Seats at the Table:
Civil Society and Participatory Governance in Brazilian Housing Policy

by

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Abstract

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Thesis directed by Associate Professor David S. Brown

Can democratic institutions be created to address social challenges? Democratic institutions should promote accountability of government officials to the needs of citizens. Civil society then plays a role in exposing corruption as well as in communicating the needs of low-income residents to officials. Neither the institutions of representative democracy nor the presence of civil society, however, appears to automatically guarantee adoption of social benefits for the poor. Scholars, development practitioners, donors, and activists propose participatory governance institutions as mechanisms to create accountability and responsiveness through a public forum incorporating civil society. To date, however, little comparative research exists to confirm whether these institutions do influence adoption of social policies. I seek to fill this gap by assessing the impact of Brazil's municipal housing councils. Housing represents an issue of critical importance in Brazil and other developing countries where large populations reside in informal settlements in unsafe and insecure conditions. This dissertation seeks to provide evidence to confirm whether participatory governance institutions are effective mechanisms to coordinate government officials and civil society to alter policy-making.

Using a mixed method approach based on fieldwork in Brazilian cities and government data, I argue that municipal housing councils should affect policy adoption at the municipal level. I find that in the aggregate municipal housing councils are associated with greater likelihood of program adoption. Contrary to expectations, the depth of civil society does not increase the probability of program adoption where municipal housing councils exist. Looking further into case studies, civil society-state dynamics strongly influence the policy process within municipal housing councils. The responsibilities afforded to municipal housing councils also

make a significant difference in the likelihood that councils are associated with housing programs. Finally, I find that actors working through municipal housing councils created in response to local demand rather than to a new federal mandate are more committed to the process. This commitment matters for the policy outcomes the councils produce. In sum, based on the case of municipal housing councils in Brazil, I conclude that participatory governance institutions do generate responsiveness and accountability, resulting in policy shifts to address social challenges.

Dedication

I dedicate this project to my husband, Rob, for all his support, laughter, and love.

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1. Introduction

> "Democracy does not serve as an automatic remedy of ailments as quinine works to remedy malaria. The opportunity it opens up has to be positively grabbed in order to achieve the desired effect." – Amartya Sen (1999; p. 155)

Can democracy remedy social challenges? As Amartya Sen makes clear, democracy on its own cannot solve all problems. More is required to capture the benefits of democratic governance to meet the needs of citizens. The question is how the benefits of democracy may be capitalized on in order to create progress in solving deep-rooted social problems. Does democracy's ability to foster development depend on the strength of civil society or can institutions be created to address social challenges? In this dissertation I examine the impact newly formed participatory councils have on housing policy in Brazil. The goal is to understand whether institutional innovation produces change for the poor as a subset of society often left at a political disadvantage. Despite the impressive growth of democracy in developing countries over the last two decades, there remain reasons to think that elections and associated democratic institutions fail to engage important segments of the population. While democratic institutions seem to be thoroughly entrenched, there are reasons to suspect more work lies ahead. The following story motivates my dissertation.

On a rainy Saturday I was invited by leaders of two housing rights organizations to visit a recent land occupation not far from Curitiba's city center. Plywood shelters and plastic-sheeted tents housing 1,400 families lined the street and extended far back into the woods. It was the day before municipal elections, and Luiz, a long-time activist in the urban reform movement, was campaigning for city council on a platform to create a municipal level housing secretariat and extend special zones for social housing. Luiz trudged along with us in the mud, wearing a suit

with only a laminated campaign poster for cover, occasionally handing out campaign material to residents. That day an overflowing creek flooded numerous shelters with raw sewage, and families scrambled to keep their children and limited possessions dry. Seeing the situation, Luiz called the municipal Ministerio Público[1] (Public Ministry) office and a local media outlet to alert them to the health emergency. Several hours later we left the occupation without any government official or media member arriving on the scene. In the interim, however, we did witness several other candidates for city council delivering soda and food supplies to the community. The next day Luiz came in 553rd place out of 797 candidates for city council. Several weeks later, all the residents of the occupation were evicted in a violent clash with police, during which one person was killed.

In this instance neither the mechanism of elections nor the presence of civil society served to hold the local government accountable to this community's needs. Clientelism, in which politicians promise favors in exchange for votes, often prevents candidates with ideas for broad policy reform from winning elections. In an atmosphere of intense electoral competition, short-term promises win votes from the poor, but long-term solutions to entrenched problems, such as homelessness and property rights, may remain unaddressed. In addition, even where an active civil society exists to represent the interests of the poor, there is no guarantee that those organizations have any influence with government officials. Though scholars often cite the media and the judicial system as mechanisms for civil society influence, this case demonstrates that neither mechanism necessarily guarantees civil society access to redress. A free media may promote transparency of government, but the media may find everyday instances of poverty

[1] The Ministerio Público is an independent branch of government charged by the Brazilian Constitution with defending "diffuse and collective interests". Housing rights organizations often use the Ministerio Público to fight evictions.

mundane and be unresponsive to calls from civil society organizations (CSOs) looking to publicize perceived injustices. Civil society may also lack the capacity and the time to access the judicial system. Moreover, the judiciary cannot enact social programs to assist large segments of the population.

Can institutional solutions be designed to address these problems? Political scientists are still working to identify the kinds of democratic institutions that best promote accountability to the poor. In addition, literature on civil society does not concretely identify how civil society best holds governments accountable for the provision of social welfare. In this dissertation I evaluate participatory governance institutions as a particular type of democratic institution, which incorporates civil society into policy making to promote accountability to the poor. In addition to accountability, participatory governance institutions should also ensure greater responsiveness to heterogeneous needs at the local level based on the direct input of civil society into policy making. Participatory governance institutions should fill the gap between democracy and civil society by guaranteeing regular access to government officials, providing a forum for debate among actors, increasing transparency, and regulating social programs, in the end creating policies that better reflect the interests of the poor.

Through the case of Brazil's municipal housing councils I analyze the effect of participatory governance institutions on pro-poor policy adoption and ask an important question: Can governments create institutions to promote greater responsiveness and accountability to the poor? Are participatory governance institutions effective democratic institutions to incorporate civil society demands and elicit action from governments? Here I test whether civil society incorporation in decision-making through municipal housing councils effects the provision of resources. If municipal housing councils are associated with an increase in social housing

programs, participatory governance institutions may in fact provide an answer to how democratic institutions and civil society may encourage adoption of social benefits.

Political Institutions and the Poor

Can institutional solutions be designed to benefit the poor? Previous studies find that democracies produce more benefits for the poor than non-democracies (Boone 1996; Bueno de Mesquita et al. 2003; Dasgupta 1993; Franco, Alvarez-Dardet, and Ruiz 2004; Lake and Baum 2001; McGuire 2001; Moon and Dixon 1985; Przeworski et al. 2000; Sen 1981, 1999; Siegle, Weinstein, and Halperin 2004; Zweifel and Navia 2000). Quantitative evidence also appears to support the claim that democracies spend more than non-democracies on social programs, particularly for education and healthcare (Avelino, Brown, and Hunter 2005; Brown and Hunter 2004; Gerring, Thacker, and Alfaro 2005; Kaufman and Segura- Ubiergo 2001; Lake and Baum 2001; McGuire 2006; Przeworski et al. 2000; Stasavage 2005a; Tavares and Wacziarg 2001). Further, recent evidence suggests that where non-democracies do have high levels of social spending, programs may be targeted at narrow groups of citizens whose support aids in maintaining the status quo (Haber 2007; Mares and Carnes 2009). In sum, democratic institutions appear to strongly influence the quality of life for citizens and the depth of social spending.

Scholars suggest several mechanisms by which democracy benefits the poor. First, because elections allow citizens to punish officials for governance failures, politicians act strategically to prevent these failures from occurring. For instance, Sen (1981, 1999) finds that famines are less likely to occur in democracies because officials have strategic incentives to prevent famines from ever happening in the first place. Freedom of the press in democracies aids in spreading information among citizens when failures do occur (Sen 1981, 1999). Competition

among candidates should also lead to increasing promises for social programs (Haggard and Kaufman 2008; Mares and Carnes 2009). Future elections then compel politicians to spend more on public goods once in office in order to retain support (Deacon 2009; Lake and Baum 2001; McGuire and Olson 1996; Niskanen 1997).

These studies all point to electoral competition as the key to governmental accountability. Elections, however, appear to only go so far in producing benefits for the poor. Several scholars challenge the fundamental usefulness of elections as mechanisms for translating the interests of voters into policy action (Manin et al. 1999). As mentioned in the story from Curitiba, clientelism may actually lead the poor to vote for candidates who provide immediate relief, prioritizing the present over potential future benefits. Moreover, once in office officials may have little contact with citizens and may not be directly concerned with the needs of low-income residents until it is time to campaign again. Elections may be a loose mechanism for accountability, thereby conferring broad benefits to the poor across countries and across time, but in the near term, the poor need action by governments to resolve pressing problems. In addition, as democracies experience higher economic growth rates, providing social assistance to the poor may become less broadly politically popular, decreasing the electoral incentive to enact social programs. While elections are certainly important for accountability, they are not perfect mechanisms for securing benefits for the poor.

Beyond elections, scholars cite the roles of legislatures, executives and courts, and the inclusion of sub-national governments in shaping political struggles and resource allocation (see for example, Banting 1987; Immergut 1992; Skocpol 1992; Weir et al. 1988). For example, where more veto players exist, such as in federalist systems with strong separation of powers, the possibilities for welfare state development may be limited (Tsebelis 2002). However, other

scholars have called into question the effectiveness of controls over public officials, including courts and oversight bodies, which are supposed to ensure the functioning of representative democracy (O'Donnell et al. 1999; Mainwaring and Welna 2003; Peruzzotti and Smulovitz 2006). Neither the separation of powers nor specific mechanisms set up to promote accountability of politicians appears to effectively engender responsiveness to low-income citizens.

Recent research from the developing world in particular is beginning to uncover how federalism and decentralization may affect social policy. As Judith Tendler sums up the argument for decentralization, "greater proximity makes government more vulnerable to citizen pressures, and makes it easier for citizens to become more informed and hence more demanding of good service" (Tendler 1997; p. 144). Research shows that decentralization does not automatically lead to better outcomes for the poor (e.g., Ackerman 2004; Adhikari et al. 2004; Crook 2003; Ostrom 2005; Steiner 2007). But, when local stakeholders are involved and sufficient resources and power are given to the local level, decentralization does show promise for increasing accountability (e.g, Asante and Ayee 2004; Blair 2000; Crook and Manor 1998; Crook and Sverrisson 2001; Manor 1999). These studies suggest the need for further research into when decentralization leads to policies benefiting the poor and the type of decentralized institutions that enable inclusion of stakeholders.

Finally, civil society is also thought to be crucial to promoting accountability of the government to its citizens. Alexis de Tocqueville recognized the importance of a vibrant culture of associationalism to form a counterbalance to the weight of the state (Tocqueville 1835). Through associationalism citizens would build connections with each other to help in times of crisis. Similar to de Tocqueville's notion of associationalism, Putnam (1993) found that social

capital unifies citizens to make claims on the government and demand a response. Putnam argued that a strong civil society is needed to counter the tendency of the state to protect elite interests and ensure that institutions function in the interests of residents. This ideal of civil society as protector of citizens' interests continues to drive much of the research on government accountability. As John Gaventa (2006) writes,

> "Based on long standing ideas of the importance of 'associationalism' in democracy, a robust civil society can serve as an additional check and balance on government behaviour [sic], through mobilising claims, advocating for special interests, playing a watchdog role, and generally exercising countervailing power against the state" (p. 14).

The literature on social capital and associationalism, however, lacks specific details about how civil society actually reaches governments to enforce accountability. To some extent, social movement scholars have picked up this question. They cite shifts in the political opportunity structure as explaining when social movements are able to influence policy change (see for example, McAdam, Tarrow and Tilly 2001). The mechanisms by which civil society traditionally influences policy making are through direct action, such as protest, public campaigns, and bilateral negotiations with government officials. Public officials respond to CSO demands made through direct action often out of fear of the economic and political impact of disruption (Giugni, Tarrow and Tilly 1999). Distribution of social benefits in response to these demands may then be targeted to specific claims rather than broad social policies. Second, public campaigns either in support or opposition of public officials and their activities, may lead to policy changes where electoral fortunes are at stake. CSOs use the media and their own networks to spread information, which may lead to public shame or to swaying voter's decisions. For instance, in South Korea, the growth in NGOs led to awareness of the inequities in coverage, which ultimately led to more universal programs (H.J. Kwon 2002; S. Kwon 2002). Finally,

CSOs are often invited by government officials to meet or they request meetings in order to inform officials of specific citizen needs. Government officials may respond to CSO requests once they are made aware of the need to act and are offered specific solutions. One claim against civil society is that organizations often act in the interests of their own members without considering the broader social impact of their demands. To date, however, more comparative research is needed to evaluate the contexts in which CSOs most effectively persuade governments to adopt social programs. We still need systematic research to understand exactly how CSOs are able to hold governments accountable to the needs of the poor.

In sum, though we have good evidence that democracies produce better outcomes for the poor, we still need more information about how democratic institutions and civil society within democracies best hold governments accountable for improving the lives of citizens. Elections and decentralized institutions do produce some level of accountability to the needs of low-income citizens, but these two factors alone do not appear to solve entrenched social problems. Civil society may also be key for making democracy work for the poor, but the means by which scholars have identified civil society influence over government decision making are vague. We need to further identify the institutions through which civil society reaches government officials to affect change.

Participatory Governance Institutions

Participatory governance institutions may be innovative democratic mechanisms, capturing the benefits of decentralization and civil society. These institutions theoretically provide an answer to questions of how to increase accountability to the poor and incorporate civil society more closely into policy making. Support for participatory governance institutions derives from the notion that various participatory approaches promote "good governance".

Scholars often cite good governance as the reason behind government's willingness to invest in programs that benefit the poor specifically. The World Bank defines governance as the way in which states exercise power to manage economic and social resources (World Bank 1994). Good governance is measured by the capacity of governments to provide public services, ensure transparency, promote well-being, and enable economic development (Huther and Shah 1998). Though many authors are vague about which kinds of institutions promote good governance, participatory institutions in general are argued to contribute to "pro-poor" policy making. Participatory governance involves the inclusion of civil society to work with the state in managing resources to benefit the poor directly. The problem is that we still know very little about how these institutions work across contexts and whether they achieve the ultimate goal of shaping policies to benefit all citizens. We still need to understand whether participatory governance institutions can create responsiveness and accountability where other democratic mechanisms and civil society involvement alone have failed.

Participatory governance institutions cement the role of civil society as "co-governor" with the state (Ackerman 2004; Carothers 1999; Gaventa 2006). They are defined as forums in which citizens and government officials discuss problems and deliberate together to generate solutions (Avritzer 2002; Fung and Wright 2003). No longer can government officials selectively listen to certain civil society groups or individuals. Instead, both sides enter into a more formal, and ideally inclusive, mechanism for cooperation. Participatory governance institutions include a broad range of approaches, involving budgeting, policymaking, service delivery, development planning, monitoring of public services, and oversight bodies (Malena 2009). All of these approaches undertake a different mode of incorporating civil society and the state based on different objectives, permanency of the process, and rules governing cooperation of actors. But

all participatory governance institutions emerge based on the idea that traditional institutions of representative democracy do not adequately include the voices of the poor or respond to their needs (Selee and Peruzzotti 2009). Participatory governance institutions expand decision-making beyond the bureaucracy with the aim of balancing elite interests with the demands of civil society.

Several scholars question why elites would give up control by implementing participatory governance institutions. Not only do participatory governance institutions decrease officials' relative power, but it can be expensive to set up the financial, operational and legal capacity to implement the results (Abers 2003). The most common explanation for creation of these institutions involves the influence of left-leaning parties, particularly in Latin America, who adopted participatory governance into their party platforms and seek now to implement participatory institutions since they have gained office (Baiocchi 2001; Houtzager 2003; Abers 2003). A second argument involves modernization and a changing political culture: as citizens become wealthier they become more politically aware and favor greater civic engagement (Fukuyama 1996; Inglehart 1989; Lipset 1959). Greater decentralization of resources and power also facilitates the creation of participatory governance institutions. Lastly, government officials will create participatory governance institutions when it suits their social, political, and financial interests. Civil society demands for participatory governance increases the positive incentives for local officials to create the institutions (Andersson and van Laerhoven 2007).

But do participatory governance institutions in reality act as effective democratic institutions to benefit the poor? Theoretically, participatory governance institutions should lead to increasing social benefits for the poor based on the basic mechanisms of responsiveness and accountability. As mentioned above, studies by development scholars find that decentralization

of responsibilities and resources to local officials often leads to improved responsiveness and accountability of local governments to citizens' concerns (World Bank 1996; Fizbein 1997; Blair 2000). Participatory governance institutions formally involve civil society in the process of decentralization. When civil society has the opportunity to present the specific needs of the community, governments may respond directly to those needs rather than implementing programs that do not address the real problems. By increasing information sharing among and between CSOs, government officials, and the public at large, scholars argue that CSOs hold governments accountable within the forum and within the municipality by generating public scrutiny (Gaventa 2006; Goldfrank 2007).

Accountability has also been defined in terms of reduction in corruption and clientelism. Ackerman (2004) claims that participatory governance institutions reduce possibilities and incentives for corruption, the political use of funds, and the capture of state institutions by elites. Participatory institutions that allow civil society to scrutinize public spending should reduce corruption where governments are held liable through elections (Hardjono and Teggemann 2003). Participatory governance institutions, therefore, complement the institutions of representative democracy in eliciting accountability.

Though current evidence suggests that participatory governance institutions do generate responsiveness and accountability (see for example, Baiocchi 2003; UNDP 2002) little comparative research exists to confirm whether these institutions produce benefits to the poor. Where scholars have focused on the question of outcomes, studies have been limited by empirical evidence and comparison across contexts. Non-generalizable case studies do not provide clear evidence that participatory governance institutions incorporating CSO actors generate measurable differences in the type of policies adopted. Participatory governance

institutions may promote responsiveness and accountability, but we need to know when and how they make a difference rather than making blanket proclamations regarding the broad benefits of participation for the poor. To date scholars have focused too heavily on one type of intervention – participatory budgeting – and have not conducted broadly comparative studies to judge the impact of institutions in diverse contexts. If participatory governance institutions do lead to increasing benefits to the poor, this suggests that institutions may be created to enhance the performance of governments in responding to the needs of citizens. In this dissertation, I test this claim based on the following broad hypothesis:

> *Where participatory governance institutions exist, municipal governments will adopt a greater number of social programs to address the needs of the poor.*

The Brazilian Case

Though Brazil has experienced fast-paced economic growth and international praise, domestically the government must address social challenges in order to alleviate persistent poverty and inequality. Brazil has been classified as a "social democracy" based on their ability to manage economic growth while expanding social, political, and economic rights (Sandbrook et al. 2007). President Luiz Inacio Lula da Silva from the Worker's Party (PT) promised redistribution and economic growth within the market economy. But poverty, inequality, and social spending are far from uniform across Brazil's 5,564 municipalities. This leads to the question, then, of whether democracy functions differently across this one country to produce such large variation.

Brazil's municipal councils for housing offer an opportunity to assess whether participatory governance institutions, as democratic institutions incorporating civil society into

decision making, matter for the variation in social policy across the country. In Brazil, developing participatory governance institutions has gone hand in hand with the process of democratization. CSOs lobbied for the inclusion of participatory governance institutions in the Constitution of 1988. As Brazilian scholars Schatten et al. explain:

> "Hundreds of thousands of interest groups worked throughout the country as the constitution was being drafted and collected half a million signatures to demand the creation of participatory democratic mechanisms. Underpinning such demand was the belief that by opening spaces for citizens to participate, the policymaking process would become more transparent and accountable and social policies would better reflect the needs of citizens" (Schatten et al. 2005; p. 174).

Participatory governance institutions in Brazil have been at the heart of civil society strategy to press the federal, state, and municipal governments to address the needs of the poor. CSOs, including non-governmental organizations and social movements, continue now to demand the implementation of participatory governance institutions and the release of resources from the federal to the municipal level.

The creation of participatory governance institutions has also been intertwined with the path of the PT in Brazil. The PT, which emerged out of the labor movements of the 1970s, was formed around a philosophy of participation that sought to involve the lower classes in politics (Jacobi 1999). Since its founding, the PT has been closely associated with a broad range of social movements calling for a more equitable society, less political corruption and more effective service delivery. When the PT won the municipal elections in Porto Alegre in 1988, one of their primary initiatives was the introduction of participatory budgeting. According to Pedro Jacobi, the impetus for focusing on the budget specifically was that "the budget becomes the incentive for all popular debates, and the definition of priorities is an extremely important instrument in mobilizing community practices" (1999; pg. 7). The process of negotiating the budget, therefore,

becomes a mechanism for collectivizing preferences across a range of actors and a means for both sides to understand more about the other's needs and restrictions.

Though participatory budgeting initiatives, particularly those in Porto Alegre, have received the most international attention as examples of institutions demonstrating the potential benefits of collaboration between citizens and government, numerous other types of municipal-level councils exist throughout Brazil, tasked with both policy and programmatic responsibilities. These councils generally allocate half of the seats for government officials and half for representatives of civil society. While informative case study research exists to suggest these municipal councils and other types of participatory governance institutions provide a voice for previously marginalized citizens, questions remain regarding the extent of resulting benefits for the poor and the context in which these institutions have the greatest impact.[2]

In this dissertation I assess the effect of municipal housing councils on social housing policy. Housing is an issue of vital importance to the poor in developing countries, particularly in urban areas. It presents a key social benefit for which governments provide direct assistance, financing, and indirect support through community improvements. Municipal housing councils in Brazil incorporate members from civil society and local government officials to deliberate on programs and policies to benefit low-income residents. Many municipal housing councils formed in the early 2000's at the initiative of mayors from the PT. Since then, however, municipal housing councils have been created by mayors from diverse parties and in response to the creation of the National System for Housing in the Social Interest (Sìstema Nacional de

[2] Though see Wampler, Brian, *Participatory Budgeting in Brazil: Contestation, Cooperation, and Accountability* (University Park, PA: The Pennsylvania State University Press, 2007) and Andersson, Krister and Frank van Laerhoven, "From Local Strongman to Facilitator: Institutional Incentives for Participatory Municipal Governance in Latin America," *Comparative Political Studies*, 40 (September 2007), 1085-1111.

Habitação de Interesse Social - SNHIS). Under this new decentralized housing system, every municipality wishing to receive funds for social housing from the federal level must have created a municipal housing council by the end of 2009. The variation in municipalities adopting housing councils both before and after the mandate provides for comparison across the country.

My goal in this dissertation is to assess whether municipal housing councils are associated with an increase in social housing benefits. Further, I seek to determine when and how these participatory governance institutions lead to policy change. My hypothesis is that municipal housing councils may be key to the variation in housing policy across municipalities. Where participatory governance institutions exist, municipal governments should be more responsive and accountable to citizens' needs. Here I seek to provide concrete evidence to an important question for Brazil and other developing countries: Can participatory governance institutions generate responsiveness and accountability to social needs across diverse contexts?

Research Design

For this study I employ a mixed methods approach. I use both case studies and large-N quantitative methods to test the hypotheses and to understand the causal mechanisms by which municipal housing councils influence housing policy in Brazil. The benefit to this type of mixed-method approach is that the two parts inform each other to strengthen overall confidence in the findings (Lieberman 2005). I begin with a survey of Brazilian municipalities, which contained questions regarding housing programs and institutions in both 2005 and 2008 (IBGE 2005, 2008). I use these data first to evaluate the claim that municipal housing councils are associated with an increase in adoption of housing programs. In conjunction with several other Brazilian government sources, I also use these data to test whether a strong civil society enhances the effect of municipal housing councils in eliciting social housing programs.

Based on a review of the data, out of the 20 largest cities in the country I selected my initial case studies based on the depth of civil society and whether a council for housing existed in the municipality. From this I selected four cases in diverse regions of the country. Table 1 below displays the results of this analysis.

Table 1.1: Initial Case Study Selection Criteria

	No Housing Council	**Housing Council**
Low Civil Society	Curitiba – South	Salvador – Northeast
High Civil Society	Recife - Northeast	São Paulo – Southeast

Like most field studies, however, the picture became more complex once I landed on the ground and began talking to government officials and civil society leaders in each city. While according to the survey data and online information Recife and Curitiba did not have municipal housing councils, in the Fall of 2008 it turned out that both had recently passed laws to create housing councils in response to the federal mandate, requiring that all municipalities receiving federal funds create a council by the end of 2009. This enabled me to look more closely into the question of how the reason behind creation of participatory governance institutions influences the commitment of actors and the eventual outcomes. In addition, once on the ground I decided to investigate the case of Santo André on the outskirts of São Paulo because I heard repeatedly that they had a model municipal housing council operated by a long-term PT government. Compared to São Paulo and Salvador where changing political administrations seemed to shift the dynamics of the municipal housing councils, I wanted to see how the presence of a stable, leftist administration affected the participatory governance process.

Within each of the five case cities, to the extent possible I interviewed all government officials involved with the housing councils. In Santo André and Salvador, which have relatively

small housing departments, this involved interviews with a few key officials. In São Paulo, where an extensive bureaucracy exists to manage social housing programs, I interviewed approximately 10 relevant officials. In Curitiba and Recife I interviewed the few officials who were involved in the initial creation of the housing councils. To find my interviewees, I called or emailed housing departments and requested meetings or made contact with officials during housing council meetings I attended.

I also spoke with leaders from all four of Brazil's major housing organizations in addition to the National Forum for Urban Reform (FNRU) to gauge their perceptions of the councils and their effectiveness in bringing about greater prioritization of housing interventions at the municipal level. My contact with CSOs began in São Paulo and snowballed across the country. By attending several meetings of the *União Nacional dos Movimentos de Moradia Popular* (UNMP) I met many of the most influential leaders in the Brazilian housing movement. From these meetings, I received contacts from the UNMP and the other three major movements for housing around the country. In each city I was hosted by affiliates of the UNMP, though I also met with leaders from the other major movements, NGOs, and locally based associations. Through these interviews I gained an enormous respect for the daily struggles of these activists and lengthy process they have gone through to negotiate the creation of participatory governance institutions. In addition, I also interviewed private sector interests in each city, though with a particular emphasis on the real estate sector in São Paulo. By speaking with a diverse group of actors, I hope to have received a well-rounded view of the municipal councils, including the benefits and pitfalls of participatory governance.

Throughout this dissertation, information from the case studies informs the hypotheses and interpretation of results. Based on the results from the preliminary statistical analysis in

Chapter 3, in Chapter 4 I review the case studies to provide evidence as to how the policy-making process works in municipal housing councils. This review informs the statistical analysis regarding how the policy process affects outcomes in municipal housing councils. When the statistical analysis provides results contrary to my expectations, another look at the case studies helps to explain why. Chapter 5 then relies on the case studies and quantitative evidence to assess how the reason behind creation of municipal housing councils leads to variance in outcomes.

Main Findings

The main finding of this dissertation is that participatory governance institutions do matter for adoption of policies benefitting the poor. Where municipal councils for housing exist, municipalities are more likely to adopt a variety of social housing programs. Participatory governance institutions can create greater responsiveness and accountability to citizens' needs. More than the depth of civil society, these institutions have the ability to shift government decision-making. In fact, I find that municipal housing councils are associated with greater adoption of social housing programs regardless of the depth of civil society within a municipality. This suggests that the institution is more important than the depth of civil society and that the institution may have a strong effect on redistribution across contexts in Brazil.

Second, I find that the rules of participatory governance institutions matter for the outcomes they produce. In the case studies, civil society-state dynamics significantly alter the policy-making process within municipal housing councils, but in the aggregate the institutional rules appear to strongly influence program adoption. Civil society-state dynamics, including the party in power, the role of the private sector, and the strategies of civil society, do determine the level of transparency, the scope of who is involved, and the nature of deliberation within

municipal housing councils. All these factors influence the details of housing programs, where projects are located, and the depth of municipal resources allocated to housing. Across cases, however, the transparency generated by oversight responsibilities allocated to municipal housing councils appears to significantly alter program adoption.

Finally, I find that the impetus for creation matters for the commitment of actors to participatory governance institutions. Whether municipal housing councils are initiated from the bottom-up rather than the top-down, plays a role in how committed government officials and CSOs are to the process. In turn, the commitment of government officials and civil society matters for the outcomes municipal housing councils produce. Participatory governance institutions mandated at the municipal level by the federal level, therefore, may not have the same impact on generating benefits for the poor.

Implications

In a democracy everyone should have the opportunity to have his or her voice heard. But the institutions of representative democracy—elections in particular—may not be enough to hold governments accountable to the needs of the poor and promote adoption of social benefit regimes. Traditional tactics of civil society—protest, bilateral negotiation, advocacy campaigns, etc.—may also not be enough for civil society to change the priorities of government officials to respond to the needs of low-income residents. Instead, the formal incorporation of civil society into decision-making through participatory governance institutions may provide a critical seat at the table leading to changing policy outcomes that benefit the poor. Rather than the depth of civil society alone, the institutionalization of participation is pivotal to generating responsiveness and accountability.

Scholars, development practitioners, and donors hail participatory governance institutions as a means towards achieving "good governance", in which civil society provides an active voice in managing state resources. These institutions incorporate civil society into policy making in a new way, providing CSOs with unprecedented information, access, and opportunities for input. When civil society is involved in decision-making, outcomes should better reflect the interests of the poor. While this appears to be a reasonable proposition, little comparative evidence exists to support this claim. This dissertation attempts to remedy this gap by testing whether one type of participatory governance institution—municipal housing councils—are associated with greater adoption of benefits to assist the poor. That housing represents a key social challenge in the developing world adds to our understanding of what leads to the provision of social benefits in the developing country context.

The findings of this study have implications for designing institutions that meet redistributive goals and for the strategies of social policy advocates. Statistical evidence demonstrates that there are broad patterns in policy outcomes, while highlighting the contextual nature of the impact of participatory governance institutions. This has implications for whether policy makers – both domestic and international – continue to call for participatory governance institutions to be implemented broadly as a means of bringing about greater redistribution of resources. Most of the studies on participatory democracy have come from a few cases – Brazil, the Philippines, India and South Africa. While this study continues the trend by focusing on Brazil, the results are more generalizable through the comparisons of contexts across the country, helping to pinpoint representative cases for replication of results.

Housing is representative of poverty in the conception outlined by Amartya Sen (1999) in his landmark study of the deprivations that impede individuals in enjoying basic opportunities

and developing capabilities. Though Sen and others theorize that democracy is vital to the creation of good governance and pro-poor policy, this study provides empirical evidence to the debate about how a new kind of democratic institution influences policy adoption through careful, systematic comparison. It also offers evidence as to whether participatory governance institutions are worth further investment to meet goals of poverty reduction.

Democracy may be better for the poor than authoritarian regimes, but traditional representative institutions may not provide sufficient channels for the voices of the poor to translate into policy outcomes that specifically address their needs. This study provides an answer to the question of whether a new type of institution can generate responsiveness and accountability to enhance the benefits of democracy.

Overview of Chapters

In this dissertation I test a general theoretical proposition regarding participatory governance institutions as mechanisms for responsiveness and accountability while also exploring the current civil society and policy environment for housing in Brazil. I begin with a discussion of housing policy as a critical issue for democracy and development both in developing countries worldwide and in Brazil. I then turn to the basic empirical question regarding the effect of participatory governance institutions on the adoption of social programs. In addition, based on existing literature and my observations in the field, I identify several variables, which may alter the effect of participatory governance institutions on policy outcomes: the depth of civil society, civil society-state dynamics, institutional rules, and the reason for creation. The following provides an outline for each chapter of the dissertation.

Housing Policy

Scholars of democracy and social policy often overlook housing policy. However, housing as an issue of physical shelter, community development, and infrastructure provision, is increasingly important in developing countries where large slum populations and underserved rural communities demand benefits from the state to improve their basic quality of life. In defining housing policy, I follow the logic of Brazilian scholars Cymbalista and Santoro: "A housing policy assumes a wide variety of objectives—from provision of new units, slum reurbanization, emission of ownership waivers, intervention in tenements, to rent subsidies" (2008; p. 48). The objectives of housing policy aim to reduce homelessness and provide more secure shelter for citizens. These objectives translate into locally and nationally devised programs to provide individual families with units in which to live and programs to improve existing communities. In Chapter 2 I discuss housing policy in more detail, illustrating the similarities and differences between Brazil and developing countries around the world.

The Effect of Municipal Housing Councils

In Chapter 3 I present the main theoretical argument for the effect of participatory governance institutions on policy outcomes. I then test the hypothesis that municipal housing councils should increase the probability of municipalities adopting social housing programs. Positive findings suggest that governments can create democratic institutions to improve responsiveness and accountability to the needs of the poor.

