

**The role of international city networks in the support of local participatory governance  
in Latin America  
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**Abstract..**

In a context of increasing internationalization of economic, political, social and cultural life and where national states have been losing capacity of acting as development promoters, more and more cities have come to prominence in the challenge of facing their own survival, especially from their interactions in the construction of international networks. In this way, the purpose of this work is to provide an analysis of the mechanisms of the networks of cities, aiming firstly, a theoretical reflection about them and, secondly, in relation to the empirical research that we have developed, a critical evaluation about the reality of factual initiatives of URB-AL Net, especially its Thematic Network 9 – “Local financial and Participative Budget” – and their impacts on the construction of new governance modes in Latin America, mainly, on the possibilities for the creation and consolidation of strategies of local participative democracy, with a focus on the Brazilian case

Key words: city networks, local participatory governance, Brazil

**Introduction**

In the last three decades transnational interactions have suffered a dramatic increase of globalization of the productive system and the flow of information and people as well as of financial transfers. This situation led analysts to revise their models of interpretation of society, to incorporate aspects of a phenomenon “multifaceted with socioeconomic, political, cultural religious and legal dimensions which are interconnected in a complex way” (Souza Santos, 2005, 26).

In this context, we have to understand the strong impulse that the international projection of cities has achieved, especially from the realization of various external actions to ensure their economic and social development, and make it possible to implement public policies to solve problems of urban growth. This is necessary because national states have been increasingly weakened when carrying out this task, traditionally linked to them. And the experience has indicated that to face the challenges of this new

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task cities have used participation strategies in the process of international insertion of the constitution of networks that permit access and interchange of technologies and experiences.

The idea of networks suggests a net of connections, relationships and actions between individuals and organizations. They continuously weave or dissolve by themselves in all fields of social life. The existence of multiple networks is explained by the social needs that put in motion the search for interaction and formation of linkages and support, involving movement, coordination, participation and cooperation.

The concept above is not new, and many theoretical and practical aspects have been dealt with. However, its use to characterize contemporary society and its mechanisms of coordination in global level is new. This makes a characterization of its more recent theoretical and practical uses essential for this work whose aims are: firstly, to address a more general theoretical speculation of the subject taking as a starting point its definition and, after that, taking into account the contributions of Castells discussing the most recent use of this term; and secondly, and in agreement with the empirical research we have developed<sup>2</sup>, to propose a critical discussion about the existence of initiatives of networks of cities, such as the URB-AL and especially Network 9, “Financing Local and Participatory Budget”. The objective is to analyze its impacts on construction of new forms of governance in Latin America, mainly from the point of view of possibilities of creation and consolidation of strategies for local democracy, focused on the Brazilian case.

### **The network concept and its current application on the articulation of international cities**

The term network has been used to describe a social phenomenon linked to the organizational arrangement of persons, groups, companies, institutions and cities, as well as to name specific forms of dissemination and distribution of various types of experiences and information. The idea, as generally used, suggests relations and actions between individuals and organizations in various fields of social life, putting in motion the search for information, interaction and formation of linkages and support, including movement, coordination, participation, processes that generally involve not only cooperation, but also conflict sometimes.

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<sup>2</sup> The project is “DEMOCRACY NETWORK: URB-AL and the processes of international cooperation for the implementation of local participatory democracy” developed since 2006 in Universidade Estadual Paulista “Júlio de Mesquita Filho”, Franca, State of São Paulo, Brazil, with undergraduate students of the International Relations course.

According to this, nowadays, the idea of network can be characterized as a recurrent phenomenon and shows up in a heterogeneous form and, therefore, linked to various concepts, which makes a careful discussion of its meaning more imperative.

Several authors, in different areas, have been working on this issue. All of them have been concerned about the networks, especially with regard to the relationship between structure and individual. This question has mobilized, at the same time, sociologists, economists and anthropologists, and more recently the internationalists worried about the phenomenon in the international system (Smouts, 2004). However, the main reference on the discussion of this issue is the sociologist Manuel Castells, who has analyzed the historical process of formation of a global economy, and defined this process as characterized by the quick flow and exchange of information, communication and cultural capital through networks, bringing the discussion of this concept to current reality.

According to Castells, the idea of networks can be defined as a set of interconnected nodes that depend on the type of network that is established in practice. Based on his view, networks are

The stock markets around the world and their advanced services; they are the national council of ministers and other European commissioners who govern the European Union. They are also coca and poppy seed fields, clandestine labs, secret air land strips, street gangs and financial institutions for money laundering within the narco-trafficking networks that permeate the economies, societies and countries around the world. Networks are also TV systems, entertainment studios, computer design teams, journalistic crews and mobile equipment which generate, broadcast and receive signals from the global new media, all this in the heart of both the cultural expression and public opinion in the information age (Castells, 2006, 566).

Therefore, it is just this characteristic of malleability and flexibility that characterizes the existence of networks, each one in its context. At the same time, Castells defined this condition as follows :

...open structures that are able to expand without limits, with the integration of new nodes as long as they can communicate within the network, that is, as long as they share the communication codes (for instance, values or performance goals). A social structure based on networks is an open system, highly dynamic, suitable for innovation without risking its balance (Castells, 2006, 566).

Castells believes that the inclusion or exclusion in networks is what characterizes, fundamentally, the processes and functions prevailing in our societies. These societies are constituted as *Networks Societies* that connect actors in real time, mainly from the cities and their interactions within urban space (Castells, 2006).

Thus, in agreement with the statements of the author, towns are gaining an important role regarding to daily life of citizens. The growing internationalization of economic, political, social and cultural life has also affected the cities, which are not excluded of this process. They are clearly affected by this process, because traditional urban systems based on national hierarchy lose their logic when they develop mechanisms of integration of urban areas in the global production, communication and exchange, diluting the distinction between domestic and foreign affairs. As Borja says “cities engage in urban systems that do not follow a logical of territorial continuity; rather, cities are structured around nodes – the urban centers – and also around axis – the influx of products, people, capital and information (Borja, 1997, 14).

When national states lose the ability of acting as agents and promoters of national and regional development there is a process of transferring this responsibility to local governments, who are forced to face the challenge of their own survival in the economic, political and social areas. With the new imperative of competitiveness and insertion in the global economic spaces, local governments are induced to develop a new type of role, combining different strategies and initiatives focused on one side on attracting investments, renewing the economic base and modernizing the infrastructure and, on the other side, improving the quality of life, social integration and governance (Castells & Borja, 1996).

Consequently, as Castells stated, the network is a tool for cities that represents an opportunity for a new national integration that allows the increasing interaction between the local and the global. Initially, the international cooperation was restricted to the national state. It was the national state which established exchange and dialogue with other international actors. However, although limited by legal aspects, cities have developed instruments for international dialogue, which basically relates to the exchange of experiences between locations linked to projects and exchange of experiences between municipalities in their common needs.

Networks that are, essentially thought, as performing an international role that:

... appears as an innovative alternative in the struggle for more citizen participation which might influence both national and international powers, at the same time that [networks] fight against the negative effects of globalization and financial speculation which affect directly the cities (Batista, Fronzaglia e Lima, 2004, 17).

In fact, cities are increasingly taking a key role in building a society with fewer inequalities, by means of articulation of its actors in international networks that can generate greater legitimacy to the democratic process, where various actors involved in the decisions can affect their reality.

In this regard, a given place cannot be seen as passive, but rather as active globally and inside that place the globalization cannot be seen as a fable. In the current conditions, the world, when seen as a whole, looks foreigner. The place, close to us, brings us back to the world: if the latter can hide itself due to its essence, it cannot be hidden for its existence. In a place we are destined to know the world for what is it and for what it is not yet. The future, and not the past, becomes our anchor ... But today with scientific progress the world provides different ways to build futures. The place is an event opportunity. And the event by becoming a space, without losing its origins, it will gain, however, local characteristics (Santos, 2005, 163).

This view seems to agree with more general data provided by networks of cities as a whole. These data show that the decentralized cooperation they developed reflects directly on the towns, in which the various activities related to public administration and to the increase of political participation, promote the strengthening of local institutions of government and civic participation.

