



UCLG
Committee

Social Inclusion
Participatory Democracy
and Human Rights

**Inclusive Cities
Observatory**

« CITIZEN PARTICIPATION AND PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT »

Palmela, Portugal

Period of implementation: 2002 (launch) | Study case written in 2007

The 'Citizen Participation and Local Development' Department at the Municipality of Palmela was created in 2002 to be the 'engine' for launching a wide platform of social dialogue involving the citizenry in decision-making through several 'spaces' and institutions. Its main objectives were: (1) to promote a culture of openness to citizen participation in public management within the local public administration; and (2) to encourage citizens' participation in local life and public management. The 'anchor project' has been *participatory budgeting*, a space for sharing with the inhabitants the decisions on a part of the investment budget of the municipality of Palmela. It is a 'consultative process' consisting of a series of thematic and locality-based meetings where citizens can receive information on the investment budget, clarify doubts, and make queries and proposals to be inserted in the budget.



The **Inclusive Cities Observatory** was launched in 2008 by the UCLG Committee on Social Inclusion, Participatory Democracy and Human Rights with the aim of creating a space for analysis and reflection on local social inclusion policies. The initiative was developed with the scientific support of Professor Yves Cabannes (University College of London) and the Centre for Social Studies (CES) from the University of Coimbra. At present, the Observatory contains more than sixty study cases mostly developed between 2008 and 2010. Even though many of these cases refer to policies that have already come to an end, they still have much to offer: from capitalizing on the learning acquired by other local authorities to discovering suggestive and alternative means to address social inclusion challenges from a local perspective.

Context

City context

The Municipality of Palmela is located in the Greater Lisbon Metropolitan Area, bordering the rural regions of southern Portugal. It has a surface area of around 490 km² and a population of around 62,800 (ANMP database 2010). It is both the most industrialised municipality in the country (automobile industry) and has the largest extension of rural territory and protected natural areas in Greater Lisbon. Although quality of life indices and demographic, urban, and economic growth rates are above the national average, Palmela's municipality faces particular challenges in terms of social inclusion. One of the most significant is to guarantee sustainable development, where overall urban and economic growth trends do not endanger socio-environmental sustainability and the quality of life that characterises this municipality.

Government and decentralization context

According to the 1976 Constitution of the Portuguese Republic, the democratic organisation of the country's political power at a local level is nowadays situated in the so-called *local authorities* or *autarquias* (Art. 235). They have their own property and finances (Art. 238), their own permanent staff (Art. 243), and they can hold a referendum for their respective voters on subjects including the competence of their own bodies (Art. 240). The base of the Portuguese administrative structure is made up of 308 municipalities. These are subdivided into 4260 parishes (*freguesias*), which are decentralized political administrative bodies that derive from the former territorial divisions of church parishes.

The elected bodies, representatives of the parishes and the municipalities, are the Cabinet (the decision-making body elected by universal suffrage in a direct ballot by the voters, whose numerical composition depends on the number of voters registered in the respective territory) and the Parish Council or the *Municipal Council* (the collegiate legislative body). Both include members elected by the opposition parties, a legacy that makes the political life of the executive difficult. This situation becomes understandable in the light of the post-revolutionary situation when the rule was conceived: its objective was to give value to all the dynamic forces of society. A Mayor (*Presidente*), the citizen who heads the most-voted-for party, always coordinates the executive body both in the municipality and the parishes. The elections of the executive bodies and the decision-making bodies are separate but simultaneous, except in the case of by-elections, that is, when one of the two bodies (as was the case of Lisbon in 2006) has to terminate its mandate for political or judiciary reasons. In the Municipal Assembly, only a part of the members is directly elected. This has to be a higher number than the number of Parish Council Chairmen, who also form an integral part as 'members by right'. The mandate for the bodies of the Local Authorities is a four-year term of office. Since 2005, the mandate of the chairmen of the executive bodies of the local authorities cannot be renewed for more than three consecutive terms.

In Portugal, the administrative divisions at a level higher than the municipalities include the 18 districts of Continental Portugal and the creation of continuous territorial units made up of Local Authorities: the Urban Communities (ComUrb), the Greater Metropolitan Areas (GAM), and the Inter-municipality Communities (Cominter).

