INFLECTIONS AND DIRECTIONS IN SOCIAL POLICY – THE
ROLE OF SUB-NATIONAL GOVERNMENTS IN BRAZIL

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INTRODUCTION

A Social Policy System was established in the sixties in Brazil, by the federal government, which was responsible for the creation of an important apparatus for services delivery in areas such as health, education, housing, sanitation and urban transport. In the latest 70s, nevertheless, social movements, mainly from urban areas, gave visibility to the main limits of this System, and established a reform agenda in which the decentralization of social policies had a central role. Almost at the same time, in the beginning of the 80s, the Social Policy System began to collapse. Both the collapse of the previous system and the reform agenda were influenced by two important processes: a) the democratization of the country and b) the crisis that affected the Brazilian economy and the Brazilian State since the 80s.

The purpose of this paper is to discuss the main inflections or turning points, which occurred in Social Policy in Brazil in the last decades, with emphasis on the new role of sub-national governments on this field mainly after the Constitution of 1988. The paper includes an analysis of: a) the reform agenda of the Social Policy System formulated in the eighties, which emphasizes the decentralization; b) the growing presence of local initiatives in the promotion of Social Policies in the last decade and c) the main trends in Social Policies promoted by state and local government in contemporary Brazil.
THE PREVIOUS SOCIAL POLICY SYSTEM AND THE REFORM AGENDA

The first inflections or turning points: democratization as a demand

After two decades of dictatorship, since the beginning of the eighties, there was a process of “overture” or liberalization of the regime, through the reestablishment of elections for the executive in the states and in the most important municipalities as well as for the president of Brazil.

Gradually there was a return to a democratic regime, which included civil rights and political rights. But, as a New Democracy, besides the democratization of the regime, it was necessary to go further. As Weffort, O’Donnell and others had shown, the New Democracies – such as Brazil – had as one of their characteristics the blend of institutions, practices and policies from the authoritarian period with new democratic institutions (the new democracies are, in fact, democracies “being built”) (Weffort, 1992; O’Donnell, 1989).

So, for those who asked for democracy, free elections, liberty of thought, expression and association were only the first steps of a much more complex process, which included the democratization of the State in action, more specifically, the democratization of public policy and of public administration.

The reform agenda formulated in this moment had as its core issues the democratization of public policies, including the democratization of the following dimensions: a) the decision-making process; b) the content of the decisions; c) the policies implementation process and d) the public agencies. The democratization of the decision-making and implementation processes as well as of state institutions were seen as a condition for achieving more equity in the results of social policies (Farah, 2000).
The purpose of the reform movements was to create a social-democratic Welfare State in Brazil, which main characteristic was the universalistic perspective of social rights (Draibe, 1992). To achieve this goal, the agenda emphasized at this first moment the proposals of decentralization and citizen participation in the formulation and implementation of social policy. Decentralization was considered one of the main components of the necessary rupture with the features of the unequal System from the military period. In fact, in Brazil, centralization was associated in the 70s and 80s with the authoritarian regime itself, being decentralization one of the most important demands that came from the social movements, associated with the democratization itself. To the state and mainly to the municipal level was attributed a new role, associated to the promotion of social policies which contributed to decrease the enormous inequalities that were part of the Brazilian society, after almost two decades of dictatorship.

Since 1982, when the first governors from the political party that opposed the military government (MDB) were elected, all levels of government began to implement initiatives aiming in one direction: the democratization of public policy.

The first civil government of Brazil after 1964 (Sarney), known as the New Republic (Nova República – 1985-1989), tried to implement a consistent Reform of the Brazilian Social Policy System. The results of this first civil government were, nevertheless, very modest. The Health System was the only one in which an effective process of decentralization began to occur. Also in this area, the first systematic steps were taken in the direction of civil society participation (through Councils created in every level of government). The advance on the process of decentralization and of democratization in
the Health Area reflects a strong process of social mobilization, since the 70s, under the leadership of Public Health specialists.

In the 80s, in most social areas, there was a dismantling of the structures of provision established in the authoritarian period. This dismantling has not been followed by the organization of another system of social protection. In some cases, this dismantling consisted on the extinction of institutions, as was the case with BNH (National Housing Bank), in the field of housing and sanitation. In other areas, the dismantling was more indirect, consisting in a kind of “institutional paralysis”, with almost nothing being done in a specific social area.

Another important moment in the reform of the Social Policy System in Brazil was the Constitution of 1988. The new Constitution reflected the social movements that began in the 70s, which demanded the democratization of the process of social policy formulation and the introduction of equity in the Social Policy System, as a means of promoting social democracy in Brazil.

The new Constitution reflected a demand for a reorientation of the Social Policy System from a corporative model to a universalistic model. It established principles such as universalization, uniformization of benefits, increase of State responsibility related to regulation, production and operation of social policy; democratization and decentralization.

The Constitution of 1988 can be seen as the synthesis of the first moment of the reform agenda formulated in Brazil for the Social Area in the 80s. This moment was strongly conditioned by the democratization process. The new Constitution was clearly oriented upon decentralization, defining a new role for the state and the municipal levels.
The municipal level was specially reinforced, through the transference of resources and the definition of local government’s new competences.

But the democratization process and the demands for public services and more benefits that “exploded” with the democratization, had to face limits that came with the crisis. The fiscal crisis was in fact the other important factor that conditioned the reform agenda of social policy in Brazil in the last decades.

State crisis: the second moment in the reform agenda

The crisis of the Brazilian State, that has affected the Social Policy System since the beginning of the 80s, must be seen as part of a more comprehensive process. This process, which includes a worldwide redefinition of the economic order and the fiscal crisis, affected the developed countries in the 70s and was associated to the emergence of the proposals of a Minimum State.

