Metropolitan Regions in Brazil: sharing a federative governance experience

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Brazil – Latin American
1. Brazilian Federal Structure

- **Union (president)**
- **27 States (governor)**
- **5,569 Municipalities (mayor)**

- **Autonomous entities**
- **Direct elections for heads of government and legislative houses**

- **Total area:** 8.5 millions sq Km²
- **Total population:** 190.7 millions
- **Urbanization:** 88.4%
- **GDP 2010:** US$ 2.2 trillion*
- **GDP per capita:** US$ 11,660* (IBGE, Census, 2010)

* Considering US$ 1.00 = R$ 1.67 (Banco Central do Brasil, 2010)
## 1. Brazilian Federal Structure

### National Federation (1822-1988)

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>Number of Created Municipalities</th>
<th>Total number of Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Até 1822 (Colonial)</td>
<td>177</td>
<td>177</td>
</tr>
<tr>
<td>1824-1890</td>
<td>700</td>
<td>877</td>
</tr>
<tr>
<td>1891-1933</td>
<td>473</td>
<td>1.350</td>
</tr>
<tr>
<td>1934-1936</td>
<td>81</td>
<td>1.431</td>
</tr>
<tr>
<td>1937-1945</td>
<td>218</td>
<td>1.649</td>
</tr>
<tr>
<td>1946-1966</td>
<td>2.236</td>
<td>3.885</td>
</tr>
<tr>
<td>1967-1987</td>
<td>235</td>
<td>4.120</td>
</tr>
<tr>
<td>Após 1988</td>
<td>1.449</td>
<td>5.569</td>
</tr>
</tbody>
</table>

* Considering US$ 1.0 = R$ 2.00 (Banco Central do Brasil, 2012)
1. Brazilian Federal Structure

• Federal Government Public Budget: Brazil, 2013: US$ 1.2 trillion*

• 24.7% of Brazilian’s GDP

• 88.4% - Compulsory Expenses (Constitutional Transferences)

• US$ 120 billion – discretionary expenses
  - 34% health care
  - 18% Acceleration Growth Program (PAC)
  - 16% education
  - 13% Brazil without Poverty

• PAC – US$ 26 bi
  - transport/logistics - US$ 9.5 bi
  - housing – US$ 6.9 bi (My House My Life)
  - World Cup/Olympics – US$ 1.0 bi

* Considering US$ 1.0 = R$ 2.00
(Banco Central do Brasil, 2012)
# 1. Brazilian Federal Structure

<table>
<thead>
<tr>
<th>Competence / Federative Entities</th>
<th>EXCLUSIVE Administrative (Art. 21 CF)</th>
<th>PRIVATIVE Legislative (Art. 22 CF)</th>
<th>CONCURRENT Legislative (Art. 24 CF)</th>
<th>COMMON / HORIZONTAL Administrative (Art. 23 CF)</th>
</tr>
</thead>
</table>
| Union                           | • International Relations  
• National Defense  
• Elaborate and execute National and Regional Territorial Ordering and Development Plans  
• Define general guidelines to housing, transport and sanitation development  | Civil, Commercial, Criminal, Procedural, Electoral, Agrarian, Maritime, Aeronautical, Labor, Social Security, National Transport Guidelines, Traffic and Transport, Education Guidelines, Bidding and contracts guidelines  | General Laws and Guidelines on:  
Tax, Urbanism, Prisons, Economy, Finance, Environment conservation, Historical heritage protection, Education, Culture, Childhood and youth protection, Public advocacy, Social Security and Health, Persons with special needs, Civil Police  | There is no subordination  
• Watch over the Constitution, democracy and public heritage  
• Public Health  
• Social Security  
• Cultural, artistic and historical heritage  
• Environment  
• Culture, Education and Science  
• Agrarian Production  
• Food supply  
• Social Housing  
• Fighting poverty  
• Traffic education  
• Monitoring of natural resources |
| States                          |                                    | The Union can delegate to the States  | Specific Laws on the same subjects  |                                                |
| Municipalities                  |                                    |                                   |                                   |                                                |
1. Brazilian Federal Structure

Other entities’ responsibilities expressed in the Federal Constitution:

