

STUDENT PAPER SERIES

49



Increasing freedoms in Sao Paulo: Promoting Development through decentralization and participation

Caio Cesar Paccola Jacon
Master's in International Development

Academic year 2017-2018



INSTITUT
BARCELONA
ESTUDIS
INTERNACIONALS

Table of Contents

List of abbreviations	ii
List of figures	iii
Abstract	1
1. Introduction	2
2. Theoretical framework	3
2.1. Understanding development	3
2.2. Decentralization as an enabler of local participation	4
2.3. Achieving development through participation	6
2.4. Evidence on improved democracy	8
2.5. Evidence on better socioeconomic results	9
2.6. Connecting decentralization, participation and development	11
3. Participatory experiences in São Paulo	12
3.1. Participatory budgeting	12
3.2. Sub-prefectures	15
3.3. Municipal health system	16
3.4. Urban planning	18
4. Assessing development in São Paulo	20
4.1. Deepening democracy	21
4.2. Public policy outcomes	24
4.2.1. City Hall's spending priorities	24
4.2.2. Impact on infant mortality rates	25
4.2.3. Impact on regional inequalities in São Paulo	26

4.3. Overall assessment of effects of participation in São Paulo	27
5. Conclusion	28
6. References	31
ANNEX A - Active Councils in São Paulo (2018)	36

List of abbreviations

- **LCH: Local Health Council**
- **MHC: Municipal Health Council**
- **DEM: Democrats (political party)**
- **PB: Participatory Budget**
- **PI: Participatory Institutions**
- **PMDB: Partido do Movimento Democrático Brasileiro (Brazilian Democratic Movement Party)**
- **PRB: Partido Republicano Brasileiro (Brazilian Republican Party)**
- **PSDB: Partido da Social Democracia Brasileira (Brazilian Social Democracy Party)**
- **PT: Partido dos Trabalhadores (Workers' Party)**
- **RBCM: Rede Social Brasileira de Cidades Justas e Sustentáveis (Brazilian Network of Just and Sustainable Cities)**

List of figures

- **Figure 2.6: Analytical Framework**
- **Table 4: Case Comparison**
- **Figure 4.1(1): Frequency of Mentions in Government Platforms for the 2008 Municipal Elections**
- **Figure 4.1(2): Frequency of Mentions in Government Platforms for the 2012 Municipal Elections**
- **Figure 4.1(3): Frequency of Mentions in Government Platforms for the 2016 Municipal Elections**
- **Figure 4.2.a: Percentage of Expenses in Selected Categories per Year in São Paulo**
- **Figure 4.2.b: Infant Mortality Rate Evolution**
- **Figure 4.2.c: Sub-Prefecture Investment per Capita**

Increasing Freedoms in São Paulo: Promoting Development through Decentralization and Participation

Caio Cesar Paccola Jacon

Abstract

Decentralization and participation have been advocated by international organizations as a means for achieving development. They would do so by approximating government and citizens, allowing the latter to decide on matters that directly affect their lives. Existing literature endorses these claims by suggesting decentralization and participation can improve the quality of local democracies and yield better public policy outcomes. But in what conditions do decentralization and participation actually lead to development? To answer this question, this paper has reviewed the literature on the links between decentralization, participation and development through the lenses of Amartya Sen's "development as freedom" concept, trying to show how the freedoms enjoyed by citizens can be increased. This dissertation has explored four policies implemented in the city of São Paulo: participatory budget, sub-prefectures, municipal health system, and urban planning. São Paulo was chosen because it enjoys high levels of decentralization and has experimented with participatory institutions rarely seen in other cities of similar size. The findings show that São Paulo's participatory institutions were highly affected by oscillating political support and unequal civil society mobilization. However, some institutional designs were able to partly overcome these challenges. Overall, we found that São Paulo's decentralized participatory institutions helped improve political freedoms and transparency guarantees in the city, improving the quality of its local democracy. We found little evidence on their effect on public policy outcomes in São Paulo, but further research could fill that gap.

Keywords: decentralization, participation, development, democracy, freedom, public policies, institutions

1. INTRODUCTION

International development organizations have been proposing decentralized government and participatory institutions (PIs) as a means to achieve development (UN 2017; UN-Habitat 2016; European Commission 2016; Marcou & Gateau 2008). Decentralization should be able to bring governments close to people (Iwanyna & Shah 2014), assessing territorial concerns and leveraging local capabilities (Coelho & Favareto 2011). Participation would “increase accountability, curtail corruption, end arbitrary allocation of public resources, and overcome the disempowering legacies of clientelism” (Wampler & Avritzer 2004, 299).

But what are the conditions that allow decentralization and participation to contribute to development? And what kind of development is promoted?

In this sense, this work conducts, first, a literature review to try to understand how these three variables interact to produce development outcomes. We then synthesize a theoretical framework that can assess the impact of decentralization and participation on the development of a given city. Additionally, we incorporate Amartya Sen’s (1999, 3) perspective on development, which is understood as “a process of expanding the real freedoms that people enjoy”, to interpret the results of decentralized PIs beyond the more traditional development metrics.

This theoretical framework was applied to different decentralized participatory policies in the city of São Paulo. Brazil is considered the most decentralized country in Latin America (Wampler 2004, 73) and the 13th in the world (Iwanyna & Shah 2014, 39). São Paulo is the country’s largest city and one of the largest in the world. It has been experimenting with PIs for the past 30 years, and it is a unique case in terms of both the ambition of its policies and its enormous size (Grin 2010). These conditions not only allow the examination of the more general relationship between decentralization, participation and development, but it also can provide relevant insights on the potential — or limitations — of these policies in large cities, with relevant lessons for other emerging metropolises worldwide.

Our literature review suggests that decentralization has enabled social participation at the local level, and that PIs can contribute to the deepening of democracy and the improvement of public policy outcomes. However, the success of these institutions is dependent on the configuration of three conditions: political support, civil society mobilization and institutional design. Finally, development is assessed according to Sen’s instrumental freedoms: (1) political freedoms; (2) economic facilities; (3) social opportunities; (4) transparency guarantees; and (5) protective security.

We have applied this analytical framework to São Paulo’s experiences with (1) participatory budgeting (PB); (2) sub-prefectures; (3) municipal health system; and (4) urban planning. We identified that all have been affected by discontinuous political support and unequal regional mobilization, but that some institutional designs showed more resilience than others.

Looking to São Paulo in general, we have found an increase of participatory spaces, some improvements in accountability and transparency, a greater institutionalization of social participation — with the protection of the judiciary —, and a possible increase in the acceptance of participation as a democratic value among different political parties. Regarding policy outcomes, however, our results were inconclusive. Nonetheless, Sen's (1999) insights on the constitutive qualities of democracy allow us to conclude that São Paulo's experiences with decentralized PIs have contributed positively to its development.

2. THEORETICAL FRAMEWORK

2.1. Understanding Development

In *Development as Freedom*, Amartya Sen offers a different perspective on development, contrasting it with a still prevalent literature that tends to evaluate development in terms of output and income gains, such as increases in GDP (Sen 1999, 14). Sen does not dismiss the importance of economic prosperity, instead he considers it as instrumental to development, but not as development *per se*. For Sen, economic prosperity is supplemented by more education, access to health care, social security and other factors that increase the freedoms, the realm of choices, that a person has in life (Sen 1999, 295). In this sense, development as freedom is defined as the ability of people "to lead the kind of lives they value -- and have reason to value" (Sen 1999, 18).

Thus, a development approach concentrating on substantive freedoms tends to focus on the agency and judgement of individuals (Sen 1999, 288). People are not seen as mere receptors of the benefits originating from the development process; instead, development means increasing their capabilities in deciding on what to do with their lives and also in shaping the very process of development and the society of which they are a part (Sen 1999, 288). For Sen, increasing people's capabilities is important because of "1) their *direct* relevance to the well-being and freedom of people; 2) their *indirect* role through influencing *social* change; and 3) their *indirect* role through influencing *economic* production" (Sen 1999, 296).

For pursuing the kind of development Sen is referring to, he has identified five instrumental freedoms to increase people's capabilities: (1) political freedoms, which include civil rights and the opportunities people have to elect their governors, to scrutinize and criticize authorities, to freely express their political views, etc. ; (2) economic facilities, which refer to the opportunities people have to "utilize economic resources for the purpose of consumption, or production, or exchange"; (3) social opportunities, which refer to the access people have to education, health care, and other public services; (4) transparency guarantees, or the possibility of accessing information on how public decisions are made and public money is spent, as well as "the freedom to deal with one another under guarantees of disclosure and lucidity"; and

(5) protective security, the social safety net to support those in extreme poverty and to prevent others from entering it (Sen 1999, 10. 38-40). These freedoms are interrelated (Sen 1999, 53).

We want to investigate whether innovative PIs introduced for policy-making in Brazil have really contributed to improve democracy and public policy outcomes. As these institutions are considered democratic institutions, they are analyzed according to Sen's three virtues of democracy identified by Sen: its intrinsic value, its instrumental contributions to other freedoms, and its constructive role "in the creation of values and norms" (Sen 1999, 157).

2.2. Decentralization As An Enabler Of Local Participation

Although decentralization efforts are not new, they have gained increasing importance over the past 20 years, with developed and developing countries around the world implementing reforms to increase the power of lower instances of government (UN-Habitat 2016, 10). According to what was agreed in Quito during Habitat III¹, the implementation plan of the New Urban Agenda includes "building the urban governance structure", which entails previous international commitments to support decentralization and strengthen local authorities (UN 2017, 23). This includes the adoption of "inclusive, implementable and participatory urban policies"; the guarantee of an "appropriate fiscal, political and administrative decentralization"; and the endorsement of "participatory age- and gender-responsive approaches at all stages of the urban and territorial policy and planning processes, (...), rooted in new forms of direct partnership between Governments at all levels and civil society" (UN 2017, 23-24).

In international organizations but also within domestic settings, there is a strong idea that decentralization *per se* is good, meaning it would make governments more efficient, accountable and democratic (Iwanyana & Shah 2014). Iwanyana & Shaw (2014, 3) highlight that "local governments understand the concerns of local residents" and that "local decision making is responsive to the people for whom the services are intended, thus encouraging fiscal responsibility and efficiency, especially if financing of services is also decentralized".

