

https://dspace.org/

The participation of informal settlement communities in city-level policy-making processes in Johannesburg

Mohamed, Salah Eddin Elzein

2010-04-09T13:02:20Z
http://hdl.handle.net/10539/7955

Downloaded from a DSpace repository. https://dspace.org/

4. Possibilities and Limitations of Informal Settlement Communities' Participation in City-level Policy-making: Lessons from São Paulo

4.1 Introduction

This chapter identifies possibilities and limitations of informal settlement communities' participation in policy-making at city-level through the analysis of examples from the Municipality of São Paulo in Brazil. It examines three participatory experiences carried out under the City's administration of the Workers Party (PT) during 2001-2004. In particular, the chapter examines the actual involvement of São Paulo's *favela* (informal settlements) communities in the preparation of the City's housing policy (2001/02); the participatory budgeting rounds of 2001-2003; and the public debate of the city's master plan 2002-2003. Drawing on published literature about these participatory examples, as well as primary data gathered during a field investigation in the city in the first quarter of 2005, I advance an argument that people living in the city's *favelas* had been able to participate in policy-making processes at city level during the municipal term of 2001 - 2004. Despite the technical nature of these processes, particularly master planning and budgeting, the City of São Paulo found effective ways that enabled these less privileged sectors of its population to participate. This chapter also points to significant limitations associated with participatory policy processes in large cities.

With a population of more than 10 million, São Paulo' public policy processes are required to be very complex in order to address its diverse developmental challenges.. During the period 2001-2004, the Brazilian city enjoyed a political environment for the participation of the poor in governance processes created by the PT-led municipal government. The São Paulo case suggests that if informal settlement communities such as those living in the city's *favelas* had been able to participate in the complex, city-level policy processes[1], it should be possible for urban governance systems that promote the

[1] São Paulo's participatory practices of 2001-2004 have been systematically eroded by the subsequent conservative municipal governments of the city. The recent review of the city's master plan was marred with strong civil society protests citing complete absence of participation.

notion of public participation in similar or less complex urban contexts to enable the same. However, the limitations I identify in the analysis of the three cases, despite the strong support from the PT-led municipal government and its civil society allies in São Paulo, suggest that limitations are likely to be found elsewhere.

In this chapter, I briefly review the context of participatory democracy in Brazil andthe local context of São Paulo, particularly its deep socio-economic inequality, as well as its governance system and political profile. I then examine the involvement of the city's *favela* communities in three city-level policy processes, namely the preparation of the city's housing policy (2001-2002), the public debate of its master plan (2002-2003) and the participatory budgeting process (2001-2003). I distil key lessons from the three examples focusing on the key factors that influence the involvement of informal settlement communities in policy-making processes.

4.2 Participatory democracy in Brazil

For the last two decades, Brazil has been an example of re-democratisation, decentralisation and policy innovation to promote the participation of local communities in policy-making (Souza, 2002; Baiocchi, 2001). The country has been home to a number of significant experiments in democratising local government institutions and the provision of services as well as efforts to strengthen popular participation in various areas of government. In 1987, a coalition of urban social movements and professional associations founded the National Movement for Urban Reform to influence the National Congress, which was preparing a new constitution for the country at the time. The central objective of the Forum was to advocate the creation of a new framework for urban policy based on the following principles:

- institution of a democratic city management system that aims at expanding citizenship and enhancing the effectiveness and efficiency of urban policies;
- reformulation of intergovernmental and government-citizenship relations - the former by way of the delegation of urban policies to the municipal level and the

latter through the adoption of mechanisms that institutionalise direct participation of the population in city governance; and

- establishment of a consolidated public regulation of land use, with the introduction of new instruments of land policy (Ribeiro and Cardoso, 1990; Fernandes, 2001; Souza, 2003).

These principles have been enshrined in Brazil's constitution, which was adopted in 1988 and included in a dedicated chapter on urban policy. The chapter, which was proposed by the National Movement for Urban Reform, provides for grassroots movements to take part in making decisions and overseeing public matters at local levels (Fernandes, 2001). To regulate the practical implementation of the urban policy chapter, the federal government of Brazil enacted a law in 2001 entitled the City Statute, which requires municipalities to democratise the processes of local decision making and thus legitimise a new, socially-oriented urban order. Several mechanisms were provided in the City Statute to ensure the effective participation of citizens and associations in urban planning and management (Fernandes, 2001; Souza, 2003).

Following these developments, governments of several cities in Brazil embarked on a variety of participatory decision-making practices, which included participatory budgeting, public debate of city master plans, and the creation of community councils to formulate and control policies on education, health and social welfare (Souza, 2001). The participatory budgeting example in particular has been praised nationally and internationally, as the most successful example of Brazil's participation experiences (see, e.g., Baiocchi, 2001; Souza, 2002; 2003). It refers to the direct involvement of communities through their leaders, civil society organisations, and individuals in the selection of expenditure priorities and the allocation of the municipal budget (Souza, 2001).

Overall, Brazil's widely acknowledged participatory urban management differs from the traditional urban management model in that it aims to combat segregation and foster a governance system where the state and civil society can work together to achieve

democratic management of the city (Martin, 1997; Souza, 2003). It is oriented towards social justice and characterised by bottom-up and participative governance which makes planning and management of cities a political and technical process, rather than only a technical one (Souza, 2003). Unlike the traditional model, which strives towards an ideal city from which 'squatter settlements' would be eradicated, this model instead recognises the existing city and does not seek to establish 'projected ideal futures', but rather 'to conceive tools for tackling urban problems in a socially just and really democratic way' (*ibid.*:194). Urban planners and managers in this approach are not seen as 'neutral experts pursuing social harmony through technical rationality' (*ibid.*:195). Rather, their role is 'to make explicit the conflicts between different social groups and to try to regulate them in a politically transparent manner and through democratic participation' (*ibid.*:195).

Souza (2003) contends that some successful examples of the Brazilian model, which he also calls 'an alternative model of urban management', are more advanced and ambitious than the usual participation schemes in developed countries, such as Britain and Germany. Using Arnstein's (1969) ladder of citizen participation, he ranks participation in Britain and Germany's cases as consultation, whereas he considers the successful example of Porto Alegre's participatory budgeting as 'an example of real participation' that 'corresponds to *delegated power*' (emphasis in the original) (Souza, 2003:202). He further argues that successful examples, such as Porto Alegre's experience, bring into existence some theoretical proposals which have been made by progressive European and American academics inspired by Habermas, that conceive planning and management as a 'communicative enterprise'. However, he cautions against the organisational weakness of civil society and the control of residents' associations by criminal gangs (e.g., drug traffickers in Rio de Janeiro), which pose a substantial challenge to successful popular participation initiatives. To take this analysis further, I focus on Brazil's economic powerhouse, the City of São Paulo, which I introduce in the following section.

