

Making Space for Civil Society: Institutional Reforms and Local Democracy in Brazil

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This paper contributes to the growing body of research on participatory democracy and the literature on associational democracy by exploring the impact that institutional reforms have on local-level configurations of civil society. In the 1980s a wide range of participatory experiments were initiated in Brazil, most notably Participatory Budgeting in municipal governance. Municípios that adopted PB in principle devolve much or all of the decision making on new investments to decentralized participatory forums. In this paper we consider the results of an eight-city matched-pair analysis conducted in 2004, in which we selected municípios that adopted PB in 1997-2000, and matched them with a similar município that did not in the same period, drawing from the full sample of municípios over 20,000 inhabitants. Building on relational theories of civil society, we show that PB has clear but limited effects on civil society. It moves civil society practices from clientelism to associationalism, but does not contribute to the capacity of civil society to self-organize, at least in the time-frame considered. We also show that this democratizing effect on civil society practices and networks is conditioned by pre-existing state-civil society relations.

Introduction

Local government is a critical domain of democratic choice. Most of the services and resources that constitute development are either provided for or delivered through local government. This is especially true of

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Brazil where the constitution of 1989 gives municípios a critical role in delivering services and promoting development. Indeed, the degree of responsibility and authority (and to a lesser extent, resources) granted Brazilian municípios is – with the possible exception of South Africa – unsurpassed in the developing world. But if today's municípios have an important role to play, it is also the case that historically local government in Brazil has been notoriously elite-dominated. The dysfunctional and elite-dominated political party system that political scientists have pointed to as the source of governance problems at the national and federal levels (e.g., Weyland 1996; Ames 2001) is even more pronounced at the municipal level where politics have traditionally been dominated by powerful families or narrow cliques, and where the business of governing has essentially been one of elite collusion. This problem is compounded institutionally by the extensive powers that Brazilian law grants the executive, particularly in budgetary matters.

A critical countervailing force to elite domination of local institutions in Brazil has been the mobilization of civil society over the past two decades. Across a wide range of sectors and involving a wide range of groups, Brazilian civil society has developed sophisticated forms of collective agency. In areas as far ranging as HIV-AIDS treatment and dam construction, Brazilian civil society has not only exerted significant voice, but has also transformed democratic norms, and in many cases, democratic practices (Avritzer 2002).

The past decade has provided an interesting opportunity, as it were, to excavate local state-civil society relations. As democracy consolidated in Brazil in the 1990s, municípios began experimenting with institutional reforms designed to promote civil society participation. The most significant of these was participatory budgeting. First introduced by the *Partido dos Trabalhadores*, or Workers' Party, in the city of Porto Alegre in 1990, PB has been widely acclaimed as a novel means of increasing accountability and participation in the formation of municipal budgets. By 1997, more than 103 municipalities, including large metropolises such as Belo Horizonte and São Paulo had adopted PB.

Though there is wide variation in the actual design and implementation of PB, the baseline institutional feature is the creation of sub-municipal assemblies of ordinary citizens that discuss and then prioritize demands for their areas, which are then integrated into the city budget. In this article, we evaluate the extent to which PB can supplement the structures of representative democracy in a highly inegalitarian society with more direct and participatory forms of democracy, that is, to make space for civil society. The existing case study literature on PB leaves little doubt that it can indeed provide new opportunities for civil society actors to engage and affect the local state, but it provides little insight into societal conditions

under which institutional reforms are likely to succeed. In order to go beyond the case study literature, our study was designed to answer two specific questions. 1.) How specifically can institutional reforms shape the democratic capabilities of civil society. And, 2.) How are these outcomes conditioned by the pre-existing state of state-civil society relations? We explore these questions by examining eight paired municipios. Each pair of cities share characteristics of size, region and political configuration, but in each pair only one municipio adopted PB. Based on extensive field work and qualitative interviews, we assess each pair, evaluate the impact of participatory budgeting on civil society capacity and develop a typology of local state-civil society configurations. Our research shows that PB has a clear but limited democratizing influence on civil society. It moves civil society from clientelist to associational modes of demand-making, but does not contribute to the capacity of civil society to self-organize, at least in the short time period considered. Furthermore, the impact of PB is contingent on pre-existing configurations of civil society.

The term civil society is contentious and it is beyond the scope of this research to trace its varying usages. We define civil society as the *institutions, practices and networks of voluntary life*. By "voluntary" we specifically refer to forms of associational life that are independent of kinship and neither structured by binding forms of hierarchical authority (such as political parties) nor market incentives. However, we do not treat civil society as unitary or independent, but rather view civil society in relational terms (Somers 1993; Emirbayer and Sheller 1999). A relational approach calls for carefully unpacking the sometimes contradictory relationships between the state and voluntary associations and the way in which these shifting relationships both reflect societal power and shape the functioning of the state and civil society. We recognize in other words that civil society is to a large degree artifactual (Cohen and Rogers 1995).

Participation and Democratic Deepening

In recent years the literature on participatory democracy has grown exponentially. Driven in part by important theoretical developments in normative democratic theory (Habermas 1996; Cohen and Arato 1992; Sen 1999; Evans 2002) the interest in participatory democracy has grown apace with the increasing recognition of the deficits of representative democracy, especially in the developing world. The case for participatory democracy can be made in both Weberian and Tocquevillian terms. In Weberian terms – and through the contributions of Guillermo O'Donnell (1999) in particular – the claim is that many new democracies suffer from poor institutionalization and in particular weak channels of vertical integration between states and citizens. State-society relations tend to

be dominated by patronage and populism, with citizens having either no effective means of holding government accountable (other than periodic elections) or being reduced to dependent clients. The Tocquevillian problem focuses on the quality of associational life. In much of Latin America formal democracy has endowed citizens with formal rights but pervasive inequalities within society limit the capacity of citizens to act on their rights effectively, producing what Dagnino (1998) has dubbed the problem of "social authoritarianism." Taken together, the vertical problem of state-society relations and the horizontal problem of perverse social inequalities undermine the associational autonomy of citizens, the *sine qua non* of any effective democracy (Fox 1994).

