

INTERNET USE AND CITIZEN PARTICIPATION IN LOCAL GOVERNMENT: IPATINGA'S INTERACTIVE PARTICIPATORY BUDGETING

An Innovations in Technology and Governance Case Study

Since the late 1980's, a number of Brazilian municipal governments have used Participatory Budgeting as a mechanism for including citizens in the budget-setting process. However, it wasn't until 2001 that the Municipality of Ipatinga began using the Internet as a means to extend, enhance, and diversify the process whereby citizens voted on priorities and budgetary allotments for local projects. Through the Internet component, accessible through the Municipality's website, citizens register their priorities and track public project delivery. The results of this innovation, described in this case study, show annual increases of 44 to 125 percent in the numbers of citizens giving input on budgeting priorities. The impact also appears to reach well beyond the traditional numbers: younger participants appear to be drawn into the process, while citizens with low levels of education are also using the Internet as a tool for inclusion of demands. In sum, Ipatinga's Interactive Participatory Budgeting is an additional channel in the relationship between state and society: the virtual space provides democratization for participation and social control, whether for the actors who traditionally take part of municipal decisions or for new participants. However, it is during the regional and municipal assemblies that votes, debate and negotiation define where public resources will be applied: online participation allows interaction in certain parts of the process; the final decision occurs face to face.

In Ipatinga, a medium sized municipality in the state of Minas Gerais (Brazil's southeast region), the process of public debate about budgeting began in 1989 and has changed over the years. The city, with a population of 227 thousand inhabitants, has an economy strongly based on the metallurgic industry and the 1990's were marked by job losses and the consequential increase of social needs.

Several experiences of institutionalized citizen participation in decisions on use of part of municipal resources have been disseminated in Brazil as from 1989. Under the name of Participatory Budgeting (Orçamento Participativo - OP), municipal governments of the Worker's Party - Partido dos Trabalhadores – implemented a practice based on popular assemblies made up of delegates from the population, organized by the cities neighborhoods and regions, who make decisions on which local public works and equipments will be developed. The municipal governments enforce the decisions reached by the assemblies, and

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include them in the following year's budget proposals. The principles this system stems from are the two classic reasons for citizen participation in decisions on public policy: that the citizen has the right to decide on how public spending should happen locally and that this participation improves resource allocation.

Usually the decisions taken refer to works of infra-structure which have a direct impact on the needs of the low income population, which is more dependent on governmental actions: road paving, school construction, flood containment works and public leisure spaces. Among the results usually pinpointed as produced by the process of participatory budgeting are the improvement of living conditions in the community that benefits from the investments, thanks to the adaptation of actions according to the demands observed by the population, more commitment by governments to the chosen projects, the social control exerted by representatives of the population, the creation of participatory channels with actual decision-making powers and the empowerment of popular leaderships.

Description of the process of participatory budgeting in Ipatinga

Participatory budgeting was adopted as an instrument for democratization of the decisions of the municipal government. To carry out the yearly cycles of discussion and deliberation, the city was divided into nine regional budget sectors (made up of neighborhoods, districts and rural communities) which receive differentiated amounts for their priorities, defined from indicators which take into account social, active citizenship and administrative criteria.

The main organ is the Municipal Budget Council (created in 1990), made up of 126 participants, including municipal authorities, representatives from civil society entities and regional councilors, who are chosen by direct vote, and the proposals of priorities for each region are defined through the Council's assemblies. In 2003, for the first time, an electronic voting system was used in the election of the 445 regional representatives. The Municipal Council, during the Municipal Congress for Budgeting Priorities (Congresso Municipal de Prioridades Orçamentárias - COMPOR), the event which closes the yearly cycle of debates, approves the final list of budget priorities for the whole city.

The proposals approved by COMPOR are incorporated into the following year's budget law proposal. In 2003, Ipatinga's Participatory Budgeting allocated US\$1.2 million¹ from the current revenue to outline public works in the neighborhoods as well as the total sum of capital revenue (approximately US\$11.95 million) to plan long-term projects, as discussed in the four-year plans. The total amount destined towards applying collective decisions (around US\$13 million) corresponds to 13.59% of the city's total budget for 2004. It is the councilors' role to follow and supervise this process through monthly meetings of the Municipal Budget Council and meetings every two months of the Regional Councils.

Interactivity and participatory budgeting

¹ The value in dollars was based on the exchange rate of US\$1/ R\$2,95 (rate for the 17th of October, 2003).

Since 2001, Ipatinga's municipal government has begun to make intensive use of the Internet in participatory budgeting. During four months, computers are available in twelve distinct locations around town (besides the town hall and shopping center, public terminals are located in municipal schools) so that citizens can indicate priorities for their streets, neighborhoods or the whole city during the period that precedes the assemblies in each region. Trained staff accompany the process explaining how to use the computer and the website while the priorities for the participatory budgeting are being indicated. This activity is preceded by an intense promotional campaign, which includes distribution of printed matter and orientation at schools.

Besides the mechanism for indicating priorities via the Internet, citizens and civil society organizations can accompany, during this period, all city proposal online submissions. In this way, it is possible not only to strengthen common proposals but also to prepare for a more qualified participation in the collective assemblies.

Online proposals are added to those submitted in a traditional form (taken in writing to the city hall) and the whole is discussed during the regional assemblies. Before this, the municipal government's team evaluates the proposals for technical and financial viability to provide more data for the collective decision-making.

Because proposals are defined only during key moments of regional assembly and municipal congress, Internet voting is merely indicative. Any citizen can indicate proposals via Internet by filling out a simple form. The developed system tries not to create bureaucratic barriers for participation, although it seeks to preserve security aspects. E-mail access is one of the necessary items for participation: it serves as a channel of communication between citizen and government. Through it, for example, the citizens who indicate proposals are invited to take part in their region's assemblies.