4.3 São Paulo: a city with deep socio-economic inequality

The Municipality of São Paulo (referred to in this document as São Paulo) is the capital of a state and the heart of a vast metropolitan area, both with the same name. Starting as a small trading town in 1554, São Paulo soon became the coffee capital of Brazil and grew to a wealthy city that tried to emulate European cities, such as Paris, by building an elite neighbourhood named 'Champs Elisees' and a copy of the French capital's 'Opera House'. The city is located on the São Paulo plateau, above the Serra do Mar and 100km from Santos, the main port of the Brazilian coast (see map in Figure 4.1). In the early twentieth century, a class segregation in the spatial order of the city emerged with the central region of the city deliberately intended for the elite and the outside, particularly on flood plains and basins along railway lines, left for the poor. (Fix *et al*., 2003)

The population of São Paulo consists of a mix of ethnic and cultural groups. Families of African, American, Arab, Armenian, Spanish, French, Italian, Japanese, and Portuguese origin dominate the city's population. In 2000, the population of the municipality of São Paulo reached 10 434 252. The annual population growth rate dropped from 3.67% in the 1980s, to 0.85% in the 1990s, a rate lower than the national growth rate (1.63%). The city's internal population growth, however, varies greatly. While the population of the city's wealthy, well-serviced central neighbourhoods is decreasing, the population of the precarious peripheral areas is growing significantly. Between 1980 and 2000, while the inhabitants of the central districts of São Paulo decreased by 30.35%, the peripheral areas such as Cidade Tiradentes in the eastern zone of the city, Parelheiros in the southern zone, and Anhanguera in the western zone, had population growth rates of 114%, 223%, and 619%, respectively (*ibid*.).

São Paulo is Brazil's main economic and financial hub. In 2005, the city's GDP was over US$156 billion (equivalent to 12.2% of the country's GDP) and its per capita income was US$14 117, far higher than the national average, which was just over US$7000 (IBGE, 2005). According to *American Economia* magazine (2003) cited in *Municipality of São Paulo* (2003), São Paulo is not only Brazil's economic and financial hub, but also the business centre in Latin America as a whole. A research study conducted by the UNDP in

2002 found that São Paulo was one of the world's 47 centres of technological innovation and led the ranking of Brazil's high-tech cities (UNDP, 2002 - cited in *Municipality of São Paulo*, 2003:6). São Paulo's economic importance is also evident in the fact it hosts the headquarters of 70% of domestic, and all foreign banks in the country. In 2003, there were 375 multinationals in the industrial sector of Brazil that ran their activities from the city. In addition, the city of São Paulo hosts 38% of the headquarters of the top 100 Brazilian-owned private sector companies and 63% of the headquarters of the international companies in Brazil (Fix *et al.,* 2003).



Figure 4.1- Map of Brazil showing the regional context and the location of São Paulo.
Source: Budds and Teixeira (2005: 91)

Despite its thriving economy, São Paulo is characterised by deep socio-economic inequality that led to a significant percentage of the city's population being relegated to living in *favelas*. Up to the 1950s, the only form of low-income housing in the city was the overcrowded inner city tenements (*cortiços*) (Kowarick and Ant, 1994 - cited in Huchzermeyer, 2004:93). Between the 1950s and early 1970s, the most common form of

low-income access to urban land in São Paulo was the unauthorised subdivisions of land (Imparato, 1998 - cited in Huchzermeyer, 2004:95). In the late 1970s when a law that criminalised unauthorised land subdivision was passed, unauthorised sub-divisions comprised 35% of São Paulo's urban land (*ibid*.). While the late 1970s' law is said to have reduced the rate of illegal subdivisions, Huchzermeyer (2004) points out that the legislation has increased land invasions.

The first informal settlements in São Paulo were noted in the 1940s at the time of mushrooming of informal settlements in Brazilian cities, as a result of a massive migration to cities and the failure of government policies to provide adequate formal housing (Huchzermeyer, 2004). Available data indicate that at the beginning of the 21st century, about three million people were living in some form of São Paulo's illegal settlements: *favelas*; informal subdivisions; irregular subdivisions; illegal subdivisions; and rundown tenements (Cities Alliance, 2004). Residents of these settlements experience insecurity of tenure and poor urban and environmental conditions, and are subjected to violence and crime (Fix *et al.*, 2003). The location of *favelas* in São Paulo is linked to the city's physical and environmental situation (*ibid*.). They are predominately on public and private parcels of land near river banks or on steep slopes (see Figures 4.3 and 4.4); areas in which building is difficult and therefore do not interest the formal real estate market. For this reason, those pieces of land remained unoccupied by formal development and were available for invasion by those who could not afford to live in the formally developed areas.