The Depth of Civil Society

Within Chapter 3 I also test the claim that the depth of civil society matters for the outcomes participatory governance institutions produce. Building on Putnam, scholars studying participatory governance institutions argue specifically that low levels of social capital impede

the impact of participatory institutions (Avritzer 2006; Houtzager and Moore 2003). In a cross-municipal study of participatory budgeting councils in Brazil, Avritzer (2006) found that the councils did not provide the intended forum for deliberation where there was not already a significant community of organizations to participate. Participation may be predicated on whether organized networks of civil society exist, and further, outcomes may be a product of how those networks are able to control the discussion (Baiocchi 2003). Without considerable mobilization of demands, participatory institutions may be easily co-opted by elites and have no effect on democratic deepening or policy outcomes (Cooke and Kothari 2001). Using statistical analysis, I hypothesize that the greater the number of CSOs per capita in a municipality, the stronger the effect of participatory governance institutions in eliciting social policies.

Dynamics between Civil Society and the State

The relationship between civil society and the state should influence the policy process in participatory governance institutions (Wampler 2007). In chapter 4 I argue that the party of the administration in power, the strength of the private sector, and the strategies of CSOs may influence the dynamic between civil society and the local government. Baiocchi, Heller, and Silva (2008) argue that participatory governance institutions expand the traditional political opportunity structure through which civil society influences government action. The ideological predisposition of the government leadership may make a difference for their enthusiasm for participatory institutions and their inclination to include civil society in decision-making. Previous research shows that the political context in which CSOs operate either encourages or impedes their ability to reach policy makers throughout the stages of the policy process (Grugel 1999). Whether policy makers' ideological predispositions and interests align with CSOs leads to

strained or mutually beneficial relationships and communication between CSOs and policy makers (Edwards 2004).

Participatory governance institutions may either exacerbate tensions among actors or facilitate cooperation. In addition, the strength of private sector interests and their alliances with government officials and civil society also matter for the direction of policy-making. Government officials have to balance demands for economic opportunities with the demands of CSOs to provide benefits to the poor. Finally, the strategies by which local CSOs traditionally reach government officials matter for whether CSOs are viewed as partners or adversaries. If CSOs continue to rely on direct action, including land occupations, or bilateral negotiations with government officials, participatory governance institutions may have little effect on policy. I evaluate the effect of civil society-state dynamics on the policy process and outcomes of participatory governance institutions in Chapter 4 of this dissertation.

Institutional Rules

As Avritzer (2009) argues, institutional design is critical to how citizens and government engage in decision-making. How participatory institutions are devised should matter for whose voices are included and the outcomes they produce. The structure of the institution, in terms of rules governing composition and responsibilities afforded to members, may then determine the policy process and outcomes of participatory governance institutions. In order to create the synergistic process that scholars and development practitioners have idealized, institutional design must be taken into account (Ostrom 1996; Kumar 2002; Agrawal and Gupta 2005; Fagatto and Fung 2006). I examine this question regarding the influence of civil society-state dynamics and institutional rules in Chapter 4 of this dissertation.

The Reason for Creation

Whether participatory governance institutions are created by ideologically inclined mayors or imposed by federal mandate may matter for the commitment of government officials and CSOs to the process. Scholars have found that the commitment of the local and central governments to the process is critical for the effectiveness of participatory governance institutions (Kumar 2002; Fagatto and Fung 2006; Ackerman 2004; Ostrom 1996). Inclusion of civil society and the responsibilities accorded to participatory governance institutions demonstrate the commitment of the government to making the process work. In addition, the commitment of civil society is also critical to the effectiveness of institutions, which by definition rely on the input of community members outside of government. In Chapter 5 I assess how the reason for creation effects the commitment of government officials and civil society members, and further how this commitment affects the outcomes of participatory governance institutions.

Chapter 2: Housing Policy as Critical Challenge for Development and Democracy

"The quality of the [council] process is very important for the creation of an idea of citizenship. Most people believe that there is quite a difference between being a city dweller and being a citizen. People living in the periphery and in favelas are not seen as having full rights, first of all because they are illegal and informal. Having the councils is a matter of having inclusion and creating citizenship." Raquel Rolnik, Special Rapporteur for Housing to the UN

Housing policy presents a test for how democratic governance may address social challenges. In developing countries, governments face enormous challenges in fast-growing cities and in rural areas where millions of residents reside in informal and often unsafe and unsanitary conditions. Citizens need shelter to live productive and healthy lives, improving their own quality of life while also contributing to local and national development. In Brazil and elsewhere housing is about more than the provision of shelter. In Brazil, CSOs involved in housing policy generally use the term "moradia" to define their claims. Though "moradia" does not have a precise translation in English, it generally refers more to a quality living space than solely a physical structure.[3] The use of "moradia" instead of the more directly translatable term "habitação" (housing) emphasizes the importance of not just having a roof and four walls to call one's own, but the need for safety, security, and dignity associated with a home.

Housing involves the improvement of communities and quality of life as well as the benefits of citizenship and inclusion within democratic institutions. The quote above from Raquel Rolnik illustrates the difficulty that low-income residents face in demanding citizenship and inclusion. Municipal councils for housing provide the poor with unprecedented access to policy making, but the challenges remain daunting in Brazil and developing countries around the world. Traditionally politicians who need to provide tangible benefits to voters use housing as a

[3] Moradia is often translated as "dwelling" in English, but this does not really capture the meaning as used by CSOs in Brazil.

political symbol. As such, housing often falls prey to clientelistic behavior between elected officials and the poor.

In this chapter I examine the importance of housing as a policy issue in developing countries. Housing is an important issue for democracy and development as a human right and as a means to reducing poverty and inequality. In addition, housing is critical to improving security and promoting environmental sustainability. As a tangible political issue, politicians are also motivated by elections to address housing needs. Policy makers, scholars, and donors throughout the world struggle to create policies and programs to address the diverse needs of the poor in terms of creating new housing, improving existing shelter, upgrading infrastructure and providing land titles. Though housing is not always part of the traditional definition of welfare policies, in the developing world where a significant portion of the population lives in informal settlements without proper infrastructure or property rights, the importance of housing to citizens' welfare cannot be denied.

In Brazil, housing policy has evolved since democratization into a decentralized system of resources and policy control. Civil society struggles to define the needs of the poor and maintain pressure on policy makers and donors to meet these needs. Housing policy is also perceived by civil society as key to asserting the right to participatory governance. Civil society has been heavily involved in creating the new system, which seeks to decentralize resources and more closely integrate the poor and all levels of government into policy planning. I argue that Brazil is both an outlier and representative of developing countries around the world. Given the high level of decentralization, Brazil is an outlier in terms of the structure of policy making and the diversity of programs adopted by municipalities across the country. However, Brazil has followed similar trends in approaches to housing policy as other developing countries. The

challenges in Brazil are representative of those faced by governments, civil society, and the poor living in undignified conditions throughout the world.

Policy Challenges in Developing Countries

The scope of housing challenges around the world remains staggering. According to the United Nations, one in three people in the world will live in "slums" by 2030 (UN Habitat 2003). Currently, 940 million people or one in six people on the planet live in areas without access to basic services or land security. A "slum" household, according to UN Habitat, is lacking in at least one of the following: access to improved water, access to improved sanitation, sufficient living area, structural quality, or security of tenure or title. "Housing" challenges worldwide, therefore, include much more than the quality of a single physical shelter, but rather involve the entire surroundings in which people live.

Scholars and policy makers often link housing challenges to urban development and politics. For the first time in history, more than half of the world's population now lives in urban areas (UN Habitat 2008). Rapid increases in the urban population—over 5% per year in parts of Sub-Saharan Africa and Asia—place stress on the urban infrastructure and lead to increasing number of residents living in slums across the globe. In developing countries, 36.5% of the urban population lives in slums. In Sub-Saharan Africa 62.2% of urban residents live in slums, while in Latin America and the Caribbean 27% of residents live in slums (UN Habitat 2008). Density is a particular problem in urban areas where people flock to central areas of the city in search of work (Mitlin 2007). In their volume on squatter settlements, Satterthwaite and Mitlin justify focusing on urban areas in Africa, Asia, and Latin America and the Caribbean by the immense scale of urban populations, the scale of deprivation among these populations, and the potential for urban poverty reduction due to the presence of local civil society organizations (2004; p. 5).

For housing, specifically, the UN estimates the needs in urban areas of developing countries as the following:

"The annual need for housing in urban areas of developing countries alone is estimated at around 35 million units (during 2000-2010). The bulk of these, some 21 million units, are required to cater for the needs of the increasing number of households. The rest is needed to meet the requirements of people who are homeless or living in inadequate housing. In other words, some 95,000 new urban housing units have to be constructed each day in developing countries to improve housing conditions to acceptable levels." (UN Habitat)

While these figures are astounding, they more than likely vastly underestimate the problem given that the housing deficit for Brazil alone is approximately 16 million, according to the numbers provided below, or a little under a half of the UN's world total.

In looking at trends for the future, the growth of cities indicates growth in the slum population as well. The UN predicts that all of the population growth in the next 25-30 years will be in urban areas. Already in 2000, three-quarters of the population in Latin America and the Caribbean lived in urban areas and two-fifths of the population in Africa and Asia lived in urban areas (UN 2002). In 2007, the top four cities by population were Tokyo, Mexico City, New York and São Paulo, respectively (UN Habitat 2008). But by 2025, the UN predicts that the top four cities by population will be Tokyo, Mumbai, Delhi, and Dhaka, with São Paulo in fifth place. This shows the changing demographics of megacities around the world, which underscores the importance of tackling urban challenges, including housing, in the coming years.

This is not to say that housing is purely an urban issue. The need for adequate housing and infrastructure exists in both rural and urban areas. Regardless of population density, citizens face resource constraints to building and purchasing shelter with secure land tenure. The nature of the intervention to housing challenges, however, may differ across rural and urban areas. Housing programs in urban areas are generally defined by construction of large public housing

units, subsidies for financing, land titling, and slum improvement schemes, while in rural areas residents may prefer construction materials to build their own homes in addition to land titling programs for security.

The problems of informality exist across the rural-urban divide. Residents of informal settlements risk eviction and the government can legitimize not providing services to areas that are not legally registered (Mitlin 2007). Collective action may then be important for attaining land security and public investments in infrastructure. Addressing the need for additional housing units, basic infrastructure, sanitary conditions, and land titles in developing countries worldwide poses a tremendous challenge to governments and international donors for the foreseeable future.

Housing Challenges in Brazil

Housing statistics in Brazil are divided by the "housing deficit," or the gap between people who need housing and the existing stock, and "inadequate" housing, characterized by lack of access to basic services, land titles, and sufficient infrastructure. In 2008, the official housing deficit in Brazil, according to the Ministry of Cities, stood at 5.6 million, down from 6.3 million in 2007 (Ministry of Cities 2010). The good news in Brazil, then, is that the official number of housing units needed throughout the country is falling. Still, significant challenges remain. Across years, 83% of the housing deficit was located in urban areas, and 90% of those in need of housing earned between 0 and 3 minimum salaries[4] (Fundação João Pinheiro, 2009). For all of Brazil, 39.3% of the deficit is attributed to citizens forced to live with family, 32.2% to excessive

[4] President Getúlio Vargas established the minimum salary (e.g. minimum wage) for Brazil in 1936. Today, the amount needed to "attend to the basic necessities of workers and their families, including housing, food, education, health, leisure, hygiene, transportation, and social welfare" as guaranteed by the Constitution equals approximately 4 to 5 times the minimum salary (DIESSE - Departamento Intersindical de Estatística e Estudos Socioeconômicos; http://www.dieese.org.br/).

rent burden, 23% to precarious housing, and 5.5% to excessive density in rental housing. In rural areas 60% of the deficit is for precarious housing, while in urban areas it is only around 10%. Housing needs as part of the deficit, therefore, differ across the rural-urban divide.

In addition, about 10.5 million homes across the country are counted as "inadequate" (Fundação João Pinheiro, 2009). Of these, one million houses did not have a bathroom and two million did not have proper land titles. Two million more are located in "subnormal settlements," in which residents may have land title, but do not have access to basic services, such as electricity, piped water, sewage, or trash collection. Of the 80% of the population living in urban areas, about 40% are counted as living in inadequate and/or insecure housing (Rodrigues and Rolnik 2007). In Brazil, and in other growing cities in the developing world, rising incomes have improved affordability of housing, but speculative investment and density have also increased prices in many cities (Mitlin, 2007). Government interventions to improve inadequate housing units and provide new units to decrease the deficit are therefore still critical to addressing Brazil's housing challenges.

The very poor in Brazil—defined as those earning below 3 minimum salaries—generally have three options: 1) occupy unused land, 2) rent accommodation, which is often expensive and may require sharing with other families, or 3) purchase land on an illegal subdivision, which generally does not have basic infrastructure and sanitation (Cavalcanti, Marques, and Costa 2004). Brazil's favelas are mainly the result of land occupations by citizens squatting on any piece of land available. In addition, social movements often organize members to occupy land before negotiating with the municipal government either to build on the land or to be relocated to housing elsewhere. *Cortiços*, or tenement buildings, in which multiple families live together in often crowded and unsanitary conditions, are a particular phenomenon in the country's largest

city, São Paulo. Though the city passed a law to hold landlords responsible for the miserable conditions in the cortiços, many city residents who desire to live close to employment in the city center continue to pay high rents for substandard living conditions. Finally, residents who can afford it often purchase land in subdivisions, called *loteamentos*, in which owners sell off plots of land without respecting city codes to provide sidewalks, roads, electricity, and other basic infrastructure. According to civil society leaders, housing policy in Brazil has never responded adequately to the needs of the very poor currently living in these three types of situations, either with subsidized financing, public housing, or infrastructure investment. Civil society demands, therefore, often focus on meeting the needs of the lowest-income citizens.

Housing as a Policy Priority

Though statistics indicate the severity of housing problems, given competing social challenges, it is crucial to understand the benefits governments may gain by prioritizing housing interventions. First, the right to adequate housing is enshrined in international law as a basic human right of all citizens. Governments concerned with reputational effects and pleasing their own citizens may be concerned with fulfilling the promises of human rights. Second, addressing housing needs is a critical part of economic growth: when people have access to housing as an asset, they may be able to invest in their businesses. In addition, the real estate and construction industries in the developing world are increasingly viewed as engines for growth. Further, improving communities through physical shelter and infrastructure may reduce violence and crime within poor neighborhoods and improve environmental sustainability in cities and in rural areas. Finally, as I argue throughout this dissertation, governments make housing a priority because it is politically popular. Governments respond to citizen demands through a variety of incentives, which generally boil down to a desire to win at election time.

The Right to Adequate Housing

The right to housing is enshrined in international law along with other basic rights to ensure a decent quality of life. The Covenant for Economic, Social and Cultural Rights (CESCR) calls for state parties to "recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions" (OHCHR 1991). The right to adequate housing is conceived of as central to the enjoyment of economic, social and cultural rights and is both a positive and a negative human right: governments are both responsible for ensuring acquisition of adequate housing and removing obstacles to its attainment. “Adequate” housing is defined by legal security of tenure, availability of services, affordability, habitability, accessibility, location, and cultural adequacy.

The right to adequate housing is also reflected in the Millennium Development Goals, which call for “significant improvement in the lives of at least 100 million slum dwellers”. Towards the goal of ensuring the right to adequate housing, UN Habitat and the Office of the United Nations High Commissioner for Human Rights (OHCHR) began the United Nations Housing Rights Programme (UNHRP) in 2002. The Programme focuses on issues of forced evictions and the rights of indigenous peoples, in particular. Though the force of international law may be disputed, the fact that adequate housing is viewed as a basic human right by the UN and governments around the world provides legitimacy to the claims made by CSOs for housing interventions and places some degree of opprobrium on those governments unwilling to respond.

Social movements throughout Brazil use the language of rights as justification for their demands. For example, following the occupation of several buildings in São Paulo’s city center, in an open letter to municipal, state and federal government officials, the Frente de Luta Moradia

(Front for Housing Struggles, FLM), called on the government to renovate three buildings for low income residents. The movement stated that the government "has the obligation to provide dignified housing to those that have none, as they should guarantee health, education, transportation, security…" (Forum Centro Vivo, April 26, 2010). When negotiations with the municipal government broke down, the movement sought to file a petition with the Ministério Público (Public Ministry) claiming that the human rights of protestors had been violated because they were forced to live in subhuman conditions (O Globo, April 27, 2010). Also in São Paulo, during a meeting to engage new members a leader of the *União dos Movimentos da Moradia* (Union of Housing Movements - UMM) urged a packed room of attendees to fight for the fundamental right to dignified housing. In his words, housing is a right of democracy, but citizens must be informed and continuously pressure the government to secure their rights. The National Forum for Urban Reform (FNRU) in Brazil also calls on citizens to challenge the government to ensure the right to dignified housing. In March 2010, the right to adequate housing was reaffirmed in the final declaration of the United Nations sponsored World Urban Forum in Rio de Janeiro, in which CSOs, including the FNRU, successfully lobbied for a strong statement defining the goals of the conference theme, "the right to the city" (FNRU 2010). In Brazil, then, civil society calls on the federal, state, and municipal governments to comply with human rights principles guaranteeing the right to "adequate" housing. To the extent that governments comply, they gain reputational benefits.

Housing as Source of Economic Growth

In his highly acclaimed book Mystery of Capital (2000), Hernando de Soto argues that the poor's homes are significant assets, but without formal titles these houses are "dead capital". Based on a study in Peru, his work led international and domestic leaders to call for increasing

property rights in developing countries worldwide. With secure property rights, the poor can use their homes as collateral in order to access business loans, which may enable incorporation into the formal market and increase the size of small enterprises. Property rights, then, are key to economic growth: if the poor have the means to access loans, businesses should be more productive and add to overall economic gains.

In addition, the construction and real estate industry are drivers of economic growth in the developing and industrialized world. Investment in housing not only benefits individual households, but provides employment for construction and profits from sales. Broader benefits from infrastructure investment also contribute to economic growth. Research has found a positive association between infrastructure investment and economic growth in developing countries (de la Fuente and Estache, 2004). To increase profits in the construction and real estate industries, governments often enter into public-private partnerships for building or upgrading of communities. Rather than managing construction themselves, private contracts enable market growth with externalities beyond the families who benefit from new homes and basic service provision.

Improving Security

Governments may also be incentivized to respond to housing challenges based on the real and perceived benefits to security. Much has been written about the dangers of favelas in Rio de Janeiro and São Paulo (see for example Arias 2006, Caldeira 2001; Perlman 2010). Several theories offer explanations linking insecurity in housing to violence, particularly in urban communities. First, informal communities create a feeling of inferiority among residents and a stigma of crime (Henry-Lee 2005; Lall, Suri, and Deichmann 2006). Regardless of the actual level of violence within an informal settlement, wealthier residents stereotype favelados, as they are known in Brazil, as criminals. This perception of the favelas as dangerous places leads to

isolation and further marginalization of residents. Second, slums may embody low levels of social capital. Though studies find that people living in cities have high levels of community participation, residents in slums tend to have very low levels of trust (UN Habitat 2008). Very generally, with low levels of social trust, residents may be less likely to look after one another and more likely to engage in criminal acts against their neighbors. In Latin America, Rosero-Bixby (2006) also finds that existing crime and fighting over scarce resources lead to lack of trust among low-income residents.

Deprivation and urban crowding may be a source of insecurity to residents and a challenge to government officials to improve community relations. In order to prevent violence, crime, and disaffection, governments may then prioritize housing interventions.

Environmental Sustainability

In the list of UN Millennium Development Goals, improving the lives of slum dwellers is situated within broader goals of environmental sustainability, clearly linking the two. Environmental problems resulting from informal housing conditions include poor air quality, water contamination, waste dumping, and negative impact on fragile ecosystems (UN Habitat 2008). Improving the living conditions for slum dwellers should reduce pollution and overuse of natural resources. Constructing housing, but also providing slum dwellers with basic services and infrastructure, may improve environmental conditions within slums and in the region. As environmental degradation takes a greater toll on cities and rural areas, governments may be persuaded to act. Combined with the other benefits to economic growth and security, housing interventions and urbanization programs may generate large payoffs for minimal investments.

Political Popularity

Finally, the motivation for prioritizing housing policy comes back to the fact that housing interventions are generally politically popular. Politicians can easily point to physical improvements in slums and to new, brightly colored housing complexes as signs of progress. Both democratic and authoritarian regimes traditionally use housing to capture political support. For example, in both Chile and Peru, under authoritarian regimes, leaders used housing to maintain popularity (Gilbert 2002; Castells 1983). Fragile democracies, including South Africa, India, Thailand, Mexico, and Brazil have also adopted new housing schemes in recent years (Baumann 2007; Satyanarayana 2007, Boonyabancha 2005; World Bank 2004; Rodrigues and Rolnik 2007). Housing interventions to gain political support may be clientelistic in nature—direct benefits to one community in exchange for loyalty—or they may more broadly respond to citizen demands, both rich and poor. Wealthier citizens often desire to improve the landscape of cities as much as the poor desire decent homes and communities in which to live. Both rich and poor voters, then, may make their electoral decisions based on policy expectations or on evidence of housing interventions.

In addition, as this dissertation argues, in Brazil and other developing countries, large civil societies oriented towards housing and other issues of urban planning and property rights play a direct role in policy making. Their influence is felt through voting in participatory mechanisms, including municipal housing councils, and indirectly through the transparency generated by a public space for discussing resource allocation. Armed with information regarding the government's contributions, or lack thereof, CSOs can negotiate with government officials and publicize the shortfalls to their members and fellow citizens. Particularly in urban areas where large numbers of voters live in slums, what the government does for housing matters at election time. Though clientelism in terms of politicians securing votes through promises of

new housing construction for the poor or community upgrades still exists, with increased transparency of information from participatory governance institutions voters may also hold government officials accountable for addressing housing challenges more broadly.

Past and Current Housing Policies in Developing Countries

Worldwide, the housing policy environment has changed in light of increasing democratization, a move towards decentralization in policy making, adoption of market-oriented economic approaches, and emerging housing finance systems (Buckley and Kalarickal, 2005). More housing needs today are in urban areas, and in many cases families living in informal settlements or in need of housing options are second-generation migrants to cities (see for example, Perlman 2002 on Rio de Janeiro). Trends in housing policy have also coincided with theories regarding the role of the state in the economy. From the 1950s to the 1970s, state planning dictated the construction of large public housing complexes and destruction of slums (Buckley and Kalarickal 2005; Jenkins, Smith and Wang 2007). From the 1970s forward, the norm shifted towards market-based solutions, mainly involving subsidy or voucher programs and site-and-service programs to improve informal settlements and provide land titles. In the 1990s, reliance on market-based reforms increased while donors and scholars also began to promote the idea that community groups and NGOs should be consulted on poverty alleviation projects (Galasso and Ravallion 2000).

The trend away from state involvement in large public housing complexes from the 1970s followed economists‘ warnings that state intervention in real estate can only be market distorting and managing public housing was an inefficient use of state resources. Traditionally, once slums had been cleared, residents were transferred to public housing units, most often in the peripheries of cities. Jenkins, Smith and Wang (2007) argue that public housing in the

developing world failed for much of the same reasons it failed elsewhere: “remote, un-serviced locations, inadequate dwelling space, lack of opportunities for income generation, high costs and lack of accessibility to the lowest income brackets” (p. 253). Public spending alone could neither meet the demand for housing nor respond to the needs of poor residents. Starting in the 1970s, therefore, many countries shied away from constructing large public housing complexes in favor of “site and service” programs and slum upgrading of informal settlements (Huchzermeyer 2004). Site and service programs were developed in recognition that the single, modern housing unit was out of reach for most of the poor. Instead of emphasizing the illegality of informal settlements, governments aimed to provide some basic services and infrastructure to existing communities. As Mitlin (2007) argues, however, site and service programs alone have failed to significantly alter housing problems because of lack of supply, bad locations, unregulated buildings, and issues in targeting beneficiaries.

The Inter-American Development Bank labels market-based approaches the “enabling approach”, which includes removing regulations, improving land titling, and encouraging the private sector to produce low-income housing. Expanding the market for mortgage finance to low-income citizens has enabled the poor to purchase homes in a number of countries, including Indonesia, India and the Philippines (Mitlin 2007). In these countries, and in Brazil, fast-paced economic growth has increased available finance and raised incomes to allow residents the opportunity to purchase homes. Community investment funds, savings schemes and lending by microfinance institutions for incremental improvements, are also current interventions implemented around the world based on the enabling approach.

Most developing countries today appear to implement a mix of state construction, site-and-service projects, and market-based approaches. In addition, increasing incorporation of the

poor and civil society representatives into policy making has been key to initiating settlement upgrading projects and self-build projects. According to Diana Mitlin (2007):

> "Neighborhood upgrading requires building a relationship between low-income communities and the state. The state has to engage with low-income communities through issues related to both the legalization of land tenure and the regularization of plots, so that they comply with regulations and other legislation. The provision of subsidies (for infrastructure improvements and, sometimes, other investments) also requires involvement with the state to establish beneficiary rights and entitlements. The growth of participatory planning mechanisms has helped to consolidate positive relationships between the residents of low-income settlements and their local government" (p. 165).

Mitlin argues that improving informal settlements requires direct communication and negotiation between residents and the state. Neighborhood associations, often working under the umbrella of a larger social movement or in consultation with professional NGOs, need to be integrated into government planning processes in order for citizens' needs to be met. Participatory mechanisms, including municipal housing councils in Brazil, directly respond to this need for a space where civil society and the state meet and generate guidelines for housing interventions.

In addition, in Brazil, and elsewhere, governments promote "self-build projects" as a means to capitalize on informal strategies the poor already use. The majority of the poor already live in housing they have built themselves (Jenkins, Smith and Wang 2007). By working in associations, in self-build projects the poor apply for resources from the state to carry out their own community improvement projects or construction of individual or collective dwellings. From Nigeria and Spain to Afghanistan, self-build projects are increasingly seen as "best practice" interventions because they promote community involvement and require far less resources than typical large-scale public housing complexes (UN Habitat). This type of intervention clearly involves close collaboration between association and the state to generate project proposals and to ensure that resources are used effectively.

In sum, housing policy worldwide has evolved from large-scale state interventions to market-based approaches with civil society involvement. Though construction of individual housing units certainly still exists, private contractors and housing associations of residents are now more involved than in the past. Evidence from around the world suggests that the trend in housing policy is toward programs that are more pro-poor, in terms of collective finance solutions, inclusion of the poor in program design, and upgrading of slums rather than evictions (Mitlin 2007). Though problems certainly persist, as evidenced by the daunting statistics on housing challenges, innovations in housing interventions indicate promising improvements for the future.

Policy History in Brazil

To a large extent, housing policy in Brazil reflects the trends in policy throughout the developing world, evolving alongside trends in macroeconomic approaches. In the 1970s, city governments in Brazil were overwhelmed by the influx of migrants from the countryside. Under the authoritarian government, the norm was to clear informal settlements and relocate residents to large public housing complexes in the periphery. The National Bank for Housing (Banco Nacional de Habitação) also provided financing to low-income residents to purchase individual units. According to longtime activist Benedito Barbosa, owning an individual home rather than renting is the dream for most Brazilians. Financing through the BNH, however, was only available to families earning over 3 minimum salaries and did very little to limit growth of the housing deficit (Souza, personal interview). By 1990, the BNH collapsed due to corruption (Cavalcanti, Marques and Costa 2004). According to civil society leaders, the collapse of the BNH left a void in housing policy at the national level for over a decade.

Since democratization, housing policy has been heavily influenced by trends towards decentralization. As opposed to national or local political elites, in Brazil civil society has been the impetus for decentralization of policy making (Eaton 2004). Civil society has fought to ensure access to social rights through the implementation of decentralization reforms. For instance, the 1988 Constitution established universal access to health care through a consolidated national system (Sistema Única de Saude, SUS) Under the system, each municipality is required to have a council composed of providers, users, and government officials, which controls funds transferred from the federal level. The health councils must reach consensus on an annual budget in order for the municipality to receive federal funds. The SUS was the basis for the construction of a system for housing policy today (Barbosa, personal interview). In the late 1980s and early 1990s housing movements began to call for a national fund for housing to dispense resources from the federal to the state and municipal levels. As Barbosa explains, "the fight began with the call for a national fund for popular housing, but ended with a discussion of the system." In the meantime, the National Forum for Urban Reform (FNRU) achieved several victories, including creation of the national Ministry of Cities and passage of the Statute of the City in 2001. President Cardoso signed into law the Statute of the City (*Estatuto da Cidade*), which provides interpretation for the constitutional chapter on urban planning, including legal requirements for property rights based on land use for social purposes. It is used as an example worldwide for land use policies and city master planning.

Housing movements collected over 1 million signatures for the original proposal for a national fund for housing, which leaders presented to the Brazilian Congress as proof of support for new legislation (Cardoso 2008). However, the final law to create the *Fundo Nacional de Habitação de Interesse Social* (National Fund for Housing in the Social Interest - FNHIS) was

not approved until 2005, during Lula's first term. In the same year, federal law created the *Sistema Nacional de Habitação de Interesse Social* (National System for Housing in the Social Interest - SNHIS) with the aim of "implementing policies and programs that promote access to dignified housing for the low income population" (Ministerio das Cidades 2009). SNHIS is meant to centralize all housing programs, funding agencies and governmental departments involved in housing at the federal, state, and municipal levels. It also provides the structure for the federal, state, and municipal participatory councils for housing across the country. The FNHIS centralizes all funding sources for urbanization of subnormal settlements and social housing. Funding for the FNHIS comes from the federal budget as well as international and national donors and receipts from past loans. In 2009, the budget for FNHIS was R$1.5 billion, which sought to benefit approximately 90,000 families (Office of the President, 2009). According to Marta Arretche, a Brazilian decentralization scholar, the innovation of FNHIS is really the reach of the subsidy to the poor (personal interview). Prior to the creation of the Fund, people earning under 3 minimum salaries were essentially left out of the housing finance system.

SNHIS provides some degree of civil society control over federal resources and policy planning. According to Brazilian scholar Patricia Cardoso, the objective is for diverse actors to work together to formulate housing interventions (Cardoso 2008). Municipal housing councils connect the state and federal levels to local program implementation. Though this dissertation analyzes municipal housing councils, it is also critical to view these institutions as part of a much larger national system of decentralized power and resources. Construction of the SNHIS has been the long-term strategy of civil society for housing and urban reform in Brazil. From the constitutional process, according to Raquel Rolnik, "the bet was that [the state] should radically democratize in order to have their voices heard in the decision-making of policies. This way the

policies would naturally open themselves towards the demands, the needs and the propositions of the poor, or the excluded" (personal interview). Though the system is still in construction, this dissertation attempts to identify whether at least part of this bet has paid off.

Current Brazilian Government Programs

Though the Brazilian Constitution specifies that the municipality is the entity responsible for housing program implementation, much of the program direction and resources flow from the federal level. President Lula's administration has used a mix of grants and financing for production and acquisition of housing, urbanization of precarious settlements, provision of construction materials, improvement in housing units, urbanization of plots of land, and renovation of buildings for housing use (Ministerio das Cidades 2009a). Through these programs the government claims to have benefited approximately 2 million families, 75% of whom earn less than 5 minimum salaries. As a result, the percentage of families without housing fell from 16.1% to 14.9% from 2000 to 2005.

Two of the administration's most popular programs are PAC (Programa de Aceleração do Crescimento) and Crédito Solidário. PAC began during the second Lula administration to improve basic infrastructure in the country (Ministerio das Cidades 2009a). It contains three areas for infrastructural projects: logistic (including roads and railways), energy, and "social and urban". Within the "social and urban" category, the program provided R$8.2 billion for housing projects in 2008. According to the regulations, 12 metropolitan regions and capitals and municipalities with more than 150,000 get priority in funding decisions. To be considered, municipalities must submit a proposal to the Ministry of Cities. In 2008, the Ministry chose 192 projects in 157 municipalities. One of these projects is the Abençoada por Deus housing complex in the city of Recife, in which residents were moved from precarious shacks on a riverbank to

apartment units constructed under the direction of the municipal government. Municipal housing councils often work with the municipal housing secretariat to develop and send forward proposals under PAC to the federal level. PAC, then, provides resources for both construction and urbanization projects. This type of program corresponds closely to housing interventions in many developing countries in which the federal government invests directly in constructing units or improving existing informal settlements to avoid relocating residents.

