INTRODUCTION

Evaluating Participatory Democracy

In the modern world, there is hardly an idea more fundamentally contested than the idea of democracy. Indeed, if there is anything that we can agree on it is that democracy is always being redefined. In recent times, ideas of participatory democracy have gained renewed interest. The lineage of this idea goes back to the most classic conceptions of democracy with roots in the thought of Aristotle, but the idea has also periodically been revitalized in the works of Rousseau, Carole Pateman, and most recently Habermas among many others. The poles of the debate have hardened between those who define democracy as a set of representative institutions and those who define democracy as a set of qualitative practices that approximate normative ideals of democratic opinion-and-will formation. This divide has been usefully summarized by Shapiro (2003) as pitting aggregative theories of democracy versus deliberative theories. Shapiro observes that while aggregative theories, which focus on how individual preferences are added up, are strong on evidence and well grounded empirically in a range of studies on formal democracy (and have taken center stage in the mainstream political science literature), ideas of participatory democracy are strong on theory and moral-philosophical grounding, but rather weak on evidence and empirical testing. If the case for participatory democracy has received voluminous attention,[1] it rests on what are rather fragmented and thin empirical grounds. The literature is full of rich, contextualized, and extremely informative accounts of successful cases of participatory democracy.[2] But in almost all of these cases the empirical findings generally suffer from two limitations. First, it has been difficult to actually isolate the impact of participation and to determine how and why participation makes a difference. Second, because much of the literature is still preoccupied with making a normative argument and with contesting the dominant focus on representative institutions, it has largely failed to examine the relationship between participatory practices and state institutions.

Renewed interest in participatory democracy has been driven by a range of real-world struggles that run the gamut from daily engagements to make state actors more accountable to broad-based mobilizations to wrest control of nominally democratic systems from elites. Arguably, such struggles are a continuous, necessary, and vital dimension of any democratic society, constantly being played out in countless institutions and through diverse modes of contention. If scholars have increasingly turned their attention to the specific notion of participatory democracy it is because we can now identify an increasing number of cases, particularly in the global South, where political and social actors have made concerted efforts to translate these democratic churnings into institutionalized processes of citizen engagement. These experiments in participatory governance have taken many forms, emerging at different scales and with varied scopes. Some have been driven by highly organized demands, others by more inchoate forces. This variation in part explains why scholarly research has yet to produce the quality of empirical research associated with studies of electoral systems, political parties, and more the formalized and familiar expressions of representative democracy. The case of Brazil's *Orçamento Participativo*, or Participatory Budgeting (henceforth PB), presents as such a unique opportunity.

THE "CHAMPION OF POPULAR PARTICIPATION"

The city of Gravataí (pop. 232,000), in the state of Rio Grande do Sul, is a nondescript, medium-sized industrial city at the edge of the Metropolitan Region of Porto Alegre. Often seen as little more than a bedroom community, most of the city consists of large expanses of unplanned settlements, poorly served by urban infrastructure. Long in the grip of a few influential charismatic politicians tied to the small, local elite, the town was all but bypassed by the social movements so present in larger cities in the country since the 1980s. Things began to change in the mid-1990s, however, when word of the celebrated "Participatory Budget" reached Gravataí. The apparent success of that institution in drawing thousands of ordinary citizens to participate in governance and promote redistribution captured the imagination of the small number of local activists. The rightist administration of Edir de Oliveira was coming to a disastrous end, leaving behind unfinished public works projects, serious problems in the Health and Education Department, and months of nonpayment of municipal employees, so the 1996 elections were seen as a moment of opportunity.

One of the candidates was former mayor (1989–92) Marianno Motta, of the Democratic Labor Party (PDT), who ran with the support of neighbor-

hood associations and who emphasized health and education for the poor. The other was a local community activist and high school history teacher, Daniel Bordignon, from the Workers' Party (PT). Bordignon was backed by teachers' unions and ran on a platform centered on the immediate implementation of Participatory Budgeting.