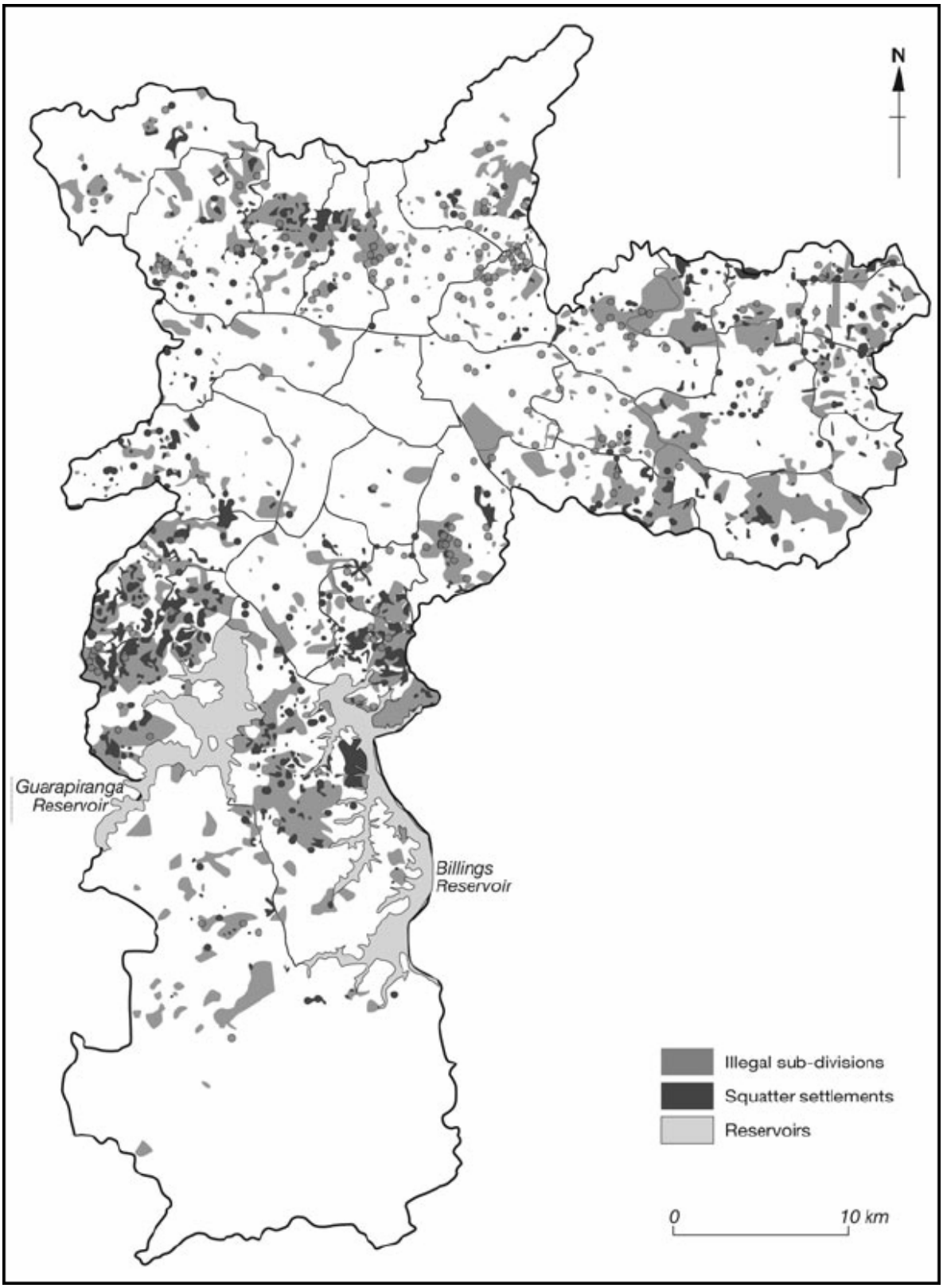


Figure 4.2 - Location of *favelas* (informal settlements) and illegal subdivisions in São Paulo. Source: Budds and Teixeira (2005: 92)

From Figure 4.2, it is clear that the majority of São Paulo's *favelas* are located on the peripheries of the city, with approximately half of them near river banks or one of the city's several drinking water reservoirs (see also Taschner, 1995). The quality of the occupied land is often poor and undesirable for formal development. The *favela* dwellings are precariously built on steep hills or in flood plains and are sometimes located next to polluting industrial areas or landfills (see Figure 4.4).



Figure 4.3 :- *Favela do Jardim Colombo* (upgraded), São Paulo. Photograph by author, February 2005.

The process of self-built housing in São Paulo in particular and Brazilian cities in general evolves relatively quickly from using simple and inexpensive materials, such as scavenged wood and corrugated metal, to using more permanent and costly materials, of which brick is the most common (Lloyd-Sherlock, 1997). Access to basic services and infrastructure is through clandestine connections to water and electricity, while sewage is

either piped into local streams or dumped into open ditches (Gutberlet, 2000). Likewise, garbage is dumped into creeks, ditches and roadsides, or it is incinerated (*ibid*.).



Figure 4.4- Dwellings in f*avela São Remo,* Butanta Sub-municipality, São Paulo. People built their huts over an open sewer from a nearby factory. Photographed by author, February 2005.

Overall, São Paulo with its population size, economic significance and deep socio-economic inequalities particularly that about 30% of its residents live in some form of illegal settlements (Gauteng Department of Housing, 2005) represents a very complex city from an urban management perspective. Its similarity in national status and socio-economic profile to the City of Johannesburg (the context of this study) makes it an appropriate example to draw from. In the next section, I look at São Paulo's system of governance and local politics.

4.4 Governance, politics and the introduction of participatory practices in São Paulo

The City of São Paulo represents a highly autonomous local authority, which is well-positioned to engage with the issues that are on the agenda of the poor sectors of its population. As a Brazilian municipality, the local authorities of São Paulo are mainly responsible for land-use management, provision of primary health care and primary education, intra-city public transportation, and historical and cultural preservation. It also shares responsibility for housing provision with the state and federal governments.

São Paulo also has strong financial capabilities. The Brazilian constitution of 1988 allocates guaranteed shares of the state and federal tax revenues to municipalities. This municipal revenue base is supplemented by local levies, such as those on properties and services, and improvement fees. In 2003, São Paulo's budget was R$10.1 billion, 47% of which was derived from taxes, 47.3% from federal transfers, 3.7% capital revenues, and 2% from equities, services, and industrial revenues (Fix *et al*., 2003). Due to the significant size of its budget, São Paulo was the only municipality in Brazil that had a municipal court of auditors; an autonomous and powerful body that became a political instrument that monitored the actions of elected executives (Souza, undated).

The governance system of São Paulo is made up of two branches: the executive (the city government) and the legislative (the city council). The executive branch consists of an elected mayor and seventeen municipal secretariats (see Figure 4.5). The position of São Paulo's mayor, who is directly elected by the eligible voters in the city, is very powerful because the mayor is responsible for policy development and implementation while the council focuses on legislation only. The position of city's mayor is also highly contested by the various political parties. Since the end of Brazil's military regime and the ratification of the 1988 Constitution, the city had five rounds of municipal elections. First, Mayor Luiza Erundina, of the left-leaning *Partido dos Trabalhadoes* (Workers' Party - PT) was elected for the municipal term 1988-1992. Erundina was succeeded by two mayors from the centre-right *Partido Progressista* (Progressive Party - PP): Paulo Maluf (1993-1996) and Celsio Pitta (1997-2000). Once again, a PT candidate; Marta

Suplicy, was elected for the period 2001-2004, followed by Jose Serra from the centre-left *Partido da Social-Democracia Brasileira* (Brazilian Social Democratic Party - PSDB) in January 2005.

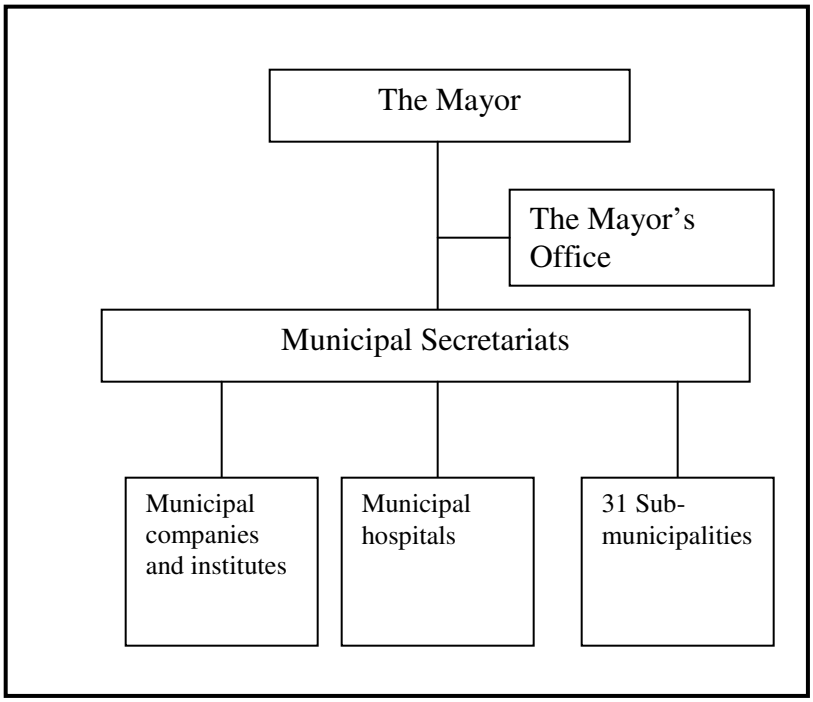


Figure 4.5 Structure of São Paulo's Municipal Executive Branch (2001-2004). Source: Author, based on information obtained from the Municipality of São Paulo in November 2003.