In its prototype design (introduced and fine-tuned in Porto Alegre), PB specifically seeks to expand the opportunity structure for civil society and to directly link it to authoritative decision making. Four design principles can be identified:

1. giving citizens a direct role in city governance by creating a range of public fora in which citizens and/or delegates can publicly articulate and debate their needs
2. linking participatory inputs to the actual budgeting process through rule-bound procedures
3. improving transparency in budgeting process by increasing the range of actors involved and publicizing the process
4. incentivizing agency by providing tangible returns to grass roots participation

The design of PB closely mimics the core theoretical premises of the associational democracy literature. The associational democracy literature works from the fundamental premise that associational life is to a large degree artifactual. The patterns of interaction that define groups are "not merely the result of natural tendencies to association among citizens with like preferences; they reflect structural features of the political economy in which they form, from the distribution of wealth and income to the locus of policy-making in different areas." (Cohen and Rogers 1995:46) Because states organize and regulate not only relations between the state and citizens but also between citizens, the associational democracy literature argues that the forms and impact of citizen engagement significantly reflects institutional arrangements and can be changed through public policy. Recent empirical work in this literature has moreover shown how new institutional designs can significantly transform the scale, quality and impact of citizen participation (Fung and Wright 2003). A critical insight of this literature is the recognition that an affirmative state can compensate for

the higher transaction costs of participation faced by subordinate groups (Heller, Harilal and Chaudhuri 2007). The case of Porto Alegre certainly provides strong support for associational democracy. Abers (2001), Baiocchi (2005) and Avritzer (2002) have all shown that the introduction of PB in Porto Alegre not only created new channels of participation but also helped democratize civil society practices.

Much of the associational democracy literature draws its insights from cases in advanced, institutionalized democracies, where the associational autonomy of citizens is taken for granted. And Porto Alegre is hardly representative of Brazil, because it is widely seen to have an exceptionally strong and well-organized civil society. In contrast, in settings where the formal associational autonomy of citizens is compromised by weak institutions and pervasive social inequalities, promoting democratic participation is far more difficult. Developing a more empirically contextualized understanding of the prospects for institutional reform in democracies characterized by low-intensity citizenship leads us to draw on the state-society literature (Migdal et al. 1994; Evans 2002; Fox 1994).

Developed with a view to understanding the formidable challenges that state formation has faced in much of the late-developing world, the state-society literature has highlighted how preexisting forms of social power, including forms of authority that are fundamentally in opposition with public authority, can sidetrack and even highjack the most determined and carefully designed efforts to reform institutions of governance. Across a wide range of case studies that include Brazil (Hagopian 1994), state-society theorists have shown that efforts to expand the reach and the impact of the state rarely have the intended effects. Even when reformers enjoy significant capacity, reform efforts can be compromised by general problems of compliance (the existence of extra-institutional norms and rules), the resistance of elites (a recurrent theme in the decentralization literature) or the absence or disorganization of civil society partners. State-society theorists would thus criticize the associational democracy literature as well as much of the development community that has been arguing in favor of “empowerment” for overstating the extent to which institutional reforms – even when backed by significant resources and sound ideas – can transform power relations and the nature of authority. Viewed from this vantage point it becomes clear that even if PB is explicitly designed to facilitate citizen involvement and is backed by significant political authority, the actual impact of institutional reform is conditioned by the nature of pre-existing civil society. And indeed, existing studies have shown that PB practices are either facilitated by or come into conflict with existing civic practices (Abers 2001; Avritzer 2002; Baiocchi 2005; Silva 2003).

Our paper makes three contributions to the literature: first it provides new evidence on the impact of institutional reforms on the capacity of civil

society to effectively influence allocative decisions. These findings speak directly to claims made in the associational democracy literature about the artifactuality of associational life. Second, by developing close and carefully controlled analyses of local state-civil society interactions, this paper provides new insights into the state of actually existing civil society. Third, we use our findings to develop a new typology of state-civil society relations that directly builds on the state-society literature.

Data and Conceptual Model

The data reported in this paper are based on in-depth analysis conducted by local research teams into the budgeting processes of eight paired cities. Most of the literature on participatory democracy, including the research on PB, is generally based on single case studies or comparisons that are not rigorously structured (Alsop and Heinsohn 2005). Our paired analysis design addresses two key methodological concerns that existing research has failed to address. First, the literature has tended to focus exclusively on successful cases. Selecting on the dependent variable makes it hard to control for contextual effects that might be causing the success in the first place. Second, the existing research does not adequately take account of possible heterogeneity in PB reforms which might vary across different contexts.

We thus evaluate the impact of participatory reforms through a series of carefully constructed matched comparisons between PB and non-PB municípios, which we describe in the methodological appendix. In order to identify our pairs, we began with a list of 103 municípios that had adopted PB in the 1997-2000 period, which we sought to match with municípios drawn from the full universe of 5,507 municípios in Brazil. We then limited our sample to municípios with more than 20,000 inhabitants, reducing the number of PB municípios to 73 and non-PB municípios to 1,441. Our matching rule was to pair PB municípios with non-PB municípios based on the degree of similarity in the vote shares the Workers' Party received in the 1996 municipal elections. Our pairs, as such, consist of a município where the Worker's Party came to power with a small margin of victory (and subsequently implemented the PB) with a município in the same region and population size category where the party's vote share was only somewhat lower but translated into a small margin of loss for the party, resulting in the non-adoption of PB. We matched municípios of similar size within the same region of the country. In effect, the municípios in our matched pairs were thus quite similar to each other in terms of economic development and socio-economic divisions. The municípios in our sample reflected national patterns: those in the South and Southeast were more

