Metropolitan Governance in Brazil: Application and Practices in Public Consortia and Participatory Budgeting

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ABSTRACT - In Brazil, the synergy of processes of decentralization and globalization have come to a climax during the 1990’s. The 1988 Brazilian Constitution adopted decentralization and municipalization as a rule to its federation system and the increase of globalization forces over the country, mainly affected metropolitan regions. An overview points out a tributary competition, the so called fiscal war, which engendered competitive and predatory processes that have downgraded the importance of the Federal State. An enterprise attitude adopted by state level governments in order to attract economic activities and maximize their local taxing incomes focused in municipalities within metropolitan regions, or even the metropolises themselves. A comparative research is pursued in this paper within two metropolitan regions in Brazil as to their metropolitan management, facing forces of decentralization and globalization: Belo Horizonte and Salvador. In both cases, through their different governance models, identified in this study, while the first seeks to agglutinate a set of public and private actors to integrate metropolitan plans and programs and give voice to public participation, the latter, Salvador, has an incipient articulation in governmental spheres and public participation.

An exploratory investigation considers that metropolitan regions that have institutional arrangements which promote articulations in horizontal and vertical partnerships and insert public participation tools in their governance agenda are more prone than others to reap the benefits of collaborative governance. The outcome of these issues is analyzed through the application of two urban legal frameworks in Belo Horizonte and Salvador: Participatory Budgeting and Public Consortia Law. The practice of these two mechanisms, the governance structure of the metropolitan regions and the articulations within municipalities of the same metropolitan region suggest the role of metropolitan governance as a less destructive form of global insertion.

A comparative research is pursued within two metropolitan regions in Brazil as to their metropolitan management, facing forces of decentralization and globalization: Belo Horizonte and Salvador. Through the application of two urban legal frameworks, Participatory Budgeting and Public Consortia Law, the outcome of this study reveals that public participation tools in a metropolitan region governance agenda is more prone to reap the benefits of collaborative governance.

Introduction

An accelerated urbanization process which originated in the 1950’s and the institutionalization of several metropolitan regions in a top-down government structure in Brazil in the 1970’s, increased many problems which influences many Brazilian metropolitan regions as to their urban infra-structure, housing deficit, inadequacy of urban services, lack of health and education
equipment. According to Gouvêa (2005) this sudden growth explains the continuous aggravation of a series of urban problems such as housing shortages, leading to formation of slums and shantytowns, transportation gridlock, inadequacy of basic urban services like public transportation, water supply, sewage system, or equipment such as hospitals, schools among others.

The process of metropolization and the surge and constitution of metropolitan areas not only occurred in Brazil from the 1960’s and 1970’s but also in many western countries. Lefèvre (1998) points out some metropolitan experiments in that period, in countries as the United States, England, Canada, France and Italy. The author continues to explain the causes of failures in those metropolitan institutions of that period and describes them, with some exceptions “as rigid, without taking local particularities into account” or the local actors as well.

After a period of rapid urbanization and institutionalization of several metropolitan regions in the 1970’s, Brazil as a federative system entered a new stage with the instauration of a new Constitution in 1988. The synergy of processes of political decentralization and globalization have come to a climax during the 1990’s, when combined with forces of neoliberalism resulted into a competitive bidding between states of the Brazilian federation, called ‘fiscal war’ (guerra fiscal). This tributary competition was based on a predatory model and non-cooperative intergovernmental relations.

A period of redemocratization was installed in the country, and the Constitution of 1988 was considered the apex of this process. The centralized authoritative model gave way to the municipalist discourse and new participatory institutions, as Klink (2008, p.163) points out, “scrutinized the limiting and inefficient nature of the top-down model of metropolitan planning and management”.

The 1980’s and 1990’s testified a renaissance of metropolitan governments in different scales and contexts in countries such as Italy, France, Germany, Netherlands, Spain, Canada according to Lefèvre (1998).

During the 1990’s, Brazil became a laboratory of sorts for new strategies of local governance and direct democracy as the ground breaking experience of the participatory budgeting process which was introduced in some cities (Fernandes, 2007). Opposed to top-down institutional beginning of the Metropolitan Regions – often described as a forced association,
inter-municipal consortia had a horizontal or even bottom-up beginning, characterized by organizational arrangements based on voluntary association.

The objective of this paper is twofold: to explore the application of two urban legal frameworks adopted in some Brazilian metropolitan regions and municipalities: Participatory Budgeting (PB) and Public Consortia Law; and how the practice of these two mechanisms reflect on the governance structure of Belo Horizonte and Salvador metropolitan regions. Drawing from a comparison between the third and fourth largest metropolitan regions in Brazil, as to population size, this paper is divided into four sections:

First, the Brazilian federal system is examined under the process of the institutionalization of the first metropolitan regions, followed by political decentralization and forces of globalization and neoliberalism, beginning from the 1970’s. The second section outlines the two mechanisms that have emerged in Brazil’s redemocratization period: Participatory Budgeting and Public Consortia Law, as to the capacity to generate wider public participation and promote articulations in horizontal and vertical partnerships in a metropolitan region public agenda. The third section illustrates two metropolitan regions, Belo Horizonte and Salvador, compared as to their governance structure, institutional arrangements and implementation of the tools mentioned above. The last section offers some concluding remarks.

Metropolitan Regions and the Brazilian Federal System

There are two distinct periods of institutionalization of the metropolitan areas. The first period, under military rule, a top-down decision, when “sub-national levels took no part in the decision” (Souza, 2005). The second period, after the approval of 1988 Constitution, marks a decentralized institutional arrangement for metropolitan areas under the jurisdiction of the state level.