This process also affected the National-Developmental State, the specific form assumed by the State in this period in underdeveloped countries, such as Brazil. In Brazil, the fiscal crisis that began to erode the Social Policy System was felt since the first half of the 80s. The scarcity of resources - associated to the external debt payment – became one of the main issues in the debate about the Brazilian State, due to the limits it imposed on its capacity of promoting public policies, including the possibility to answer to the growing demands in social areas.

Under the impact of these new constraints, there was an intense debate about the reform agenda of social policies, in the end of the 80s and in the 90s. This debate was influenced by proposals for Latin America expressed in the theses of the Washington
Consensus. According to these theses, the main measures to be taken by the Latin American Countries were the reduction of the State size, the decrease of State regulation upon the economy and the liberalization of national economies. The main proposals for the Social Policy System were: a) privatization; b) focalization, c) decentralization and d) modernization of public management. These measures would contribute to the reduction of State intervention in Social Areas, through the transfer of activities related to promotion of public services to the market or to nonprofit organizations and to local levels of government. The focalization would guarantee that the governmental initiatives would be focused in a few sectors and on specific segments of the Brazilian population. The new management would give efficiency and efficacy to State Action.

Decentralization emerges in this perspective – as in the democratization period – as a central issue in the debate about the reform of the Social Policy System. Nevertheless, the perspective that supports this emphasis is different: the main concern is with the efficiency in the use of public resources.

The debate about Social Policy Reform strongly influenced by the democratization process was affected by this new context of scarcity of resources and by the proposals of a Minimum State.

Thus, besides the concern with democratization and equity, concerns with efficiency, efficacy and effectiveness of the State action were introduced into the agenda in the beginning of the 90s, as well as the concern with the quality of public services.

The purpose of the construction of a Universalistic Welfare State in Brazil – typical of the democratization period and expressed in the new Constitution – was affected. It was not possible in the new context – at least not in a short period of time - to build the structure
that such a State demands: a huge collective public apparatus. The problem the Brazilian society had to face was how to increase State responsibility in the social area with fewer resources, not reproducing the problems of the previous Social Policy System (Draibe, 1997).

Thus, in the 90’s, a new agenda was formulated, that has as its focus: a) decentralization, seen as a means to democratization but also as a way to use resources more effectively; b) the establishment of priorities (selectivity or focalization), due to the urgent demands associated to the crisis and to the process of adjustment; c) new forms of articulation between State and Civil Society, including: democratization of decision-making processes and of the management of public services as well as participation of civil society organizations and the private sector in the provision of public services; d) new forms of management of public policies and governmental institutions, to give them more efficiency and effectiveness.

Considering the focus of this paper, the new role of sub-national governments in contemporary Brazil, in the Social Policy field, we must highlight the emphasis given to decentralization by the reform agenda both in the democratization period and in the more recent moment, strongly influenced by the fiscal crisis. It’s important to point out, nevertheless, that decentralization, as a means to strengthen local governments in Brazil, has been a process influenced by different factors, not necessarily convergent: on one side, are the democratizing impulses; on the other, the fiscal adjustment and an optimizing resources logic.
THE REFORM OF THE SOCIAL POLICY SYSTEM IN BRAZIL: THE NEW ROLE OF SUB-NATIONAL GOVERNMENT ON SOCIAL POLICY

As we have seen before, in the 80s the initiatives of reform of Social Policies were influenced by an agenda that emphasized the democratization of Social Policy. The central proposals in this period were decentralization and participation of civil society in public policies formulation and implementation.

In the 90s, under the impact of the new constraints brought by the fiscal crisis, the agenda has changed, including not only concerns about democracy and equity, but also concerns with efficiency and effectiveness.

The effective impact of this agenda on the role of sub-national governments on Social Policy has not been sufficiently studied. But there are some elements that show that important changes are taking place in the process of formulation and implementation of social policies in Brazil, which have the sub-national governments, mainly the municipal government as a central actor.

The increasing participation of sub-national governments in Social Policy

As we have mentioned before, the Constitution of 88 was an important moment in the decentralization process. It was responsible for the increase of resources at the sub-national level, both state and municipalities receiving a more expressive amount of fiscal resources. At the same time, the new Constitution establishes new competences and responsibilities at the state and mainly at the local level.

In spite of its clear emphasis on decentralization, the Constitution has a lot of ambiguities related to the frontiers between the competences of each level of government.
These ambiguities have been considered as a source of paralysis in some fields of public policies, the decrease of federal actions not being followed by a proportional increase of effective initiatives from the local and the state levels.

In spite of these problems, nevertheless, states and municipalities in Brazil have assumed effectively growing responsibilities in the social sphere. The decentralization of responsibilities in social policies has occurred, even if it has happened in a not very organized way. One of the indicators of this effective decentralization is the increasing presence of local government in social policies expenditures. While in 1980 the municipal participation level in the resources allocated in social areas was 11%, in 1998 the municipal level of government was responsible for 17% of social expenditures. The municipal government was in this year responsible for 30% of the resources allocated in just two of the social sectors: education and health sectors (Afonso e Araújo, 2000).

The transference of responsibilities related to the formulation and implementation of social policies to state and local governments isn’t a process free of problems. First of all, decentralization has not always meant the overthrow of the critical features of the previous Social System. In fact, in some municipalities, decentralization was followed by the intensification of some of these features, such as clientelism.

