Democratizing Regional Governance: Constraints and Opportunities for Brazilian and Other Metropolitan Regions in Latin America

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ABSTRACT

The scale of the region lies in between the local/city and the national/global, presenting challenges as well as new opportunities for democratizing planning and governance at the regional level. Most regional governance bodies and institutions suffer from democratic deficit in that their representatives are often appointed and far removed from direct constituents even though they decide on issues and concerns that directly affect the general public. Geographic, resource and economic inequalities between and within municipalities often work against inter-municipal cooperation.

Gleaning from the Brazilian-Canadian collaborative action research, New Public Consortia for Metropolitan Governance, this paper will analyze why, how and under what conditions do forms of inter-jurisdictional cooperation work to promote democratization at the regional level, as well as vertical (citizen and governments, inter-governmental) and horizontal (inter-municipal) forms of accountability for the purpose of reducing poverty and social inequality. It will examine how Brazilian officials and bureaucracies can use as leverage the historic and institutional lessons learned from their practice of participatory budgeting, solidarity economy, and planning in promoting more democratic forms of regional governance. These lessons can draw insights for other Latin American metropolitan cities and municipalities dealing with similar regional governance and development issues.
Introduction

The scale of the region lies in between the local/city and the national/global. As an intermediary and transitional space, the regional metropolitan level presents challenges as well as new opportunities for democratizing planning and governance. Most regional metropolitan bodies are not like local municipal agencies that are closely involved in the day-to-day affairs of city residents. Some however are being pushed in this direction of providing infrastructure and direct social services such as transportation, water provision and garbage collection as many municipalities may share the provision of these services. However, most regional governance bodies and institutions suffer from democratic deficit in that their representatives are often appointed and far removed from direct constituents even though they decide on issues and concerns that directly affect the general public.

If more democratic (read good) metropolitan governance is essential for the improvement of the plight of the urban poor, the development of more effective regional land use planning, and balanced development between urban centres, peri-urban areas and rural peripheries, then the question arises: how can regional governance become more democratic and produce outcomes that lead to greater social equality and justice? This paper argues that more democratic forms of regional governance, or collaborative governance could be enhanced through greater government and civil society partnership and cooperation in the context of inter-jurisdictional collaboration between and among municipal and other levels governments in order to achieve common goals of addressing social inequality and injustice.

Democratic Governance and Inter-Jurisdictional Collaboration

Brazil is no stranger to the 1990s international discourse on “good governance,” which may be viewed as a revival of the 1970s interest in democracy and democratization as a counterpoint to the rise of authoritarian regimes in many countries around the world. The concern for democratic participation in the 1970s was a direct reaction not only to the dominant top-down development planning process, but also to the growth of repressive authoritarian regimes in much of Asia, Africa, and Latin America, including Brazil. As concerns for political freedoms, democracy, and human rights, were heightened, the single-minded focus on the economic dimension of development was increasingly replaced by the idea of a “desirable development process…in which the structures of national decision making are established in a basis of civic freedoms, where dissent can be freely voiced, where governments can be changed by popular voice, where there is increasing participation of the community in both defining development
goals and acting upon them” (Gunatileke 1979, 3). Lessons from grassroots organizations in the South point to the importance of popular participation, as “a process whereby community members come together to identify problems, mobilize resources and seek solutions among themselves” (Colleta 1979, 16).

Such interest in democratic participation, local ownership and partnership in the 1980s coincided with the renewed interest in good governance and civil society, which gained much currency with the consolidation of the post-Washington consensus in the 1990s. The term “good governance” originated in donor circles and was subsequently adopted by academics, “with academic discourse being primarily oriented towards better analysis and understanding of the institutional linkages between state and society in different contexts, the donor-driven discourse rather being geared towards enhancing policy effectiveness and conceptually preparing the terrain for policy intervention” (Doornbos 2001, 96). The discourse on “good governance” that came out in the early 1990s emerged in a period of uncertainty shaped by the end of the Cold War and the widespread recognition that the structural adjustments of the 1980s had failed to result in development, particularly for the poor (Doornbos 2001, Woods 1999).

