DEMOCRATIZATION OF LOCAL GOVERNMENT IN BRAZIL -
DECENTRALISATION AND PEOPLE'S COUNCILS

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Doctor of Philosophy

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This research studies two cases of implementation of alternative strategies for municipal government reform in Brazil, decentralisation and People's Councils. The aim is to answer the following general question: "Can decentralisation and People's Councils be a means for democratization of municipal government in Brazil?". The hypothesis is that initiatives to reform Brazilian municipal governments face problems that are characteristic of the Brazilian political and administrative reality. These problems are considered obstacles for the development of those initiatives and accordingly, for democratization of municipal government in Brazil. After an introduction and outline in Chapter One, Chapter Two discusses four main theories concerning local government. Chapter Three discusses decentralisation and People's Councils are discussed in Chapter Four. Chapter Five presents a historical, political and economic overview of Brazil. Chapter Six deals with Brazilian Federalism and Municipal Government. The main aspects of the Municipal Government are presented as well as the development of municipal autonomy through the various Federal Constitutions and cases of People's Councils and decentralisation in municipalities in Brazil. Chapter Seven presents the political parties responsible for the initiatives, the PSDB (Brazilian Social Democratic Party) in the case of decentralisation, and the PT (Workers' Party) in the case of People's Councils. In Chapter Eight the research strategy and the data collection techniques are described. Chapters Nine and Ten present decentralisation implemented by the PSDB in Belo Horizonte, the Minas Gerais state capital and People's Councils introduced by the PT in the town of Ipatinga in the same state. Conclusions are presented in Chapter Eleven and include a comparison and discussion of the two cases. The thesis shows that these experiments with alternative strategies of local government face problems that are generally current in Brazilian political and administrative reality. Those problems are concerned with unwillingness to decentralise power, clientelism, low levels of participation of civil society and the 'political' use of the structures implemented.

Key Words: Decentralisation, People's Councils, Brazilian Municipal government.

DEDICATION

To my parents Teresa and Beck
To my nephews Bernardo and Marcello

The past is not really past until it ceases to haunt us and we have become free to rediscover it in spirit of curiosity. But so long as the images and words continue to fill our thoughts and excite our passions, acting at distance from people and events we have not known and experienced, they participate fully in the present - whether they serve to destroy or whether they are used by us to preserve the context of our lives.

Claude Lefort

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CHAPTER 1. INTRODUCTION

This thesis examines two experiments in developing alternative forms of municipal government in Brazil. One is the case of formal decentralisation in Belo Horizonte, Minas Gerais state's capital. The other is the case of the People's Council (henceforth I use the initials PC) in the industrial town of Ipatinga in the same state (see appendix 3). The aim is to identify the problems that emerged during their development. The democratization of local government was the central purpose of these reforms. Obstacles to the full implementation and management of these reforms as a means of democratization are seen as the central problems faced. My idea is that by examining and evaluating these strategies I will be able to unveil the issues that hinder the processes towards democratization. Thus my general question is: "Can decentralisation and PC be implemented as a means of democratization?".

In order to have a more complete understanding of the relevance of both cases we must bear in mind that authoritarianism and centralization have been the main factors in the development of the Brazilian socio-political formation (Silva,1987:92-96; Lobo,1988:14-15). Centralisation is understood here as the situation where the power of decision and control lies on the highest level of or at the centre of the organization (Silva,1987:96).

In western democracies decentralisation has been seen as a reaction to the process of centralisation of the society, the economy and the state machinery that has evolved since the 1950s (Sharpe,1979:19). In recent years with the development of new information technology private companies around the world underwent organizational changes towards decentralisation. This process, what has been called neo-Fordism, meant the replacement of the Fordist-Taylorist paradigm with a techno-managerial paradigm based on delegation, participation and team work. However, that new paradigm has been established within a framework of increasingly computerised control system. It means that authority can be exercised outside its spatial location. In this case decentralisation can contribute to concentration of power (Aglietta,1979; quoted in Hoggett,1988:222). Those organizational innovations in the private sector were brought in the public sector (Hambleton,1992:10).

In the public sector decentralisation is considered to be part of democratization, in other words, as part of a process that widens the range of rights and freedoms and that progressively incorporates excluded social groups into the representative institutions and that creates possibilities for greater control and participation in the public administrations's actions (Borja,1984:5). Alternatively, decentralisation is used to devolve responsibilities for

reduced resources but not power to the lower levels (Yeatman,1990:172).

In the case of Brazil, from the 1930s to 1960s, economic development has been characterized by a high degree of political-administrative and territorial centralization. The central role of the State in economic planning was strengthened by the military dictatorship (1964-1985).