Decentralization, in second place, has meant, in some cases, just the disengagement of federal government from its previous responsibilities related to the provision of public services. Many municipalities are not prepared for assuming their new tasks and must count with federal and state support to prepare themselves for the new challenges. In fact, many of the 5559 municipalities in Brazil have not the technical, political and financial capacity to develop by themselves the public policies that are now their responsibility. The financial
aspect is a crucial issue: most of the municipalities depend until today on the transference of resources from the state and the federal level, being this the main or even the unique source of resources for most of the municipalities. This dependency goes beyond that associated to the compulsory constitutional transferences (for health and education). A recent study shows this strong dependency, taking as an example a federal program – the “minimum income program” for the very poor. This program requires a direct engagement of the municipalities, which includes a financial counterpart. But, from the 5507 municipalities considered by the study, only 251 could assume this counterpart (Souza e Carvalho, 1999).

Decentralization, in third place, is a very heterogeneous process, with strong differences between the municipalities along the country, variations associated to the technical and financial capacity of each locality. Variations occur also between different states, according to the higher or lower level of stimulus given to the municipalities that effectively assume the responsibilities in social areas.

The heterogeneity also occurs between different sectors, according to factors such as the institutional background of each social policy and the social mobilization asking for decentralization in different areas.

Finally, the degree of decentralization and the way it occurs are also affected by a social and political dynamic characteristic of each municipality, including aspects such as civil society demands upon decentralization and participation and the political project of each government.

There are already some studies about the decentralization process in Social Policy. But there is almost nothing written about the Social Policy being effectively implemented
by sub-national government after the inflections of the eighties, especially after the Constitution of 1988.

**SOCIAL POLICIES AND THE LOCAL GOVERNMENT**

Under the impact of the democratization and the fiscal crisis constraints, and under the influence of the reform agendas discussed before, a movement of effective reform of Social Policy is effectively happening in Brazil, in which a central role is played by the sub-national government, mainly the municipalities.

The local government in Brazil has shown, since the eighties, a creative capacity, looking for new answers to social problems or adapting “known” solutions to their realities, in a process that includes the participation of civil society. The state and the municipal level contribute to the construction of new institutional arrangements that constitute a rupture with some of the critical features of the previous Social Policy System. Some of these features are: a) centralization\(^2\); b) institutional fragmentation; c) private management approach – oriented exclusively to the return of the investments; d) exclusion of the poor from the access to public services; e) sectorial approach; f) Social Policy goals conducted by particularistic interests; g) inflexibility of the bureaucratic structure of management; h) clientelism; i) exclusion of civil society from the decision making process; j) impermeability of social policies to the citizens and l) lack of social control and of evaluation processes.

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\(^2\) The Social Policy System was centralized in the federal government, in terms of the financial structure as well as in the decision making process. The states and the municipalities had almost no participation on the formulation of social policies, sometimes being the executors of the federal programs. Between 1965 and 1977, the federal government concentrated more than 50% of the fiscal resources in Brazil (JACOBI, 2001). The resources were transferred to the states and municipalities through clientelistic processes of negotiation, the state and municipal governments being no more than local agents trying to obtain federal resources for their localities;
The participation of sub-national governments in the Social Policy reform process began in 1982, with the election of the first state governments from the single party that opposed the dictatorial structure, and was reinforced, as mentioned before, by the Constitution of 1988, which stimulated the decentralization process.

The state and municipal governments were influenced by the reform agendas mentioned before. The adherence to the democratic perspective by the local agenda was facilitated by the proximity between the local governments and citizens. On the other hand, there has been, since the 70s, a connection between democratization and the state and local governments, the state governors being the leaders of the early democratic pressures. Finally, the reform agenda itself emphasized decentralization as a strategic mechanism of the Social Policy democratization process, as we have mentioned before. The different political actors engaged in the democratic agenda tried to interfere in the local and state arenas, to guarantee that the local policies designed in the new context were effectively democratic.

The incorporation of the second moment of the Social Policy reform agenda by the sub-national governments occurred under the influence of the debate about the State Reform, as well as under the impact of the financial difficulties of the state and municipal governments during the 90s.

In spite of the increase of resources for the sub-national governments established by the Constitution of 1988, the fiscal crisis affected the effective financial capacity of these levels of government. The federal government reduced transferences and credit; on the other hand, the economic crisis reduced their capacity of collecting funds. The federal government cuts in social policies associated to the emphasis on the adjustment policy also
affected the state and local action, due to the dependency of these levels of government on articulations with federal programs and politics (and resources).

Thus, assuming their new responsibilities in social area, the sub-national governments have oriented themselves simultaneously to the democratization of decision making processes and of services delivering processes and to more efficient and effective policies, as well as to a more responsible use of public resources, under the pressures of their limited financial capacity.

This is a gradual process of change, which affects in a heterogeneous way different municipalities and states, as well as the different social policies. As with the decentralization process itself, the innovations in Social Policy promoted by state and local governments are a process that is still beginning. But it is possible to see in this movement some trends that point to a rupture with the characteristics of the Social Policy System of the previous period. These trends, as we are going to show, reflect the reform agenda that has been constructed in Brazil since the end of the 70s, and the changes that affected this agenda in the 90s.

The initiatives from state and mainly from municipal level include important changes in Social Policy, affecting both the policies contents and the processes associated to the promotion of social policies. There are inflexions in the substantive aspects of the social policies: which policies, for whom, based on which approaches? There also innovations related to the political and administrative processes: who are the actors engaged in the formulation and implementation processes; how they relate to each other; how flexible are the processes and how efficient and effective are they in the use of public resources?
NEW CONTENTS ON SOCIAL POLICY

New policies

Concerning the contents of Social Policy, it occurs the inclusion of new areas in the sub-national government’s scope of action as well as innovations in the approach to Social Policy itself.

There are, in first place, policies and programs focusing on segments of the Brazilian population until then considered in a marginal way by local and state governments. There are today many policies and programs with a focus on children and adolescents, elderly people, women, people with disabilities and the indigenous communities. These are some areas in which there is a more expressive presence of sub-national governments in Brazil, mainly the presence of municipalities.