- **States** (Art. 25 FC).
  - Define, by complementary law, metro-regions, urban agglomerations and micro-regions to promote the integration between the planning and the executing of public functions of common interest

- **Municipalities** (Art. 30 FC)
  - Supplement Federal and State laws
  - Organize or provide local public services, including public transport
  - Elementary education (in cooperation with the Union and States)
  - Public health services (in cooperation with the Union and States)
  - Promoting territorial planning by land use and subdivision control
2. Metro-Regions’ Genesis

First Period – Before 1988

• Context
  – Economic
    • Industrialization
    • Great economic growth from the mid 1960s to 1970s
    • Inflation and recession during the 1980s
  – Political
    • Military Dictatorial Government (1964-1985)
    • Low social participation in public policies
  – Social
    • Tremendous growth of social inequality
    • Urbanization and formation of metropolitan spaces
  – Public Management
    • Centering on Federal Government
    • Technocracy
    • National Plans for Economic Development
2. Metro-Regions’ Genesis

First Period – Before 1988

• 9 Brazilian Metropolitan Regions were formerly established by the Complementary Federal Laws Nº14 in 1973 and Nº20 in 1974*
• Definition of common services (public functions of common interest)
• Facilities to access federal resources and financing
• Linkage between the strategy of creating MR and the II National Development Plan (Federal Law 6.151/1974)

Institutional Design

• Specific State Management Institutions (were created after 1973)
• Deliberative Council - appointed by the state governor.
  Functions:
  – promoting the integrated development plan of the metro-region
  – programming of common services
  – coordinating the implementation of programs and projects
• Advisory Council – composed by representatives of municipalities.
  Functions:
  – opine, by deliberative council's request, on metropolitan issues
  – Suggest regional plans and measures concerning the implementation of common services.
• Fund – Specific for Metro-Regions development
  – Implemented and managed by states

* São Paulo, Belo Horizonte, Salvador, Recife, Porto Alegre, Curitiba, Belém, Fortaleza and Rio de Janeiro
2. Metro-Regions’ Genesis

2nd Period – After the 1988 Federal Constitution/Nowadays

• Context
  – Federal Constitution of 1988
    • The States are responsible for Metro-Regions establishment and management
  – Economical
    • Recession during the 1980s and the 1990s
    • Inflation control from the middle of the 1990s
    • Economic growth from the 2000s
  – Political
    • Consolidation of democracy (presidential elections in 1989);
    • Increase of social participation, especially in the municipalities
  – Social
    • Decrease of poverty, especially from the 2000s
  – Public Management
    • Increase of municipalities autonomy (Statute of the City, 2001)
2. Metro-Regions’ Genesis

2nd Period – After 1988 Federal Constitution /Nowadays

• 55 Metro-Regions (2012 balance)
  – established by states considering different concepts

• There is no national standard on the criteria
  – Hypothesis for Metro-Regions established by the states:
    • Facilities to access federal funds
    • Patterning and decrease of public transport tariffs
    • Patterning and decrease of telephone calls tariffs

• 3 Integrated Development Regions (RIDEs) – established by the federal government. These regions are a kind of Metro Region composed by municipalities of two or more different states (Teresina, Petrolina/Juazeiro and Brasília)

• 12 Metropolis – considered by the National Institute of Geography and Statistics (IBGE) due to its spatial and economic features:
  – 1 Big National Metropolis – São Paulo
  – 2 National Metropolis – Rio de Janeiro and Brasilia
  – 9 Metropolitan spaces*

*Belém Horizonte, Porto Alegre, Curitiba, Fortaleza, Salvador, Recife, Belém, Manaus and Goiânia
**Metro-Regions X Metropolis**

55 Metro-Regions established by State laws (2012)

12 Metropolis – considered by IBGE due to its spatial and economic features (2007)

Total population: 93.8 millions (IBGE, Census, 2010)
GDP 2010: US$ 1.6 trillion – 73% (IBGE)
GDP per capita: US$ 17,123 (IBGE)

Total population: 63.2 millions (IBGE, Census, 2010)
GDP 2010: US$ 1.0 trillion – 45% (IBGE)
GDP per capita: US$ 16,483 (IBGE)
Results of the establishment of Metro-Regions by states considering different concepts: heterogeneity