Bordignon won by a slim margin and almost immediately after assuming office delivered on his promise of Participatory Budgeting. Veterans of the Porto Alegre administration came to offer technical assistance, and by March of 1997 the first meetings of the Participatory Budget were held. As in Porto Alegre, ordinary citizens were called upon to decide on the municipal budget in a series of meetings organized in a yearly cycle. Also as in Porto Alegre, these meetings were organized throughout the city to define local priorities and projects; delegates from the various districts would then formulate a budget of projects. But unlike Porto Alegre, the idea of Participatory Budgeting did not come from the city's social movements, and there were no social movements to contest the format or the rules of the process. In fact, the few neighborhood associations in Gravataí, which were tied into the clietelistic networks of the traditional political oligarchs, boycotted the process only to be discredited entirely as the process took hold.

At first, the process bore more than passing resemblance to Porto Alegre's model. Its rules, yearly cycle, and format were for that first year copies of the original but changed quite starkly for the second year as a pragmatic adaptation to the perceived lack of capacity of civil society. The willingness to experiment with a blueprint and to transform it based on local context is a hallmark of the Gravataí story, and indeed of all of our cases of PB in this book.

The resulting institutional process was simplified to focus on tangible infrastructure projects and was significantly decentralized so that it included a round of eighty-five assemblies in the various neighborhoods. Government employees would now also play a much more active role in drawing participants and coordinating demands, a function carried out by civil society in Porto Alegre. As a result of these changes, the process drew massive numbers of participants. In Gravataí, almost twelve thousand adults participated in the city's PB in 2000—-that is, roughly 10 percent of the adult population. Proportionally, this was four times greater participation than in Porto Alegre. These high numbers were bandied about with pride by administrators, and the slogan "The Champion of Popular Participation" became part of the advertisement for subsequent yearly cycles of PB in 1999.

Municipalities (*municípios*) like Gravataí are good places to examine and evaluate the impact of participatory reforms. Unlike the much celebrated and much studied marquee cities of Porto Alegre, Belo Horizonte, and São Paulo, the eight municípios we study in this book are far more representative of Brazil's more than five thousand municípios. Using a sampling logic that was designed to allow us to isolate the impact of PB, we ended up pairing four PB municípios with four non-PB municípios that were all midsized. In contrast to the more celebrated cases in the literature, these urban settings lack many of the attributes that one might normally associate with innovative democratic experiments. None of our eight is a capital city or critical regional center. All are either on the periphery of more dominant urban centers such as Porto Alegre and Sao Paulo, or in regional hinterlands such as the Brazilian northeast. Medium-sized cities are often poorer and have smaller middle classes of professionals; they tend not to have universities, and thus the student activists and professors that have led so many of Brazil's civil society organizations; with one exception they were largely bypassed by the organized actions of the pro-democracy movement in the 1980s and are largely disconnected from national networks of political and social elites. These cities also face distinct challenges in a federal arrangement that privileges large metropolises: their fiscal capacity is smaller; they are more dependent on government transfers for the provision of services; and they are often caught in the institutional vacuum of metropolitan governance.

Yet, increasingly, these second-tier cities have become more representative of the developmental and democratization challenges of contemporary urban Brazil. First, population growth in these cities has outpaced larger ones as metropolises have tended to deconcentrate toward metropolitan regions in the 1990s. Second, in fact it is in these cities that experiments with democratic participation expanded in the late 1990s. Of the 104 municípios with Participatory Budgeting in 1997–2000, 94 were in cities with fewer than five hundred thousand residents. Most of the new expansion has been precisely in places like Gravataí—medium-sized cities, without much prior experience of social movement mobilization, faced with significant fiscal challenges.