According to some analysts, the essence of this type of cooperation is the extensive participation of beneficiaries, in all the cooperative cycle, from the project design to the evaluation of its results. Therefore, we need the consolidation of democratic practices, freedom and pluralism, and strong and participatory democratic institutions, so that the population can be closer to these questions of cooperation (Draibe, 2005).

Hence, it is possible to notice that, despite the difficulties found in the implementation of such cooperation, in particular due to the practice of centralizing of many federal governments, its fruits appear to be positive. The studies with the networks of cities show the potentiality of this practice as mechanisms to promote social, political, urban and economic development of their members, as well as one of the sources to increase popular participation in the management of public policies, a subject that most interests us.

One problem that arises, however, relates to the importance of putting the needs and specific interests for each region and area in a global agenda. Space is inconstant and in a large internationalized scenario, the issue of identity emerges as a complicated question, because the networks in their relationship with the territory show that this relationship is ambiguous. Sometimes, the network is a “factor of cohesion” - it represents solidarity and homogeneity. Other times, it trespasses the territories, imposing its functional logic to the institutions. Furthermore, although networks have the property of connectivity, through their nodes, they can also exclude. Thus, networks can promote either order or disorder. What we want to say is that networks, each on its own, shape the field of relations of power that include cooperation and antagonism, and in this way they represent, in fact, instruments of power and rivalry for its control. Therefore, they can work as instruments of integration as well as of exclusion, following processes of differentiation (Silva, 2007).

Moreover, what has been observed about networks of cities is that there are several reasons that lead a city to insert itself into an international network. However, its simple adherence to particular network does not guarantee that they take advantage of all the positive benefits of this form of association. Besides, cities are not always incorporated to these networks for “noble” reasons.

The study of Capello (2001), as cited in Serraceni (2007), has demonstrated the behavior of the cities that participate in international networks, summarizing four basic behaviors that indicate different motivations for them to take part in this model of cooperation and their problems:

1- Cities with an opportunistic behavior: those cities seek, through the networks, the legitimization of their local public policies, without possessing citizens’ concerns. Those cities use the networks for their own short-term interests and they don’t take advantage of being in association, for example the acquisition of know-how. They possess very little seriousness and little commitment towards participation.

2- Cities with an investigative behavior: they do actively participate in the networks, but don’t obtain any specific advantages as a result of such participation.

3- Cities with behavior of economic efficiency: they seek to collect information and obtain specific economic advantages. These are cities that, in general, don’t have successful local projects.

4- Cities with strategic behavior: More intensely participatory they obtain important advantages with the network. They are also very successful in terms of local public policies (Capello, 2001 as cited in Serraceni, 2007, 07-08)

These different formats of insertion into networks of cities also bring to light some of the difficulties by which this most common process of internationalization of cities has been experienced by the world, certainly including the Latin American experiences, discussed in the next topic of this work.

### **The establishment of networks of cities in the world and possibilities for Latin America**

The first network of cities was created in 1913 in Belgium (in Ghent), where there was an international conference, with over 400 representatives of municipalities from more than 20 different countries who founded the International Union of Local Authorities (IULA). But the experiment lasted only one year because, when the First World War began, local contacts were called off. Only in 1924 there was another conference in Amsterdam, and then, with the end of the war, relations of partnership were resumed among associations of countries who had earlier been enemies (Menegatti, 2002).

The idea, however, of networks of cities seems to be closely linked to the "brotherhood" of cities, which arose during the Second World War, with the goal to protect Europe from another war in the future. The objective was trying to bring the populations of cities that were separated by ancient rivalries together again. With this target, in 1951, 50 mayors were convinced that Europe could not overcome its difficulties without putting their strengths together. In this background they founded the Council of European Municipalities and Regions and thus, the notions of "European citizen" and brotherhood were introduced. During the past 40 years, the movement of brotherhood among cities has been developed mainly in Europe. Today, there are more than eight thousand cities and local and regional authorities of Europe living an experience of brotherhood (Menegatti, 2002)<sup>3</sup>.

The organization of cities in international networks has been intensified from the 1980s with the creation of Metropolis - World Association of Cities with more than a million inhabitants. After that, in the 1990s, other networks were founded, one in Europe, Eurocities network, and another in South America, "Mercociudades", both regional models, which in this decade, came to add inter-regional examples where the URB-AL (developed by the European Union to strengthen cooperation among European and Latin American cities) appears as a paradigmatic model. The URB-AL program is part of

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<sup>3</sup> "In terms of concept, "irmanamento" (roughly translated as brotherhood) is a reunion between two municipalities with the objective of work in cooperation within an European perspective to confront problems and develop friendly policies for both cities. Jean Bareth conceived "irmanamento" as a well advanced form of cooperation. It is also important to emphasize the existence of several terms which are employed to describe the long term partnerships between two communities: *Sister-cities* (in United States and Mexico); *twin cities* ( in Russia and United Kingdom); *friendship cities* (partnerships in both Japanese and Chinese cities), *partnerstadt* (Germany) and *jumelage* (France). All these expressions represent the same concept of partner communities or sister cities (Menegatti, 2002).

European Aid, which also includes similar programs directed to other continents, as the program Urban - toward the Asian continent.<sup>4</sup>

The experiences of international cooperation between Europe and other continents were consolidated in 1975 with the signature of Lomé I, based on trade cooperation among European countries, Africa, Caribbean and Pacific (ACP). Lomé I was strictly business, not including issues like human rights and public governance. Later, three other conventions that expanded cooperation between the continents were signed. The Fourth Lomé Convention, signed in 1995, introduced decentralized cooperation as a way to increase the participation of different actors in the cooperation between Europe and ACP.

The specific cooperation with Latin America started to expand after the creation of Rio Group (GRIO) in 1986. GRIO is a mechanism of political advice of major importance in establishing policies for the advance of democracy and for the dialogue between Latin American-Caribbean countries to take positions together in regional and global level. The group is composed by the following countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru, Venezuela, Uruguay and a representative of the Caribbean Community-CARICOM. From the Summit of Cartagena (June 2000) Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic also joined the group as full members.

In the last few decades individual agreements have been signed among the countries of the continent, as the agreement of 1983 for cooperation between the European Union (EU) and the Andean Pact and another in 1985, with Central America. In 1995 the European Commission issued a declaration “EU-Latin America: News and prospects for closer partnership - 1996-2000”, to strengthen cooperation between the two continents. In 1999 the first Summit of governments of Latin America, Caribbean and European Union was held, followed by Madrid’s and Guadalajara’s in 2002 and 2004, respectively, that strengthened strategic cooperation among the continents. In these two last decades it has been

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<sup>4</sup> Nowadays, an increasing number of cities have raised the possibility of structure in networks, including the possibility to build electronic networks to improve the existing societies, building strategies and alliances, with virtual offices, enabling the flow of information within them. It is observed through the study made by Capello (2001), that in global level, cities around the world get together, such as the Sister-Cities Network, which covers 2.5 thousand cities in 137 countries. The survey done by Menegatti (2002) indicated that there are 15 networks in this condition. But the networks of cities that work at the regional level are located within a region, such as in Latin America (Mercociudades) in European countries (Committee of Regions) or the Arab countries (Arab Towns Organizations). There are, according to this survey, about 15 networks in this situation. Based on the same source, there are also networks of cities in strictly national level, with the number of them being much higher, up to 59 networks.



possible to identify the political dialogue, the liberalization of trade and economic cooperation as strategic areas of partnership between EU and Latin America. There have been also defined the priorities for cooperation, exchange and dialogue, which are: education, science, technology, culture, development and social and human problems.

The focus given to cooperation was demonstrated in the establishment and continuation of projects that existed even before the summits. The following decentralized cooperation programs have been implemented: in education, the ALFA project, in its two stages: I (1994-1999) and II (2000-2005), and ALBAN (started in 2002 in Madrid Summit), AL-INVEST in its Phase I (1995-1999), II (1999-2003) and III (started in 2004) in the field of administrative cooperation and technology; @ LIS (whose idea was created in the Summit of Rio de Janeiro in 1999), in the field of information technology and communication, ALURE in its Phase I (1996-1997) and II (1998 - 2002) in the field of energy, and URB-AL in its Phase I (1995-2000) and II (2002-2006) in the field of local cooperation (URBAL, 2004), experience to be described next according to the proposal of this work.