São Paulo's municipal administration of Marta Suplicy (2001-2004) implemented an institutional restructuring, which was aimed at the decentralisation and modernisation of the municipal government. This included the creation of 31 sub-municipalities, each with their own budget and local co-ordinators (managers). Prior to the restructuring, there were 28 regional administrations. The restructuring also targeted the old bureaucratic structures and procedures, as well as the non-participatory policy-making processes. (Municipality of São Paulo, 2003; Budds and Teixeira, 2005). During Suplicy's term as mayor (2001-2004), São Paulo was seen as a true laboratory of citizen participation (Lavalle *et al*., 2005). The city enjoyed the establishment of a wide range of participatory institutional arrangements and the strong presence of a diverse set of political and societal advocates of participatory governance (Wampler, 2004; Baiocchi, 2003), and a number of moments in the policy process during which participation was possible (Lavalle *et al*.,

2005). Decentralisation reforms initiated in Brazil with the 1988 Constitution have sought to enhance both the responsiveness and efficiency of the state by, among other measures, increasing opportunities for the voice of citizens in policy making and for holding government accountable beyond the electoral cycle and legislative bodies (Abers, 1998; Souza, 2003). In addition, the city began to receive a large share of tax revenue from the federal government (Souza, 2002). Along with the greater decision-making authority came the City's adoption of new mechanisms of popular participation that bring citizens directly into the arena of policy making, in areas such as health, education, housing, or more broadly in municipal budgeting (Lavalle *et al.*, 2005).

Underpinning São Paulo's participatory practices is the existence of a vibrant and active sector of civil society organisations that spread across several areas of social concern, such as human rights, gender discrimination, racial discrimination, children and youth health, violence, environment, culture, etc. These organisations mainly include groups such as neighbourhood associations, local movements of homeless such as the Downtown Housing Movement, and other types of community associations. Other types of organisations include co-ordinators, which encompass a variety of social actors (see also sub-section 2.4.1) such as the Union of Housing Movements of the Greater São Paulo (UMM) and the Central of Popular Movements (CMP). There are also advocacy NGOs such as the *Centro Gaspar Garcia de Direitos Humanos* (Gaspar Garcia Centre for Human Rights) working with street homeless and tenement/slum residents, and *Centro de Documentacao e Pesquisa Verguieiro* (Verguieiro Centre for Documentation and Research), *Espaco – Formacao, Assessoria e Documentacao* (Space – Capacitation, Assistance and Documentation) (Lavalle *et al.*, 2005). In my field study in São Paulo, neighbourhood associations, the Downtown Housing Movement, the Union of Housing Movements of the Greater São Paulo, and the Central of Popular Movements were mentioned as active participants in city-level policy processes.

However, considering the degree of decentralisation in the country, the constant change of administration in São Paulo as mentioned above leads to discontinuation and discrediting of the policies and flagship programmes of the previous administration

(Huchzermeyer, 2004). The participatory and pro-poor initiatives adopted by the PT administration of 1989-1992 were stopped in their tracks, and only revived after the election of Marta Suplicy in 2001. At the time of conducting the field research for this thesis in February/March 2005, most of the programmes initiated during the previous PT administration (that of Marta Suplicy: 2001-2004), including the participatory initiatives, were facing uncertainty.

Nevertheless, the trend of participatory practices in Brazilian cities and towns in general are set to continue and spread though at various levels of intensity despite the political volatility. The election of President Luis Inacio da Silva (popularly known as Lula da Silva) of the PT in October 2002 and his re-election in 2006, and the creation of the federal Ministry of Cities in 2002, meant important federal support for the policies and programmes initiated by PT municipal administrations in Brazilian cities. Ivo Imparato, a senior urban specialist with the World Bank and the Regional Advisor of Cities Alliance for Latin America and the Caribbean, pointed out that governance trends since the mid-1990s show that municipalities run by various parties in Brazil, are adopting participatory mechanisms such as municipal housing councils and participatory budgeting, which were initially branded as PT innovations (Imparato, pers. com., 2005). Although most of these mechanisms are not legislated by national laws, the Brazilian municipalities have the power to legislate for themselves.

In the remaining sections of this chapter, I examine three examples of participatory processes, which were investigated and analysed during 2005, before drawing key conclusions relating to the participation of São Paulo's *favela* communities in these processes. The three examples include the preparation of São Paulo's housing policy during 2001-2002, the public debate of São Paulo's master plan during 2002–2003 and three rounds of the City's participatory budgeting (2001/2002/2003). The examples are particularly relevant to this study because they demonstrate the involvement (or attempts to involve) São Paulo's *favela* communities in city-level policy processes.

4. 5 Participation of favela communities in São Paulo's housing policy development

As pointed out in the previous section, Brazil's 1988 constitution provides for the country's municipalities to take part in addressing housing issues, particularly slum upgrading and land tenure regularisation, (Budds and Teixeira, 2005) within a national policy framework (Huchzermeyer, 2004a). Seeking to address previous state failures in providing affordable housing post-1988, local authorities began to develop their own policies to address the housing deficit and the precarious living conditions of their impoverished populations (Cities Alliance, 2004). In São Paulo, the first PT-led administration of Luiza Erundina (1989-1992) and the two Progressive Party-led administrations of Paulo Maluf (1993-1996) and Celsio Pitta (1997-2000) initiated various housing programmes that were aimed at addressing the city's problems in this regard. Housing interventions during this period were generally fragmented, did not promote a comprehensive upgrading of *favelas* and failed to integrate the city's poor into the urban fabric. Huchzermeyer (2004) describes this period as an era of ambiguity and contradictions in housing policies in Brazil in general.

However, the adoption of the City Statute in 2001 and the creation of the Federal Ministry of Cities in 2003 appear to have offered a national framework, and put an end to the ambiguities and contradictions of the 1990s. The City Statute elaborates on the measures and tools contained in Brazil's 1988 constitution, which aim to improve urban living conditions, particularly for low-income groups (Budds and Teixeira, 2005). In 2003, the newly created Federal Ministry of Cities formulated a national policy and a national programme on the issue of urban land (Fernandes, 2006), thus opening the door for municipalities to address housing issues in a different way. Addressing the housing needs of the poor in São Paulo, therefore, became a key priority within a broad urban agenda adopted by the second PT-led administration led by Marta Suplicy, which took office in 2001 (Teixeira, pers. com., 2005). The underpinning principle of the new administration's approach to policy-making in general, and the housing policy in particular, was to affirm the rights of the city's disadvantaged communities, particularly those living in slum areas, as full citizens (Cities Alliance, 2004).