As such these cities represent particularly important test cases for the impact of participatory reforms. In pairing cities that adopted PB with cities that did not, our most immediate objective was to develop a methodologically rigorous test of the impact of PB. But our broader goal in this book is to use PB as a window into understanding processes of democratic transformation and to do so in

settings that provide significant challenges to making participatory governance work. The lessons we hope to draw from these cases have broader significance. As a set of reforms, PB implies a significant shift in distributional power from the local state and elected representatives to ordinary citizens. Understanding when and how such a power shift actually occurs can directly inform a wide range of debates on participatory democracy and urban transformation.

LOCAL GOVERNMENT AND DEMOCRATIC TRANSFORMATION

Local government is a critical domain of democratic life. A long line of democratic theorists running from John Stuart Mill to Robert Dahl have argued that it is in local settings that citizens learn democracy. Just as assuredly, it is through local government that most of the services and resources that constitute development and that people care most about—basic infrastructure, primary health care, education, economic support, policing—are either provided for or actually delivered. Yet the debate about democracy and development has for most of the post-WWII period focused on national and global units of analysis. The metric of development has invariably been highly aggregated measures such as Gross Domestic Product (GPD) or the Human Development Index (HDI), or broad institutional measures such as developmental states, the rule of law, or good governance. Three important developments in recent years have drawn our attention to local government.

The first has been the increasing recognition by scholars that within-country variations in levels of development and democratic practice are sometimes more pronounced than between-country variations. In a country as big and diverse as Brazil, variations in social and economic indicators are dramatic, and scholars of democratic politics have shown that democratic norms and practices, and in particular the degree to which public legality is actually established, can vary dramatically within the same national territory (O'Donnell 1999; Heller 2001). These observations have spawned a whole new literature focusing on subnational units of analysis (Snyder 2001).

Second, accelerated rates of urbanization have made towns and cities increasingly important, both as centers of economic activity but also as complex sociopolitical units that pose particularly acute challenges of governance. If cities and urban issues long lived in the shadow of the traditional development literature focus on rural areas, the study of urban settings, and with it of the related fields of urban politics, planning and urban sociology, have assumed a new prominence in the development literature.

Third, in the 1990s scholars looking to the global South found what often appeared to be contradictory effects of globalization: the deregulation and liberalization of national economies; the decentralization of national states; and tentative steps toward democratic consolidation. Particularly contested in the literature, and on the ground, was the understanding and experience of decentralization that occurred nearly universally in the developing world. For some, decentralization was the necessary vehicle for dismantling bloated, rent-seeking national-level bureaucracies by making government more responsive to local demands. For others, it was little more than a neoliberal Trojan horse for hollowing out the developmental state through the devolution of unfunded mandates. A more productive vantage point, we argue, is to focus on the way that globalization has altered the "socio-spatial scales" of the functioning of states.[3] As the nature of traditional nation-state sovereignty has been transformed in the current period of globalization the state has not simply "withered away," but rather has seen its functions and authority displaced into new or reconfigured subnational institutions, creating new arenas of political contestation. In many settings the local urban state has emerged as an especially important site because it is more malleable than national states and is situated "in the confluence of globalization dynamics and increased local political action based in civil society" (Keil 1998, 618). Local governments have thus assumed increased importance as the perceived new site for democratic deepening and as the new arena in which public authority and socially transformative projects are being reconstituted in the era of globalization (Heller and Evans 2010).

Within this larger dynamic of transformation, some of the most exciting developments in the last two decades are myriad new instances of participatory democracy implemented by municipal governments in both consolidated and new democracies. These instances of urban participatory democracy, which we define as direct citizen participation in municipal government's decision-making, range from broad-based forms of participatory planning to citizen councils to direct health policy, to various other forms of citizen participation and input into the management of local government. These cases have attracted a great deal of academic and policy attention, and they have provided fodder for creative thinking on some of the fundamental questions about democracy, the state, and civil society.