The Crédito Solidário program includes the type of civil society collaboration promoted by international donors and scholars. The program provides financing for housing projects organized by "associations, cooperatives, unions, and other civil society entities" (Ministerio das Cidades 2009c). The Ministry of Cities manages the project, but the Caixa Econômica Federal operates the financing. Organizations are responsible for formulating their own proposals for projects and for securing technical assistance once they have received funding. Resources are generally used for land, construction materials, and labor to build new housing complexes. Many of the projects are built through the process of *mutirão*, in which residents themselves construct the units, while the majority is built through the process of *auto-construção*, in which laborers are hired by the association to do the work. According to Regina Ferreira from the FNRU, mutirão projects, which were the direct result of civil society pressure under São Paulo Mayor Luiza Erundina (PT) in the late 1980s, largely influenced the creation of the Crédito Solidário program. Since the project provides financing rather than direct grants to the associations, over the course of 20 years each family must then pay back their loan in monthly installments. The National Secretary for Housing under the Ministry of Cities selects final projects to fund based on the prioritization given by the state and municipal councils for the project and by their location in urban areas with sizable housing deficits.

In March 2009, the federal government announced a program called Minha Casa Minha Vida (My House My Life) to build 1 million housing units in the country by the end of 2010. Civil society groups, including the FNRU, praised the government for making an effort to reduce the enormous housing deficit in the country as long as "in practice it represented a response to the demands of the Brazilian urban reform movement" (FNRU 2009). To avoid further "peripheralization" of the poor they called on the government to utilize a combination of methods to make sure they attended to the needs of the poorest segments of society. In June 2009, the Brazilian government announced that a portion of the funding for the program would go to cooperatives, associations, or non-profit organizations to provide subsidized credit towards low-income housing. CSOs worked with the Lula administration to formulate regulations for eligibility and projects. Funding goes toward purchasing lands, construction, and/or acquisition of existing buildings.

Under the federal fund for housing, FNHIS, the federal government established the Program for the Production of Social Housing (*Programa de Produção Social de Moradia*). This program provides funding to associations or non-profit entities in urban or rural areas to assist families earning below 3 minimum salaries (R$1,125 a month). Regulations specify that entities may use the money for "construction or acquisition of housing units, construction or acquisition of urbanized plots of land, and renovation of buildings" (UNMP). In order to access this money and other funding from FNHIS, by the end of 2009, each municipality should have created a housing council to manage a fund for housing. Further, municipalities were required to create a master plan for housing, documenting the extent of the problems in their municipality and outlining programmatic solutions.

Since municipalities in Brazil control local land use, regularization programs, under which residents receive land titles, are by law municipal responsibilities. The Statute of the City provides legal categories for land titles, including land that is to be used for social housing production. Though the chapter in the Constitution for urban policy specified that unused land must be used for social purposes, the Statute of the City clarified under what circumstances land could be titled to individuals. Out of 5,564 municipalities, 1,133 had regularization programs in 2008 (MUNIC 2008).

The Government of Brazil and municipal governments increasingly reject the role of manager of public housing complexes. For example, in São Paulo, the municipal government under PT mayor Marta Suplicy constructed two public housing communities in 2004. The current government, led by DEM Mayor Gilberto Kassab, criticizes the project for near complete default by tenants and the need for the government to provide continuing maintenance in the community (Cymbalista and Santoro 2008). The Kassab administration has sworn that they will not undertake any more projects that make them managers. Instead, in São Paulo and other municipalities, governments prefer to assist housing associations with proposals for projects, which provide federal, state, and municipal resources. In addition, the Kassab administration and administrations throughout the country, increasingly rely on private contractors for construction and management of public housing projects.

Brazil today has a diverse array of housing interventions, with financial resources and program direction flowing from the federal level. However, the municipality is still responsible for direct program implementation and for applying for funds from the federal level. In this way, municipalities control the types of programs within their jurisdiction. The implementation of programs is also still dependent on the motivation of the municipality to forward proposals to the

state and federal levels and to contribute their own resources of land and money towards projects. Municipal housing councils often coordinate proposals to the federal level and encourage municipal governments to seek federal resources.

Conclusion

Housing policy in Brazil reflects the trends in developing countries throughout the world, but Brazil has also been a trendsetter with its decentralized system for housing and the inclusion of civil society in policy making. The challenges to provide safe, secure, and affordable housing for the poor in developing countries remain overwhelming. But the benefits to addressing these challenges lie beyond the provision of physical shelter. Governments prioritize housing policy to protect human rights, promote economic growth, prevent violence, and advance environmental sustainability. In addition, housing interventions continue to be politically popular, particularly in dense urban centers where both rich and poor residents demand that politicians address the problems of informal settlements and basic infrastructure. The diverse array of policies, legal instruments, and decentralized housing system in Brazil are models for other developing countries struggling with the same challenges. Before this model is exported to other countries, however, it is critical to assess whether inclusion of civil society in policy making as part of the larger housing policy environment matters in practice for producing pro-poor policy outcomes.

Chapter 3: The Effect of Municipal Housing Councils on Policy Outcomes

"Our role is to manage the resources and put forward our priorities. It is very important for civil society to participate directly in this process. There is more transparency and legitimacy for the actions of the government, and the responses are more significant."
- Social movement leader in Salvador, Brazil regarding the role of civil society in the municipal council for housing

Civil society organizations in Brazil and elsewhere call for the implementation of participatory governance institutions because they believe they can influence policy by having a seat at the table with government officials. As the leader above states, the role of CSOs is to present their demands and manage the resources governments make available to them. Through this process the government gains legitimacy and CSOs gain social benefits for the citizens they represent. The stronger the community of CSOs, the greater impact they expect to have on the outcomes of participatory governance institutions. But, does the participatory process live up to its promise? Are participatory governance mechanisms effective democratic institutions for creating accountability and responsiveness to the needs of the poor?

In this chapter I examine the effect of participatory governance institutions on pro-poor policy outcomes. Toward that end I examine two questions: 1) Does incorporation of civil society through participatory governance institutions have an impact on the provision of social programs? 2) And if so, is the effectiveness of participatory governance institutions in bringing about program adoption contingent on a highly organized civil society? Past research suggests that civil society must be highly organized to influence policy and program decisions, and that a strong civil society increases the effectiveness of participatory governance institutions. Few researchers, however, have compared participatory governance institutions across contexts or concretely defined policy outcomes as a measure of effectiveness. In response to question one

above, I hypothesize that participatory governance institutions do have an independent effect on increasing program adoption. A public forum for communication and debate should encourage responsiveness and accountability of government officials. Officials are presented directly with information regarding the needs of the community and are more likely to act on CSO demands made in public, particularly if they are concerned with reelection. Regarding the second question, I hypothesize that a highly organized civil society increases the effectiveness of participatory governance institutions. Civil society needs the capacity to make proactive proposals while also presenting a united front to counteract the reticence of government officials to expend scarce resources on social programs.

For this analysis I use Brazilian government data, supported by evidence from the field, to assess the impact of municipal housing councils and civil society on social housing programs. Across Brazilian municipalities, I find significant evidence to support the hypothesis that municipal housing councils lead to more resources dedicated to housing provision for the poor. Formal incorporation of civil society does appear to be important for redistribution of resources. Contrary to my second hypothesis, however, a highly organized civil society does not appear to have a consistent impact on the adoption of housing programs where municipal councils exist. A strong civil society does not necessarily influence government officials to expend resources any more than CSOs in a weaker civil society environment. This is good news in that it suggests that the effectiveness of participatory governance institutions is not contingent on a highly organized civil society: across contexts incorporation of existing civil society in participatory governance institutions may still lead to pro-poor policy change.

This chapter proceeds as follows. I first review the background of municipal housing councils and the civil society environment for housing before turning to the theoretical reasons

for expecting that civil society and municipal councils will have substantial effects on whether programs are adopted. I then present the data and model used for the analysis, followed by the results and discussion of the findings.

Municipal Councils for Housing in Brazil

Municipal councils in Brazil, which incorporate elected members from civil society and appointed government officials to deliberate on policy direction, program implementation, and the allocation of resources, are one type of participatory governance institution.[5] Brazil's 1988 Constitution established municipal level councils for healthcare, education, social assistance, and child/adolescent rights. Many other types of councils, including those for housing, emerged later, either through the demands of civil society or by ideologically driven municipal officials (Afonso and de Mello 2000). Municipal policy councils, such as those for health, are directly involved in the formation of national legislation. Programmatic municipal councils, such as housing, are directed more towards developing government programs for a well-defined population (Pessanha, Compagnac and Matos 2006). Different councils are given varying degrees of responsibility. For example, health councils have the power to veto the plans of the Health Secretariat, which leads to funding being withheld from the Health Ministry (Coelho, Pozzoni and Cifuentes 2005). Where municipalities have established a specific fund for housing, municipal housing councils are generally responsible for allocating those funds (Gomes 2007). Each policy, programmatic, and thematic council operates autonomously from the other, though overlapping membership is possible.

[5] The number of council members and the mix of civil society and government official membership varies by type of council and by the rules established by the municipal government. In general, civil society members may come from professional non-governmental organizations, local social movements, and neighborhood associations. They are elected either in an open public forum or by a formal public election. The majority of government members are appointed by the relevant municipal agency, though seats are also reserved for state and federal government representatives.

According to the Brazilian Constitution, the municipality is the entity responsible for implementing housing policy (Cymbalista et al 2007). As such, municipal housing councils would seem well placed to make a large impact on policy and program decisions. In 2005, municipal housing councils existed in 18% of Brazilian municipalities while by 2008 the percentage had risen to 31 (IBGE 2008, 2005). Across years, councils are created either by legislation passed by the city council or by decree from the mayor. Both mechanisms generally establish rules for the composition of the council, how often the council will meet, and the scope of the council's decision-making authority. The great majority of councils mandate that at least half of the council's membership come from civil society, with municipal and state government officials making up the other half (IBGE 2008). During interviews in cities across Brazil, council members from various types of CSOs told me their role on the councils is both to propose new programs and policies as well as to respond to government proposals and information provided on current programs. In this way civil society plays both a proactive and reactive role in establishing social housing policy.

As mentioned in the previous chapter, until 2005 when federal law created the National System for Housing in the Social Interest (SNHIS), Brazil had not had an established national housing policy since democratization (Cymbalista et al 2007; Draibe 2005). Even with the new federal agency, Cymbalista argues that resources have been slow in reaching municipalities. Municipal housing policies consist of the provision of new units, upgrading of favelas, distribution of titles of possession, allocation of construction materials, and intervention in slum disputes. Though these types of housing policies are common throughout the developing world, and to some extent in industrialized countries, scholars argue that Brazil has an especially diverse array of housing policies and programs as a result of the decentralized policy-making

process (Huchzermeyer 2004). The tendency in Brazil has been toward recognition of informal settlements and improvement of settlements through technical, social and legal intervention. However, more traditional programs to construct new units for the poor – either through rental or ownership mechanisms – are still the most common types of programs across Brazil.

Civil Society Organizations Oriented towards Housing in Brazil

Civil society in Brazil includes a diverse collection of organizations, ranging from professionalized non-governmental organizations (NGOs) to social movements and neighborhood associations. In this dissertation I use the term "civil society organizations" to encompass the diversity of actors within the Brazilian housing policy sector, in particular. Social movements, defined as broad groups of citizens organized to make specific demands of the state, make up a large part of this sector. In defining CSOs related to housing, I focus on those organizations acting in the interests of the poor. Municipal councils concentrate their efforts on policies directed towards improving slums and producing low-cost housing for the poor, which coincides with the primary goals of most CSOs elected to the councils.

Many CSOs in Brazil grew out of the movement for democratization in the 1980s. As explained to me by Benedito Barbosa, a long-time activist and attorney, social movements in the 1980s were linked through three major national agendas: 1) strengthening the PT, 2) re-democratizing the unions, and 3) organizing rural workers into the *Commissão Pastoral da Terra* (CPT) and the *Movimento dos Trabalhadores Rurais Sem Terra* (MST) and organizing urban movements around public policy issues, including health and housing. These three objectives shaped the transition to democracy alongside the organizations of the Catholic Church based on the ideals of liberation theology, strong across Latin America. These movements were then very

active in pressing for specific provisions for democratic rights and social benefits in the 1988 Constitution.

The goals of CSOs working on housing issues in Brazil and other developing countries revolve primarily around government provision of resources and land claims. CSOs dedicated to housing respond to the challenges in cities, peri-urban areas, and rural communities. The main housing CSOs, however, are oriented towards urban reform. The four main entities for housing are the União Nacional dos Movimentos de Moradia Popular (UNMP), the Central de Movimentos Populares (CMP), Confederação Nacional dos Associações da Moradia (CONAM), and the Movimento Nacional de Luta por Moradia (MNLM). These four organizations then work together under the network of the Fora Nacional de Reforma Urbana (FNRU).[6] Of the four main organizations, the UNMP is most closely aligned with the PT and has been the most vocal in demanding participatory institutions for housing policy. The CMP is also strongly linked to the UNMP, though the CMP also addresses issues outside of housing policy. CONAM tends to concentrate their efforts at the community level while the MNLM adopts the most radical tactics of the four. All of the organizations have affiliates throughout the country, though the UNMP appears to have the broadest reach, with members in 21 out of 27 states.

Both nationally and locally, organizations in Brazil have been particularly vocal about the need for strong participatory institutions to which they can direct their demands.[7] At the same time, many CSOs also continue to undertake a number of different strategies calling for policy change and increasing housing assistance. For instance, social movements concerned with housing in urban areas, such as the *Movimento dos Trabalhadores Sem-Teto* (Roofless Worker's

[6] The FNRU also includes unions, architects, engineers, and other actors involved in urban policy and planning. In total there are about 20 organizations that work with the FNRU.
[7] For example, the *União Nacional dos Movimentos da Moradia Popular* and Rede Jubileu Sul Brasil.

Movement - MTST), which began in São Paulo and now operates around the country, carry out occupations of city buildings. CSOs also engage in direct lobbying, arranging personal meetings with municipal housing officials, or, if they cannot secure a meeting, protesting outside of the housing secretariat until their demands for negotiation are met. In rural areas, workers' organizations and social movements, such as the MST, also struggle for benefits from the municipal, state and federal levels. While urban CSOs are concerned with improvement of *favelas*, rehabilitation of city centers, and construction of new units, in rural areas CSOs are more likely to petition for programs to provide construction materials, plots of land, and flexible financing options.

CSOs of all kinds involved in housing developed strength in the 1980s under democratization, waned in the 1990s under structural reforms, and then reemerged in the late 1990s under worsening economic conditions (Duquette et al. 2005). The four major social movements for housing in Brazil lead policy demands at the federal, state, and municipal levels. Though São Paulo and Rio de Janeiro remain the centers of activity for movement leaders, each of the four main movements has strong networks of members throughout the country. Their demands can be traced from federal legislation and spending priorities to municipal level housing councils and increasingly diverse programs at the local level. Alongside social movements, professional NGOs, such as the Instituto Pólis, are engaged in research, advocacy, and capacity building for smaller organizations, and often participate in the councils themselves.

Theoretical Background

Whether democratic institutions can be devised to remedy social challenges remains a critical question in political science. In addition, answers to when and how CSOs affect policy outcomes requires further research. Previous literature suggests that CSOs on their own and

working through participatory governance institutions influence policy outcomes based on the dynamics of responsiveness and accountability.[8] CSOs present information to government officials regarding the depth and intricacies of the problem in an effort to provoke satisfactory responses. Once government officials make promises to act on this information, councils then offer transparency and a public forum to encourage accountability (Schneider 1999; Ackerman 2004; Wampler 2007). This accountability should induce governments to implement programs that address diverse local needs. Rather than continue to ignore social problems, withhold investment, or provide selective benefits to a few groups of supporters, governments should respond by increasing the number of social programs within their jurisdiction. Contrary to this claim, other scholars argue that participatory governance institutions may perpetuate clientelistic relationships between CSO members and government officials where CSOs are primarily concerned with securing benefits for their members (Grindle 2007). In other words, CSOs may use their power in decision-making to make deals with government officials that benefit their own members without concern for wide-ranging problems. Municipal councils, then, would serve the needs of CSOs without generating an increase in social housing programs to benefit the population more broadly. I argue that contrary to these claims municipal councils will produce social housing programs to benefit the poor due to the existence of a formal space for airing demands and the public nature of deliberation.

[8] This argument draws on decentralization literature, in which scholars find that decentralization of responsibilities and resources to local officials often leads to improved responsiveness and accountability of local governments to citizens' concerns. See for example: World Bank, *The World Bank Participation Sourcebook* (Washington, DC: World Bank, 1996); Fiszbein, Ariel, "The Emergence of Local Capacity: Lessons from Colombia," *World Development* 25 (June 1998), 1029-43; and Blair, H., "Participation and Accountability at the Periphery: Democratic Local Governance in Six Countries," *World Development,* 28 (January 2000), 21-39. Participatory governance institutions formally involve civil society in the process of decentralization.

In addition, where civil society is more highly organized, their capacity to work collaboratively should help to counteract business interests and government reluctance to allocate scarce resources to social programs. Civil society needs the capacity to express demands within the council in order to be proactive and form alliances to prepare responses to government proposals. Working in coordinated networks within the councils is likely to dilute the strength of bilateral relationships between CSOs and government officials, resulting in adoption of a broad range of programs.

Responsiveness and Accountability

In municipal housing councils and other participatory governance institutions, government officials and civil society leaders meet in open forums to discuss ongoing problems and debate government responses (Avritzer 2002; Fung and Wright 2003). CSOs make their preferences known to government officials, who in turn present both the limitations and promises of potential interventions. With specific information about local problems, though, government officials can more effectively respond to the needs of the community (Bardhan and Mookerjee 2006). Given the locally specific nature of housing policy and programs, municipal councils ensure attention is given to the precise needs of the community.

As a public forum, participatory governance institutions also expose governments to scrutiny. Government officials may be required to present budgetary information or at the least they are challenged by CSOs to defend their actions or inaction in addressing what CSOs believe to be severe social problems. CSOs can then pass on this information to their members and to the public-at-large. When the public has access to greater information and CSOs communicate issues to their members, both appointed and directly-elected officials are persuaded to act out of self-interest to maintain their positions. Without the councils there is not a formal space for civil

society to air grievances and for the government to transmit information about their activities to civil society. Armed with information about government actions, civil society should be better equipped to publicize shortfalls in the government's response to housing needs, including to residents within favelas for whom housing weighs heavily in voting decisions.

Participatory governance institutions may also reduce possibilities and incentives for corruption, the political use of funds, and the capture of state institutions by elites (Ackerman 2004). The incentives of CSOs to hold governments accountable, however, should not be taken as given. For instance, Grindle finds that in municipal participatory institutions in Mexico, organizations wee more concerned with gaining benefits for their members than exposing governments corrupt or clientelistic behavior (Grindle 2007). In these cases CSO members of participatory governance institutions appear to be acting in their rational self-interest to provide selective benefits to their bases, along the lines suggested by Mancur Olson in his classic *Logic of Collective Action* (Olson 1965).

In Brazilian municipal housing councils, the opportunity to promote self-interests certainly exists, but there are several reasons to expect that municipal councils still offer an opportunity for promoting broad benefits. First, as other scholars have argued, participatory governance institutions offer spaces for negotiating between groups, which leads to a breakdown in bilateral CSO-government ties (Nunes 1997; Hagopian 1996; Dagnino et al. 2006; Wampler 2007b). As an activist in Recife, Brazil argues, municipal councils level the playing field in terms of CSO access to government officials, leading to negotiation among groups for benefits rather than local government officials selectively choosing which groups should receive access.[9] Second, not all CSOs elected to councils are social movements or neighborhood associations

[9] Personal interview, Recife, Brazil, November 2008.

responsible to their members. Professional NGOs without membership bases also participate in the councils and are likely to steer program decisions towards a broader pro-poor agenda. Third, particularly since municipal councils for housing in Brazil are increasingly adopted in response to the new federal system instead of by ideologically driven mayors, municipal officials and CSOs are often from different parties and lack strong ties. This may make the councils even more relevant as spaces for negotiation between sides not apt to cooperate otherwise.

But does a particularly strong civil society have a different effect on the outcomes of participatory governance institutions? Most scholars studying participatory governance institutions, building on Putnam and others, argue specifically that high levels of social capital are necessary for participatory governance institutions to have any significant impact (Putnam 1993; Houtzager and Moore 2003; Avritzer 2006). In a cross-municipal study of participatory budgeting councils in Brazil, Avritzer found that an existing community of organizations was necessary to create the intended forum for deliberation (Avritzer 2006). Without considerable mobilization of demands, participatory governance institutions may be easily co-opted by elites and have no effect on democratic deepening or policy outcomes (Cooke and Kothari 2002; Avritzer 2009). Without a strong civil society, scholars have argued, participatory governance institutions may be little more than rubber stamps for government proposals (Navarro 2003). In addition, Brazilian researchers find that "effective" councils are dependent on CSO's technical capacity to formulate and analyze public policy and their ability to make strategic alliances (dos Santos et al. 2007; Carvalho 2002; Carneiro 2002).

The counterargument is that a stronger civil society environment could also lead established CSOs accustomed to competition for scare resources to fight for selective benefits within the councils, thereby limiting the broad effectiveness of the councils for generating pro-

poor benefits. Through fieldwork I witnessed professional CSOs, including NGOs and social movements dedicated to housing, using strategies developed over time to gain access to government officials in private or public meetings. In these meetings, most of the discussions center on specific housing projects—which families will be included, and the contributions from the municipal, state, and federal levels—rather than broader allocation of resources across diverse programs. As above, I argue that the introduction of participatory fora to debate programmatic decisions should mitigate the need for these types of bilateral strategies. Where civil society is particularly well established, the desire for CSOs to continue to seek particularistic benefits for their members and for governments to appease CSO members by responding to their demands in exchange for political loyalty, may remain strong. However, based on my observations in the field, particularly in the cities of São Paulo and Salvador, CSOs have learned the value of working in a coordinated network to confront government proposals and business interests. Civil society representatives are still accountable to their membership bases, but they also recognize there is strength in numbers. An organized civil society working through municipal councils should therefore increase rather than decrease governmental responsiveness and accountability.

As developing countries move forward with decentralization and participatory democracy it is crucial to assess when participatory governance institutions and a strong civil society actually lead to policies and programs to reduce poverty and inequality. Municipal councils for housing in Brazil offer an opportunity for systematic comparison of the outputs of participatory governance institutions and the impact of civil society on policies benefiting the poor in developing countries. Here I evaluate whether municipal councils make a difference in policy decisions and how the depth of civil society matters for outcomes.

Data

For this analysis, I use data collected by Brazilian government agencies. Currently in Brazil there are 5,564 municipalities, providing a high degree of variation. An annual survey of municipal governments conducted by the national statistical agency (IBGE *Pesquisa de Informações Básicas Municipais: Perfil dos Municípios Brasileiros, Gestão Publica* (MUNIC)), yields considerable data on the structure of municipal governments, with thematic questions varying by year. The survey is sent to municipal officials annually and is mandatory to complete. In most years of the survey since it began in 1999, there are questions relating to housing needs, institutions and programs. For this analysis I use data from both 2005 and 2008 to increase the reliability of the findings.[10]

Housing Programs as Dependent Variables

The existence of various types of social housing programs indicates the commitment of the municipality to addressing housing needs. In the MUNIC survey, municipal government officials check "yes" or "no" to indicate whether each type of housing program exists in their municipality. Federal, state, or municipal governments may finance housing programs, though municipal governments are responsible for program implementation. Table 3.1 below illustrates the distribution of programs in Brazilian municipalities. These programs exist across municipalities of various size and region throughout Brazil (see Appendix A for details).

Table 3.1: Percentage of Brazilian Municipalities with Each Type of Housing Program

	2005	**2008**
Construction of New Units	48%	61%
Construction Materials	35%	36%
Offering Plots of Land	19%	25%
Regularizing Land Titles	9%	20%

[10] Instead of pooling the data across years, I use the two years as separate data points because the level of federal investment, flowing down to the municipal level, increased dramatically over these years.

Other Programs	25%	N/A
Acquisition of New Units	N/A	16%
Improvement of Units	N/A	46%
Urbanization of Settlements	N/A	14%

The construction of new units, provision of construction materials, regularization of land titles, and awarding of plots of land are all programs that address the demands of CSOs representing the needs of the poor. These needs include affordable, safe housing on land they can occupy without the threat of seizure by the state or private entities. In 2008, the survey included three additional types of programs: those to acquire housing units, improve units, and urbanize neighborhoods. These programs represent the shifting priorities in housing policy, influenced by national housing movements, trickling down from the federal to the municipal level, often through federal government funding. Though programs to construct new units have been the most common type of intervention, CSOs have also fought for programs that stop short of removing residents, frequently relocating them to distant peripheral areas lacking infrastructure and job opportunities. Improving favelas through street paving, supplying electricity, and rehabilitating houses, or acquiring units for renovation often in urban centers, provide alternatives for reducing the qualitative housing deficit. For this analysis I assess the determinants of individual types of programs as well as the number of programs in a municipality using a housing program index. Adopting multiple housing programs represents the government's willingness to address diverse needs of citizens and demands of CSOs.

Municipal Housing Councils

The key independent variable of interest for this analysis is the existence of a municipal council for housing. Participation through a municipal housing council should put pressure on the municipality to enact housing programs and may also lead to a search for more resources

from the federal level. There is significant variation in the existence of councils by region and population levels in both 2005 and 2008 (see Table 3.2 below). The data show that these participatory institutions are not limited to one region or to urban areas.

Hypothesis 1: Municipalities with housing councils are significantly more likely to adopt individual programs and a diverse array of programs as measured by a housing program index.

Table 3.2: Municipal Housing Councils by Region and Population

Region		**2005**	**2008**
	Number of Municipalities	Housing Council	Housing Council
In Brazil	5563	18%	31%
North	449	5%	18%
Northeast	1793	8%	19%
Center West	466	26%	34%
South	1187	38%	51%
Southeast	1668	14%	31%
Population			
Under 20,000	3965	16%	25%
20,001 to 50,000	1026	15%	36%
50,001 to 100,000	313	24%	52%
100,001 to 500,000	220	39%	67%
500,001 and up	39	56%	74%

Civil Society

While broad data on CSOs at the municipal level is limited, the registry of businesses in Brazil coordinated by IBGE offers a section of data on non-profits and foundations from 2005 (IBGE 2002). To measure the depth of civil society in the municipality I use the number of non-profits and foundations per capita.[11] Though non-profits and foundations do not comprise the

[11] The data follow the internationally recognized classifications of the *Handbook on Nonprofit Institutions in the System of National Accounts* distributed by the United Nations in collaboration with Johns Hopkins University. The non-profit sector is characterized by Johns Hopkins University collaborator Anheier as: "the social infrastructure of

entirety of civil society, they are an important part of the whole. It is important to note, however, that this measure accounts only for registered CSOs, which may not include less formalized housing movements and neighborhood associations. The average number of non-profits and foundations per 1,000 residents in a municipality is 2.6, with a standard deviation of 2.4 and a range from .043 to 32. A strong civil society environment may have an independent impact on the probability of municipalities adopting housing programs, though the key question here is whether a strong civil society makes a difference in the outcomes of municipal housing councils. I hypothesize that a strong civil society should increase the government's willingness to adopt social housing programs, particularly where there is also a municipal council to enable collaboration among CSOs.

Hypothesis 2: Where municipal councils exist, a higher number of CSOs per capita is associated with an increase in the probability of municipalities adopting all types of housing programs.

Additional Factors Influencing Housing Program Adoption

In general, local governments choose to adopt social programs of any type based on need, access to resources, and political will. Though housing councils and civil society are theoretically important to determining program adoption, here I also control for and assess the independent effects of other variables.

Ideology of the administration: In both 2005 and 2008, the ideology of the administration is measured by the existence of a PT mayor. Since municipal elections were held in 2004 and October 2008, the mayor remained the same across these four years. Previous research from Europe and Latin America finds that leftist parties are associated with higher levels of social

civil society, creating as well as facilitating a sense of trust and social inclusion that is seen as essential for the functioning of modern societies." Anheier, Helmut K., *Civil Society: Measurement, Evaluation, Policy*, (London: Earthscan Publishing, 2004). p. 5.

spending (Esping-Andersen 1990; Huber and Stephens 2001). In this study I expect that the PT may have a positive effect on housing programs as a party to the left.

Availability of resources: Where there are more resources available there will likely be a greater number of housing programs. An established fund dedicated to housing programs illustrates the commitment of the municipality to expend resources on low-income housing programs.[12] Municipalities with housing funds should be more likely to adopt multiple housing programs. Also, in both years I include a measure of the municipal budget per capita. Municipalities with higher budgetary resources should be more willing and able to allocate funding for housing programs. Finally, I use state dummy variables to control for variation in state resource transfers for housing programs.

Inequality: Within any setting inequality may lead to less governmental accountability by limiting participation of the poor (Bardhan and Mookerjee 2006). I use a municipal-level Gini coefficient from 2000 to measure inequality. Where inequality is highest, I expect that elites may be less inclined to implement social welfare programs for housing. The Gini coefficient among Brazilian municipalities ranges from low of .358 to a high of .819, with .56 as the average.

Urbanization and Population Size: Urbanization is measured by the 2000 census, provided by IPEA, (*Instituto de Pesquisa Econômica Aplicada*) and population size is measured by the 2005 estimate by IBGE. According to the data, as the population increases, municipalities are significantly more likely to adopt all types of housing programs, with the exception of programs to provide construction materials for which the marginal difference is small. I use both percentage of the population living in urban areas as well as population size, since theoretically,

[12] The existence of municipal housing councils and funds are correlated at .53 in 2005 and .69 in 2008. In 2005, 456 municipalities out of 979 had a housing council but no fund. In 2008 there were 374 municipalities out of 1,709, which had housing councils but no fund.

population size represents the size of the municipality whereas the percentage urban represents clustering in the administrative center of the municipality. Perhaps surprisingly, these two measures are only correlated at .165. Since the federal government often uses population and urbanization as criteria for program eligibility, both of these measures should control for the federal impact on program adoption.

Need: Income per capita is also provided by the 2000 census. In wealthier municipalities, there should be less need for housing programs. Therefore, I expect income per capita to have a negative relationship with housing programs. Income per capita varies widely among Brazilian municipalities: from a low of R$28 to a high of R$955, with R$171 as the average. In addition, a variable indicating the presence of favelas is available from the MUNIC survey. Clearly where there are favelas registered by the municipal government, there is a need for some type of housing program to address the quantitative and qualitative housing deficit.

Addressing Endogeneity

Before proceeding with the statistical analysis, it is useful to clarify the role endogeneity may play in biasing the estimates. First, one might expect that housing councils were created in municipalities in which government officials were already more interested in addressing housing needs. These municipalities would also then be more likely to have previously adopted multiple housing programs, creating endogeneity between housing councils and housing programs. To address this concern, I evaluated whether municipalities with each type of housing program in 2005 were more likely than average to create a housing council by 2008. About 21% of municipalities across Brazil adopted a housing council between 2005 and 2008. As Table 3.3 illustrates, municipalities with existing programs in 2005 were only slightly more likely to adopt housing councils. The exception are municipalities with regularization programs, which were

about 16% more likely than average to adopt housing councils. I suspect this is because regularization programs and housing councils are both significantly more likely to be adopted in urban areas. In the full model, in which I include population and percentage of population in urban areas, this relationship should be mitigated. Correlations between programs in 2005 and housing councils in 2008, displayed in the last column of Table 3, further demonstrate a lack of strong association between existing programs and council creation.

Table 3.3: Associations between Program Adoption and Creation of Municipal Housing Councils

Program	Percentage of Municipalities with each type of program in 2005 that created a housing council by 2008	Correlation between program in 2005 and housing council in 2008
Construction of Units	25%	0.09
Materials	24%	0.04
Plots of Land	22%	0.01
Regularization	37%	0.11
Other Programs	24%	0.03

Second, there is a question of endogeneity between civil society and housing councils. Particularly prior to 2005, when the federal government enacted the new National System for Housing in the Social Interest, requiring municipalities receiving federal funds to create municipal housing councils by the end of 2009, housing councils were largely created in response to the demands of CSOs. Therefore, it might appear that the depth of civil society is endogenous to the creation of municipal councils for housing. However, the data show that the average number of non-profits and foundations per capita across municipalities (.0026) is not significantly different than the average in municipalities with housing councils (.0033 in 2005 and .0031 in 2008). For this reason I do not believe that this measure of civil society is endogenous to the existence of municipal housing councils.

Further, as the political party emerging from the labor movements of the 1970s, the PT has been the party most strongly associated with participatory governance institutions (Jacobi 1999). According to the data, however, municipalities with housing councils were approximately 3.5% more likely to have a PT mayor in charge across years. Though this shows the odds are slightly higher that a municipality with a council has a PT mayor, the difference does not lead me to conclude that the PT is endogenous to the existence of a council.

Model

I estimate several probit models to assess the relationships between these independent variables and the adoption of individual housing programs. Probit is an appropriate regression model for dichotomous dependent variables and provides intuitive results regarding the probability of program adoption. I also use negative binomial regression models to measure the effects on the adoption of multiple housing programs using a housing program index.[13] I begin with the first hypothesis that municipal councils lead to housing program adoption, before using interactive models to analyze the effect of civil society within and outside of municipalities with housing councils.