Within the context of Latin America, literature examines the evolution and causes of political decentralization (see Willis *et al.* 1999, Montero & Samuels 2003), others highlight what still needs to be done concerning the quality decentralization (Goldfrank 2007, Cleary 2007), and some even question the benefits expected from it (see Angotti 2013: 15).

Tulia Falleti's (2005) compares decentralization in Argentina, Brazil, Colombia and Mexico, all of which "underwent similar decentralization policies, although with different different impact on the intergovernmental distribution of power" (Falleti 2005: 333). Falleti (2005: 343) concludes that

¹ 3rd United Nations Conference on Housing and Sustainable Urban Development, 2016.

decentralization policies should start with *political* decentralization, then move to *fiscal* and *administrative* ones. According to her reasoning, this move strengthens local beneficiaries of those policies, who will then fight to keep and strengthen the local power (Falleti 2005: 343). This would require a certain level of political participation from local constituents.

In fact, decentralization is seen as a cause for the introduction of participatory policies (e.g. PB) at the municipal level. Wampler (2004, 73) attributes the emergence of PIs at the municipal level to the fact of Brazil being the most decentralized democracy in Latin America. Similarly, Marin & Guerrini (2017, 110) argue that decentralization and democratic participation were part of a single discourse of democratic resistance during the Military Dictatorship² in Brazil, and this translated into the new Constitution. In this sense, when in 1988 the new Constitution made municipalities part of the Federative Pact, it was only natural that they would emerge as the main venue for institutional innovation in terms of participatory mechanisms (Marin & Guerrini 2017, 111).

This could only happen because the decentralization of political authority brought about by the 1988 Constitution granted "municipal administrations sufficient resources and political independence to restructure policymaking processes" (Wampler & Avritzer 2004, 291). In Brazil, municipalities are responsible for 15-20% of all government spending (Wampler 2004, 75; Wampler 2008, 63), or 8% of total GDP (UN-Habitat 2016, 12). The executive branch of local government is also more powerful vis-à-vis the city councils (legislative branch) (Wampler 2004, 75), which increases the mayor's discretionary power on how to spend the city's resources, specially those under discretionary spending. Therefore, although decentralization alone cannot explain the creation of PIs at the city level and the delegation of power by mayors, it acts as an enabler, since the mayors need to have power and resources that can be delegated.

2.3. Achieving Development Through Participation

In Brazil, PIs take the form of managing councils for public policies, conferences, PB, public hearings, and other forms (Romão & Martelli 2013, 124-125; Pires *et al.* 2011, 347). With over 28,000 councils established by 2011 (Coelho 2011, 280), PIs have become almost ubiquitous for policy making in Brazil (Romão & Martelli 2014, 125), covering areas such as health, education, social assistance, children and adolescents, budget, urban policy, habitation, environment, culture, and human rights (Pires *et al.* 2011, p. 348). They can be either deliberative or consultative (cf. Caldeira & Holston 2014, 3).

Given that the implementation of these institutions took place in the last 30 to 20 years, literature on the topic is relatively new. Authors identify three literature generations that address PIs in Brazil (Sá e Silva 2011, 187; Romão & Martelli 2013, 125). The first one would have taken place in the 1990s and

² Brazil's Military Dictatorship lasted from 1964 to 1985.

beginning of the 2000s, and consisted mainly of authors defending the implementation of those policies as part of Brazil's democratic goals (Romão & Martelli 2013, 125; Coelho & Favareto 2013, 641). The second, which took place in the 2000s, focused on the limitations of the participatory experience, trying to demonstrate the imbalance between what was expected of them and what was happening in reality (Romão & Martelli 2013, 125). Some of the imbalances identified were:

excessive agenda-setting power of the government vis-à-vis civil society; presence of excessively technical language in meetings, with the exclusion of some social sectors from the full engagement in the deliberative process; or colonization of the deliberative environments and process by "ex officio participants" (Sá e Silva 2011, 187, *translated*).

Finally, the third generation steps away of the more normative approach of the previous literature (either praising or critiquing PIs) and focuses on identifying and analyzing the different processes and results engendered by PIs (Romão & Martelli 2013, 125) — and whether and how they can produce positive results (Sá e Silva 2011, 188).

The main questions in current research are (1) if PIs contribute to the expansion of democracy and (2) if they improve the performance of public policies in terms of redistribution, efficacy, improvements in the quality of life, etc. (Romão & Martelli 2013, 137). Both questions are central to analyzing whether PIs affect development according to Sen's five instrumental freedoms. Expansion of democracy speaks directly to the *political freedoms* and *transparency guarantees*, while better public policies in terms of results are linked to *economic facilities*, *social opportunities* and *protective security*.

For Wampler (2008, 62), "participatory institutions have the potential to deepen the quality of democracy, through the actions of government officials and citizen-participants, by extending rights and benefits to individuals who were previously denied access." The success of participatory mechanisms depends on three conditions: (1) "committed public administrators" or "political will"; (2) mobilized citizens; and (3) strong institutional designs with "innovative organizational procedures"³ (Coelho 2011, 279-280; Avritzer 2008, 47; Wampler 2008, 62). Coelho (2011, 280, *our translation*) also states that "it is of vital importance to ensure that a wide range of actors is represented in these participatory spaces, including marginalized and non-organized social groups".

Wampler (2004, 95-96) endorses the necessity of political support for the success of PIs. Wampler & Avritzer's (2004, 309) also stated that the varying outcomes of PB experiences in Brazil depended on the type of association of civil society, "the extent to which new practices were disseminated throughout civil society, and the willingness of political actors (...) to reform institutions according to these new practices".

Below, we explore existing literature on PIs in order to assess their impact in terms of improving democracy and socioeconomic results.

³ Institutional designs that are able to decrease asymmetries between participants (Coelho 2011, 280).

2.4. Evidence On Improved Democracy

Wampler (2004) explores three cases in Brazil to show how PIs impact three types of *accountability*: vertical, or the "control of public officials by citizens via elections"; horizontal, how power is shared among different branches of government; and societal, "the pressures placed on state agencies by CSOs⁴ to encourage elected officials and bureaucrats to abide by the rule of law" (Wampler 2004, 76). The author found that PB in the city of Porto Alegre, Brazil, increased vertical and societal accountability, although it compromised horizontal accountability. In Recife, results were weak, but showed signs of increased societal accountability. Finally, São Paulo's 1990's PB experience did not increase any type of accountability, although it showed greater horizontal accountability than the other two cities. Wampler (2004, 95) concluded that "participatory institutions increase citizens access to governments and encourage public debate", which increases citizens' ability to pressure governments to implement certain public policies. Gonçalves (2014, 95) has also identified that PB increases accountability and improves the flow of information between populations and their representatives.

Wampler (2008) investigates the causes of the different results of PIs, especially PB. He has analyzed eight cases of participatory democracy in Brazil and have placed them in four different categories: (1) Institutionalized Participatory Democracy; (2) Informal and Contested Participatory Democracy; (3) Co-opted Participatory Democracy; and (4) Emasculated Participatory Democracy. Porto Alegre and Ipatinga are among the most successful cases, because their citizens "have the authority to make specific binding decisions regarding how the government will act" (Wampler 2008, 70).

Pogrebinschi & Samuels (2014, 329) have examined Brazil's National Public Policy Conferences⁵ and conclude that "the uncoerced individual engagement can have causal efficacy on the exercise of governance at the national level". Additionally, they assert that participatory mechanisms contribute to the setting of the policy agenda (Pogrebinschi & Samuels 2014, 330).

Nylen (2002) studied whether PB in Belo Horizonte and Betim had promoted the empowerment of disengaged or alienated citizens. The author concluded that these experiences were not enough to engage these citizens politically. However, he noted that PB "sustained and even developed democratic activism among nonelite activists and those who had been active in the past", which is also a relevant contribution (Nylen 2002, 140). Avritzer (2010, 177) found the same results in Porto Alegre. Participatory democracy in Porto Alegre caused important changes in politics:

it created a political process that included the poor in the political field; it created a process of inversion of priorities that gave the Brazilian poor access to public

⁴ Civil Society Organizations.

⁵ Focus on three conference themes: Public Policies for Women, Food and Nutritional Security, and Social Assistance (Pogrebinschi & Samuels 2014, 322).

goods; and it allowed a new political group to come into politics from below (Avritzer 2010, 183).

When it comes to deepening democracy, existing literature on PIs show that they can: (1) increase *accountability*; (2) increase the *opportunities* for citizens to make decisions that affect their lives and contest the government; (3) influence the *policy agenda*; and (4) sustain and develop *mobilization* among nonelite activists.

2.5. Evidence On Better Socioeconomic Results

Baiocchi *et al.* (2006, 95) estimated the impact of PB in development outcomes such as municipal finances, public service delivery, human development, and growth, poverty and inequality indicators. Carrying a matched-pair study of ten cities, the authors have identified that the cities which implemented PB provided better forms of engagement and had an increase of their opportunity structure (Baiocchi *et al.* 2006, 95). Statistical analysis also showed a strong positive association between PB and reductions in extreme poverty as well as overall poverty and inequality (Baiocchi *et al.* 2006, 95-96. 120). It was also associated with increased access to public services and higher human development, although the positive results identified were not statistically significant (Baiocchi *et al.* 2006, 96. 120).

Avritzer (2010) has investigated the impact of PIs in the living conditions of the poor in Porto Alegre and found positive results. He has found that the city's PB acted to decrease regional inequality, mainly through inverting the priorities of the city administration and concentrating investments on water and sewage systems and housing in the poorer areas of the city (Avritzer 2010, 174-175).

Coelho & Favareto (2011) explore empirical evidence showing that participatory governance can enable development through social inclusion and policy effectiveness (Coelho & Favareto 2011, 646). It would do so by making policies reach those most in need and operating "changes in the power relationships between social agents" (Coelho & Favareto 2011, 644).

By assessing the impact of participation in public policy effectiveness, Coelho & Favareto (2011) noted that PIs were able to bring about positive results in health and education. They found that: (1) communities that enter into partnerships with policy makers and technical experts have better results; and (2) previous social mobilization allow social actors to use participatory fora to make alliances with public managers, raise more resources, and better monitor policies (Coelho & Favareto 2011, 649-650).