These areas can be considered as “new policies” in two senses: first, because they are new areas of intervention of sub-national governments in Brazil, being until recently centralized in the federal government (or, in some cases, in the state level, going now to the municipalities); second, because they oppose the assistance perspective dominant in the previous period, being based upon the rights approach (Spink, 2000). The recognition of gender, ethnic and age differences is in fact a novelty in Brazilian Social Policy, being an important step in the sense of enlarging the citizenship space.

The rights approach can be seen in policies related to each one of the mentioned categories. Initiatives focusing on elderly people try to integrate socially this segment of the population through programs of integral care, which include activities in areas such as

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3 The analysis developed in this section and in the next is based upon the databank of the program Public Management and Citizenship (see note 1).
health care, job training, leisure, psychological support and so on. Programs for people with mental or physical disabilities, on the other hand, include the “humanization” of health care as well as the social integration of those who have disabilities.

The gender perspective is being integrated to social policies, through policies specifically directed at women, but also through a transversal approach: the gender perspective pervading policies from different sectors. The main themes in this area in Brazil are: violence against women; health and job and income generation. But the gender approach also occurs in sectors such as: housing, education, urban development and others (Farah, 1999).

The gender perspective has been integrated to social policies at the state and local level under the influence of the decentralization and the democratization processes. As the formulation and implementation processes open themselves to the participation of new actors, women’s organizations as well as women from the community - focused by the governmental programs - can express themselves and show what their specific necessities are. At the same time, the integration of gender perspective also reflects the national agenda at the local level.

An increasing number of local government programs are directed at children and youths. They are committed to the social integration of children and youths living under

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4 As an example, I can mention the Centro de Referência e Assistência a Idosos (Elderly People Assistance Reference Center), from the municipality of Vitória, Espírito Santo, which provides health care to elderly people comprising a series of complementary actions such as leisure, sports, cultural activities, and psychological support.

5 Examples: Centro de Atendimento Psicossocial (Center of Psychosocial Attendance), from Rio de Janeiro municipality, which guarantees attendance in a “open regime” to psychiatric patients, as opposed to the psychiatric hospital model and Inserção de Deficientes no Mercado de Trabalho (Insertion of People with Disabilities in the Employment Market), from the State of Rio de Janeiro.

6 The program FUNGER – Fundo de Geração de Emprego e Renda (Fund for Job and Income Generation), from Teresina, in Piauí, is an example: two thirds of the productive units that receive financial support from the government must have women as the beneficiaries. Another example is the Casa Rosa Mulher (Rose Woman House), from Rio Branco, Acre, a program that gives full assistance to girls, teenagers and women living in a personal and social risk situation – such as
personal or social risk situations (living in the streets, without families, children that don’t go to school and so on). These programs have as a reference a national legal framework – the Estatuto da Criança e do Adolescente – Children and Youth Statute, from 1990. They oppose the policies that prevailed for many decades in Brazil in this area, which had a repressive-assistance emphasis. The new programs have an integral approach, that is, they include a whole set of services aimed at the social integration of the children and adolescents. There are activities related to professional qualification, reintegration with school and to family, sexual orientation, as well as leisure, cultural and health activities.

There are also policies and programs, which focus on the indigenous groups. Programs in areas such as health and education integrate specific approaches as well as specific components, which reflect the indigenous culture. These programs introduce an important change in the centralized and standardized programs from the previous Social Policy System: they try to integrate a general orientation in the field of health or education – valid for the whole country – to the specificities of each indigenous community. This means respecting their traditions in different fields, including the teaching of their original languages.

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7 Examples: a) Programa Cidade Mãe (Mother City Program), a very comprehensive program developed by the municipality of Salvador, Bahia; b) Programa Migualim, from Belo Horizonte, Minas Gerais, whose objective is to assure the rights of children and adolescents living in the street, through full assistance and c) Projeto Alerta (Alert Project), from Presidente Prudente, São Paulo, which has as its focus adolescents that affronted the law. The program includes as “penalties” the execution of services to the community, in a “assisted liberty” regime. This is an important example of a municipal initiative that goes against the repressive-assistance model that prevailed in Brazil in this area, which collapse has been demonstrated in the last years through a set of rebellions in one of the institutions of the previous system – the FEBEM (Fundação do Bem Estar do Menor – Foundation for the Welfare of the Person under Legal Age).

Programs such as those mentioned before represent a process of citizenship expansion through social policies. However, such programs also indicate a focalization process wherein groups at risk become the privileged focus of policies.

It is important to mention also new policies and programs that are on the borders between social and economic policies. It is the case of the programs for employment and income generation as well as the programs oriented to local development. This is a new emphasis on state and municipal actions, due to the withdrawal of federal development policies and to the decrease of economic activities and its impact on the level of unemployment in Brazil. The local policies give financial and technical support to the creation of new productive units and, at the same time, guarantee qualifying courses to small enterprises, producers associations, autonomous workers, workers from the informal sector and to the unemployed. The access to credit and to qualification programs was until recently closed to the poor and to the small producers in Brazil, being these new initiatives an important step to include these segments of Brazilian population in economic activities. The initiatives, which main purpose is to stimulate the local development, are also an important novelty with impacts on the social area.

There are policies and programs for the rural area that head in this same direction: giving an impulse to the activities of small producers, through financial and technical support, and at the same time formulating plans of local development. Most of them are committed to environmental issues, such as hydric resources preservation, soil conditions

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9 The programs Instituição Comunitária de Crédito Portosol (Communitary Credit Institution Portosol) from Porto Alegre, Rio Grande do Sul, Banco do Povo (People Bank), from Santo André, São Paulo and Fundo de Geração de Emprego e Renda – FUNGER (Employment and Income Fund), from Teresina, Piauí, are examples of these initiatives.