The housing priorities for São Paulo during Suplicy's municipal term (2001-2004) were identified through a participatory process that involved the concerned communities in the city. A framework for the city's housing policy was developed at a citywide conference held in 2001. Prior to that conference, 16 sub-municipal/regional conferences were organised, which covered the entire city. More than 22 000 participants representing housing movements, and communities living in *favelas* and illegal settlements, attended the regional conferences. Each group of 10 participants in a sub-municipal/regional conference elected one delegate to represent it in the citywide housing conference, which agreed on a set of priorities for the housing sector in the city. These priorities included: living in the city centre; slum upgrading; land regularisation; and the production of new houses. (Teixeira, pers. com., 2005)

The influence of the participants from São Paulo's slums in general and *favelas* in particular, on the regional and citywide housing conferences was remarkable. According to Paulo Teixeira, São Paulo's Housing and Urban Development Secretary from 2001 to 2004, the majority of participants were community and association leaders from the city's *favelas* and illegal settlements. São Paulo's powerful Union of Housing Movements, as well as its neighbourhood associations and local movements of homeless people, played influential roles in the deliberations and final decisions of the regional and citywide conferences (Teixeira, pers. com., 2005).

The process of public participation, particularly the involvement of the *favela* communities, in the housing policy process did not end at the citywide and sub-municipal conferences, but went beyond identifying priorities to take control of programme formulation, implementation and monitoring. One of the key resolutions of the citywide housing conference was to establish a Municipal Housing Council for São Paulo to further elaborate on the housing policy, manage the Municipal Housing Fund, and monitor the implementation of the various housing programmes adopted in the citywide conference. São Paulo's City Council (the legislature) approved the proposal and passed a municipal law in 2002, which established the housing council. The Housing Council

consisted of 48 members: 16 representing the popular housing movements in the city (directly elected through a process of popular vote in which more than 33 000 people participated); sixteen members representing the civil society groups in the city (elected in a citywide forum attended by representatives of the different civil society groupings in the city); and sixteen members representing the public sector (appointed by the municipal, state and federal governments) (Budds and Teixeira, 2005; Comaru, pers. com, 2005).

To deepen and sustain popular control over housing matters in the city, São Paulo's Housing Council established specialised councils for the four priority programmes identified in the citywide conference, namely, living in the city centre, slum upgrading, land regularisation, and housing production (Teixeira, pers. com, 2005). The purpose of the specialised programme councils was to investigate the problems of their designated areas of focus in a systematic way, and to propose strategies to address them. The specialised programme councils were given powers to decide on implementation aspects of the housing projects such as locations, timing, etc. The programme councils also played a strong role in mobilising grassroots activity and exerting pressure on the legislature to approve the municipal laws that regulate their functioning, as well as the proposed programmes and budgets. In addition, the programme councils also played a very important role in other participatory processes in the city, especially in 'participatory budgeting', to ensure fair budget allocations (Barbosa pers. com., 2005; Teixeira, pers. com., 2005)

The participation of São Paulo's communities and community organisations in developing its housing policy and monitoring its implementation has been hailed as a model of social control over development interventions by disadvantaged sectors of society (Budds and Teixeira, 2005). Community leaders and organisations from *favelas* and other slum areas in São Paulo, had a strong presence and influence throughout the entire process of developing and implementing the housing policy. A community representative in the Housing Council, Barbosa, (pers. com., 2005) described his experience in the council as 'an exciting and useful one'. According to Barbosa,

discussions in the meetings of the Housing Council were very lively and focused. He particularly mentioned heated debates on how to address the problem of *favelas* built on areas of risk, such as mountain slopes and river banks (*ibid*.).

It is worth mentioning that São Paulo's participatory housing policy achieved visible results for its low-income residents, particularly those living in *favelas* and illegal settlements. By the end of the 2001/04 municipal term, the results of the various programmes included: land regularisation and issuance of property deeds for 45 000 families living in 160 public areas; upgrading and land regularization of 69 informal subdivisions benefiting 50 000 families; and urban and environmental upgrading through the Water Source Programme, benefiting a total of 10 083 families (3523 living in slums and 6560 living in illegal subdivisions) (Cities Alliance, 2004; Teixeira, pers. com., 2005). Arguably, these visible results are likely to increase trust among beneficiary communities in participation processes, not only in the housing sector but also in other areas of urban social development and encourage them to take further steps to strengthen their involvement in future processes.

This example demonstrates the possibility of meaningful involvement of informal settlement communities in developing and implementing a housing policy, a matter that sits high on the agenda of the urban poor. The engagement was made possible by the fact that the municipal government of São Paulo has the mandate to address its housing problems within a national policy framework. As was noted earlier in this section, the city's housing policy was part of a broader urban policy in São Paulo that included other participatory processes, such as the public debate of the city's master plan and participatory budgeting, which will be discussed in the following sections.

4.6 Participation of favela *communities in São Paulo's master planning process*

A city master plan, in the conventional sense, is a regulatory plan that describes 'a desired end-state [and regulates]…private decisions and actions to bring that state about'

(Alexander, 1986:71). One of the principal objectives of a conventional master plan is to regulate and guide city growth (*ibid*.). This objective is founded on a notion that assumes the existence of 'an optimum size [of a city] beyond which growth would be counterproductive due to overcrowding and congestion' (Jenkins, Smith and Wang, 2007:130). This type of city master plan, therefore, is normally prepared by professional planners (usually foreign or private consultants) who are seen as 'neutral experts' (*ibid.*). It does not involve public participation in any way.

While advocates of the participatory urban management approach (see section 3.5) generally reject the purely technical, top-down processes associated with conventional city master planning, they remain convinced that 'city master plans' are potentially important instruments of social change (Alexander, 1986). They suggest a different conception of city master plans and the role of professional planners. A master plan, according to them, is 'indispensable for overcoming the extreme social inequality and poverty' (Cabral and Moura, 1996:56). It is no longer viewed 'solely as a technical *process*; but instead considered as a political-technical process' (Souza, 2003:195). Planners who engage in the preparation of this 'new' type of city master plan should not see themselves as 'neutral' experts 'pursuing social harmony through technical rationality' (*ibid*.). Rather, they should strive 'to make explicit the conflicts between different social groups and to try to regulate them in a politically transparent manner and through democratic participation' (*ibid*.). As such, the conception of the 'new' master plans encourages civil society organisations, particularly neighbourhood associations and social movements of the poor, to take their struggle for accessing urban land and other resources to the arenas of the conventional planning tools. The struggle of these organisations for democratic urban planning thus becomes 'a part of the struggle for a more rational and equitable distribution of city resources and perhaps even for a new social order' (Cabral and Moura, 1996:56). In the end, the approach is believed to be effective in realising the aim of a more just city.