Table 1: The Matched Pairs

State	Município	Electorate Size	PT Vote Share	PT Margin	Winner	Runner-up
<i>Northeast</i>						
PE	Camaragibe ¹	72544	.404	.07	PT	PSDB
CE	Quixadá ²	43032	.440	-.08	PSDB	PT
<i>Southeast</i>						
MG	João Monlevade ¹	44365	.466	.06	PT	PSDB
MG	Timóteo ²	43064	.491	-.02	PSDB	PT
SP	Mauá ¹	196121	.487	.13	PT	PSDB
SP	Diadema ²	220292	.442	-.01	PSB	PT
<i>South</i>						
RS	Gravataí ¹	109612	.408	.02	PT	PDT
RS	Sapucaia do Sul ²	76836	.361	-.07	PDT	PT

Note: ¹PB Municípios. ²Non PB Municípios. PT is Worker's Party.

economically developed, wealthier, and higher in Human Development indicators than those in the North and Northeast.

The selection of Worker's Party vote share as a matching rule sought to control for factors likely to drive adoption and success of PB. Our statistical analysis, also described in the methodological appendix, revealed that the presence of the Worker's Party was the best predictor of PB adoption. The party emerged from civil society at the confluence of Brazil's new social movements in the 1980s (Keck 1992). Given these characteristics, our maintained assumption is that two municípios in which the party garnered similar vote shares are unlikely to differ much in terms of those aspects of the local context – e.g., a tradition of political activism, the composition and strength of civil society – that might otherwise confound an evaluation of the impact of PB. A matched comparison of municípios with similar Worker's Party vote shares and thus roughly similar political contexts and civil societies but with large differences in institutional reform therefore provides some hope of cleanly identifying the impact of institutional reform, which in our case is the introduction of participatory budgeting. The regional distribution of the pairs – one in the South, two in the Southeast and one in the Northeast roughly follows the pattern of adoption of PB in Brazil in 1997-2000 (Grazia 2003).

The paired research was conducted by teams of investigators in the various regions of Brazil. After developing a field-research instrument and identifying a target list of key informants (including administrators of the period, legislators from the ruling and opposition party and leaders of civil society organizations), we carried out a pilot study and adapted

our instrument. In each city or town, a team of two researchers carried out interviews, and later transcribed them. Drawing on insights from collaborative ethnography, as described by May and Patillo-McCoy (2000), (See also Butcher and Nutch 1999), we then aggregated and offered preliminary summary results for each of the cases and circulated this back to the field researchers in a workshop. We created categories for each of the variables based on how responses were clustered, in effect attempting to identify natural breaks in the data. The final measurements reported here are the result of this iterative process between field researchers and the principals.

Measuring Civil Society

Some forms of associational life can promote broad-based participation, just as other forms of associational life can promote exclusions and privilege. Important characteristics include not only the organizational character and scope of civil society organizations, but also their relationship to the larger political field, including political parties and the state. We rely here on a model of civil society based on two axes of analysis: *self-organization* and *mode of engagement*. Self organization refers to the degree to which collective actors in civil society are capable of independently organizing, that is mobilizing their own resources and forming their own choices (self-determination). This is a critical question since engaging the state always carries risks of oligarchalization, goal displacement and even outright cooptation. Civil society organizations may be said to be either *dependent* when they do not have the capacity for self-organization and self-determination without external support or *autonomous* when they have the capacity for self-organizing and self-determination. Mode of engagement refers to *how* civil society actors routinely engage the state. Drawing on Fox (1994) we identify two modes: *associationalism* (rule bound and transparent procedures of demand making), and *clientelism* (discretionary demand-making contingent on loyalty to a broker/patron).¹

The resulting two-by-two table produces four possible cells. Associational autonomy (top right) and dependent clientelism (bottom left) represent the two ends of the democratic spectrum. The combination of civil society organizations that are autonomous and that engage the state through associationalism, that is as citizens that do not have to sacrifice their political autonomy in order to exert influence, represent what Avritzer (2002) has called *participatory publics*. These are publics in the sense of being able to determine their goals and interests through communicative means and they are participatory in the sense of being linked to the state. The case of PB in Porto Alegre is the prototype (Baiocchi 2005; Avritzer 2002).

Table 2: Civil Society Typologies

		Degree of Self Organization	
		Dependence	Autonomous
Mode of Engagement	Associationalism	Tutelage	Participatory Publics
	Clientelism	Prostrate	Bifurcated

At the other end of the spectrum, the combination of dependence and clientelism, which we term *prostrate*, describes a civil society characterized by organizations that have little capacity for self-determination and engage the state through clientelism. In many respects, this has been the norm through much of Latin America, taking a variety of forms including state corporatism. It has been well described in the literature on “the popular sector” in Brazil and Latin America in general (Fontes 1995; Auyero 2001). This is the least effective form of civil society because, by definition, it is self-limiting, and it is one that is incapable of mounting any challenge to the state. This cell should also in principle include cases in which civil society is so weak and fragmented that there is no effective organizational activity.

The categories of “autonomous clientelism” (bottom row, right column) and “dependent associationalism” (top row, left column) are the least familiar. Because neither fit the zero-sum view of state and civil society that most analysts work with, they have received little attention in the literature. Autonomous clientelism corresponds to what we have labeled *bifurcated* civil societies. These are characterized by a well developed civil society, but one in which the condition of engaging the state is clientelism. Depending in large part on the specifics of the opportunity structure, some CSOs engage the state as clients while others are sufficiently strong and self-determining that they choose not to engage the state and retain their autonomy. Of course, any relatively well developed civil society will contain a mix of clientelism and autonomy, but we would argue that the legacy of Brazil’s social movements is such that a sharp bifurcation (that falls largely along the lines of movements organized before and after democratization) characterizes much of the popular sector. As we shall see this category does effectively capture the highly contested logic of civil society in many Brazilian municípios.