*Institutionalization of metropolitan areas: first period*

Under the military regime in Brazil (1964-1985), metropolitan management was imposed to municipalities, structured in a centralized basis. Although metropolitan regions had legally come to existence through the Constitution of 1967, after seven years, a federal law issued in 1973, defined eight Metropolitan Regions (MRs) – Porto Alegre, Curitiba, São Paulo, Belo Horizonte,
Salvador, Recife, Fortaleza and Belém – and their constituent municipalities, and in 1974 one more MR (Rio de Janeiro) was included. This law dealt with the metropolitan regions homogeneously by enforcing compulsory participation of municipalities in metropolitan management, with the intent to services of common interests, which would not take in their regional specificities and needs. It gave priority to the use of central and state funds, including loans, to municipalities that participated in integrated projects and services (Rezende and Garson, 2006), and a significant flow of resources was mobilized especially for the housing and urban development sectors (Klink, 2008). For the military regime, these regions have played a key role in consolidating the country's development and most of them were composed of state capitals in which the first outbreak of industrialization occurred.

In that same law the establishment of two agencies for each MR was designated: a Deliberative Council and an Advisory Council as decision-making forums for metropolitan problems, determining the form and content of these representative bodies, and defining its powers as separate management bodies of the metropolitan areas (Fernandes, 2012). The competencies of the Deliberative and Advisory Councils of each metropolitan area was related to the services, common to all municipalities involved, being the Deliberative Council responsible for coordinating and implementing these services, and the Advisory Council responsible for orientation by means of suggestions. As to the structure of management of the metropolitan areas in this period, the definition of the Deliberative Council itself is not very clear as a metropolitan entity, which manages the common interests of all the municipalities involved.

In fact the institutionalization of metropolitan areas in Brazil in the 1970’s, although authoritarian in its shape, recognized the concept of metropolitan interest and aroused discussions on services related to urban land use which benefitted its planning and standardization. (Azevedo and Mares Guia, 2010a). This system created an institutional structure and availability of financial resources that resulted in the implementation of projects mainly in the areas of sanitation, and urban traffic transport (Azevedo and Mares Guia, 2000). This period formally worked, the metropolitan institutions produced master plans for the municipalities located in the peripheral area of the metropolises. Despite a top-down model and governance with authoritarian traits, but due to a great amount of financial resources, as the Metropolitan
Developing Funds, this model of metropolitan management admitted distinct institutional forms in each place (Lopes, 2006).

According to Klink (2008), the military government for 20 years had an authoritarian model with great political, administrative and financial centralization:

The framework was established in a highly centralized and authoritarian manner, with little or no scope for involvement of local actors. Eventually, because metropolitan councils were dominated by state representatives nominated at a federal level and lacked variation to incorporate the spatial differences between states, experiments with metropolitan governance at the state level were brusquely interrupted (Klink, 2008, p.102).

For Rezende and Garson (2006) this system of metropolitan administration was seriously weakened as to the difficulty in developing projects adapted to specific regional demands, the lack of a forum for the municipal constituents to discuss their demands, and the political and economic crisis at the turn of the seventies.

A political crisis permeated the military regime — the focus on planning was lost, and the funds for urban areas became increasingly scarce (Rezende and Garson, 2006). Faced with external and internal crises, the economic growth of the early 1970’s faltered in the 1980’s, to a decade of stagnation (Moraes and Cidade, 2010).

A conclusion can be drawn from this first period of institutionalization, that this model of metropolitan governance lacked a crucial element: creation of incentives for cooperation between the state and its municipalities or among bordering municipalities (Souza, 2005). The lack of a forum for discussions among the municipal constituents and of participatory institutions in the governance structure of the metropolitan regions were traits of the authoritative regime.

**Institutionalization of metropolitan areas: second period**

The beginning of the 1980’s represented a democratic transition towards the end of the military regime with open elections in 1982, and a new process of redemocratization (Moraes and Cidade, 2010). This period would define an institutional basis for dealing with the metropolitan regions (Rezende and Garson, 2006) and an increasing demand for more autonomy for local governments.

The Constitution of 1988 represented a definite impact towards decentralization. A retraction of the federal government on metropolitan issues occurred and metropolitan management was, under the Constitution, by amendment, within the competence of the state
governments. The states had the right to establish metropolitan regions in order to integrate the organization, planning and operation of public functions of common interest of the states and their respective municipalities (Rezende and Garson, 2006).

A new balance among the three governing entities, federal, state and municipal, contributed to the emergence of more individualized decisions, with greater decision–making autonomy to states and local governments (Moraes and Cidade, 2010). The new arrangement of the Constitution is that the status of the municipalities in the Brazilian federation was equal to the federal and state entities and it —has granted, in relative terms, more financial resources to the municipalities than to the states (Souza, 2005).

The strengthening of the municipal autonomy had, in one hand, weakened the position of the state governments related to metropolitan management. Klink (2008) observes that

the transition to redemocratization in Brazil, have resulted in a federal system of relatively independent and fragmented local governments with few built-in mechanisms for intermunicipal and intergovernmental cooperation.

Avritzer (2009) has observed that Brazil was transformed in just a few decades from an authoritarian regime in which “most citizens did not participate in any form of voluntary association to a democracy in which citizens are mobilized in a broad mix of civil and political interactions in new participatory institutions”(Avritzer, 2009,p.1).

Due to the compartmentalized and competitive nature of the Brazilian federation, in the 1990’s, local and state governments facilitated competitive bidding wars (Klink, 2008) the so called ‘fiscal war‘. Also known as ‘war of places‘ it consisted on the development of neoliberal policies at the state level, in order to attract international investment, when a number of Brazilian states offered tax exemptions for the implementation of industries. In that way each state government offers more tax exemptions than the other, not caring on how this process will be funded.