Results

Municipal Councils

I find that the existence of municipal housing councils is associated with an increase in the adoption of all types of social housing programs across years (see Tables 3.4 and 3.5

[13] Though an ordered probit model would also seem appropriate to assess the probability of a municipality adopting multiple programs, after performing a Brant test of the parallel regression assumption, I discovered that the ordered probit model violated the assumption of equal proportional odds between categories. A negative binomial regression model is appropriate to use instead for extradispersed data. Rather than predicting probabilities the negative binomial model predicts expected counts.

below).[14] This provides evidence to confirm the primary hypothesis that participatory governance institutions lead to programs benefitting the poor.

Table 3.4: Probit Results for the Impact on Housing Programs 2005*

	Construction of Units	Offer Materials	Offer Plots of Land	Regularization	Other Programs
Municipal Housing Council	0.26***	0.10	0.24***	0.39***	0.34***
	(0.07)	(0.07)	(0.08)	(0.09)	(0.07)
Municipal Housing Fund	0.39***	0.31***	0.34***	0.25***	0.19***
	(0.07)	(0.07)	(0.08)	(0.09)	(0.07)
Population (log)	0.27***	0.13***	0.19***	0.44***	0.27***
	(0.03)	(0.03)	(0.04)	(0.05)	(0.04)
Percent Urban Population (log)	0.16***	0.12**	0.19***	0.08	0.12*
	(0.06)	(0.06)	(0.07)	(0.10)	(0.07)
Municipal Budget per capita (log)	0.61***	0.46***	0.43***	0.36***	0.40***
	(0.08)	(0.08)	(0.08)	(0.10)	(0.08)
PT Mayor	0.05	-0.27***	-0.02	-0.11	0.20**
	(0.08)	(0.08)	(0.09)	(0.12)	(0.09)
Gini Coefficient	0.51	0.85**	0.08	0.87	0.77*
	(0.42)	(0.43)	(0.49)	(0.63)	(0.46)
Income per capita (log)	-0.19**	-0.306***	-0.12	0.23*	-0.12
	(0.09)	(0.09)	(0.10)	(0.13)	(0.10)
Non-profits & Foundations per cap (log)	0.07*	0.00	0.03	-0.01	0.12***
	(0.04)	(0.04)	(0.04)	(0.06)	(0.04)
Existence of Favelas	0.07	-0.02	-0.20***	-0.01	0.08
	(0.06)	(0.06)	(0.07)	(0.08)	(0.06)
Constant	-5.66***	-4.06***	-5.20***	-9.99***	-5.11***
	(0.81)	(0.80)	(0.88)	(1.10)	(0.84)
Observations[15]	3869	3864	3878	3869	3878

*State dummies also included in the model
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

[14] The one exception is programs for offering construction materials in 2005, for which municipal housing councils are not statistically significant in the model.

[15] Though there are 5,564 municipalities in Brazil, the number of observations in the model is primarily limited by missing data for the municipal budget variable. The data include 4,117 observations for municipalities reporting budgetary totals for 2005.

Table 3.5: Probit Results for the Impact on Housing Programs 2008*

	Const. of Units	Offer Mats.	Offer Plots of Land	Regular -ization	Acquire Units	Imp Units	Urban.
Municipal Housing Council	0.29***	0.14**	0.16**	0.24***	0.16**	0.28***	0.18**
	(0.07)	(0.06)	(0.07)	(0.07)	(0.07)	(0.06)	(0.08)
Municipal Housing Fund	0.25***	0.09	0.19***	0.14**	0.09	0.03	0.16**
	(0.06)	(0.06)	(0.07)	(0.07)	(0.07)	(0.06)	(0.08)
Population (log)	0.20***	0.08**	0.10***	0.35***	0.13***	0.06*	0.43***
	(0.04)	(0.03)	(0.03)	(0.04)	(0.04)	(0.03)	(0.04)
Percent Urban Pop. (log)	0.14**	0.20***	0.26***	0.03	0.03	0.18**	0.03
	(0.06)	(0.06)	(0.06)	(0.07)	(0.07)	(0.06)	(0.08)
Municipal Budget per capita (log)	0.49***	0.37***	0.27***	0.34***	0.18**	0.19**	0.46***
	(0.08)	(0.07)	(0.08)	(0.08)	(0.08)	(0.07)	(0.09)
PT Mayor	0.05	0.10	-0.10	0.25***	0.07	0.12	0.06
	(0.08)	(0.08)	(0.09)	(0.09)	(0.09)	(0.08)	(0.10)
Gini Coefficient	1.25***	1.28***	0.01	-0.03	0.24	1.98***	0.98*
	(0.42)	(0.42)	(0.45)	(0.48)	(0.49)	(0.41)	(0.53)
Income per capita (log)	0.07	-0.17*	0.03	0.17*	0.10	-0.11	0.04
	(0.09)	(0.08)	(0.09)	(0.10)	(0.10)	(0.08)	(0.11)
Non-profits and Foundations per cap (log)	-0.04	-0.07*	0.03	-0.09**	-0.01	0.13***	-0.11**
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)
Existence of Favelas	-0.00	-0.06	-0.00	0.30***	0.06	-0.04	0.38***
	(0.05)	(0.05)	(0.05)	(0.06)	(0.06)	(0.05)	(0.06)
Constant	-6.43***	-4.36***	-4.10***	-8.27***	-4.33***	-2.06***	-10.35***
	(0.83)	(0.77)	(0.82)	(0.88)	(0.87)	(0.76)	(0.98)
Observations	4093	4080	4093	4093	4093	4083	4083

*State dummies also included in the model
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

Table 3.6 illustrates the substantive effect of the municipal councils. Using the full probit model, the percentages reported below represent the marginal effect of the existence of a municipal council on adoption of each type of housing program, holding all other variables at their means. In other words, the percentage below indicates the change in the probability of each housing program (coded as 0-1) given a one-unit change in the dependent variable (the existence of a housing council coded as 0-1). In both years, the councils make a substantial difference in whether programs are adopted, holding all else constant. Councils have the greatest impact on programs to construct new units and improve existing units, such as in favelas or dilapidated buildings, while the councils only have a small effect on programs to acquire new units, often associated with renovating city centers, and urbanization of informal settlements or favelas.

Table 3.6: Percentage change in the probability that a municipality has each type of program given the presence of a municipal council, holding all other variables constant

Type of Program	2005	2008
Construction of Units	10%	11%
Construction Materials	4%	5%
Offering Plots of Land	7%	5%
Regularizing Land Titles	6%	6%
Other Programs	11%	
Acquisition of New Units		4%
Improvement of Units		11%
Urbanization of Settlements		3%

To assess the impact of municipal housing councils on the diversity of programs adopted by a municipality, I also created an index of programs for analysis in a negative binomial model (see Appendix B for results). Using the index of housing programs, Figures 1 and 2 below illustrate the predicted probabilities of municipalities adopting multiple housing programs given the presence of a municipal housing council in 2005 and 2008. All other independent variables

were set to their means. In both years the mean number of predicted programs is significantly higher in municipalities with housing councils than in those without councils.

Figure 1: Predicted Number of Housing Programs Given the Presence of a Municipal Council for Housing, 2005

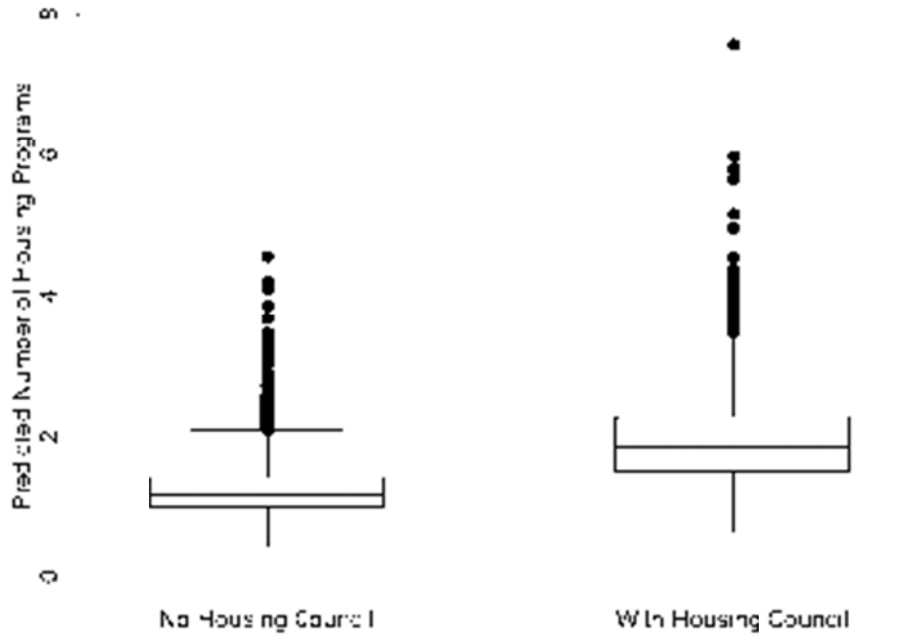
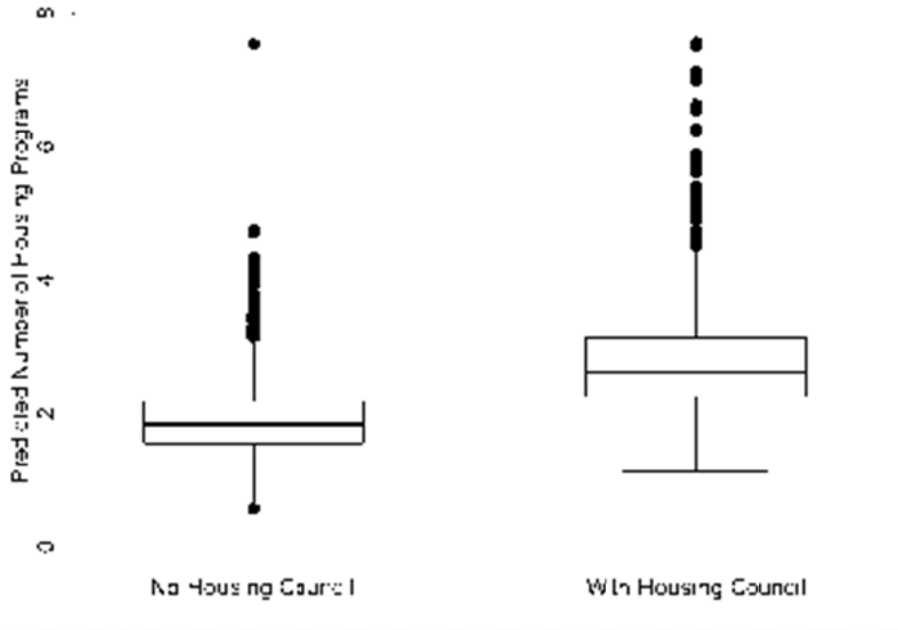


Figure 2: Predicted Number of Housing Programs Given the Presence of a Municipal Council for Housing, 2008



In sum, the presence of a municipal council is strongly associated with the adoption of each type of program as well as an increase in the number of programs in a municipality. The figures above demonstrate that between 2005 and 2008, the relationship between councils and the number of programs gained strength as the mean number of programs in municipalities with councils increased from around 2 to almost 3 programs.

Civil Society Impact

As shown in Tables 3.4 and 3.5 above, civil society, as measured by the number of non-profits and foundations per capita, does not have a strong, consistent effect on the adoption of housing programs across programs or across years. But does a strong civil society increase the probability of social program adoption where mechanisms for formal incorporation, in the form of municipal housing councils, exist? To shed light on this question I add an interaction variable

for civil society and housing councils to the original probit models (See Tables 3.7 and 3.8 below).

Table 3.7: Variables Associated with Housing Program Adoption, Including an Interaction Effect for Civil Society and Housing Councils, 2005

	Const. of Units	Offer Materials	Offer Plots of Land	Regular -ization	Other Programs
Municipal Housing Council	0.64	1.13***	0.99**	0.04	0.71
	(0.44)	(0.43)	(0.49)	(0.64)	(0.45)
Municipal Housing Fund	0.39***	0.31***	0.34***	0.25***	0.19***
	(0.07)	(0.07)	(0.08)	(0.09)	(0.07)
Population (log)	0.27***	0.14***	0.19***	0.44***	0.27***
	(0.03)	(0.03)	(0.04)	(0.05)	(0.04)
Percent Urban Population (log)	0.16***	0.12*	0.19***	0.08	0.12*
	(0.06)	(0.06)	(0.07)	(0.10)	(0.07)
Municipal Budget per capita (log)	0.61***	0.46***	0.43***	0.36***	0.40***
	(0.08)	(0.08)	(0.08)	(0.10)	(0.08)
PT Mayor	0.05	-0.26***	-0.02	-0.12	0.20**
	(0.08)	(0.08)	(0.09)	(0.12)	(0.09)
Gini Coefficient	0.50	0.83*	0.06	0.87	0.76*
	(0.42)	(0.43)	(0.49)	(0.63)	(0.46)
Income per capita (log)	-0.19**	-0.31***	-0.12	0.23*	-0.12
	(0.09)	(0.09)	(0.10)	(0.13)	(0.10)
Non-profits & Founds. per cap (log)	0.05	-0.03	0.00	0.01	0.11**
	(0.04)	(0.04)	(0.05)	(0.07)	(0.04)
Existence of Favelas	0.07	-0.02	-0.21***	-0.01	0.08
	(0.06)	(0.06)	(0.07)	(0.08)	(0.06)
Housing Council x Non-profits & Founds per capita (log)	**0.06**	**0.17****	**0.12**	**-0.06**	**0.06**
	(0.07)	**(0.07)**	**(0.08)**	**(0.10)**	**(0.07)**
Constant	-5.76***	-4.35***	-5.41***	-9.85***	-5.22***
	(0.82)	(0.81)	(0.89)	(1.12)	(0.85)
Observations	3869	3864	3878	3869	3878

*Model includes state dummies
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

Table 3.8: Variables Associated with Housing Program Adoption, Including an Interaction Effect for Civil Society and Housing Councils, 2008*

	Const. of Units	Offer Mats.	Offer Plots of Land	Regular	Acquire Units	Imp. Units	Urban.
Municipal Housing Council	0.16	0.17	0.58	-0.07	-0.38	0.92**	0.20
	(0.38)	(0.37)	(0.40)	(0.43)	(0.43)	(0.37)	(0.51)
Municipal Housing Fund	0.25***	0.09	0.19***	0.14**	0.09	0.03	0.16**
	(0.06)	(0.06)	(0.07)	(0.07)	(0.07)	(0.06)	(0.08)
Population (log)	0.20***	0.08**	0.10***	0.35***	0.12***	0.07**	0.43***
	(0.04)	(0.03)	(0.03)	(0.04)	(0.04)	(0.03)	(0.04)
Percent Urban Pop. (log)	0.14**	0.20***	0.26***	0.03	0.03	0.18***	0.03
	(0.06)	(0.06)	(0.06)	(0.07)	(0.07)	(0.06)	(0.08)
Municipal Budget per capita (log)	0.49***	0.37***	0.28***	0.34***	0.18**	0.19***	0.46***
	(0.08)	(0.07)	(0.08)	(0.08)	(0.08)	(0.07)	(0.09)
PT Mayor	0.05	0.11	-0.10	0.24***	0.06	0.12	0.06
	(0.08)	(0.08)	(0.09)	(0.09)	(0.09)	(0.08)	(0.10)
Gini Coefficient	1.25***	1.28***	-0.02	-0.02	0.28	1.93***	0.98*
	(0.42)	(0.41)	(0.45)	(0.48)	(0.49)	(0.41)	(0.53)
Income per capita (log)	0.07	-0.17*	0.03	0.17*	0.10	-0.11	0.04
	(0.09)	(0.08)	(0.09)	(0.10)	(0.10)	(0.08)	(0.11)
Non-profits & Founds per cap (log)	-0.03	-0.07*	0.00	-0.07	0.02	0.09**	-0.11*
	(0.04)	(0.04)	(0.04)	(0.05)	(0.05)	(0.04)	(0.06)
Existence of Favelas	-0.00	-0.06	-0.00	0.30***	0.06	-0.04	0.38***
	(0.05)	(0.05)	(0.05)	(0.06)	(0.06)	(0.05)	(0.06)
Housing Council x Non-profits & Founds per cap (log)	**-0.02**	**0.00**	**0.07**	**-0.05**	**-0.09**	**0.11***	**0.00**
	(0.06)	**(0.06)**	**(0.06)**	**(0.07)**	**(0.07)**	**(0.06)**	**(0.08)**
Constant	-6.38***	-4.38***	-4.28***	-8.13***	-4.10***	-2.32***	-10.36***
	(0.84)	(0.79)	(0.84)	(0.90)	(0.89)	(0.78)	(0.99)
Observations	4093	4080	4093	4093	4093	4083	4083

*Model also includes state dummies

Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

The results show that the density of civil society is not consistently associated with adoption of housing programs across years, either where municipal councils do or do not exist. However, there are several exceptions depending on the type of program. In 2005, where municipal councils for housing exist, a strong civil society is positively associated with programs to offer families construction materials. This could indicate that CSOs, who often lobby for self-build (*auto-gestão*) projects in which families receive government funding for materials to build their own homes, are more successful when they are able to make these demands within municipal councils. By 2008, however, a stronger civil society is negatively associated with programs to offer construction materials, and the relationship is unchanged by the presence of a municipal council.

In 2005, civil society is positively associated with "other programs", though the presence of a municipal council does not enhance the effect. In 2008, interesting associations emerge for two programs that likely fall under the catchall category of "other programs" in the 2005 survey: programs to improve units and urbanization programs. A strong civil society increases the probability of municipalities adopting programs to improve units, and the presence of a municipal council amplifies this effect. This may mean that housing associations, particularly those working with more professional NGOs, which are more likely to be included in this measure of civil society, are reaching government officials to improve housing units, allowing residents to stay within their communities. Again, the presence of a municipal housing council may provide the forum for CSOs to negotiate these demands. The relationship between urbanization programs and civil society, however, contradicts the result for programs to improve

units. Here a strong civil society is negatively associated with urbanization programs and the presence of a municipal housing council has no effect. Though speculative, this relationship could be a result of strong CSOs focusing on gaining selective benefits for their members in the form of improving individual units rather than demanding improvements in whole communities through urbanization programs. For instance, in Santo André, a large city outside of São Paulo, CSOs have fought for the improvement of individual run-down public housing units, rather than for infrastructural projects. Given limited resources, CSOs may focus on small victories rather than more expensive large-scale urbanization projects.

In 2005, the depth of civil society appears to have a positive effect on the adoption of multiple programs where there is not a municipal council (see Appendix B for results). When a municipal housing council is in place, the positive relationship becomes even stronger. Incorporation of a strong civil society into formal decision-making does seem to add to the impact of municipal councils. While these results are suggestive of a strong relationship between civil society, formal incorporation, and adoption of a broad array of housing programs, the pattern does not hold across years. In fact, these results lead to further questions about the differences in civil society influence and the effectiveness of municipal councils after 2005. The results suggest that the beginning implementation of the new federal system for housing between 2005 and 2008 may affect the influence of civil society within and outside of municipal councils, a question which is in part addressed in Chapter 5.

The statistical results confirm the main hypothesis that municipalities with housing councils are more likely to adopt all types of housing programs. However, the results regarding civil society do not provide consistent evidence to support hypothesis #2, that a strong civil

society working through municipal housing councils increases the adoption of social housing programs.

Discussion

According to the results, overall municipal councils are effective mechanisms for incorporating civil society into decision-making to bring about greater numbers of social programs and pro-poor policies. Municipal councils for housing do seem to be credible institutions for promoting accountability and responsiveness among governments at the municipal level. Municipal councils are associated with a greater probability of municipalities adopting each type of program and a broad range of programs, which may reflect the negotiation of CSOs and government officials to respond to calls for new units as well as renovation of existing favelas and renewal of city centers. But previous claims that a strong civil society is a necessary condition for effective councils – however that is defined – do not hold true in this analysis defining effectiveness through program outcomes. The analysis suggests that municipal housing councils level the playing field for civil society to access government officials. Contrary to previous research and my own hypothesis, the results show that the density of civil society, which may indicate increased capacity, is not a prerequisite for effectiveness of participatory governance institutions.

Leaving aside the interaction of a strong civil society, municipal councils appear to alter the policy environment towards heterogeneous needs by increasing the probability of municipalities adopting each type of program. In large cities social movements have often criticized municipal governments for marginalizing the poor by building large public housing

complexes in the periphery of the city, cut off from essential services and employment.[16] For example, in São Paulo, the *União dos Movimentos da Moradia* has fought against the continued construction of large public housing blocks on the periphery and instead calls for communally-built projects and affordable housing in the city center. According to Raquel Rolnik, an urban policy expert in Brazil who is currently the Special Rapporteur on Housing Issues to the United Nations, in the 1970s and 1980s government officials were most concerned about removing residents from favelas and illegal occupations of land and placing them in public housing units. The participatory movement, including the councils, has changed the ways in which people view solutions to housing problems. Today, she says "the dissemination of the idea that favelas must be urbanized and integrated, and that they have rights to stay, is something that changed the administrative culture and housing policies in this country".[17] Rural-based movements have also argued that housing policy in Brazil has not addressed the needs of seasonal laborers and geographical variation in the country. People living in rural areas prefer more freedom to construct houses that meet their needs and to be able to pay back loans on a more flexible schedule.[18] The MST encourages members to voice their demands for government support, including construction materials and mortgage subsidies.

The call for acknowledging the diversity of needs in urban and rural areas is underscored by the increase in adoption of an array of programs between 2005 and 2008, which is strongly effected by the presence of a municipal council for housing. For instance, programs to regularize

[16] Scholars have long documented the effects of locating poor residents on the peripheries of cities. For example, see Perlman, Janice, *The Myth of Marginality: Urban Poverty and Politics in Rio de Janeiro* (Berkeley, CA: University of California Press, 1976) and Roy, Ananya and Nezar Al Sayyad, eds. *Urban Informality: Transnational Perspectives from the Middle East, Latin America, and South Asia*, (New York: Lexington Books, 2004).
[17] Interview with Raquel Rolnik, São Paulo, Brazil, December 2008.
[18] Interview with leader from the Movimento dos Trabalhadores Rurais Sem Terra (MST), São Paulo, Brazil, June 2008.

land titles, in essence to legalize the occupation and dwelling of favela or rural residents to provide them with land security, increased from 9% of municipalities in 2005 to 20% in 2008. Holding all other variables constant, Table 6 shows that the probability of a municipality adopting a regularization program is 6% higher where municipal housing councils exist. Municipalities with housing councils are also significantly more likely than municipalities without councils to adopt a number of different types of housing programs in both years, indicating that councils appear to have an effect on the government's responsiveness to a diversity of demands. These results provide evidence to skeptics that municipal councils exist more than as institutions on paper.

In the end, participatory governance institutions, as demonstrated by the case of municipal housing councils in Brazil, are able to positively affect policy outcomes for the poor by increasing the transfer of information between citizens and government officials regarding needs and improving transparency to allow CSOs to hold the government accountable for their actions. As a social movement leader from the Northeastern city of Salvador explained, the councils are important forums for them to direct resources, but more broadly they use the councils to solicit information, demand responses, and follow-up to make sure the government does what they say they will. Though the councils are not perfect mechanisms for accountability, they provide greater access to government and serve as a place for discussion that never existed before. Across Brazilian municipalities, incorporating civil society into decision-making does appear to induce local governments to invest in social housing programs, while perhaps breaking some of the clientelistic relationships of the past.

Civil Society

The results do not confirm previous claims that a strong civil society is necessary for creating effective participatory governance institutions. Though the measure used here is an imperfect representation of all civil society, it provides a proxy for the density of civil society based on the number of registered organizations. One conclusion to be drawn from this result is that CSOs working through participatory governance institutions are able to collaborate and form alliances to make proactive proposals and counter government and business interests, regardless of the numbers of existing organizations. Municipal housing councils offer the space for cooperation against common "threats", which unite CSOs of all types to make common demands.

The results regarding programs to improve units and urbanization programs in 2008, however, insinuate that a strong civil society may have an opposing effect for different types of programs. A different process may be taking place in adoption of these two types of programs. Further case study research will serve to elucidate whether CSOs continue to pursue traditional bilateral relationships with government officials to gain selective benefits for their members as may be reflected in the finding that a stronger civil society tends to bring about programs to improve individual housing units rather than community-enhancing urbanization programs. Alternatively, the number of registered non-profits and foundations tends to be higher in cities where real estate interests are also likely to be strong. In urban areas the value of land is higher and it may be more difficult to convince municipal leaders to clean up the slums without any financial gain for construction companies. The councils may not be powerful enough mechanisms to overcome business interests, even where a strong civil society exists. The role of the private sector is further addressed in Chapter 4.

Finally, the finding that a strong civil society environment was associated with adoption of multiple housing programs where housing councils existed in 2005, but not 2008, implies there was a shift in the effect CSOs had on the policy process and municipal housing councils between these two years. As municipalities across Brazil adopted housing councils in response to the new federal system, the depth of civil society appeared to matter less than the act of formally incorporating voices from civil society in the decision-making process. Further examination of this relationship and the influence of funding from the federal level is needed to clarify the role of increasing resource transfers vs. civil society.

Conclusions

The findings in this chapter contribute to the debate about whether and when participatory governance institutions bring about pro-poor policy outcomes. According to this analysis incorporation of civil society through participatory governance institutions does lead local governments to adopt social programs to benefit the poor. These types of institutions may then be innovative mechanisms for welfare provision, particularly in developing countries without a strong history of broad participation. The findings also suggest the depth of civil society is less important than the formal incorporation of CSOs in decision-making institutions. Though past research suggests strong capacity of civil society is necessary within participatory governance institutions to counter elite proposals and avoid cooptation, this analysis implies collaboration among CSOs is possible regardless of the depth of formal organization.

Answers regarding the effectiveness of civil society and participatory governance institutions hold important implications for developing countries seeking to address mounting social needs, particularly in urban areas where the poor seek housing solutions to overcome political, geographic, and economic marginalization. Though this analysis produced significant

results regarding the effect of municipal councils on pro-poor outcomes, additional analysis will demonstrate the internal struggles that go on within participatory governance institutions and to provide direct evidence of accountability. Research on the effect of institutional rules and the political environment on the process and outcomes of the councils will further clarify how and when participatory governance institutions make a difference for the poor.

Chapter 4. Pathways to Participatory Governance: Policy-Making in Brazil's Municipal Housing Councils

"The councils are worth having because they force both sides to dialogue. The state has to consult civil society about the course of policies, though they are insufficient as spaces to decide all questions." – Government official in São Paulo, Brazil

"Brazil has very serious problems with our democracy, which is still very recent. Civil society is still dealing with how to have an impact on public policy given the problems of corruption. Therefore, the councils are very important for the influence movements are able to have on the allocation of resources for housing policies. The UMM needs to participate in the councils, ensure their consolidation, and guarantee the allocation of resources is more transparent." – leader from the UMM in São Paulo, Brazil

Introduction

Municipal councils for housing will never be the only deciding factor in policy outcomes, but as the movement leader above indicates, CSOs believe that the councils legitimize the policy process and affect change in the distribution of resources. In the previous chapter I find that the existence of municipal housing councils does significantly increase the probability of municipalities adopting all types of programs. This effect is not dependent on a strong civil society, suggesting that the existence of the participatory institution matters more than the actual density of CSOs. But what does lead to differences in the policy process and outcomes of participatory institutions? Though scholars have begun to name potential variables that influence the policy-making process and outcomes of participatory governance institutions, this chapter undertakes a comparative analysis of Brazilian cities to provide evidence for how and when context matters.

In this chapter I seek to identify the factors that enhance both the policy-making process and outcomes in Brazil's municipal housing councils and participatory governance institutions

more broadly. Though in the previous chapter I analyzed the statistical relationship between municipal housing councils and policy outcomes in the form of social housing programs, here I look more in depth at the policy process before turning again to the policy outcomes. Based on the work of previous scholars, Selee and Peruzzotti (2009) argue that participatory governance institutions should enhance representation in the policy process through three mechanisms: 1) by replacing clientelistic relationships with more transparent means of decision-making (Avritzer 2002), 2) by leveling the playing field for previously unorganized or excluded sectors of society (Bebbington 2005), and 3) by providing spaces for deliberative decision-making to set public policy (Fung and Wright 2003; Avritzer 2002). Here I attempt to narrow down the variables that shape each of these mechanisms. Decisions about public goods, then, should rely on the process in which those decisions are made. As such, I seek to assess how variables that influence the policy process in turn shape outcomes of municipal housing councils.

Previous research identifies two groups of variables, institutional rules and civil society-state dynamics, which influence the effectiveness of participatory governance institutions. First, scholars find that institutional design must be taken into account in order to assess accountability and responsiveness of participatory governance institutions (Agrawal and Gupta 2005; Avritzer 2009; Fagatto and Fung 2006; Ostrom 1996; Kumar 2002). This piece of the puzzle, however, has not been clearly defined or studied across contexts to a significant extent. Second, scholars argue that the dynamic between civil society and political society largely shapes participatory governance institutions (Wampler 2007, Avritzer 2009). Again, this dynamic needs further systematic study across contexts.

In this chapter I assess the role of institutional rules and civil society-state dynamics in influencing the policy process and outcomes in municipal housing councils. First I use a

qualitative process-tracing method to analyze how transparency, a level playing field, and deliberative decision-making are shaped by institutional and civil society-state dynamics in three Brazilian cities, São Paulo, Santo André, and Salvador. Based on case study analysis, I find that in practice the party in power strongly influences the policy-making process within municipal housing councils. Where a mayor from the Worker's Party (*Partido dos Trabalhadores* - PT) holds power, the council's agenda, membership, and alliances may shift to privilege civil society voices in the policy-making process.

Across cases, I then test the role of institutional rules and civil society-state dynamics in increasing the probability that municipalities adopt social housing programs where housing councils exist. I hypothesize that across Brazil, where a PT administration is in charge the municipal council for housing will have a greater effect on bringing about housing programs and commitment of municipal resources. Contrary to expectations, however, I do not find a consistent effect for the presence of a PT mayor. Instead, the statistical results suggest the importance of institutional rules for determining outcomes of housing councils. What is true for the policy process does not appear to apply to the outcomes across cases. I conclude that the PT may display significant variation in commitment to participatory governance across the country, while institutional rules may be more generalizable in their effect. The importance of oversight responsibilities points to the need for transparency to engender responsiveness and accountability in participatory governance institutions.

Below I first begin with a review of the factors shaping the performance of participatory governance institutions. I then provide a background for the three case studies, including the creation and structure of each municipal housing council. Using the case studies I assess the impact the institutional rules and civil society-state dynamics on the policy process. Finally, I

turn to quantitative analysis to determine whether institutional rules and the party in power change the effect of municipal housing councils on adoption of social housing programs.

What Affects the Performance of Participatory Governance Institutions?

In this chapter I seek to assess potential variables that explain variance in the policy process and outcomes of participatory governance institutions. Based on these three case studies and existing literature, I propose the institutional rules of the housing councils and civil-society state dynamics as intervening variables determining the policy-making process in Brazilian municipal housing councils.

Institutional Rules of Housing Councils

Scholars argue that institutional rules matter for how civil society is incorporated into decision-making and the influence CSO members have on resource allocation (Agrawal and Gupta 2005; Avritzer 2009; Fagatto and Fung 2006; Kumar 2002). In Brazil, institutional rules for municipal housing councils are decided by individual municipalities and written into the law or decree establishing the council. Among other rules, these municipal laws or decrees state the responsibilities afforded to each council. In 2008, a Brazilian government survey of municipalities (MUNIC, IBGE) asked questions about whether the municipal housing council was consultative, deliberative, normative, or provided oversight, indicating the extent to which the council actually has power over housing planning decisions.

In consultative councils the role of members is to study existing programs and suggest activities to be undertaken in the area of housing (IBGE). Deliberative councils then have the power to make decisions regarding the implementation of policies and the administration of resources. Though housing secretaries and mayors may still overrule the council's decisions, the

council does at least have the authority to present final decisions for implementation. Normative councils are those in which members establish rules and direction for the administration of resources, and finally, oversight (*fiscalização*) councils oversee (*fiscaliza*) the implementation and functioning of policies and administration of resources. I expect that housing councils with designated oversight responsibilities will generate the most transparency in policy making because council members should be guaranteed access to financial documents and program reports on a regular basis.