The “dependent associationalism” category, which we have labelled *tutelage*, is the most specific to our analysis. Tutelage results when a

state invites participation without demanding allegiance, but is partnered with a civil society that does not have the resources to organize its claims independently. In such cases, the local state recognizes and respects the fundamental democratic right of CSOs to articulate their interests, but the existing CSOs have little actual capacity to engage the state on their own terms. This is the precisely the pattern of state-civil society relations that Tendler (1997) describes in her pathbreaking study of how state reformers aligned themselves with local level actors in promoting new developmental interventions in the Brazilian state of Ceará in the 1980s. This is also similar to the state-civil society relationship established in one of the districts in Porto Alegre where there was no pre-existing organized associationalism but where PB fora became central to community life and CSOs circulated in the orbit of PB fora (Baiocchi 2005). There are also instances in the literature of such state-sponsored settings becoming the only instance of collective discussion without mediation of CSOs (Silva 2003). We label this typology *tutelage* to emphasize the leading role of the state and the dependence of civil society. We are agnostic about the long-term democratic effects of *tutelage*. On the one hand, *tutelage* allows access to the state and gives new voice to civil society without producing clientelism. On the other hand, over time there is a substantial risk that the state (or a political party) will instrumentalize the relationship, that is, take advantage of the dependent relationship to either control CSO agendas or extract political support.

In presenting this model, we offer the standard disclaimer that these are ideal-types to be used as heuristic devices recognizing in particular that on the ground the boundaries between our categories are often blurred. Nonetheless, we believe this model brings greater analytical leverage to understanding actually existing civil society, and provides a basis for concrete comparisons across local cases.

The Eight Municípios Before 1996

Before developing our comparative analysis, we present brief sketches of each of our cities with a discussion of the status of civil society in each before 1997. Conceptualizing and measuring civil society is notoriously difficult. There are no reliable official registers of CSOs, and such data would in any event tell us little about the quality of associational life. In order to develop a qualitative picture of both the internal and relational dimensions of local civil societies, we asked our respondents 19 separate questions designed to assess five different criteria. We asked about the density of civil society organizations, how long these organizations had been active and their relationship to each other. We then also probed the nature of civil society's ties to political parties and to the state, including the specific channels and modalities of interaction.

Table 3: Civil Society Before 1997

		Degree of Self Organization	
		Dependence	Autonomous
Mode of Engagement	Associationalism	<i>Tutelage</i>	<i>Participatory Publics</i> Diadema
	Clientelism	<i>Prostrate</i> Camaragibe Quixadá Gravataí Sapucaia	<i>Bifurcated</i> Mauá Timóteo João Monlevade

In order to develop a more comparative understanding of the state of civil society in our eight municípios, we present our findings using the model of civil society elaborated above. To briefly repeat: the horizontal axis is self organization, which refers to the degree to which collective actors in civil society are capable of independently organizing, that is mobilizing their own resources and forming their own choices (self-determination). Civil society organizations may be said to be either *dependent* when they do not have the capacity for self-organization and self-determination without external support or *autonomous* when they have the capacity for self-organizing and self-determination. The vertical axis is the mode of engagement refers to how CSOs engage the state; we identify two modes: *associationalism* (rule bound and transparent procedures of demand making) and *clientelism* (discretionary demand-making contingent on loyalty to broker/patron. Our qualitative evaluations of the state of civil society is presented below by pairs and summarized in Table 3.

Camaragibe and Quixadá are both in the Northeastern states of Pernambuco and Ceará. The Northeast of Brazil is infamous for its low levels of development and for the political dominance of traditional, land-owning oligarchs. Well into the 1990s politics in both cities were dominated by traditional families. In Camaragibe and Quixadá civil society was poorly organized, and with some exceptions – particularly related to the progressive church in the case of Quixadá – subject to control. In our scheme, civil society is classified as *prostrate*. Also in the same cell before 1997 are the cities of Gravataí and Sapucaia in Rio Grande do Sul. Along a range of key socio-economic and political factors the municípios

are very similar. Both have solid industrial bases and significant revenue sources, but are confronted with the problems of rapid urbanization and a concentrated and impoverished low-income population with little access to urban infrastructure. In both cities, political power was vested in fragmented oligarchical parties whose electoral support was built on the strength of clientelist politics. In both places, civil society organizations were instrumentalized by political parties. In Gravataí, for example, since the late 1980s Mayors have successfully used associations to build political support, and these associations were characterized by scant autonomy, little representativity and a general lack of resources.

Mauá and Diadema in São Paulo are mid-sized industrial towns. Diadema has an especially active and “combative” (the specific term used by our respondents) civil society, so much so that the movement sector has actually been wary of institutionalizing participation. Diadema’s CSOs, which included neighborhood associations, the *moradia* movement (homeless/housing movement), health organizations, unions, church organizations and samba schools, demonstrated a particularly high level of organization, and specifically the capacity for autonomous demand-making. Diadema represents the prototype of a *participatory public*, although it should be emphasized that engagement was more contentious than institutionalized. Mauá’s civil society, though born of the same social movement history as Diadema’s, was divided between CSOs closely tied to and dependent on the state, and more autonomous CSOs commonly described by our respondents as the combative sector. The associations tied to the local ruling party, the PSDB, worked very closely with the city government from 1993 through 1996 in the classic mode of *assistencialismo*, or social-service oriented organizing, including a program of milk distribution (Alvarez 1993). The combative or movement sector had roots going back to the pro-democracy mobilizations of the 1980s and in particular the religious-based liberation movements of the period. Because this sector was entirely excluded by the ruling elite-based parties, they adopted and developed sophisticated modes of contentious politics and established a significant presence in local neighborhoods, often marked by intense conflict with the SABs. Mauá, in other words, had a deeply *bifurcated* civil society.