These bidding wars between states accumulate debts for the next generations, passing these costs to the federal level. Klink (2008) argues that this model impedes the development of mechanisms for shared decision making and checks and balances between different government spheres. This policy has been implemented for nearly 20 years, has no national coordination and increases more the present regional inequalities.
Two phenomena should be highlighted in this new Brazilian federalism. The first consists of a broad process of decentralization, both financially and politically. The second, the creation of a predatory and non-cooperative model of intergovernmental relations, wherein the sub-national state component is predominant (Abrucio, 2005). The absence of coordinated federal policies seems to have increased this latent competitive behavior among Brazilian local governments which reinforced the dominance of centrifugal forces of globalization over individual metropolitan areas (Klink, 2008).

The 1988 new Constitution delegated the state-level legislature to establish metropolitan regions in order to integrate the organization, planning and operation of public functions of common interest of the states and their respective municipalities (Rezende and Garson, 2006). Most metropolitan planning companies in that period ended up being extinct or were left only with a complementary organizational structure and urban intervention to the executive power of the state capital (Fernandes, 2012).

There are thirty-five metropolitan regions (MRs) and Integrated Development Regions (RIDE) in Brazil. The first nine MRs were institutionalized by the federal government in the 1970’s and the remaining was created in the 1990’s through initiatives of state governments. These Metropolitan Regions differ in their capacities of vertical and horizontal articulations and of public participation. Extremes are still present in the MRs, being social, economic, population density, inter-municipal, which affects the issues mentioned in the introduction of this research paper. The major structural constraints confronting metropolitan areas include the lack of necessary governing structures and fiscal powers.

Inter-governmental articulations and public participation

During the mid-1990’s, new arrangements in the management of metropolitan regions in Brazil began to arise. With the end of the military regime and the ‘neo-local’ perspective that dominated shortly after 1988, the policy arena was revitalized with both the emergence of new actors and the re-definitions of roles played by classical actors (Azevedo and Mares Guia, 2010a). The restoration of democratization in the country opened up important venues for new democratic experiences. A legal reform movement took place throughout the 1990’s when social
movements and NGOs, reunited under the umbrella of the ‘National Forum of Urban Reform’, kept pressing for the approval by the National Congress of a federal law governing urban development and policy, regulating the original chapter on urban policy introduced by the 1988 Federal Constitution and thus clarifying the outstanding legal problems (Fernandes, 2007). After more than 10 years of an intense negotiation process, in 2001 a Federal Law entitled ‘City Statute’ was enacted which

confirmed and widened the fundamental legal-political role of municipalities in the formulation of directives for urban planning, as well as in conducting the process of urban development and management (Fernandes, 2007).

Two other legal urban frameworks have emerged from the 1990’s: Participatory Budgeting which started prior to the 2001 City Statute and aims to generate wider participation of citizens in matters of funding urban management. The Public Consortia Law, enacted in 2005, aims to regulate mechanisms of intergovernmental cooperation and promote articulations in horizontal and vertical partnerships.

Public Consortia Law

A consortium establishes an equal inter-municipal relationship preserving decision and autonomy from each local government, with no hierarchical subordination to one of the partners or to the managing body (Abrucio, Sano and Sydow, 2010).

Intermunicipal consortia in Brazil began as a horizontal and bottom-up association model which opposed the top-down institutional beginning of the Metropolitan Regions, characterized by forced association. Spink (2005) notes that inter-municipal consortium is an agreement to cooperate on a common issue such as pool resources or build a hospital that will serve the municipalities involved or to share responsibility for watershed and river management. The first experiences came in the 1960’s, state of São Paulo, Consortium for Social Development of the region of Bauru and, in the 1970’s, the Consortium for the Development of the Paraíba [river] Valley. São Paulo would also be the testing ground of the first inter-municipal health consortium in the 1980’s (Cruz, 2002 in Spink, 2005). It should be observed that the creation of consortia from the 1960’s to the 1980’s were a sporadic type of institutional arrangement. Consortia started having a first boom in São Paulo with a deliberate strategy of decentralization of the state
government. In the 1990’s the state government of Minas Gerais made a similar process but specific to the area of health (Abrucio et al, 2010).

The 1988 Constitution already envisioned the public consortia and this theme has perpassed in other constitutional emends, but in 2005, the Consortia Public Law was approved and it is a significant milestone for many forms of intergovernmental and consortia collaboration which have increased within the country. This law represents significant progress, most importantly because it addresses the legal precariousness of existing consortia, up to that point governed by private law (Palhano, Fraga and Wojciechowski, 2010).

There is a variety of partnership themes which the consortia in Brazil cover, as a voluntary cooperation action among municipalities, which were on course before the enactment of the Law: education, social housing, acquisition and/or use of machines and equipment, water supply services, sewage services, public sanitation, garbage collection, waste sorting, collection of construction and demolition waste, collection of hazardous waste, waste treatment or final disposal, data processing and service in the area of health (IBGE, 2001). Actions on cultural and sports area, information technology, regional planning, training management, agricultural production and food supply, works and infrastructure, environmental protection and tourism has been registered in recent years (Dias, 2010).

In Brazil, experience with intermunicipal consortia is most developed in the case of health care. Nearly 41% of the municipalities with population above 5000 inhabitants participated in such consortia in 2009, against just over 16% in the case of urban planning and development, about 11.5% in the case of education and about 4% in the case of transport (IBGE, 2009).

Some actions towards consortia have been increased from an induction process of the federal and states government. Abrucio et al (2010, p.31) note that actions from the Ministry of Environment, since 2007, have been towards supporting states and municipalities in the formation of intermunicipal consortia in solid waste collection and destination. From 2011 support was given to intermunicipal consortia and metropolitan regions which will host the World Cup in 2014. The Ministry of Social Development supported the implementation of
Security and Local Development Consortia (CONSAD), which reached the number of 40, in 2008.