Brazil's postauthoritarian history represents a particularly marked example of these trends. During the past four decades, Brazil has gone from being a predominantly rural society to an overwhelmingly urban one. In 1960, the urban

population represented 44.7 percent of the population, but by 2000 urban residents accounted for 81.2 percent of the population. Driven by an agrarian transition that has not only been exceptionally rapid but also dominated by capital intensive and labor-displacing modernization, rural-urban migration has exploded and Brazil's cities have had to accommodate one hundred million new residents since 1960. This has produced a rapid and largely unregulated growth of precarious peripheral areas, exacerbating what were already pronounced problems of urban poverty and informality.[4] At the same time, Brazilian cities have also become increasingly important developmental actors in their own rights. Brazil's 1988 constitution gave municípios a critical role in delivering services and promoting development and also set the legal groundwork for some of the most innovative democratic reforms ever undertaken in a young democracy. Indeed, as we argue at length in Chapter 1, the degree of democratic responsibility and authority (and to a lesser extent, resources) that Brazilian municípios currently enjoy is, with the possible exception of South Africa, unsurpassed in the developing world. These developments are all the more remarkable because if anything, local government in Brazil's predemocratic period was in many ways the social base of elite power and authoritarian control. Local politics in Brazil have traditionally been dominated by powerful families or narrow cliques, and the business of governing has essentially been one of elite collusion. These local patterns of elite domination have been reproduced at the state and national level where under both democratic and authoritarian regimes politics have been dominated by particularistic interests and organized rent-seeking. Political scientists have, in fact, made Brazil into something of a paragon of a dysfunctional electoral democracy, pervasive patronage in politics, a weak and incoherent party system (Mainwaring 1999), an "excess of veto players" in a democratic system that is systematically biased toward pork-barrel politics over institutional changes (Ames 2001) and the pervasive fragmentation of the bureaucracy (Weyland 1996).

This is precisely what makes Brazil such an interesting setting for understanding the possibilities for democratic transformation. Despite these significant authoritarian legacies and institutional distortions, over the past three decades elite domination has been fundamentally challenged by democratization and by the mobilization of civil society. Across a wide range of sectors and involving a wide range of groups, Brazilian civil society has developed sophisticated forms of collective agency and political engagement. In areas as far ranging as HIV-AIDS treatment, the environment, and urban reforms, Brazil-

ian civil society has not only exerted a significant voice but has specifically mobilized to demand changes in the practice of democracy and to strengthen the participatory character of local governance (Avritzer 2002).

Many commentators have noted the scale, sophistication, and range of these efforts. This apparent paradox of *democratization within a dysfunctional polity* raises some very important questions that are central to the debate on development and democracy and that are at the heart of this book. First, how exactly has "civil society" contributed to helping create the political and institutional conditions for democratizing democracy in Brazil? Second, how have these dynamics—and specifically the interaction of civil society and the state—effected real changes in governance, and in particular changes in the character of local democracy? Third, when such change does indeed occur, how do we explain it, and how do we explain variation across localities? Fourth, when democratic reforms are introduced, what impact do they have on the quality of democratic practices, and in particular how do they impact the capacity of the civil society to exert effective pressure on democratic institutions?

The past decade has provided an interesting opportunity to address these questions and in particular to explore local state-civil society relations. As democracy consolidated in Brazil in the 1990s, municípios began experimenting with institutional reforms designed to promote civil society participation. In Chapter 1, we review the wide range of reforms that were undertaken. Among the most visible and innovative reforms was Participatory Budgeting. First introduced by the Partido dos Trabalhadores, or Workers' Party (PT), in the city of Porto Alegre in 1990, PB has been widely acclaimed as a novel means of increasing accountability and participation in the formation of municipal budgets. By 1997, more than 104 municípios, including large metropolises such as Belo Horizonte and São Paulo, had adopted PB.