First, it is better to say that the motivations that led the EU to promote cooperation with Latin America are many, particularly in regard to the local question as the experience of URB-AL. Within a context of globalization, local governments around the world are seeking their international insertion. Decentralized cooperation helps them to meet this goal, in both continents. But, sometimes, by supporting cooperation, European localities induce it according to their specific objectives of interest. This situation does not necessarily exclude Latin American motivations, but can inhibit them. Furthermore, it should be noted that most programs of the European Union towards Latin America began, or were intensified, while there were discussions on the creation of the FTAA (Free Trade Area of the Americas), the Summit of the Americas, held in 1994 in Miami. Encouraging the exchange of European experiences, and cooperation among the continents, at local level, is another way for the European Union not to lose its historical and cultural influence on the region, strengthening its ties with Latin America.

### **The case of URB-AL as a proposal for cooperation European Union - Latin America**

The Network URBAL as a decentralized program of cooperation of the European Commission was created in 1995 in order to enhance the relationship between European and Latin American locations, through the improvement of practices within the consolidation of public policies and practices of

democratic governance, as well as to stimulate the participation of non-governmental actors in decision-making processes.<sup>5</sup>

The activities of the Network URBAL are proposed, implemented and administered by its own participants, who act on the network on equal terms, providing the mechanism to mutually share the benefits of activity.

The creation and implementation of the URB-AL Program corresponds to a new model of international cooperation based on decentralization, on the demands and needs of locals, as well as on a strong willingness to work together in the fields of public policy and urban development. And we this way we can see the first statements of URB-AL in 1995 providing local governments with specific program contents, with specific institutional space and proposals for cities to navigate the international sphere. One novelty proposed by the program is the creation of network of cities as the optimal mechanism to access the international sphere as well as the collaborative work in common projects (Braun, 2004, 172).

Although these strategies cover different regional areas, the perspective is to create articulation of key issues of urban policies so as to enhance interaction related to the exchange of experiences, the dissemination of best practices of urban policies and the strengthening of institutional capacities of local governments (domestic and international level) in order to face the challenges of municipal management in cities of both regions.

The program developed has been divided into two phases. During Phase I a set of thematic networks for the program was defined and it was also suggested that common projects stimulate the central theme of the network. Local governments have great autonomy in the selection of the urban issues that would be managed. In this first phase of the Program (1996/2001) eight networks were constructed, which focused on urban problems for traditional development policies and urban planning with the comparative advantage that the municipalities had a wide range of thematic issues and the possibility of incorporating experiences from European municipalities.

Table 1 - Thematic Networks Phase I

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<sup>5</sup> The legal basis of the program is the Regulation (EEC) No 443/92 of 25 February 1992 on financial and technical assistance and economic cooperation with developing countries in Latin America and Asia.

<b>Network</b>	<b>Coordinator</b>
1 - Drugs and Town	Municipio de Santiago, Chile
2 - Conservation of Historic Urban Contexts	Provincia di Vicenza, Italy
3- Democracy in Towns	Ville d'Issy-Les-Moulineaux, France
4- The Town as a Promoter of Economic Development	Ayuntamiento de Madrid, Spain
5- Urban Social Policies	Intendencia Municipal de Montevideo, Uruguay
6- Urban Environment	Ayuntamiento de Málaga, Spain
7- Management and Control of Urbanization	Intendencia Municipal de Rosario, Argentina
8- Control of Urban Mobility	Landeshauptstadt Stuttgart, German

Source: [http://www2.portoalegre.rs.gov.br/urbal9/default.php?p\\_secao=15](http://www2.portoalegre.rs.gov.br/urbal9/default.php?p_secao=15)

Each of the 8 thematic networks of Phase I had a coordinating entity for a municipality associated with the network and selected by the European Commission through a call for proposals. Each coordinated city had the function to promote interaction among participants, making the flow of information easier and organizing working meetings. Within the network there was a wide spectrum of alternatives of urban issues through common projects, which facilitate the implementation of programs developed together, as well as increasing the relationships between participants. The autonomy of thematic choices in each of the networks allowed the opening of a range of possibilities, not only in local implementations with an international dimension, but also in the appropriation of new visions of municipal management through the processes of sharing experiences and promoting good practices in the local level. An important feature of Network URBAL was the possibility for small and medium cities to participate actively in the program, providing them greater international visibility, often restricted to large-sized cities which had always been legitimate agents of discussion electing national governments for bilateral international cooperation.<sup>6</sup>

During the first half of 2003 the activities of 16 joint projects ended, summing up 33 projects which completed their common work in the context of networks 1, 2, 4, 5, 6 and 8. Moreover, during the second semester of that year other 16 joint projects completed their activities. In 2004 over 50 projects

<sup>6</sup> Important information presented by Braun (2004) at this stage is that: “the results of the common projects had very little ability to be incorporated in the municipal budgets and policies. There are several reasons for this situation among them the manner of implementation of those projects in relation to the political cycles and the democratic changes in the local realm. There is also the absolute lack of participation of the municipal legislators in the common projects”. Even so: “a group of cities started to create workshops for international cooperation, thus allowing the midsize and small municipalities to acquire a larger autonomy in terms of international exchanges and participation in other projects outside the URB-AL Program (Braun, 2004, 180-181).

of shared experiences had completed their activities under Phase I. And other 18 projects finished their performance during the second half of that year, as part of the 8 networks of Phase I of the program.<sup>7</sup>

This phase lasted 4 years and there was a budget allocated by the European Commission of 14 million Euros. The joint projects were co-financed to up to 50% with the top of € 100 000, and should last to a maximum of 3 years.

With the participation of more than 1200 locations, more than 50 joint projects were developed including: a system for information on drugs, a manual of municipal management on the impact of tourism in historical contexts, consultation mechanisms to strengthen democracy in the city, the creation of democratic and participatory schools for young people, a transnational job agency, health promotion, solidary economy and so on (São Paulo, 2005).

The lack of global evaluations during this phase, or at least of some monitoring of processes and results, has left no available materials about the experience and its conclusions. This can be seen in failed information. And it is difficult to find these materials in the web pages which had been created previously (Braun, 2004, 176).

In Phase II of the URB-AL (2002/2006) the objectives were adjusted and enhanced, diversifying activities for greater allocation of resources for the period and extending the scope of networking and joint projects. In this way six new thematic networks were incorporated (Phase II), which extended the pre-existing networks. However, one of them could not consolidate because there was not coordination for the Network – there was no answer for the call, since the coordinators are selected by the European Commission through a public call.

Table 2 - Thematic Networks Phase II

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<sup>7</sup> URB-AL/INFO, Carta de información, Number. 18, second semester of 2003 and URB-AL/INFO, Carta de información, Number 19, first semester of 2004.

<b>Network</b>	<b>Coordinator</b>
9 - Local Finance and Participative Budget	Prefeitura Municipal de Porto Alegre, Brazil
10- The Fight Against Urban Poverty	Prefeitura Municipal de São Paulo, Brazil
12- Promoting the Role of Women in Local-Decision-making Bodies	Diputación Provincial de Barcelona, Spain
13- Towns and the Information Society	Freie Hansestadt Bremen, German
14- Citizens' Safety in Towns	Municipalidad de Valparaiso, Chile

Source: [http://www2.portoalegre.rs.gov.br/urbal9/default.php?p\\_secao=15](http://www2.portoalegre.rs.gov.br/urbal9/default.php?p_secao=15)

The new networks were characterized by presenting new approaches to common problems of the localities, which normally are not worked as the usual practices of traditional policies. They focused on creating new approaches and experiences, while the first phase was characterized by the attempt to incorporate only pre-existent experiences of the local reality. Therefore there was more space for the performance of Latin American cities, which coordinated 3 out of 5 new networks. Successful projects in the continent began to be adopted by European cities, allowing the opposite way of traditional cooperation. This was the case of the Participatory Budget, originated in Porto Alegre (or, at least, developed with more success and for a longer time in this Brazilian city), and subject of a unique network, the Network 9.

The total amount for this phase was increased to 39 million Euros, available over the five-year program, and the co-funding of projects rose to 70% of the total resources (European Commission, 2000).