João Monlevade and Timóteo are both, in effect, “company towns” in the industrial belt of Minas Gerais, an area known for the influence of steel companies in town life. Both municípios are also known for labor union activism and Worker’s Party sympathies. Both had relatively dense civil societies, with active neighborhood associations, community clubs, unions, charitable organizations, and a plethora of organized business interests. In both, however, there was a bifurcation between those organizations and associations that engaged the state through clientelist arrangements,

and new social movement organizations and militant unions that held a more combative stance. Both can be characterized, like Mauá, as having *bifurcated* civil societies.

Transformation in the 1997-2000 Period

This section examines conditions in the eight municípios after the 1996 election and the adoption of PB in four of them. After a brief summary of the findings about changes in the institutional dimension of participation, we then turn to the primary focus of this paper, which is examining in detail the impact of PB on civil society.

The analysis of institutional reform – which is reported in detail in another paper (Baiocchi et al., 2006) – addresses both the process and space dimensions of the institutional setting. The analysis focuses on two dimensions of governance, the *institutional space* (the formal spaces and points of contact between state and public) and *institutional processes* (how social demands are processed). The research questions were designed to tease out all forms of citizen engagement with the budgeting process, whether through informal mechanisms such as direct lobbying of the mayor or through formal structures such as the constitutionally mandated health councils or PB, or PB-like processes. If PB was introduced, further questions were asked to establish exactly how PB was instituted. The form of participation was then assessed according to a number of variables. The *mode of engagement* ranged from “none,” “delegated” (citizens elect “delegates” but don’t participate directly in discussions of demands) and “direct” (citizens participate in open decision-making fora and then elect delegates to a budget council).² The nature of *decision-making power* – the extent to which participatory inputs were translated into budgetary decisions – was categorized as “none,” “consultative” or “binding.” Given that participatory processes have no legally binding authority, binding in this context is a matter of influence and was evaluated on the basis of the observed degree to which municipal authorities took citizen demands into account. The results are summarized in Table 4.

For the study period (1997-2000) all of the municípios with the exception Quixadá experienced some expansion of the institutional setting for civil society participation, and of these, five introduced some sort of direct participation. All of the PB cities saw the introduction of direct forms of participation. Of these however, only three – Camaragibe, Gravataí and João Monlevade – experienced the maximum expansion of the institutional setting: participation was direct and inputs were binding. In Mauá participatory inputs was largely of a consultative nature. Diadema was the only non-PB city in which direct participation took place.

Table 4: Forms of Participatory Governance 1997-2000

		Decision-Making Power	
		Consultative	Binding
Mode of Participation	Direct	Diadema Mauá	Camaragibe Gravataí J. Molevade
	Delegative	Timóteo Sapucaia	

Note: PB cities in **bold**. Quixadá does not appear here since no form of participation was introduced.

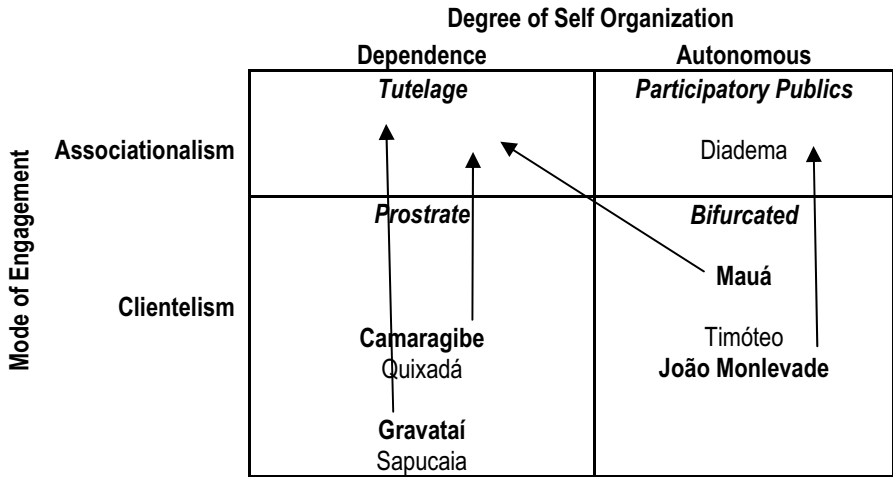
The Impact on Civil Society

The character of civil society at the end of the observation period (2000) was assessed in the same manner as established the pre-1997 character of civil society (Table 3). The before and after comparisons are represented in Table 5 (below) using our typology of state-civil society relations. All of our cases are represented at both time points, with PB cities in bold, and arrows indicating the change in the 1997-2000 time period. All the pairs are together in 1996, except in Diadema and Mauá, the one pair where civil society was not isomorphic to begin with. As the literature on PB would predict, all of the municípios that adopted PB (and experienced a measurable change in the institutional setting) experienced a change in civil society (indicated in Table 5 by a shift in the cells they occupy). In contrast, the municípios that did not adopt PB experienced no measurable change in civil society (and do not have arrows in table 5). The impact of PB is then clear. What is less clear are the direction, quality and mechanisms of that impact. We unpack these relationships through extended narratives of grouped cases.

The Status Quo

We begin our analysis by focusing on the case that experienced no institutional change (Quixadá) and the two cases that experienced only limited change toward delegative participation (Timóteo and Sapucaia). These were all non-PB municípios, and in all three there was little change in the activity of civil society. In all three cases, however, the presence

Table 5: Changes in Civil Society 1997-2000



Note: PB cities in bold.

of the Worker’s Party and increased political competition alone created pressures for institutional reform.

In Quixadá, a previous party administration had established a “City Hall and You” program, which had left a legacy of expectations for greater participation. But during the 1997-2000 period, civil society remained highly dependent on clientelistic ties to local government and CSOs were able to do little more than funnel some demands to officials in exchange for personal allegiance. As one respondent described it, “there wasn’t any space for debate and the population had more demands. The government could not meet demands and closed itself off.” One respondent noted that the administration would not “even dialogue to say no.”