In order to provide the variety of information of intermunicipal consortia established recently in Brazil, a Observatory of Public Consortium and Federalism (OCPF), was created in August 2011 by the National Front of Mayors (FNP), the United Nations Program for Development (UNDP) and Caixa Economica Federal. The proposal is to monitor the implementation process of consortia, develop strategic reflections on federalism, follow the development of the regulatory framework on the matter, making documents available on public consortia. Until August 2012, 16 bulletins from that Observatory were published, with information on meetings of that institution and seminars, but lacked the initial items listed in the proposal.

Despite few incentives for municipalities to enter consorciation from the federal and states government, in some areas, consortia developed more, as to health, environment and human development, but still insufficient towards the intermunicipal issues. Due to the mechanisms still current of the bidding wars, Abrucio (2005) points out that instead of a cooperative vision, a game is evident which municipalities compete for public funds from other levels of government, fighting in a predatory way for private investments. The author highlights the importance of a federal coordination.

**Participatory Budgeting**

What has become known as ‘participatory budgeting‘, hereinafter called PB, in Brazil stems from an initiative taken by local governments which began in 1989 with the metropolis of Porto Alegre. Although a top-down governmental initiative, it is decided locally and organized in different local formats. However it can be considered a bottom-up process, as any citizen can participate.

The main objective of PB is to put members of the local community together to participate in the budget writing process and to decide on the allocation of a given amount of resources, generally destined for infrastructure in poor areas (Souza, 2005). This process of conjoint decision, through local community representatives and local governments actually
incorporates citizens to decide on the final allocation of public investment in their cities on a yearly basis (Souza, 2005; Avritzer, 2010).

An historical analysis of PB results elaborated by Cabbanes (2004), three stages are identified. The first, dating from 1989 to 1997, was marked by experimentation, first occurred in Porto Alegre and in other few cities such as Santo André (Brazil), and Montevideo (Uruguay). The second stage, the ‘Brazilian spread’, corresponds to the period from 1997 to 2000, when more than 130 Brazilian municipalities adopted the model, with marked variations. The third stage, from 2000 to the current day, is a stage of expansion and diversification outside Brazil – Latin America and European cities which have adopted existing models, generally with significant adaptation.

The model of Porto Alegre, the best known example of participatory budgeting practice has inspired other models in Brazil. Angeles (2010) in her research from other authors points out that participatory budgeting is successfully practiced in 250 cities and municipalities around the world, which includes 130 Brazilian cities that adopted various versions, data of 2004. For Avritzer (2010) the spread of PB across Brazil was due to the Worker’s Party (Partido dos Trabalhadores-PT) governed municipalities and its further expansion under ‘PT’s influence map’. The rate of continuity between participatory budgeting programs from 2001-2004 to 2005-2008 is high: 61 percent. Forty-five percent of continuity occurred in cities with more than fifty thousand residents, slightly greater than the 41 percent share of participatory budgeting cases during 2005-2008. From 1989 to 2004, 269 municipalities in Brazil registered some experience with PB.

Avritzer (2010) observes that

the key lesson to be learned from the spread of participatory budgeting in Brazil is that local political actors took the initiative given their perceptions that participatory budgeting would provide some type of benefit to their municipality (Avritzer, 2010).

PB is not established by decree and there is no law that institutionalizes its operational frameworks and channels of citizen participation. It is primarily an instrument of empowerment and social inclusion as participation and social impact are the most important dimensions (IADB, 2005).
The process has been systematized in terms of its institutional framework, cycle and discussion methods by many local and state governments in Brazil. Wampler and Avritzer (2004) argue that participatory budgeting programs create public decision-making formats that enable citizens to engage in policymaking. The authors explain that PB institutions explicitly seek to enhance accountability, curtail corruption, end arbitrary allocation of public resources, and overcome the disempowering legacies of clientelism.

According to Angeles (2010) there is still little analysis of how the Public Consortia Law may capitalize on Brazilian cities’ experiences with participatory budgeting and solidarity economy to create public consortia between municipalities and other levels of government. On doing so, these two mechanisms of intergovernmental articulation and public participation can “promote more effective and collaborative forms of regional governance to address urban poverty, social exclusion and social inequality” (Angeles, 2010).

Governance models and metropolitan management: Belo Horizonte and Salvador

A comparative research is pursued in this section within two metropolitan regions in Brazil as to their metropolitan management and institutional arrangements. These two MRS were institutionalized in the 1970’s in a top-down model. From the mid 1980’s they went under pressure from transformations of the urbanized spaces as a result of forces of globalization and reorganization of the productive economic structure tending to fragmentation. The two metropolitan regions respond as the third and the fourth largest in the country, in demographic terms, after São Paulo and Rio de Janeiro. Each responds differently towards the challenges of new territorial and competitive role of metropolitan areas while applying tools that promote intergovernmental articulation and public participation.

_Belo Horizonte Metropolitan Region (RMBH)_

Belo Horizonte, capital of the state of Minas Gerais is located in the well developed and industrialized southeast region of Brazil. The metropolis of Belo Horizonte is a central city for the Metropolitan Region which is composed of 34 municipalities. The total population of the
MR is 5.4 million (IBGE, 2010) and Belo Horizonte center and sub-centers concentrates 48% of this total. A strong polarization in relation to other metropolitan municipalities is played by Belo Horizonte with concentration of areas of commerce and services. According to Machado (2009, p.124) concerning the interest of the 34 municipalities which compose the RMBH, it is very heterogeneous in economic and demographic terms. Three municipalities, Belo Horizonte, Contagem and Betim, concentrate, 87% of the IGP of all the MR where the majority of the industrial parks in the metallurgical, automobile, petrochemical and food sectors are located. The mineral extractive industry has a major participation in the MR.