A new form of joint projects was created. Projects undertaken during the first phase have been called projects type A, based on exchange of experience between participants. New projects were classified as type B, generally from the results of some of the common projects of the first stage (type A). The activities fit into project A were: interchange of personnel, training seminars and exchange of information between employees and / or experts of the project, specialized diagnostic tasks performed by members of the projects and tools to disseminate and organize existing policies. Programs classified as type B corresponded to: operation of equipment and services of common interest to members of the project, implementation of pilot projects that could be applied on other locations, restoration of

common property and transfer and adjustment of management of local authorities. (European Commission, 2000)

Recently we have the implementation of phase III of the URB-AL in the period 2008 to 2011. In 2008 the European Commission offered the proposal that provides funding for projects of local governments, worth up to € 50,000 and including 4 to 9 participating cities. The objective is to foster the exchange of experience between local governments of Europe and Latin America that allow to consolidate and expand existing processes, or prepare the formulation and implementation of regional and local policies for social and territorial cohesion in Latin America.

The positive evaluation of the first phase, the extension and opening to a second stage demonstrated the success of the Network, with emphasis on social participation and the incorporation of new local actors because of the new subjects of the latest networks, including Network 9 (Finance and Local Participatory Budget), the Network 10 (Fighting Poverty) and Network 14 (Safety of the Citizen in the City). Moreover, according to data from the network, after more than 10 years from the launching of the first network, the program can be considered a success by the participation of about 2500 cities, or local associations of citizens, integrated into 14 networks, which had about 40 international meetings, with more than 10 000 participants. All these actions among different actors from both continents happened along with the implementation of 188 joint projects (URB-AL, 2007).

Despite this positive evaluation many problems occurred in the Network, among them the lack of incentive for implementation of methodologies that promote participation, linking the public management to the demands of citizens and supported in some of the thematic networks and not respected by some local governments. But this is not the unique problem with the Network. Structural weaknesses of some cities also hinder the greater interaction among participants, as well as bureaucratic difficulties often prevent the trading of foreign capital from the decentralized cooperation. There is, also, the difficulty of implementing some initiatives to local public institutions, hampering the continuity of projects. Moreover, we must consider the problems intrinsic to the Network, its definition of participation, citizenship and democracy and their political projects related to them.

From the viewpoint of participatory methodology during the Phase II of the program there were frequent presentations of common projects that incorporated into their working methods, with various denominations, the citizen participation component:

From the analysis of a significant group of projects in several networks we found key factors which repeated themselves systematically and confounded the concepts of participation of social groups, the role of municipalities and the classic organization of a URB-AL common project. Another group of common projects presented in its methodological description procedures that they called participatory, but without any impact in the activities on in the results (Braun, 2004, 189).

The inquiries made on projects allow us to think about two areas of problems related to the civil society participation in joint projects URB-AL according to Braun (2004): “un sphere was about the design and formulation of projects, about the articulations between municipalities and civil society and between municipalities and NGOs, plus the social participation in urban themes. The other sphere was about the opportunities and limitations for the URB-AL program in relation to the incorporation of social participation” (Braun, 2004, 189).

From the perspective of the design and formulation of the projects and their meaning of participation, a more attentive view of the many ways to understand this concept and its applications could avoid problems such as: too broad, unclear and poorly defined objectives, which lose their quality; lack of relationship between objectives and the design of activities, and little consistency between the objectives and expected results, apart from conceptual confusion of the meaning of participation for the government and for the civil society and its social and political dimensions (Braun, 2004).

According to the other area of problems related to the openings, possibilities and limitations of the URB-AL to incorporate social participatory design, it is possible to observe other three types of problems:

Distant perception about the meaning of incorporating the social groups into the projects: activities and results are equal products (in all projects) and they are not conceived to be shared with either citizens or the community. In those projects where the participation of social groups is present, no consideration is given to the fact that, in general, groups are treated as doubles. This is a way to make visible those organizations

that participate in the projects. The common projects that faced the participation issue with the social groups reflected insecurity in the methodological handling; high level of operational centralization; little command of participatory instruments that included the municipalities local actors which are essential in the sustainability of results; scarce solvency both practical and theoretical for the implementation of participation (Braun, 2004, 191).

What we can say is that despite the difficulties identified and the issues still to be worked, in fact the Network URBAL is a successful form of decentralized inter-regional cooperation, and consequently it is recognized worldwide. The contact between the partners provides benefits to its participants and the challenge to face common difficulties for the cities of the region. This makes the program a positive reflection on the interaction between the localities and the improvement of public policies for them. Other aspects, perhaps more critical, will emerge with the progress of this research, particularly with regard to the possibilities of the case study of our work, that is, the Thematic Network of the URB-AL 9, “Financing Local and Participatory Budget” and its impacts on the construction of participatory forms of governance in Latin America on which we will focus next.

**The Thematic Network URB-AL 9, “Financing Local and Participatory Budget” and its impacts on the construction of participatory forms of governance**

The Thematic Network 9 “Financing Local and Participatory Budget” of the URB-AL, launched in 2004, in Porto Alegre, the coordinator city, aimed at providing a continuous and deepening exchange of experiences between local governments from Latin America and Europe by means of socialization, organization and implementation of best practices within the local finance and policies of participatory democracy. The target public was the staff of local governments and organized civil society groups from Europe and Latin America. The main activities consisted of seminars with members of the network, establishment of joint projects, implementation of training courses, creation of web pages and databases, publishing of books and information.

Network 9 started its work in the seminar held in 2004, from which Working Groups were organized for representatives of 190 full members and external partners from 73 Latin American cities and 17 European cities, representing 12 countries of both continents. In order to develop proposals for Joint Projects, the participants were divided in the Working Groups under four themes: a) Participatory Budgets: forms of participation, decision-making power and social control; b) The political role of participatory budgeting: Relations with the City Council and the debate about institutionalization; c)



Municipal Finance, control of public resources and local funding and d) The relationship between participatory budgeting and planning.

Within these four dimensions the Phase A was developed, completed in 2006, after three international seminars, when proposals and implementation of 10 (ten) projects selected in this phase were discussed:

Table 5 – Selected Projects Phase A

<b>Project</b>	<b>Coordination</b>
Linkage between participatory budgeting and public-private associations with the solidary economy	Ilustre Municipalidad de Cuenca – Ecuador
Voluntary participation in the planning, implementation and social control of the participatory budget	Prefeitura Municipal de Diadema – Brazil
Guide to good practice in local financial management	Ayuntamiento de Madrid – Spain
Participating in local governance: the impact of participatory budgeting in local governments	Ayuntamiento de Córdoba – Spain
The participatory budgeting as a tool to combat social and territorial exclusion	Comune di Veneza – Italy
Instruments of coordination between territorial planning and participatory budgeting	Prefeitura Municipal de Belo Horizonte – Brazil
How to build a participatory budget: transfer of good practices under a view of reciprocal exchange	Comune di Udine- Veneto –Italy
Impacts of participatory budgets on multi-ethnic and multicultural cities	Municipio de Cotacachi – Ecuador
E-Budget: Information Technology and Communication (ITC) as a tool to promote public participation in municipal governance	Esbjerg – Denmark
Culture, ethnic relations and human rights as integrated intervention in the context of Participatory Budgeting in rural municipalities	Monobamba – Peru

Source: [http://www2.portoalegre.rs.gov.br/urba19/default.php?p\\_secao=19](http://www2.portoalegre.rs.gov.br/urba19/default.php?p_secao=19)

Until 2006 the number of partners working in these projects expanded and can be seen in the tables below and available on the Network site:

Table 3 – Latin America: 282 partners

Argentina	41
Bolivia	15
Brazil	76
Chile	17
Colombia	10
Costa Rica	4
El Salvador	2

Ecuador	22
Mexico	5
Nicaragua	3
Panama	2
Paraguay	3
Peru	73
Uruguay	8
Venezuela	1

Source: [http://www2.portoalegre.rs.gov.br/urbal9/default.php?p\\_secao=17](http://www2.portoalegre.rs.gov.br/urbal9/default.php?p_secao=17)

Table 4 - Europe Union: 128 partners

Germany	4
Belgium	6
Denmark	2
Spain	43
France	11
Netherlands	1
Italy	55
Portugal	5
United Kingdom	1

Source: [http://www2.portoalegre.rs.gov.br/urbal9/default.php?p\\_secao=17](http://www2.portoalegre.rs.gov.br/urbal9/default.php?p_secao=17)

Starting in 2007 the Project B of URB-AL Network 9, aimed at developing the qualities of structural members through the training of human resources, was based on the experience of the processes of participative democracy carried out by the city members. Altogether Barcelona (Spain), Belo Horizonte (Brazil), Cordoba (Spain), Cuenca (Ecuador), Porto Alegre (Brazil), Quito (Ecuador), Regione Toscana (Italy), Rosario (Argentina) and San Salvador (El Salvador), formed a network dedicated to the production and dissemination of knowledge management in democratic practices.