In the cases of Timóteo and Sapucaia formal mechanisms of participation (though not PB) were introduced, but participation was carefully controlled, even orchestrated by the local state. This form of participation had the effect of weakening the autonomy of civil society, even while strengthening the formal organization of clientelist organizations. In Timóteo, as a response to the fact that PB had been a campaign promise of the opposition, the administration introduced a consultative participatory system called PROPOR, which relied heavily on neighborhood association presidents tied to the Mayor’s political machine, to create a list of priorities. Participation in this system led according to our respondents, to “an increase in dependence,” because “you had to tow the line of the [government-sponsored] Community Council to get

anything." In Sapucaia, the mayor introduced a participatory scheme that was little more than a vehicle for clientelist cooptation. The mayor reportedly met weekly with presidents of neighborhood associations, and participants did report that individual demands were sometimes met by the mayor: "there was a neighborhood that wanted pavement with the presence of one resident, and the mayor delivered it." But the local state retained control of associations, with the mayor being the one to appoint the head of the local Union of Neighborhood Associations. In sum, despite a formal system of participation, CSOs in Sapucaia and Timóteo remained very dependent on the government.

Pathways to Change: Civil Society After 1997

As is clear from Table 5, all the PB cities experienced some change in the state of civil society. It is also clear from the table that PB mattered more for improving the mode of engagement than for improving the self-organization of CSOs. Specifically, we identify four pathways: *state-sponsored activism*, *scaling up*, *demobilization* and *participation without reform*.

State-sponsored Activism

We refer to this pathway as the change from dependent clientelism to dependent associationalism as a result of PB reforms. In two of our cases, Gravataí and Camaragibe, the mode of engagement shifted from clientelism to associationalism and PB promoted greater inclusion of traditionally marginalized social groups. In both cases, the PB created a formal channel of interaction between society and government, with clearly defined and publicly-known rules that broke with the practice of discretionary demand-making that had fueled clientelism. These changes have not led to a strengthening of civil society's capacity for self-organization, however. In both places civil society had a precarious existence prior to PB, with many CSOs entangled in clientelist practices. PB reforms occasioned a transformation of those practices as well as a greater inclusion of underprivileged participants in governmental decision-making. We have classified this new associationalism as dependent, because in one case (Gravataí) participation in PB processes takes place without the mediation of autonomous organizations, and in the other (Camaragibe), the new collective actors who have appeared remain dependent on government initiative. In the absence of civil society organizations capable of autonomous organizing, social participation remains entirely dependent on the political process, and specifically on the support of the administration for the participatory process.

Gravataí is a case in point. Its PB was a simplified version of Porto Alegre's institutions, and it began to draw large numbers of participants in its third year, as the implementation of PB projects started to have visible effects. Participation reached 20,000 in 80 different regional plenary meetings in 2000. Participants were mostly drawn from among the urban poor in irregular settlements. Owing to the lack of organized civil society organizations in many of these areas, and to the political opposition in the first years from neighborhood associations accustomed to clientelist forms of intermediation, most of the participants were drawn from *outside* of organized civil society.

The story of Camaragibe's PB has some similar aspects. PB introduced significant spaces for direct and binding participation, including councils on health, transportation, education and planning (Oliveira 2003). Participation was high, and new collective actors also appeared in civil society, including the Gay Movement and the Black Movement, which achieved greater visibility through participatory proceedings. But even as civil society became more active, it still remained dependent on the state. Our respondents all noted that civil society reacted to openings established by city hall, rather than taking independent initiatives. As one respondent noted, civil society's activities were all but "scheduled" by government.

In both cases participation opened up direct processes for participation, altering the mode of demand-making. Demand making was described as less clientelistic, less geared to individual demands, and more inclusive. In Camaragibe and in Gravataí, the dominant practice prior to reforms among neighborhood associations was to seek individual negotiations around specific demands with city councilors. In both cases, respondents uniformly agreed that participatory reforms ruptured these clientelist links and ended the intermediary role that city councilors used to play in such negotiations.

If dependent associationalism (*tutelage*) in Gravataí and Camaragibe has made a positive difference, it is nonetheless a very fragile equation. Citizens must no longer forgo their political autonomy to engage the state (clientelism) but their engagement remains largely dependent on the initiative of local government. But if relations were direct, they were also characterized by the absence of any independent mediation by civil society organizations. And in the absence of more established and autonomous civil society organizations, this high level of involvement with participatory institutions has produced ambiguous interpretations. On one hand, many respondents in both towns interpreted this as a "strengthening" of civil society – more mobilization, more access to the state and less clientelism. On the other hand, this access to the state takes place on terms set by the state. With a weak organizational base, the mode of engagement is one of *tutelage*. Having said this, it should be underscored that while civil society is not organized enough to establish its own autonomous settings

for discussion and opinion formation, the state-sponsored settings of the PB have promoted iterated processes of public discussion. And the difference between expressing choices through representative structures and *forming* choices through public deliberation is precisely what distinguishes representative from participatory theories of democracy (Avritzer 2002; Habermas 1989).

Scaling up Civil Society: Toward Associational Autonomy

In one of our cities, the civil society mode of engagement shifted toward associational autonomy, or what we have called (following Avritzer) *participatory publics*, from autonomous clientelism. In João Monlevade, the see-saw of clientelism and contention was displaced by associationalism as the main mode of engagement. New avenues of participation created by PB led to greater associational activity. Excluded social sectors and social movements were able to become active participants in municipal decision making, as were neighborhood associations and representatives of municipal unions. If the city can now be classified, along with Diadema, as a case of associational autonomy (the ideal-typical form of democratic civil society) this outcome was clearly conditioned by antecedent conditions. In contrast to Gravataí and Camaragibe where an opening was predicated on tutelage, civil society here started from a position of autonomy vis-à-vis the state and political society before the 1997 period.