The rules governing the distribution of council seats by civil society, private sector associations, and government officials should also be associated with the performance of municipal housing councils. According to the MUNIC survey, in 2008, 86% of municipal housing councils had at least half civil society representation (IBGE). On the surface, then, there would appear to be very little variation in council make-up. In practice, however, councils vary in the definition of who is included in "civil society". Some councils reserve seats for civil society, defined as NGOs, business associations, social movements, academics, and neighborhood associations, while other councils separate the category of "civil society" from that of "social movements". Though the broad categorization from the MUNIC survey does not allow for comparison of the detailed make-up of councils across all cases, the three case studies discussed here present significant variation in council membership. Here I argue that distinctions made between civil society and social movement members and the inclusion of private sector associations increases conflict and may decrease the achievement of a level playing field.

In addition, institutional rules governing the frequency of meetings contribute to the prospects for deliberative decision-making in municipal housing councils. Clearly, without scheduling meetings councils cannot be effective spaces for policy making. I argue, though, that

the rule for meeting frequency may only exist on paper without an active civil society to hold governments accountable for conducting meetings. Though the institutional rule for meeting frequency may be important for determining deliberative decision-making, it is not a sufficient condition to ensure meetings occur and are deliberative.

Finally, the institutional rules governing responsibilities, council make-up, and meeting frequency should have a combined effect on council outcomes. Oversight responsibilities, rules of representation that limit conflict, and frequent meetings should enable the benefits of participatory governance to achieve the principle goal of redistributing public goods to benefit broad sectors of society. In the case of municipal housing councils, given available data I test whether the rules governing responsibilities increase the likelihood of governments adopting an increasing number and variety of social housing programs to respond to civil society demands.

Civil Society-State Dynamics

Several scholars suggest that the dynamic between civil society and the state is critical for determining the function and outcomes of participatory governance institutions (Wampler 2007, Avritzer 2009). Though Putnam (1993) argued that the density of CSOs matters for institutional accountability, in the previous chapter I do not find that the density of civil society in Brazilian municipalities significantly alters the effect of municipal housing councils. Perhaps, as several scholars have argued contrary to Putnam, the density of civil society is less important than the dynamic between civil society and political society. If so, in order to understand when participatory governance institutions have an effect on the policy process and outcomes, we need to identify the factors that influence the dynamic between civil society and the state. Though scholars have begun to name these variables, questions remain regarding whether patterns of interaction exist across contexts and various types of participatory governance institutions. Based

on the work of other scholars and through my own fieldwork I identify three variables, which appear to influence civil society-state dynamics in participatory governance institutions. Though not an exhaustive list, these three factors – the party in power (Avritzer 2009; Baiocchi 2005; Lavalle, Acharya and Houtzager 2005; Selee and Peruzzotti, 2009; Tatagiba and Teixeira, 2008; Cornwall and Coelho, 2007; Wampler, 2007) the role of the private sector, and the strategies of civil society (Mahmud, 2007; Wampler, 2007) – appear to make a difference across contexts in determining the policy-making process between civil society and government officials.

Party in Power

How does the party in power effect the relationships between civil society and state actors in participatory governance institutions? Participatory governance institutions in Brazil, including housing councils, are considered a hallmark of the PT.[19] Therefore I expect that where the PT is in charge there is more cooperation between civil society and municipal government and less conflict, both within and outside of the housing council. Under PT administrations incorporation of civil society into the housing secretariat – often as full-time "liaisons" hired to promote communication between government and civil society – should promote transparency through an increase in information sharing. Second, the party in power may determine which CSOs participate in the municipal housing councils. Under a PT government, those CSOs allied with the PT may participate more, leading to questions as to whether the party in power biases the playing field. Lastly, the party in power influences the appointment of housing secretariat officials and their respective ideological predispositions. The commitment of officials to participatory governance and to certain housing policy solutions over others should influence

[19] The data do not show a significant correlation between the PT and the existence of municipal housing councils. Further, my previous statistical analysis does not show a significant relationship between the PT and the adoption of social housing programs (Donaghy 2011). Administration by a PT government does not appear to be endogenous either to the existence of participatory governance institutions or to social housing policies.

both the nature of deliberative decision-making within councils and the policy outcomes they produce.

I argue that the PT's strong influence on the three facets of the policy process in municipal housing councils should significantly alter the policy outcomes council's produce. In other words, where a PT government is in power, I argue that municipal housing councils will be more strongly associated with adoption of social housing programs benefiting the poor. These councils should more directly respond to the demands of CSOs, corresponding to adoption of a variety of programs from new construction to urbanization of existing communities.

Role of the Private Sector

Private sector interests, including real estate and construction associations, often occupy seats on municipal housing councils. Because much of the research on participatory governance institutions in Brazil has focused on participatory budgeting initiatives, which do not generally formally involve private sector actors, identification of the role of the private sector in participatory governance institutions has been limited. In regards to housing policy, however, the role of the private sector cannot be ignored. Housing as a social good cannot be separated from the larger private sector market for real estate and construction. The private sector, defined by profit motive, has a stake in the value of land, the distribution of public sector contracts, and public financing available for potential homebuyers. How these interests influence the policy process of municipal housing councils is key to understanding civil society-state dynamics.

The private sector influences the policy-making process in municipal councils based on their relative strength on the council to effect the agenda and voting outcomes and their relationship to government officials. Where the private sector plays a strong role on the council, government/private sector alliances may develop, stifling transparency of information provided

to CSOs. Whether these alliances develop, however, may be in part based on the ideology of the party in power in the municipal administration and its past relationship to the private sector. Where close alliances do exist, the private sector may have greater access to government officials, thereby limiting the playing field for the policy making process. In some cases, private sector interests may align with government officials to influence votes and the council's agenda. When this occurs, the nature of deliberative decision-making shifts in favor of private sector interests.

Because the role of the private sector in municipal housing councils is strongly tied to the party in power, I argue that across cases the party in power should dictate the influence of the private sector in policy decision-making. I expect the presence of a PT mayor to mitigate the role of the private sector, increasing the influence of other civil society actors. As stated above, therefore, the presence of a PT mayor where housing councils exist should be more strongly associated with an increase in housing program adoption.

Strategies of Civil Society Organizations

The strategies of civil society may be more important than the density of CSOs in a municipality for determining the policy process in participatory governance institutions (Avritzer 2002). While there might not be a perfect "type" of civil society for ensuring an efficient and effective policy process in the councils, as Wampler (2007) suggests, the combination of contestation and cooperation strategies by CSOs may avoid co-optation by government interests as well as contentiousness among actors to increase the relevance of participatory governance institutions.

In all participatory governance institutions, CSOs are largely responsible for pushing the government to ensure they function as representative institutions. To secure transparency in

policy making in municipal housing councils, CSOs most likely have to adopt a conscious strategy to demand documents be made available to them. In addition, CSOs need the capacity to analyze budgetary and other bureaucratic documents. CSOs may receive information to which they would otherwise not have access, but they have to adopt careful strategies to ensure the transfer of information occurs. Second, in order to guarantee that participatory governance institutions level the playing field in terms of access requires CSOs to adopt a strategy of participation in formal institutions vs. a repertoire of more radical tactics. Finally, to ensure effective deliberative decision-making, CSOs in municipal housing councils need to act as a cohesive unit, particularly when it comes to voting and negotiating with government officials for common demands.

In terms of policy outcomes resulting from the presence of a municipal housing council, the strategies of CSOs most likely influence the types of housing programs and willingness of government officials to direct resources to housing solutions. The shape of civil society strategies with regards to councils – whether they choose contestation or cooperation – may still be reliant on their traditional relationship with the party in power. Therefore, across cases, I argue that the party in power incorporates some of the effects of the strategies of CSOs. CSOs may be more likely to cooperate under the administration of their allies – traditionally from the PT. Based on a less combative policy-making process, where a PT mayor is in power the councils should be associated with a greater adoption of housing programs.

Below is a summary of the hypotheses suggested by this discussion:

Table 4.1. Hypotheses

	Institutional Rules	Party in Power	Private Sector Role	CSO Strategies
Transparency	Oversight powers should promote greatest level of transparency.	Where the PT is in power, the administration should be more willing to provide information to CSOs.	Private sector alliances with government officials may limit transparency.	CSOs need to make demands in order to receive information from government officials.
Leveling the Playing Field	Greater segmentation of members leads to competition and stifles the playing field.	Where the PT is in power, allied CSOs will have greater access and voice.	Private sector alliances with government officials will bias the playing field	CSOs must adopt a strategy of participation in order to ensure a level playing field.
Deliberative Decision Making	Where the rules indicate a greater frequency in meeting times, councils should engender greater deliberative decision-making.	Under a PT government, the commitment of government officials should increase deliberative decision-making.	Greater private sector influence may shift the agenda of the councils away from CSO demands.	CSO cohesion increases deliberative decision-making in the councils.
Distribution of Resources	Oversight powers are associated with adoption of social housing programs.	Where housing councils exist, a PT administration is associated with adoption of more social housing programs.	The influence of the private sector on housing program adoption, where councils exist, is mediated by the party in power.	The party in power mediates the impact of CSO strategies, where housing councils exist.

Overview of the Cases

The cities of São Paulo, Santo André, and Salvador differ based on a number of factors, including the independent variables of interest discussed above: the institutional rules of municipal housing councils, traditions of political leadership, private sector power, and CSO strategies. In terms of tradition of political leadership, São Paulo swings back and forth between the left and right, Santo André has a strong PT orientation, and Salvador remains under

conservative administration. Of the three, the real estate and construction sectors are the most dominant in São Paulo's housing politics, though the private sector also maintains a combative relationship with civil society in Salvador. While São Paulo has a strong history of neighborhood associations, vocal social movements, and professional NGOs, Santo André is a smaller city with a less contentious civil society environment. As the largest city in the Northeast of Brazil, Salvador is known for weaker civil society, though demands for addressing the great housing needs in the city have grown increasingly loud in recent years.

São Paulo

São Paulo is the largest city in Brazil and is known for its concentration of wealth and economic power. Located in the Southeast region of the country, the city is representative of mega-cities around the world in terms of the scale and variation in housing problems. This city of 10.9 million residents includes 1,567 registered favelas, 1,060 irregular settlements, 523 public housing buildings, and 1,698 cortiços (tenement houses) (*Secretaria de Habitação,* 2008). The government estimates that about 350,000 families live in favelas, though housing movement leaders estimate the number to be about twice as high. According to Benedito Barbosa, an attorney representing the CMP (Central dos Movimentos Populares), another 3 million people live in irregular settlements and areas of environmental risk, and nearly 1 million reside in overcrowded and unsafe tenement housing (personal interview).

Though these numbers only estimate the problem, it is clear that the city is in great need of large-scale interventions to address the quantitative and qualitative housing deficits. The main message in the government's promotional materials is that the scale of interventions must be in line with the size of the city. In fact, São Paulo has a diverse array of programs to provide housing units, improve infrastructure in the favelas, and provide land titles for residents of

informal settlements. The city's two largest favelas, Heliopolis with an estimated 70,000 residents and Paraisopolis with 60,000 residents, have received long-term attention from the government, though the problems of inadequate housing, lack of services, and land insecurity clearly persist. Paraisopolis sits next door to an upscale condominium complex and illustrates the classic problem of inequality in this city where rich and poor fight for prime real estate close to the center of the city and employment opportunities.

Municipal Council for Housing

Participatory governance institutions in the city of São Paulo, including the Municipal Council for Housing, have been strongly linked to the intermittent presence of PT administrations. PT Mayor Luiza Erundina (1989-1992) first proposed the law to create the Municipal Council for Housing (CMH) in São Paulo, but the law did not pass in the city council until 2002, when the PT had the added advantage of dominating the city council under the administration of PT Mayor Marta Suplicy. Social movements, especially the UMM-SP (*União dos Movimentos da Moradia-São Paulo*), expressed a strong desire for the council and were heavily involved in the process of negotiating its terms. Unlike the other two cases discussed here, in São Paulo the Company for Housing (COHAB), a public-private entity, manages the implementation of the municipal housing fund. Though the housing council approves the annual budget for the fund and receives a year-end accounting of how the money was spent, day-to-day operations of the budget are in the hands of COHAB. This sets up a further layer of tension between social movements, concerned with providing no- or low-cost housing solutions to the poor, and COHAB, which is concerned with recouping government-backed loans and enabling private-sector development.

Santo André

The city of Santo André is best known for the strength of manufacturing unions and for its long-term administration by the PT. The city is part of the ABC region in metropolitan São Paulo, which also includes the municipalities of São Bernardo do Campo and São Caetano do Sul. Unions in Santo André and these other two cities grew along with the automobile and steel industry up until the 1980s when many of the manufacturers left the city, leading to an economic decline in the late 1980s and 1990s. The PT was born out of the union movements in the ABC region, of which President Lula was a strong leader and a force for the creation of the new Worker's Party in the late 1970s and early 1980s. By 2008, the PT had been in power in the municipality for all but four years since democratization.[20] Though a smaller city by Brazilian standards, with approximately 670,000 residents (IPEA 2000), about 115,000 citizens or 16% of the municipal population live in favelas. According to a survey conducted by the municipal government, the city maintains a housing deficit of about 24,300 units (Prefeitura de Santo André 2006).

Despite its presence in the shadow of São Paulo, international donors and scholars have recognized Santo André for its innovations in development programs and participatory politics. The city has won several international prizes for best practices, including a prize in 2005 from the UNDP for taking action on each of the eight Millennium Development Goals. According to the municipal administration, housing policy focuses on both new construction and improving living conditions in favelas (Prefeitura do Santo André 2006). Like the majority of Brazilian cities, most of the growth of favelas has been in the periphery, which the government aims to

[20] Dr. Newton da Costa Brandão from the PSDB was mayor from 1993-1997.

address by increasing the legal residential housing market and promoting integration of favelas into the formal city through sanitation, mobility, and dignified housing (*moradia digna*).

Municipal Council for Housing

As in São Paulo, a PT government established the Municipal Council for Housing in Santo André. Mayor Celso Daniel created the Secretariat for Housing and proposed the creation of the housing council during his first administration from 1989-1992. The council did not begin to function until 2000, however, under Daniel's second administration. The council consistently holds meetings the last Tuesday of every month in order to provide continuity in decision-making, according to council members. In 2006, the municipality was also one of the first to create and pass a Municipal Master Plan for Housing, which includes specific mention of the importance of the housing council for institutionalizing civil society influence on policy making and administration of the housing fund. The municipality also has a general participatory budgeting process, which does fund some housing projects, but the housing council members state that their council is still necessary to provide the consistency needed to solve technical concerns for housing projects and as a space where housing associations can come on a regular basis to solicit funds and technical assistance for their projects.

Salvador

Salvador is often referred to as the Afro-Brazilian capital of the country, with a strong legacy of slavery and African cultural heritage. It is the largest city in the Northeast with nearly 3 million residents, but is also the poorest of the cases reviewed here with an income per capita of R$341 (IPEA 2000). Table 4.2 below provides a comparison of basic indicators in the three case studies and shows that inequality is also quite high in Salvador with a Gini coefficient of .66. A 2000 housing census in the city approximated the housing deficit, or number of inadequate

housing units, at 81,000 out of 651,000 housing units in the city (Secretaria Municipal de Habitação 2008). This number obscures the concentration of the population living in the "informal city": approximately 60% of the city's population lives in the irregular and clandestine settlements. The same study found 89,000 vacant units in the city in need of renovation and access to basic services. Many of these vacant units are located in the historic center of the city, designated a UNESCO World Heritage Site. The right to these properties represents a constant tension between movements that occupy the buildings and officials and developers who want to "clean up" the area for tourism.

Table 4.2: Comparative Statistics for Case Studies

	São Paulo	**Santo André**	**Salvador**
Civil Society Density: Non-profits and Foundations per capita (IBGE 2002)	0.0019	0.0014	0.0010
Population (IPEA 2000)	10,900,000	669,592	2,673,560
PT Mayor (2004-2008) (MUNIC 2008)	No	Yes	No
Percentage urban (IPEA 2000)	0.941	1	0.999
Municipal Budget per capita (IBGE 2005)	R$632	R$504	R$287
Income per capita (IPEA 2000)	R$610	R$513	R$341
Gini Coefficient (IPEA 2000)	0.62	0.53	0.66

Municipal Council for Housing

The Municipal Council for Housing in Salvador began in 2007 under the administration of Mayor João Henrique Carneiros from the PDT (Partido Democrático Trabalhista).[21] During his first election campaign in 2004, Carneiros brought the PT into his coalition, and once in office named a PT-friendly secretary for housing. Under the direction of this secretary, Dr. Angela Gordilho Souza, the Municipal Council for Housing was established by law in 2006. By

[21] Mayor João Henrique Carneiros left the PDT in 2007 to affiliate with the PMDB (O Partido do Movimento Democrático Brasileiro), the largest political party in Brazil.

all accounts, though, by 2008 the council did not yet have a set pattern of meeting or responsibilities. By law the council is supposed to meet every four months, though in practice meetings are more irregular.

The Policy Process in Municipal Housing Councils

In this section I assess the role of institutional rules and civil society-state dynamics in promoting transparency, a level playing field and deliberative decision-making in each case.

Transparency

Transparency involves the reduction of clientelistic behavior and the transmission of greater information to citizens. Scholars argue that public channels for negotiation, which mitigate the use of traditional clientelistic bargaining, create transparency (Hagopian 1996; Avritzer 2002). Municipal housing councils create a public forum for discussion and a link to information between government officials and civil society that never existed before. Rather than relying on bilateral meetings with officials, policy and program decisions should be made in public with negotiation among multiple actors.

As I argue above, the institutional responsibilities assigned to municipal housing councils should in part determine their transparency. Table 4.3 below provides a comparison of the official responsibilities granted to each of the case study housing councils.

Table 4.3: Responsibilities of Municipal Councils for Housing, MUNIC Survey 2008

Responsibilities	São Paulo	Santo André	Salvador
Consultative	No	No	Yes
Deliberative	Yes	Yes	Yes
Normative	No	Yes	No
Oversight	No	Yes	Yes

According to the survey, Santo André and Salvador have oversight powers, which should be significant for transparency. In practice, however, I find that the legal responsibilities afforded to the councils may not be entirely representative of the duties of councils in reality. In fact, according to a researcher at the Instituto Pólis in São Paulo, laws often do not dictate how the councils function in practice (personal interview). For instance, the survey indicates that the São Paulo council does not have oversight responsibilities, though in practice I found that the council does have the power to approve or disapprove accounting statements for the municipal housing fund. In Salvador, on the other hand, the council does technically have oversight responsibilities, but the council is not presented with budgetary documents. Based on the case studies, then, I do not find that the written institutional rules for responsibilities are critical determinants in transparency.

I do find, however, that the party in power plays a large role in generating transparency. For example, in both São Paulo and Salvador, PT-affiliated housing secretaries initiated the position of "liaison" within the housing secretariat. The role of the liaison is to facilitate the transfer of information between the government and social movements and to negotiate conflicts. In São Paulo this position existed only under the Suplicy government (PT). The two liaisons were integral in negotiating the establishment of the council and in setting the early agenda for *mutirões* (self-build projects) and subsidized housing projects in the city center (personal interviews). When José Serra (PSDB) came in as mayor, his administration actively worked to limit the role of civil society within government and discontinued the incorporation of liaisons. In Salvador, the liaison position began under Dr. Souza from the PT, but has been retained so far under the more-conservative government. The liaison has played a particularly important role in negotiating meetings between CSOs and the housing secretary and delivering the demands of

protestors. In order to keep his job, however, this liaison must walk a fine line between offending the current government and appeasing CSOs. Movement leaders describe his role as "delicate", and in the end his role is limited. He does not appear to play a significant role in reducing clientelistic relationships nor is he provided with significant information to transmit to CSOs. The party in power, then, matters for the level of transparency generated by this position.

I also find that the relationship between the private sector and government officials influences transparency in the councils, though as expected the party in power mitigates the dynamic. In all three cities studied, I find a close connection between the party in power and the nature of private sector involvement in the councils. Where a more conservative government is in power, housing secretariat officials tend to come from the private sector. For instance, under the current administration of DEM party Mayor Gilberto Kassab in São Paulo, many housing secretariat officials have close ties with the major real estate association in the city. CSOs criticize the closeness of these ties and the unlimited access the private sector has to housing officials. CSOs argue that this relationship reduces transparency because they are often cut out of negotiations between private sector associations and government officials. In Salvador, as well, the current PDT-affiliated Secretary for Housing came from the real estate sector and does not appear interested in working with the council. He does not schedule regular meetings and CSOs report they have not had access to any budgetary information or other internal documents. In contrast, in Santo André the private sector is not involved in the municipal housing council. This appears to contribute to the open and non-combative relationship between civil society and government officials in the council.

Lastly, in my review of the case studies I do find some evidence that the strategies of civil society contribute to the level of transparency achieved in the housing councils. In a

contentious environment like São Paulo, civil society must be willing and have the capacity to make demands of the government in order to force them to provide information. For instance, in council meetings I witnessed members from social movements asking numerous clarification questions on budget documents they were given by the housing secretariat—sometimes lasting for hours—until they were satisfied they had the full and correct information. Civil society in Salvador—more radical with less capacity for analyzing complex bureaucratic details—is not as able to hold the government accountable for providing full budgetary information. In Santo André, the neighborhood associations involved in the councils appear more concerned with receiving technical assistance for their individual projects and less concerned with the government's overall spending patterns. Due to the non-combative relationship in Santo André, the government is more willing to share information without significant pressure, but access to full information is not a strategy of council members.

Based on these three case studies, the party in power seems to contribute the most to ensuring transparency within municipal housing councils. Both the role of the private sector and CSO strategies are based on relationships created by the party in charge of the municipal administration. Written institutional rules dictating responsibilities of the councils do not appear to determine council activities in practice.

Level Playing Field

By definition, participatory governance institutions should increase the involvement of previously excluded segments of society, thereby leveling the playing field in terms of access to policy making. The rules for the composition of the councils should in part dictate who is provided with access through the council process. Across the three cases there is variation in the rules for membership. In São Paulo, there is a distinction in the housing council between social

movements and civil society: 16 seats are reserved for members from social movements and 16 seats are reserved for civil society. Civil society includes members from unions, universities, NGOs and business associations. The remaining 16 seats in the 48-person council are reserved for government officials. This structure sets up a tripartite division between social movements, other CSOs (including business associations), and government officials. Members serve two-year terms, with representatives from civil society and government agencies selected within meetings of their own groups, i.e. unions select a representative within themselves. Members from social movements, however, are elected in citywide elections. In the 2007 election, approximately 33,000 votes were cast for social movement representatives (SEHAB-SP 2008).

The council in Santo André has 16 members with half from civil society, including social movements, and half from the government. By decree, the president of the council is from civil society and the president of the Municipal Fund for Housing is from the government. Though larger, the housing council in Salvador has a similar composition with 16 members from civil society and 16 members from government agencies. Like in São Paulo, civil society representation in Salvador is further divided between social movements and "other" groups such as NGOs. In 2007, social movements held one meeting in which they chose members amongst themselves and civil society organizations, including NGOs, trade associations, and unions, held their own meeting to select representatives.

Does one form of council composition create a more level playing field than the others? All three include at least half representation from civil society. What differs across cases is the differentiation between "civil society" and "social movements" and the requirements for the inclusion of private sector representatives. In São Paulo, the separation of civil society and social movements sets up a division between members, strongly based on class differences. Social

movement members often come from housing occupations and are more radical in their demands. In Salvador, the contrast exists, though because professionalized NGOs are not as prevalent in Salvador as in São Paulo, the distinctions are not as strong. To some extent, in both cases the voices of social movement members are subordinated to those of NGO leaders who may be considered more educated or polished. By distinguishing membership, the institutional rules do bias the playing field.

In addition, I find that the rules for membership matter for leveling the playing field inasmuch as they shape the participation of private sector associations. In São Paulo business interests occupy five or six seats on the council, forming a considerable voting block. In Santo André the council rules do not mandate the participation of a private sector representative and no one from the private sector has stepped up to be included. In fact, according to housing secretariat officials, the private sector is not involved in social housing policy-making in Santo André. In Salvador, as the city grows and business interests organize in the Northeast of Brazil, the role of the private sector becomes more important. Council regulations in Salvador mandate the participation of two members from private sector entities out of the 32-member council. Though the private sector in Salvador clearly has a voice in decision-making, social movements and NGOs also significantly outnumber them.

Given that municipal housing councils decide issues related to housing construction, land use, and infrastructural development, the private sector has a legitimate role to play in the councils' decision making. In the case studies, however, the inclusion of private sector representatives appears to lead to greater contestation among members, which may reduce the voice of previously marginalized voices from neighborhood associations, social movements, and NGOs.

In the case studies I find that the party in power largely determines *which* CSOs are involved in the housing council. This is most strikingly seen in São Paulo where council membership completely changed between the Suplicy (PT) and Serra (PSDB) governments. While mostly PT-affiliated movements occupied seats in the Suplicy administration, the Serra administration directly supported and "encouraged" the election of newer, weaker opposition groups to the council in 2005. According to one state government official who was a housing council member under Suplicy and Serra, the movements on the council under Serra were co-opted by the government and the council barely operated. In the 2007 elections, then, the "first term" PT-affiliated representatives launched a coordinated campaign using a unified ticket to regain their seats in the third term. In Santo André, all of the neighborhood associations and unions represented on the housing council appeared to be affiliated with the PT government. In Salvador, when the housing secretary came from the PT, PT-affiliated social movements say they felt welcome in the housing secretariat and hoped that the municipal housing council would provide them with real voice. Since Dr. Souza left her position, the same social movements participate, but they report a feeling of prejudice against their members and a lack of interest in hearing their demands on the part of the new housing secretary.

The party in power may encourage some civil society groups to participate while limiting the participation of others. In Santo André, while council members state they are receptive to all voices, the strength of the PT may in practice drive away non-PT affiliated groups from participating. In São Paulo, the party in power may also prevent certain groups from participating, though with experience the leftist social movements of São Paulo have learned to ensure their participation by collaborating at council election time. PT-alligned and more radical

CSOs in Salvador also displayed less enthusiasm for the participatory process under a non-PT government.

Finally, how do the strategies of civil society influence the playing field in municipal housing councils? In the case studies, civil society strategies affect their interest in participating in formal government institutions and their willingness to negotiate with government officials rather than engaging in more radical tactics. On a continuum of contestation vs. cooperation, civil society in Salvador falls on the end of the spectrum towards contestation, while São Paulo falls in the middle and Santo André lies at the other end towards cooperation.

In Salvador the largest social movement for housing is the *Movimento Sem Teto do Salvador* (MSTS, Roofless Movement of Salvador). The MSTS was founded in 2003 and their main strategy is the occupation of land and buildings they believe are not fulfilling their social function as required by the Brazilian constitution. By the fall of 2008 the MSTS had 22 occupations, the majority of which were in abandoned buildings near the center of the city. Following occupations, members of the movement engage in protests to the housing secretariat, and leaders then negotiate with the municipal, state, and federal governments to solicit funding for construction projects to meet their member's needs. All four of the primary national movements for housing also have affiliates in Salvador and membership on the housing council.[22] Following the UNMP's *(União Nacional dos Movimentos da Moradia Popular*) call to demand the creation of and participation in housing councils, the *União da Moradia Popular-Bahia* (UMP-BA) was the primary force behind the creation of the housing council in Salvador. However, the self-build projects for which the UMP-BA secured federal and municipal contributions began with occupation of land, followed by protest and negotiation in much the

[22] The four main national movements for housing are the *União Nacional dos Movimentos da Moradia Popular, the Central dos Movimentos Populares, CONAM, and the Frente da Luta de Moradia Popular.*

same manner that the MSTS secures projects. Though a few small NGOs assist the movements in their advocacy and participate in the council, the main forces for securing housing programs and policies are these and other housing movements, which rely first and foremost on occupation and protest to ensure benefits for their members. Lack of commitment to the process among some social movements, therefore, does reduce the effectiveness of the housing council in leveling the playing field.

In contrast, civil society in Santo André adopts a largely non-confrontational strategy. The main participants on the housing council from civil society are the Housing Cooperative of Public Servants (ServiCoop) and neighborhood-based housing associations. As mentioned, housing associations bring their requests for assistance to the housing council. These requests generally involve urbanization rather than new construction. Direct action by civil society in Santo André is extremely rare, while cooperation with the government has become the strategic norm.

Finally, CSO strategies in São Paulo run the gamut, from occupations and large-scale protests to participation in housing councils and election to public office. The most organized movement is the UMM-SP, though the *Movimento Sem Teto* and several other groups regularly carry out occupations in the center and periphery of the city. The UMM-SP began in 1987 as an umbrella for 42 housing associations, which fight for participation at all levels of government, self-build projects, a mix of credit and subsidies, help for housing tenements, and assistance for people at the lowest income levels. Though their slogan officially calls for direct action through "occupation, resistance and construction", the UMM-SP invests considerable time in the housing council and is the leader in holding the government accountable for its promises of participatory governance. In addition to social movements, São Paulo is the center of the country for NGOs

working on urban policy issues. The Instituto Pólis has a regular seat on the housing council and publishes and lectures widely on the importance of participatory governance institutions. In sum, CSOs in São Paulo have certainly not abandoned direct action in the form of occupations and protests, but rather rely on a mix of strategies, which includes making their demands within the formal, public forum of the municipal housing council. Their commitment to participate adds to the effectiveness of the council in leveling the playing field for policy making.

In sum, rules defining the make-up of council membership, the ideology of the party in power, alliances with the private sector, and the level of contentiousness in civil society all shape the playing field within municipal housing councils. In the end, however, I find that the party in power again largely controls the other three variables to influence the effectiveness of housing councils.

Deliberative Decision-Making

Deliberative decision-making as a goal of participatory governance institutions implies that civil society has a significant voice in policy-making, particularly in terms of agenda setting and final decisions of the institution. Across municipalities, civil society has varying degrees of influence over the housing council's agenda. In addition, the mechanisms for final decision-making – voting, verbal agreements, or no real powers – differ across cases. While the institutional rules should dictate how often housing councils meet, and therefore how relevant they are to policy making, the dynamics between civil society and the state also shape the agenda and means for decision making within housing councils.

In the aggregate data on municipal housing councils from the MUNIC survey in 2008, government representatives only report whether the council met or not during the year. The data do not specify how often the councils met or the number of meetings per year required by the

law or decree establishing the council. The case studies, however, provide evidence to suggest that the frequency of meetings is a function of the pressure civil society places on government officials and the incentives of officials to please their constituencies by engaging in participatory processes.

In the case studies I again find that the party in power strongly influences the council's agenda and the ultimate power of civil society to affect decision-making. For instance, in São Paulo the agenda and decision-making power shifted significantly from the Suplicy (PT) administration to the current Kassab (DEM) administration. Officials from the Suplicy administration report that most of the influence on housing policy and programs in São Paulo came directly from the housing movements, stating that "the movements have too much influence" ("*os movimentos tem influencia demais*"). Government officials were motivated to respond to the demands of social movements and housing associations in order to maintain their electoral bases of support. Under the Suplicy administration the housing council was heavily involved in allocating resources and creating regulations for mutirão projects, communally built housing projects strongly favored by many of the social movements on the council. Movements report that they felt they were making progress in influencing policy decisions. Today, however, both government officials and social movement leaders assert that the council has become more a space for deciding programmatic regulations and bureaucratic details than defining policy priorities. Issues for discussion in the council include such topics as: eligibility criteria for housing programs, FMH budget details, year-end accounting reports, what to do about loan defaults, contracts with construction companies, acquisition of buildings in the city center, maintenance of public housing complexes, and land titling for specific communities.

According to housing secretariat officials in the current Kassab administration, movements "think" they have a great deal of power. However, officials state that their first priority is to deal with those on the formal housing registry waiting list rather than attending to the needs of protestors or movement representatives knocking on their doors (personal interviews). Superintendent for Social Housing, Elsabete França, argues that the council should decide issues such as how to improve the urbanization of favelas, how to make the mutirão projects more efficient, how to create more integrated programs, or where to find more resources. In other words, the council should decide regulations and search for resources to address the priorities established by government officials within the secretariat. She says this distinction must be very clear because the movements have a tendency to want to make their members and issues the priority. Social movement and NGO leaders fighting for a stronger voice argue that this attitude is precisely the reason behind the failure of the council to further pro-poor policy in the city. While the government pays some lip service to the need for participatory decision-making, they withhold "real decisions" from the council's control. According to Evaniza Rodrigues, leader in the UMM-SP, the government decides what projects fall under the council's jurisdiction, and if they are interested in pursuing specific programs they take them outside of council control (personal interview).

The housing council in Santo André is remarkable for its congeniality and agreement on the agenda and programmatic issues. In monthly council meetings, housing associations, most of which have members on the council, make requests for money for construction materials and technical assistance to complete projects. The council's role is then to approve the allocation of resources from the municipal housing fund. In addition to funding, the council decides conflicts within favelas over land claims and priorities for regularization of land. The council is not

deciding broad policy priorities, but civil society seems satisfied with the status quo policy direction. In interviews, civil society leaders and government officials alike stated that the main challenges to addressing housing needs were the rising price of land and a lack of capacity within the government to implement large-scale projects with money available from the federal level.