On behalf of the development of democratic and solidary local governance, the project promotes and strengthens the democratic networks that are present in the societies (citizens, government and business) thus creating public administrators who are able to value and implement the project. The job is under the supervision of Porto Alegre and in its first phase, the city members have to identify both the supply and demand in relation to planning and participatory management in a way

to build the pedagogical instruments. The modules' central theme is the development of participatory public policies (Rede 9 – URB-AL, 2008a).

The project, developed along with the support of universities and research centers and in connection with municipal associations and international organizations, had as objective the exchange of teaching modules among the cities, searching for multiplication and dissemination of knowledge. The main proposal was to create an intercity system of capacitation implemented through actual meetings and exchange of virtual content and experiences as well as the elaboration of a guide for evaluation of the results, in a way to make the experience of participatory democracy in Latin America and Europe closer to each other. The expected outcome of the project was the establishment of an area of international training and research in Local Participatory Planning and Management. The current School of Management (SMA), created and supported by Porto Alegre, served as reference and support for the establishment of an international training center (Rede 9 - URB-AL, 2008a).

Since then three seminars about discussion and evaluation of this project were held. In the First International Meeting, held in Porto Alegre, in November 2007, the subject matters were set to be worked by each of the cities for the formation of the Inter-Municipal Training System in Local Participatory Planning and Management. In the II International Meeting, that happened in June 2008, in Florence (Italy), the experiences and the educational contents of modules worked by the cities were evaluated. The cities also established the way of exchanging courses. The proposals developed by Porto Alegre's coordination for the Intercity System were presented to the partners at the III International Meeting, held in Rosario, Argentina, in June 2009. This seminar was important to analyze the progress and conclusion of the project. At this event the profile of the Intercity Training Planning and Management in Local Participatory was discussed and concluded, as well as the appropriate profile to the International Training Center in Porto Alegre, its ultimate goal, as a module for the exchange of experiences in the field of democracy in public administration.

It is possible to design a preliminary view about this experience with the primary and secondary data available. However, more detailed and deeper analysis is necessary. We can state that, in a context of crisis of political parties, both in Europe and Latin America, and their inability to respond to urban challenges, cities that implemented Participatory Budgets are, apparently, finding an interesting way to renew their party culture, and at the same time, meeting the demands of their citizens.

And according to the Network itself, more than 400 cities are currently implementing projects linked to the experience of participatory budgeting, especially in Latin America. Although most of the experience remains in Brazil, new initiatives are emerging in other Latin American cities, particularly in Peru, Ecuador, Colombia and countries in the South Cone. In addition, several experiments are being carried out in European cities, many of them taking Porto Alegre as a reference, especially Spain and Italy.

These experiences have a support of information and advice for the permanent creation, management and maintenance of projects, and a structure based on the implementation of discussion forums, personal or virtual, such as international seminars, for example, that stimulate the development and analysis of experiments, as well as their exchange. Everything should be examined, not only its technical difficulties, but also its political issues that surround these mechanisms.<sup>8</sup>

Regarding to the specific experience of projects of type A it can be noted that such projects have been developed from the study and application of certain participatory methodologies around the local public budget which leads us to think about extremely important issues such as:

Participatory dimension: who controls and monitors the execution of the budget and the implementation of the tasks? Participatory Budgets (PB) and gender equity: how to improve the actual approach? Participation of the excluded: how to expand their participation?

Financial dimension, budget and taxation: management of scarcity or control of public resources: 1% or 100%? Relations between the PB and municipal finance (tax policy, mechanisms of implementation of budgets). How to organize PB as financial planning: budgets planned and carried out.

Territorial dimension: decentralize: up to which point?

In legal normative dimension: PB for neighborhood or for city? PB for rural municipalities and small towns: what are their peculiarities? How to distribute resources among different sectors and districts and neighborhoods of the city? How to link development plans or territorial use to PBs? How to empower and strengthen the capacities of local governments?

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<sup>8</sup> All the information and knowledge generated by URB-AL is available at the Center for Documentation of the URB-AL (CDPU) which started its activities in April 2005. "The center develops its work based on a triple strategy: collect, centralize and systematize documentation of all common projects which have been approved; permanent support to the projects' administrators; identification and publicity of good practices through the production of a manual and organization of a conference" (URB-AL, 2007,12).

The results of this process still need to be studied more carefully, because there are, certainly, differences in the formulation and implementation of these projects. Anyway, it is possible to say that the sphere of the public budget is an important innovative procedure to open channels of participation for the population. In most cases the local government budget is a formal thing, whose access is restricted to small groups of technicians to justify the monopoly of the decisions on behalf of technocratic neutrality. The lack of transparency and supervision promotes the manipulation of funds by some groups expressing practices of “patrimonialismo” and “clientelismo”, as it is said in Brazil, to control the State and to access public resources, especially in less developed countries such as those in Latin America. Thus, the interference in the construction of budget becomes an essential issue because it involves changes in the political logics, unmasking the operation of the governmental machine, breaking its distortion, as well as demonstrating the potential for more equitable distribution (Laisner, 2005).

For this intervention to be effective and competent it is necessary to understand how this budget works. So the debate around these issues is very important, as well as ways of training citizens to make them capable, as proposed for Project B named “Intercity System for Qualification in Planning and Participative Local Management”. Here the idea is to construct, in permanent partnership with universities and other associations a System of Education and Training in Participatory Planning and Management, from the innovative experiences accumulated by the members, not only locally but also through its activities in the URB-AL. In addition, the aim is also to equip and open a space for training “multiactors” under an international perspective from of Municipal Training School of Porto Alegre.

In 2008 the first students were trained in Porto Alegre. Developed in 40 class/hours, the program content was aimed at civil servants in middle and high levels, and representatives of the community appointed by the network of social participation. The idea of this training course was focused on deepening the concepts of participatory democracy and planning of cooperative activities that raise awareness and vision of solutions in case of scarcity of resources and generalized limitations (Rede 9-URB-AL, 2008b).

The long distance teaching program that would be used in the second phase was presented in the conclusion of II International Seminar, held in 2008. The articulation of member and partner cities was

a task of the Municipal Training School of Porto Alegre, with the project support of universities for the implementation of module two. This module included bilateral interchange between cities. After this bilateral interchange round there was a common module for every city of the network developed in 2009.

The System of Qualification in Participative Local Planning and Management (PGLP) was officially launched in December 2009 as an international program to train citizens in participative practices in municipal administration, assisting them in the strengthening and implementation of these processes. The training program congregates, in nine educational modules, the experience in participative local planning and management of the member cities. It also offers a basic module that articulates the contents processed by each member and introduces broader theoretical and practical knowledge of participative democracy (Rede 9-URB-AL, 2010).

The results of this process are still to be studied more carefully and in this case, specifically, it is necessary to keep distance, at least momentarily, from a process in development. Anyway, it is possible to emphasize that the formation and information as models of inclusion are fundamental elements of development in participative democracy, because, the process of decision is always a process based on these elements. Therefore, the main objective to be met in this system must be to increase the number of citizens capable of following up the planning of governmental actions, thus making their demands as strategic objectives for the communities. In this way, it is possible to contribute to the construction of more coherent public policies, through observation and evaluation of results according to the community interests and agreements between government and communities.