What “good governance” really means and its implied universal set of required traits or standards remain open to debate. The World Bank for example sees good governance as necessarily linked to development,2 “epitomized by predictable, open, and enlightened policy-making (that is, transparent processes); a bureaucracy imbued with professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law”3 (World Bank 1994, vii). Good governance principles thus seem to be the answer to, from the proper management of structural adjustment programs to the effective use of development aid,4 and thus came to be associated with good economic management, understood as “good economic policies [combined with] ‘strong’ institutions” (Hermes and Lensink 2001, 1). Despite some differences in the use of the term governance, a number of common elements associated with the term have emerged. Some of these elements are 1) accountability, 2) responsiveness, 3) transparency, 4) participation, 5) rule of law, 6) decentralized management, 7) strategic vision, 8) human resource management, and 9) effectiveness and efficiency. (See Figure 1)

These elements suggest a retreat from the discourse on democracy in the current focus on “good governance” by the donor community. Indeed, the attitude of the donor community towards democracy has been at best skeptical, that it is important but too much of it, especially if used to demand social and economic redistribution, could be dangerous (e.g. Schmitz 1994). Social and economic redistribution of costs, benefits and resources, the hallmark of democratic

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1 The Sarvodaya Shranadana movement in Sri Lanka, for example, demonstrated these lessons: the realization that people are the greatest development resource and that highly centralized decision-making patterns and strategies could not often consider indigenous knowledge, local socio-cultural variations, mobilize local resources, or improve local management and planning skills (Colleta 1979, 15).
2 The World Bank’s interest in governance and development linkages became official with the publication of two major reports, Governance and Development in 1992, and Governance: The World Bank’s Experience in 1994. It
3 This springs from the World Bank’s definition of governance as “the manner in which power is exercised in the management of the country’s economic and social resources for development.” (World Bank 1994, vii).
4 For example, the 1998 World Bank report, Assessing Aid: What Works, What Doesn’t, and Why, claimed that countries with good governance practices are better able to absorb and utilize aid funds effectively.
participation and just outcomes, is however essential to effective forms of collaborative regional governance. The neglect of social equality and social justice goals in the conduct of regional governance would render inter-jurisdictional governance mechanisms hollow and simply become instruments for better public management distanced from the aspirations of the poor and marginalized social groups.

**Figure 1: Elements of Good Governance**

1) **Accountability** – Accountable decision-makers take seriously their public functions and service for the community, and achievement of the public good. Whether they are involved in public funds allocation, safety and security provisions, or the equitable pursuit of economic well being, accountability principles force government officials to adhere to an established set of criteria in measuring their performance, and thus may help reduce corruption and assure citizens that their needs and society’s are being met.

2) **Responsiveness** – Responsive institutions and processes are able to address the needs of all members of society through deliberate citizen-as-customer-orientation policies, mechanisms and procedures to redress unfair practices, and avenues for the community to articulate issues.

3) **Transparency** – Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.

4) **Participation** – Members of society should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. There must be a process of careful deliberation and choice among diverse social groups and individuals, from diverse and representative leaders to encouraging a political leadership that reflects and promotes ideals of good citizenship. Wider public participation also leads to more legitimate and representative public policies.

5) **Rule of Law** – Legal frameworks should be fair and enforced impartially. Accountability, transparency and participation work together to help ensure that political and economic institutions make fair and legitimate rules. The rule of law aims to ensure that those rules are applied evenly, without prejudice, to all members of society.

6) **Decentralized Management** – This refers to the ability of the local management to delineate and delegate responsibilities to various responsibility centers and to ensure accurate reporting and monitoring of delegated responsibilities.

7) **Strategic Vision** – Leaders and the public have strategic vision when they have broad and long-term perspective on governance and development concerns along with an understanding of the historical, cultural and social complexities in which that perspective is grounded.

8) **Human Resource Management** – A commitment to the implementation of a programme to recruit, train, motivate and develop a local work force to become more efficient, dedicated and effective members of the public service.

9) **Effectiveness and Efficiency** – Processes and institutions produce results that meet needs while making the best use of resources.

*Source: Adapted from Governance For Sustainable Human Development (UNDP, 1997); World Bank (1997), and Habitat II Urban Governance Index. See also Hill, et.al. (2006).*

Inter-jurisdictional cooperation is one aspect of working toward better and more effective regional governance, but this form of cooperation between different levels of government and jurisdiction does not in itself guarantee just and democratic outcomes. In other words, inter-
jurisdictional cooperation is a necessary but not a sufficient condition for the achievement of social justice and equality goals in the course of regional governance especially in metropolitan urban areas. Some of the elements of good governance for example may lead to goals of efficiency and effectiveness, while neglecting the need to address injustice and unequal distribution of power and resources. Direct and indirect participation may be confined to the few who are privileged, affluent, educated and powerful. Government and decision-making processes may be accountable, responsive and transparency, but only to the middle-class and the rich.

