



## Knowledge: Participatory budgeting and the Porto Alegre Model

Participatory budgeting puts financial decision-making in the public's hands. There are a wide range of ways it can be undertaken, but all of them involve setting aside some part of a local authority's budget and providing a structure through which communities can set the priorities for its expenditure.

Modern participatory budgeting was born in the Brazilian city of Porto Alegre. It was part of attempts by the Brazilian Workers' Party to create a participatory democracy in place of the outgoing dictatorship.

At the start of each annual budget cycle, public assemblies were convened across Porto Alegre to enable residents to discuss how they would like to see the authority's unfixed expenditure spent. These assemblies then selected representatives for each neighbourhood to review the priorities from every district, and then in turn to elect a Municipal Council of the Budget to reconcile all the various demands from across the metropolis. This council produced the final version of the budget, which the city's government would deliver over the following year.

The Porto Alegre Model provides a roadmap of what 'peak' participatory budgeting looks like, with financial decision-making for a major urban area devolved on a grand scale. There have been various attempts at participatory budgeting in the UK, as enthusiasm for engaging residents in this way rises and falls, but in none of these experiments has any council gone so far as has been seen in Brazil.

However, following experiments with large-scale participatory budgeting in Paris, the biggest attempt by a major European city so far, the Mayor of London has faced calls for rolling-out participatory budgeting on a similarly scale. Increasingly, it is acknowledged that giving residents a direct say over decisions helps to improve those decisions as well as to deliver the buy-in of communities.

The Porto Alegre Model is no longer used in the same way in Porto Alegre itself – partly thanks to political changes and partly due to residents becoming less engaged in the model over time. (This second factor is a challenge for many forms of engagement: how do you sustain, in the long-term, citizens' appetite for proactively 'having their say'?)

Nevertheless, the Porto Alegre Model at its height represented a thorough and serious effort to hear people's voices through structured decision-making. Its key traits were a) a system which was representative of the full cross-section of opinion, b) a clarity about the parameters of decision-making (with a corresponding focus on decisions and priorities), and c) a clear end-product, with Porto Alegre citizens able to see the impact of their engagement on city finances.

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