Though there is marked variation in the actual design and implementation of PB, the baseline institutional feature is the creation of submunicipal assemblies of ordinary citizens that discuss and then prioritize budget demands for their areas. These demands are then integrated into the city budget. The most notable feature of PB is that it represents a form of citizen-controlled demand-making that takes place *parallel* to the existing system of party-based representation and as such marks a dramatic break with the patronage-driven politics that have long dominated municipal budgeting in Brazil. The basic idea and design of PB came out of Brazil's urban social movements in the 1980s. While PB, and especially the case of Porto Alegre, is probably the most

celebrated case of participatory democracy in the global South, it does bear important similarities to a wide range of other cases including democratic decentralization in the Indian state of Kerala, the Reconstruction and Development Program in post-apartheid South Africa (Heller 2001; Van Donk et al. 2008), other instances of democratic decentralization in Latin America (Chavez and Goldfrank 2004; Van Cott 2008), as well as a proliferation of other movements and reforms that have explicitly sought to open up democratic spaces (Fung and Wright 2003; Cornwall and Coelho 2007). In all of these instances, the case for democratic decentralization has been made on both instrumental and normative grounds. Devolving decision-making authority downward and into the hands of local actors increases transparency, taps into local sources of information, improves accountability of elected officials, and encourages innovation. But expanding the actual spaces in which citizens can directly impact authoritative resource allocation, it is argued, also incentivizes citizen engagement and strengthens the political capacity of civil society. To the extent that it does so, PB (and these other reforms) would then represent an institutional solution to a recurrent, and some would say intractable problem in many democracies, that is bringing the modes of claim-making that characterize civil society into alignment with the logic of aggregation that defines political society. In this respect, the goal of this book is straightforward: we propose to evaluate the extent to which PB can supplement the structures of representative democracy in a highly inegalitarian society with more direct and participatory forms of democracy.

There is now a large body of literature on PB, particularly on Brazilian and Latin American cases, though there is also a growing literature on various efforts in Europe to make local budgeting processes more participatory. After a first wave of studies that helped establish the impact of PB in particular cases (Abers 2000; Avritzer 2002; Baiocchi 2005; Nylen 2003; Silva 2003), a number of recent notable works evaluated PB using a comparative design, a move made possible by the broad diffusion of the experience (Avritzer 2009; Wampler 2009; Van Cott 2008; Goldfrank forthcoming). This body of scholarship leaves little doubt that PB can indeed provide new opportunities for civil society actors to engage and impact the local state.

The literature has come to a near-consensus that the right combination of a capacitated civil society and a committed executive branch is the most auspicious context to institute Participatory Budgeting. Avritzer (2009) argues that "bottom-up institutions" like Participatory Budgeting work best with a "highly

empowered civil society" and a "pro-participation political society." In a similar vein, Wampler (2009) shows that PB experiences are most successful when there is a "high" willingness of civil society to be contentious, and "high" mayoral support for delegating authority to citizens. In absence of these conditions, experiences can be failures, producing increased cynicism in the context of "conceded citizenship rights."

But as rich as this literature is, we depart from it in a number of ways. While we join the call for comparative research, we shift the logic of inquiry. Instead of comparing cases of PB to try to understand the causes of success and failure (that is, holding the institution *somewhat* constant to assess the consequence of contextual factors), our design holds the *context* constant by pairing cities that adopted PB with similar cities that did not. This matched-pair analysis allows us to answer a question that the existing body of comparative research cannot address: *Does PB make a difference at all*? Only then do we turn to an analysis of how context impacts outcomes.

We also take a more nuanced view of the idea of success and failure. The general point that PB works best with a strong civil society and politically sympathetic administrations is important, but not surprising. In our thinking, failures and successes are relative to their contexts. A town with no history of participation may eventually develop a participatory process that pales in comparison to one with "vibrant social movements," but in comparison to its earlier history represents a significant advance.

Another point of departure from this comparative literature is that we are attentive to the *choices* of administrators in crafting participatory institutions—thus, our attention to "bootstrapping." In fact, while PB institutions are broadly similar in many places in Brazil, the literature tends to underplay the agency (and reflexivity) of administrators in strategically drawing on and modifying the repertoire of previous experiences. Finally, our research is different in its attention to the practices of civil society itself as an outcome.