As discussed in this work, the expectation around the performance of the networks is quite positive as an international channel for the discussion and spreading of problems faced by local governments. Moreover, the network experience could be viewed as a tool to increase the participation of the citizens to solve these problems along with these governments. This statement leads to a romantic vision about these experiences, which might represent some risk of manipulation linked to the use of a recipe of “good governance”, especially in use in developing countries. All these processes are not linear and without conflicts. They represent a construction and a reconstruction in the field of conflictive interests and values. Furthermore, the conjunction of different scenarios can sometimes make it difficult to elaborate common projects. The challenge for researchers is to remake this process, starting from a

critical questioning and holding potentialities and difficulties of networks of cities spread all over the world. This work is aimed at presenting a contribution to this challenge now focusing Brazilian cases and especially three cases of Brazilian cities linked to the Thematic Network 9 and some aspects that could be studied in this linkage.

### **The Brazilian cases: two cities as case studies**

Brazilian cities have always had an important role in the URB-AL, since two of their networks Network 9 “Local Finance and Participatory Budgeting” and Network 10 “Fight Against Poverty in Cities”, out of 13 networks of the program have been coordinated by Municipalities of Porto Alegre and São Paulo, which have been the second and third largest networks of cities in the URB-AL.

Brazil is, considering the amount of coordinated projects (23 out of 165, that is 12%), the frequency of participation in network projects (174 out of 1423, i.e. 12%) and the number of members in network projects (280 out of 2482 or 11%), the third largest force of the 33 countries involved in the URB-AL, behind only Spain and Italy (Rothfuss, 2010). But considering its large number of inhabitants in relation to Latin America, the strength of the country should be re-analyzed:

Brazil represents 35% of the total population in 18 Latin American participant countries. The Brazilian quota in relation to projects which are coordinated by Latin American cities is 28%. Both in Argentina and Uruguay, in relation to their total population, their participation is 4 times larger (than Brazil) in common projects. Another reasons for the weak participation of Brazil are the great regional disparities (Rothfuss, 2010, 10).

In relation to Network 9 we had specifically a total of 43 municipalities across Brazil from which 12 participated as observers and 31 as full members. It represents a significant participation of the country in this network and Brazil stands out compared to other Latin American countries, even those which have also played a considerable role such as Peru with 54 members (including 12 observers and 42 full members) and Argentina with 36 members (9 observers and 27 full members)

From the two tables below, when we detail the region to which the observer and participant towns belong, it is possible to see that most of these municipalities are linked to the most developed and wealthy regions of the country: south and southeast which have, respectively, 15 and 18 of the municipalities. For the other regions the number of shares is much lower: 7 Northeast, Midwest, 2, and North 1.

Table 6 – Brazilian participants of the URB-AL 9 as Observers

<b>Municipalities</b>	<b>States / Brazil Regions</b>
1) Araranguá	Santa Catarina (South)
2) Campina das Missões	Rio Grande do Sul (South)
3) Campina Grande	Paraíba (Northeast)
4) Fortaleza	Ceará (Northeast)
5) Jacareí	São Paulo (Southeast)
6) Nova Olinda	Tocantins (Northeast)
7) Salvador	Bahia (Northeast)
8) São Bento do Sul	Santa Catarina (South)
9) São Carlos	São Paulo (Southeast)
10) São Leopoldo	Rio Grande do Sul (South)
11) Suzano	São Paulo (Southeast)
12) Vassouras	Rio de Janeiro (Southeast)

Source: [http://lproweb.procempa.com.br/pmpa/prefpoa/urbal9/usu\\_doc/lista\\_de\\_socios\\_al\\_30\\_abr\\_2006.pdf](http://lproweb.procempa.com.br/pmpa/prefpoa/urbal9/usu_doc/lista_de_socios_al_30_abr_2006.pdf)

Table 7 – Brazilian participants of the URB-AL 9 as Full Members

<b>Municipalities</b>	<b>States / Brazil Regions</b>
1) Alvorada	Rio Grande do Sul (South)
2) Aracaju	Sergipe (Northeast)
3) Araguari	Minas Gerais (Southeast)
4) Belém	Pará (North)
5) Belo Horizonte	Minas Gerais (Southeast)
6) Blumenau	Santa Catarina (South)
7) Cachoeirinha	Rio Grande do Sul (South)
8) Campinas	São Paulo (Southeast)
9) Caxias do Sul	Rio Grande do Sul (South)
10) Diadema	São Paulo (Southeast)
11) Dourados	Mato Grosso (Midwest)
12) Goiânia	Goiás (Midwest)
13) Gravataí	Rio Grande do Sul (South)
14) Guarulhos	São Paulo (Southeast)
15) Juiz de Fora	Minas Gerais (Southeast)
16) Maringá	Paraná (South)
17) Pelotas	Rio Grande do Sul (South)
18) Pinheiral	Rio de Janeiro (Southeast)
19) Piracicaba	São Paulo (Southeast)
20) Recife	Pernambuco (Northeast)
21) Rio de Janeiro	Rio de Janeiro (Southeast)
22) Santa Maria	Rio Grande do Sul (South)
23) Santo André	São Paulo (Southeast)
24) São Caetano do Sul	São Paulo (Southeast)
25) São Paulo	São Paulo (Southeast)
26) Tapejara	Paraná (South)
27) Timóteo	Minas Gerais (Southeast)
28) Três de Maio	Rio Grande do Sul (South)
29) Uberlândia	Minas Gerais (Southeast)
30) Viamão	Rio Grande do Sul (South)
31) Vitória da Conquista	Bahia (Northeast)



Source: [http://proweb.procempa.com.br/pmpa/prefpoa/urbal9/usu\\_doc/lista\\_de\\_socios\\_al\\_30\\_abr\\_2006.pdf](http://proweb.procempa.com.br/pmpa/prefpoa/urbal9/usu_doc/lista_de_socios_al_30_abr_2006.pdf)

Furthermore, when we look at the number of external partners in the Brazilian case we can also see that the country stands out compared to other countries: there were 31 Brazilian foreign partners, while there were 12 from Peru and 9 from Argentina in the same case. They are NGOs, cooperatives, and university departments which show the existence of a significant civil society in Brazil, even though more concentrated in the most developed regions of the country.

Table 8 - Brazilian participants of the URB-AL 9 as External partners \*

1) Vitória Régia" - Associação de Mulheres em Economia Social, Solidária, Educação, Ambiental e Voluntariado
2) AMOALTO - Associação de Moradores do Morro Alto
3) Associação Comunitária de Belém Velho
4) Associação de Moradores da Vila Liberdade
5) Associação de Moradores da Vila Nossa Senhora de Lurdes
6) Associação de Moradores da Vila Operária A J. Renner
7) Associação de Moradores do Centro
8) Associação de Moradores do Condomínio Jardim Marabá
9) Associação de Moradores do Jardim São Pedro
10) Associação de Moradores do Loteamento Timbaúva
11) Associação de Moradores e Amigos do casarão - AMACASA
12) Associação dos Empreendimentos Solidários em rede do Rio Grande do Sul
13) CCIE/MG - Camera di Commercio Italiana all'Estero di Belo Horizonte
14) CIDADE - Centro de Assessoria e Estudos Urbanos
15) Clube de Mães Santa Catarina
16) Cooperativa dos Pescadores da Colônia Z/5
17) Cooperativa Raios de Sol
18) FINATEC - Fundação de Empreendimentos Científicos e Tecnológicos
19) Fórum Permanente de Responsabilidade Social do Rio Grande do Sul - Fórum/RS
20) Guayi
21) IDUS - Instituto para o Desenvolvimento Urbano Sustentável
22) Ilê Mulher – Associação
23) Instituto Amigos de Lucas
24) Instituto Urbis Porto Alegre
25) Programa de Pós-Graduação em Sociologia - UFRGS
26) Resistência Participativa/Despertar Coletivo
27) Solidariedade – ONG
28) UAMPA - União das Associações de Moradores de Porto Alegre
29) UNIJUÍ - Universidade Regional do Noroeste do Estado do RS
30) Universidade Federal do Rio Grande do Sul - UFRGS
31) URBES - Instituto de Políticas Públicas Urbana

Source: [http://proweb.procempa.com.br/pmpa/prefpoa/urbal9/usu\\_doc/lista\\_de\\_socios\\_al\\_30\\_abr\\_2006.pdf](http://proweb.procempa.com.br/pmpa/prefpoa/urbal9/usu_doc/lista_de_socios_al_30_abr_2006.pdf)

\* Note: There is not information about the regional localization of the partners

For a closer analysis of the network works we developed an investigation with two Brazilian cities as case studies in a more general empirical research that we carry out to closely observe the network operation. The cities selected were Guarulhos and Santo André, two large cities in the State of São Paulo which are very important cases of application of the Participatory Budget and two relevant examples in the linkage with the Network 9. These cases can, at least preliminarily, give us an idea of how the network is constituted in Brazil and which its main influences were.<sup>9</sup>

**Santo André:** 18 km away from the city of São Paulo, Santo André, located in the region of the ABC, has a population estimated at 670 thousand inhabitants (and HDI of 0.835, in contrast to the value of 0.757 for Brazil) and an area of 175 km<sup>2</sup> being the 22nd city with the highest GDP of Brazil (R\$ 11,426,975,000.00), according to data from the Brazilian Institute of Geography and Statistics (IBGE). The ABC region in general is heavily industrialized (emphasis on the automotive and petrochemical industries) and the third consumer market of the country (Acioly, 2003).