10 An example is the Câmara do Grande ABC (Great ABC Chamber), created by seven municipalities in the Metropolitan Region of São Paulo, to formulate and implement a plan for the development of the region.
and so on\textsuperscript{11}. The impacts on the social area are expressive: through simple measures in this area, some municipalities interrupted the economic paralysis and the evasion of their population\textsuperscript{12}.

New approaches

The new policies on state and local level, as we mentioned before, are new not only because they correspond to new areas of governmental intervention. They are also “new” because they introduce a new approach to public policies, being on the front of each specific field of public policy. In the mental health programs, for instance, there is an opposition to the classical psychiatric hospital model; as in the children and youth policies there is a rupture with the repressive-assistance paradigm from the previous period. The same occurs in the job and income generation programs: they try to ensure the empowerment of the community affected by the programs, so they can support themselves once the governmental programs finish.

A new approach to public policies is also present in areas such as education and health. In education policies, there is still the need for guaranteeing universal access, because there is still a problem of access to schooling in some areas of the country: in the 80s, in some regions, such as the Northeast, in the rural areas, 70% of the children were not at school (Farah, 1995).

\textsuperscript{11} Some examples are: Programa de Verticalização da Pequena Produção Rural (Small Rural Production Verticalization Program), in the Federal District, which supports the creation of small agro-industries in the rural communities, further assuring support for the commercialization of the products of these new production units and Process of Sustainable Rural Development at Urupema, in Santa Catarina (Processo de Desenvolvimento Rural Sustentável em Urupema), a comprehensive program, which includes a whole set of actions such as technical support to landowners and to cooperatives; access to credit; fight against the pollution of the local river; reforestation, and so on.

\textsuperscript{12} An example is the Fundo Municipal de Aval (Municipal Fund for Credit), from Poço Verde, Sergipe. This fund was instituted by the municipality, as a community collateral program, through which every producer, that gets credit from a federal credit program, contributes to the collateral fund. The municipal program also gives technical assistance and is responsible for an evaluation process. This program guaranteed that the federal program – that didn’t reach the local
But the main focus in the educational sector is the fight against evasion from school and against failure during the educational process. The failure rate in the first grades of school was about 50% in the 80s; the evasion in the middle of the process of elementary education, on the other hand, was about 20% (Farah, 1995). The emphasis is on the quality of the educational process, through changes in the educative process itself, and through measures related to the administration of the educational programs, as well as through measures not directly related to education itself, that give support to the permanence of children at school. As these emphasis show, in the programs of the educational sector, the concern with the efficacy and effectiveness of the provision system (seen in the search for quality and in the attack on evasion and student failure) is associated to the concern with democratization and equity.

In health policies and programs, on the other hand, there is a new approach, which puts emphasis on preventive measures. The new programs, promoted by the municipalities, replace the curative pattern that was dominant in the Brazilian health policies. This is the case of the Family Health programs, which emphasize the transmission of knowledge about health to the families, substituting programs, which focused on disease treatment. In these programs, multidisciplinary health care teams associate domiciliary assistance with producers – “jumped” from 29 credit concessions in a whole year, to more than a thousand in a period of only three months after the program implementation.

Examples: The Zero Failure Program (Zerando a Repetência), in Itabuna, Bahia, which seeks to attack scholar failure in the basic cycle through the reformulation of the didactic and pedagogical proceedings; The Community Center for Children’s Education (Programa de Educação Infantil Comunitária), in Quixadá, Ceará, where the search for quality and effectiveness occurs through the transference of the school administration to the community and The School-Grant Program (Bolsa-Escola) from Brasília. In this program, the families that live in a situation of extreme poverty receive an income complement to maintain their children at school.

Several projects have this perspective, such as Programa Saúde Global (Global Health Program), from Joaíma, Minas Gerais; Programa Médico da Família (Family Doctor Program), from Londrina, Paraná; Programa Médico de Família (Family Doctor Program) in Niterói, Rio de Janeiro and Programa de Agentes Comunitários de Saúde (Program of Community Health Care Agents), in Alcantil, Paraíba. Some of them were born as a initiative from the municipality itself. Others answered to stimulus from the federal government that was responsible for the creation of the Family Doctor Program.
ambulatory care, going to the communities - urban and rural - and carrying out preventive actions.

Such programs try at the same time to *democratize* the access to health (*equity*) and to give more *effectiveness* and *efficiency* to the health system, through the decentralization of decisions and management of programs and through the preventive approach itself. These policies are articulated to a decentralization process in the health care area and integrated to a set of measures resulting in national policies of reform in this sector, based on social movements that began in the 70’s.

**NEW POLITICAL AND ADMINISTRATIVE PROCESSES**¹⁵

The initiatives from state and mainly from municipal level include, as mentioned before, changes in Social Policy, affecting not only the policies contents but also the processes associated to the promotion of social policies. The inflexions are related to the processes of formulation and implementation of public policies. These changes include many aspects, such as the reduction of the distance between citizens and governmental agencies, through simplification of procedures and an emphasis on the access to information about services delivery; qualifications programs for the public sector employees and so on. In this paper, I will focus specifically on the changes related to the inclusion of new actors or players in the formulation and implementation of policies and programs at the sub-national level. These changes are responsible for the emergence of new institutional arrangements in Social Policy in Brazil.