Metropolitan management and planning had a first period in the beginning of the 1970’s, even before the legal institutionalization. The rapid industrialization and population increase of the municipality of Contagem demanded an urban planning office in that city, in 1967 (Fernandes, 2011). With the institutionalization of the metropolitan regions in 1973, by the federal government, each metropolitan region had a planning agency, and in RMBH it was the Planning Authority of the Metropolitan Region of Belo Horizonte - PLAMBEL (Planejamento da Região Metropolitana de Belo Horizonte), which was invested with much prestige, power and resources acting like a super municipality (Fernandes, 2011).

By the 1980’s, redemocratization, economic crisis and lack of federal resources which led to value municipalism. PLAMBEL agency began a political decline from 1987, culminating in its extinction in 1996, marking the second period. Meanwhile some alterations occurred in the administrative structure of the metropolitan region when in 1989 metropolitan issues were under the responsibility of the Metropolitan Assembly – AMBEL. Fernandes (2011) affirms that Ambel did not represent any advances in planning and metropolitan management. Azevedo and Mares Guia (2010c) argue that AMBEL is a result of a neolocalist ideology which would not take into account the correlation of forces among the involved actors within the metropolitan management, giving primacy to municipalities. However, the participation of the municipalities in the Assembly became weaker as time went on. Essentially, the economically predominant municipalities stopped participating, making the decisions of the Assembly irrelevant.

Indeed the municipalities of the RMBH began with 14 member municipalities in the 1970’s and after the 1988 Constitution gradually grew until finally in 2002, to 34 member
municipalities. Some member municipalities are as distant as 60-80km from the capital centre with no apparent operational link with the capital city (Palhano et al, 2010).

A third period corresponds to metropolitan issues being in the decision-making arena of the state government. In 2003, with changes in political elections for state governor, and in 2004 for mayor of the city of Belo Horizonte, an administrative reform was made at the state level with the support of the local level (Machado, 2009, p.98). The increase of social and infrastructure problems which resulted from the institutional disarticulation of RMBH was an important factor to legitimate, from 2003 on, the return of state participation in metropolitan governance (Pires, 2010). This innovative institutional arrangement happens to be – in terms of policy – a national reference for discussion of metropolitan issues (Azevedo and Mares Guia, 2010c). Pires (2010) describes this metropolitan structure:

The State Constitution adopted a hybrid institutional model, which mixed a top-down approach, i.e., the organization of the metropolitan region by the state, independently of the municipalities, with a ‘concerted approach’ (concertação) to decision making. In a concerted approach, there is provision for only a nominal space for the metropolitan region city core and a marginal representation for the state in the decision-making processes regarding metropolitan issues.

The third period of metropolitan management and planning of RMBH is a recent one, when in 2004, the metropolitan management structure was modified and new agencies and management tools were defined. Prior to that in 2003, the Secretariat of Regional Development and Urban Policy- SEDRU was created by the state with similar powers to those of the Ministry of Cities, established by the Federal Government at the same time (Machado, 2009, p.45). From 2006, a new legal framework through a system of organizations was established for the metropolitan region based on a tripod: the Metropolitan Assembly, the Metropolitan Development Deliberative Council and the Metropolitan Development Agency. A complex system was reinforced with other institutional agencies: State Metropolitan Governance Group, RMBH Metropolitan Forum, Association of RMBH Municipalities and Mineiro Forum for Urban Reform. In 2009 with the establishment of the Metropolitan Development Fund, a Metropolitan Plan for the RMBH (Plano Diretor de Desenvolvimento Integrado da RMBH) was elaborated in 2009/2010 and until 2011 was in process of approval by the metropolitan agencies and discussion with civil society.
It is interesting to note what these agencies represent and innovative aspects of part of them. The Metropolitan Assembly - AMBEL, inspired by the Paris metropolitan parliament (Pires, 2010), is highest-ranking decision-making body and represents the municipalities of the MR. Until 2010, the meetings did not have a significant presence of the majority of its 73 members (Dolabela and Drummond, 2010). The Deliberative Council is a collegium and has representatives of the state, municipalities and civil society. The participation of this latter segment representatives consisted in an innovative change in this new arrangement. The Metropolitan Agency was established as a technical and executive ‘territorial autarchy’ (Pires, 2010). A major obstacle to the performance of such agencies in the Brazilian federation is the fear of municipal mayors to lose their authority in the face of metropolitan authorities, which was mitigated with the procedure for electing the chief administrator of the autarchy.

A tool for metropolitan planning, the Metropolitan Plan was prepared with the institutional coordination of SEDRU and the Metropolitan Agency by university-based research institutions, in collaboration with the Deliberative Council, and is required to reflect the directives established by the Metropolitan Assembly (Pires, 2010; Fernandes, 2012). Another metropolitan planning tool, the Metropolitan Fund it is difficult to operate, due to requirement for consent of the municipality which has to be made an intervention. This Fund will probably be applied to initiatives of a more general nature and with metropolitan impact (Azevedo and Mares Guia, 2010).

Consortia in RMBH

Prior to the urban legal frameworks of Consortia Law and Participatory Budgeting, Belo Horizonte had very few neighborhood associations until 1970. From the late 1970’s to the mid-1980’s the pattern changed due to the political opening in the country and the end of the authoritative federal government. By the late 1980’s, Belo Horizonte already had close to 500 neighborhood associations (Avritzer, 2009). With the decline of the military government in Brazil between 1978 and 1985, a number of voluntary associations resurged in the country, whereas in Belo Horizonte the number tripled in the 1980’s. Mostly, neighborhood organizations, which increased from seventy-one to 534 (Wampler and Avritzer, 2004).
The increase in the number of associations was accompanied by important changes in their strategic behavior. These new patterns included greater citizen participation, demands by new associations for material benefits such as neighborhood improvements, and associations dealing with post material demands such as environmental protection and human rights (Wampler and Avritzer, 2004).