Due to the retreat from democracy and democratization discourse of the international development community, it is not democracy but rather good governance concerns that became wedded to urban governance issues in the 1990s. Three critical factors have led to a focus on urban governance in the 1990s: 1) decentralization policies, including the emergence and acceptance of the concept of subsidiarity, 2) democratization of local and national government in many countries, 3) greater emphasis on local control and involvement in decision making, resulting from citizen and community pressure, as well as urban social movements concerned with economic development and environmental degradation (UNCHS 1996).

Perhaps due to the obvious class and social inequalities, everyday violence, and injustice in policy application and in the criminal justice system in big cities and urban areas, the international community recognizes the importance of civil society, as well as government and state responsiveness to inequality and injustice. The Habitat II Conference in June 1996 (UNCHS, 1996) acknowledged that governance does not only involve formal institutions that manage public affairs, but the activities of the private sector and civil society, a view shared by the UNDP (1997) when it acknowledged that

“governance includes the state, but transcends it by taking in the private sector and civil society. All three are critical for sustaining human development. The state creates a conducive political and legal environment. The private sector generates jobs and income. And civil society facilitates political and social interaction - mobilizing groups to participate in economic, social and political activities. Because each has weaknesses and strengths, a major objective of our support for good governance is to promote constructive interaction among all three” (UNDP 1997).

Several of the above principles of “good governance” form the framework for the United Nations’ Urban Governance Index (see Figure 2). The Urban Governance Index (UGI) is a tool used to monitor the quality of urban governance. It focuses on the institutions, processes and relationships at the local level. Four sub-indices, derived from “good governance” principles – accountability, participation, equity and effectiveness – form the index with sub-index which consists of several indicators, as shown along the circles in the figure.

This index is useful to keep in mind when assessing its merits and limitations in addressing urban and regional governance challenges, particularly the pervasive social inequality and patterns of social exclusion in metropolitan areas, like those in Brazil.
Social Exclusion and Injustice in Brazilian Cities and the New Public Consortia Law

Brazil’s urbanization experience is marked by large cities that have large informal urban settlements (favelas) where residents suffer from ill-health, unemployment, urban violence, and inadequate housing and infra-structure – problems which exacerbate patterns of social exclusion, inequality and injustice. Although there is internal differentiation in terms of wealth and well-being within the favelas, as not all favela residents are poor, and not all poor people live in favelas, there is still a widespread stigma attached to these informal settlements and their residents (Perlman 2005:1). Favela residents are the face of the urban poor who are “actively excluded by an unjust and corrupt system that is complicit in the reproduction of inequality and production of violence” whose “continued existence and proliferation challenges the legitimacy of the social system that created them and is a constant source of unease and fear” (Perlman 2005: 2).

The scale and proportion of Brazil’s urban poverty, everyday violence and brutality, city crime rate, squalor in slum areas, and ranks of restive and often violent urban poor population, especially among young disenfranchised males, is so spectacular, that it has been elevated to the cinematic levels. Favela poverty in particular has been analyzed in mainstream academic literature, and portrayed in music and popular films such as Cidade de Deus (City of God), and other Brazilian equivalents of Slum Dog Millionaire. The growth of poverty in Brazilian regions is markedly more widespread and more rapidly increasing in the urban areas than in the rural
areas, largely due to migration. For example, in the Northeast region, the urban poor population increased from 6 to 10 million, while the rural poor remained stable at 13 million between 1970 to 1988 (Araujos 2004: 35). In Rio de Janeiro alone, the city is said to have 752 favelas with 1.6 million residents who solve their housing problems by living in these shantytowns (Perlman 2004:1).