In order to address these questions, we developed a research design (discussed in Chapter 3) that would answer three questions. First, does the introduction of PB change the manner in which citizens engage with the local state and transform governance, and if so what are the various ways in which this happens? Second, how do changes in the ways in which the local state interfaces with local society shape the democratic capabilities of civil society? Third, how are the observed outcomes (new institutional interfaces and transformed civil society capacities) explained by antecedent political and social conditions?

For reasons that we elaborate in Chapter 3, we chose to address these questions by carefully selecting and examining eight municípios. Exploring the questions we have posed requires a deep and highly contextualized understanding of the political, social, and institutional conditions in which the reforms are introduced. Identifying mechanisms at work and being able to isolate the factors or configurations that explain outcomes requires careful and controlled comparison. Accordingly, using a natural experiment design, we selected each município as part of a pair that shared characteristics of size, region, and political configuration (specifically the vote share of the PT), but with only one city having adopted PB in each pair. For each município we conducted field visits, collected primary source data, and administered carefully structured interviews with key respondents. In Chapters 3, 4, and 5, we assess each pair, evaluate the impact of Participatory Budgeting on governance and on civil society capacity, and flesh out a typology of local state-civil society configurations and corresponding democratic regimes.

PARTICIPATION AND DEMOCRATIC DEEPENING

In recent years the literature on participatory democracy has grown exponentially. Driven in part by important theoretical developments in normative democratic theory (Habermas 1996; Cohen and Arato 1992; Sen 1999) the interest in participatory democracy has grown apace with the increasing recognition of the deficits of representative democracy, especially in the developing world. The case for participatory democracy can be made in both Weberian and Tocquevillian terms. In Weberian terms—and through the contributions of Guillermo O'Donnell (1999) in particular—the claim is that many new democracies suffer from poor institutionalization and in particular weak channels of vertical integration between states and citizens. State-society relations tend to be dominated by patronage and populism, with citizens having either no effective means of holding government accountable (other than periodic elections) or being reduced to dependent clients. The chain of sovereignty, in other words, has many broken links.[5] For de Tocqueville the problem focuses on the quality of associational life, a concern also shared by scholars like Gramsci. In much of Latin America formal democracy has endowed citizens with formal rights, but pervasive inequalities within society limit the capacity of citizens to act on their rights effectively, producing what Dagnino (1998) has dubbed the problem of "social authoritarianism." Taken together, the vertical problem of state-society relations and the horizontal problem of perverse

social inequalities undermine the associational autonomy of citizens, the sine qua non of any effective democracy (Fox 1994).

These two problems also bring us back to the core problematics that the aggregative and deliberative view of democracy respectively focus on. The Weberian problematic raises the question of the *chain of sovereignty*, that is, the degree to which the system of representation effectively translates inputs into outputs. The focus here is on the efficacy with which specific institutional processes and mechanisms can translate the popular will into actual programs and expenditures. This is what the literature on representative democracy is generally focused on, albeit with a heavy emphasis on the electoral mechanisms. The Tocquevillian problematic can be slightly reinterpreted to in effect overlap with the concerns of deliberative democratic theory. Here the issue is not how the popular will is transmitted to the state, but rather with how the popular will is actually formed. That is, rather than taking preferences for granted and simply assuming that the work of democracy is to aggregate and transmit those preferences, a more sociologically grounded view of democratic practices insists on understanding how power, social structures, and institutions shape processes of preference formation. We argue that a serious engagement with the problem of democratic deepening requires drawing from both these perspectives and focusing on what we call the twin dynamic of preference formation and preserving the chain of sovereignty.