The Municipality of Palmela belongs to the District of Setúbal and has 5 sub-municipal *freguesias*: Marateca, Palmela, Pinhal Novo, Poceirão, and Quinta do Anjo. For many years the city has been governed by the CDU coalition, which includes the Communist (PCP) as well as

the Green Party (PV). The Mayor, the sociologist Ana Teresa Vicente Custódio de Sá (whose first mandate started in 2002), was re-elected in 2005 with 50.50% of valid votes (the abstention rate was 52.2%) and re-elected in 2009 with 50.19% of votes (the abstention rate was 51.78%). Today, her party also controls the five governments at the *freguesias* level. The annual budget of Palmela is around 45 million euros.

Institutional level of policy development: Municipal

Social context

Palmela has a high index of employment polarization (employed/employed residents): in 1991, the index was around 0.75, and then rose to around 1.10 in 2001. According to the last census, 58% of workers in Palmela are employed in the tertiary sector, 34.2% in the secondary sector (automobile and electric industry, retail and wine production), and 7.8% in the primary sector. However, in the freguesia of Poceirão, 29.2% of workers are employed in the primary sector. In Palmela, the automobile industry employs over 10,000 people.

The majority of families benefiting from social housing programmes are concentrated in the central sub-municipal district and in Quinta do Anjos. According to the last census (2001) the overall rate of analphabetism decreased from 15% (in 1991) to 10.8%, but the problem is higher in the rural freguesias of Marateca (19.8%) and Poceirão (18.8%). The majority of people who did not complete any formal cycle of school education are concentrated in the freguesia of Pinhal Novo, while the city centre hosts the majority of inhabitants with university studies. According to 2007 statistics, the rate of poor people was under the national average (20%).

Policy development

In light of its geographic location and its strategic position connecting Lisbon to the Southern Area of the country and to the rest of Europe (highways, ports, airport, logistics centres, etc.), over the last 10 years Palmela has shown a very proactive attitude to fostering a development model which could integrate traditional activities and industrial production. It does not ignore the importance of global dynamics, but assumes that the way these dynamics materialise themselves can be influenced by local actors through investing in citizen participation and in partnerships for sustainable development.

In 2002 the newly elected Mayor (Vicente) approved the creation of a new department called 'Citizen Participation and Local Development' directly linked to her cabinet. The Department still exists, although it has moved between the Department of Culture and the new Department of Communication and Tourism during the last eight years. This service tried to be the 'engine' for launching a wide platform of social dialogue involving the citizenry in decision-making through several 'spaces' and institutions. From the beginning, the 'anchor project' has been *participatory budgeting*, a space for sharing with the inhabitants the decisions on a part of the investment budget of the municipality of Palmela.

A previous experiment in 1998 by the former Mayor, Carlos Sousa, had limited success, but participatory budgeting was revitalised by the new Mayor, Ana Teresa Vicente, and was aimed at encouraging people's participation in the development of the municipal budget and action plans. The experience of Porto Alegre, Brazil, served as an inspirational reference for the participatory budgeting restructuring, but the process did not emulate completely the original model, remaining mainly consultative.

The visibility of participatory budgeting (this was the first experience in Portugal, which was then followed by several others) has meant that the participatory budget programme is often

mistakenly assumed to encompass the entire participation strategy of Palmela's Municipal Council. This is an incorrect perception: participatory budgeting has always been mainly a space dedicated to *non-organised* inhabitants to involve them in the planning and delivering of basic services and infrastructures on the local territory. Several other parallel processes were put in place in order to create spaces of co-decision with the *organised* social fabric.

Among a wide range of tools promoted in several areas of municipal intervention were:

1. A participatory planning process aiming to revise urban planning choices and their coordination with educational charters, museum programmes, and other municipal plans;
2. The Palmela Forum, launched in 2000, to contribute to defining principles of sustainable development;
3. The Associationism Programme, representing a framework for municipal cooperation with the third sector on projects of local interest which are seen as a school of participation and citizenship; and
4. A system of Advisory Boards, which are both legally recognised and locally built, to discuss specific policies such social action, education, security, sport, culture, and mobility.

However, among the main interests of the newly created department of Citizen Participation and Local Development was the idea of promoting a strategy of 'partnerships for local development' to foster the participation of economic agents through a variable geometry of different agreements with a large number of institutions in the production sector, and with the help of the European Union-funded EQUAL programme.

Among the innovative instruments that were experimented in Palmela, two proved particularly effective because they tried to extend and structure over time social dialogue with the two most visible economic sectors in the area: the Festival of Cheese Bread and Wine and the Palmela Automobile Industry Forum.

Background

More than a social policy aimed at solving a specific social problem and benefitting a limited target population, the department of Citizen Participation and Local Development tried to create a social policy implementation methodology which could invest in citizen participation as an added value to promote the social inclusion of marginal actors in the economic fabric of the municipality.

