30 2000.

during the weekends to donate time. And despite the efforts of conservative forces in the 1998 gubernatorial and congressional campaigns and in the 2000 mayoral races, the overall results of these last two elections brought a series of victories for the PT and for opposition parties in coalitions with it. The victory of 172 PT mayors in 2000 followed on the heels of the 1998 gubernatorial victories of the state of Rio Grande do Sul and the Amazonian states of Acre and Mato Grosso do Sul, and the left-coalition victory in Rio de Janeiro, which brought the black PT activist Benedita da Silva to a vice-governor's seat. The number of opposition in 1998 representatives in congress went up to 114 out of 513, and with 1/3 of Senate seats up for election, opposition senators now make up 12 of the 81 seats.

One of the principal reasons that the PT has been able to capture so many municipal governments has been that it has become known for innovative municipal institutions that are redistributive, transparent, and efficient. From its beginnings in the 1978-79 strikes in São Paulo's industrial park, the PT has always maintained a remarkably heterogeneous composition and a very loosely defined "party line" and has evolved to become a party that aggregates broad constituencies under local coalitions that rally for redistributive and transparent good governance. Apart from its commitment to remaining a "mass based socialist party" there has been a marked ideological diversity within its ranks, and among the various "tendencies," regional constituencies, and social movements that make alliances with its industrial working-class core. In the various PT locals one can find sectors of organized civil servants, radical clergy, students, and sectors of the urban and rural poor, as well as a virtual rainbow of social movements representing human rights causes.

As a party that has rejected traditional left vanguardism, the PT has been prominent around demands for democratic representation, including the movements for direct presidential election in 1984 and for the impeachment of president Collor in 1992—not to mention PT legislators who have been vocal on the relatively taboo subjects of racial discrimination and gay rights. The PT entered local politics in 1982 when a handful of Brazilian cities first held Mayoral races under a then authoritarian regime.

The one mayoral victory of 1982 was followed with two more victories in the newly democratic context of 1985, and 36 cities in 1988, catching the PT unprepared for assuming the responsibility of local administration in many large capital cities.<sup>36</sup> In this early period, there was little agreement as to what exactly the ‘PT way’ of governing would look like, save for a broad commitment to democratizing and decentralizing local administration and increasing popular participation in decision making.<sup>37</sup> The successes and failures of the first decade of PT local governance—1982-1992—played a pivotal role in informing the longer-term PT project of local governance which has been shaped over the years by an active dialogue between social movements, party activists, NGOs and city officials.

The Workers’ Party is known for rejecting local clientelism and for enforcing effective reforms to combat corruption.<sup>38</sup> Its administrations have registered a number of impressive successes in redistributive social policies, even if they have not always been successful in gaining re-election, especially in the first “generation” of administrations of 1989. The administration of Belo Horizonte, with its *favela* urbanization program, has helped several thousand families of squatters to earn the title to their land. Diadema, after three PT administrations, managed to reduce child mortality by 2/3, and multiplied the number of children in public schools. By 1995, almost 100% of official streets were paved, up from 15% a few years before.<sup>39</sup> The city of Santos under the PT developed innovative AIDS programs and developed community-based mental health programs.<sup>40</sup>

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<sup>36</sup> Marta Harnecker. 1993. *Alcaldia de Porto Alegre; Aprendiendo a Gobernar*. La Habana, Cuba: MEPLA.

Margaret Keck. 1992. *The Worker's Party and Democratization in Brazil*. New Haven: Yale University Press.

<sup>37</sup> Tarso Genro, and Ubiratan de Souza. 1997. *Orcamento Participativo: A experiencia de Porto Alegre*. Porto Alegre: Fundacao Perseu Abramo.

<sup>38</sup> William Nylen. 1998. “Popular Participation in Brazil’s Worker’s Party: Democratizing Democracy in Municipal Politics.” *The Political Chronicle* 8:1-9.

<sup>39</sup> Jeroen Klink. 1999. “The Future is Coming. Economic Restructuring in the Sao Paulo Fringe: the Case

But the cornerstone of PT programs in cities is its Participatory Budgeting process, based on the original successes in Porto Alegre. Porto Alegre, a city of 1.3 million, and today a stronghold for the party in its fourth consecutive PT term at municipal administration, is its model city administration. During the first PT tenure, the first Participatory Budgeting reforms were introduced, and by the end of four years, the administration had succeeded in balancing municipal finances and bringing in several thousand persons as active participants in deliberative forums on city investments. Largely as a result of the success of these citizen participatory forums, the administration has kept local opposition at bay and carried out a number of ambitious reforms, such as introducing land-use taxes targeted at wealthier citizens that have funded many of projects of the Participatory Budget. Though many of the other PT city governments were characterized by a series of false starts and factional disputes, especially in the early administrations of 1989, this format has generally provided for effective governance, redistribution, and high participation wherever it has been applied.