If the emphasis on good governance may be seen as a retreat from democracy, the renewed interest in citizenship and social capital that also emerged in the 1990s may be read as a retreat from interest in class and class analysis. In Latin America, the replacement of former authoritarian regimes with liberal democratic governments, “citizenship has replaced class as a means of analyzing the political struggles and plight of the poor” (Roberts 2003: 15). Within academic and international development circles, coinciding with democratic opening in the mid-1980s, the discourse on marginality and urban marginality turned to the less “toxic” concepts...of social exclusion, inequality, injustice, and spatial segregation...Social marginality became a discussion of “social exclusion”; cultural marginality became a conversation about “otherness”; economic marginality turned into “capabilities deprivation,” “vulnerabilities,” and a rethinking of “livelihoods” and “assets” ; and political marginality became a dialogue about voice, citizenship claims and rights. These concepts, developed by activists and intellectuals sympathetic to the urban poor, placed the blame for inter-generational and persistent poverty on the underlying structures of state and society, rather than on the deficiencies and deficits of the poor (Perlman 2005: 11).

Social exclusion is a phenomenon defined by being “locked out of participation in social life” due to dynamics of social interaction where factors of agency, culture, power relations, and social identities combine and “come into play, an environment in which individuals do not have access to public resources, as a result they are able to contribute, but not able to receive” (Kabeer 1999, cited in Perlman 2005: 12). Social inequality and social exclusion are two sides of the same coin. Social inequalities lead to furthering patterns and practices of social exclusion in Brazilian metropolitan areas, and vice-versa. As a result, the poor get further excluded from participation in and enjoyment of social development processes, which further lead to their economic marginalization, a dynamic highlighted in the voluminous relationship between poverty and social capital (Narayan 1999, 2000a, 2000b, 2000c). Volume 2 of the Atlas for Social Exclusion in Brazil noted two periods of social exclusion in the country: the period of “old exclusion” (1960-1980) based on education, illiteracy and low income among rural migrants, particularly blacks and women; and the period of the “new exclusion” (1980-2000) which includes those born in metropolitan areas who have higher levels of education and consumption of urban goods and services but have problems getting inserted into the job market (Perlman 2005: 12).

There are many sources of social inequality and social exclusion of the poor and other marginalized groups during the old and new periods. Among them are:

2. Persistence of poverty and income concentration, which reduce education rates at a time when the role of education becomes more strategic to upward social and economic mobility (Araujos 2004: 34-35).

3. Chronic unemployment and underemployment, especially among favela residents, and the huge numbers of young people who join the labor force every year (Perlman 1976, 2005);

4. Lack of social safety nets that would provide protection for the sick and elderly, people who lose their jobs or suffer seasonal unemployment, and those who suffer temporary homelessness due to fire, or natural calamities.

5. Inept and corrupt police force and policing system, that are tied to violent paramilitary groups, which are seen together as sources of violence in their own right (Wacquant 2003).

6. A court and justice that criminalizes the poor, and is incapable of protecting the civil and constitutional rights of the poor, redressing grievances and serving justice in a timely and swift manner (Wacquant 2003).

7. A penal system notorious for overcrowding, high levels of brutality, lack of food and other basic amenities, which has increasingly been relied upon by the state to curb poverty and poverty-related urban disorders (Wacquant 2003).

8. An increasing reliance on the incarceration system Narrowly pragmatic and reactive orientation of city planning, which reflect the conservative political establishments where city planners work (Angotti 2005).

The combination of class hierarchies and ethno-racial stratification produce race-based and color-based discrimination exacerbates the social inequalities and injustice suffered by the darker-skinned poor under Brazil’s criminal justice system:

It is known, for example, that in Sao Paolo, as in other big cities, dark-skinned detainees ‘benefit’ from special vigilance on the part of the police, that they have more difficulty getting access to legal aid, and that heavier sentences are imposed on them than on their white counterparts for the same crimes. And once behind bars, they are subjected to the harshest conditions of incarceration and suffer the most serious carceral violence. Penalizing poverty amounts here to ‘invisibilizing’ the color problem and bolster racial domination by granting it the imprimatur of the state…. (Wacquant 2003: 199-200).

The above problems confronting the urban poor require new and innovative forms of metropolitan governance that allow for coordination mechanisms and cooperative action between and among municipalities and senior-level governments. There are significant opportunities for enhancing metropolitan governance provided by a new Brazilian law (Lei Federal n.º 11.107, April 2005) that authorizes governments at all levels to form new public
consortia, or innovative inter-jurisdictional mechanisms and institution that serve the public interest.