In its design, Participatory Budgeting, as it evolved in its Porto Alegre prototype, is in effect an effort to nurture and secure this twin dynamic. On the one hand, PB levels the associational playing field by creating decision-making structures that are biased toward inclusivity. More specifically, the process is designed, as it were, to reduce the transaction costs of participation for the poor while increasing the transaction costs of traditional elites.[6] On the other hand, PB secures the chain of sovereignty through a complex set of nested fora through which popular inputs are transmitted to the local state. It address these twin challenges through four mechanisms:

1. Giving citizens a direct role in city governance by creating a range of public fora (microregional councils, district councils, sectoral committees, plenary meetings, delegate councils) in which citizens and/or delegates can publicly articulate and debate their needs;
2. Linking participatory inputs to the actual budgeting process through rule-bound procedures;

3. Improving transparency in the budgeting process by increasing the range of actors involved and publicizing the process and by the same token reducing the possibility or extent of elite-capture; and
4. Incentivizing agency by providing tangible returns, in the form of urban investment projects chosen by participants, to grass-roots participation.

The logic of PB closely corresponds to core assumptions in the participatory democracy literature about the nature of political capabilities. The literature works from the fundamental premise that associational life is to a large degree artifactual. The patterns of interaction that define groups are "not merely the result of natural tendencies to association among citizens with like preferences; they reflect structural features of the political economy in which they form, from the distribution of wealth and income to the locus of policy-making in different areas" (Cohen and Rogers 1995, 46). Because states organize and regulate not only relations between the state and citizens but also between citizens (Skcopol 1985), the associational democracy literature argues that the forms and impact of citizen engagement significantly reflects institutional arrangements and can be changed through public policy. Moreover, recent empirical work in this literature has shown how new institutional designs can significantly transform the scale, quality, and impact of citizen participation (Fung and Wright 2003). A critical insight of this literature is the recognition that an affirmative state can compensate for the higher transaction costs of participation faced by subordinate groups and can in fact transform the social composition of participation (Heller, Harilal, and Chaudhuri 2007). The case of Porto Alegre certainly provides strong support for participatory democracy. Abers (2001), Baiocchi (2005), and Avritzer (2002) have all shown that the introduction of PB in Porto Alegre not only created new channels of participation but also helped democratize civil society practices.

Much of the participatory democracy literature draws its insights from cases in advanced, institutionalized democracies, where the associational autonomy of citizens is taken for granted. And Porto Alegre is hardly representative of Brazil, since it is widely seen to have an exceptionally strong and well-organized civil society. In contrast, in settings where the formal associational autonomy of citizens is compromised by weak institutions and pervasive social inequalities, promoting democratic participation is far more difficult. Developing a more empirically contextualized understanding of the prospects for institutional reform in democracies characterized by low-intensity citizen-

ship leads us to draw on the state-society literature (Migdal, Kohli, and Shue 1994; Evans 2002; Fox 1994).

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

This book, then, offers three contributions to the literature: first, it provides new evidence on the impact of institutional reforms on the capacity of civil society to effectively influence democratic governance. These findings speak directly to claims made in the associational democracy literature about the artifactuality of associational life. Second, by developing close and carefully controlled analyses of local state-civil society interactions, we provide new insights into the state of *actually existing civil society*. In particular, we show that the democratizing effects of civil society are highly contextual. Third, we use our findings to develop a new typology of state-civil society relations that directly builds on the state-society literature. Our goal here is to demonstrate that specific configurations of civil and political society can have markedly different implications for democratization.

THE STRUCTURE OF THE BOOK

In writing this book, we found ourselves confronted with one particularly challenging problem. On the one hand, we wanted to carefully and systematically present what we believe is a very rich set of findings. From our research we have learned a lot about the politics, the social contexts and institutional specificities of how demands are made, budgets are formed, and projects are implemented in eight medium-sized Brazilian cities. As the consummate politician Tip O'Neil once so famously said, "All politics are local." So we were determined to present each of our cases in their full complexity and to give the local its full due. On the other hand, we quickly came to realize that eight cases, presented in full detail, present much too much to absorb. Our municípios vary not only in size and region, but all turned out to have their distinctive political histories and contemporary configurations. Doing justice to this diversity and complexity, while at the same time teasing out patterns of civil society-state relations, turned out to be a difficult task. We have tried to balance these imperatives by organizing the book as an analytic narrative. The chapters are outlined below, but there are two features of our narrative that need to be highlighted. Chapters 3–5 focus specifically on the cases. In Chapter 3 we deal with all our cases and assess the degree of transformation in governance practices across all our pairs. Having established that governance was more or less "business as usual" in our four control cases in Chapters 4 and 5, we narrow the focus to the four PB adopters. Second, though we forefront our analytic typologies of state-society relations in Chapter 1, which sets the framework for our analysis, these typologies are inductively derived from our cases studies and our reading of the larger empirical literature.