Still the horizontal links and intergovernmental voluntary cooperation are still incipient. There are 6 intermunicipal consortia registered within the RMBH. Two are health consortia, one involves Belo Horizonte and six municipalities launched in 2011, and another around the region of Betim. Two other were created in 2009; one is a consortium for solid waste management formed by the municipalities of Betim and eight others with the aim of implementing and operationalizing a sanitary landfill for the correct disposal of solid waste. The Consortium of COM-10 Sustainable Development is an Intermunicipal Consortium of ten municipalities of the North Vector of the RMBH which has the objective of solving common problems in the Ribeirão da Mata sub-basin such as environmental preservation and revitalization and strategic socio-economic development. This Consortium was defined as a priority by the state government due to its unequal conditions compared to other municipalities of the RMBH.

*Rede 10* is another consortium which is formed by the city of Belo Horizonte, along with nine other core municipalities. Launched in 2009, it has recognition as a network of horizontal collaborative governance and as a metropolitan governance tool (Gomes, Chelles, Oliveira, 2010). The vision of the Rede 10 is based on consensus building, public cooperation, and the involvement and commitment of all member municipalities.

The resolutions defined by consensus in thematic group meetings range from immediate actions, such as strategies to cope with the dengue epidemic and improvements to emergency care systems, to the establishment of a Permanent Metropolitan Tax Forum, with objectives to exchange information and harmonize the municipal tax collection system (Gomes et al, 2010).

In particular, the collaborative dynamic of the *Rede 10* led to the decision to create training programs for managers that would develop an understanding of the concepts, principles and roles of metropolitan regions and their capacity to manage these urban regions. A vision statement that put forward a Charter of the Principles of Collaboration and a proposal for a
Network Management Model help to create a vision of a ‘Metropolitan City’ (Gomes et al, 2010).

A fifth consortium is in the field of social policies, the Regional Consortium for the Promotion of Citizenship Mulheres das Gerais, which has become an important methodological reference on how to create consortia to help address problems of social exclusion (Pires, 2010). The municipality of Belo Horizonte, along with three other municipalities all within the RMBH, decided to explore the formation of a consortium focused on the issue of gender violence. The four municipalities did sign a National Pact for Women’s Policies from the Federal government and had already dealt with gender as its theme for social action. This pact orientates the work plan for that regional consortium. The Consortium Implementation Plan that guides the distribution of resources among the consortiated municipalities has established some strategies that are fundamental for breaking the cycle of violence against women (Azevedo and Mares Guia, 2010).

Participatory Budgeting in RMBH

The two most well known experiences with Participatory Budgeting- PB in Brazil are the cities of Porto Alegre and Belo Horizonte, although the former had more visibility and international recognition than the latter. The leftist party Partido dos Trabalhadores-PT was the leading party of a leftist coalition in the 1992 election for mayor in the city of Belo Horizonte. Souza (2001) explains that in the 1996 election, the PT lost its leadership to the PSB (Brazilian Socialist Party). Nevertheless, it quickly became the dominant faction of the governing coalition and has kept its leadership in PB.

Besides the city of Belo Horizonte, other 10 cities in the RMBH, out of 34, have institutionalized PB as a public participation tool, according to information registered from the local governments until July 2011 (Carneiro, Brasil, Almeida and Barbosa, 2011).

Some interesting information and innovations on PB in Belo Horizonte: fifty percent of the city’s capital investment budget is divided equally among the nine PB regions. The other fifty percent, also allocated through the PB, is targeted to improve conditions in communities where the quality of life is low. The municipality computes regional quality of life indicators to
determine the budget envelope for each region (IADB, 2005). The themes in Belo Horizonte for PB are housing, sewerage, street paving, shantytown urbanization, health and education (Souza, 2001). The first participatory housing budget -PHB implemented in Brazil was in Belo Horizonte, 1995, which made it possible for the population to decide how the resources would be applied for housing construction (Carneiro et al, 2011). It is a contribution to solve an old and complex issue in Brazil, the high housing deficit. The PHB process is open and transparent and participation gives access to home ownership albeit with some delay. It is worthy to note that land invasions have declined precipitously, and there have been no land invasions during the past 3 years (IADB, 2005). The Digital Participatory Budgeting, introduced in 2006, is another innovation of the municipality to expand popular participation in decision-making when people can participate in making choices online, voting on projects not only for a sub-region but for the whole city (Prefeitura de BH, 2008).

PB in Belo Horizonte is based on a cycle which in every two years the local government invites the population to the opening of the PB. The budgeting process adopted in 2002 has a two-year capital investment which on the first round is the publicizing of PB when regional plenaries take place. In that occasion the municipality presents budget resources, recommendations and technical regulations. Community associations meet to discuss the budget and complete a survey distributed to the participants. The second round sub-regional plenaries occur in a subdivision of the nine large administrative regions, PB regions. In this stage budget demands derived from the surveys are presented and PB delegates are elected for the Regional Forum of Budget Priorities (Souza, 2001; IADB, 2005; Avritzer and Cambraia Vaz, 2009). So these first two stages there is a significant citizen participation in the decision making process.