To explore these opportunities, Brazil’s Ministry of Cities has been collaborating with the University of British Columbia in a four-year project entitled “New Public Consortia for Metropolitan Governance.” Funded by the Canadian International Development Agency, it builds on the knowledge of Brazilians and Canadians with diverse expertise and experience from five Brazilian federal institutions — Special Secretariat for Promotion of Racial Equality Policies; Special Secretariat for Women Policies; Secretariat for Solidarity Economy; Ministry of Social Development and Fight Against Hunger; Ministry of Environment, and Brazilian universities and five Canadian institutions - Greater Vancouver Regional District; City of Vancouver Planning Department; Fraser Basin Council; and the University of Victoria’s Institute for Dispute Resolution, and UBC’s Centre for Human Settlements, where the project is administered in Canada. The goal of the project is “to reduce poverty in the peripheries of Brazil’s metropolitan areas by contributing to bottom-up development of inter-jurisdictional mechanisms for dealing with precarious informal settlement and social/spatial exclusion” (see Figure 3).

Figure 3: New Public Consortia Project Purposes

1. To support the development of new public consortia for managing land use and social infrastructure, stimulating local economies, meeting basic needs, and otherwise improving living conditions, in the peripheries of five metropolitan areas centred on Recife, Fortaleza, Santarém, Belo Horizonte, and Santo André

2. To test and further develop these new mechanisms by applying them to the design and implementation of collaborative, integrative upgrading pilot projects in targeted favelas and other precarious settlements

3. To formulate, on the basis of learning from experience in the five metropolitan areas, national guidelines for organizing locally appropriate consortia for dealing with informal settlements and social exclusion in metropolitan peripheries

4. To strengthen the capacity of municipalities and associations of municipalities, as well as social movements, to contribute to dissemination and implementation of the national guidelines


Public consortia are institutional frameworks and bodies that result in cooperation between two or more public-sector bodies and/or levels of government or jurisdictions. They are one example of inter-jurisdictional cooperation, which may be defined as any form of collaboration, formal or informal, between two or more public-sector bodies or levels of government. As a form of inter-jurisdictional cooperation, public consortia can operate horizontally (between local governments or other local actors within a region), or vertically (between hierarchical levels of government). The emphasis on the public nature of consortia suggest little role for the private sector, thus consortia are different from public-private partnerships, in which the private sector performs a service, builds or operates a facility, etc., for one or more public government body. The interest of the NPC is in public consortia that principally address metropolitan governance issues in urbanized regions.
Inter-jurisdictional cooperation however may occur without formal institutional frameworks or bodies, such as public consortia, as it is a broader, more common arrangement, particularly in Europe and North America. It is also much more explored in academic literature, particularly in light of the interest within political science and public administration in regional cooperation, networking governance and institution building and maintenance in response to disarticulated states and the globalizing nature of metropolitan economic linkages (Frederickson 1999). Analysts have also explored some of the major barriers to regional cooperation, such as local autonomy and fragmentation prohibit regional collaboration, and jurisdiction-centred economic interest spurs intraregional competition and impedes cooperation (Basolo 2003). Despite these major barriers, According to, substantial levels of cooperation exist, often in the absence of formal contracts or public fanfare and can easily overlooked because of their informality or lack of comprehensive lists identifying their presence and location (Nunn and Rosentraub 1997).

There are three types of public sector cooperation, according to Nunn and Rosentraub (1997): 1) formal and informal inter-local agreements to produce or provide services; 2) multi-jurisdictional agencies with cross-jurisdictional objectives, cross-boundary districts or service delivery organizations; 3) institutions and projects administered or financed jointly by separate jurisdictions. The second and third types most closely match the nature of public consortia in the new Brazilian law.

Nunn and Rosentraub (1997) also identified several dimensions of inter-jurisdictional cooperation: 1) Objectives/issues, which vary in their amount of political resistance. Using objective as point of reference, inter-jurisdictional cooperation may face the least amount of resistance when there is perceived mutual gain, or when there are common infrastructures to be built. More resistance to such cooperation may occur when the objective is to improve access, and to distribute or redistribute resources and benefits. 2) Institutional format, which varies in terms of the amount of local autonomy as in the case of coalitions and alliances that guarantee more local autonomy compared to the creation of new regional councils or government agencies where local autonomy is lesser ; 3) Tactical approach, which can range from the less formal (such as networking and information sharing) to the more formal (such as government-mandated metropolitan governance); and 4) Outcomes, which might involve economic development, municipal services, improvement of the physical environment, sociopolitical change or others.