Boulding & Wampler (2009, 125) studied if PB changed the spending priorities of local governments in favor of the poor and whether it is associated with increases in well-being. The authors found that there is a higher increase in expenditure on health and education in cities that adopt PB compared to those that do not. However, they found no difference between improvements in well being.

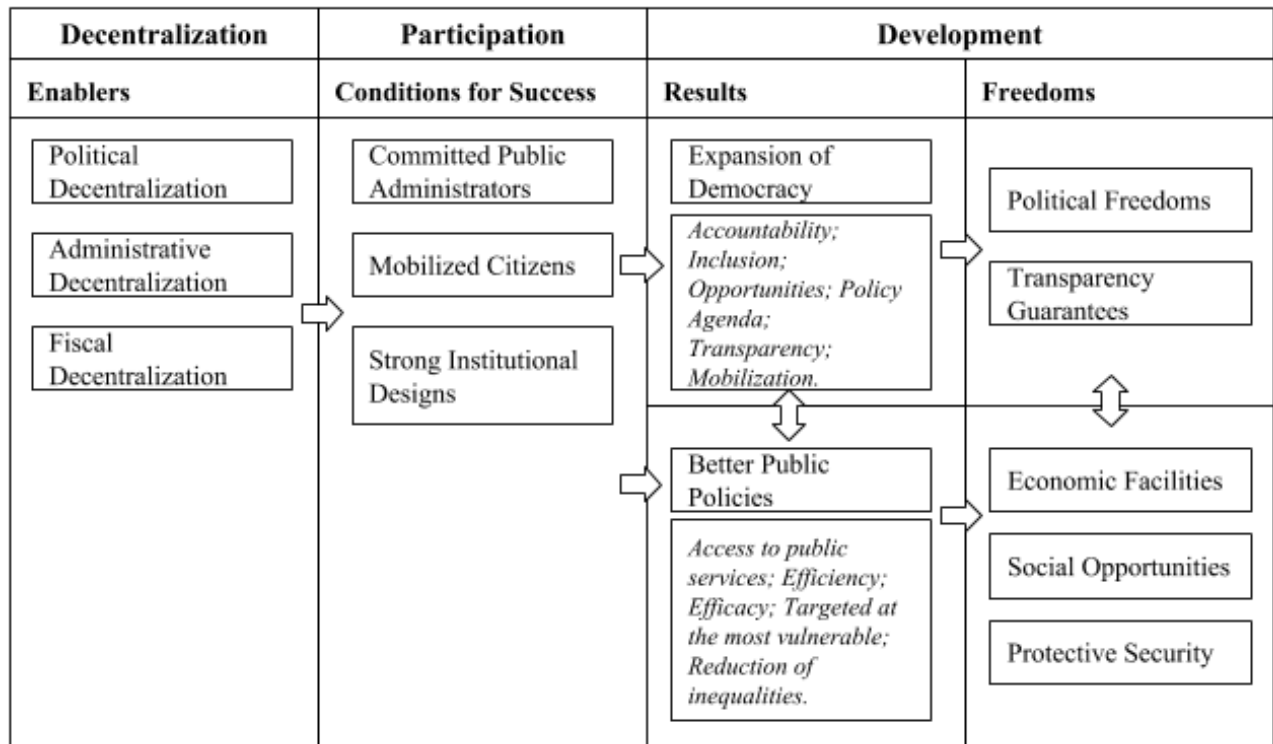
Investigating a similar question, but with a larger sample, Gonçalves (2014, 94) analyzes Brazilian municipalities in the period of 1990-2004 to understand how municipal budgets and living standards were affected by PB. Gonçalves (2014, 103) found that municipalities that had implemented PB in at least one legislature between 1990-2004 had higher shares of expenditures in health and sanitation when compared to cities without PB, similar to what Boulding & Wampler (2009) had found. The study also showed a negative correlation between infant and child mortality rates, a common development indicator, and the adoption of PBs (Gonçalves 2014, 102. 104). Finally, the author notes that the cities that have implemented PB, despite the shift in public expenditures, did not show any worsening in other social indicators, which also indicate that PB may contribute to a more efficient allocation of public funds (Gonçalves 2014, 107).

Therefore, participation can lead to better policy outcomes. It changes how a municipality spends its money, shifting its priorities and targeting the resources to where they are needed the most. Thus, these policies have been linked to a larger share of expenditure in health, education, and sanitation; to a reduction of regional inequalities; to the alleviation of poverty and extreme poverty; and to the reduction of infant and child mortality rates.

2.6. Connecting Decentralization, Participation And Development

Decentralization can work as an enabler for participation. It provides local governments with autonomy and resources to act on different policy areas. Local authorities can, thus, consult the local population on different issues and even delegate power for citizens to decide on these issues. However, successful participation requires committed politicians, mobilized citizens, and strong and inclusive institutional designs. This way, participation can deepen democracy and improve public policies, expanding individual freedoms.

Figure 2.6. Analytical Framework



3. PARTICIPATORY EXPERIENCES IN SÃO PAULO

Below we present PIs that were introduced in four policy areas: budget, administration, health, and urban planning. The cases are examined in light of the “conditions for success”, which will allow us to draw a link to development.

3.1. Participatory Budgeting

PB is defined by Avritzer (2008) as a *bottom-up* PI, having the most potential for deepening democracy. São Paulo's first experience with PB occurred in 1990, after the election of a Workers' Party (PT) mayor in 1988, Luiza Erundina. Erundina emerged as a politician through her work in São Paulo's East Side housing movement (Wampler 2004, 83). She was also involved in the health movement, and through this involvement she advocated for the establishment of citizen councils where activists could present their demands to authorities (Wampler 2004, 83). She was a strong supporter of participatory policies, and her election was seen as an opportunity to implement these policies in the city.

However, she was elected with only one third of the votes and she had low support from the city council, having almost been impeached (Wampler 2004, 83. 86). Furthermore, in São Paulo's PT, voices

against participation were stronger than those in favor (Wampler 2004, 85; Avritzer 2008, 50). The strong opposition Erundina faced in the municipal council together with internal divisions in the PT meant the political support for PB was minimal. As a result, the attempt to institutionalize the practice in the city through legislation failed (Avritzer 2008, 50). Hence, the policy was interrupted from 1993 to 2000 during anti-participation governments (Avritzer 2008, 54).

In 2001, the PB would return to São Paulo with the return of the PT to the mayor's office. But many of the previous problems persisted: Marta Suplicy had been elected with only 38% of the votes and many voices in her party and her administration were wary of PIs (Avritzer 2008, 51). This led to the non-prioritization of the PB, which had less resources than other public policies implemented by the mayor. Furthermore, the PB only worked properly in regions where there was already a tradition in participation (Avritzer 2008, 52).

Also, Avritzer (2008, 50) notes that, despite São Paulo's strong social movements, there was a lot of regional inequalities in the organization of civil society, which weakened their position to demand that the government strengthened the participatory mechanisms instituted.

Additionally, São Paulo's 2002-2004 PB experience is classified as "Co-opted Participatory Democracy" (Wampler 2008). This means that participatory fora was used as a platform to extend partisan support for the PT across the city, with seats in councils being occupied by political allies. This meant that the government would discourage contentious debates and would use the participatory spaces to legitimize its policies and present itself as democratic and participatory (Wampler 2008, 73). Inclusion of the least favored and excluded was, thus, limited, and the spaces were seen as PT strongholds by the opposition (Marin & Guerrini 2017, 119). This was the main reason behind the discontinuation of the policy in 2005, when José Serra, a center-right politician from PSDB, became the city mayor (Marin & Guerrini 2017, 119).

Nonetheless, Marin & Guerrini (2017, 119) find that São Paulo's PB experience provided social actors with increased, although limited, access to the decision-making arenas, which contributed to increasing *accountability*. For Grin (2010, 20), because PB in São Paulo was introduced in a decentralized matter, it made possible for the population to demand solutions and responses from the government at the territorial level.

Promoting *accountability* through participation was not a priority in the following years. The introduction of the Target Plan law in 2008 seemed to replace the emphasis on *societal accountability*, which participation promotes (see Wampler 2004), and operate a return to a more traditional *vertical accountability* (Marin & Guerrini 2017, 120). After another right administration — Kassab's (DEM) — from 2009 to 2012, the election of a PT mayor in 2012, however, would incorporate participatory mechanisms to the Target Plan policy and reinstitute, although not through legislation, PB in São Paulo in 2014, with the creation of the Participatory Council for Planning and Budget (CPOP). The council has since been extinguished with

the return of a PSDB administration, under Dória and Covas. However, this time, the weight of the previous experience and pressure from civil society managed to maintain the participatory mechanisms of both the Target Plan and municipal budget planning (Martin & Guerrini 2017, 126; Prefeitura 2018). Notwithstanding, the government seems to be downgrading the relevance of participatory fora, with the extinction of some councils and the reduction of delegates in the city regional participatory councils (Torres 2017).

The story of the PB in São Paulo tells us a story of discontinuation and limited results. For a long time, political support was only found in PT governments, and even then only in the executive branch. Regional inequalities in social mobilization meant that PB only worked in certain regions of the city, and weakened civil society's ability to demand the continuation of the policy. The participatory mechanisms also failed to include a wider range of actors and showed cooptation by political parties. Nonetheless, improvements in *accountability* and *inclusion* of the less favored have occurred, albeit limited. Most importantly, the current right-wing government is maintaining participatory mechanisms in planning and budgeting, which could indicate a greater acceptance of participation.

3.2. Sub-Prefectures

Like the PB, the sub-prefectures in São Paulo were instituted by the PT in 2002, during Marta Suplicy's government. The sub-prefectures are regional subdivisions of the municipal government and were instituted by law. They were part of a project to promote a decentralized and participatory governance of the city (Grin 2010, 20). Thus, sub-prefectures aimed to both deepen democracy in the city and improve the quality of public policies (Grin 2010, 4).

They sought to strengthen mechanisms of social control through the creation of Sectoral Councils, the involvement of civil society in Regional Development Fora, and the elaboration of Regional Master Plans (Grin 2010, 5). Grin (2010, 6) highlights four dimensions that based their creation: (1) budget autonomy and transparency; (2) popular planning and participation; (3) territorial information; and (4) policy integration. In this sense, the sub-prefectures became the locus in which participation in different areas, such as the PB, took place. The sub-prefectures also played a crucial role in policy areas such as health and urban planning.