South State Metro-Region in Roraima
- 3 municipalities
- Total population: 12,534
- Area: 17.877 Km²

São Paulo Metro-Region
- 39 municipalities
- Total population: 19,5 million
- Area: 7.946 Km²
São Paulo Metro-Region:
Perimeter established by state law X Perimeter considered by IBGE
São Paulo Metro-Region:
Perimeter established by state law X Perimeter considered by IBGE
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Perimeter established by state law X Perimeter considered by IBGE
### 3. Current Situation

**TABEL: Infrastructure and public services in Brazilian Metropolitan Regions.**

<table>
<thead>
<tr>
<th>Location</th>
<th>Had Electric Energy (%)</th>
<th>General water supply (%)</th>
<th>General solid waste collection (%)</th>
<th>Had bathroom or toilet (%)</th>
<th>Bathroom or toilet connected to the sewage or pluvial system (%)</th>
<th>Bathroom or toilet with septic tank (%)</th>
<th>Population</th>
<th>Degree of Urbanization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brasil</td>
<td>98,7</td>
<td>82,9</td>
<td>87,4</td>
<td>97,4</td>
<td>55,5</td>
<td>11,6</td>
<td>190.755.799</td>
<td>84,4</td>
</tr>
<tr>
<td>Metro-regions</td>
<td>99,8</td>
<td>91,2</td>
<td>97,5</td>
<td>99,7</td>
<td>74,2</td>
<td>9,2</td>
<td>65.046.931</td>
<td>97,6</td>
</tr>
<tr>
<td>Belém</td>
<td>99,7</td>
<td>64,3</td>
<td>95,4</td>
<td>98,7</td>
<td>27,9</td>
<td>31,9</td>
<td>2.101.883</td>
<td>96,9</td>
</tr>
<tr>
<td>Fortaleza</td>
<td>99,6</td>
<td>87,4</td>
<td>94,3</td>
<td>99,0</td>
<td>49,9</td>
<td>15,1</td>
<td>3.615.767</td>
<td>96,1</td>
</tr>
<tr>
<td>Recife</td>
<td>99,8</td>
<td>84,9</td>
<td>94,4</td>
<td>99,1</td>
<td>41,4</td>
<td>16,6</td>
<td>3.690.547</td>
<td>97,3</td>
</tr>
<tr>
<td>Salvador</td>
<td>99,7</td>
<td>97,2</td>
<td>95,2</td>
<td>99,2</td>
<td>81,6</td>
<td>5,2</td>
<td>3.573.973</td>
<td>98,1</td>
</tr>
<tr>
<td>Belo Horizonte</td>
<td>99,9</td>
<td>97,0</td>
<td>97,7</td>
<td>99,9</td>
<td>86,3</td>
<td>2,6</td>
<td>5.414.701</td>
<td>97,6</td>
</tr>
<tr>
<td>Rio de Janeiro</td>
<td>99,9</td>
<td>87,6</td>
<td>97,3</td>
<td>99,9</td>
<td>82,7</td>
<td>7,0</td>
<td>11.835.708</td>
<td>99,5</td>
</tr>
<tr>
<td>São Paulo</td>
<td>99,9</td>
<td>97,8</td>
<td>99,6</td>
<td>99,9</td>
<td>87,3</td>
<td>3,8</td>
<td>19.683.975</td>
<td>98,9</td>
</tr>
<tr>
<td>Curitiba</td>
<td>99,8</td>
<td>94,5</td>
<td>97,5</td>
<td>99,8</td>
<td>74,9</td>
<td>13,0</td>
<td>3.174.201</td>
<td>92,1</td>
</tr>
<tr>
<td>Porto Alegre</td>
<td>99,8</td>
<td>88,7</td>
<td>99,2</td>
<td>99,6</td>
<td>69,7</td>
<td>20,7</td>
<td>3.958.985</td>
<td>97,1</td>
</tr>
<tr>
<td>Goiânia</td>
<td>99,9</td>
<td>83,0</td>
<td>98,6</td>
<td>99,9</td>
<td>50,3</td>
<td>11,8</td>
<td>2.173.141</td>
<td>98,0</td>
</tr>
<tr>
<td>Manaus</td>
<td>98,7</td>
<td>73,1</td>
<td>93,6</td>
<td>98,8</td>
<td>36,4</td>
<td>21,3</td>
<td>2.106.322</td>
<td>93,8</td>
</tr>
<tr>
<td>Ride DF</td>
<td>99,7</td>
<td>89,4</td>
<td>95,0</td>
<td>99,8</td>
<td>63,0</td>
<td>11,3</td>
<td>3.717.728</td>
<td>94,1</td>
</tr>
</tbody>
</table>