For São Paulo up to the 1990s, the last approved city master plan was in 1971 during the military dictatorship in Brazil. The process of developing and adopting that master pan

was ‘purely technical, undertaken by a council that did not have actual powers’ (Bonduki, pers. com., 2005). During the following 30 years, there were four proposals of master plans for São Paulo but none of them was approved by the council, mainly due to restrictions by the military government on municipalities (*ibid*.). After the enactment of the City Statute in 2001, São Paulo embarked on a process of developing a master plan according to the principles enshrined in the Statute.

In 2002, following a series of consultations with different stakeholders and social actors in São Paulo, the city administration tabled a proposal of a master plan in the city council for approval. During the discussions of the proposal, the city council noted that public participation in the preparation of the proposal was not enough to meet the requirements of the City Statute. In addition, the proposal was also found to be very complex, containing an array of broad, citywide interventions, as well as detailed interventions that concerned certain districts in the city (Bonduki, pers. com, 2005). Consequently, the council decided to split the process of adopting the master plan into two phases. In the first phase, São Paulo’s 16 sub-municipalities/regions were asked to set up public forums to debate and decide on the proposed interventions for their area, and make recommendations for citywide interventions to the city council. This first phase ran for four months - the beginning of December 2002 to the end of March 2003. In the second phase, the city council discussed and decided on all citywide proposed interventions including those recommendations made by the sub-municipal public forums (Santoro, pers. com, 2005).

Public participation at this stage was intense and relatively inclusive. In the first phase of the process, 250 local public forums were organised in the city’s 16 sub-municipalities to discuss the proposed local and citywide intervention issues. About 10 000 participants, including representatives of neighbourhood associations, social movements, NGOs, and the business sector as well as individual citizens, attended these forums. Officials from the city council took part in these forums and provided information and documented the deliberations in the meetings. Some professional NGOs were tasked with providing

technical support and educating the public about matters pertaining to master planning processes (Bonduki, pers. com., 2005).

Information dissemination and education of the general public about the various aspects of the city master plan, was regarded as a critical factor to the success of the process. The city prepared a general guide that provided crucial information about the main aspects of the master plan to the citizens and civil society organisations. There were some instances where people living in poor areas, such as *favelas,* received special attention in the information distribution. The manager of the Butanta sub-municipality during the time of preparing the master plan, believed that master plans should be for the poor and that his administration did everything possible to encourage the poor to take part in the process (Barbosa, pers. com., 2005). In his words:

> Historically, master plans had favoured the privileged sectors of the society. We knew that people who live in the peripheral areas know nothing about the master plans and cannot participate effectively in discussing them. We started to disseminate information about the plan to the poor communities and include the people from poor communities in the same meetings with the rich people. For example, when we discussed that a particular zone would be designated only for housing and no business would be allowed, people would fight. We had three types of actors in our meetings: the residents, the business sector, and the poor people who are working as hawkers. These sectors talked to each other during the process. We brought them to these meetings to talk and understand each other. What happened was marvellous. They started understanding the needs of each other (*ibid*.).

However, despite the official efforts to raise awareness and educate the public about the city master planning process, there are indications that people from disadvantaged communities did not understand the concept and the purpose of master planning. For example, a leader from the *Movemento Popular do Butanta* (the Popular Movement of Butanta) believed that 'community participation in the city master planning process was not good' (Lima, pers. com, 2005). She pointed out that, during the public debate on the master plan, her organisation 'made proposals for specific interventions such as road pavements, building utilities, etc. that did not appear in the final document' (*ibid*.). Nabil Bonduki, who was the official in charge of the process of master planning in the municipality, says Lima's claim reveals 'a strong contradiction between the broader

emphasis of master plans and the narrow interests of specific interest groups (in this case the Popular Movement of Butanta, which represents the interests of the communities living in *Favela do Jardim Colombo* of São Paulo)' (Bonduki, pers, com., 2005). The former had clearly not been communicated adequately to the Butanta community despite the education efforts made by the administration of the Butanta area.

The public debate on São Paulo's master plan was characterised by complex negotiations between variety of interests in the city. This was mainly due to the importance of the master plan in determining the patterns of development in the city for 10 years to come. The main social actors, who actively participated in the debate, included:

- neighbourhood associations of the rich areas in the city, such as the districts of Morumbi and Jardim Europa;
- associations of the business sector, particularly those involved in housing and property development;
- community associations, social movements and NGOs representing communities living in *favelas*, illegal and irregular settlements, and other slums; and
- progressive urban professionals and academics (Bonduki, pers. com., 2005).

In addition to those groups, there were smaller interest groups which were concerned with specific interventions, such as changing the zoning of an area. In most of the cases, these groups associated themselves with councillors to support their cause. In a city of more than 10 million people, there would be many groups like these, which added to the difficulties of the negotiation process in these cases (*ibid.*).

The involvement of São Paulo's *favela* communities in the debate on the master plan was relatively weak when compared to their involvement in other participatory processes in the city, namely, the housing policy and the participatory budget. The debate of the master plan was organised at a time when the city was also conducting public participation on the housing and transportation policies. Due to the fact that most community organisations and social movements that represent the *favela* community are formed around the issues of housing and access to land, they chose to focus on

participation in the housing policy processes. Paulo Santoro, a researcher from the POLIS Institute, which provided technical support to the public debate of the master plan in 2002-2003, stated:

> While we were engaging local communities on the city master plan, the city was also conducting public participation on the housing policy and the transportation plan. Most of the social movements of the poor in São Paulo are organised around housing issues, so they went to the housing policy meetings (Santoro, pers. com).

This was a setback from the viewpoint of representing the voices of the poor in the master plan forums. For instance, in the area of Mooca in central São Paulo, property owners made a recommendation to remove a *favela* from the area, claiming that it affected the values of their properties. When the proposal was being debated at the master plan forum of the area, only few individuals from that *favela* were present, while the leaders of their community organisations were attending other meetings concerning the housing policy. The organisers of the master plan forum (who were sympathetic to the *favela* residents), postponed the discussion on the removal proposal to allow the organisations to join at a later stage. Eventually, the proposal was blocked and the *favela* remained (Santoro, pers. com, 2005). This incident highlights that the 'participatory' master plan, which was envisaged to benefit the poor, could have disadvantaged them had the officials not intervened in this sympathetic way. It also reflects a lack of understanding from the *favela* communities about the significance of master planning and its long term consequences.

São Paulo's experience demonstrates the possibility of involving the public in the process of preparing a city master plan. City officials and urban professionals in São Paulo consider the involvement of about 2000 civil society organisations and associations in the public debate of São Paulo's master plan, to be a huge step forward compared to the city's previous processes of preparing its master plans (Bonduki, pers. com, 2005; Cymbalista, pers. com., 2005; Santoro, pers. com., 2005; Teixeira, pers. com., 2005). However, the participation of only 0.1% of the city's population remains very little (Bonduki, pers. com, 2005). It was acknowledged that communities from the rich areas of São Paulo participated more actively in this process than their counterparts from the

poorer areas of the city. Bonduki explains that communities from the wealthy parts of the city appeared to have understood the long-term consequences of the master plan on their businesses and properties (*ibid*.). The lack of vigorous involvement of the *favela* communities in the process compared to their involvement in the housing policy and participatory budgeting examples, may point to a lack of understanding of the serious implications of master planning.