The city of Santo André as well as the entire ABC region has a history closely linked with the productive sectors of the population, a fact that requires a strong social organization in terms of labor relations. Scenario of important conflicts between unions and the military regime that prevailed in Brazil from 1964 to 1985, the ABC region is associated to the birthplace of the Workers' Party (PT) and the independent union movements claiming for an end of the military dictatorship. Prominent names were launched at this time, as the former union leader and current president of the Republic Luis Inacio Lula da Silva. The labor strikes in the ABC put the unemployed and the population in general on the streets, all of them affected by changes in production because of the restructuring process called post-Fordist model and its flexibility in production (Paniquar, 2009).

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<sup>9</sup> Most of the data about these studied cases were collected by Rodolfo Pazian Paniquar who participated in the Project: "DEMOCRACY NETWORK: URB-AL and the processes of international cooperation for the implementation of local participatory democracy" already mentioned.

Regarding the political culture created in the ABC region in this context, Bruno Daniel Filho highlights:

The region has a tradition of struggle for the collective good through the organization of social movements, religious groups, and civil society associations – all seeking better living conditions. The local governments always have confronted the neighbored organizations on a daily basis. More recently some partnerships have been created for a better decision-making process. One example is the ABC Citizenry Forum, which was create by civil society organizations, labor unions, and ecological groups (Daniel Filho, 2003, 157).

With the democratic transition in place the Workers' Party won, in 1988, a significant number of municipalities in Brazil (São Paulo, Porto Alegre, Vitória, among others) and in the ABC, Santo André, with the victory of the PT mayor, Celso Daniel. This asset gave the party the opportunity to show its aspirations. By coming to power in 1989, Mayor Celso Daniel brought to his council the Participatory Budget (PB) in the same year that another PT mayor, Olivio Dutra, also introduced the OP as a new practice of public governance in Porto Alegre (Paniquar, 2009).

By analyzing the design of PB in Santo André it is possible to notice that in the period 1989-1992 the final decision on the allocation of resources in the Annual Budget Law (LOA) was responsibility of the executive and his administration and the population was only consulted. Interestingly, even in this first phase of the PB, some advances were made for its benefit, as the creation in 1991 of the Office of Popular Participation, now called the Center for Popular Participation (NPP), where the staff of Popular Participation (APP 's), who are technicians of various departments, mobilized by the ideals of participatory democracy were responsible for setting discussions in an informal way along with advice. The next municipal Santo André administration, from 1993 to 1996, Mayor Newton da Costa Brandão did not carry out the project of the PB. The discussion and effective implementation of the PB occurred with the return of Costa Brandão to power in 1997, when the results of PB started to be seen and appreciated, and the project "Future City" (to organize the city in a participatory way into a long-term plan) was launched. Despite the satisfaction with the model of PB in 1989, demonstrated by both the government and the population, there was the need to change its character from an advisory to a more deliberative mechanism, covering larger and new sectors of the population, thus expanding it. Therefore, the "Conselho Municipal do Orçamento" (Budget Municipal Council, CMO) was created, with 38 members (councilors) equally composed of representatives of government and elected by the community. CMO became the main channel of communication between government and civil society.

But beyond that council, there were regional plenaries structured in two ways: regional and thematic sessions, where all the citizens of each region (or city, in the case of networks) could participate, leaving the government and CMO to discuss the technical, financial and legal demands (Paniquar, 2009).

During many years the Participatory Budgeting practice in Santo André along with representatives from PT has constituted an important achievement for the city and it enhanced channels of citizen participation opened by the City Council. One question that has to be raised is that participation in the participatory budgeting was low, representing only 2% of the population of Santo André. The participation is a necessary condition for a good work of PB and it is a problem in that city as well as in any city where this project is developed. This question needs to be faced.

Another serious problem with PB is the change of political parties in the municipal government. And, in this case, Santo André had problems, too. In 2008 the candidate Dr. Aidan Ravin (PTB – “Partido Trabalhista Brasileiro”) won in the second electoral round and the situation changed. With the victory he broke 12 years of hegemony of the PT in the City Hall. Ravin received 55.03% of the votes (214.8 thousand), compared to 44.97% of the PT candidate, Vanderlei Siraque. After that the employees responsible for the PB in the city said, when interviewed, that the project was still working, but in a “new way”. It could be viewed as an idea to improve other projects, perhaps closer to proposals of the party of the new mayor (historically PB is more linked to PT).

Despite these problems it is necessary to take into account that PB could be considered an important tool in Santo André for discussion and deliberation with the community about the priorities of municipal public budget which has been seen as a world reference in this type of project. To analyze the international diffusion of the Santo André project it is important to talk about the Office of International Affairs in the municipality. Created in 1997 this office was important for the organization of international insertion of the city, not only through international networks of cities but also through the establishment of partnerships with international organizations. Thus the municipality of Santo André has had an active role in the process of international integration, participating formally in MERCOSUR and other city networks. In this context the development of social programs, cultural activities, exchange of experience in various fields of activities, business and sources of funding and relationship with foreign communities have been promoted. The city is also part of the UCLG (Cities

and Local Governments Together), Educating Cities, 100-City Project (project of cooperation between Brazilian and Italian cities in the area of housing, urban development and urban mobility) and Mercociudades<sup>10</sup>. In this last network Santo André is a member of the Board of Directors and coordinator of the Thematic Unit Education and sub-coordinator of the Thematic Unit Culture and Urban Development Thematic Unit. In the URBAL Network the city has also participated in several Thematic Networks (Network 3, Red 8, Network 10 etc.) (Paniquar, 2009).

The invitation to Santo André to articulate itself into the Network 9 came from Porto Alegre, at the launch of the Network in 2004, a decision probably based on the whole history of PB in the city. In February 2005 Santo André had already signed a partnership within the Network 9 in order to deepen the impact and scope of the Participatory Budgeting of the city and its citizens. This project was named “Include Project”. The goal was to develop and exchange methodologies, analytical and monitoring tools to measure the social impact of PB, generating the socialization of innovative experiences for good practice in local management. Furthermore, the idea was trying to strengthen the capacity of local governments for the inclusion of marginalized citizens in policy making and local projects in a way to include citizen participation in public decisions (Include Project, online).

The Include Project was intended (in a quantitative analysis) to identify the direction of public investment and whether most of the resources of the Participatory Budgeting in Santo André was directed primarily to the serve city areas with less infrastructure and with higher rates of poverty and exclusion. Furthermore, in a qualitative analysis, the project was aimed at considering the perceptions of directors of the PB, their understanding and experience within the process (Include Project, online). Venice, as a coordinator and manager of the project, received the amount proposed by the European Commission, via Network URBAL. Following the planning of an agenda pre-prepared by the members of the network, this coordinating city distributed the resources necessary to conduct the network project. The money was designed for: i) organization of an international conference ii) purchase of administrative material iii) recruitment of consultants and iv) trips of municipal representatives for the closure of the project in Italy.<sup>11</sup>

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<sup>10</sup> Santo André has been the coordinator of the Brazilian Committee of Municipalities, a body of formal participation in MERCOSUR responsible for creating an agenda and giving voice to the cities in the block.