In 2004, the sub-prefectures became responsible for the implementation of 19% of the city's budget, covering investments in health, education, culture, sanitation, as well as the conservation and care of the sub-municipalities (Grin 2010, 8). A part of that amount was decided according to participatory budgeting (Grin 2010, 8). Grin (2010, 12. 15-16) highlights, however, that participation was not evenly promoted across sub-prefectures by their supervisors, nor evenly exercised: regions with greater levels of mobilization could shift public policies in their favor.

Additionally, there were problems in operationalizing the decentralized and participatory governance (Grin 2010, 19). The existence of central secretariats which competed for power and other coordinating bodies with overlapping responsibilities also affected how sub-prefectures participated in the production of public policies (Grin 2010, 19; Grin 2015, 119).

In the end, with lack of support from PT politicians in the secretariats and also the city council, the extent of the sub-prefectures' autonomy was limited and varied depending on the policy area (Grin 2015, 133). The ability of the sub-prefecture to become effective spaces of direct democracy was further eroded by how the mayoral administration used them to gain political support in the city council (Grin 2015, 142).

These events weakened the sub-prefectures, allowing for the subsequent government, from PSDB, to decrease its responsibilities even further through the re-centralization of all the major policy areas, especially health and education (Grin 2016, 13). According to Grin (2016, 13), the re-centralization of policies in São Paulo's administration started in 2005 left the sub-prefectures responsible only for the organization and care of the urban space, significantly restricting the idea of "regional centers of power". The return of a PT government in 2013 did not reverse this process (Grin 2016, 19).

In this sense, the sub-prefectures, like the PB, were gravely affected by the political orientation of the government and overall political support. If they gained more power and responsibility under a PT government, disputes of power with the city's secretariats and their use for political support gains limited the extent to which this policy contributed to the democratization of public policy making. Again, we also find different levels of social mobilization and political cooptation affecting the policy. The re-centralization of many policy areas by right wing governments further eroded the power of the sub-prefectures.

Nonetheless, although with greater importance in 2003 and 2004, these regional governments provided and continue to provide spaces of social participation which are relevant for the city, including in the most recent participatory budgeting experience (see Prefeitura 2018).

3.3. Municipal Health System

Brazil 1988 Constitution instituted a unified and decentralized health system with requirements of social participation (Avritzer 2008, 52-53; Coelho *et al.* 2010, 2). The main participatory institution implemented was the Municipal Health Council (MHC).

The decentralization operated by Brazil's 1988 Constitution instituted MHCs, increased federal transfers to municipalities, and delegated the full management of basic care and the municipal health system to the city administration (Coelho *et al.* 2010, 3). The councils should fill the participation requirement for the health system. They were the result of pressures of two important health social movements in Brazil, the "sanitarista" movement and the people's health movement, this one having originated in São Paulo (Avritzer 2008, 52). With both movements having a strong presence in São Paulo, the city did not take long to

implement its MHC. Erundina instituted it in 1989, even before the implementation of the national legislation that regulated these councils in the ordinary laws -- which would only occur in December, 1990 (Avritzer 2008, 53-54).

Avritzer (2008, 44) classifies the MHCs as PIs of *shared power* between state and civil society, in which both are represented within the council. The council also has normative and deliberative functions, which includes the approval of the city's health plan (Avritzer 2008, 54). The MHCs can reject the city health secretariats' plans and accounts, which triggers sanctions on the municipality⁶ (Coelho 2011, 282). These sanctions become a powerful instrument in case the administration tries to bypass participatory mechanisms (Avritzer 2008, 53)

The MHC was put to test in the period of 1993-2000, when the city government tried to privatize municipal health services "through the creation of medical cooperatives and the extension of the private network of health services" (Avritzer 2008, 54). The MHC opposed it and the city was penalized according to the law (Avritzer 2008, 54). The administration also tried to intervene in the composition of the council, through the incorporation of private health service providers. The council responded through the elaboration of an statute, which specified the conditions that a civil society organization had to satisfy in order to be part of the council (Avritzer 2008, 55).

Although the MHC was implemented with strong political support from the city's administration, when they faced a conflict with subsequent administrations, the council was able to take action — with strong support of civil society (Avritzer 2008, 60) — to guarantee the representation of health system users (the least favored groups in its composition) through the use of sanctions and other mechanisms envisioned by law. In terms of its institutional design, these councils were able to preserve the representativeness of its composition and challenge the city administration. This shows that these institutions have less dependency on the commitment of political actors and can still promote democratization in face of political opposition (Avritzer 2008, 60).

Furthermore, with the creation of sub-prefectures in 2002, the city instituted Local Health Councils (LHC) to support the MHC, and these councils operated in similar manners (Coelho 2011, 282). Also, out of the 31 original councils, 16 were constituted by more than three categories of associations with at least three of those not having traditional links with the PT (Coelho 2011, 283). The other 15 had up to three types of associations, and, among them, 11 had strong ties with the PT (Coelho 2011, 283). Therefore, despite some capture, the LHCs were also able to promote the inclusion of other social actors.

São Paulo's MHC and LHCs, thus, had the conditions to promote a deepening of democracy and also to improve the quality of public policies. In fact, Avritzer (2008, 60) states that after *bottom-up*

⁶ Halt of federal transfers for health.

participatory designs, *shared power* designs came in second in terms of power to promote democratization. Additionally, as a result of these policies, Coelho *et al.* (2010, 18) found a "reduction in inequalities in the supply of services among areas that have the best and worst socio-economic and health indicators".

3.4. Urban Planning

Municipal Master Plans in Brazil are a requirement of Brazil's City Statute. The City Statute is a national law approved in 2001 after fourteen years of deliberations. It originated from demands of the National Movement for Urban Reform (MNRU) (Avritzer 2008, 56-57). The law requires that any city with more than 20,000 inhabitants have a Master Plan approved in public hearings.

Municipal Master Planning is classified by Avritzer (2008, 56) as a *public ratification* participatory design. This means that the participatory process does not start the political deliberation of a policy. Instead, participation occurs at the end of a deliberation process that started in the public administration (Avritzer 2008, 56). Furthermore, it is only consultative, having no means of making its decisions binding (Caldeira & Holston 2014, 8). Also, this participatory design involves a larger number of social actors when compared to the *shared power* design (Avritzer 2008, 56).

In São Paulo, Marta Suplicy prioritized the implementation of the Master Plan and sent a law proposal to the City Council in 2002 (Avritzer 2008, 58). 26 public hearings and 15 meetings with NGOs were conducted before the approval of the Master Plan (Avritzer 2008, 58). The sub-prefectures also took part in the process through the elaboration of Regional Master Plans (Grin 2010, 5). However, property owners, their associations, and real estate agencies and developers went to court to contest the ban on their participation in the discussions of the Master Plan (Avritzer 2008, 58). Their request was granted, and the city was forced to reschedule all public hearings. In the end, the Master Plan approved in 2004 had several individual amendments to respond to specific interests (Avritzer 2008, 58). For Avritzer (2008, 58), São Paulo's Master Plan showed a "split civil society" and "a political society that needs the normatization of popular participation to make it effective".

A revision of the Master Plan was to take place a few years later. In 2007, Mayor Gilberto Kassab ignored the legal requirements for public participation and sent his revision proposal directly to the municipal council (Caldeira & Holston 2014, 11). Over 200 organizations protested to the changes proposed by the mayor and the absence of the participatory procedures required by national law (Caldeira & Holston 2014, 11-12). United under the Front in Defense of the Strategic Master Plan, these organizations initiated a civil suit against the City Hall requesting that the deliberations in the city council be stopped and that the project "be returned to the executive to be re-elaborated according to the participatory system instituted by the Master Plan" (Caldeira & Holston 2014, 12). Their request was granted two years later, and the sentence

states the municipality had failed to allow citizen participation in the process of elaborating the proposal (Caldeira & Holston 2014, 12).

For Caldeira & Holston (2014), this result has shown that the judiciary system in Brazil now protects the participatory mechanisms for the elaboration of public policies, allowing for citizens to judicially contest non-compliance. This successful outcome corroborates Avritzer's (2008, 59) findings, to whom *ratification* participatory designs are the strongest in reversing particularist policies in anti-participation contexts.

Regarding the experience of participation in building the city's 2004 Master Plan, Caldeira & Holston (2014, 9) state that "participation was formal, mostly direct and non-binding, and allowed individual groups and associations of groups to contribute". However, the whole process revealed strong inequalities in terms of mobilization power, resources and media coverage, which translated into the interests of the most affluent groups to be over-represented (Caldeira & Holston 2014, 11). The resulting 2004 Master Plan contemplated the interests from both popular and upper-class movements involved in the participatory fora (Caldeira & Holston 2014, 10). For poor dwellers, this meant special rules for the development of the territories they lived in (Caldeira & Holston 2014, 15. Note 18). On the other hand, it meant the consolidation of existing inequalities in the city (Caldeira & Holston 2014, 7).

In 2014, a new Master Plan for São Paulo was approved. The plan was adopted during Haddad's administration (PT) — who was much more open to participation — and won a UN-Habitat award for its inclusiveness and tools to fight socioterritorial inequalities (UN-BR 2017).

São Paulo's Master Plan experience shows that political support to PIs mattered. However, the institutional design — *ratification* PI —, the source of the legislation — national law —, and the judiciary support meant that the city was unable to bypass participation. However, in terms of its democratizing ability, São Paulo's Master Plan experience showed its limits in reducing inequalities, even if it was able to incorporate the interests of the poorer urban dwellers.

4. ASSESSING DEVELOPMENT IN SÃO PAULO

The four policies discussed above demonstrate that the participatory experiences in the city of São Paulo were characterized by ruptures caused by alternating political parties with opposite views on participation (Marin & Guerrini 2017, 119). In the PB experience, it meant the end of the practice in non-PT governments — with the exception of the most recent government. The sub-prefectures remained throughout right-wing governments, but their power was drastically reduced (Grin 2016). The municipal health councils and the participatory mechanisms for the city Master Plan have endured attempts to bypass them, but participation was enforced through legal action initiated by civil society. Social mobilization, despite São Paulo's history of high activism, was unequally distributed across the city, decreasing its ability to sustain efficient participatory practices. Finally, capture of the participatory fora by partisan interests and

over-representation of interests of groups with higher financial and mobilization powers hindered its their potential to promote inclusion. Figure 2 summarizes the findings.