The current format of these citizen forums in Porto Alegre has evolved from original broad concerns with increasing popular participation in government and with the “inversion of priorities”: reversing the traditional pattern of spending of public monies in Brazilian cities that privileged wealthier areas. Since its first round of meetings in 1989, the “participatory budget” has evolved into a complex structure of meetings throughout the city where elected delegates from civic groups—such as neighborhood associations—meet regularly to discuss, prioritize, and eventually monitor, the types of investments needed in each region. The types of projects can include anything within the scope of municipal government: pavement, water, sewage, social services, health, housing, primary and adult education, and so on. In addition the structure has evolved to include thematic forums to debate city priorities that are not necessarily specific to one region or neighborhood, such as “culture and education,” “economic development,” or “health.” Decisions are passed on to a “citizens’ council” composed of two counselors from each region and two for each thematic forum, who meet to “fit” the demands to the

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of Diadema.” *Habitat International* 23:325-328.

<sup>40</sup> Sue Branford, and Bernardo Kucinski. 1995. *Brazil: Carnival of the Oppressed*. London: Latin American Bureau.

yearly budget. At the end of the year the budget is passed on to city council, where it is approved. Once projects begin, citizens are responsible for composing commissions to follow up their construction.<sup>41</sup>

This experiment has been, by most measures, intensely successful. Named by the UN as a model city government, Porto Alegre has been an object of attention for administrators from Europe to Africa because of its *fiscal efficiency* as well as its consistently high level of participation. The last round of budget meetings for 1998 drew over twelve thousand citizens to participate, a figure that does not include participation in the many forums outside of official meetings and outside of the budget structure, such as meetings in health councils. Approval rates for municipal administration have been consistently very high, and every year of meetings draws in a notable percentage of first-time participants. The outcomes of these reforms have been impressive in terms of good governance. As part of a joint strategy of promoting urban improvements in the lowest-income areas while “cleaning up” public finances, the Participatory Budget has been very effective. Of the hundreds of projects approved, investment in the poorer residential regions of the city has far exceeded investment in wealthier areas, and as a result of these public policies, 98 percent of all residences in the city had running water, up from 75 percent in 1988. Sewage coverage has gone up to 98% from 46%. Of the yearly 25-30 kilometers of road paved, almost all of it has been in the city’s poor peripheries. Between 1992 and 1995, the housing department offered housing assistance to 28,862 families, as

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<sup>41</sup> Some discussion of the Participatory Budget can be found in Rebecca Abers. Forthcoming. *Inventing Democracy*. Boulder: Lynne Rienner Publishers.

Gianpaolo Baiocchi. 2001. “Activism, Participation, and Politics: The Porto Alegre Experiment and Deliberative Democratic Theory.” *Politics & Society* 34 March.

Gianpaolo Baiocchi. 2001. “From Militance to Citizenship; The Workers’ Party, Civil Society, and the Politics of Participatory Governance in Porto Alegre, Brazil.” PhD Thesis in the *Department of Sociology*. Madison, Wisconsin: University of Wisconsin.

Regina Pozzobon. 1998. *Porto Alegre: Os Desafios da Gestao Democratica*. Sao Paulo: Instituto Polis.

Luciano Fedozzi. 1997. *Orcamento Participativo: Reflexoes sobre a experiencia de Porto Alegre*. Porto Alegre: Tomo Editorial.

Sergio Baierle. 1992. “A Explosao da Experiencia; A emergencia de um novo principio etico-politico em Porto Alegre.” in *Political Science*. Campinas: UNICAMP.

against 1,714 for the comparable period of 1986-88. Another example is the increase in the number of functioning public municipal schools, from 29 in 1988 to 86 today.<sup>42</sup> The proportion of direct service expenses to administrative expenses has also improved.<sup>43</sup>