Indeed, it is difficult to decide what outcomes are associated with high levels of cooperation between governments and jurisdictions. It is even more difficult perhaps to measure the success or outcomes of inter-jurisdictional cooperation. Outcome measurement must be based on knowledge of the original objectives of each region’s attempt at cooperation, and not be driven by a belief in cooperation as the panacea for the metropolitan area’s problems, or by some set of preconceived notions about what constitutes good cooperation (Nunn and Rosentraub 1997). What is also possible in one area may be possible or unique only in that one area, and may not be replicable in other regions.

Such insights are relevant in analyzing the NPC project experience in so far as the degrees of relative success or failure in development new public consortia in the five regional areas originally covered by the project – Belo Horizonte, Fortaleza, Recife, Santarem, and Santo Andre. It appears that the successful formation of a public consortium in Belo Horizonte was aided by the perceived mutual benefit from the construction of a permanent structure in the form of transition shelter to improve access for women and children who survive domestic and other
forms of violence in the City and five nearby outlying municipalities. But there are also other
success factors such as the presence of women champions of the issue, supportive political
leadership, and a competent technical staff and other members of the bureaucracy, who worked
together to sign a formal Protocol of Agreement.

Addressing Social Exclusion and Inequalities Through Collaborative Governance

As mentioned earlier, the New Public Consortia Law provides tremendous opportunities for
more effective forms of regional and metropolitan governance to address social inequalities and
promote greater social inclusion, especially in the favelas. Taking advantage of these
opportunities will have to rely on two critical factors. First is the recognition of the strengths and
assets of the favelas and favela residents, so that they are seen not as problems but rather as part
of the solution. Second is the need to capitalize on rich Brazilian traditions of popular education
and experience in participatory budgeting and the solidarity economy to realize forms of
collaborative regional governance that promote social inclusion and social justice goals.

In her now classic work, The Myth of Marginality, Pearlman (1976) demonstrated how the
popular, academic and government perceptions of favela culture and residents – their internal
disorganization, external isolation, economic parasitism and parochialism, culture of poverty
and traditionality, political apathy or radicalism -- are not only empirically unfounded and
analytically flawed. They are also insidious and inappropriate in their policy implications as
well as harmful in maintaining a rather moralistic “blame the victim” narrative. These
perceptions and conceptions of “marginality” thus reach mythic proportions as they functional
to the social reproduction the system. Elites and the rest of Brazilian society perpetuate this
“ideology of marginality” despite contrary empirical evidence because of its functionality in:

1. justifying extreme inequality and obfuscating the inability of the system to provide
even minimal living standards for a vast subset of the population;
2. preserving the legitimacy and “fairness” of the rules of the game;
3. depressing wages and lowering the costs of services, which served to maintain their
own subordinate position;
4. providing a scapegoat for a wide variety of societal problems and allowing others to
feel superior, while legitimizing the dominant norms;
5. “purifying” the image of the rest of society…by considering the “marginals” the
source of all forms of deviance, perversity and criminality;
6. shaping the self-image of those labeled as marginal such that favelados often
internalize the negative attributes ascribed to them and faulted their own ignorance,
laziness, or worthlessness for their lack of “success” and;
7. dividing the popular sector, thereby preventing them from coalescing into a unified

Contrary to negative perceptions of marginality that serve the above functions, Perlman in
her 1976 study found favela residents to be cohesive, well-organized and rational-
instrumentalist in their use of their milieu. They contribute much to the cultural mainstream as
they educate their children and aspire to improve their lives. Politically, they cultivate
clientelistic relations with politicians and accommodated the rules of authoritarian governments
without demonstrating propensity for the much-hoped-for radicalism among the poor.
Economically, they work on multiple jobs with the lowest pay and least security. She concluded that:

the favelas are not marginal, but inexorably integrated into society, albeit in a manner detrimental to their own interests. They are not separate from or on the margins of the system, but are tightly bound into it in severely asymmetrical form. They contribute their hard work, their high hopes and their loyalties, but do not benefit from the goods and services of the system. They are not economically and politically marginal, but are exploited, manipulated and repressed; they are not socially and culturally marginal but stigmatized and excluded from a closed class system (Perlman 1976: 195). This continues to be the case today (Perlman 2005).