Another important online tool available for the citizens of Ipatinga is the possibility of becoming a "fiscal agent." The citizen-user can obtain information periodically via e-mail through personalized selections on the website, combining one or more categories by project name, neighborhood, region, type of project, status and year of approval. Each project is accompanied by value, location, a photograph and position on the map. Before the introduction of new technological tools only participants of monthly and bimonthly accountability meetings carried out this control. Besides this, throughout the whole year any user can submit proposals for improvements in the city, and give suggestions that will reach relevant public organs.

The transmission of the Municipal Congress for Budgeting Priorities (COMPOR) and of online chats with the mayor during the event complete the set of online participation tools, made available by the municipal government of Ipatinga.

The Interactive OP website hosts Ipatinga's participatory budgeting presence on the Internet, providing information about the process and helping with dissemination. It uses up-to-date and market-compatible database and Internet technologies, allowing for growth in the number of users and the amount of information stored. Therefore, it is possible to offer resources for following-up on the development of projects defined in the participatory budgeting. The system, developed by a private company, is managed by government technicians (for

example, the maps by the geo-processing department and information on public works by the budget department). Most of the information existed in the government's data banks, needing only a tool to make them democratic.

Replication and other examples

Although municipal government often receives consultations from other municipalities interested in their experiences with participatory budgeting, the example of Ipatinga's Interactive Participatory Budgeting has not yet been widely adopted in other locations in Brazil. Among the municipal governments whose participatory budgeting websites best resemble Ipatinga's are Porto Alegre (capital of the state of Rio Grande do Sul) and Belo Horizonte (capital of Minas Gerais). The first offers the possibility to indicate and vote on priorities as well as resources for following the development of collective demands. The second only offers the follow-up option. No other municipal website has resources for personalizing website use, available in Ipatinga.

In general, municipalities give relatively little attention to Internet use for participatory budgeting, using it only to announce meetings and the development of public works. This is due basically to the fact that engagement in participatory budgeting is higher in the lower income social sectors, which have higher demands for works of local infrastructure and less means for Internet access. There are national groups for reflection and exchange of experiences with participatory budgeting, such as the National Forum of Popular Participation. Internet use in these processes is far from being a top priority on the agenda for discussion.

Results, achievements and difficulties

The addition of the Internet allowed the number of indications of priorities to grow 44.6% in 2001 (the first year in which Internet was used in the Participatory Budgeting), 166% in 2002 and 125% in 2003. Online indication of priorities became, in 2003, the principal means used by citizens: from the more than 4,300 suggestions, 96% were sent via Internet (in 2002 these made up 70% of the total of indications and 17% in 2001).

According to the municipal government, public prioritization of issues via the Internet has raised the number of participants in regional meetings by approximately 35%. This increase in participation is seen most within the middle class and with people outside of organized groups, influencing the type of debate carried out.

Despite the great impacts presented, the case shows evidence that much progress must be made to achieve new standards of social control. Information provided for tracking projects is very summarized, without space for relevant data such as unit costs, comparison with costs and delivery dates of similar public works, contracted suppliers or explanations on stages and development of works.

Thanks to the existence of public access points with staff support, Internet participation is not restricted to middle class computer owners. The municipal government points out that there is also a lot of Internet participation in the suburbs, a fact that can be ascertained through the participants' level of education: 59% of the people who made suggestions through the website in 2003 have not completed primary education. However, like any other initiative by

governments offering services or interactivity, the Interactive Participatory Budgeting also depends on being linked to digital inclusion initiatives. The few access points and the non-existence of available computers for the phase of inspection of project development are the greatest difficulties faced by the program. The implemented public access points, integrated into a program for digital inclusion, were highlighted in budget planning for 2004 (it is hoped that approximately US\$508,000 may be invested in information technology for 36 municipal schools).

This year an unprecedented fact occurred in Ipatinga: from all regions of the city came the suggestion, sent online, for the construction of skateboard parks. The Internet tools have brought more youth participation to the process of participatory budgeting. In 2003, 45% of those submitting suggestions via website were up to 18 years old. However, youth participation is not yet significant in the regional meetings (where only those aged 16 and over can vote). The youth have not yet managed to organize and mobilize their communities to approve their demands.

The behavior of youth participation leads to reflections on different forms of participation. The offer of participatory resources through the Internet does not quite constitute two separate categories of participants: face-to-face and online. In reality, the decisive structure of participatory budgeting is entirely based on actual participation (face-to-face). Internet participation has an indicative character, as the actual decision-making process occurs in the regional preparatory assemblies and at the Municipal Congress for Budgeting Priorities, which makes the final decisions on which public works and services should be included in the municipal budget. However, statements from users and regional councilors show that the difference between those who use the site and those who only take part in the meetings is access to information. Citizens, who are active online, have more information and more arguments for debate. A councilor from Region 8 states, "Through the Internet I read about everything. What do I get from this? I choose the priority and see what others are doing (choosing). Transparency and time saved."

Two factors, which occurred simultaneously, were responsible for Internet use in Ipatinga's participatory budgeting: the need to incorporate new actors into the process and the administrative modernization that was taking place within the municipal government. Executives and the school-age public, who had access to information technology resources, although limited time, were the initial focus for the creation of new channels of participation. At the same time, the technicians noticed that the municipal government's website (created in 1997) needed updating, calling for a more dynamic environment so as not to be simply a channel of information. Thus, a team from the Planning Secretariat identified the phases of the process which allowed for upgrades with interactive resources and the system was created based on the needs identified. Along the way an unexpected thing happened. The population that historically took part in municipal political decisions, and had no Internet access, joined in the process. Currently online resources have been appropriated by the municipality's lower income population and by the elected representatives of the communities and regional divisions.