The element of “public justification,” made possible by open deliberations over the budget has increased the ability of progressive administrators to carry out redistributive reforms, even in the face of hostile municipal legislatures, while shielding the administration from charges of “favoritism” as it carries out these programs. Some have even argued that participatory budgeting has increased tax-compliance in places like Porto Alegre.<sup>44</sup> The continued ability of some PT municipal governments, like those of Belo Horizonte and Porto Alegre to secure international financing for projects also has to do with the well known public scrutiny of several thousand citizens over public funds, and the fact that these are considered “best practices” of municipal planning by international agencies.<sup>45</sup> Elsewhere I have argued that whether or not the PT gained re-election in municipal administrations had more to do with whether the particular administration instituted open participatory systems than with whether the local community movement was already organized by or sympathetic to the PT. One of the key problems with many of the early PT administrations was an inability to find a way to give voice to organized social movements within the administration without seeming to privilege “special interests” and without becoming embroiled in inter-faction disputes between social movements represented within the party.<sup>46</sup> The PT administration in São Paulo, for instance, came under attack for giving “special privilege” to social movements sympathetic to the Party without considering “the whole city's interests.” Without a broad-based participatory system that drew participants from outside organized

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<sup>42</sup> Regina Pozzobon. 1998. *Porto Alegre: Os Desafios da Gestao Democratica*. Sao Paulo: Instituto Polis.

<sup>43</sup> Jose Utzig. 1999. “Orcamento Participativo e Performance Governamental.” . Porto Alegre: Prefeitura Municipal de Porto Alegre.

<sup>44</sup> See the discussion in Guilherme Cassel, and Joao Verle. 1994. “A politica tributaria e de saneamento financeiro da Administracao Popular.” in *Porto Alegre: O Desafio da Mudanca*, edited by Carlos Henrique Horn. Porto Alegre: Ortiz.

<sup>45</sup> Luciano Brunnet, in personal conversation.

<sup>46</sup> Some of these difficulties, which led to in some cases splits in the Party, are discussed in Margaret Keck. 1992. *The Worker's Party and Democratization in Brazil*. New Haven: Yale University Press.

movement sectors, the municipal government was open to the charge of "left patronage." And without a clear system of rules for negotiating competing interests, the administration in time also came under attack from segments of the Party that accused the administration of "class treason" for attending to the interests of business in certain decisions.<sup>47</sup>

The other outcome of participatory governance of this sort is that it has strengthened local civil societies. In the Porto Alegre case, for example, several thousand persons have been brought to meetings of the Participatory Budget in the eleven years of its existence. Very many of these participants are persons of lower education and income than the city's average, and very many of them had no ties in civil society prior to coming to these meetings. Regular participation in empowered fora such as these has brought many new participants to civic life at large, and especially in areas without prior organization. In Porto Alegre, for instance, the number of active neighborhood associations has essentially doubled in the eleven years of the Participatory Budget, and interviews showed that today Neighborhood Associations and civic groups had an easier time mobilizing participants than in the past, when their main activities for urban improvements consisted of protests and petitions.<sup>48</sup> Similar, though less conclusive, evidence exists for other cities in Brazil.<sup>49</sup>

### **CHALLENGES FOR PROGRESSIVE MUNICIPAL ADMINISTRATIONS**

The question very many urban activists are asking themselves is whether the introduction of participatory reforms of this sort will continue to provide successes for the PT with this broad cohort of administrations, which includes very many smaller cities than before. One impediment is that municipalities may have little in the way of resources to distribute through participatory schemes to make broad-based participation

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<sup>47</sup> Lucio Kowarick, and Andre Singer. 1994. "The Worker's Party in Sao Paulo." in *Social Struggles and the City*, edited by Lucio Kowarick. New York: Monthly Review Press.

<sup>48</sup> These are results of my own research, and are discussed in Gianpaolo Baiocchi. Forthcoming. "The Dynamism of the Unorganized: Lessons from the PT in Porto Alegre." in *The Left and the City*, edited by Daniel Chavez and Ben Goldfrank. London: Latin American Bureau..

<sup>49</sup> William Nysten. 1998. "Popular Participation in Brazil's Worker's Party: Democratizing Democracy in Municipal Politics." *The Political Chronicle* 8:1-9.

rational. The structure of finances in the Brazilian federal system is biased toward capital cities and larger towns. Though municipalities gained much fiscal freedom to raise revenues with the 1988 constitution, principal sources of revenue for cities like Porto Alegre come from land-use and vehicle taxes, which leaves smaller and cash-poor cities and towns fewer alternatives to raise revenues. While capital cities like Porto Alegre and Belo Horizonte have municipal budgets of the order of upwards of \$150 per capita, several smaller cities and towns have incomes that are a fraction of that. While some small cities have managed to draw substantial participation, others have had difficulty drawing broad numbers of participants and have cited lack of resources.<sup>50</sup> And in some cash-poor areas of Brazil there will no doubt be difficulties simply in running participatory fora, because of inadequate municipal staffing. In addition, the countryside and smaller cities are traditionally more likely to be under the sway of conservative politicians with ties to landowners. In some of these settings, mechanisms of direct participation will have to be introduced to “short-circuit” traditional patronage relationships.