The idea was launched in 2002, in fulfilment of the objectives of the political platform that received the majority vote in the elections of December 2001. It gradually developed over time, adding several components to its original features. In some cases, the project took advantage of tools previously set in place, consolidating them as recognised spaces for sharing decision-making between the social/economic fabric of Palmela and its elected institutions.

This report focuses on three main spaces of dialogue – participatory budgeting, the Festival of Cheese Bread and Wine, and the Palmela Automobile Industry Forum – which evolved as follows:

Participatory budgeting

As mentioned previously, there had been an attempt to establish participatory budgeting in the previous political mandate, but it is only in 2002 that it gained strength, with an organisational

architecture of a series of public meetings with inhabitants, taking place in the five main localities, plus a series of 'thematic assemblies' to intersect with the interests of the organised fabric of local associations beyond the single citizens. In the beginning, the relationship between the Town Hall and the *freguesias* (sub-municipal districts) was tense because they had not been explicitly involved in organising the participatory budgeting and felt their role as 'institutions of greatest proximity' was not recognised by the Town Hall. From 2004, however, there was better coordination between the two institutional levels, especially following the creation of a 'participatory budgeting accompanying commission' to monitor the process and try to suggest positive transformations for coming years.

The Festival of Cheese, Bread and Wine

While this event had been conceived several years before the start of the Citizen Participation and Local Development project, it was only after 2002 that it became an important space for increasing the dialogue among citizens, local producers, and the municipal administration. In 1994/1995, the Palmela Municipal Council was faced with a delicate situation regarding the possible suspension of the production of Azeitão cheese (a certified high-quality cheese and, nowadays, the most expensive Portuguese cheese) because its producers felt old and demoralised because they had no one to which to pass down their knowledge. For a year, regular meetings with shepherds, goat keepers, and cheese producers (all residents of the Quinta do Anjo district) were held, with these meetings were open to anyone who wanted to discuss and help find a solution to this problem. The Municipal Council had played a strictly facilitating role, never imposing a specific direction for finding solutions. The idea of an event which could bring together shepherds, sheep's milk, and cheese producers as well as bread and wine producers had come out of these meetings as a bottom-up proposal to foster more participation by these groups in the life of the city. The first year of the Cheese, Bread and Wine Festival (1995) was highly successful and has continued ever since, reaching more than 25,000 participants in 2003. The 'jump in quality' achieved under the supervision of the 'Citizen Participation and Local Development' department led to the self-management of the event by the economic actors (previously, it was organised by the Municipality) and to the creation of an Ovine Sheppard's Association that has greatly contributed to more efficient support of sheep herders and to greater participation in the evaluation and decision-making processes of local development policies.

The Palmela Automobile Industry Forum

The idea for the Palmela Automobile Industry Forum arose from the Palmela's Council Forum in November 2000, as a result of the desire then expressed to start a more formal partnership between the businesses belonging to this sector and the organisations that play a role in local economic development, such as the Palmela Municipal Council. It started as space for informal reflection and debate on the role of the automobile industry in the municipality's future, becoming a 'formal space' only under the new political framework that was launched in 2002. In June 2003, the Association FIAPAL (Automobile Industry Forum) was born. It brings together around 70 members who represent the businesses in this sector with industrial plants in Palmela. Autoeuropa (Volkswagen Group), the Municipal Council, and three local businesses make up the leadership of the Association. FIAPAL's main objective is to create a pole of competitiveness in the automobile industry in Palmela. It is part of a European project (ICARUS) with other automobile clusters and, through this project, is part of the European Automobile Industry Association.

Policy objectives

Since its origin, the main objectives of the policy were twofold and complementary:

1. To promote a culture of openness to citizen participation in public management within the Local Public Administration; and
2. To encourage citizens' participation in local life and public management so making them co-responsible in promoting partnerships for sustainable development and enhancing the quality of life.

Stakeholders, beneficiaries and participatory methodologies

Agents involved

The Municipality of Palmela was the main actor in conceiving and designing the participatory budgeting process. As previously mentioned, in the beginning (and until 2005) there had been some tensions with the sub-municipal districts (*freguesias*) who claimed they had not been consulted and involved in processes that were dealing with the quality of life in their territories. However, since then, there has been more coordination between the municipality and the *freguesias*.