I attribute this lack of conflict and ease of deliberative decision-making to the long-running administration by the PT in Santo André. One long-term PT-affiliated government official on the council stated: "We don't really have conflicts with each other because everyone is comfortable and we all have the same objective." (personal interview). The municipal housing council is able to effectively engage in deliberative decision-making because both civil society and government officials have incentives to cooperate: civil society to voice their requests for assistance and officials to please their constituents.

Finally, in Salvador the party in power also influences the nature of deliberative decision-making. In Salvador civil society is still engaged in a cycle of protest and negotiation to ensure the government complies with the council's mandate. From its creation in 2007 until the end of 2008, the council met a total of five times at irregular intervals. During my visit to Salvador in November 2008, social movements took to the streets with a list of demands for the housing secretary, one of which was to schedule the next meeting of the housing council. Though it was not clear that the protest was necessary to ensure the next meeting of the council would occur, the process of public protest followed by negotiation and action is still firmly entrenched in the repertoire of Salvador's housing movements.

When the council did meet, members reported that the discussions centered on the municipal government's role as the link to federal government resources. Housing movements presented proposals for local projects benefitting their members, and the council voted on which

proposals to send forward to the federal government for selection. Of the 20 projects forwarded to the federal level, the Ministry of Cities approved only one project for R$1 million. In the end, federal officials rather than the municipal government, civil society, or the council, decided on which project should receive priority.

The tradition of conservative party administration in Salvador largely creates the lack of incentives for both civil society and government officials to ensure deliberative decision-making. The dynamic between civil society and municipal government officials in Salvador remains mired in traditions of patron-client relationships and disdain for the "other" side. Salvador has a history of conservative politics, administered by a single family for most of the last few decades. Social movements, NGOs, and construction associations view the municipal government as an unwilling partner in providing resources, including land and money, to complement federal government programs. They view the council as a *future* mechanism to hold the government accountable for resource contributions, but know that it will be a long process of maintaining pressure to ensure compliance with the council's participatory mandate. In the meantime movements compete for scarce municipal resource contributions, while looking to the state and federal levels for primary funding of construction and urbanization projects. For their part, current municipal government officials appear completely uninterested in the participatory process of the council. The housing secretary had not attended a single meeting, and housing officials I spoke with either did not know about the council's meetings or were reluctant to discuss details.

While the council aims to reduce clientelism and serve as a space for deliberative policy-making, the government does not appear to have the will to carry out the council's mandate. The council increases the ability of diverse voices to reach the government agenda, but it is not clear

that the minimal incorporation of CSOs into the council will significantly change the policy-making process in the near-term.

How does the private sector, then, influence deliberative decision-making in each of these cases? Of the case studies, only in São Paulo does the private sector exert a considerable influence on the agenda and voting outcomes of the housing council. The strongest private sector member is SECOVI, an association of real estate interests, which began in São Paulo but now operates chapters across the country. Representatives from SECOVI say they participate in the council because they have a stake in improving the city overall; however, they are candid in acknowledging their main objective must always be profit. According to one SECOVI representative, they are primarily concerned with 1) the federal government losing money from social housing programs because of borrower defaults, and 2) the impact of public investments on the price of real estate. These concerns translate into agenda setting for the council. For example, a SECOVI representative stated that "the goal of the private sector is to produce new housing and we do not have a direct interest in urbanizing the favelas" (personal interview). They are therefore more likely to push for construction programs over urbanization programs. Whether they get their way in agenda setting depends largely on who is in charge. As stated above, under non-PT governments in São Paulo, housing secretariat officials tend to be appointed from the private sector. SECOVI acknowledges that they have a much better relationship with the current secretary of housing who used to work with the association, than they ever had with officials under the Suplicy government. This close relationship allows them better access to government officials outside of the council, but also provides them with allies from the government on the council when the agenda is set and votes are held on specific issues.

SECOVI also works closely with SINDUSCON, an association of construction companies, to discuss issues before meetings and present a united front in the council.

In the other two cases, where the private sector does not play a strong role on the council itself, business interests do still play a role in what the municipality is able to accomplish in terms of social housing policy. In Santo André, housing council members report that they are severely limited in developing new programs by the rising value of real estate in the city. Both civil society members and government officials on the council seem to accept the rise in prices as a legitimate reason why the government cannot do more to reduce the housing deficit. Though civil society reports they would like to see more zoning for social housing (ZEIS), they have not formed a protest movement to demand reform. Given the lack of private sector participation in the council, they do not have a natural enemy with whom to contest zoning rules and they are unlikely to directly challenge the allied-PT government's current policies. The lack of private sector involvement, therefore, limits conflict and encourages cooperation.

In Salvador, social movements strongly distrust the private sector, particularly since the government removed many poor residents in order for business interests to capitalize on the renovation of the historic city center in the 1990s. This distrust carries over to the current secretary of housing who was appointed from the private sector. Even without significant private sector participation in the council, civil society's animosity towards business interests does affect the ways in which they approach government officials they associate with the private sector. Civil society's expectations for cooperation remain low, which may in turn spur continued direct protest rather than negotiation in the council to make their voices heard.

The relative strength of the private sector determines shifts in power relations, shapes the council's agenda, and influences outcomes. In São Paulo the participation of a strong private

sector causes derisiveness in the council that does not affect the other two councils. Still, in the other two cases the traditional lack of involvement in Santo André and the animosity between sectors in Salvador influences cooperation or conflict even without the private sector's direct participation in the councils.

Finally, how do the strategies of CSOs affect deliberative decision-making? In São Paulo, movements have learned to work in coordinated networks to promote their collective interests. Before each meeting of the full council and meetings of the council's executive commission, social movement leaders hold a private meeting to review the coming agenda and supporting documents provided by the housing secretariat. In these meetings, members reach consensus on their response to each agenda item in order to present a united front when the full council or executive commission meets. For instance, before the full council was to address the issue of payment defaults in public housing units, social movements decided they would press the government to understand why people are not paying and urge them to conduct a more detailed study of the problem. Movement leaders say these pre-meetings also offer an opportunity to discuss and debate the complex bureaucratic issues presented to the council, which they would not be able to respond to on the spot. The strategy to voice demands as a united front in council meetings, however, means that their opinions are added to the record, but they do not necessarily change the final outcomes when votes are cast. Private sector interests, government officials and unallied members may still have the votes to overrule other voting blocks. In Santo André the lack of conflict between groups leads to faster decision-making, though certainly less debate over the nuances of decisions. The tradition in Salvador of bargaining for benefits for members of individual movements following occupations leads to negotiations for these specific groups within the council rather than broader policy discussion and debate.

Conclusions from Case Studies

In the case studies both the institutional rules and civil society-state dynamics strongly influence the activities of the municipal housing councils. None of the three cases exhibits the ideal model of participatory governance, if such a thing exists, but the variables presented here increase our understanding of the institutional rules and factors shaping civil society-state dynamics, resulting in an "imperfect" policy process in municipal housing councils.

My analysis of the case studies closely aligns with my expectations of how the institutional rules and civil society dynamics shape the effectiveness of municipal housing councils. In terms of transparency, however, I do not find that the rules for council responsibilities match the activities of the councils in practice. This leads me to conclude that civil society-state dynamics must be more important for transparency than legal responsibilities. For a level playing field, the party in power largely determines the relationships among actors and the access and voice of civil society. In particular, the inclusion of private sector members aligned with more conservative governments may reduce the access and voice of CSOs, thereby limiting the ability of municipal housing councils to include previously marginalized groups in policy making. Finally, the councils vary significantly in their agendas and mechanisms for deliberative decision-making. In the end, however, the party in power strongly influences the agenda and the relative strength of civil society in negotiating their demands.

Distribution of Public Goods: Outcomes of Municipal Housing Councils

Based on the case studies, I seek to test the influence on outcomes of two primary variables: the party in power and the rules governing housing council responsibilities. The case studies indicate the centrality of the party in power to transparency, a level playing field, and deliberative decision-making. All of these factors from the policy process should coalesce to

shape the role of the housing council in encouraging adoption of social housing programs, in line with the demands of CSOs. Contrary to expectations, the rules for council responsibilities did not seem to largely impact the policy process, particularly in terms of transparency. Scholars argue, however, that increasing transparency is a primary function of participatory governance institutions and is central to generating accountability of government officials. Here I aim to test whether across cases the rules for council responsibilities are linked to greater accountability of the government as measured by adoption of social housing programs to benefit the poor.

Using the dataset developed in Chapter 3, I run a series of probit regression models. My first hypothesis is that where the PT is in power, municipal councils for housing should be associated with the adoption of a greater number of municipal housing programs. In addition, the housing councils should be more highly correlated with municipally-funded housing programs, demonstrating a higher level of commitment to housing from the municipal administration. My second hypothesis is that where councils are given the power for governmental oversight, greater transparency and hence accountability should lead to a greater number of social housing programs. In the end, I aim to provide greater evidence to suggest when participatory governance institutions in the form of municipal housing councils do provide a more equitable distribution of public goods.

Statistical Models

Dependent Variables: I test the model against three groups of dependent variables: 1) an index of housing programs, which sums the total number of housing programs by type adopted in the municipality; 2) individual categories of housing programs; and 3) individual categories of municipally-funded housing programs.

Key Independent Variables: To test the relationship between the party in power, municipal housing councils and housing programs, I add an interaction term. On its own, the party in power may influence the adoption of social housing programs. Previous research suggests that left-leaning governments, including the PT in Brazil, are associated with an increase in social programs (Baiocchi 2003; Abers 2000). By adding an interaction term for the party in power and the existence of a municipal housing council, I seek to measure whether the association between housing councils and programs changes when the mayor is from the PT. In addition, I include dummy variables for whether the councils have consultative, deliberative, normative and oversight responsibilities. Note that councils may have more than one type of responsibility.

Additional Factors Influencing Housing Program Adoption:

To the model I also add two categories of control variables, informed by case study analysis regarding the process in participatory governance institutions.

Make-up of the legislature: I include a measure of the percentage of seats in the municipal legislature held by members of the PT. Since the number of seats in municipal legislatures (*camaras municipais*), akin to city councils in the United States, varies by the size of the municipality I use the percentage of seats occupied by PT members rather than simply the number of PT members. Theoretically, if the majority in the legislature is from the same party, there should be less legislative gridlock, including for policy and resource allocation decisions forwarded by the housing councils. Case studies suggest that legislation to create municipal housing councils may be easier to pass under PT administrations. Controlling for the make-up of the municipal legislature should further identify the role the party of the legislature plays in determining housing policy outcomes.

Regional variation: I include regional dummy variables in this analysis to control for possible effects of political tradition. The Northeast of Brazil is known for more conservative administration and a legacy of clientelism stemming from the sugar plantation economy and slavery (Dantas 2006). The development of civil society in the Northeast is thought to have been stifled in comparison to the South and Southeast where politics are traditionally more liberal, though business-oriented, in the major cities.[23] I expect that as compared to the Southeast region, municipalities in the North and Northeast are particularly less likely to adopt social housing programs because of the lack of civil society influence and strength of conservative political traditions. The Southeast region is left out of the statistical models to provide comparison with the other four regions.

Results: Party in Power

Individual Programs: Here I test whether the presence of a PT mayor changes the relationship between municipal housing councils and adoption of social programs. Table 4.4 below first shows that where there is no PT mayor, the housing council is significantly related to the adoption of all types of programs. Where there is a PT mayor, the relationship is unchanged. The existence of the municipal housing council institution appears to have a greater effect on housing program adoption than the party in power.

Table 4.4: The Relationship between the PT, Municipal Housing Councils and Individual Housing Programs

VARIABLES	Const. of Units	Acquire Units	Improve Units	Offer Materials	Offer Plots of Land	Regular-ization	Urban-ization
Housing Council Exists	**0.26*** **	**0.18** **	**0.27*** **	**0.16** **	**0.17** **	**0.25*** **	**0.18** **

[23] Avritzer (2007) acknowledges regional differences while arguing that participation is not homogenous within regions. For example, the city of Recife, Brazil in the Northeast is also known for civil society engagement.

	(0.07)	**(0.07)**	**(0.06)**	**(0.06)**	**(0.07)**	**(0.07)**	**(0.08)**
Housing Council x PT Mayor	**0.26**	**-0.23**	**0.20**	**-0.18**	**-0.06**	**-0.09**	**-0.01**
	(0.17)	**(0.18)**	**(0.16)**	**(0.16)**	**(0.17)**	**(0.17)**	**(0.20)**
PT Mayor	**-0.08**	**0.13**	**0.04**	**0.23***	**-0.08**	**0.26****	**-0.01**
	(0.12)	**(0.13)**	**(0.12)**	**(0.12)**	**(0.13)**	**(0.13)**	**(0.16)**
Fund for Housing	0.25***	0.09	0.04	0.09	0.19***	0.14**	0.15**
	(0.06)	(0.07)	(0.06)	(0.06)	(0.07)	(0.07)	(0.08)
Population 2005 (log)	0.19***	0.12***	0.06*	0.08**	0.10***	0.35***	0.42***
	(0.04)	(0.04)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)
Percentage Population Urban 2000 (log)	0.14**	0.04	0.18***	0.20***	0.26***	0.03	0.03
	(0.06)	(0.07)	(0.06)	(0.06)	(0.06)	(0.07)	(0.08)
Municipal Budget per capita 2005 (log)	0.49***	0.18**	0.19**	0.37***	0.27***	0.34***	0.45***
	(0.08)	(0.08)	(0.07)	(0.07)	(0.08)	(0.08)	(0.09)
Gini 2000	1.26***	0.24	1.99***	1.28***	0.01	-0.03	0.99*
	(0.42)	(0.49)	(0.41)	(0.42)	(0.45)	(0.48)	(0.53)
Income per capita 2000 (log)	0.07	0.11	-0.11	-0.17**	0.04	0.17*	0.05
	(0.09)	(0.10)	(0.08)	(0.08)	(0.09)	(0.10)	(0.11)
Non-profits and Foundations per capita 2005	-0.04	-0.02	0.13***	-0.07**	0.03	-0.09**	-0.11**
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)
Favelas Exist	-0.00	0.06	-0.04	-0.06	-0.00	0.30***	0.38***
	(0.05)	(0.06)	(0.05)	(0.05)	(0.05)	(0.06)	(0.06)
Percentage of Vereadores from the PT	0.12	0.33	-0.13	-0.22	0.11	0.17	0.50
	(0.25)	(0.28)	(0.24)	(0.24)	(0.26)	(0.28)	(0.32)
Northeast	0.37**	0.19	0.03	0.27	0.56***	-0.05	1.05***
	(0.18)	(0.22)	(0.21)	(0.22)	(0.22)	(0.23)	(0.24)
North	0.67*	0.78**	0.30	0.28	0.74*	1.06***	1.05**
	(0.38)	(0.40)	(0.37)	(0.36)	(0.44)	(0.40)	(0.46)
Center West	0.19	-0.12	-0.01	0.57***	0.52***	0.60***	0.67***

	(0.17)	(0.20)	(0.17)	(0.18)	(0.18)	(0.17)	(0.19)
South	0.63***	0.26**	0.08	0.57***	0.52***	0.11	0.30**
	(0.12)	(0.13)	(0.10)	(0.12)	(0.13)	(0.13)	(0.14)
Constant	-6.39***	-4.39***	-2.01***	-4.40***	-4.12***	-8.29***	-10.35***
	(0.83)	(0.87)	(0.76)	(0.78)	(0.82)	(0.88)	(0.98)
Observations	4093	4093	4083	4080	4093	4093	4083

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
State Dummies also included in model.

Program Index: Again, contrary to my hypothesis from the case studies, across contexts the results do not provide evidence that the presence of a PT mayor in combination with a housing council increases the likelihood of municipalities adopting multiple social housing programs. Table 4.5 displays the results from a negative binomial regression including an interaction term for the presence of a PT mayor and housing council.[24]

Table 4.5: The Relationship Between the PT in Power, Municipal Housing Councils and a Program Index (2008)

VARIABLES	Program Index
Housing Council Exists	**0.19*** **
	(0.03)
Housing Council x PT Mayor	**-0.02**
	(0.08)
PT Mayor	**0.06**
	(0.06)
Fund for Housing	0.13***
	(0.03)
Population 2005 (log)	0.15***
	(0.02)
Percentage Population Urban 2000 (log)	0.14***
	(0.03)
Municipal Budget per capita 2005 (log)	0.28***
	(0.04)
Gini 2000	0.83***
	(0.22)

[24] A negative binomial model is appropriate for this analysis because the proportional odds between categories cannot be assumed to be equal and the data is extra-dispersed. The negative binomial model predicts expected counts rather than probabilities.

Income per capita 2000 (log)	-0.02
	(0.04)
Non-profits and Foundations per capita 2005	-0.01
	(0.02)
Favelas Exist	0.06**
	(0.03)
Percentage of Vereadores from the PT	0.06
	(0.13)
Northeast	0.45***
	(0.10)
North	0.49**
	(0.21)
Center West	0.27***
	(0.09)
South	0.40***
	(0.06)
Constant	-3.31***
	(0.38)
Observations	4093

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
State Dummies also included in model.

The positive and significant coefficient for the housing council variable indicates that the housing council is positively associated with the adoption of multiple housing programs where there is not a PT mayor in municipalities across Brazil. The interaction term then shows that the effect is not significantly changed by the presence of a PT mayor: housing councils do influence program adoption, but the presence of a PT administration does not enhance the effect.

Municipally-Funded Programs: The 2008 MUNIC survey also asks questions about the source of funding for housing programs. Particularly since President Lula assumed office in 2003 and the National System for Housing in the Social Interest was created in 2005, many municipalities have applied for and received federal funding for all types of programs. As the case study in Salvador showed directly, members often use housing councils as mechanisms to access federal funding. However, convincing municipal government officials to allocate municipal funds for

housing programs may indicate a further commitment by the municipal government to meeting civil society demands. The dependent variables in the models below are coded 0 or 1 based on whether the municipality has a program supported by the municipal government. The presence of a PT administration, which may be friendlier to CSOs, combined with a municipal council for housing should lead to increasing commitment of municipal resources to housing.

Again, contrary to expectations, the results shown in Table 4.6 indicate that the housing council has no effect on municipally-funded programs regardless of whether or not a PT mayor is in charge. This is true controlling for the percentage of PT members on the city council and controlling for region. Interestingly, the results do indicate a negative correlation between several municipally-funded programs and the Northeast vs. the Southeast. Even controlling for the size of the municipal budget, region still appears to play a role in the commitment of the municipality to social housing policy.

Table 4.6: The Relationship between Housing Councils, the PT, and Municipally-Funded Housing Programs

VARIABLES	Const. of Units by Muni	Acquire Units by Muni	Improve Units by Muni	Offer Materials by Muni	Offer Plots of Land by Muni	Regular. by Muni	Urban. by Muni
PT Mayor	**-0.15**	**-0.61**	**0.15**	**-0.17**	**-0.39**	**-0.43***	**0.04**
	-0.2	**-0.42**	**-0.18**	**-0.25**	**-0.33**	**-0.25**	**-0.33**
Housing Council	**0.07**	**-0.09**	**0**	**-0.08**	**-0.1**	**0.07**	**0.16**
	-0.09	**-0.16**	**-0.09**	**-0.13**	**-0.17**	**-0.13**	**-0.16**
Council x PT Mayor	**0.34**	**0.44**	**-0.18**	**0.11**	**0.14**	**0.03**	**-0.17**
	-0.23	**-0.5**	**-0.23**	**-0.3**	**-0.39**	**-0.29**	**-0.38**
Housing Fund	-0.12	-0.02	-0.04	-0.17	-0.01	-0.07	-0.13
	-0.08	-0.16	-0.09	-0.12	-0.16	-0.13	-0.16
Population 2005 (log)	0.13***	0.18**	-0.06	0.04	-0.01	0.13**	0.01
	-0.04	-0.08	-0.05	-0.07	-0.08	-0.07	-0.07

Percent Urban Pop. 2000 (log)	0.07	0.16	0.12	0.06	0.10	0.31**	0.18
	-0.09	-0.18	-0.09	-0.14	-0.18	-0.15	-0.18
Muni Budget per cap 2005 (log)	0.55***	0.43**	0.29***	0.30*	0.11	0.53***	0.42**
	-0.10	-0.20	-0.12	-0.16	-0.20	-0.16	-0.17
Gini 2000	1.72***	0.19	0.35	0.83	2.65**	1.73*	0.27
	-0.59	-1.16	-0.61	-0.92	-1.26	-1.00	-1.10
Income per cap 2000 (log)	-0.13	-0.27	0.03	-0.27	-0.32	-0.24	-0.10
	-0.12	-0.26	-0.13	-0.20	-0.26	-0.21	-0.22
Non-profits & Founds per cap (log)	-0.08	0.08	-0.20***	0.11	0.00	-0.02	0.05
	-0.05	-0.10	-0.05	-0.08	-0.11	-0.09	-0.11
Favelas Exist	0.14**	-0.12	-0.02	-0.10	-0.14	0.06	-0.05
	-0.07	-0.13	-0.07	-0.11	-0.14	-0.11	-0.13
Percentage of PT Vereadores	-0.85**	-0.03	-0.17	-1.23**	-0.54	-0.30	-1.11
	-0.35	-0.69	-0.35	-0.50	-0.67	-0.55	-0.70
Northeast	-1.02**	0.13	-0.71**	0.55	-0.38	-0.21	-1.0**
	-0.48	-0.51	-0.33	-0.41	-0.46	-0.47	-0.50
North	0.45	2.24***	-0.43	-1.21*	0.18	-0.21	0.25
	-0.75	-0.64	-0.69	-0.72	-0.54	-0.81	-0.69
Center West	0.15	0.46	0.12	1.24***	0.24	0.16	0.18
	-0.23	-0.41	-0.29	-0.47	-0.41	-0.27	-0.43
South	0.23	-0.03	0.60***	0.36	0.91***	0.76***	-0.55*
	-0.14	-0.30	-0.18	-0.25	-0.34	-0.24	-0.29
Constant	-6.45***	-3.69*	-2.97***	0.28	0.42	-4.41***	-1.90
	-1.04	-2.02	-1.15	-1.72	-2.18	-1.55	-1.74
Observations	2511	640	1883	1457	867	855	578

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
State Dummies also included in model.

Results: Council Responsibilities

Though the case studies did not illustrate the importance of responsibilities afforded by law, theoretically they should in part influence the policy process and the resulting policy outcomes. The ability to approve accounting documents in oversight councils should increase the

likelihood that civil society will influence the process and create pressure to prioritize social housing. In order to test these claims I added dummy variables for each of the four responsibilities: consultative, deliberative, normative and oversight. Including the responsibilities in the same models as above necessarily reduces the sample to only municipalities where housing councils exist (i.e. an official first answers affirmatively on the survey that the municipality has a housing council before answering questions about the responsibilities of the council).

The results indicate that across contexts councils with oversight responsibilities are positively related to the program index and four of the 7 types of programs (see Appendix A for complete results). None of the other responsibilities demonstrate a positive relationship with the program index, nor is there any clear relationship to individual programs. In addition, there is no clear pattern for the effect of any of the responsibilities on municipally-funded programs (see Appendix B for complete results). Leaving aside the mode for funding, councils reporting oversight responsibilities do appear to have the greatest impact on program outcomes compared to councils without the power to oversee accounting decisions.

Findings

Though the case studies provide strong evidence to suggest that the party in power influences the civil society-state dynamics in the policy process within municipal housing councils, quantitative results do not confirm the importance of the PT in power for program outcomes in the larger universe of cases. The institution of municipal housing councils, providing some level of transparency, inclusion of civil society, and deliberative decision-making, appears to function across contexts to produce pro-poor outcomes, regardless of the party in power. Looking further into whether institutional rules are associated with redistribution

of public goods, the ability to oversee government finances seems to make the largest difference in program implementation. In the aggregate, institutional rules do make a considerable difference for program outcomes. Still, questions remain regarding the influence on municipal budget allocation for social housing programs and the effect municipal housing councils may have in shifting prioritization of municipal funding.

The PT's insignificant association with housing outcomes across contexts leads me to return to the case studies for answers. Though speculative, first I question whether the ideology and the commitment of the PT to participatory governance may in fact vary across the country. Though the PT is considered to be one of the most ideologically coherent parties in Brazil, in general party platforms in Brazil are weak and party switching among politicians is common. Across the country, from urban to rural areas the PT may not operate in the same manner. Even in São Paulo where the Suplicy (PT) government relied on the support of housing and urban reform movements, the relationship with civil society within the housing council was far more contentious than in the smaller city of Santo André. In addition, looking to PT-administered housing councils in São Paulo and Santo André in comparison to the council under a PT housing secretary in Salvador, I recognize the constraints in Salvador that may limit the effect of the party in power. Most significantly, Salvador suffers from severe resource constraints.

This leads me to speculate that municipal resource constraints may limit government responsiveness regardless of party affiliation. Across statistical models, the municipal budget per capita is consistently positively associated with the adoption of housing programs. This suggests that the decisions of municipal administrators and housing councils are strongly conditioned by municipal budgets, regardless of which party is in power. As a result, municipal officials may choose to implement less costly programs or housing councils are used more to access federal

funds than to reprioritize municipal allocation of resources. Where there are strong alliances between a PT administration and civil society, the housing council may still have some effect in reprioritizing social housing needs. However, to save money housing secretaries may enact programs that don't require large financial investments, such as regularization or providing plots of land, or they may view the role of the council as a link to the federal system rather than as administrator of municipal funds. Either way, the ideology of the party in power is unlikely to change the reality of local revenue scarcity at least in the short term.

In Salvador, where the municipal budget per capita remains well below the other two cities, the only program the municipal government supports is regularization of land titles for people living on city-owned land. The previous secretary for housing explained to me that the municipal government invests in regularization of land titles because it is cheap. The cost for regularization is about R$200 per family, while building a new house costs R$25,000 and urbanization costs between R$5,000 – R$17,000 per household. According to an official in the municipal secretariat for housing, the only real projects underway in Salvador in 2008 were two self-build projects directed by housing associations, financed by the federal government. The municipality contributed only the land and construction of a community meeting area for one of the projects. In the coming year, officials state that any new projects would also have to be approved and financed by the federal government due to lack of municipal resources. Members of the housing council have not succeeded in pressing the municipal government to increase its contributions to housing programs through the municipal housing fund. According to the former Secretary for Housing, there are no municipal funds in the Fund: "They have a Fund without funds" (personal interview). In practice this means that the Municipal Council for Housing in

Salvador is completely unable to make any budget allocation decisions. Instead, the housing council is used as a pass through for federal funding proposals.

In addition, the statistical models may suffer from omitted variable bias. Several of the contextual variables, which I find to matter in the qualitative analysis, cannot be measured directly in the statistical analysis. For instance, the capacity of civil society may matter across cases for generating accountability and responsiveness. Though I hypothesized that transparency, and hence accountability, resulting from municipal housing councils would be stronger under PT administrations where CSOs maintain strong alliances with government officials, the capacity of civil society may in fact be a stronger factor than alliances in ensuring transparency. A coordinated network of CSOs serving on a council may make requests for information, process complex accounting documents, and formulate coordinated responses within the confines of the councils and to their membership bases, which is not possible for civil society in other municipalities. The contrast in civil society capacity and outcomes in São Paulo vs. Salvador does in fact provide evidence for this claim. Civil society in Salvador currently uses the council to formulate proposals to the federal level rather than demand review of municipal government finances and reprioritization of funds. In São Paulo the transparency afforded by the council as a result of the continued demand for information by CSOs may contribute to the government's responsiveness to housing needs as a major priority in the city, regardless of the party in power. While the statistical model contains a measure for the depth of civil society, it may not capture the capacity of CSOs across municipalities.

Finally, the importance of oversight responsibilities for program adoption may indicate the primacy of transparency for the effectiveness of participatory governance institutions in shifting the distribution of public goods. Though in the case studies I did not find a strong

connection between legal responsibilities afforded to the councils and duties in practice, across contexts the rules do appear to matter. Not all councils are created the same, nor do they produce the same outcomes. As municipalities increasingly adopt into law housing councils in order to comply with the new federal requirement to access funds, administrators and CSOs monitoring the process should be aware that the responsibilities afforded by law matter. Though in the case studies the responsibilities written in law did not correspond directly to activities in practice, in the aggregate the types of responsibilities granted to councils matter.

Conclusions

This paper yielded several conclusions regarding policy-making and outcomes of participatory governance institutions. First, I find evidence across the case studies that to some extent expectations regarding institutional rules and civil society-state dynamics do play out in practice for the policy-making process. Transparency, a level playing field, and deliberative decision-making in municipal housing councils are dependent on the rules that shape council responsibilities, membership, and meeting frequency. To a greater extent, however, I find that the policy process is shaped by civil society-state dynamics: though rules may exist on paper, civil society, government, and private sector actors determine the implementation of those rules. In the case studies, it is the party in power that appears to largely dictate the relationships among actors, and in turn creates transparency, participation, and the ultimate extent of deliberation within municipal housing councils.

Using statistical analysis, I then sought to assess the variables that determine when participatory governance institutions lead to greater distribution of public goods. I find that the party in power is not significantly associated with greater housing program adoption where municipal housing councils exist. This is a surprising result, but in looking back to the case

studies I argue that the PT may vary in commitment to participatory governance across the country and municipal budgets may constrain the efforts of PT mayors and housing secretariats across the country. Therefore, though the party in power may matter in some cases, in the aggregate the party is a weak predictor of the effect of participatory governance institutions on program outcomes.

Instead, I find that transparency created by institutional rules matters across contexts. Councils with specific oversight powers appear to have the greatest effect on the adoption of social housing programs across municipalities. These results suggest that institutional rules governing municipal housing councils may be more important than the political party in charge for determining outcomes. Access to budgetary numbers is critical for ensuring accountability. As more and more municipal housing councils are created in response to the federal mandate, it is critical, then, to assess whether these new institutions are created with enough responsibility to alter policy outcomes.

Participatory governance institutions are not the magic bullet for incorporating diverse voices, promoting transparency, ensuring policy deliberation, and shifting resource distribution towards the poor, but neither are they ineffective institutions for creating social policy change, as skeptics would argue. The dynamic between civil society and the state does change when the two sides agree to meet at one table. While the policy process may never be ideal, across political contexts taking one's seat at the table may be one small step towards policy change.

5. The Creation Effect: Evaluating Commitment in Participatory Governance Institutions

"The council was created because it is necessary to define public policy. It doesn't work for us to determine policies without the principal people involved. Public officials cannot think that they know everything about the necessities of the city. No, a government needs partners. A democratic government facilitates participation and transparency in its administration." – Former Housing Secretariat Official from the Suplicy (PT) administration in São Paulo.

This chapter continues the search to determine *when* and *how* participatory governance institutions make a difference in pro-poor policy adoption. Previous analysis suggests that municipal housing councils are strongly related to the adoption of housing programs, though neither the density of civil society nor the presence of a PT government enhances the effect of the councils. Through case study analysis and a look into the survey data, however, it is clear that not all councils function the same. In the previous chapter the case studies revealed important variation in council formation, responsibilities assigned to councils, and their interaction with civil society, private sector actors, and the state. Statistical analysis then confirmed that the responsibilities allocated to councils are significantly related to housing program adoption. This chapter examines another important dimension of variation: how the participatory councils were created. Whether the impetus for creation comes from civil society and/or local government officials (bottom-up) or in response to the federal mandate (top-down) could hold important implications for how municipal housing councils function, and ultimately in the resulting policy outcomes. Who initiates the creation of participatory governance institutions should matter for how seriously they are taken by government and civil society as mechanisms for deliberation. Consequently, the top-down/bottom-up distinction should also hold implications for policy outcomes.

The question for this chapter is motivated by previous research, which finds that the commitment of mayors is critical for ensuring the effectiveness of decentralization reforms, including participatory governance institutions (see for example, Abers 2003; Andersson et al. 2009; Wampler 2008). Not only mayors, but also other relevant government officials must be willing to share control over decision-making regarding policy direction and resource distribution in order for participatory institutions to matter. Without a commitment to the participatory process, institutions may exist on paper, but have little say over policy-making. In addition, I argue that civil society must also be committed to the process in order for the mechanisms of accountability and responsiveness to work. In many contexts CSOs lobby for the creation of participatory institutions and their involvement is viewed as a foregone conclusion. However, where local participatory institutions are mandated from the federal level, local CSOs may not exhibit the same enthusiasm for the process. Instead they may continue to seek benefits for their members directly from government officials. Without the commitment of CSOs to engage in an open forum for debate, government officials lack incentives to prioritize civil society demands and to invest further in the participatory process. This chapter seeks to provide evidence as to how the commitment of local government officials and civil society actors varies depending on the creation of participatory governance institutions. In turn, I present evidence to suggest that variation in commitment alters the resulting impact of municipal housing councils.