Progressive municipal administrations of all sizes will also face a number of real-world problems upon coming into power. Like national leftist regimes that face the prospect of capital flight and the discredit of industry-owners, municipal leftist administrations confront the problem of carrying out redistributive programs while retaining legitimacy in the face of possibly hostile local media and local elites. Realistically, most Workers’ Party administrations have been elected by slim margins and will be vulnerable to changes in public opinion. One of the greatest challenge for this cohort of PT mayors will be to widen their bases of support in time to be able to carry out effective programs of governance and to gain re-election. In the larger cities, like São Paulo, the PT base of support runs along class lines: unionized workers, civil servants, teachers, and small entrepreneurs overwhelmingly support the PT, as do some white-collar segments of the middle class. Students, professors, and persons with ties to environmental and feminist causes are another traditional base of support for the party. The challenge will be to expand the base of support both “upward” and “downward.”

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<sup>50</sup> These were cited in Viamão, for instance, in the metropolitan area of Porto Alegre, according to Marcelo Kunrath Silva, in personal conversation.

The “socially excluded,” and “marginalized” segments—workers in the lowest rungs of the informal economy and inhabitants of the very poorest slums—still provide significant electoral support for traditional conservative clientelist politicians who now work through radio shows and some organized evangelical churches. Middle and upper segments of the business class, as well as the “wealthy” also support center and center-right politicians. Their numbers are obviously less significant in strictly electoral terms, but they are well organized politically in trade federations and have the potential to influence and back an opposition effort to the PT. Bringing middle classes in to participate in these public settings alongside the less well off, despite the fact they have retrenched to private schools and guarded buildings, will be important. Powerful interests also control the media in Brazil; since the 1980s, TV Globo has helped bring down progressives like mayor Luiza Erundina in São Paulo. For PT administrations to remain viable they will have to carry out effective governance while they undergo close media scrutiny. The performance of the São Paulo administration, in particular, has special symbolic import, since its defeat in 1992 helped discredit the party.

Carrying out effective urban governance in the current Brazilian context will also pose its share of difficulties. In larger cities and metropolitan regions, one of the most important things progressive administrators will have to accomplish is to be able to transform participatory planning into an effective long-term strategic plan to attract industry and manage regional industrial development, since regional governments are de facto carrying out Brazilian industrial policy in absence of federal intervention.<sup>51</sup> Administrators will also face challenges in extending the reach of progressive governance in other ways. No doubt for very many Brazilians one of the most important issues is that of urban violence and police excesses. Reining in entrenched police hierarchies schooled during the dictatorship, while dealing with instances of parallel justice in urban settings to provide effective and just policing, will be an extremely important challenge for administrators. Policing is not an issue within municipal competence but nonetheless progressive administrators will have to find ways to mobilize municipal fora and resources to protect human rights. Some successes have been reported with municipal

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<sup>51</sup> Jeroen Klink. 1999. “The Future is Coming. Economic Restructuring in the Sao Paulo Fringe: the Case of Diadema.” *Habitat International* 23:325-328.

fora on human rights, as established in Porto Alegre and Belo Horizonte, but at the state level, progressive governors in Rio de Janeiro and Rio Grande do Sul have had much more difficulty in establishing this.

There is a festive feeling among *petistas* (PT supporters) in many parts of Brazil. No one hides the fact that the outcome of this large cohort of administrations carrying out democratic reforms will be a major learning experience. The left in Brazil admittedly has been feeling its way toward a coherent alternative project to the neoliberal policies. Partially disorganized by twenty years of military repression, and partially caught off-guard by all the changes in world politics, the left since the transition to democracy has had fifteen years of changes, reappraisals, and growth. In these years leftists in Brazil have witnessed the crumbling of the Soviet Bloc, the end of armed struggle in the Americas, and a sociologist-turned-president-turned-neoliberal reformer. But the left has also witnessed unexpectedly vibrant social movements, new institutional spaces within municipal governments, and real electoral gains. It has been further re-invigorated by several years now of experiments in democracy that have transformed the composition of parties like the PT. How the PT will fare in these next four years will depend on a host of factors, not least of which will be the ability of the most varied municipal administrations to remain transparent and accountable to its constituents while reacting quickly and pragmatically to the adverse conditions they will no doubt face in carrying out participatory reforms.