The next stage, Priority Caravans, the elected delegates visit the sites where 25 works were pre-selected and approved in the second round, to have a broader vision and assess needs of each enterprise. A Regional Priority Forum comes next when delegates prioritize 14 enterprises for each PB region. The final stage is the Municipal Priority Forum when delegates submit the Regional Capital Investment Plans and Housing Investment Plans to the Municipality (IADB, 2005). These final stages the decision making process is directed to the elected delegates and municipality.
The Participatory Budgeting process Belo Horizonte occurs in a systematic way with transparency and the enterprises approved are implemented, executed by the municipality and used by the population of the specific regions which they were destined. From 1993 to 2008, 374,302 citizens participated in assemblies and community meetings and decided upon the construction of 1,193 enterprises, schools, health centers, cultural centers, leisure spaces, housing and infra-structure (Prefeitura de BH, 2008).

Salvador Metropolitan Region (RMS)

The city of Salvador, capital of the state of Bahia is located in northeast Brazilian region which is dominated by mono-agriculture, little industry but polarized in the states capitals and intense poverty. Salvador Metropolitan Region - RMS has a population of nearly 3.6 million (IBGE, 2010), Salvador being the main municipality, concentrates 75% of the population of the MR. MRS polarizes the other 12 municipalities as a commercial and financial center, services, health and education centers. From the 1990’s the city of Salvador and its metropolitan region has been inserted in a major network node of national tourism which causes the local administration to ensure the interests of the various fractions of private capital (Dias, 2005). The municipality of Camaçari, second in population after Salvador, has a petrochemical pole (Polo Petroquímico de Camaçari) and some firms such as Ford and Monsanto, result of their location from the bidding competition between states, called ‘fiscal war. Three other municipalities have petrol industries and exploration or subsist on fishing and tourism. The municipality of Lauro de Freitas is expanding, conurbrates with Salvador and has a dynamic commerce and services. In 2008, the RMS had a participation of 50% of Bahia State IGP.

As in Belo Horizonte Metropolitan Region, the RMS had initiated its planning and management before the 1970’s, in Bahia, the state government created the Recôncavo Development Company, based in Salvador and CONDER - Conselho de Desenvolvimento do Recôncavo, established in 1967, with the objective of formulating strategies for the development of 37 municipalities at the Reconcavo sub-region, and a council composed by representatives of government levels, worker’s and entrepreneur industry federation and financial institutions. With the institutionalization of some state capital metropolitan regions in 1973, a new CONDER was
established by law which became the Development Company of Salvador Metropolitan Region - 
Companhia de Desenvolvimento da Região Metropolitana de Salvador.

The new Constitution of 1988 brought the municipalization and with the economic crisis of the 1980’s in course, the withdrawal of the federal government in metropolitan issues and other factors already mentioned, made CONDER lose its legitimacy. The financial resources ceased from the federal government, but in the 1990’s almost all the most important interventions in the city of Salvador were developed and carried out by CONDER, turning to be a super municipality parallel to Salvador local government (Fernandes, 2012). Fernandes(2012) notes that CONDER since its creation always competed with Salvador local government as to metropolitan planning and management.

At the end of 1990’s CONDER has expanded its competence and coordinates all the development, urban, metropolitan and housing policies of the state of Bahia. In 1998 CONDER was known as the Urban Development Company of the State of Bahia. Presently CONDER is linked to the Urban Development Secretary – SEDUR. By 2007 SEDUR resumed its planning efforts on the RMS, assuming the role of municipalities, with the participation of government and civil society organizations and the challenges of consolidation of a metropolitan identity, a shared management and construction of a development plan for the region.

It should be noted that the actions of CONDER in the urban management of the city of Salvador is due to the political use of that institution during the 1990’s by the political party PFL- Liberal Front Party (Partido da Frente Liberal) with the leadership of Antonio Carlos Magalhães which was of great influence for the company. Although in theory RMS had a metropolitan council, in practice CONDER managed the RMS.

As mayoral elections in Brazil were reestablished in 1993 and Salvador’s elected administration lay in the choice of a mayor supported by coalitions of the left-of center, its platform established experiments in governance by encouraging greater participation through partnerships among the private and public sector, and reducing inequality in social policies (Boschi 2003). The political elites from the state government, which represented another political party coalition, had constant conflicts with most local initiatives which were suppressed. The persistence of vertical clientelistic relations tended to fragment loyalties and commitments, even
in 2004, when an opposition candidate of the Democratic Labor Party (PDT) was elected mayor of the state capital, Salvador, traditional forces from the Liberal Front Party in the state of Bahia still controlled the state and therefore the state planning and management agency. Under heavy influence of the politician Antonio Carlos Magalhães whose control is over the largest media vehicles of Bahia state (Reiter, 2008).

Consortia in RMS

A number of ten intermunicipal consortia were found to be registered in the state of Bahia (SEDUR, 2012). There are other consortia in the state and in the RMS municipalities which are listed in IBGE data from 2001, but there are no indications of their continuation until the present time. The Secretariat of Urban Development of the state of Bahia, SEDUR in 2011 stimulated public consortia in the state of Bahia promoting an appeal from the Ministry of Environment through an edict on the same year. The call was directed to states, cities of metropolitan areas that will host the 2014 FIFA World Cup and Public Consortia to develop intermunicipal plans of solid waste (SEDUR, 2012).