4.7 Participation of favela communities in São Paulo's participatory budgeting

A 'city budget' usually refers to that city's comprehensive statement of finances-revenues and expenditure - for a particular year (Das, 2007). Recently, city budgets have become the most important tools for local governments through which they deliver on a wide range of responsibilities. In the traditional urban management approach, the process of budget preparation is considered highly technical and therefore requires technocratic knowledge (Das, 2007). This understanding suggests that seeking to involve ordinary citizens in the budget preparation process as in the participatory urban management approach is a particularly complex and difficult task. However, the notion of 'participatory budget', which started in Brazil but is also practised in many cities in Latin America, Europe and recently in Africa (Lavant, 2007), challenges the understanding that budgets are neutral to political choices and that budget proposals are based on technocratic analyses, assumptions, and conclusions (Das, 2007).

The phrase 'participatory budgeting' refers to the direct involvement of communities through their leaders and their community organisations, and of individuals, in the selection of expenditure priorities and the allocation of resources (Lavalle *et al*., 2005). Participatory budgeting depends on the mutual participation of civil society and state officials in the selection of policies and public investments (Abers, 1996). In its own right, civil society is represented in the participatory budgeting process by a myriad of individuals, activists from social movements, and leaders of community associations. The state, on the other hand, is represented by the municipal officials.

The idea of participatory budgeting, according to Celina Souza (2001), emerged from the intention of 'pro-poor' politicians and local community organisations in Brazilian cities, as a tool to tackle the wide inequalities in the distribution of public goods. In that country, there are various versions of participatory budgeting, but the best-known example is that of Porto Alegre, the capital of Brazil's southern state of Rio Grande de Sul (Abers, 1996; World Bank, 2001; Lavalle *et al*., 2005). In this example, almost 5% of the population participates annually in the discussions of the city's budget. Another interesting example is that of *Belem* in northern Brazil, which has a youth participatory budgeting process. In this example, only the youth participate in selecting priorities for the city. Obviously, the priorities in this case are quite different from those of the traditional examples in that they are less linked to basic needs such as housing and sanitation, and more linked to public spaces for leisure (Rolink and Cymbalista, 2004).

In São Paulo, participatory budgeting was weakly introduced by the first PT administration, led by Mayor Luiza Erundina from 1989-1992. Despite her deep roots in civil society, Erundina could not implement a successful participatory budgeting process due to the strong opposition she faced from the city council, of which her party comprised only one-third of its members (Wampler, 2004). The second PT-led administration of São Paulo led by Mayor Marta Suplicy (2001-2004), revived the idea of participatory budgeting and managed to achieve a reasonable degree of success (see Rolink and Cymbalista, 2004; Lavalle *et al*., 2005). The process operated in a cyclical manner, consisting of three participatory phases before a co-ordination council took over to draw up a citywide plan for service and infrastructure interventions. Table 4.1 outlines the processes of participatory budgeting as implemented in São Paulo during 2001/02/03

Table 4.1 shows that communities throughout the city participated annually in thematic and territorial assemblies which identified priorities for district and city interventions. Participants also elected their delegates who, in turn, elected members of the Co-ordination Council for the Participatory Budget (Municipality of São Paulo, 2003). The role of the Co-ordination Council was to oversee the implementation of the decisions

made during the process and to negotiate any changes proposed by officials. The Co-ordination Council, which remains in charge until the next round of budgeting in the following financial year, also included public officials with no voting power (Municipality of São Paulo, 2003:57; Lavalle *et al.*, 2005:6). Lavalle *et al*. (2005) indicate that the institutional design of São Paulo's participatory budgeting processes included two cycles that favoured different actors. While the territorial cycle was designed to facilitate involvement of people especially from local, territorially-based associations (such as neighbourhood associations) which have an interest in obtaining urban infrastructure, the thematic cycle favoured issue-based organisations that focus on policy at municipal level.

In 2001, the first year of the reintroduction of participatory budgeting by Mayor Suplicy, about 34 000 people (0.33% of the city's population) participated in São Paulo's participatory budgeting process. The number of participants increased to 55 000 in 2002 (0.53% of the city's population), and to 80 000 (0.77% of the city's population) in 2003 (Lavalle *et al.*, 2005). This steady increase in the number of people who participated in the budgeting process could be attributed to the increase in credibility of the system, following the implementation of a number of decisions made by the assemblies (Rolink and Cymbalista, 2004), and to the publicity given to the processes by the city (Lavalle *et al*., 2005). Lavalle *et al*. (2005) observed relatively high participation of the low-income sectors of the population in São Paulo's participatory budgeting processes, which is the opposite of the master planning example. According to them, individuals earning up to two minimum salaries, who comprise 20% of the city's population- mainly from slum areas, accounted for 25% of the participants in the assemblies. By contrast, individuals earning between five and 10 minimum salaries, who comprise 25% of the city's population, accounted for only 17% of participants in the assemblies (Lavalle *et al*., 2005). People in the poorer areas of the city are more concerned with local services (water, electricity, road pavements, etc) that directly affect their lives, which are not the focus of master planning. The question of upgrading certain areas of the city could be a question for master planning, but the details of this are budgeting issues (Bonduki, pers. com., 2005).

Table 4.1: Processes of Participatory Budgeting in São Paulo (2001 – 03)

Phase	Goal	Process	Time frame
Feedback meetings	To inform the public about progress made in the previous financial year and resources anticipated for the following year.	City officials made presentations to 28 regional public meetings on the progress made in projects approved in the previous year; the previous year's spending, and anticipated resources for the following year.	February and March
Thematic meetings	To identify intervention priorities in areas of housing and urban development, transport and traffic, citizenship and social inclusion, economic development, and environment.	The city government prepared analysis reports on the five thematic areas and presented them to 45 informative thematic assemblies (five assemblies in each of the nine macro-regions of the city). The thematic assemblies met to deliberate and select five priority programmes for each theme, and chose delegates who elected members of the Co-ordination Council of the Participatory Budget.	April and May
Territorial meetings	To define service and infrastructure interventions needed in each of the 96 districts of the city.	The city government presented an analysis of the state of services in the city to 270 preparatory meetings at census regions, who debated the analysis and selected a third area for intervention besides education and health. Deliberation meetings in the city's 96 districts to select priority interventions in education, health, and a third area chosen in the preparatory meetings. Participants chose delegates who elected members of the Co-ordination Council of the Participatory Budget.	June and July
The Co-ordination Council of Participatory budget	To draw up the "Works [infrastructure] and Service Plan" and monitor implementation.	The Co-ordination Council discussed the proposals from the different assemblies and drafted the Works and Service Plan for the city. The draft plan was sent to the city council for approval. If changes were required to the Plan, they were negotiated with the Co-ordination Council.	August

Source: compiled by the author, based information from Municipality of São Paulo (2003), Rolink and Cymbalista (2004) and Lavalle *et al*. (2005).