The degree to which an opening from above can be galvanizing for an organized civil society is underscored by the pace of change in João Monlevade. Elected by a coalition supported by social movements, unions, and social-movement oriented neighborhood associations, the Worker's Party administration took up participatory reforms within the first year. Civil society participants immediately demanded an expansion of the PB to include "thematic discussions" and to include a discussion of the city's long term development goals. The PB thus evolved to encompass a conference on regional development and the opening up of opportunities for community oversight over a number of municipal functions. Participation expanded throughout the four years of the PB, doubling in numbers to 2,000 participants in the last year of the experiment.

Respondents described a greater opening of the government to citizens, with much more oversight over government functions. Respondents were almost unanimous in the view that civil society had significantly increased its influence over the government. The nature of demand making and problem solving was transformed in the period. In João Monlevade, previously combative social movements, notably the homeless movement and the movement of housekeepers, became involved in participatory processes and curtailed their protest activity.

Traditional neighborhood associations involved in clientelist practices saw their opportunities for trading favors reduced.

This case clearly demonstrates the impact that institutional reform can have on civil society. An opening that was created from above in the opportunity structure allowed an already active and autonomous civil society to effectively scale-up without compromising its autonomy. Previously excluded civil society actors became privileged interlocutors, increasing their capacity for dialogue with the state and transforming their practices. In João Monlevade, both clientelist practices and contentious action declined in favor of direct dialogue. The case of João Monlevade also illustrates the extent to which the pre-existing autonomy and organizational capacity of civil society allowed CSOs to play a greater role in shaping the actual form of participation than in cases of tutelage. This closer relationship between the state and civil society did lead some respondents in João Monlevade to express concern that civil society had become too “turned toward city hall.” But in contrast to our cases of tutelage, the prior self-organization of civil society has produced a much less fragile equation, with civil society organizations more able to dictate the terms of the interactions.

Demobilization: The Paradoxical Contraction of Civil Society

In the case of Mauá, civil society experienced a contraction of sorts, moving from the autonomous clientelism that characterizes a *bifurcated* civil society, to having a less autonomous civil society linked through citizenship, or *tutelage*. Before PB reforms, CSOs had a range of practices, and while able to autonomously organize, were partially linked to the state via clientelism. The PB clearly reduced clientelism as a mode of intermediation, but the autonomy of civil society was also compromised in the process. This contraction was clearly linked to the institutional form of the PB and the way it interacted with a deeply bifurcated civil society.

As we saw earlier, Mauá’s version of PB, introduced in 1997, fell short of the participatory ideal and was largely consultative. Plenary meetings in the town’s neighborhoods and districts had the limited function of educating participants about municipal finances and electing councilors to a city-wide “popular council” whose primary function was to liaise with neighborhoods and districts. Some PB councilors described being able to exert pressure on the administration in determining investments in areas like health and urban infrastructure, but overall civil society participants were clearly very critical of this process. Some jokingly referred to it as the “listening council” rather than the budgeting council.³ They were also critical of a perceived lack of transparency, the lack of direct response to community needs, and the lack of a clear decision-making mandate for the population.

Even though participation in the PB drew thousands of participants, it was viewed as weakening civil society by a broad range of actors in civil society. Before the PB, Mauá's civil society was clearly divided between traditional neighborhood associations invested in social assistance and grassroots organizations based on social movement models. By effectively ending clientelist exchanges and introducing clear rules, the new administration was seen as closing itself off from many neighborhood associations. On the other hand, respondents, including five who were active in PB and CSOs, also saw the combative sector declining after the introduction of PB. Before the introduction of PB demand-making consisted of protests, petitioning and other forms of contentious action because there was no channel of participation. But with the introduction of the PB, civil society was brought into government and effectively demobilized. As a movement activist noted, "People went to work in government, but nothing changed because they stopped making claims."

The Mauá case is ambiguous in its outcome. PB reforms introduced a direct channel of communication between civil society and the state, though it was purely of a consultative nature, not allowing civil society to shape the terms of the discussion. The plenary meetings with their constant discussion of the financial state of the município no doubt fostered increased accountability. But the overall autonomy of civil society was compromised. Clientelist sectors of civil society felt disconnected from authority, and combative sectors were de-mobilized.

Participation without Reform

A sharp contrast to Mauá is the case of Diadema, where no PB or similar participatory process was introduced in the period, but where a well-organized and combative civil society did manage to have input into city governance. As noted earlier, the pre-existing level of organization in Diadema's civil society was exceptional in our sample, as was its trajectory after 1997. Despite the absence of institutional reforms, civil society exerted significant pressure throughout the period. Through contentious activities like demanding access to city hall accounts and demanding improved health delivery, civil society here remained in our participatory public's cell. Because the contentious mode did secure significant influence, it became self-sustaining. This case exemplifies how a well organized civil society can exert significant influence over the state even in the absence of institutionalized participatory structures.

In response to movement pressure, the administration elected in 1997 introduced a PB-like process that was very limited in scope and widely criticized as inadequate. The following year the administration abandoned the process. Social movements then stepped up activity

demanding access to municipal finances. Activists were eventually able to pressure the administration into publishing an annual “Budget Block” – a notebook that listed projects for each district and neighborhood as well as information on the municipal budget. Social movements were also successful in demanding that councils on health, social services, and education be given a more active role. Ultimately, the *promise* of a PB had the effect of mobilizing organized sectors who, dissatisfied with stillborn participatory attempts, demanded more access and decision-making into governmental affairs. Movements gained influence, not through the creation of a regular forum, but by reorganizing themselves around sector-specific issues and sporadic contention. For example, the housing movement simultaneously organized land occupations throughout the four years, leading in some instances to negotiations that led to development of new public housing units.