Source: IBGE, Census 2010.
3. Current Situation

- Results of “Metropolitan Governance” project
  - Research on 15 Metro-Regions
    - 9 created before 1988
    - 6 created after 1988
  - Institutional Arrangement Analysis

- First results:
  - 46% have specific management institutions (agencies or special state organs)
  - 56% have specific funds for metropolitan development, but just 33% of them are “actives”
  - 73% have deliberative councils, but just 30% of them allow civil participation and there is almost non recent registration of its activities
São Paulo Metro-Region: Health territorial bases

- DR Taubaté
- DR Grande São Paulo
- DR Campinas
São Paulo Metro-Region: Education territorial bases
São Paulo Metro-Region: Sanitation territorial bases

- Secretaria de Abastecimento do Estado de São Paulo (SABESP)
- Companhia de Saneamento de Diadema (SANED)
- Saneamento Básico do Município de Mauá (SAMA)
- Serviço Autônomo de Água e Esgoto de Guarulhos
- Serviço Municipal de Águas e Esgoto - Mogi das Cruzes
- Sanesalvo - Santa Isabel
- Serviço Municipal de Saneamento Ambiental de Santo André

Metropolitan Region
Rio de Janeiro Metro-Region: Health territorial bases

- CRI Metropolitana II
- CRI Serrana
- CRI Centro Sul
- CRI Metropolitana I
- CRI Baia da Ilha Grande

Metropolitan Region
Rio de Janeiro Metro-Region: Education territorial bases
3. Current Situation

State of São Paulo: US$ 86 bi
City of São Paulo: US$ 21 bi
State of Rio de Janeiro: US$ 35 bi
City of Rio de Janeiro: US$ 10 bi

* Considering US$ 1.0 = R$ 2.00
(Banco Central do Brasil, 2012)
There was an institutional metropolization, partially reflecting Brazilian urban network – still concentrated (far from polycentric), but in process of interiorization.

This came with/led to a institutional fragmentation: metropolitan management *per se* became more fragmented – specially if you consider case by case each public function of common interest.

Weakening of metropolitan management.

- 11 states do not define what is a public function of common interest
- Only 10 states have (at least as a institutional design) a system of metropolitan management
- But 16 state laws provides for the creation of Metropolitan Councils
- Just 9 provides for the creation of Metropolitan Funds

Outcomes from the Statute of the City are municipally restricted and the Metropolitan Regions remain “open” (Statute of the *Metropolis*?).

Financing the MR development (social and urban infrastructure) became an important challenge: “how/who will finance MR development?”
4. Analyzing the Current Situation

• A tentative typology for the management of public functions of common interest (work hypothesis)

  – Cooperative public functions
    – Federal guidance (national policy) and institutional design leading to cooperation
    – Strong sector national policy constrain the cooperation (there are different governances)

  – “Non cooperative” (less) public functions
    – Functions that, because of its nature, seems to induce the competition more than the cooperation between federative entities
    – Brazilian Federation design and the specificity of some public functions make the cooperation a more difficult target to achieve
### A typology for the management of public functions of common interest

<table>
<thead>
<tr>
<th>Public Functions Types</th>
<th>Main Public Functions</th>
<th>Main characteristics</th>
<th>Cooperation Difficulties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cooperative Public Functions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Less structured sector in terms of Federal Government, but more structured sector in local and state level (National Agencies) | Transport Sanitation | • Federal Laws and Programs guiding States and Municipalities;  
• Main financing by Union;  
• State protagonism on metro-regions, specially in transport system;  
• Experiences on consortiums involving municipalities and states;  
• Facilities to access federal resources for infrastructure in the Metropolis considered by IBGE. | • Different institutional development levels in States and Municipalities |
| | Health Education | • Strong National System that guides, controls and finances the policies in States and Municipalities;  
• Facilities to access federal resources for infrastructure in the Metropolis considered by IBGE. | |
| **“Non (?) Cooperative” Public Functions** | Housing Land use control | • Sectors controlled by municipalities using different criteria;  
• Federal financing directly to municipalities;  
• State financing directly to municipalities. | • Difficulties in controlling land market  
• Plans limited to municipalities territories  
• Interest conflicts in municipalities’ border areas |