The Consórcio Intermunicipal do Vale do Jiquiriçá is formed by 25 municipalities and evolves on environmental issues in Jiquiriça Valley, 150 km away from the city of Salvador. Although its headquarters is in Salvador, none of the 12 municipalities are part of this consortium. Consórcio Intermunicipal do Recôncavo Baiano – CIRB, is formed by 28 municipalities, and three of them are part of RMS. Institutionalized in 2005 the consortium has as objectives to promote the strengthening and development of the municipalities that make up the hollow to seek investment purposes, in addition to raising funds spheres of state and federal government. Some priorities of the municipalities of this consortium are identification of the capacities of the municipalities, touristic particularities, sanitation, health equipment, alternative energy, urban equipment, integrated master plan, technical and vocational schools, environmental and public security issues. Consórcio Costa dos Coqueiros is formed by 12 municipalities and six of them are part of the RMS. Created in 2002, it started with 5 municipalities in an extension of 200 km of coastline. Within the priorities of most
municipalities of this consortium are public security, environmental recuperation, sanitary landfill and capacitation of human resources towards sustainable development management.

Participatory Budgeting in RMS

Civil society organizations in Salvador and in Bahia are less developed than other civic traditions in Brazil and have been historically weak. Experiences of public administration seeking to implement the "participatory approach" (Milani, 2005 in Milani, 2006) are quantitatively less significant when compared with the south and southeast regions of the country (Milani 2006). During the democratization period large new associations emerged, focusing overwhelmingly on racial issues. One of them is Olodum Cultural Group which aims’ include raising black pride and identity, as well as improving living conditions in the Maciel-Pelourinho area in downtown Salvador (Avritzer, 2009).

An experience with the elaboration of the Master Plan of Salvador (Plano director de desenvolvimento urbano- PDDU), which began in 1999 reveals that public participation in that case occurred in some moments. As the Statute of the City determines discussion of the Plan with the communities of the city, the case had to have intercession from the State prosecutor (Milani, 2006).

With regard to participatory budgeting, Bahia had in the period 1997-2000 a single case of PB, in the city of Vitória da Conquista. Political mandates beginning in 2005, other municipalities as Lauro de Freitas and Salvador announced the launch of PBs (Milani, 2006). In Salvador, as soon as the new mayor took office, in January 2005, he took several policy measures towards a more participative democratic regime, namely, instituting a process of participatory budgeting and participatory urban planning (Reiter, 2008).

Salvador is divided in seventeen Regional Areas with the purpose of administrative decentralization and optimization for execution of projects and services of local interest. Participatory Budgeting found some difficulties to be put in action as these regional units had no budget autonomy. Contrasting with the city of Belo Horizonte, in Salvador some problems emerged due to articulation between planning and budgeting and the absence of an effective administrative decentralization within the municipality (Boschi, 1999). Another difficulty for the
implementation of PB in Salvador is the destination of the resources, 27% of the available resource is destined to the PB investments which corresponds to 10% of the municipality budget (Boschi, 1999).

In the last 12 years the picture of PB in Salvador has not made significant advancements. Each mayor election, every four years, the candidates put PB in their program. Once elected, PB is not included as a priority. Milani (2006) argues that in the regional areas, where the population should be listened to, there is an absence of institutionalism as frequency of reunions, clarity of the participative cycle. The maintenance of an emergency and care profile and the offer of services (tree trimming, lighting, slope retention during the rains, garbage collection and cleaning, painting curbs) do not make justice to a program that can reap the benefits of collaborative governance.

Concluding remarks

The two metropolitan regions were institutionalized in 1973, in a top-down model by the military regime and both MRs had embryonic experiences on planning and managing metropolitan groups at the end of the 1960’s. The hollowing out of this structure was accelerated by the retreat of the federal government from metropolitan issues leaving for the states to institutionalize the metropolitan regions. The flow of financial support to the metropolitan regions ceased to come. After the new Constitution of 1988 and the end of the dictatorship centralized government, municipalization was brought into discussion.

The municipalization period was marked by redemocratization, direct elections for mayors in all municipalities, combined forces of neoliberalism and globalization, and empowerment of municipal governments. The fiscal war, a result from the competition between municipalities to offer fiscal advantages to industries and firms was stronger in Salvador Metropolitan Region- RMS than in Belo Horizonte Metropolitan Region- RMBH.

The planning and management institutions such as AMBEL (Belo Horizonte Metropolitan Region- RMBH) and CONDER (Salvador Metropolitan Region- RMS) still exist but have passed through several changes including a decline period when an institutional vacuum for metropolitan policies took place. The municipal autonomy and decentralization was preponderant to that almost extinction of these metropolitan management organisms.
RMBH responded to those changes through a legal and institutional restructuration of its metropolitan management and planning which occurred in 2004 and was consolidated in 2006. RMBH has more autonomy before the state government and political parties compared to RMS. The new actor in RMBH is the involvement of civil society and mechanisms of cooperation.

On the other hand RMS has not a strong tradition of independent and deliberative association life. Civil society in Salvador has few arenas and mechanisms to participation, mostly because of the dominant trends within its political society, marked by a regional political culture based on corporative and clientelist structures. It also demonstrates a relative absence of a mature institutional framework of metropolitan governance.

Consortia in RMBH were a response to break the self centered municipal action. Although still in its beginning, there is a potentiality to promote more horizontal cooperation and include participation of representatives in its management model. PB responds in part to that, as the success of PB is linked not only to the political will of the public manager with regards to its implementation, but, mainly, for its functioning and maintenance over time. The timing cycle for the realization of the program and decentralization of the program execution are some of the positive aspects of PB in RMBH.

The main shortcomings of Salvador’s participatory budgeting are that effectively it did not happen in impacting results. There is no systematization and transparency of the process and the rejection of an evaluation by the local government in the last years have made little progress towards an effective implementation. As to Consortia in RMS, the two mentioned, have a systematization of their process, with clear objectives and involves cities in RMS and others which are not from the metropolitan region and partake the same interests.

In this way, it is possible to say that a coordinated structure of metropolitan management, mechanisms of intergovernmental and administrative cooperation along with public participation tools in a metropolitan region governance agenda consequently contribute to collaborative governance.
References