¹⁵This section integrates elements from a paper written with Pedro Jacobi for the project “Policymaking, politics, and the subnational state: a comparative study of Brazil, Mexico and the U.S.”, developed by professors from the USA (Texas University, at Austin), Brazil (Fundação Getulio Vargas) and Mexico (CIDE). (FARAH and JACOBI, 2001).
Integrated actions: collaboration within a unit of government

A first innovation consists in the promotion of integrated actions, a public policy focusing a single community. This occurs through the incorporation of an intersectorial approach as well as through the collaboration between different agencies within the same governmental branch. The purpose is to overcome the institutional fragmentation and the sectorialization that was a characteristic of the Social Policy System until the 80s. There are initiatives with this approach emerging from different areas, such as children and youths, women, housing, education and others. The purpose of the governmental actions in these cases is to stimulate the global development of the communities considered by each policy, which requires simultaneous actions in different areas, such as health, education, job qualification, income generation, and others.

The intersectorial approach is until today limited to some initiatives. When it happens, it seems to be the result of a gradual process, which includes from the beginning the local community, the integration of multiple dimensions emerging as a concrete necessity for the resolution of a specific problem (SPINK, 2000).

Collaboration across governments: the inter-municipal consortium

The promotion of social policies by state and local governments has been followed by changes in the relations among different levels of government, as well as among states and municipalities.

One of the critical aspects of the new federalism in Brazil is the increase of competition, which strengthened the fiscal war mainly between states but also between
municipalities. But in spite of this being a strong trend in contemporary Brazil, it is also possible to identify movements of collaboration among governments, which are important for understanding the inflexions in Social Policy.

The most important innovation in this field is the emergence of horizontal forms of collaboration among sub-national governments, mainly between municipalities. The inter-municipal consortium is a new institutional design, which has developed in recent years. Through this mechanism, neighbor municipalities articulate themselves to deal with problems that can’t be solved through the initiative of a city by itself, as in the case of garbage destination, hydric resources preservation and so on. Through the consortium a group of municipalities establishes together policies and programs.

The consortia, as an instrument of governmental action, have been stimulated by to the decentralization of competences to the municipalities since the Constitution of 88. The consortium is mentioned in a 1990 Constitutional Amendment, as an instrument of “associated management of public services”\(^{16}\). It is more frequently the association of small and medium municipalities, which have not the capacity – in financial and technical terms – to solve some problems by themselves. The use of this instrument varies also according to different regions and different policies. In some states, the presence of the consortium is very expressive, reflecting a stimulus by the state government to the use of this form of associated management.

Concerning the different sectors of Social Policy, the consortium - as an instrument of cooperation between municipalities - is well developed in the health area. In 1998, there were in Brazil 143 consortia in this sector, which included 1740 municipalities, most of

\(^{16}\) Emenda 19.
them in the Southeast and South (RIBEIRO E COSTA, 1999). The expressive presence of consortia in the health sector reflects the reform of health policy and the social movements that supported it, under the leadership of professionals of the health sector. The cooperative management of the health resources was seen in the reform agenda as an instrument of implementation of a new health policy paradigm, opposed to the curative and unequal model dominant in Brazil until the 80s. The first consortia emerged as initiatives from the local government, influenced by this agenda. But, since 1990, there is also the influence of a national legal framework: the national law for this sector establishes the consortium as an instrument of management of the health system in the country 17.

There is also an important presence of consortia in the environmental area. This area has indirect connections with the social sphere, due to its links to basic public services such as the provision of water, sanitation and garbage destination. It has also strong influence upon local development, which, as we have seen, must be considered by a more comprehensive approach to the social area. Many municipalities in Brazil have in the last decade engaged themselves in consortia in the environmental area, to fight against the pollution of hydric resources, to promote an associated solution to garbage destination and so on. Also in this field there were in the beginning initiatives born in the locality. More recently, in some areas, as in the hydric resources issue, a National System was established, based on the same principles of these first initiatives, which has as its basic instrument the cooperative management and the hydrological basin as its planning unit.

There are also consortia, which articulate stimulus to the development of economic activities in rural areas to the supply of metropolitan areas with products from rural

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17 Lei Orgânica da Saúde – LOS.
activities\textsuperscript{18}. The cooperative action on a horizontal basis has already evolved to a more complex institutional design in some cases. The Great ABC Chamber is the most known initiative with such a design. It includes the participation of majors, of representatives from the Legislative Power, the private sector and the community, from seven municipalities in the Metropolitan Region of São Paulo. The Chamber has as its objective the planning of the future of the whole region, including the search for economic alternatives as well as the resolution of problems such as garbage destination, hydric resources preservation, housing and employment generation.

The horizontal cooperation among municipalities can be considered an important innovation in the provision of public services and in the implementation of public policies in Brazil. Nevertheless, in the metropolitan areas, there hasn’t been any progress in terms of cooperative action. Since the Constitution of 88, there was a decentralization of the responsibilities concerning the metropolitan regions (from the federal government to the states). Most states recognize the cooperative principle in their laws concerning the metropolitan areas. Nevertheless, what really happened was a dismantling of the previous structure related to these areas, without the building of a new one. So, in these areas, which concentrate an expressive part of the Brazilian population, there are almost no effective measures coordinating the different policies and services, such as housing, sanitation, antipollution measures, food supply, and so on. The existing structures in the metropolitan areas usually focus on a single sector, such as urban transportation, and even in this sector, are not very effective.

\textsuperscript{18} Intermunicipal Consortium of Maranhão is an example.
The vertical collaboration among governments

The links between federal government and state and local governments have changed in the last decades in the direction of greater sub-national government autonomy in the promotion of social policies. Nevertheless, it doesn’t mean, as we have shown, that strong links doesn’t persist, which are concentrated in the financial dependence of many municipalities on the federal government and in the subordination of some of social programs to federal rules, being the access to financial resources conditioned to the obedience to these rules.