From the second half of 1970s and in the 1980s Brazil underwent a period of acute economic crisis. As a result of development policies based on foreign loans and an increase in interest rate by the international banks the economic crisis was exarcerbated. It was also a period when the military dictatorship was in decline and had been slowly and gradually implementing a democratisation process. Both these conjunctural factors, the debt (and the economic crisis) and the democratization process, highlighted the need for a complete reform of the State.A key point of the reform process was the concept of decentralisation (Teixeira,1990:80).

The end of the military dictatorship in 1985 and the setting up of the so-called New Republic marked a new phase for Brazilian Federalism which was partially translated into the 1988 Federal Constitution (Charter). The great step forward given by the 1988 Charter is the emphasis on popular participation which contributed to the strengthening of urban social movements. Moreover, the Charter asserts that the Organic Law (tantamount to a municipal constitution) has to take into account the cooperation of representative associations in municipal planning (Souza,1989:23-24).

Decentralisation is considered by the 1988 Charter not only at the level of the inter-government relationships but also at the level of the relationship between government and community. The community is conceived as a participant in the administration of social policy (Souza,1989:22; Baeta,1989:100)

In the 1988 municipal elections for the term 1989-1992, the electorate expressed their desire for change in the economic and political situation. The centre-left and the left won in the main capitals and in other important cities (Maduro,1989/90:91-92) proposing decentralisation and participation through PCs. The PT (Workers'Party) and the PSDB (Brazilian Social Democratic Party) were among these parties.

It is assumed, according to Moura and Santos (1989:13), that there are within the Brazilian political and administrative context conditions for the development of alternative forms of local government as a means to democratization. On one side, there are legal guarantees and institutional procedures that make up a context of democratic freedom (election, with universal suffrage, freedom of organization). On the other side, there is a

combination between a democratizing political will expressed by the political parties in charge of municipal executives and social movements with enough organisation and experience to make them relevant political actors.

My research consists of the studies of two of the Municipal executives ruled by progressive parties elected in 1988 for the term 1989-1992. One is the case of Belo Horizonte, Minas Gerais state capital that is generally considered the third most important state capital after Sao Paulo state capital and Rio de Janeiro. It has been ruled by the Brazilian Social Democratic Party (PSDB) since 1989 which attempted to continue with a stagnant decentralisation initiative. Despite the fact that the city had been before formally sub-divided in nine Area Administrations (AAs), firstly two AAs had been created in 1973 and the other seven had been created in 1983, only two were effectively working when the PSDB assumed the power in 1989. The PSDB established the other seven AAs and started providing those areas with structure.

The other case is Ipatinga, an industrial city in the same state of Minas Gerais, ranking five in the collection of the State added tax (ICM) that is charged on the circulation of goods, interstate/intermunicipal public transport and (tele) communication services. It has been ruled by the Workers' Party (PT) who attempted to establish a scheme of administration based on people's councils. In this case councils were created in different sectors, the budget being considered to be the most important. Attention will be directed to the budget council.

My aim is to identify problems that emerged within the structures established while these proposals were being implemented.

My hypothesis is that experiments in decentralization and on people's councils at municipal level confront the problems which are characteristic of the traditional Brazilian political context. These are the centralization of power, the resistance of central authority to devolve power to lower levels of the municipal government. Also clientelism and the low level of political organization of the civil society remain central issues. These problems are considered as obstacles to the implementation of decentralisation and People's Councils. They will emerge from the discussion in the chapters about Brazil, its political and economic character and the relationship between Brazilian Federalism and the Municipality.

Acknowledging the fact that Britain and the United States have an important tradition of local self-government and representative democracy (Magnusson,1986:1; Borja,1984:5-6) I mainly use literature produced in England especially in the chapters about decentralisation and local government. This does not mean that I have overlooked the fact

that there is some Brazilian literature. However the English material can be useful in the Brazilian case despite the economic, social, political and cultural differences. My view is that although the framework of analysis is based primarily on the English experience it is sufficiently general that it is possible to apply to Brazilian cases. There are, in other words common issues mainly related to division of power, senior managers's resistance to changes which tend to arise in cases of implementation of strategies that mean changes within the structure of any local government. Thus, I use a general approach especially in the discussion of decentralisation and apply a framework of analysis based on common and basic issues.

Chapter Two will discuss the main theories of local government. Localism, Public Choice, Dual State Theory, and Local State and Social Relations. Considerations of these theories, and their critics, can contribute to the understanding of local government in Brazil. I will take them into account to shape my own perspective.

Chapter Three deals with decentralisation. I discuss the concept and stress the link with democracy. Borja (1984:16) observes that decentralisation must be useful to develop political and social participation and for innovation in terms of procedures and content. Nevertheless, decentralisation and participation are at the same time different and complementary concepts (Fischer and Teixeira,1989:39; Massolo,1988:45). If decentralisation is not well implemented participation becomes a fiction (Borja,1984:160).

