

of the existing legal, constitutional and fiscal framework. This in turn underpins the neoliberal macroeconomic policies of successive governments in Brasilia, including those adopted so zealously at the beginning of the Lula administration.

This central contradiction can go in any one of three directions. It could simply be cut short by electoral defeat. This is a real possibility, and it might or might not be a consequence of the PB's own inadequacies. In his last contribution to Part III of this book, Pont insists that the PT's defeat in the Rio Grande do Sul state elections in October 2002 was *not* a reflection on the PB experience at state level. A second possibility is that over time this contradiction could lead to bureaucratisation, the emergence of a semiprofessional layer of PB experts in the communities, a decline in active participation, and disenchantment. Elements of this danger have already been felt.

But there is a third possibility – and this is the point of the radical conception of the PB. The PB has a dynamic that points towards a break with the existing framework. At the same time it can create the awareness and the social force needed for just such a rupture.

Obviously this could never happen in a single city or state. But some in the PT believed that much the same contradiction at national level, like that which faced the Lula government when it took office at the beginning of 2003 (symbolised by its twin commitments to honouring IMF targets and eradicating hunger), could begin to set the scene for such a break. They recognised that this could only happen if there were a big rise in social mobilisation and the development of a really credible alternative project. They suggested that the existing instruments of the PB and the demand for their extension across the board – alongside land occupations by the Landless Workers' Movement (MST) and the reactivation of radical trade unionism through the PT-linked trade union federation Single Workers' Centre (CUT) – could be the key strategic instruments the left in the PT would need to deploy.

But the signs so far are that the Lula government has abandoned that contradiction and reduced its twin commitments to one, namely the commitment to honour IMF targets. This has made the situation more complicated for the left. It looks increasingly unlikely that there will be any attempt to extend the PB across Brazil. An alternative might have to be built out of a combination of social mobilisations with merely local expressions of participatory democracy. The central contradiction, however, has not gone away. In the long run, the PB

can still achieve its radical promise only if it moves forward, expands onto a higher level, and breaks through the constraints imposed on local government.

PT, participatory budget and transition to socialism

Here in the South we have shown it is possible to break the mould of the 'only possible way of thinking' and govern our city with participatory democracy and a capacity to invest.

We know the population wants more services and better services and that means taking on more staff, not the layoffs of the neoliberals' minimum state.

We have proved that public services and state enterprises can run a surplus when they are administered without corruption, with transparency and with democratic control by the population. To the erosion imposed by central government on the real wages of public sector workers, on pensions and on the minimum wage, we have responded with bimonthly adjustments to keep wages in line with inflation.

More fundamentally we have built a new relationship between state and society, which goes beyond representative democracy. The international recognition given the participatory budget is no accident. It has huge potential for a new understanding of democracy. Deepening it in practice, elaborating a fuller theoretical understanding, and making all this the shared property of the party as a whole are challenges still to be taken up in full.

The same audacity that allowed us to change, that built this participatory democracy, pushes us towards new confrontations. A programme of transition to socialism requires us to put forward at every moment proposals that can result in a qualitative leap in the activity and awareness of those involved.

Our utopia, the achievement of a socialist society, the thing that inspires us to keep going, cannot be the result of any decree or any belief in some magical moment in the future.

There are no 'maximum' and 'minimum' programmes. Our strategy is built out of conquests and achievements at the level of people's own awareness, which encourage them to struggle more and prepare them for future confrontations. Our strategy also grows out of a clear definition of which social classes we represent and what kind of alliances support that.

Our achievements in local government should not obscure the fundamental fact: achieving a socialist society is impossible without building another kind of state and another concept of property.

From '20 Years of the PT', a speech by Raul Pont on the occasion of the 20th anniversary of the founding of the Brazilian Workers' Party, March 2000.

*From Iain Bruce, ed.,
The Porto Alegre Alternative: Direct Democracy in Action
HIRE: Pluto Press 2004*