Table 4. Case Comparison

	Participatory Institutions established by:	Political Support Over Time	Mobilization of Civil Society	Institutional Design	Expansion of Democracy?	Better Public Policy Outcomes?
Participatory Budget	Municipal Legislation	Discontinuous	High, but unequal	Bottom-up	Yes, but interrupted	Inconclusive
Sub-prefectures	Municipal Legislation	Discontinuous	High, but unequal	Bottom-up	Yes, but curtailed	Inconclusive
Municipal Health System	Constitution and Municipal Legislation	Discontinuous	High, but unequal	Shared-Power	Yes	Yes
Urban Planning	Constitution and National Law	Discontinuous	High, but unequal	Ratifying	Yes	Inconclusive

But could we classify São Paulo's experiences on decentralization and participation as a failure? The cases above already highlight some benefits that were identified by different authors. Looking at these experiences through Sen's *Development as Freedom* lenses allow us to identify contributions that would otherwise go unnoticed. Below, we discuss how participation contributed to deepen democracy by improving *political freedoms* and *transparency guarantees*, and we assess possible contributions to public policy outcomes, checking whether they have contributed to improve *economic facilities*, *social opportunities*, and *protective security*.

4.1. Deepening Democracy

Despite the limitations imposed by the conditions set out above, authors were able to identify an increased access of social actors to decision-making spaces (Marin & Guerrini 2017, 119), with local populations being able to present demands to the government at a territorial level (Grin 2010, 20). The sub-prefectures and the health councils provided new spaces for local participation, despite all the challenges discussed. And poor dwellers in São Paulo were able to incorporate their demands into the city's Master Plan (Caldeira & Holston 2014, 10).

This is hardly a failure. In fact, the mere existence of these spaces of participation allowed for more interactions between government and population, increased feedback on policies, and increased

opportunities to voice concerns and demands. In this sense, participation itself, even when limited by other factors, contributed to democracy by making citizens active subjects who engage in public discussions to shape their destinies (Sen 1999, 53) .

There is, therefore, an *intrinsic value* to participation as a democratic institution, as it allows people "the opportunity to draw attention forcefully to general needs, and to demand appropriate public action" (Sen 1999, 148-149). In this sense, decentralized and participatory policies in São Paulo did contribute to increase people's *political freedoms*.

Furthermore, São Paulo's PIs may have contributed to increase the acceptance of participation as a democratic value. These experiences, thus, by allowing citizens to participate in public discussions, played "a *constructive role* in the formation of values and ethics" (Sen 1999, 292).

Annex A shows the participatory councils that are active in São Paulo today, which cover a wide range of policy areas. Furthermore, the fact that the city's current right-wing government has maintained participatory mechanisms introduced by its predecessors indicates that there is a greater institutionalization of participation in the city governance. The current administration may have reduced their importance (Torres 2018), but this already represents a change from past political transitions, when these institutions, unless mandated by national law, would be extinguished (PB) or stripped of their powers (sub-prefectures).

Figures 3, 4 and 5 were elaborated with information from the candidates' official government platforms and show the number of times different candidates mention decentralization and participation favorably in their written platforms for the municipal elections of 2008, 2012 and 2016. The data corroborate the idea that societal participation as a democratic value is being incorporated at least in the political discourse of the main political parties. This does not necessarily mean participation has been fully embraced by all parties, but simply that it has become more costly for politicians to ignore it. Nonetheless, it means politicians can now be pressured to comply with the commitments on participation they assumed during the campaign.

Transparency guarantees have also been improved in the city of São Paulo. The participatory spaces allowed citizens to participate in public discussions regarding policies that affected their lives. This required the administration to disclosure information in a more open way to the citizens, so that they could both inform and convince participants of its priorities (see Wampler 2004, 82). When the city government tried to bypass these participatory mechanisms, such as in the health policy case in the 1990s and the Master Plan revision in 2007, civil society protested and initiated legal action to enforce participation. The courts ruled in favor of civil society, and participation became protected by legal decisions (Caldeira & Holston 2014, 12). These measures contributed to promote greater disclosure and transparency from the administration, and it also made the interactions between society and government more open and predictable (see Sen 1999, 39-40).

Figure 4.1(1). Frequency of Mentions in Government Platforms for the 2008 Municipal Elections

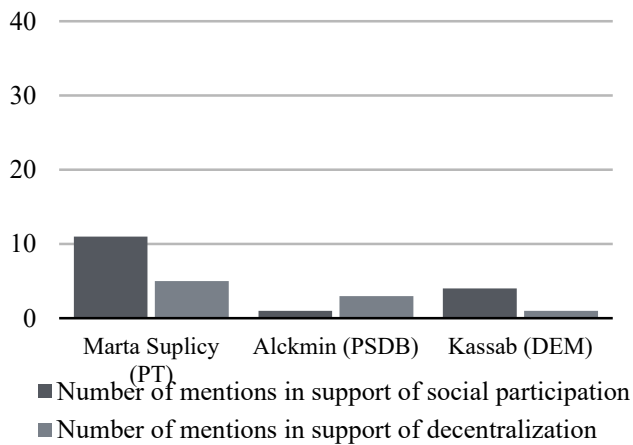


Figure 4.1(2). Frequency of Mentions in Government Platforms for the 2012 Municipal Elections

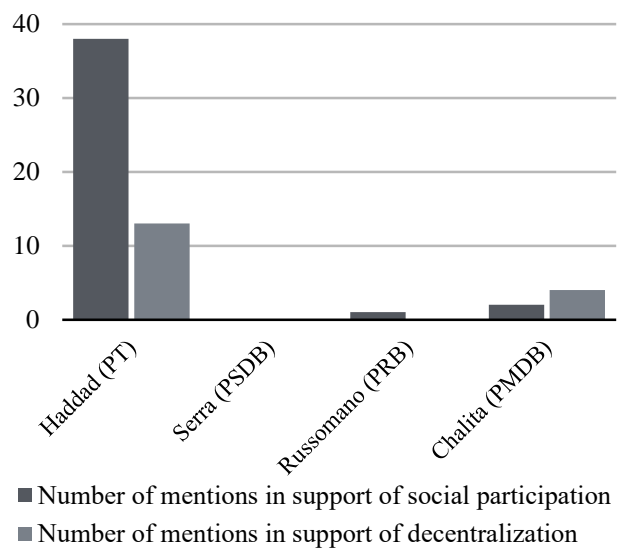
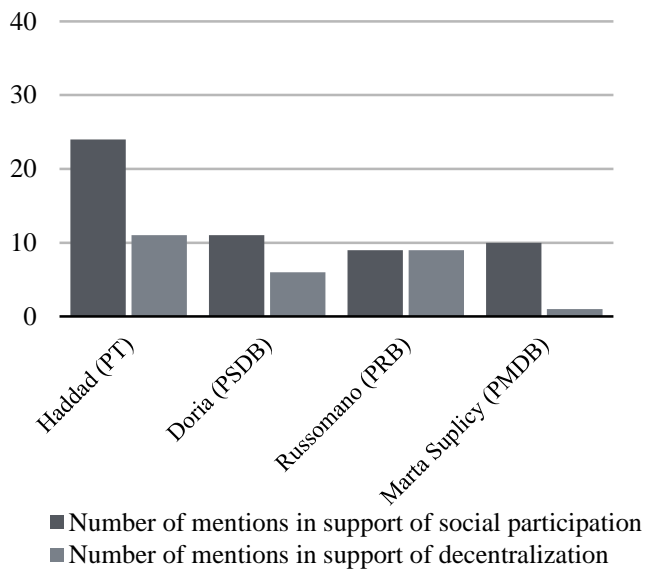


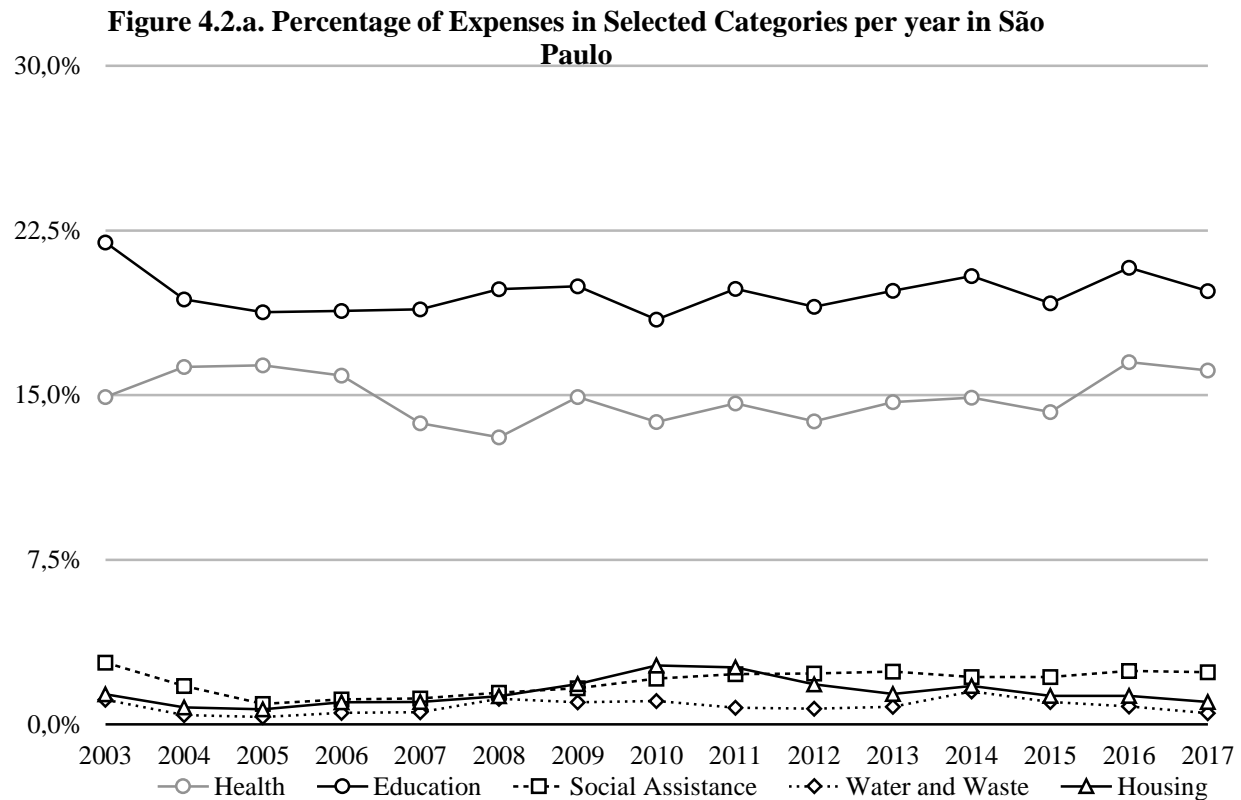
Figure 4.1(3). Frequency of Mentions in Government Platforms for the 2016 Municipal Elections