Several actors from the social and economic fabric of the municipality have been involved as central partners in all the participatory processes. The other main tools put in place or consolidated during the last eight years – such as the Automobile Forum and the Bread, Cheese and Wine Festival – have proved especially interesting for their capacity to involve different (central as well as marginalised) economic actors of the local territory.

Beneficiaries

The intended beneficiaries of the differentiated range of 'participatory spaces' are all municipal residents, and are reached through different tools. For example, the local-based forum of participatory budgeting focused mainly on the unorganised social fabric, while the thematic assemblies tried to attract the organised social institutions (e.g., NGOs, associations, schools, professionals working in the cultural and sport sectors, etc.). The partners of the social dialogue structures put in place around the Festival of Bread, Cheese and Wine and the Automobile Forum were – on the contrary – mainly economic actors, which were usually absent from participatory budgeting meetings.

Participation processes implemented

Participatory budgeting was imagined as the potential 'engine' for making the larger set of participatory tools work in a coordinated manner. It consists of a series of thematic and locality-based meetings where citizens can receive information on the investment budget, clarify doubts, and make queries and proposals to be inserted in the budget. Conceived mainly as tools to enhance 'proximity' between the municipal administration and citizens (Sintomer & Allegretti 2009), it is a 'consultative process' unlike other participatory budgeting processes in place in other European or Latin American countries, which include a 'co-decisional' moment where the participants can vote and hierarchise priorities. As a recent study reported (Granado 2010), the typology of participants has been mainly homogeneous (elderly people) and the issues that have emerged deal mainly with micro-scale local investments. In the light of this, it was important that other contemporary tools are put in place in the different sectors of municipal competences, targeting more specific organised groups and social or economic institutions interested in specific themes.

Institutionalizing and financing

Institutionalization processes

The multidimensional strategy of the Citizen Participation and Local Development department depended on both the formal constitution and 'enrooting' the new structure in the institutional architecture. This institutionalization was important to provide the capacity to intervene and to influence different municipal policies.

The main engine of the different social dialogue spaces activated since 2002 under this department's supervision was, undoubtedly, a clear political will by part of the governing majority, which proved to be able to maintain open several channels for dialoguing with local stakeholders and citizens in general. The level of institutionalisation of the different components of the strategy varies a lot. Although participatory budgeting has been registered into the municipal constitution or local regulations in other countries, in Portugal this goal proved to be very difficult because the municipal level has no power to forge its own organic law. Thus, Palmela created a small charter for clarifying the access rules to participatory budgeting, established a mixed commission (involving both municipal technicians and citizens) which could follow and monitor its development, and created a special group inside the Mayor's Cabinet Office to organise the process.

A more formal status was given to other components of the wide-ranging strategy of promoting participation, such as the Advisory Boards or the corporate associations (representing organised economic interests), which emerged from discussions held around the Bread, Cheese and Wine Festival and within the Automobile Forum.

Furthermore, an interesting support instrument, 'Open City Hall Assemblies', were institutionalized in recent years in order to promote a wider transparency of political decisions. Together with an ICT system that allows citizens to follow all the meetings of the City Executive through web streaming video, or to review them through a web-based library (www.livestream.com/cmpalmela/folder), they allow citizens to follow the work of elected institutions and to verify the real impact of what the social dialogue has produced in terms of formal decision-making.

Financing

The participatory strategy, extended to a large majority of municipal sectors over several years, did not trace the general costs, although city officials indicate an annual average cost of around 50,000 euros to organise and implement the participatory sessions and supporting information materials. These costs were entirely funded by the municipality. Some specific, implemented outputs later received co-funding support from EU programmes in which the city government was involved or from social and economic partners. This explains why some of its components were threatened by a huge decrease in municipal finances around 2007/2008. For example, the participatory budgeting project was temporarily suspended in the 2009 electoral year and restarted in Autumn 2010 with a 'light version'. The city government has been frightened to create huge expectations which it would not then be able to fulfill due to the financial crises, which became visible through cuts in the State transfers to the municipality as well as by shrinkage in the autonomous sources of tax revenue from local businesses. A recent restructuring of municipal departments (in September 2010) clarified the political will to restart the process of participatory budgeting at a full rhythm in the spring of 2011. In November 2010, nine public meetings were held mainly as spaces for sharing information and clarifying doubts about the sustainability of these policies in the face of financial cuts.

Outcomes and reflections

Key results and achievements

The main general goals reached by the overall strategy were:

- Improved efficacy and local government quality (i.e., an increase in the implementation rate for the plan and budget, and a rationalisation of expenses);
- Reinforcement of the investment in peripheral areas (i.e., more rural areas further away from the centre of the Municipality);
- Increased participation of citizens in Residents' Associations; and
- New associations and partnerships for local development (in all areas of municipal activity, from culture to economy).