The relatively closed opportunity structure in Diadema did not diminish the capacity for agency of a well-organized civil society that had clear demands for participation and the expectation of eventually achieving it given the history of the município. As one of our respondents noted, the recalcitrance of the municipal administration only led to more organization, because if “you find it [the door to city hall] closed, with no space for discussion you become more organized. You think, I can’t get in with 50, next time I’ll have to bring 100 people.”

Conclusion

The concept of civil society is as exciting as it is confusing. The associational democracy literature has made a strong case that different patterns of association can substantively improve the quality of democratic governance. Yet the study of “actually existing civil society” has suffered from five shortcomings. First, it has generally taken for granted civil society’s democracy-enhancing effects. Second, while the literature has had much to say about the mobilizational capacity of civil society, it has had little to say about how civil society can effectively engage the state and influence public policy. Third, far too little research has focused on local civil societies. Fourth, the typologies used to describe civil society fail to capture the enormous variation in local configurations of civil society. Fifth, though the argument for the artifactuality of associational life is sound (and indeed confirmed by our findings), there have been few attempts to examine how institutional reforms designed to encourage citizen participation actually impact civil society.

We have attempted to address these problems by developing a two dimensional analytic model of civil society that takes into account both the self-organization of civil society and the general context in which it

engages the state. If the first axis has been the subject of most research on civil society (especially in the social movement literature), much less attention has been given to the engagement question. We then specifically tested the extent to which institutional reforms impact civil society by comparing similar municípios in which one introduced PB and the other did not. Our findings can be summarized.

As the associational democracy literature has emphasized, institutional reform matters. As our paired analysis shows, tangible change in the condition of civil society took place only in those cities that adopted PB. In three of four cases, these changes were in the direction of democratic deepening. In the case of Mauá, an improvement in mode of engagement came at the expense of civil society's autonomy.

As one might have anticipated, institutional reform mostly mattered for changing the institutional setting, that is, creating more meaningful points of interface between the local state and civil society. Thus most of the movement in Table 5 is along the vertical axes – the mode of engagement. Institutional reform did not have much of an impact on the self-organization of civil society.

If our findings point to the malleability of civil society over a relatively short time span, they also underscore what is often glossed over in the associational democracy literature, namely the extent to which the impact of reforms depends on pre-existing political and civil society configurations. Prostrate civil societies became more active, but only under the protection of a reformist state. Those civil societies that were the most successful in scaling up as a result of PB *and* maintaining their autonomy were civil societies that already enjoyed significant self-organization. Mauá represents our cautionary tale. In Mauá, PB has actually increased control of a political party in power over civil society. Civil society organizations that once enjoyed a high degree of autonomy (but no opportunities for engaging the state) have compromised much of their self-organization in exchange for inclusion in the governance process.

Notes

1. Our framework is concerned with understanding routinized forms of engagement. In our view, contentious politics, such as protests, can emerge in the context of either clientelism or associationalism and is likely to be handled differently in either context. In our cases, as described in the literature on Brazil in general, protest activity on the part of civil society was often aimed at establishing associational modes of engagement and expanding citizenship (see Alvarez 1993 and Avritzer 2002). There is a third possible category – exclusion – which describes cases where CSOs have no access to the state. This category is not relevant to the cases reported here, though the larger study does explore two cases of exclusion in the North of Brazil (Baiocchi et

- al., 2006). Additionally we could make a distinction between demand-making that is mediated by civil society organizations or based on direct individual relationships. We explore these possibilities fully elsewhere (Baiocchi et al. 2006).
2. It is important to underscore that by delegated we refer only to new forms of representation (in most instances delegate councils) and not to the elected city council structures (formal representative structures).
 3. "Conselho Escutativo," which is a play on the Portuguese "Conselho Participativo."

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Methodological Appendix

The research design of this project attempted to directly address the limits of case-study research on PB reforms, by carefully constructing matched comparisons between PB and non-PB municipalities. Beginning with a list of 103 municípios with PB in the 1997-2000 period, we sought matched pairs from the universe of 5,507 municípios in the country. After limiting the sample to municipalities with populations greater than 20,000 (which yielded 73 PB adopters and 1,368 non-adopters), we ran analyses for the factors associated with PB adoption. The quantitative analysis revealed that a Worker's Party victory was the variable most closely associated with the adoption of PB ($R=.44$, two tailed significance= $4.2E-26$), and we utilized party vote shares as our selection principle. In order to select a pair, we identified all municipalities in Brazil where the party had won or lost by an absolute difference of less than 10 percent in the 1996 election. This yielded 274 municípios, which we then divided by region and then again by size, and finally by the electoral strength of other political parties, and lined up into columns of adopters and non-adopters of PB. From this roster we sought to identify pairs where the PB adopter was a Worker's Party município, and where a matching non-adopter had a similar absolute difference in vote shares, a similar size, and a similar configuration of other significant political parties. This yielded a roster of 23 PB adopters, each with a possible match with between one or five other municípios. From this roster we selected our four pairs, keeping a regional distribution that would mirror the national distribution of PB in mind, and following the principle of greatest possible similarity between pairs.

Our choice of this matching rule was motivated by our assumption/contention that vote shares for political parties, especially for parties that have a clearly delineated platform and agenda, are likely to reflect (and hence capture) important aspects of the underlying socio-historical and political economic context. A matched comparison of municipalities with similar vote shares but large differences in political outcomes that coincide with large differences in policy therefore provides some hope of cleanly identifying the impact of the difference in policy, which in our case is the introduction of participatory budgeting. Under the maintained assumption that vote shares capture the relevant aspects of the local context, our research design is therefore a variant of the regression-discontinuity design, originally proposed by Campbell (1969) and subsequently applied and refined in a variety of settings (e.g., Angrist and Lavy (1999)).