4.2. Public Policy Outcomes

Democracy, for Amartya Sen, could also have *instrumental contributions* to other freedoms. Given that São Paulo's PIs have contributed to the deepening of democracy in the city, have they affected public policy outcomes in São Paulo? The literature review suggested decentralization and PIs should (1) change the spending priorities of the city administration; (2) improve human development indicators; and (3) reduce regional inequalities.

a) City Hall's Spending Priorities



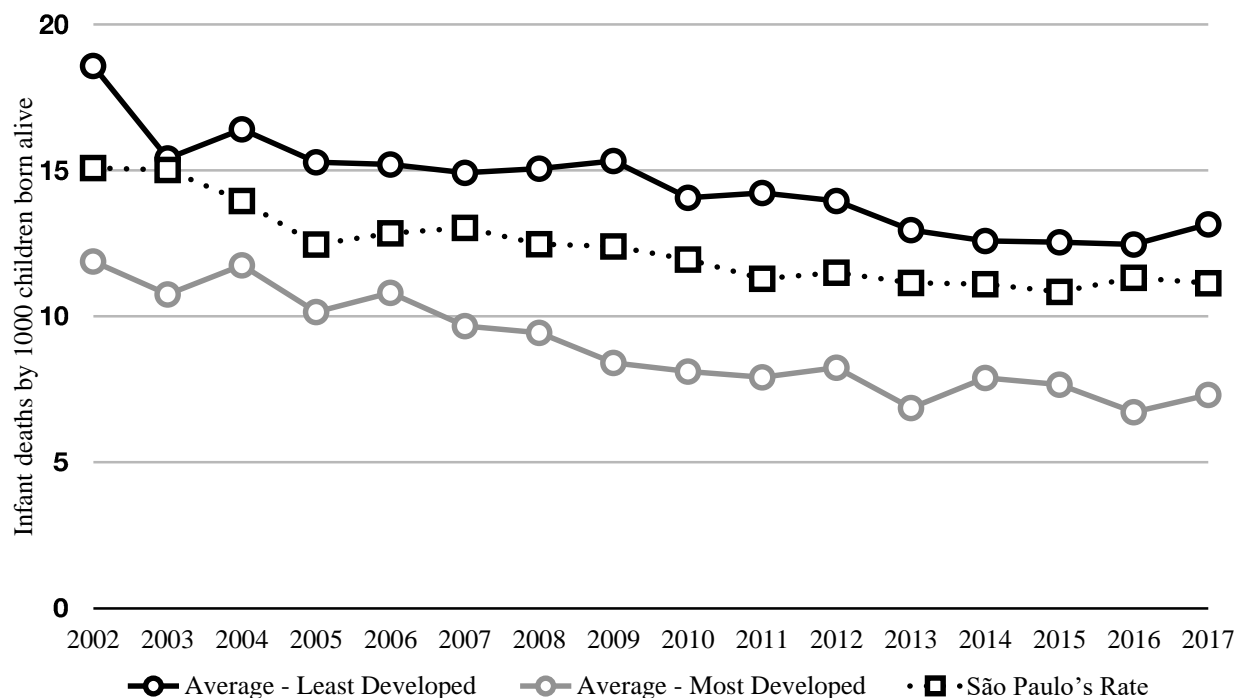
SOURCE: PREPARED BY THE AUTHOR ON THE OF BASIS OF DATA FROM THE PREFEITURA DE SÃO PAULO

Gonçalves (2014) has identified that cities that had implemented PB had directed proportionally more funds to health and sanitation. Boulding and Wampler (2009), on the other hand, identified increases on funding to health and education. Health, education, sanitation and housing are all priorities that have been raised by participants in PB experiences (Gonçalves 2014, 99). Therefore, a way to identify if participation has changed São Paulo's administration spending priorities is to see if there have been any changes in the proportion of the budget destined to each one of these areas. If PIs, such as the PB, affect them, then one should observe changes in São Paulo from 2012 to 2016, when another PT government took place, strengthening social participation.

However, Figure 6 does not give any indications that variation in the degree of participation in the city's administration had any effect on the share of expenditures by different categories.

b) Impact On Infant Mortality Rates

Figure 4.2.b. Infant Mortality Rate Evolution



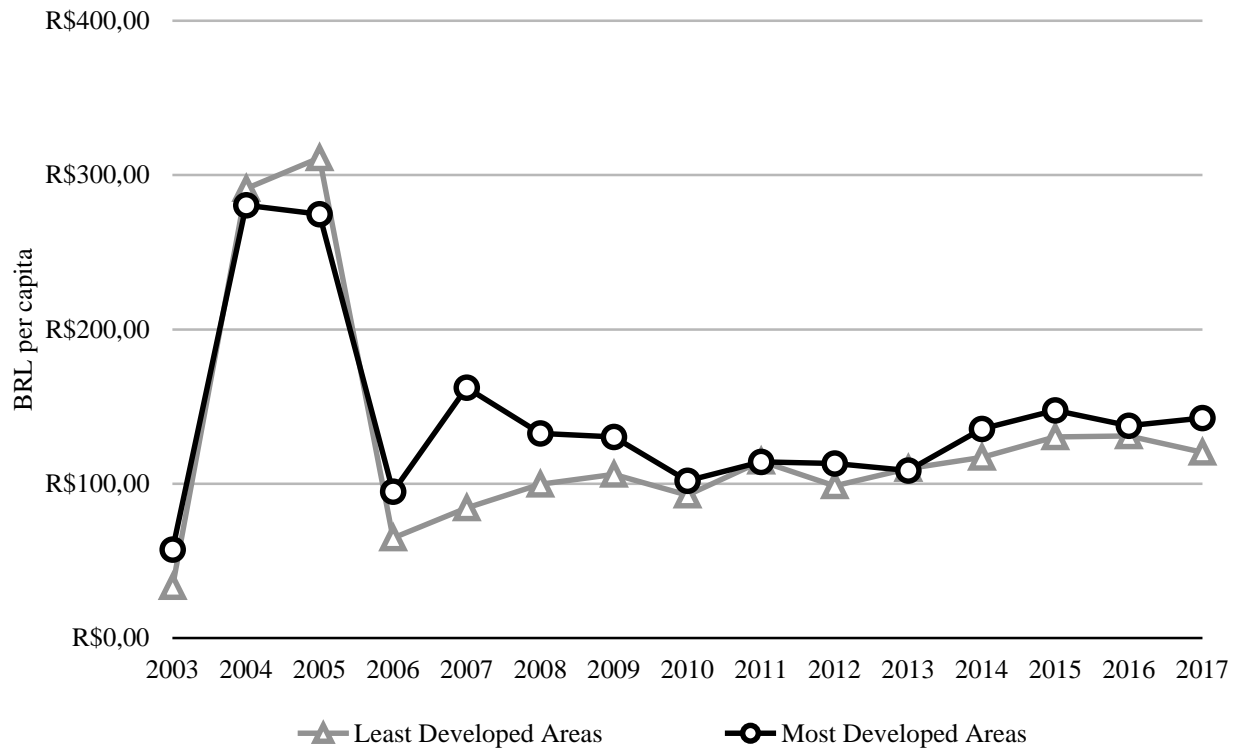
SOURCE: PREPARED BY THE AUTHOR WITH DATA FROM FUNDAÇÃO SEADE AND REDE SOCIAL BRASILEIRA FOR CIDADES JUSTAS E SUSTENTÁVEIS (RBCM)

When looking at this issue, Gonçalves (2014) identified a negative correlation between cities that had implemented participatory budgeting and child and infant mortality rates. Because better health indicators improve people's *social opportunities*, we checked if São Paulo's PIs established during PT governments yielded better results in terms of child mortality rates if compared to other governments.

Figure 7 shows the average infant mortality rates for the city of São Paulo in general, the most developed and the least developed regions. Figure 7 does not corroborate the hypothesis that PT governments in São Paulo yielded better results regarding infant mortality rates. Although all rates improved during the period, those in the richer regions improved faster and distanced themselves further from the poorer regions.

c) Impact On Regional Inequalities In São Paulo

Figure 4.2.c. Sub-prefecture Investments per Capita



SOURCE: PREPARED BY AUTHOR WITH DATA FROM PREFEITURA DE SÃO PAULO, FUNDAÇÃO SEADE, AND RBCM

PIs can reduce regional inequalities by redirecting investments to the poorer areas of the city (Avritzer 2010). To assess this in São Paulo, we examined the city's experiences with the sub-prefectures and the municipal health system.

The sub-prefectures have endured political changes, and despite major setbacks, their participatory instances have never been shut down. Thus, they should have worked to direct funds from the richest to the poorest parts of the city. Figure 8 shows the evolution of expenditure per capita in the six least and the six most developed sub-prefectures of São Paulo from 2003 to 2017. The graph shows that after the city reversed its decision to decentralize health and education funding in 2006⁷, the richest parts of the city have been receiving more funding per capita than the poorest. Since 2007, however, funding has become more equal. Notwithstanding, considering the different conditions of infrastructure between one group and another, a true equitable share of funds would channel more resources to the poorest areas of the city.

⁷ In 2004 and 2005 the administration had decentralized health and education funds to the sub-prefectures as well.

Coelho *et al.* (2010) analyzed the impact of decentralized PIs in São Paulo's Municipal Health System from 2001 to 2008. The city's sub-prefectures had gained Local Health Councils and Technical Health Supervision Units and were integrated into the health policy-making process (Coelho *et al.* 2010, 18). The authors found that "the distribution of public healthcare services in São Paulo became more equitable", because there was an increase in public healthcare units, clinics, hospitals, and services being offered in the poorest regions of the city (Coelho *et al.* 2010, 17). "[I]n 2000, the 9 sub-municipalities with the smallest Municipal Human Development Index supplied 6.6% of the public hospital beds in the municipality, while 8 years later this percentage had increased to 16.0%" (Coelho *et al.* 2010, 10). Finally, Coelho *et al.* (2014) found that this tendency continued at least until 2012.