Any form of inter-jurisdictional cooperation, such as the creation of public consortia that aims to promote social inclusion and justice would have to recognize the above assets strengths and contributions of the favelas and favela residents to Brazilian cities and society at large. It will also have to recognize that favela residents are no longer affected by the myth of marginality, but the reality of a new marginality, term that has regained currency by the late 1990s particularly among academics in first world countries who use terms such as “the new underclass”, the “new poverty,” the “new marginality”, or “advanced marginality” to describe the persistence of poverty in first world inner-cities, particularly among teenage single mothers, new immigrants and old residents of black ghettos.

In Brazil, this new marginality among favela residents is characterized by their increased involvement in and bearing a disproportionate share of the costs of general violence, criminality, arms and drug trafficking, largely due to their lack of full protection under the law and the complicity of the police and the criminal justice system (Perlman 2005: 18). This new reality shaping urban poverty in Brazilian cities such as Rio de Janeiro is derived from the following “four structural dynamics” derived from Wacquant’s analysis of first world inner-cities and their “distinctive post-industrial marginality characterized by new constraints, stigmas, dependency on welfare states, and institutions within ‘territories of urban relegation’” (Perlman 2005: 18).

The first is the persistence of social inequality even within overall economic growth and prosperity, “partly due to the elimination of jobs for unskilled workers, along with the multiplication of jobs for university-trained professionals” (Perlman 2005: 18). The second structural factor is the growth of “absolute surplus population” which occurs due to the mutation and redundancy of wage laborers, majority of whom will never work again, and the degradation of work conditions where persistent low pay, poor mobility, weakening of labor unions, and erosion of formal employment characterize the life of poor workers who live within and outside the favelas (Perlman 2005: 18-19). The third is the retrenchment or decline of the welfare state in Brazil, in processes similar to those happening in the West. The fourth is the spatial concentration and stigmatization of the poor, which are “physically expressed in hard-core areas of outcasts, territorial stigma and prejudice, and a diminishing sense of community life” (Perlman 2005: 20, citing Wacquant 1996). The fifth factor added by Perlman is the growth of the “spheres of fear” and lethal violence, particularly in favela neighborhoods plagued by drug and alcohol abuse, drug trafficking, crime, and hopelessness, which reduce the level of social capital, or the norms of trust and cooperation within favela communities, norms which were functional to the mutual aid and extreme need for collective help.
In Perlman’s follow-up 2003 research in Rio de Janeiro’s favelas, she observed a serious decline in community life and social capital, due to relocation, the breakdown of the old social order, and growth of violence, often exacerbated by police raids and brutality. This is best seen in the drastic decline in number of second-generation residents who no longer describe their community as cohesive and united: “among the people interviewed in 1969, 54 per cent said the community was “very united” and another 24 per cent said “fairly united”; whereas among their children, almost none said “very united”, and the majority (55 percent) said their community “lacks unity” (Perlman 2005: 22).

The above characteristics of and factors behind the “new marginality” shaping the new patterns of social exclusion in Brazil, pose tremendous challenge for political leaders, community planners and activists who wish to leverage the new public consortia law as a way of developing more effective and collaborative forms of metropolitan governance to precisely address social exclusion and injustice. Perhaps other leverages could be used to achieve these goals in the course of collaborative governance. Among them are the stocks of political and cultural capitals that have been nurtured among poor favela residents in the course of practicing participatory budgeting and developing the solidarity economy.

Participatory budgeting is successfully practised in 250 cities and municipalities around the world (Beall 2004), including 130 Brazilian cities that adopted various versions between 1997-2000 (Cabannes 2004). It has been demonstrated to have positive benefits for favela residents in terms of providing better public goods and services, improving the quality of governance and public participation, creating vehicles for citizen education, bringing improvements in vital infrastructure and services to poor communities, minimizing corruption, and fostering an open-ended civic discourse among the urban poor (Avritzer 2002, Baiocchi 2003a, 2003b; Koonings 2004). Participatory budgeting may be seen as an example of “empowered deliberative democracy” (Fung and Wright 1999), initiated as “part of a deliberative struggle for a new, citizen-centred, social and political society based on the emergence of an increasingly interconnected and globalised world” (Beall 2004). In Porto Alegre in Brazil, perhaps the best and longest known example of participatory budgeting practice, significant neighbourhood and social movement activity have taken place since the post-war period, including proposals in the 1970s for participatory reforms to local governance (Abers 1996, 1997, 2000; Baiocchi 2003a; Santos 1998).