The participatory budgeting example demonstrates, once again, the possibility of involving the poor sectors of society such as informal settlement communities in a meaningful participatory process. São Paulo's *favela* communities participated directly and indirectly in identifying intervention priorities, allocating resources and monitoring the implementation. During this process, city officials could only advise on technical matters or negotiate changes with community representatives in the Co-ordination Council of the Participatory Budget (Municipality of São Paulo, 2003).

However, there are weaknesses attributed to the practice of participatory budgeting in general. The process is seen as prone to manipulation by those who are able to mobilise parts of the community to support their interests in the participatory budget (Rolink and Cymbalista, 2004). Another weakness of the practice is the limited percentage of resources subject to allocation by the participatory budgeting mechanism, compared to that allocated by the city's executive and legislative branches. In 2002, for example, São Paulo's participatory budgeting involved only 6% of the city's budget (Municipality of São Paulo, 2003). Nonetheless, there seems to be a broad agreement in the literature (see Abers, 1996; Baiocchi, 2001 and 2003; Avritzer, 2002; Dagnino, 2003) that despite its problems, participatory budgeting remains an important step towards creating a true participatory model of governance with significant implications regarding the role of the state in facilitating citizen participation.

4.8. Lessons from São Paulo's examples

Despite the large size of São Paulo and the complexity of policy-making processes in such a polity, the three examples have shown that informal settlement communities can participate in city-level policy processes, but with some limitations. During the period covered by this study, São Paulo enjoyed favourable conditions for the involvement of poorer sectors of society in shaping city-wide public policies. It is worth noting that the mayor who ran the city during the period covered by my field

study won the election under the banner of asserting the right of poor people to the city. The mayor was also supported by a coalition of pro-poor, social movements and advocacy NGOs. This provided the city with a pro-poor, pro-participation political leadership. There are other factors to the success of the city's municipal administration in promoting the participation of the poor in the processes of preparing the three urban management tools that include its constitutional mandate and the approaches to development planning and public participation.

The extent of the city's mandate in dealing with the broad socio-economic issues that encompass the priority needs of the informal settlement communities appears to be critical in facilitating the participation of these communities in policy-making. São Paulo's municipal authority could engage their *favela* communities in a meaningful way mainly because its substantive responsibilities include matters that appeal to these communities. In addition to conventional municipal functions, such as provision of basic services, São Paulo also has a constitutional mandate to share responsibility with the state and federal governments in addressing housing issues. This directive offered the city an opportunity to engage its *favela* communities in developing its housing policy the way it did.

The city's approach to development planning appears to be an important factor in encouraging the participation of its *favela* communities in policy making processes. The relatively high level of involvement by the *favela* communities in the housing policy and the participatory budgeting processes suggests that these communities are more inclined towards taking part in forums that address their immediate and/or direct needs. A sectoral approach to planning and policy-making processes appears to have created encouraging forums for São Paulo's *favela* communities, who were less enthusiastic to join the more strategic processes of the city master plan, although the city master plan might be more critical in addressing their needs in the long run. Certainly, this is a setback for the idea of developing participatory city planning.

The approach to public participation is another important factor in enabling the informal settlement communities to engage more effectively. São Paulo's approach to public participation empowered the disadvantaged communities and involved them in shaping the participation mechanisms. For example, these communities had the opportunity to participate, through their leaders and representatives, in designing the mechanisms of participation and influencing the arrangement for their involvement in the housing policy processes. As a result, these communities managed to exercise their control over significant aspects of this sector. In this case, a degree of 'citizens' power' was achieved as the municipal government was 'supportive' (Choguill, 1996) of the *favela* communities and 'open' to their involvement in policy-making.

The cases of the housing policy and participatory budgeting have shown that the intensity of participation and visibility of the results, are crucial in encouraging the informal settlement communities' participation. Certainly, their involvement in identifying priorities, developing policies, designing programmes, allocating resources and monitoring the implementation, strengthen their confidence in the system. Also, the visible implementation of decisions made through participatory mechanisms increases credibility of the system.

Overall, São Paulo's three examples demonstrate that government-sponsored participatory mechanisms appear to be helpful in involving disadvantaged groups in policy processes. As argued by Baiocchi (2003:53-4), government creates 'empowerment settings' by providing material and logistical support for continued discussions and making 'available a language of common problems as a marker for the public interest'. Writing about the Brazilian experience, he stresses that these empowered settings have the potential to bring in those participants otherwise relegated to subaltern spheres' (*ibid*.:54). This begins to address a crucial unanswered question about whether state-driven reforms are conducive to democracy in the absence of a self-organised citizenry, or an autonomous associational realm (Emirbayer and Sheller, 1999 - cited in Baiocchi, 2003:54).

However, Souza (2003) in his analysis of 'alternative urban planning and management in Brazil' disagrees with this argument and points out that a major prerequisite for the success of the Brazilian model is a conscious, organised, and mobilised civil society. In his analysis, if this prerequisite cannot be met, then 'there is always the danger that the local state will not restrict itself to the role of co-ordinator of the process' (*ibid.*:203). Instead, the local state will 'try to substitute paternalistic schemes for genuine participation' (*ibid.*:203).

The three examples from São Paulo are also useful in understanding the limitations of participatory policy making in big cities with informal settlements. Public participation, by its nature, may lead to focusing public policy on localised, short-term interventions. Yet big cities also require long-term and citywide projects, especially in infrastructure development, which cannot easily be agreed on by the different sectors in a large, diverse city. Community representatives and social movement leaders tend to push for public investment to happen in their own areas, thus undermining the city's ability to address its broad problems. Another limitation pertains to the tendency of the informal settlement communities to participate in forums that relate to their immediate needs, such as the cases of the housing policy and the participatory budget, while ignoring processes that result in strategic but long-term interventions, such as the city master plan every 10 years.

4.9 Conclusion

In conclusion, São Paulo's three cases of citywide participatory policy processes demonstrate that informal settlement communities can meaningfully participate in policy-making, provided that the city has a mandate to deal with the issues that concern these communities. Despite the complexities of policy-making in a big city such as São Paulo and the technicalities associated particularly with budgeting and master planning, the city's *favela* communities were meaningfully involved in these

processes through their social movements, as Souza (2003) suggests,. The successes of São Paulo are based on the existence of appropriate mechanisms for these communities to pursue their interests and the deliberate arrangement by the authorities to empower them by affording them the opportunity to negotiate their involvement. Nevertheless, the experiences also reveal a significant limitation, which relates an apparent tendency by the *favela* communities to participate in processes that deal with their immediate interests at the expense of those intended for long-term changes.