In this sense, the information provided is consistent, although not conclusive, with the hypothesis that PIs can contribute to decreasing regional inequalities. The sub-prefectures experience falls short of a true distributive effort by the city administration. However, decentralized participatory institutions in health may have promoted a more equitable distribution of health services in São Paulo.

4.3. Overall Assessment Of Effects Of Participation In São Paulo

Our results reject the hypothesis that participation had any effect on spending priorities per policy area in the city of São Paulo. Regarding infant mortality rates, periods of higher prevalence of PIs (PT governments) do not seem to yield better results, although this does not mean participation has not impacted these policies, since participatory mechanisms in the municipal health system were never eliminated.

The policy area where we find the best results of PIs is that of reducing regional inequalities. Secondary sources provided evidence for a faster increase in public health infrastructure and service provision in the poorer areas of the city. Furthermore, the sub-prefectures budgets seem to have become more equal over time, although a true equitable result would direct more resources per capita to the poorer regions.

Hence, in terms of traditional metrics of development, we could find little evidence for contributions São Paulo's participatory experiences could have caused. The improved health infrastructure in the least developed areas could have contributed to better *social opportunities*, but we were unable to assess any impact on *economic facilities* or *protective security*, which could have been supported through shifts in spending priorities.

5. CONCLUSION

Our research has discussed the role played by decentralization and participation in development, which is understood as increasing people's capabilities, or their freedom to live the lives they value and have reason to value (Sen 1999, 293). We have shown that decentralization, through the delegation of political,

administrative and fiscal autonomy to local authorities, is promoted as a means to approximate governments to the people which are affected by their decisions (Iwanyna & Shah 2014). Additionally, PIs would give these people a greater ability to pressure local authorities and demand better public services (Wampler & Avritzer 2004).

In Brazil, we have observed that decentralization and participation were part of a same discourse to deepen democracy in the country (Marin & Guerrini 2017). In this sense, Brazil 1988 Constitution promulgated after the military dictatorship embraced both policies. Furthermore, although participation was instituted by national legislation, the decentralization that occurred in Brazil made municipalities the main source of institutional innovation for participatory policies (Marin & Guerrini 2017). Hence, decentralization enabled even further participation in the country.

But what could this participation do in terms of development? Literature on participation shows it can promote development through the deepening of democracy, which translates into increased *political freedoms* and *transparency guarantees*, as per Sen's instrumental freedoms, and also through the improvement of public policies, with direct links to *economic facilities*, *social opportunities* and *protective security*. However, the success of these policies showed to be dependent on political support, previous social mobilization and institutional design (Wampler 2004; Wampler & Avritzer 2004; Avritzer 2008; Coelho 2011). An exploration of literature on the results of participation endorsed these conclusions regarding both the deepening of democracy and public policy improvements.

We then applied this theory to São Paulo. The city was home to participatory and decentralization experiences which, given the city size, were unique in the world (Grin 2010). In this sense, we have looked into four policy areas to assess their impact on development: (1) participatory budget; (2) sub-prefectures; (3) municipal health councils; and (4) urban planning.

Our findings show a very clear divide between left-wing and right-wing governments in São Paulo, with PIs flourishing in the former and withering away in the latter (Marin & Guerrini 2017, 119). However, even in left-wing governments, support was restricted to the mayoral administration, and opposition of the City Council and secretariats weakened PIs (Wampler 2004; Avritzer 2008). Civil society in São Paulo is highly mobilized, but presents severe regional inequalities (Avritzer 2008). Finally, the city's most democratizing institutions (PB and sub-prefectures) were also captured by political interests and could not promote a full inclusion of the less favored in policy-making processes (Wampler 2008; Grin 2015).

These obstacles do not necessarily represent failures. Although with limitations, participatory mechanisms are still present in many policy areas (Annex A), more opportunities for civil society to present their demands have been created (Grin 2010), some inclusion of social actors have occurred (Coelho 2011, Caldeira & Holston 2014), *accountability* improved (Marin & Guerrini 2017), participatory spaces have

received judicial protection and have survived government changes (Avritzer 2008, Caldeira & Holston 2014), and support for decentralization and participation have increased in the main political parties. This represents an improvement in *political freedoms* and *transparency guarantees*, demonstrating that participation has both an *intrinsic value* as a democratic institution and can also play a *constructive role*, changing norms.

Decentralization and participation, thus, improved democracy in São Paulo. However, measuring their impact on public policy outcomes is a much more complex task. Available data is limited to measure how PIs affected public policy outcomes in São Paulo. In this sense, our findings are inconclusive, but bring some relevant insights.

We found that stronger support for PIs has not changed spending priorities in São Paulo and does not seem to affect the evolution of infant mortality rates in the least and most developed regions of the city. Regarding regional inequalities, we found improvements in investments per capita destined to the sub-prefectures, but far from what would constitute a equitable redistribution. Additionally, Coelho *et al.* (2010) suggest decentralization and participation contributed to a redistribution of public health infrastructure and service across regions of the city skewed in favor of the poorest areas.

Given the challenges faced by São Paulo in implementing PIs, the limited results observed are not a surprise. Nevertheless, decentralization and participation may have contributed to increasing *social opportunities* in the least developed areas of the city, at least in terms of access to health care — further research would be required to assess their impact on education and women's social conditions. This work was unable to identify improvements in the city's *economic facilities* or *protective security*, which could have been improved by shifting spending priorities. Nonetheless, further research should also investigate whether participation had any redistribution effect on social assistance spending across regions of the city.

Sen's (1999) perspective on development allowed us to identify positive development outcomes in terms of constitutive gains of São Paulo's local democracy. However, further research should continue to look for how these improvements would translate into better public policy results.

6. REFERENCES

- Angotti, Tom. 2013. Urban Latin America: Violence, Enclaves and Struggles for Land. *Latin American Perspectives*, 40(2): 5-20.
- Avritzer, Leonardo. 2008. Instituições Participativas e Desenho Institucional: algumas considerações sobre a variação da participação no Brasil democrático. *Opinião Pública*, 14(1): 43-64.
- Avritzer, Leonardo. 2010. Living under a Democracy: Participation and Its Impact on the Living Conditions of the Poor. *Latin American Research Review*, 45(S): 166-185.
- Prefeitura da Cidade de São Paulo (Prefeitura). 2018. *Audiência Pública do Orçamento da Prefeitura Regional Penha*: <https://www.prefeitura.sp.gov.br/cidade/secretarias/subprefeituras/penha/noticias/?p=84494> (Accessed date: September 19, 2019).
- Baiocchi, Gianpaolo, Patrick Heller, Shubham Chaudhuri, and Marcelo K. Silva. 2006. Evaluating empowerment: participatory budgeting in Brazilian municipalities. In: R. Alsop, M. Bertelsen & J. Holland, ed., *Empowerment in Practice: from analysis to implementation*, 1st ed. Washington, DC: The World Bank: 95-120.
- Boulding, Carew, and Brian Wampler. 2009. Voice, Votes, and Resources: Evaluating the Effect of Participatory Democracy on Well-Being. *World Development*, 38(1): 125-135.
- Caldeira, Teresa, and James Holston. 2014. Participatory Urban Planning in Brazil. *Urban Studies*, 52(11): 2001-2017.
- Coelho, Vera S. P., Marcelo F. Dias, and Fabiola Fanti. 2010. Fighting Inequalities in the Access to Health Services: A Study of the Role of Decentralization and Participation. *Centro de Estudos da Metrópole, Textos para Discussão CEM No. 10/2010*, ISSN: 2177/9015.

- Coelho, Vera S. P. 2011. Uma Metodologia para a Análise Comparativa de Processos Participativos: Pluralidade, Deliberação, Redes e Política de Saúde. In: Pires, R., ed., *Instituições Participativas e Governança Democrática*. Brasília: Ipea: 279-295.
- Coelho, Vera S. P., and Arilson Favareto. 2011. Participatory Governance and Development: In Search of a Causal Nexus. *Geography Compass*, 5(9): 641-654.
- Coelho, Vera S. P., Felipe Szabzon, and Marcelo F. Dias. 2014. Política Municipal e Acesso a Serviços de Saúde. *Novos Estudos*, 100: 139-161.
- European Commission. 2016. Reference Document 23. *Supporting Decentralization, Local Governance and Local Development through a territorial approach*. Directorate-General for International Cooperation and Development. Luxemburg: Publications Office of the European Union.
- Falleti, Tulia G. 2005. A Sequential Theory of Decentralization: Latin American Cases in Comparative Perspective. *American Political Science Review*, 99(3): 327-346.
- Goldfrank, Benjamin. 2007. The Politics of Deepening Local Democracy: Decentralization, Party Institutionalization, and Participation. *Comparative Politics*, 39(2): 147-168.
- Gonçalves, Sónia. 2014. The Effects of Participatory Budgeting on Municipal Expenditures and Infant Mortality in Brazil. *World Development*, 53: 94-110.
- Grin, Eduardo J. 2010. Descentralização, subprefeituras e participação na cidade de São Paulo, Brasil. XV Congreso Internacional del CLAD sobre la Reforma del Estado y de la Administración Pública, Sto. Domingo, Rep. Dominicana, 9-12 Nov. 2010.
- Grin, Eduardo J. 2015. Construção e Desconstrução das Subprefeituras na Cidade de São Paulo no Governo Marta Suplicy. *Revista Sociologia e Política*, 23(55): 119-145.
- Grin, Eduardo J. 2016. Decentralization in São Paulo City: Construction and Deconstruction of Subprefectures and the Limits to Implement Local Power. 24th IPSA World Congress. https://www.researchgate.net/publication/306394799_DECENTRALIZATION_IN_SAO_PAULO_CITY-

_CONSTRUCTION_AND_DESCONSTRUCTION_OF_SUBPREFECTURES_AND_THE_LIMITS_TO_IMPLEMENT_LOCAL_POWER (Accessed date: September 19, 2019).