Solidarity economy, on the other hand, refers to the group of economic activities, including production, distribution, consumption, savings and credit, which are organized and conducted in a spirit of unity and system of cooperation, wherein workers collectively manage its operations. This alternative economy is manifested through solidarity economy enterprises which possess four main characteristics: (1) cooperation, (2) self-management, (3) economic viability, and (4) solidarity. Unlike mega enterprises in Western capitalist societies, the goal of solidarity-based enterprises is not profit maximization to accumulate individual wealth, but rather, the improvement of people’s lives. The welfare and well-being of people and the quality of their lives are the central driving force of the solidarity-based enterprises. Its purpose is to make people the active agents and their welfare the final purpose of the economic activity. Such initiatives are a holistic approach to economic development, as it generates multiple sources of
income while cultivating social ties through its operations which also serve to strengthen the collective social capacity of its members (Esteves 2006).

Currently, there are approximately 15,000 solidarity-based economic enterprises (EES) in Brazil, with nearly two million people involved (Osava 2008). There is no single model of EES, as it can take many forms and structures such as (1) cooperatives (production, services, consumption, commercialization, solidarity credit), (2) popular associations, (3) informal groups, (4) recovered self-managed companies (former capitalist companies that went out of business and were recovered by its workers), (5) solidarity exchange clubs and groups (using or not using social or community currency), (6) networks and associations for commercialization and for supportive production chains, (7) local exchange and trading currency, and (8) solidarity tour agencies, etc. The most common type of activity in solidarity economy is agriculture-based, but there are also EES in the areas of food services, fishing, handicrafts, textiles, and many more.

The linkage between participatory budgeting practice and the growth of the solidarity economy in Brazil is not well known. It is plausible however to expect that some form of participatory budgeting is being applied in the operations of agencies and enterprises associated with the solidarity economy, particularly in areas where there are city-wide participatory budgeting processes in place. What is certain is that there is still little analysis of how 2005 New 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 in order to promote more effective and collaborative forms of regional governance to address urban poverty, social exclusion and social inequality.

Conclusions

The new public consortia law is among the new opportunities for democratizing planning and governance at the regional level. Democratizing regional and metropolitan governance is even more pressing since most regional governance bodies and institutions suffer from democratic deficit and lack of participation from the urban poor, leading often to poor decisions and ineffective policies. Direct democracy is often the exception, not the rule in these bodies whose representatives are often appointed and far removed from direct constituents even though they decide on issues and concerns that directly affect the general public. This paper is arguing not for the need for formal democratic mechanisms, such as direct elections of regional representatives, but rather for more substantive forms of democratic and collaborative governance that could help address the worsening social inequality and deepening patterns of social exclusion in metropolitan areas.

The need for more collaborative forms of governance and inter-jurisdictional cooperation is highlighted by the fact that most urban problems – rising crime rates, violence, lack of social housing, pollution, environmental degradation, unemployment, etc – are common to many municipalities and their sources and manifestations often straddle between and across several municipalities and regions. As real urban problems do not respect geographic boundaries and government jurisdictions, there is an increased need for greater inter-jurisdictional cooperation if timely and effective solutions are to be created. And yet, there are many obstacles that remain to
successful cooperation, such as geographic, resource and economic inequalities between and within municipalities, competition, and jurisdiction-centered interests.

The experience of the Brazilian-Canadian collaborative action research, New Public Consortia for Metropolitan Governance, suggests that these obstacles might be overcome if there are willing and capable champions of collaborative governance who use the new law on public consortia formation as leverage. Still, there is much work to be done to maximize the benefits of the new law. Among them is the challenge of forging new philosophies of thinking about and working with favela residents in addressing urban poverty. Another is the challenge of ensuring that the lessons learned from participatory budgeting and solidarity economy in Brazilian cities are harnessed to create a critical mass of the urban poor, especially favela residents, aligned with progressive city planners and bureaucrats who together could form strong public opinion and pressure political elites and decision-makers to realize the benefits of the public consortia law in promoting collaborative and democratic forms of urban regional governance.

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