<sup>11</sup>Results

<http://www.comune.venezia.it/flex/cm/pages/ServeAttachment.php/L/EN/D/D.d72054ba6a2f7f121fcc/P/BLOB:ID%3D3245>

It is possible to notice that the widespread practice by Network 9 is able to legitimize projects internationally, projecting a positive image of the city. The work of the PB in Santo André and the diffusion of the same project by the network allowed the city to get the necessary support in the project of political participation for democratic consolidation. This factor helps to show that the city, both nationally and internationally, has a transparent public administration, in line with the expectation of its population, attracting all kinds of investments owed to this safety image.

The spread of the ideals of participatory democracy through the implementation of PB in the Network 9 focuses not only on ideological issues but also on the democratic process. In fact, as we have seen in our research, there is an exchange of technical knowledge as well as of administrative and financial resources. The proposal is to implement a plan looking for clear and decisive results. In the case of Santo André, the city developed a joint project coordinated by Venice, which was a survey done all technical, administrative and operationally throughout the city, measuring the performance of the BP as a way to fight social and territorial exclusion. These data were presented in various international seminars and can be confronted with the reality prevailing in the city. It would also be used by the city of Santo André in the creation of a strategic plan for long-term compliance with the recommendations made by the network.

The experience of the PB in Santo André has shown that this is a very complex process, because there are different logical representations of several interests, and that, achieving such a consensus requires a deep process of discussion and negotiation, more and better information available to decision, improved skills of the actors involved in the process both from the population and government. Only in this way such consensus could be the result of an effective democratic process of discussion and would not end in the frustration of players who participate in it. But there are a lot of challenges to it. If we have some positive aspects in the Network, we have already some obstacles to it pointed out by participants and organizers of tasks into the Network from Brazil as follows: difficulties in the technical support for the projects, less autonomy that sometimes was intended for it, some bureaucratic problems that make the presentation of projects more difficult, apart from questions about cultural differences like the language in case of Brazil where there is no full domain of Spanish, for instance.

**Guarulhos:** Appears as the second most populous city of São Paulo and the twelfth most populous in Brazil (one million three hundred thousand). It is the tenth richest city in Brazil, showing a gross domestic product (GDP) of 21, 6 billion Reais, representing 1.01% of all Brazilian GDP (2008) (IBGE, 2005). In general, Guarulhos has qualitative social indices below the state average. The HDI is 0.797, below of the State of São Paulo, which is 0.814, and well below other industrial cities in the region, such as Santo André, with 0.835 and 0.834 for São Bernardo (that is part of ABC region too). There are 190 municipalities in the State of São Paulo with an HDI higher than in Guarulhos.

As home to the largest airport in Latin America in freight and the second largest hub for international flights in the Southern Hemisphere (INFRAERO, online), located on the third-largest metropolitan area in the world (São Paulo), crossed by important highways – Via Dutra (from São Paulo to Rio de Janeiro), Fernão Dias (São Paulo to Belo Horizonte), and the Ayrton Senna highway connecting the city of São Paulo to the Guarulhos International Airport, some authors consider Guarulhos a “city of passage.” That is, a city where the movement of people and goods is so intense that does not create strong ties with it (Cardoso, 2006).

The BP in the city of Guarulhos began with the management of the PT Mayor Eloi Pieta (2001-2008). Participatory Budgeting in Brazil is structured through cycles of activities. The 2001-2002 cycle of the PB in Guarulhos developed a series of initial activities: presentation and regulation of the bylaws of the Council of the PB; the creation of regional and thematic sessions; election and inauguration counselors’ meetings; examining the passage of budget bills by the City Council and the monitoring of budget execution and evaluation cycle. In Guarulhos one of the first activities of members of Council after taking office is to participate in a training course on the public budget. Moreover, a differential of PB in Guarulhos in relation to others is its concern with the training of officials and delegates to the procedures and meanings of participation in democratic processes.<sup>12</sup>

An important piece of the PB in Guarulhos, as it has occurred in Santo André, is the so-called Caravan of Priorities. The proposal is to traverse the region, know the reality and the demands of the neighborhoods listed in the sessions. Also, the BP in Guarulhos is part of the Planning System of the City, All these tools are put together to organize local planning guidelines for the work with city officials in the territory of the city (Cabannes, 2007).

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<sup>12</sup> The Municipality of Guarulhos has partnered with the Instituto Paulo Freire in order to encourage the construction of the critical view of the delegates and advisers of PB (INSTITUTO PAULO FREIRE, online).

As a recent creation, and considering its whole dynamic process by recalling and recreating itself every cycle, the PB in Guarulhos represents a good performance in democratic practices. Betting on the inversion of priorities to work on the neediest projects to revitalize social programs and promote income transfers, the PB appears to be something real and effective. The experience accumulated since the beginning (2001) contributes for planning the growth of economic activity in the city, thus maintaining the collection and investment capacity of the municipality. The program in Guarulhos has many challenges and one of them is to continue the reversal of priorities while investing in the strategic development of the city, preventing the reduction in the investment capacity of the municipality (Prefeitura de Guarulhos, 2008, on-line).

Since 2001, approximately 50,000 people attended the PB sessions in Guarulhos, 214 councilors and 2,320 regional delegates were elected. The involvement of the population in the PB program has resulted in increased control of citizens on the application of resources in the city public works and services, which about 80% of them were the result of priorities identified by the community during the sessions (Prefeitura de Guarulhos, 2008, on-line).

Participatory budgeting in the city has showed dynamism in relation to many other Brazilian cases. In this way the continued progress of the project in two previous administrations (2001-2008) and in order to continue in the future makes the PB strong and reliable, with the increasing popular participation since its inception and its amendments seeking to improve each year. But here we have the same problem if we observed in Santo André: if we analyze the total of population of Guarulhos, the participation has been low.

Known worldwide by its international airport, Guarulhos saw another kind of international renown: its participative budgeting, through membership of the Network 9 in 2004. The mood of the membership of the Network resulted in the establishment of a joint project of type A<sup>13</sup> submitted for approval in 2005 by the European Commission. Called “Democratization” for local political reorganization based on the experiences of PB’s, the joint project intended to study the processes of decision making and

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<sup>13</sup> Projects Type A within the Network 9 aim to exchange experiences and disseminate best practices, as opposed to projects of Type B, which are intended to complement the exchange of experiences on offer for projects of Type A.



social control in cities and examine ways of coordination and conflict between the PB and the enforcement of the terms of the democratization processes of government. As partners, the city of Guarulhos opened contact with the Municipalities of Makallé and Bella Vista Corrientes, Argentina (Joint Projects, 2004).

This project was not approved by the European Commission, i.e. it could not be carried forward with funds from URB-AL. But its articulation stimulated discussions about a very important local problem: the question of the water that led to a proposal for a new project that could be developed into the Network 9. The networks are characterized by actions like this, i.e., opening the debate on international issues within the national domain, or sometimes, purely local.

The disapproval of a joint project submitted within the URB-AL does not exclude the city of the network, and as the contact with other municipalities becomes more intense, the cities which received the approval of their projects invite others to participate as members. Guarulhos was invited by Belo Horizonte (MG) to be a partner in a project approved in the Network 9 entitled: Instruments of Territorial Linkage between Planning and Budgeting, whose general objective was to identify and share best practices that seek to reconcile the territorial planning and PB. Thus, it was made a case study of five cities and a synthesis of a comparative analysis of them, as proposed in projects of Type A.

In Guarulhos, the case study referred to the map of social exclusion and participatory budgeting; in Cordova it was analyzed the link between land planning and PB; in Bella Vista it was to analyze the implementation of participatory budgeting in small towns; in Ariccia it was for contact to recast the PB. Belo Horizonte developed a case study methodology to measure the impact of the PB using the concepts of social relevance and scope of benefits (URB-AL, 2006). The exchange of information and actions proposed by the Network promotes interaction and cooperation of cities in order to improve their governance systems.

The global projection of good practices related to municipal governance, as proposed by the PB, encourages both enterprises (national and international), and governments (federal, state) to transfer more resources to the cities. The global projection also stimulates other cities to engage in the process, given its benefits. Thus, the conduct of Guarulhos in the Network strengthened the capacity of action, thus helping the city in the formation human resources. Of course there were problems and most of

them are the same seen in the Santo André case. But these problems cannot be seen as an excuse to give up of the idea of the Network. On the contrary, questions that can improve the quality of the Network for the development of new and participative ways of governance are welcome.

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