The results of a URB-AL¹ project (coordinated in 2005 by the municipality of Cordoba in Spain, and involving Palmela as an international partner) also underlined a growing capacity of internal coordination among municipal departments, whose structure adapted to 'reflect' strong responsabilisation preceding the different social dialogue processes.

Two specific outputs reached by the different social dialogue processes must also be highlighted:

The Bread, Cheese and Wine Festival

The participatory preparation forum of the Bread, Cheese and Wine Festival, after some years, decided to include in the event the only national competition for a certain breed of sheep. This competition had existed for more than 30 years. As a result of the increased strength mutually produced by the new relations between the Festival and the competition (which maintained its organisational autonomy), the Ministry of Agriculture acknowledged the interest that existed in the initiative and allocated a member of the Ministry staff to support its organisation. This opportunity, together with the municipality's support, contributed to the establishment of a duly legalised association of shepherds and cheese producers. Today, most members are young and have studied food engineering or received other types of agrarian training. After 15 years, the festival enables the local population to be directly involved in the organisation of the event, and the direct sales of cheese, butter, bread, and (more recently) cakes and liqueurs has led to young people investing more and more in these activities. The 14 members of the association have ensured the continuity of the festival since 2006/2007 (which survived the cuts that struck other fairs and events in Palmela as well as in other Portuguese municipalities) and also fostered a broader success in sheep-raising and milk and cheese production in the area. Cheese production is ensured today mainly by young people who invested in professional training, with most cheese-making units duly licensed. It is possible to say that, over the years, the consolidation of the participatory project led to the economic development of a sector of activity which is now fully organised by its members, with the Municipal Council merely providing economic and logistical support to the main event that the economic fabric assures.

The Automobile Forum

The FIAPAL Association, constituted in 2003, provides Palmela a pivotal role in innovation within the country. For example, Autoeuropa recently realised (through the help of an EU programme) a special Xarã car for decentralised assistance in public services, which has been

¹ URB-AL is a horizontal programme of decentralized cooperation between Europe and Latin American countries promoted by the European Commission.

assisting inhabitants of Palmela, especially in rural areas and villages. This recently became a type of pilot project for an ambulant *Loja do Cidadão* (in the main Portuguese cities, this is a municipal service joining together all the front-offices of public institutions in a single place, so to provide a more user-friendly bureaucratic structure). On December 7, 2010, it was chosen by the Simplex national project for municipal governments and the Agency for Administrative Modernization (AMA) to be replicated in several Portuguese territories.

Overall assessment and replicability or adaptation elsewhere

Main obstacles

The main obstacles encountered over the last eight years in the processes of participatory strategies put in place with the assistance of the Participation and Local Development department were related to four main areas:

1. Lack of time to dedicate to the social dialogue on the part of the different involved actors;
2. Progressive cuts in municipal revenues induced by the economic crisis, which affected the Palmela budget in two ways: (1) shrinking possibilities for taxpayers to contribute to local development and (2) dramatic cuts in governmental transfers from the State;
3. Insufficient preparation of public services for the dynamics of people's participation; and
4. Excess expectations on the part of social actors (i.e., participation must have consequences, but participation in itself does not make all wishes and need-fulfillments possible). In the case of participatory budgeting, a diminishing degree of annual transformation and project evolution undoubtedly frustrated several inhabitants. In particular, its continuance as mainly a 'consultative structure' despite the external reference (Porto Alegre, Brazil) explicitly quoted during the setting phase is one of the most important participatory budgeting cases where the decisional role of inhabitants is pivotal for the success of the process.

Replicability or adaptation of policy elsewhere

The Palmela case undoubtedly underlines the importance of political will (from local government) as a precondition to fostering the development of a participation culture in local society, or at least a considerable level of social adhesion to the participatory projects. It also shows how important it is for a municipality to 'bet' on the possibilities of gradual autonomisation of civil society, in order to become an 'even' partner with public institutions. Palmela's case highlights the importance of an 'exchange of experience' between cities and municipalities running innovative projects, and the need to 'adapt' imported models to the concrete reality of local people and the territory. Although the institutionalisation of some participatory tools has granted them 'enrootment' in the local environment, Palmela's experience underlines the importance of guaranteeing flexibility and freedom of transformation over time for all innovative experiments.

Further information

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