Chapter 1 provides the theoretical frame of the book. We begin by arguing that the democratization literature has been split between institutionalist perspectives that focus on the procedural aspects of democracy and a societal perspective that focuses on the assumed democratizing effects of civil society, but that neither can cope with the complexities of democratic deepening in new democracies in general and with Brazil's democratic transformation in particular. We then develop an analytic framework for exploring local civil societies that revolves around a theoretical distinction between modes of civil society engagement and capacity of self-organization. Building on insights from the case literature, we make an argument for how a relational and disaggregated analysis of civil society can be translated into a testable set of conceptual typologies. Drawing extensively on examples from the developed as well as the developing world,

the chapter fleshes out a typology of state-civil society relations that proposes four democratic regimes types: affirmative, mobilized, prostrate, and bifurcated.

In Chapter 2, we review the historically specific context in which local democratic transformation is taking place in Brazil. We begin by exploring Brazil's history of local authoritarian government and the dynamics processes of the democracy movements that created spaces for democratic decentralization. We carefully review the scope of participatory institutions introduced during this period and evaluate the impact of decentralization. The chapter makes the case that despite significant problems of fiscal and political decentralization, new spaces have been opened up, most notably PB. After a discussion of PB, the chapter makes the general point that politics happens at different levels, and that the institutionalist literature has by and large neglected these important areas of reform and change.

Chapter 3 provides an overview of the methods and design of the study, including the criteria for selecting our cases. We then introduce our eight municípios and provide an assessment of the degree to which basic budgeting practices were transformed (or not) in the period of study. We show that in the four cases that adopted PB, the budgeting process was opened up to significant involvement by citizens, whereas as in three of the four control municípios there was little evidence of change.

In Chapters 4 and 5 we focus on the "treatment cases," that is, those that adopted PB, but do so by emphasizing the factors and mechanisms that stand in contrast with their paired cases and assessing each case through the analytic prism of our typology of state-civil society relations. The goal of Chapter 4 is to excavate and explain the range of institutional designs that actual experiments with PB have produced. The chapter carefully traces the nature of the reforms and the way that they have impacted modes of representation and budgeting cycles in each of the municípios. Drawing on close analysis of interviews with city officials as well as civil society participants, and careful process tracing of budgeting cycles, the chapter discusses the impact of the reforms on the business of government in each of the municípios. The analysis is organized around a model of participatory governance that explicitly measures the degree and effectiveness of participatory engagement.

In Chapter 5 we explore the process of democratic deepening in the municípios with Participatory Budgeting by comparing the state of civil society before and after the reforms in the pairs of cities. We show that the reforms do indeed open up spaces for civil society, but that this impact is contingent on

the preexisting state of civil society. In particular, whether civil society had the capacity for autonomous organizing *before* the reforms is crucial to the type of democratic regime that emerged. We then discuss the democratic possibilities of a civil society that is highly dependent on the support of the state (affirmative democracy) as well as the paradoxical case of civil society contraction that occurred in one PB município.

The Conclusion sets the findings of the book in a broader, comparative context. It makes the case that PB represents only one form of a varied range of new political practices and institutional reforms that explicitly embrace the ideal of participatory democracy. The Conclusion goes on to argue that in contrast to much of the civil society literature and to the various forms of participatory boosterism, we need to take institutional reform more seriously. At the same time, we caution that any understanding of how institutional reforms might impact participation needs to account for the relational configuration of civil society and state, and that simple, blueprint, or "best practices" replications of Participatory Budgeting models are unlikely to succeed.