Iwanyna, Maksym, and Anwar Shah. 2014. How Close is Your Government to People? Worldwide Indicators on Localization and Decentralization. *Economics: The Open-Access, Open-Assessment E-Journal*, 8(2014-3).

Marin, Pedro de L., and Ana W. Guerrini. 2017. Participação na Cidade de São Paulo no Período de 2001 a 2016: do orçamento participativo ao programa de metas. *Revista Brasileira de Políticas Públicas e Internacionais*, 2(1): 109-128.

Nylen, William R. 2002. Testing the Empowerment Thesis: The Participatory Budget in Belo Horizonte and Betim, Brazil. *Comparative Politics*, 34(2): 127-145.

Pires, Roberto, *et al.* 2011. Em busca de uma síntese: ambições comuns e abordagens diversificadas na avaliação da efetividade de instituições participativas. In: Pires, R., ed., *Instituições Participativas e Governança Democrática*. Brasília: Ipea: 347-364.

Pogrebinschi, T., Samuels, D. 2014. The Impact of Participatory Democracy: Evidence from Brazil's National Public Policy Conferences. *Comparative Politics*, 46(3): 313-332.

Romão, W.; Martelli, C. 2013. Estudos sobre as Instituições Participativas: O Debate sobre Sua Efetividade. *Revista Pensamento & Realidade*, 28(1): 124-143.

Sá e Silva, Fábio de. 2011. De Cada Um Conforme Suas Capacidades: Participação, Ambientes Institucionais e Capacidade de Incidência em Políticas Públicas. In: Pires, R., ed., *Instituições Participativas e Governança Democrática*. Brasília: Ipea: 187-196.

Sen, Amartya. 1999. *Development as Freedom*. Oxford: Oxford University Press.

Torres, Débora. 2018. *Covas Restringe Ainda Mais a Participação no Conselho Participativo Municipal (CPM)*. In: Esquerda Diário. <https://www.esquerdadiario.com.br/Covas-restringe-ainda-mais-a-participacao-social-no-Conselho-Participativo-Municipal-CPM> (Accessed date: September 19, 2019).

- Marcou, Gérard, and Elisabeth Gateau. 2008. *Decentralization and local democracy in the world*. Barcelona: United Cities and Local Governments.
- United Nations (UN). 2015. Transforming Our World: The 2030 Agenda for Sustainable Development. A/Res/70/1.
- United Nations (UN). 2017. *New Urban Agenda*. A/RES/71/256.
- United Nations Brazil (UN-BR). 2017. *Plano Diretor da Cidade de São Paulo Vence Prêmio de agência da ONU*. <https://nacoesunidas.org/plano-diretor-da-cidade-de-sao-paulo-vence-premio-de-agencia-da-onu/> (Accessed date: September 19, 2019).
- Wampler, Brian. 2004. Expanding Accountability through Participatory Institutions: Mayors, Citizens, and Budgeting in Three Brazilian Municipalities. *Latin American Politics and Society*, 46(2): 73-99.
- Wampler, Brian. 2008. When Does Participatory Democracy Deepen the Quality of Democracy? Lessons from Brazil. *Comparative Politics*, 41(1): 61-81.
- Wampler, Brian, and Leonardo Avritzer. 2004. Participatory Publics: Civil Society and New Institutions in Democratic Brazil. *Comparative Politics*, 36(3): 291-312.
- Willis, Eliza, Christopher Garman, and Stephan Haggard. 1999. *The Politics of Decentralization in Latin America*. *Latin America Research Review*, 34(1): 7-56.

ANNEX A - Active Councils in São Paulo (2018)

COUNCILS	LEGAL FRAMEWORK	SECRETARIAT TO WHICH IT IS LINKED
COMAS - Municipal Council for Assistance and Social Development	Law No. 12,524/1997	Assistance and Social Development
Municipal Council for Culture	Law No. 14,874/2009	Culture
CONPRES - Council for the Preservation of the Historical, Cultural and Environmental Heritage of the City of São Paulo	Decree No. 50,989/2009 (Law No. 10,032/1985)	Culture
Deliberative Council for the Theatro Municipal de São Paulo Foundation	Law No. 15,380/2011	Culture
CONDEFI - Deliberative and Auditing Councils of the Municipal Hospital Autarchy	Law No. 13,271/2002	Culture
CMPU - Municipal Council for Urban Policy	Decree No. 56,268/2015 (Law N. 16,050/2014)	Urban Development
CTLU - Technical Chamber for Urbanistic Legislation	Decree No. 56,268/2015 (Law N. 16,050/2014)	Urban Development
CPPU - Commission for the Protection of the Urban Landscape	Decree No. 56,268/2015 (Law N. 10,237/1986)	Urban Development
CMPT - Real State Commission for the Municipality of São Paulo	Decree No. 56,268/2015	Urban Development
CAIAF - Commission for the Integrated Analysis of Territorial Issues	Decree No. 56,268/2015	Urban Development
FUNDURB - Managing Council for the Urban Development Fund	Decree 57,547/2016	Urban Development
Managing Council for Água Branca Operation	Law No. 15,893/2013	Urban Development
Managing Council for Centre Urban Operation	Law 12,349/1997	Urban Development
Managing Council for Faria Lima Urban Operation	Law 13,769/2004	Urban Development
Managing Council for Água Espraiada Urban Operation	Law No. 13,260/2001	Urban Development
COMUSAN - Municipal Council for Food and Nutritional Security	Decree No. 55,867/2015	Development, Work and Entrepreneurship

CMCTI - Municipal Council for Science, Technology and Innovation	Law No. 15,247/2010	Development, Work and Entrepreneurship
CMDRSS - Municipal Council for Sustainable and Solidary Rural Development	Law No. 57,058/2016 (Law 16,050/2014)	Development, Work and Entrepreneurship
CMDCA - Municipal Council for the Rights of Children and Adolescents	Decree No. 55,463/2014 (Law No. 11,123/1991)	Human Rights and Citizenship
CONJUVE - Municipal Council for Youth's Rights	Law No. 16,120/2015	Human Rights and Citizenship
GCEMI - Main Municipal Council of the Elderly	Law N. 11,242/1992	Human Rights and Citizenship
Municipal Council for Immigrants	Decree No. 57,533/2016	Human Rights and Citizenship
Municipal Council for LGBT Policies	Decree No. 56,096/2015 (Law 15,764/2013)	Human Rights and Citizenship
COMUDA - Municipal Council for Public Policies on Drugs and Alcohol	Law No. 13,321/2002	Human Rights and Citizenship
Municipal Council for the Participation of the Northeastern Community	Decree No. 55,535/2012	Human Rights and Citizenship
PopRua Committee - Intersectoral Committee for the Municipal Policy on Homeless People	Decree No. 53,795/2013	Human Rights and Citizenship
CMDH - Municipal Council for Human Rights	Law No. 13,292/2002	Human Rights and Citizenship
COMTRAE - Municipal Commission for Eradicating Slave Work	Decree No. 54,432/2013 (Law No. 15,764/2013)	Human Rights and Citizenship
CMEDH - Municipal Council for Human Rights Education	Decree No. 57,504/2016	Human Rights and Citizenship
Guardianship Councils	Decree No. 56,142/2015 (Law No. 11,123/1991)	Human Rights and Citizenship
CAE - Municipal Council for School Feeding	Decree No. 35,412/1995	Education
OME - Municipal Education Council	Law No. 10,429/1988	Education
CRECE - Council of the Representatives of School Councils	Decree No. 56,520/2015 (Law No. 16,213/2015)	Education
CACS - Municipal Council for the Follow-up and Social Control of FUNDEB	Law No. 14,666/2008	Education
Municipal Council for Sports, Leisure and Recreation	Decree No. 50,212/2008	Sports, Leisure and Recreation
Council of Sport Equipment Users	Decree No. 50.213/2008	Sports, Leisure and Recreation

CMT - Municipal Council of Taxes	Decree No. 14,107/2005	Finances and Economic Development
COMTUR - Municipal Tourism Council	Law No. 11,198/1992	Mayor's Office
CMTIC - Municipal Council for Information Technology and Communication	Decree No. 54,785/2014	Management
COMAP - Municipal Council for Public Administration	Decree No. 50,514/2009	Government
CMH - Municipal Housing Council	Law No. 13,425/2002	Housing
Management Council for the Municipal Fund for Environment Sanitation and Infrastructure - FMSAI	Law No. 14,934/2009	Housing
CMPD - Municipal Council for Disabled People	Law No. 11,315/1992	People with Disabilities and Reduced Mobility
CMPM - Municipal Council for Women's Policies	Decree No. 56,702/2015	Women's Policies
CONDECON PAULISTANO - Municipal Council for Consumer Protection	Decree No. 56,871/2016	Attorney General
Municipal Council for the Indigenous Peoples	Decree No. 52,146/2011 (Law No. 15,248/2010)	Racial Equality Promotion
COMPIR - Municipal Council for the Promotion of Racial Equality	Decree No. 56,778/2016 (Law No. 15,764/2013)	Racial Equality Promotion
Council of the City	Decree No. 53,796/2013	Government Relations
CPM - Municipal Participatory Councils	Decree No. 56,208/2015 (Law No. 15,764/2013)	Government Relations
Municipal Health Council - CMS	Law No. 12,546/1998	Health
Management Councils for the Municipal Hospital Autarchy	Law 13,271/2002	Health
Management Council of the Municipal Civil Servant Hospital - HSPM	Decree No. 45,216/2004	Health
Interdisciplinary Consulting Council for the Municipal Secretariat on Urban Security	Decree No. 42,663/2002 (Law 13,396/2002)	Urban Security

CMTT - Municipal Transport and Traffic Council	Decree No. 54,058/2013	Transports
Directing Council for the Municipal Traffic Development Fund - FMDT	Law No. 14,488/2007	Transports
CADES - Municipal Council for the Environment and Sustainable Development	Law No. 14,887/2009	Environment
Regional CADES - Regional Councils for the Environment, Sustainable Development and Peace Culture	Law No. 14,887/2009	Environment
Consulting Council of UMAPAZ	Law No. 14,887/2009	Environment
Managing Councils of Municipal Parks	Law No. 15,910/2013	Environment
CONFEMA - Council for the Special Fund on the Environment and Sustainable Development	Law No. 14,887/2009	Environment

SOURCE: Prefeitura de São Paulo