The Brazilian housing system offers an opportunity to assess how the motivation for creation of participatory governance institutions changes both the policy process and resulting outcomes. As stated previously, the Brazilian National System for Housing in the Social Interest (SNHIS), created in 2005, mandated that all municipalities must have a municipal council for housing by the end of 2009 in order to receive federal funds. To comply with the law in time,

many municipalities began creating municipal housing councils in 2005, accounting for much of the increase in councils across Brazil between 2005 and 2008. Before 2005, however, hundreds of housing councils already existed across Brazil: generally at the demand of CSOs or by ideologically motivated government officials. This provides a comparison by which to measure whether councils created before 2005 (bottom-up) function differently than those created after 2005 (top-down).

With the new system coming into place, answers to questions regarding the impact of creation are timely for ensuring useful participatory governance institutions in Brazil. Moreover, whether effective participatory governance institutions can be mandated from the federal level is particularly relevant to numerous other developing countries adopting similar systems to Brazil's. In the end, whether participatory governance institutions legislated from above lead to the promotion of pro-poor outcomes has implications for Brazil and other developing countries. More broadly, this chapter provides evidence as to whether effective local participation can be legislated from above.

This chapter asks three specific questions: 1) Do municipal governments demonstrate a greater commitment to the participatory process in terms of delegating power and resources where councils are created from the bottom-up? 2) Do CSOs in these municipalities display a commitment to the participatory process and a willingness to demand accountability of the government through the councils? 3) Are pro-poor policy outcomes more likely where councils are created in response to bottom-up vs. top-down pressures? For municipal officials, the concept of "commitment" can be defined by the official's willingness to cede control over programs and resources to civil society. Commitment of local officials is then measured by perception of the council's role as well as by whether the council is given deliberative powers and resources to

allocate. For civil society, commitment is defined by the enthusiasm of leaders to participate in the housing council process rather than continuing with status quo tactics. In addition, CSO commitment involves the drive to ensure that the local government implements the participatory process and housing programs as promised.

I expect that municipal housing councils created between 2005 and 2008 are more likely a response to the federal mandate rather than local initiative, and therefore will not generate the type of participatory environment as councils created previously. To provide evidence for this claim, I compare the cities of São Paulo and Santo André, where councils were created by PT governments at the demand of CSOs, to the cases of Curitiba and Recife, where councils have only recently been created in response to the federal mandate. I also include the case of Salvador, where a PT-affiliated municipal housing secretary created a municipal council for housing in part because of ideology and in part as a reaction to the forthcoming requirement to access federal funding. I suspect that municipalities with councils created from the top-down will be less likely than municipalities with councils created from the bottom-up to adopt each type of housing program. In Salvador, Curitiba, and Recife, I expect less commitment from both civil society and government officials to participatory governance, resulting in fewer housing programs. For each case I assess differences in the commitment of local officials and civil society leaders before turning to statistical analysis of municipalities across Brazil. In the end I conclude that the commitment of actors varies along with the impetus for creation of municipal housing councils. In turn, commitment alters the probability that municipal housing councils make a difference in policy outcomes.

Theory Regarding Top-Down vs. Bottom-Up Initiation of Participatory Governance Institutions

Literature regarding the effect of creation on participatory governance institutions is largely based on previous findings related to decentralization. For example, Montero and Samuels (2004) argue that the outcomes of decentralization fundamentally depend on the political origins of the reforms. Participatory governance institutions are similar to other decentralization reforms in that the federal government transfers resources and responsibilities to the local level. However, participatory governance institutions require a second process of devolving local control to civil society.

In his study of several types of participatory governance institutions across Brazil, Avritzer (2009) finds that both political will and civil society willingness to join participatory institutions are key for their effectiveness. He argues that, "successful participatory institutions…need to be the result of a specific interaction between the political will to initiate a participatory process and civil society actors who can join these institutions" (Avritzer 2009; p. 17). Avritzer reviews the cases of participatory budgeting systems, health councils, and city master planning processes in several Brazilian cities and concludes that the institutional design must match the context. What then happens when municipal councils are imposed by federal mandate across contexts? Avritzer's work implies that variation in effectiveness should be expected. Here I seek to understand more completely how the mechanism of commitment of local officials and civil society actors varies where councils are imposed top-down vs. created from the bottom-up, changing the outcomes of these participatory governance institutions.

From the beginning, other scholars find that the incentives of local leaders to participate in municipal councils are important for generating real responsibilities and decision-making powers for the councils (Kauneckis and Andersson 2009; Wampler 2008). Participatory governance institutions need buy-in from mayors to facilitate information sharing between the

government and CSOs (Morrison and Singer 2007). The incentives of political society cannot be separated from the reason behind creation of participatory institutions. Without strong demand from civil society for the creation of participatory governance institutions with significant responsibilities, mayors may not have a compelling reason to give up power in the first place (Andersson and Laerhoven 2007). When municipal councils for housing are legislated by the federal government as a prerequisite for receiving federal funds, the incentive for the mayor to comply is to receive funding to deal with pressing social problems. The mayor's incentive is to save municipal resources by creating the institution required to receive federal resources, not to generate dialogue, transparency and responsiveness to the demands of civil society. Without mayoral buy-in to the merits of participatory democracy, but rather incentives to create an institution on paper without real responsibilities, I argue that municipal councils created in response to a federal mandate will not significantly alter the process or outcomes of policy making. Though municipalities with councils may have more programs funded by federal resources, programs will not represent the diverse demands of civil society, the municipal budget for housing will not increase, and much of the resources for housing will actually remain outside of council control.

Civil society commitment to participatory democracy is also critical for the effectiveness of participatory governance institutions. Though in Chapter 3 I found that the density of civil society was not associated with an increase in the probability of program adoption where municipal housing councils were present, in order for participatory institutions to function, by definition existing civil society must be committed to the process for it to be "participatory". According to the literature, previous existing civil society-state relationships may, in part, determine policy making in participatory governance institutions. Traditionally, CSOs related to

housing work bilaterally with local government officials to secure benefits for their members, often in the form of new construction or land rights. Municipal councils may bring CSOs together to negotiate for broader benefits, but cooperation is not guaranteed. In their study of participatory budgeting councils in 10 different Brazilian municipalities, Baiocchi, Heller, and Silva (2008) find that the democratizing of civil society through the participatory budgeting process is predicated on pre-existing state-civil society relationships. They find that adding a participatory governance institution to the municipality does not automatically generate cohesion among CSOs willing to deliberate with the state on broader housing policy. Cornwall (2007) also finds that the political culture, including a tradition of clientelism, prevented democratic governance from functioning in the cases of health councils she studied. As such, municipal councils may replicate the bilateral CSO-government relationships that previously existed. Though I argue in previous chapters that these bilateral relationships will be mitigated if CSOs see the benefits of collaboration within housing councils, if CSOs are not in favor of the councils from the start, they may not see the value in changing existing relationships. Without CSO buy-in to the process, civil society will not press the municipal government to actually hold meetings, present budgetary numbers for accountability, or bring contentious issues up for a vote. If CSOs do not see the value in committing their time to the process or if they do not have the capacity to engage in meaningful debate, the institutions become little more than rubber stamps for the government's agenda.

While existing literature offers evidence to suggest that political and civil society at the time of creation matter for the effectiveness of participatory governance institutions, few are specific about the mechanisms by which creation influences the way in which the councils function and their eventual outcomes. Using municipal housing councils, I attempt to define the

variation in government and civil society commitment, which in turn leads to differences in the outcomes of top-down vs. bottom-up generated participatory governance institutions.

Municipal Housing Councils By Reason for Creation

According to data from the MUNIC survey, 747 Brazilian municipalities had existing housing councils in 2005. Between 2005 and 2008, local governments created an additional 962 municipal housing councils. Compared to municipalities with housing councils before 2005, these municipalities were smaller in population size, had fewer revenues to spend on a per capita basis, were poorer, and had slightly fewer non-profits and foundations per capita. The context in which these municipal housing councils function, therefore, is different from the start.

Table 5.1: Average characteristics of municipalities with housing councils

	Councils Created before 2005	**Councils Created after 2005**
No. of Observations	747	962
Housing Fund Exists	79%	78%
Population 2005	**88,509**	**46,528**
Percent Urban Pop.	64%	65%
Municipal Budget per capita 2005	**743.48**	**716.61**
PT Mayor 2004-2008	11.80%	10.30%
Gini 2000	0.55	0.56
Income per capita 2000	**R$231.88**	**R$191.36**
Non-profits and Foundations per capita 2005	**0.0035**	**0.0027**
Favelas Exist	42%	43%

Table 5.2 below demonstrates the variation along these variables in the case studies presented in this chapter. Though all five of the cases are large cities, there is significant variation in the municipal budget per capita, income per capita, and non-profits and foundations per capita.

Table 5.2: Characteristics of Case Study Municipalities

	São Paulo	Santo André	Salvador	Curitiba	Recife
Population 2005	10,927,985	669,592	2,673,560	1,757,904	1,501,008
Municipal Budget per cap	R$ 632	R$ 504	R$ 287	R$ 549	R$ 533
Income per capita	R$ 610	R$ 513	R$ 341	R$ 620	R$ 392
Non-profits & Founds per cap	0.0019	0.0014	0.0010	0.0024	0.0015

In both São Paulo and Santo André, PT governments linked to housing CSOs initiated the creation of the housing councils in the early 2000s. In Salvador, a PT-affiliated Secretary of Housing pushed to establish the housing council in 2007. Civil society in Salvador supported the creation of the council and has worked collaboratively to ensure its implementation. Curitiba and Recife both established municipal housing councils in direct response to the federal mandate, though the councils were not yet functioning when I visited in Fall 2008. These two cities present interesting cases for study because they differ in their approach to participatory politics, by income level, and by the make-up of civil society. Though I introduced the cases of São Paulo, Santo André, and Salvador in the previous chapter, here I present background information to provide context for participatory politics in Curitiba and Recife.

Curitiba

Curitiba is known worldwide for its early and innovative approaches to urban planning, though within Brazil it is also well known for its conservative politics. In the 1960's, the government research agency led by Jaime Lerner created Curitiba's first Master Plan, which called for a large-scale bus system and plans for environmental sustainability. Jaime Lerner became mayor in the 1970s under the dictatorship and then won election for two terms in the 1980s-1990s. He was also governor of the state of Parana. The current mayor of Curitiba, Beto

Richa from the same center-right PSDB party of Jaime Lerner, handily won re-election in October 2008 with 77% of the votes. Curitiba has never had a mayor from the PT, and the city council has only ever had between 10% and 15% representation from the PT. These two factors – a long-standing technocratic orientation to urban planning and the continuous administration by conservative governments – created the situation today in which the municipal government reluctantly implements participatory institutions mandated by the federal government, but maintains firm control over policy decision making.

Curitiba has a strong community of NGOs, but relatively weak social movements for housing. The development of NGOs rather than social movements is most likely a result of the long tradition of urban studies in the city combined with a highly educated population. The city has a Company for Housing (COHAB), which is a mixed private-public company tasked with implementing housing projects, but the city does not have a secretariat for housing. COHAB manages the municipal housing fund, though there was not a council for housing to accompany that fund until it was created in 2008. As of October 2008, no elections had been held or planned to elect members to the housing council.

NGOs and movements were not lobbying for the implementation of the housing council, though if created they hoped it would be a space for real consultation, deliberation and transparency (personal interviews). In the Fall of 2008, however, CSOs in Curitiba were concentrating their efforts on the Council for the City, which met for the first time in June 2008. The focus on the Council for the City matches the city's focus on urban issues as a whole rather than housing as a separate issue, but NGOs and movements also complained that they were afraid housing issues would be overlooked in the council, with transportation and the environment receiving the majority of attention.

Recife

Recife is known as the city in the Northeast most oriented towards the left. A PT government has administered the city for much of the past two decades. The mayor from 2001-2008, João Paulo Lime e Silva, was a president of the Central Worker's Union (CUT) who participated in housing associations and social movement activities. According to a social movement leader in Recife, João Paulo had a definite sense of commitment to participatory governance. The mayor elected in 2008, João da Costa, participated in student movements before leading the participatory budgeting agency under João Paulo. The participatory budgeting process attracted about 80,000 participants in 2008, and addressed housing issues based on demand, according to officials from the Secretariat for Housing. Recife is also well known as the first city in Brazil to create "Special Zones for Social Interest" (*Zonas Especiais de Interesse Social*, ZEIS). In 1983, the city created these zones to provide land titles and infrastructure to favelas within the city. There is a participatory council to allocate funds for the ZEIS for projects such as those to improve sidewalks, sanitation, sea barriers, and housing units.

Despite this tradition of participation, the creation of the municipal council for housing has not been a smooth process. The law to create the housing council passed in 2007, but as of November 2008, neither elections for members nor a first meeting was set. Members of civil society say they are concerned with how the housing council will be integrated into the Municipal Council for the City, also part of the national system for urban planning under which housing is a component. This is an issue that civil society throughout the country is concerned with: how to integrate housing into the broader institutional structure and urban planning process. Leaders from social movements in Recife understand that the municipality has to have

the housing council in order to receive funds from the federal level, and the council has to manage those funds, but they want to make sure it is also a real space for policy deliberation.

The four major national movements are a significant presence in Recife, with numerous associations representing local issues, including the needs of residents living in *palafitas* – dwellings built on stilts above waterways. According to Leonardo Avritzer, one of the reasons Recife may not have had a housing council before the mandate is that they had the ZEIS council, which acts in very much the same way (personal interview). Avritzer argues that Recife is actually an exceptionally participatory city, but at a very localized level. With the growth of more professional NGOs in the city, however, this may change. For example, FASE, a policy-oriented NGO, which coordinates the National Forum for Urban Reform (FNRU), operates in Recife and works alongside the social movements to provide capacity building and advice in negotiating with government officials.

Curitiba and Recife present contrasting cases for study: Curitiba operates under a very technocratic orientation while Recife has already demonstrated commitment to other participatory institutions. Assessing these two case studies as examples of municipalities creating housing councils in response to the federal mandate should provide some control for variation in the administrations' ideological leanings across contexts.

Municipal Government Commitment to Participatory Governance Institutions

Do municipal governments where councils are created from the bottom-up demonstrate a greater commitment to the participatory process in terms of delegating power and resources?

While difficult to measure, I argue that commitment of municipal officials can be gauged by perception of the council's role, decision-making powers given to the council, and resources

provided for council allocation. When participatory governance institutions are imposed by national legislation, local governments may respond by creating institutions that fulfill the requirement, but do little to incorporate civil society into decision-making. In addition, municipal governments may see the creation of participatory councils as a means towards attaining federal resources to address housing needs, thereby alleviating the need for municipalities to direct their own funds towards the problems. Reviewing the case studies and survey data, I argue that where municipalities created housing councils in response to bottom-up pressures, government officials do display a higher level of commitment to the participatory process than where they were created in response to the federal mandate. This commitment is clear in their willingness to engage civil society through the councils and several indicators related to the power of the council.

In each of the five case study cities I interviewed officials from the main housing agency and asked them to describe the role of the housing council.[25] Their responses demonstrate varying levels of commitment to the participatory process:

São Paulo: Housing secretariat officials stated that the council is a space for social movements and associations to bring their concerns for debate and decide whether programs should continue. Though as evidenced in the quote at the beginning of this chapter, the PT government from 2001-2004 directly supported the creation of the housing council, the current DEM government has maintained the participatory process. The more conservative DEM government appears wary of allowing civil society to dictate a substantial portion of the agency's resources, but they

[25] The position of those I interviewed in each city varied. In Recife I interviewed the Secretary for Housing and several of her advisors. In Salvador, I interviewed the previous Secretary for Housing and several current officials in the secretariat. In Curitiba, which does not have a housing secretariat, I interviewed several managers from COHAB responsible for program decisions and the housing council. In São Paulo I interviewed the superintendent for social housing, managers from COHAB, and several other housing secretariat officials involved with the housing council. Finally, in Santo André I interviewed municipal government members of the housing council.

respect the participatory process and hold regular meetings with social movement and civil society members in which votes on issues are taken and respected.

Santo André: Government officials reported that the role of the council is to make sure the government follows up on promises made during annual conferences. In this way they view the council as a mechanism for accountability.

Salvador: A former secretary for housing stated that civil society is responsible for "keeping the councils and the system going across administrations" (personal interview). According to the current administration in Salvador, the council can provide a space for civil society to communicate needs, but the government was not sure if any municipal money would be available for council control. The current government does not appear to take the participatory process seriously as a means for policy change.

Curitiba: The housing council is viewed as a government-directed process for which civil society needs to be trained to participate. In an interview, the manager of the nascent housing council from COHAB told me that they created the council "to manage the housing fund in order to comply with the law". To them the council's role is not to formulate policy or regulate programs, but simply to provide input into the distribution of the municipal housing fund to meet the minimal federal requirement.

Recife: The secretary for housing speculated that the make-up of programs and policies probably wouldn't change as a result of the council, but that the interaction of council members and their involvement in projects would be beneficial to the implementation of existing programs. The municipal government agreed to carry out the process, but did not expect many changes as a result.

Dividing the cases by impetus for council creation, from these interviews I find that government officials in São Paulo, Santo André, and Salvador do foresee a stronger role for civil society in holding the government accountable for meeting resident's needs than in Curitiba and Recife. In Curitiba, in particular, the municipal government did not appear to welcome the direction of policy making by civil society. In Recife, as well, though the government respected the input of civil society, officials did not foresee any shifts in policy making as a result of their participation.

Though the words of government officials are important, government commitment to the participatory process may also come out in the institutional rules of the councils and resource contributions for council control. To establish whether there are any clear patterns in the institutional rules of the councils and prioritization of spending depending on creation, I assess municipal level data from the MUNIC survey, separating municipalities with councils established prior to 2005 from those with councils created after 2005. The main variables of interest for this analysis are council responsibilities, whether the councils met during the year, and the source of funding for housing programs.

Council Responsibilities:

As reported in Chapter 4, in 2008 the MUNIC survey asked questions about whether the municipal housing council was consultative, deliberative, normative, or provided oversight, indicating the extent to which the council actually has power over housing planning decisions. Compared to councils created before 2005, I expect that councils created in response to the federal mandate would be more likely to have consultative powers, but less likely to have the other three types of decision-making responsibilities. In fact, this turns out not to be the case. Table 5.3 shows that though councils created after 2005 are more likely to have consultative

responsibilities, they are just as likely or more likely to also have deliberative, normative, and oversight responsibilities. The commitment of government officials, or lack thereof, is not reflected in the responsibilities assigned to councils as I expected.

Table 5.3: Responsibilities of councils as stated in law or decree

	Where Councils existed before 2005 (Prior to mandate)	Where councils began after 2005 (Post-mandate)
Consultative	47%	51%
Deliberative	78%	78%
Normative	29%	35%
Oversight	**42%**	**46%**

Meetings:

Whether or not municipal councils meet during the year provides another clue as to whether governments are making the councils a priority. Here there is a big difference between councils created before and after 2005. Fifty percent of councils created after 2005 met in the year 2007-2008, while 71% of councils created prior to 2005 met during the same time period. This indicates that there are a significant number of councils created in response to the federal mandate that may simply exist on paper without ever holding a meeting. The reason behind creation does appear to matter for whether councils meet.

Funding Sources:

The source of funding for housing programs is critical for understanding two variables: 1) the control the council has over resources and 2) whether municipalities with councils are actually more likely to contribute to housing programs using their own funds rather than relying

on the federal government. Both of these variables reflect the government's commitment to the housing councils as institutions for decision making in allocating resources. For instance, in many municipalities the official fund for housing may be empty, leaving the housing council without any resources to control. The MUNIC survey asked whether the municipal housing fund actually funded programs.

Though councils established across time are almost equally likely to have a municipal housing fund, there is a significant difference in whether the fund actually funded projects. Table 5.4 shows that in municipalities with councils created after 2005, the municipal fund for housing only financed projects in 35% of cases. For councils created before 2005, the fund financed projects in 45% of municipalities. Though the number is perhaps surprisingly low across cases and reflects a lack of commitment to the process among a large portion of municipalities, the fact that councils created in response to the mandate are even less likely to allocate funds to the housing fund suggests that the motivation for creation does have a depressing effect on municipal government commitment.

Table 5.4: Project Funding

	Where Councils were created before 2005	**Where councils were created after 2005**
Housing Fund Exists	0.79	0.78
Housing Fund Funded Projects	**0.45**	**0.35**
All funds in the Fund	0.50	0.55

Unfortunately the survey does not provide data on what portion of the municipal fund for housing comes from municipal resources vs. federal transfers. However, the survey does ask about the source of funding for programs within the municipality, regardless of whether the council controls them. If councils do encourage municipalities to take greater responsibility for

housing needs, I would expect that municipalities with councils created before 2005 would be more likely to allocate municipal resources to housing needs than municipalities with councils created after 2005. Table 5.5 below provides the percentage of programs funded either in partnership with the federal government or solely by the municipal government, split by council cohort. The data show that municipalities with councils created after 2005 are less likely to use municipal resources for programs to construct new units, provide regularization of land titles, improve units, and urbanize favelas.

Table 5.5: Source of Funding for Municipal Level Housing Programs

	Where councils existed before 2005 (Prior to mandate)			**Where councils began after 2005 (Post-mandate)**		
Type of Program	*No. of Obs.*	*In Partnership with the Federal Govt*	*Solely Muni Govt Resources*	*No. of Obs.*	*In Partnership with the Federal Govt*	*Solely Muni Govt Resources*
Construction	563	75%	31%	689	71%	22%
Offer Materials	339	12%	85%	410	12%	85%
Offer Land	229	9%	90%	278	12%	86%
Regularization	247	30%	73%	298	29%	62%
Acquire Units	146	73%	27%	204	68%	28%
Improve Units	467	35%	63%	518	39%	56%
Urbanization	172	63%	51%	195	63%	48%

In sum, municipal government commitment to the housing councils does appear to vary according to the reason for creation, though not uniformly across variables. Table 5.6 provides a summary of the findings related to government commitment.

Table 5.6: Summary of Variation in Municipal Government Commitment

Government officials perceptions of the role of the housing council	Where councils were created from the bottom-up, officials report a stronger role for civil society and a greater expectation that the council should hold the government accountable.
Responsibilities	Do not vary according to council creation.
Meetings	Bottom-up councils were more likely to actually hold meetings.
Council controlled fund funded	Bottom-up councils more likely to control a fund that funded

projects	projects.
Municipally funded programs	Bottom-up councils more likely to have several types of municipally funded programs.

In interviews, government officials in São Paulo, Santo André, and Salvador did indicate they expected civil society to use the councils to hold the government accountable for addressing housing needs. These perceptions by government officials coincide with several of the variables used here to measure commitment. Though the time of creation is not associated with the responsibilities afforded to the council, creation does matter for whether the council met and whether the fund for housing actually funded programs. In addition, councils created from the bottom-up appear to elicit resources more often from municipal governments than councils created from the top-down. This may indicate that these governments are more likely to use the housing councils to hear civil society demands and respond by increasing municipal resources. By these measures, then, municipal councils mandated by the federal level appear not to have the same level of support, particularly in terms of resources, as those councils created at the demand of civil society or by ideologically-driven mayors. This evidence suggests that the reason behind creation matters for whether housing councils have control over decision-making and for whether municipal governments increase their support for housing programs.

Civil Society Commitment to Participatory Governance Institutions

Where housing councils were created from the bottom-up, do CSOs display a greater commitment to the participatory process and a willingness to demand accountability of the government through the councils?

In each of the case studies the majority of CSOs were pleased that municipal housing councils had been created in their cities and pledged varying levels of participation. However,

while the level of commitment of CSOs is difficult to measure, I do find a difference in how CSOs say they will use the housing councils to negotiate for housing interventions and in their drive to ensure government officials uphold the participatory process. In São Paulo and Santo André, CSOs reported that they brought concerns and requests for assistance to the housing councils. In Salvador, CSOs recognized the importance of using the council to access federal funding, though they did not expect it to automatically generate municipal resource commitment. In Curitiba and Recife, CSOs appeared more hesitant towards their role in ensuring that the councils would be used as mechanisms for responsiveness and accountability. Since the creation of the institutions was a foregone conclusion, CSOs hoped for their effectiveness. But not having fought for their creation, CSOs did not appear to have real strategies in mind for how they would advance their agendas within the councils.

São Paulo – Strong civil society commitment to ensuring responsiveness and accountability through the housing council.

Social movements in São Paulo view the creation of the housing council as a significant achievement. While they still have criticisms about the process and the amount of resources they have control over, they participate in the council with intense energy. In interviews, several movement leaders commented that one important victory had been to bring more attention to the needs of residents in the city center. Housing policy in the city traditionally focused on the periphery as the location for large public housing units, but advocates have fought hard to legitimize the idea of low-income housing in the city's economically vibrant center. Though social movements worry that they should not abandon all direct action in favor of participation in the council, they recognize the benefits of collaboration, including participating as a voting block in the council. Professional NGOs in São Paulo have also been instrumental in providing capacity building to movement leaders, increasing their confidence in challenging government

and business interests in the council. CSOs use the housing council to negotiate changes in existing programs, the location of future programs, and the allocation of municipal resources.

Santo André – Strong civil society commitment to using the housing council for project assistance.

The housing council in Santo André was created mainly at the direction of PT mayor Celso Daniel. Housing associations and local union leaders participate in the council and report that although the participatory process could always be improved, they view the council as a crucial mechanism to access financial, technical, and legal assistance. Close ties between civil society and administration officials in Santo André facilitated the smooth functioning of the housing council. CSOs appeared relatively content with the process and were not inclined to participate in direct action as a means to reaching municipal officials.

Salvador – Pragmatic civil society commitment where government does not provide dedicated resources for housing council control.

Civil society in Salvador appears pragmatic in their commitment to the participatory process. As I reported in the previous chapter, though she resigned shortly thereafter, a PT-affiliated housing secretary created the housing council in Salvador as response to the federal mandate and based on her own ideological convictions. The former secretary was committed to the process and involving civil society in setting up the institution, but CSO leaders knew that the mayoral administration and the subsequent secretary for housing were not genuinely interested in participatory governance. With the institution in place, however, CSOs recognize the practical opportunity to use the council to coordinate project proposals to send to the federal level. Leaders commented that the council could be a space for demanding transparency and accountability from the municipal government if civil society maintained constant pressure, but under the current government in the short term CSOs were focused on using the council to access

federal level resources. Protests, land occupations, and bilateral meetings were still a large component of CSO strategies for negotiating with municipal officials. For example, during my visit the MTST led a protest to the housing secretariat in the city center to demand that the municipal government contribute funds to build new public housing units. The mixed motivations behind creation of the housing council in Salvador seems to have opened the door for participation of civil society in a formal, public space, but without the continued commitment of the municipal administration, the council is more a conduit for federal funding than a mechanism to elicit municipal responsiveness and accountability. Civil society is committed to participating in the council, but continue to use other means to access municipal officials.

Curitiba: Divided civil society exhibiting mixed commitment to challenging the government's technocratic approach to governance.

Many CSOs in Curitiba appeared largely ambivalent regarding the creation of the new municipal council for housing. In Curitiba there is a strong divide between those CSOs allied with the conservative-leaning administration and those opposed to the administration. Among those CSOs opposed to the administration, leaders told me they welcomed the introduction of all participatory governance institutions, but that the real power remained with the government and private sector in the city. As such, they hoped to use the council as a space to change policies, but in reality they felt the need to retain other strategies, including occupations. The problem with the housing council and other participatory institutions in Curitiba, according to a leader from local NGO Terra dos Direitos, is that the government allows for consultation with civil society without providing any institutional mechanisms for accountability. Though the housing council had not begun functioning, the existing Council for the City was not deliberative and did not allow for voting on issues by members. On the other side, leaders of housing associations allied with the administration expressed their commitment to the council process and stated they

would participate alongside government officials. Given their close collaboration with the government, these CSOs are unlikely to challenge current municipal policy.

The inability of opposing CSOs to work together in Curitiba will most likely reduce the likelihood that they present a united front in the council. In addition, even if the housing council encourages both sides of civil society to debate, without institutional mechanisms for accountability, the council may not change the distribution of resources or reorient the government's current technocratic model of governance. In creating the council as a response to the federal mandate, the municipal government was not required to provide voting power to members. CSOs across sides want a space for discussion, but without real power to allocate resources or present policy reforms, unaligned CSOs, in particular, may reduce their commitment to the institution and rely on current occupation strategies instead. Never having formed a united front to demand the housing council, CSOs related to housing are unlikely to come together in the council to make demands for responsiveness and accountability. The council, then, may become a rubber stamp for government proposals.

Recife: Skeptical civil society with some commitment to participate.

Civil society in Recife appeared to maintain a fairly pessimistic view of the newly created housing council, which may limit their commitment to the council and their enthusiasm for holding the government accountable for implementing the participatory process. In interviews, CSOs expressed their skepticism regarding both the position of the housing council outside of the Council for the City and the likelihood that the housing council would have any real effect on the housing situation. According to a leader from the MTST (Roofless Worker's Movement) in Recife, participatory councils in general "have the capacity to make decisions, but mostly

evaluate and propose policies without anything ever reaching the ground" (personal interview). The MTST also disagreed with the set-up of the housing council outside of the Council for the City because they were concerned about de-linking housing from other urban issues. Despite this skepticism, the MTST pledged to participate in the housing council, much to the relief of government officials who acknowledged that for the process to work they needed the support of the MTST as the most influential movement in Recife. Many of the other movements stated that they were pleased with their relationship with the secretary of housing and were able to secure meetings with her as needed. The housing council would perhaps save them time in arranging bilateral meetings and would be an open forum to debate policy issues. An advocate from the NGO FASE argued, "through the council civil society can reach the administration to define goals, allocate resources, and define priorities" (personal interview). In sum, the majority of CSO leaders were interested in the transparency the council would provide and pledged to participate, though several leaders remained dubious that the housing council would improve outcomes for residents in the city. Rather than actively demanding the implementation of the council, many CSO leaders appeared to take a "wait and see" approach.

Across cities, the commitment of civil society does appear to vary based on the motivation behind the creation of municipal housing councils. Civil society in the three case study cities where councils were created in response to CSO demands and ideologically-motivated officials seem to be more united in their commitment to holding the government accountable for the implementation of the participatory process and to resident's housing needs. In Curitiba and Recife, divided civil society and skepticism about the ability of the housing council to change policy may limit the effectiveness of the councils in the future.

Probability of Program Adoption

Are pro-poor policy outcomes more likely where councils are created in response to bottom-up vs. top-down pressures?

Based on the case studies, I find that in municipalities where the housing councils were created in response to top-down pressures, both government officials and civil society leaders appear less committed to making the participatory process work. This leads me to look across contexts to assess whether issues of commitment to participatory governance based on the motivation for council creation affect housing program adoption. Does low government and civil society commitment to municipal councils translate into fewer housing programs within municipalities? Using the statistical model developed in Chapter 3, I evaluate whether the motivation behind the creation of participatory governance institutions influences policy outcomes.[26] To compare the effects of creation on housing program adoption in 2008, I create two new variables, "council both years" and "2008 council only". For "council both years", 0=never had a council and 1=reported having a council in both 2005 and 2008. For "2008 council only", 0=never had a council and 1=reported having a council in 2008 only. I hypothesize that regardless of time of creation, municipalities with housing councils are more likely than municipalities without housing councils to adopt all types of programs. Therefore, both variables should be significantly related to each type of housing program. In municipalities with housing councils created prior to 2005, however, housing councils should have the greatest effect on program adoption due to stronger municipal government and civil society commitment. Both government officials and civil society are likely to be more committed to the participatory

[26] Though time series analysis comparing 2005 to 2008 would seem appropriate to assess the differences in council effects, I believe the effect of federal level programs increasing between the 3 years may bias the estimates.

process in these municipalities, leading to greater responsiveness and accountability of the government to address housing needs.

Findings

Based on probit analysis, Table 5.7 demonstrates that regardless of when they were created, municipal housing councils are significantly associated with the adoption of all types of housing programs. The exceptions to this are programs to offer plots of land and urbanization programs in municipalities with councils created after 2005. Based on this it appears that councils created in response to the mandate may have a smaller impact than those created before 2005, but the difference in impact cannot be directly interpreted from these results.