This happens, for instance, in Health Policy. The complete transference of the management of the health system to the municipality is conditioned to the observance of a set of rules by the local authorities in this area. This also happens in the Educational System, in which the access to a new fund - to support the elementary school - by the states and the municipalities is also conditioned to the compliance to certain rules established by the federal government. There are tensions between sub-national governments and the federal governments, due to the federal control of resources and program outlines. For some, this control is excessive, affecting the autonomy of the sub-national governments itself. But, this control can also be seen as a mechanism of coordination the process of decentralization.

The links between the different levels of government have not only this direction, coming “from top to bottom”. It is possible also to identify a movement that comes from the municipality. In many cases, the municipalities identify good opportunities for
promoting social policies in state or federal programs and policies, and try to use these opportunities.

Some local programs require technical capacity, but the municipalities are not prepared to answer to this demand with the resources they have. So, they articulate themselves with agencies from the state or federal level, which can provide the capacity training programs the municipalities require. This is the case, for instance, of state level governmental agencies specialized on rural technical assistance, which have been extremely important to the development of local programs in some regions of Brazil\textsuperscript{19}.

Sometimes, federal programs aren’t effective until the emergence of a creative action from local governments. That is the case, for instance, of some programs related to credit for the small rural producer. A federal program – the National Program for the Development of Family Agriculture (PRONAF – Programa Nacional de Agricultura Familiar), doesn’t permit the access to credit from the small producers that can’t offer the guarantees demanded by the program. In some municipalities in which the federal program was not being effective, the creation of a local fund by the local government as a collateral for the credit was sufficient to make the federal program a reality\textsuperscript{20}.

Even in the presence of the federal government rules, as is the case of the Family Doctor Program, in the Health Sector, it is possible to identify sometimes the local dynamic in the formulation and implementation of social policies. The origin of this program is not homogeneous. In some places, the program was an initiative from the municipality itself,

\textsuperscript{19} As examples can be mentioned Embrapa – Empresa Brasileira de Pesquisa Agropecuária - and Emater – Empresa de Assistência Técnica e Atenção Rural – which have been helpful in programs from the Northeast and the South regions (FARAH e BARBOSA, 2000).

\textsuperscript{20} See note 13 about the Municipal Fund for Credit from Poço Verde.
under the influence of health professionals and social movements\textsuperscript{21}. In others, the implementation of this program occurred under the influence of federal guidelines, after the creation of the federal program, which establishes some conditions to the access to resources for the program implementation. But, even in this case, the municipality is not the mere executor of the federal program. There is an articulation of the federal rules to a local process of policy design in the health area\textsuperscript{22}. The municipality is capable, then, of acting in a more autonomous way, integrating the federal norms to its own objectives: to implement a new health policy model, based upon a preventive approach and oriented to the universal access to health services.

Participation of civil society and private sector

The emergence of new institutional arrangements in Social Policy at the sub-national level of government in Brazil includes also the establishment of new forms of articulation between government, civil society and the private sector. The process of designing and implementing social policies now includes civil society and the private sectors as active players. An analysis of a data bank of innovative programs promoted by sub-national governments in Brazil shows that 72.5\% included some kind of partnership with civil society or with entities from the private sector (Spink, Clemente and Keppke, 1998).

Many local initiatives have as one of their central aspects citizen participation in the design, implementation and control of social policies. Citizen participation, as mentioned before, was a core item of the democratic reform agenda from the 80s. It was the reversal of

\textsuperscript{21} Family Doctor Program, from Niterói, Rio de Janeiro.

\textsuperscript{22} Example: Family Doctor Program, from Londrina, Paraná.
the pattern that prevailed in the Social Policy System until then: the exclusion of civil society from the process of public policies formulation.

Since the beginning of that decade a set of instruments of management of social policies and programs has been created, which include citizen participation. In the health sector, it has been instituted health councils at the local level. In the educational sector, councils have been also created at the state level, and also at the local level and in each school. These councils have been included in the federal regulation related to the decentralization of these policies.

In the housing sector and in urban development projects, since the eighties, there has been a diffusion of initiatives based on mutual help, which suppose the engagement of the community in the definition of housing and urban development projects, as well as in the following up of the construction and the project implementation themselves.\(^{23}\)

There are also recent experiences based on civil society participation in the process of budget planning, which includes the definition of priorities in the allocation of resources in the social area.\(^{24}\) The same occurs with policies of local development: different social actors are engaged in the discussion and proposal of measures aiming at the economic and social development of municipalities. The new actors are engaged also in the implementation of these policies. We have mentioned before the example of the ABC

\(^{23}\) Example: Saint Peter Project – Integral Urban Development of the Swamplands, from Vitória, Espírito Santos, which consists in a set of integrated actions on housing, sanitation, health, education and others – with the objective of upgrading the conditions of life of 15000 families living in Swamplands, at the same time contributing to the preservation of this area.

\(^{24}\) The Participative Budget (Orçamento Participativo) developed in Porto Alegre, Rio Grande do Sul, is by now being reproduced by different municipalities all over the country. In this program, a part of the municipal budget is discussed with the community that can participate in the definition of priorities related to resource allocation.
Chamber, which has this perspective of putting together different actors. But there are others examples all over the country, both with urban and rural emphasis.

The inclusion of new “players” in the policies implementation process also means a new form of public service provision, which includes partnerships with NGOs, the private sector and the community itself. The execution and the management of public equipments in some cases are transferred to community organizations, to NGOs and to the private sector. In the educational sector, there are initiatives in which the management of the school is transferred to the community. The same occurs in the health sector, communitarian associations being responsible for the management of local health units. There are also experiences being promoted on sanitation in rural areas, the community assuming the maintenance of the whole system.

In the housing sector, as well as in the garbage treatment policy, there is a more expressive presence of community organizations as central players. In these cases, the local government engages associations from the community in the provision of houses and in the garbage treatment system.