- Federal Laws and Programs guiding States and Municipalities;  
- Main financing by Union;  
- State protagonism on metro-regions, specially in transport system;  
- Experiences on consortiums involving municipalities and states;  
- Facilities to access federal resources for infrastructure in the Metropolis considered by IBGE.
4. Analyzing the Current Situation

- **Possibilities for Metropolitan Governance:**
  - **Consortium Federal Law**
    - Federal Law nº 11.107/2005
      - Allows formal cooperation between federative entities for public management
  - **National Sector Systems**
    - Cooperation involving the three entities for public policies
    - Financing by funds – “transfers from fund to fund”
    - Councils in the three levels with civil participation
    - Plans in the three levels, guided by Federal Plans and Laws
4. Analyzing the Current Situation

Governance Experiences:

- **Recife Metro-Region**
  - Public Transport Consortium involving 3 entities of the Metro-Region (State of Pernambuco, Municipalities of Recife and Olinda);
  - The Consortium is a public inter-federal enterprise
  - Access to federal resources – “PAC Mobilidade” e “PAC Copa”

- **Goiânia Metro-Region (RIDE-DF)**
  - **Meia Ponte River Basin Consortium** – cooperation for environmental management in the basin, involving 7 municipalities since 2009 (some of the municipalities are not in the Metro-Region)

  - **Collective Transport Metropolitan Net** – cooperation for Metro-Region transport involving the state, 17 municipalities and private enterprises since 2009.
4. Analyzing the Current Situation

• Other types of cooperation inside Metro-region areas
  – Multiple Inter Municipalities Consortium
  – Multiple Associations of Municipalities

• PPPs
  – São Paulo Subway PPP (new line)
    • Public Sector Financing
    • PPP – only the operation management
      (hard infrastructure is out of it)
São Paulo Metro-region’s intermunicipal organizations

1. Consórcio Intermunicipal da Região Sudoeste da Grande São Paulo (CONISUD)
2. Consórcio Intermunicipal do Aterro Sanitário de Várzea Paulista
3. Consórcio Intermunicipal do Aterro Sanitário de Biritiba Mirim
4. Consórcio Intermunicipal de Saúde do Vale do Ribeira (CONSAÚDE)
5. Consórcio Intermunicipal das Bacias do Alto Tamanduateí e Billings - Grande ABC
6. Consórcio Intermunicipal dos Municípios que Integraram a Bacia do Rio Juqueri
7. Consórcio de Desenvolvimento Intermunicipal do Vale do Ribeira (CODIVAR)
8. Agência de Desenvolvimento Econômico do Grande ABC
9. Fórum da Cidadania do Grande ABC
10. Câmara do Grande ABC
11. Associação dos Municípios do Alto Tietê e Região (AMAT)
4. Analyzing the Current Situation

• Other Difficulties for Metropolitan Governance in Brazil:
  – Huge Federal Investments in Urban Infrastructure, since 2003
    • Direct Federal Investments in municipalities/states
    • These investments do not strengthen the cooperation in Metro-Regions, once most of the projects is implemented by each entity separately with federal financing
    • The “Non (?) Cooperative” public functions, as housing, is been developed in a market logic, financed by the federal government, like *Minha Casa Minha Vida* Housing Program (My House, My Life).
5. Being Provocative...

• Dealing with horizontal and vertical conflicts and tensions – specific political agendas, historical and cultural differences

• Recognizing the differences between management and Governance (institutional design is not enough and is better when designed specifically for a public functions of common interest):
  – PFCI must be considered both individually (*per se*) and in its connections and influence in terms of the metropolitan level, but management /operation have to respond to a mayor/strategic/“mission”

• Taking advantage of other forms of cooperation (including PPP), experimenting and trying, at the same time, to balance the regulations principles: State, Market and Community.
• For further information:

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• Thank you very much.