Table 5.7: The Effect of Housing Councils Created Before and After 2005 on Housing Programs

	Const. of Units	Offer Mat.	Offer Land	Regular.	Acquire Units	Improve Units	Urban.
Council both years	0.43***	0.18**	0.27***	0.21**	0.15*	0.39***	0.30***
	-0.09	-0.08	-0.09	-0.09	-0.09	-0.08	-0.1
Council in 2008 only	0.21***	0.12*	0.1	0.25***	0.16**	0.23***	0.12
	-0.07	-0.07	-0.07	-0.08	-0.08	-0.07	-0.09
Municipal Housing Fund	0.25***	0.09	0.19***	0.14**	0.09	0.04	0.16**
	-0.06	-0.06	-0.07	-0.07	-0.07	-0.06	-0.08
Population 2005 (log)	0.19***	0.07**	0.09***	0.36***	0.13***	0.06*	0.42***
	-0.04	-0.03	-0.03	-0.04	-0.04	-0.03	-0.04
Percent Urban Pop. (log)	0.14**	0.19***	0.26***	0.03	0.03	0.18***	0.02
	-0.06	-0.06	-0.06	-0.07	-0.07	-0.06	-0.08
Muni Budget per cap. (log)	0.49***	0.37***	0.27***	0.34***	0.18**	0.18**	0.45***
	-0.08	-0.07	-0.08	-0.08	-0.08	-0.07	-0.09
PT Mayor	0.05	0.1	-0.1	0.25***	0.07	0.11	0.05
	-0.08	-0.08	-0.09	-0.09	-0.09	-0.08	-0.1
Gini	1.22***	1.27***	0	-0.03	0.24	1.97***	0.99*
	-0.42	-0.42	-0.45	-0.48	-0.49	-0.41	-0.53
Income per	0.08	-0.16*	0.04	0.17*	0.1	-0.11	0.04

capita (log)							
	-0.09	-0.08	-0.09	-0.1	-0.1	-0.08	-0.11
Non-profs & Founds per cap. (log)	-0.04	-0.07*	0.03	-0.09**	-0.01	0.13***	-0.11**
	-0.04	-0.04	-0.04	-0.04	-0.04	-0.04	-0.05
Favelas	0	-0.06	0	0.30***	0.06	-0.04	0.38***
	-0.05	-0.05	-0.05	-0.06	-0.06	-0.05	-0.06
Constant	-6.40***	-4.34***	-4.01***	-8.29***	-4.33***	-1.99***	-10.25***
	-0.83	-0.78	-0.82	-0.88	-0.87	-0.76	-0.98
Obs.	4,093	4,080	4,093	4,093	4,093	4,083	4,083

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Model includes state dummies

To gauge the substantive effect, I use the CLARIFY program to simulate the probability of program adoption. Using the same probit models above, CLARIFY calculates the predicted values for program adoption. Setting all other independent variables to their means, I test the probability of program adoption where housing councils never existed, where they were created between 2005 and 2008, and where they existed prior to 2005. Table 5.8 below illustrates the predicted probabilities of program adoption across program type and existence of housing council. With notable exceptions, the numbers demonstrate the increasing likelihood of program adoption, moving from the probability of program adoption where no council existed, to the probability where councils were created after 2005 and then to the probability where councils were created prior to 2005. The exceptions to this finding are programs for regularization and to acquire units, where the associations are not significantly different. In Table 5.9, I then use the predicted probabilities to calculate the differences according to council creation. The center column demonstrates the substantive differences in likelihood of program adoption between municipalities where councils were created before and after 2005. Except for regularization

programs and programs to acquire units, the time of creation appears to alter the extent to which housing councils influence program adoption.

Table 5.8: Probability of Program Adoption Based on Time of Council Creation

	No Council	Council created after 2005	Council created before 2005
Construction	0.61	0.69	0.76
Offer Materials	0.35	0.39	0.41
Offer Plots of Land	0.21	0.25	0.30
Regularization	0.17	0.24	0.24
Acquire Units	0.14	0.18	0.18
Improve Units	0.44	0.53	0.59
Urbanization	0.09	0.12	0.16

Table 5.9: Difference in Probability of Program Adoption Based on Time of Council Creation

	From no council to council created after 2005	From Council created after 2005 to council created before 2005	From No Council to Council created before 2005
Construction Materials	0.06	0.07	0.15
Offer Materials	0.04	0.02	0.06
Offer Plots of Land	0.04	0.05	0.09
Regularization	0.07	0	0.07
Acquire Units	0.04	0	0.04
Improve Units	0.09	0.06	0.15
Urbanization	0.03	0.04	0.07

Discussion

The statistical results provide support for the hypothesis that participatory governance institutions created in response to bottom-up pressures produce stronger pro-poor outcomes than those created in response to top-down mandates. Compared to municipalities without housing councils, the probability for adoption of almost all the different types of housing programs is twice as high where a council existed since at least 2005. These findings do come with an

important caveat: the length of housing council operation may also account for the increased likelihood of program adoption. Unfortunately the survey does not specify in which year the councils were created. Therefore, I can only use the survey responses in two years, 2005 and 2008, as cut-off points. Councils reported by officials to exist in 2005 could have been created in 2005 or several years prior. The same is true for councils reported by officials to exist in 2008. I cannot distinguish whether the council was created in 2008 or in the years between 2005 and 2008. The length of time in operation would logically seem to influence whether the housing councils had a chance to begin functioning and subsequently influence policy outcomes. Given data limitations, however, I am not able to control for the length of operation, which may in fact bias my findings.

Keeping this caveat in mind, I still draw several conclusions based on the available data and results. First, where councils were created prior to 2005 and the announcement of the federal mandate, it appears that government officials and civil society do maintain commitment to the participatory process over time. The housing councils still have an effect on policy outcomes at least 3 years after they were created. Second, councils created after the announcement of the mandate also have an effect on policy outcomes. Though the effect is not as large as in municipalities where councils existed prior to the mandate, the results provide evidence that there is a positive relationship between housing councils created after 2005 and the likelihood of program adoption. Councils created in response to top-down pressures are not merely institutions on paper set-up to receive federal funds. The effect, however, is clearly smaller than where housing councils existed prior to the federal mandate. Third, though the effect of the councils is not uniform across program type, the probability of program adoption where councils created prior to the mandate is generally higher than the probability where councils were created after

the mandate. Stronger commitment to the participatory process by government officials and civil society, who were likely involved in the creation of the housing councils, does appear to significantly alter the relationship between the councils and adoption of social housing programs.

Conclusions

This analysis provided evidence to confirm the claim that the manner in which participatory governance institutions are created makes a difference for how they function and the outcomes they produce. Case study interviews first demonstrated differences in how government officials view the role of the housing councils and civil society's role in policy-making. In São Paulo and Santo André where PT governments clearly created municipal housing councils in response to civil society demands and in line with the administration's ideology, the institutions are viewed as spaces for negotiation and deliberation by civil society on programmatic decisions. In contrast, government officials in Curitiba and Recife did not appear to take the councils as seriously as a means for civil society to directly influence policy. Survey data across cases also reveals a lack of commitment by municipal governments to holding meetings and dedicating resources. The reason behind creation of municipal housing councils does matter for how governments both perceive of the council's role and respond with time and money.

Though civil society in all the case study cities demonstrated an interest in participating in the housing councils, subtle differences in the attitude of CSOs towards the councils exist. In São Paulo and Santo André, CSOs work collaboratively to solicit benefits through the housing councils, though of course they still argue the process could be improved. In Salvador, CSOs work together to make proposals and to demand that the government take the council seriously. In Curitiba and Recife, however, a lack of cohesion among CSOs may limit the effectiveness of

the housing councils. Without significant investment in the process from the beginning, CSOs may not come together to use the councils for making collective demands. The mode of creation does appear to affect the manner in which civil society engages with the participatory process.

Statistical analysis then provides evidence that the variation in commitment of government and civil society actors matters for the influence of municipal housing councils. Councils created prior to the mandate are more strongly related to program adoption than councils created after the announcement of the mandate. Bottom-up councils are more likely to generate pro-poor policy outcomes than top-down councils, though top-down councils also have some effect.

In the end, the findings in this chapter have implications for governments seeking to address social problems through increasing participation in policy making. While participatory governance institutions legislated by the federal government may have some effect on increasing pro-poor policy adoption, the commitment of local government officials and civil society members cannot be ignored. Both officials and CSOs must have incentives to cooperate. Government officials need to take the deliberative role of civil society seriously and respond by providing institutional support and resources. Civil society also needs to view the councils as a worthwhile use of their time where their demands will be heard. Local participation can be legislated from above, but the results may not be the same across contexts.

Conclusion: Can Democracy Remedy Social Challenges? Findings on the Effect of Participatory Governance Institutions

Participatory governance institutions do matter. I started this project with a healthy dose of skepticism that participatory governance institutions could be the panacea to marginalization

of the poor that many scholars, donors, and activists suggest. Could these forums really lead to policy change or were governments merely paying lip service to the idea of civil society incorporation in policy making? Though scholars had thoroughly documented the benefits of participatory budgeting in Porto Alegre, Brazil, I was not convinced that participatory institutions in other contexts would have similar effects. But, after several years of studying Brazil's municipal housing councils, talking to numerous government officials and civil society leaders, and conducting quantitative analysis controlling for other effects, I can say with some certainty that participatory governance institutions do matter for policy outcomes. Like any blanket statement, however, this one comes with a number of caveats. Not all participatory governance institutions produce the same effects. Context, influenced by civil society-state dynamics, institutional rules, and commitment of actors, matters for the direction and strength of impact. In addition, housing policy is determined by factors outside of council control. Though municipal councils for housing have an effect on policy outcomes, they will never be the only determining factor of housing policy.

Summary of Findings

In this dissertation I sought to contribute to our understanding of whether a new type of democratic institution could generate greater responsiveness and accountability to the poor. Previous literature on democracy and development suggests that democratic institutions and civil society lead to responsiveness and accountability of government officials. But given continuing problems of poverty and inequality in the developing world, traditional institutions of democracy do not appear to be enough to remedy social challenges. This led me to test whether one type of participatory governance institution is associated with an increase in social program adoption across contexts. In addition, I sought to address *when* and *how* participatory governance

institutions led to policy change. By focusing on housing policy, I hoped to expand the social policy literature to an issue of great concern in developing countries. Here I review the evidence presented related to these objectives.

Chapter 2 first addressed the importance of housing policy for democracy and development. The scale of housing needs, including physical shelter, property rights, and community improvements, is vast and growing along with urban populations. The benefits of tackling housing challenges, however, are also great. The provision of housing is an internationally recognized human right, and housing contributes to reducing poverty and inequality while improving security and environmental sustainability. Moreover, governments tend to prioritize housing programs because they are politically popular and relatively inexpensive, tangible symbols of progress. Large civil societies oriented towards housing in the developing world keep housing in the public's eye. Housing policy in Brazil and in other developing countries has largely shifted from state-managed complexes to market-based mechanisms, including contracting out projects to private firms and mortgage financing and rental subsidies for citizens. The state, however, continues to play a large role in creating these market incentives and continuing to provide property rights and some direct program implementation. In addition, the state manages the decentralization of resources and the participatory process. The state, then, is not absent from housing policy. Despite the role of housing policy as a central component of social benefits or welfare policies, particularly in developing countries, political science scholars have shied away from including housing in their analysis of governmental provision of benefits. This analysis remedied that gap by providing evidence of policy influences for housing across Brazil.

To address the main question of this dissertation regarding participatory governance institutions, I first sought to determine if municipal housing councils are associated with social housing program adoption. In Chapter 3 I conducted statistical analysis to assess whether participatory governance institutions increase the likelihood of provision of social benefits to the poor. More specifically, I developed several probit models to measure whether municipal housing councils are associated with a greater probability of social housing program adoption. I find that municipal housing councils are associated with adoption of each type of housing program and a housing index, measuring the number of programs adopted by the municipality. This provides evidence to suggest that in fact participatory governance institutions do promote adoption of social benefits to the poor. Though mainstream political science literature has tended to focus on the institutions of representative democracy as keys to accountability, this study provides confirmation that participatory institutions contribute to social policy, particularly in a relatively new democracy where social challenges persist even in the face of fast-paced economic growth. In addition, scholars of participatory governance institutions have generally relied on case studies and focused on the nature of deliberation within these institutions without systematically comparing policy outcomes across contexts. By conducting an analysis across municipalities within one country, I was able to control for a number of factors to discern the independent effect of municipal housing councils.

Having established that participatory governance institutions do matter for policy outcomes I set out to assess *when and how* these institutions make a difference. In Chapter 3 I evaluated whether the depth of civil society matters for the effect of participatory governance institutions. Using Brazilian government data on the number of non-profits and foundations per capita as a proxy for the depth of civil society, I found that the density of civil society does not

matter on its own or for the effectiveness of municipal housing councils. This contradicts common expectations regarding the need for a strong civil society to hold governments accountable and existing literature citing the importance of civil society density for participatory governance impact. It appears that municipal housing councils may level the playing field for access to government officials. The depth of civil society is not critical for the functioning of the institution. Again, by reviewing evidence across municipalities instead of through single cases, I was able to evaluate the importance of the density of civil society across diverse municipalities. Though a strong civil society may still be key for the effectiveness of participatory governance institutions in many cases, across the universe of cases in Brazil, the depth of civil society does not significantly alter the impact of participatory governance. This finding is promising for new participatory governance institutions created in Brazil and in other countries without strong histories of associationalism.

In Chapter 4, I looked further into case studies to determine how exactly participatory governance institutions do influence policy outcomes. Here I aimed to identify the factors shaping the relationship between civil society and the state, which may contribute to how civil society uses participatory governance institutions and the eventual impact they are able to have on policy. From case study research in São Paulo, Santo André, and Salvador, I argued that the party in power significantly determined whether alliances between civil society and the state facilitated the smooth functioning of the municipal housing council. I also found that because housing policy is largely connected to the real estate sector, the relationship between civil society, the municipal government, and the private sector also matters for the effect of municipal housing councils. The private sector is often left out of analysis of social policies and participatory governance, but I find through the case studies that the role of the private sector in

social housing policy made a significant difference in the policy process and outcomes. Finally, the extent to which civil society adopts more contentious or cooperative strategies influences how governments respond and use the council as a space for deliberation and decision-making. In the end, from the case studies I find that whether the PT or a more conservative party was in power, mattered for the most for the dynamics between civil society and the municipal government. These relationships, in turn, appeared to strongly determine whether and how the council was used for policy making.

Across the larger universe of cases, I sought to understand how the party in power affects the outcomes of participatory governance institutions. Since the PT in Brazil traditionally champions participatory governance as part of its party platform and the presence of the PT appeared to affect the civil society-state dynamic in the case studies, I hypothesized that where a PT mayor held office, the municipal council for housing would be more likely to bring about adoption of social housing programs across cases. However, while in the case studies the party in power appeared to largely determine the nature of the policy process in municipal housing councils, across the larger universe of cases the party did not make a substantial difference.

Contrary to the case studies, from the statistical analysis I find that the institutional rules actually make a significant difference for the effect of municipal housing councils. In particular, the type of responsibility afforded to the councils appears to shape whether they lead to increasing likelihood of housing program adoption. Specifically, those councils with oversight responsibilities written into the council's mandate were the most strongly associated with housing program adoption across municipalities. This analysis is important for identifying institutional rules as key to outcomes, but it also contributes to our understanding of how case studies and quantitative methods complement one another. Though the case studies pointed to

the importance of the party in power, in the aggregate the institutional rules mattered more for policy outcomes.

Chapter 5 then continued the search for determining when participatory governance institutions are effective mechanisms for promoting adoption of social benefits. Here I examined the effect of bottom-up vs. top-down creation of participatory governance institutions. The cases of Recife and Curitiba, where governments adopted municipal housing councils in response to the federal mandate, provide comparison to São Paulo, Santo André, and Salvador. When governments created municipal councils for housing in response to the federal mandate rather than in response to civil society demands or ideological conviction of the municipal administration, I find that both local government officials and civil society exhibit less commitment to the participatory process. Using statistical analysis, I confirm that commitment matters: municipalities with housing councils created before the federal mandate were more likely to adopt social housing programs than those that created housing councils after the mandate. These results imply that participatory governance institutions imposed from the federal to the municipal level may not have the same effects across municipalities.

In sum, I find that participatory governance institutions do generate responsiveness and accountability of governments to provide social benefits to the poor. Municipal housing councils are innovative democratic mechanisms to involve civil society in decision-making and cement their role as "co-governors" with the state. But the effectiveness of participatory governance institutions is not guaranteed. Though a dense civil society may not be needed for these institutions to shift policy making, the dynamics between civil society and the state change over time and may shift the ways in which the councils are used for policy-making and respected as credible institutions. In addition, across cases the legal responsibilities afforded to councils

matter for the effect they have on policy outcomes. Actors concerned with the influence of participatory governance institutions should take institutional design into account during creation. In fact, the reason for creation may be critical for the influence of participatory governance institutions. Government officials and civil society leaders may not be committed to the process if these institutions are mandated from the federal level rather than initiated in response to local demand.

This analysis demonstrated that participatory governance institutions, which complement representative democratic institutions and incorporate civil society into decision-making, should be taken seriously by political scientists as institutions to promote adoption of social benefits for the poor. Further, civil society can hold the government accountable for addressing social challenges when they are invited to the table to present their demands, solicit information from government officials, and maintain a dialogue with government officials over time.

Limitations

While the findings in this dissertation strongly contribute to our understanding of how participatory governance institutions affect policy outcomes, the study also comes with several limitations. First, though municipal housing councils are representative of one type of institution charged with deciding the distribution of resources and programmatic details, not all participatory governance institutions are given these responsibilities and I cannot generalize to all participatory approaches. Second, a longer time horizon for analysis would uncover how the effect of participatory governance changes over time, across political administrations, as these institutions age and become routine mechanisms for policy making. Third, though I believe Brazil to be representative of a developing country facing challenges to democracy and development, it is also unique in many ways. For instance, Brazil has had a leftist administration

for almost a decade, it is a fast-growing economy with some international prestige, and it is wealthier as a whole than most developing countries in the world. Moreover, Brazil now has over two decades of experience with participatory institutions. All of these factors may contribute both to a greater willingness to invest in social benefits and a recognition of the importance of participatory governance.

Future Research

The findings from this study lead me to several questions for future research. First, I would like to look into how the programs adopted through municipal housing councils contribute to reducing the quantitative and qualitative housing deficits. This would take the question of impact a step further to assess how participatory governance is actually transforming people's lives. Second, I would like to extend the questions in this dissertation to other developing countries, including South Africa, India, and Peru. The institutions may be different in these countries, but I would like to know how participatory processes in other contexts produce similar or different results. The findings from this dissertation also lead to questions about what other strategies for governance exist in Brazilian cities and how municipal housing councils fit into the larger urban governance environment. For instance, many cities also have urban planning councils and participatory budgeting processes. A critical question, then, would be whether the multiplicity of participatory approaches produces greater benefits to residents.

The findings from this study also lead me to a very timely future research question. As Brazil prepares to host the 2014 World Cup and the 2016 Olympics, evictions of residents from the favelas of Rio de Janeiro and other cities are increasingly common. Civil society in Brazil is now coordinating a national network to respond to these evictions and formulate a strategy for negotiating with municipal governments and the federal government to protect the interests of

favela residents. Though I find here that municipal housing councils are associated with increasing adoption of social housing programs, I am interested in how these councils may respond to urgent needs such as those created by evictions associated with new infrastructure development for these sporting events. In addition, I am interested in studying which institutions, local, national, and international, CSOs and citizens access in the face of these new challenges.

Final Conclusion

As local and national governments struggle to confront social challenges on a grand scale, scholars, donors, policy makers, and activists need to understand what works in promoting adoption of social benefits for the poor. Severe inequalities, marginalization, and clientelism often limit the effectiveness of democratic institutions, leaving the poor without a voice in policy making. Civil society organizations that represent the poor aim to provide that voice by accessing government officials to make demands and elicit promises for action. Participatory governance institutions should ensure that CSOs have equal access to government officials to negotiate responses to citizen needs. Further, CSOs should gain information about government activities, which they can then pass along to their members and the community at large. By analyzing the effect of municipal housing councils on social housing program adoption, this study has contributed to the debate about whether participatory governance institutions actually achieve these goals. Creation of participatory governance institutions to encourage prioritization of social benefits is sound advice, but should also come with the caveats regarding civil society-state dynamics, institutional design, and commitment of actors. As many developing countries enjoy increasing prosperity and deepening of democratic institutions, participatory governance may solidify the contribution of civil society to addressing key social challenges into the future.

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Appendices

Appendix A: Percentage of Municipalities with Existing Housing Programs by Region and Population

Region		2005					2008						
	No. of Munis	Const. Units	Const. Materials	Plots of Land	Regular	Other Progs	Const Units	Const Mats	Plots of Land	Regular	Acq. Units	Imp. Units	Urban
In all of Brazil	5563	48%	35%	19%	9%	25%	61%	36%	25%	20%	16%	46%	14%
North	449	35%	30%	32%	11%	14%	53%	34%	43%	29%	14%	37%	22%
Northeast	1793	50%	38%	20%	6%	27%	66%	36%	27%	15%	17%	51%	15%
Center West	466	57%	42%	29%	12%	29%	70%	44%	36%	32%	14%	49%	17%
South	1187	53%	33%	16%	12%	27%	65%	34%	21%	21%	17%	49%	11%
Southeast	1668	45%	32%	13%	10%	22%	51%	35%	16%	20%	13%	42%	11%
Population		2005					2008						
	No. of Munis.	Const. Units	Const. Mats.	Plots of Land	Regular	Other Progs.	Const Units	Const Mats	Plots of Land	Regular	Acq. Units	Imp. Units	Urban
Under 20,000	3965	45%	34%	18%	5%	21%	57%	35%	24%	14%	14%	46%	8%
20,001 to 50,000	1026	49%	36%	19%	12%	27%	66%	37%	25%	27%	17%	48%	18%
50,001 to 100,000	313	62%	35%	23%	25%	37%	75%	40%	31%	42%	25%	47%	32%
100,001 to 500,000	220	76%	36%	26%	43%	55%	80%	34%	30%	65%	26%	47%	50%
500,001 and up	39	74%	41%	38%	64%	67%	95%	38%	33%	85%	41%	64%	82%

Appendix B: Negative Binomial Results for Influences on the Housing Program Index, 2005 and 2008*

	2005		2008	
	Program Index	**Program Index**	**Program Index**	**Program Index**
Municipal Housing Council	0.23***	0.82***	0.19***	0.28
	(0.04)	(0.27)	(0.03)	(0.19)
Municipal Housing Fund	0.28***	0.28***	0.13***	0.13***
	(0.04)	(0.04)	(0.03)	(0.03)
Population (log)	0.22***	0.23***	0.15***	0.15***
	(0.02)	(0.02)	(0.02)	(0.02)
Percent Urban Population (log)	0.16***	0.16***	0.14***	0.14***
	(0.04)	(0.04)	(0.03)	(0.03)
Municipal Budget per capita (log)	0.43***	0.43***	0.28***	0.28***
	(0.04)	(0.04)	(0.04)	(0.04)
PT Mayor	-0.03	-0.03	0.06	0.06
	(0.05)	(0.05)	(0.04)	(0.04)
Gini Coefficient	0.61**	0.59**	0.83***	0.82***
	(0.28)	(0.28)	(0.22)	(0.22)
Income per capita (log)	-0.17***	-0.17***	-0.02	-0.02
	(0.06)	(0.06)	(0.04)	(0.04)
Non-profits and Foundations per capita (log)	0.05**	0.03	-0.01	-0.01
	(0.02)	(0.03)	(0.02)	(0.02)
Existence of Favelas	-0.01	-0.01	0.06**	0.06**
	(0.04)	(0.04)	(0.03)	(0.03)
Housing Council x Non-profits and Founds per cap (log)		0.10**		0.01
		(0.04)		(0.03)
Constant	-4.05***	-4.25***	-3.30***	-3.35***

	(0.46)	(0.47)	(0.38)	(0.39)
Observations	3877	3877	4093	4093

*State Dummies also included in models.
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

Appendix C: The Relationship between Council Responsibilities and Housing Program Adoption

VARIABLES	Program Index	Const of Units	Acquire Units	Imp. Units	Offer Material	Plot of Land	Regular	Urban
PT Mayor	0.0489	0.209	-0.179	0.212	0.0606	-0.116	0.270*	-0.0480
	(0.0580)	(0.147)	(0.147)	(0.129)	(0.128)	(0.139)	(0.142)	(0.155)
Consultative	0.00143	-0.108	-0.0278	-0.102	-0.0406	0.0260	0.242***	0.0299
	(0.0374)	(0.0886)	(0.0919)	(0.0808)	(0.0810)	(0.0853)	(0.0897)	(0.0969)
Deliberative	-0.0212	0.00359	-0.0456	-0.124	0.0131	-0.00416	0.0847	-0.0511
	(0.0439)	(0.102)	(0.107)	(0.0941)	(0.0944)	(0.0993)	(0.105)	(0.114)
Normative	-0.0663	0.0421	-0.219**	0.00976	-0.0153	-0.130	-0.207**	-0.158
	(0.0421)	(0.100)	(0.105)	(0.0911)	(0.0917)	(0.0956)	(0.101)	(0.109)
Oversight	0.127***	0.158*	0.258***	0.125	0.110	0.205**	0.172*	0.151
	(0.0384)	(0.0912)	(0.0943)	(0.0832)	(0.0837)	(0.0871)	(0.0921)	(0.100)
Housing Fund	-0.00878	0.0451	-0.0446	-0.0807	-0.101	0.0650	-0.0461	0.124
	(0.0431)	(0.0961)	(0.104)	(0.0909)	(0.0909)	(0.0967)	(0.101)	(0.116)
Population 2005 (log)	0.115***	0.168***	0.118**	0.0374	0.0683	0.0723	0.364***	0.379***
	(0.0223)	(0.0603)	(0.0556)	(0.0506)	(0.0509)	(0.0532)	(0.0586)	(0.0617)
Percentage Urban Population 2000 (log)	0.126**	0.0681	-0.0979	0.243**	0.240**	0.303**	0.0819	0.0504
	(0.0519)	(0.112)	(0.121)	(0.105)	(0.106)	(0.118)	(0.125)	(0.142)
Municipal Budget per capita 2005 (log)	0.221***	0.600***	0.162	0.282**	0.248**	0.135	0.301**	0.473***
	(0.0545)	(0.144)	(0.136)	(0.123)	(0.123)	(0.128)	(0.136)	(0.147)
Gini 2000	0.540	2.005**	0.635	1.454**	0.516	0.0354	0.115	0.779
	(0.329)	(0.788)	(0.803)	(0.713)	(0.709)	(0.746)	(0.795)	(0.862)
Income per capita 2000 (log)	0.0281	0.375**	0.135	-0.133	-0.228	0.0411	0.144	0.136
	(0.0666)	(0.157)	(0.164)	(0.142)	(0.143)	(0.152)	(0.162)	(0.179)
Non-profits and Foundations per capita	-0.0307	-0.111	-0.148**	0.162***	-0.109*	0.0624	-0.101	-0.141*

(log)								
	(0.0300)	(0.0688)	(0.0722)	(0.0629)	(0.0632)	(0.0676)	(0.0723)	(0.0794)
Favelas Exist	0.0683*	-0.0225	-0.0320	-0.0356	-0.103	0.0686	0.459***	0.433***
	(0.0396)	(0.0895)	(0.0953)	(0.0839)	(0.0843)	(0.0888)	(0.0908)	(0.0998)
Percentage of PT Vereadores	0.0380	-0.124	1.022**	0.0563	-0.408	-0.193	-0.256	0.813*
	(0.185)	(0.432)	(0.448)	(0.401)	(0.393)	(0.425)	(0.441)	(0.480)
Northeast	-0.103	1.117*	0.503	-0.0313	-0.692	0.821*	-0.481	0.179
	(0.229)	(0.631)	(0.504)	(0.474)	(0.592)	(0.485)	(0.599)	(0.571)
North	0.360	-0.701	0.597	-0.934	0.335	0.974	0.433	0.348
	(0.453)	(0.594)	(0.946)	(0.641)	(0.563)	(0.896)	(0.593)	(0.583)
Center West	0.336***	0.449	0.0337	0.360	0.681**	1.047***	0.370	0.320
	(0.120)	(0.312)	(0.291)	(0.273)	(0.273)	(0.278)	(0.296)	(0.327)
South	0.153*	0.563**	0.293	-0.170	0.315	0.551***	0.0884	0.237
	(0.0852)	(0.226)	(0.196)	(0.191)	(0.198)	(0.212)	(0.198)	(0.223)
Constant	-2.376***	-8.964***	-5.093***	-1.028	-2.426**	-2.557**	-7.914***	-10.27***
	(0.539)	(1.494)	(1.348)	(1.227)	(1.238)	(1.298)	(1.398)	(1.500)
Observations	1352	1349	1335	1349	1349	1351	1345	1349

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
State Dummies also included in model.

Appendix D: The Relationship between Municipal Housing Council Responsibilities and Municipally Funded Housing Programs

VARIABLES	Construction of Units by Muni	Acquire Units by Muni	Improve Units by Muni	Offer Materials by Muni	Offer Plots of Land by Muni	Regularization by Muni	Urbanization by Muni
PT Mayor	0.315*	-0.128	0.113	-0.106	-0.515	-0.338	0.00134
	(0.161)	(0.353)	(0.169)	(0.230)	(0.339)	(0.214)	(0.283)
Consultative	-0.0343	-0.234	-0.0200	0.141	-0.203	-0.00766	-0.310
	(0.105)	(0.224)	(0.109)	(0.157)	(0.216)	(0.156)	(0.191)
Deliberative	0.329**	-0.101	0.182	0.220	0.292	0.143	-0.0898
	(0.128)	(0.268)	(0.125)	(0.185)	(0.230)	(0.184)	(0.229)
Normative	-0.0282	0.0270	-0.190	-0.0792	0.324	-0.0740	0.383*
	(0.118)	(0.262)	(0.124)	(0.185)	(0.232)	(0.176)	(0.210)
Oversight	0.0482	0.189	0.303***	-0.133	-0.139	-0.0134	-0.317*
	(0.109)	(0.213)	(0.117)	(0.164)	(0.201)	(0.162)	(0.191)
Housing Fund	-0.0536	0.0748	-0.111	-0.0791	-0.0430	-0.195	-0.113
	(0.122)	(0.256)	(0.124)	(0.182)	(0.250)	(0.195)	(0.257)
Population 2005 (log)	0.140**	0.192*	-0.0900	-0.00388	-0.0450	0.103	-0.167
	(0.0630)	(0.114)	(0.0691)	(0.0978)	(0.129)	(0.0924)	(0.103)
Percentage Urban Population 2000 (log)	0.307**	0.537*	0.312**	0.339	0.624*	0.445*	0.294
	(0.144)	(0.309)	(0.147)	(0.223)	(0.339)	(0.262)	(0.323)
Municipal Budget per capita 2005 (log)	0.755***	0.612**	0.381**	0.369	0.262	0.464**	0.191
	(0.153)	(0.301)	(0.167)	(0.254)	(0.323)	(0.222)	(0.259)
Gini 2000	1.689*	1.126	0.0794	0.297	3.787*	3.539**	1.992
	(0.915)	(1.901)	(0.949)	(1.442)	(1.937)	(1.500)	(1.721)
Income per capita 2000 (log)	-0.301	-0.666	0.0605	-0.507	-0.532	-0.297	0.212
	(0.196)	(0.415)	(0.206)	(0.321)	(0.439)	(0.324)	(0.347)
Non-profits and Foundations per capita (log)	-0.0838	-0.0733	-0.206**	0.168	0.0803	-0.122	0.0493
	(0.0810)	(0.173)	(0.0866)	(0.125)	(0.176)	(0.140)	(0.174)

Favelas Exist	0.179*	-0.00617	0.0737	-0.0773	-0.279	0.0219	0.300
	(0.109)	(0.212)	(0.111)	(0.170)	(0.212)	(0.165)	(0.217)
Percentage of PT City Council Members (Vereadors)	-1.241**	0.144	-0.884*	-1.322*	0.364	-0.830	-1.359
	(0.524)	(1.002)	(0.518)	(0.745)	(1.143)	(0.791)	(1.029)
Northeast	0.0434	0.893	0.221	-1.276	-0.294	-0.200	1.082
	(0.487)	(1.042)	(0.953)	(1.010)	(0.934)	(0.929)	(0.879)
North	0.130		-0.734**			-1.429*	0.119
	(0.651)		(0.363)			(0.842)	(0.618)
Center West	0.248	0.421	-0.158	0.566	0.382	0.539	-0.109
	(0.316)	(0.630)	(0.379)	(0.567)	(0.663)	(0.438)	(0.590)
South	0.362	0.303	0.326	-0.132	0.403	0.893***	0.376
	(0.247)	(0.481)	(0.284)	(0.363)	(0.472)	(0.340)	(0.407)
Constant	-7.368***	-4.472	-3.220*	2.298	0.996	-4.657**	-0.933
	(1.535)	(2.901)	(1.714)	(2.526)	(3.445)	(2.222)	(2.591)
Observations	974	255	769	561	350	428	280

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
State Dummies also included in model.