The participation of the private sector, on the other hand, is something that in Brazil occurs related to the provision of public services. In some cases, this provision has strong links with social policies, as is the case of water provision, transportation and sanitation. The participation of the private sector in the provision of public services is a tradition in

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25 Participative planning, from Camaragibe, Pernambuco, in the Northeast; Rural Sustainable Development, from Urupema, Santa Catarina, in the South, are some of these examples.
26 This is the case, for instance, of an education program for the indigenous community, already mentioned in this paper (see note 9).
27 Examples: Mutirão em Autogestão (Joint Work and Self-management), from Ipatinga, Minas Gerais, a program that has a NGO responsible for resource management and for the program itself and the Programa de Gestão de Resíduos Sólidos (Solid Waste Management Program) from Belo Horizonte, Minas Gerais, that includes recyclable waste street collectors cooperatives in the process.
Brazil in areas such as urban public transportation and social assistance to the poor (as in the case of nurseries, for instance). In these areas, the municipalities have increased the effort to regulate private sector action, with the purpose of guaranteeing a better quality of the services offered by these institutions.

In other sectors, there has occurred in the 90s an expressive process of privatization, under the impulse of the fiscal adjustment. The privatization of public services occurred mainly after 1995, in areas such as telecommunications, gas, electric energy, railways, highways, water provision and sanitation. Until recently, the private sector was almost absent from the infrastructure sectors in Brazil. Now, the private sector is responsible for a great part of the services of infrastructure, after a privatization process that included 119 state enterprises.\(^{28}\)

The privatization promoted by the state governments was an important component of this process, as part of the effort to reduce the state debts, in a process induced by the federal government: the access to federal credit by the states as the renegotiation of the state debt included stimulus to the privatization of state agencies (PINHEIRO, 1999).

The results of the privatization process are heterogeneous, with strong variations according to the sector. But one of the main problems of the process as a whole is the lack of a consistent regulatory structure, capable of controlling the quality of services as well as the services rates. The weakness of a governmental regulatory action was also responsible for the collapse of the energetic sector this year in Brazil, resulting in cuts of energy consumption all over the country, with impacts on the daily activities of almost every citizen, as well as on the economic activity level. As the privatization process includes as

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\(^{28}\) Responsible for more than US$ 70 billions for the Brazilian government.
an important player the state governments, the creation of regulatory agencies is also
necessary at this level. Until the end of the 90s, nevertheless, only a few states had created
regulatory agencies, such as the states of Rio Grande do Sul and São Paulo.

CONCLUSION

The Social Policy System established in the 60s has been eroded during the 80s and
in the 90s. In its place, it is difficult to say that a new system has been established. In fact,
the reform agenda elaborated in the 80s and adapted in the 90s is still an agenda. No
articulated System is effectively being implemented.

In spite of this, it is possible to identify a process of reform, which suggests an
effort to overcome the critical aspects of the previous system. In this process, the sub-
national governments play a central role. After the Constitution of 1988, there has been an
effective increase of state and mainly of municipal participation in the promotion of social
policies, reflected in the growing social expenditures of these levels of governments in
social areas. But this new role of sub-national government in Social Policy is not only
related to the amount of resources allocated to the social area, as a result of the transference
of responsibilities from the federal government.

There are also changes in the orientation of the social policies, associated to this
growing role of sub-national governments. This new orientation of social policies in Brazil
includes important inflections in the contents of the social policies as well in the process of
formulation and implementation of these policies.
Concerning the changes in the contents of policies, there are new policies being promoted by the sub-national governments, which include new areas of intervention and new approaches to each area of social policy. Both the new areas and the new approaches are oriented to the broadening of citizenship in Brazil. They are at the same time based upon the rights approach. These perspectives constitute an effort to overcome the most unequal aspects of the previous Social Policy System, through the expansion of access to social policies and public services and the opposition to the assistance and repressive components of state intervention until the 80s. This new perspective includes a clear emphasis on democratization of public policies and governmental agencies. But it also includes an effort towards a more responsible use of public resources.

Concerning the changes in the processes associated to the promotion of social policies, the growing presence of sub-national governments in this field has been followed by the emergence of new institutional arrangements. These new arrangements suppose the inclusion of new players in the formulation and implementation of public policy. The centralized one-agency model is opposed by the construction of articulations between governments, agencies and between the state, the civil society and the private sector.

These new processes result from an orientation towards democracy and equity in social policies, being an answer to the democratic component of the reform agenda. But, at the same time, the new processes try to improve the efficiency and the effectiveness of public policies. The scarcity of resources is an important constraint that explains these new concerns.

The growing presence of sub-national governments in Social Policy should be seen in its links with federal government measures. The new role of the sub-national government
is a process affected by the initiatives of the state and local governments themselves, a result of the political and social forces present in each locality. But it is also a result of an inductive action from the federal government. In most social areas, there are federal policies and programs, which influence the design of local programs. The effective new role of state and municipalities seems to be the result of the interaction of these two movements: the one that comes from the federal government and its guidelines (as well as from its financial resources) and the one that emerges from social movements and political forces at the local level.

Finally, it is necessary to mention important limits the sub-national governments face concerning Social Policy. These limits are associated to federal government policies related to the fiscal adjustment and to the payment of the external debt. The priority to these issues has meant over the last years the reduction of expenditures in social areas as well as the reduction of resources for state and local governments. These constraints have limited the possibility of actions at the sub-national level. The priority to the adjustment is maybe one of the main elements in explaining the persistence of high levels of inequalities in Brazil. The deepening of inequality and the increasing levels of unemployment and violence all over the country ask for more effective action by the central government. Otherwise there is a risk that the movement of sub-national governments in the social area should “disappear”, in face of a social crisis.

BRASIL (país). Lei federal 8.080, de 19 de setembro de 1990.


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