Decentralisation and the idea of decentralised state are compared with two other trends for local government, the privatization and the dismantled state, and the non-profit organizations and the empowering state. These trends are considered to be dominant in 1990s. (Hambleton,1992). I proceed to discuss the basic aspects of decentralisation, i.e. aims, means, which considers physical and organizational aspects and the division of power. Having established the basic characteristics of decentralisation I will deal with different forms of decentralisation. Finally, an instrument of evaluation will be presented. Hambleton (1988:130-132) suggests three dimensions: decision-making, political dimension and integration of services. The first two dimensions will be used here as I am concerned more with the possibilities of decentralisation as means of democratization. I will concentrate on the political and administrative aspects of the process. This is not to deny the importance of the integration of services but it is beyond the concern of this research. To complement these two dimensions I will apply the requirements set by Borja (1984:14,16-17) of decentralisation if it is to be a democratizing process. Despite using mainly English authors in this chapter this does not prevent the setting up of a framework

of analysis based on fundamental and general aspects of decentralisation. This framework is expected to assist in identifying problems in the decentralisation process.

In chapter Four I discuss the People's Council (PC). Among the varied literature used here is a significant article from the newspaper issued by the Ipatinga Municipal Executive where they explain to the population the concept of a people's council. In the first part of this article they linked the origin of the idea of the council with historical experiments such as the Paris Commune. They cite the Russian soviets, the workers councils in Italy and Germany, the anarchist case in the Spanish Civil War, the uprisings in Hungary in 1956 and in Poland in 1970, self-management in the former Yugoslavia, and current examples from the American cities. The second part deals with the Brazilian cases (Serie Documentos II,dez./1990:9-10). When I interviewed the Budget Coordinator of the Ipatinga municipal executive for the second time, he recommended the theoretical document (Gohn,1989) on which this article was based. Clearly, the Workers' Party in Ipatinga saw the historical examples of workers' councils as providing a basis of legitimation for the introduction of People's Councils in Ipatinga. The theoretical document serves as the backbone for my own chapter about PC. Another important source for the chapter is Bittar (1992) whose book "O modo Petista de governar" ("The "Petista" way of governing) in which he organised articles from seminars and meetings held by the PT about public administration and popular participation and where once more the party recognizes the importance of historical cases of PCs (they explicitly cite the Commune of Paris and the Russian soviets) in the PT historical experience. So in this chapter I present some of the political ideas and experiments that had influenced the ideology and the political practice of those of the PT who set up the councils in Ipatinga.

Thus I initially deal with the New Model Army and with the cases cited before. After this I discuss some further English examples and then focus on Brazil where I will consider examples of how the issue of PCs is being treated within the Workers Party. The aim is to present a set of requirements that characterise PC in democratic terms. Therefore this chapter is primarily historical. At the end of this chapter a set of requirements for the establishment of PC will be presented based on historical experience. These requirements will be used as analytical framework to evaluate the example of the PC in Ipatinga in the Conclusion chapter.

PCs, viewed as a means of democratization, imply the participation of democratically elected representatives in the local government decision-making process. I will focus on problems they face while performing their tasks as members of the PC (who

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I name people's representative) and on problems within the Municipal Executive, its relationship with the Municipal Chamber and the point of view of the councillors.

In chapter Five I will give an account of the Brazilian political and economic process from 1930 to the early 1990s. The importance of this chapter is that it will show the central role of the state in the political and economic process, its relationship with the society, the difficulties in establishing democracy in Brazil and how this affected the municipalities.

Chapter Six is initially concerned with characterization of the Brazilian Municipal Government and Legislature. The next part of this chapter will present the development of the municipality through the several Federal Constitutions that have been implemented in Brazilian history. I give most attention to the present the 1988 Constitution and the aspects of participation, municipal tax and competences and municipal participation within the Federal collection of tax. At the end of this chapter I examine the experiments in PCs and decentralisation in Brazil. Again, in this chapter, we will be able to note the impact of the Federal State upon the other two spheres of government, the municipalities and the Federal states.

In Brazil, the municipal executive (also called municipal government, administration or just the executive), headed by the mayor, is responsible for the policies, budget, appointments of senior executives who in turn are responsible for the sectoral Secretariats, legislation and municipal representation. The other main body is the Municipal Chamber or Council (the legislature). It is responsible for legislation and supervision of the executive. An important feature of the relationship between these bodies is that the mayor depends on the approval of the Municipal Chamber to execute his or her policies and projects. On the other hand the councillors may depend on the mayors' favours to accomplish their political objectives. This promotes horse-trading between these two bodies which is traditional in Brazil (Batley,n.d.:para.29-32,37). Decentralisation and the PCs, in this case, may upset the internal organization of the municipal executive and its relationship with the Chamber. In turn, those forms of local government can also affect the actions of the municipal chamber as a representative body within the society and their control of municipal decision-making (Moura and Santos,1989:5-6). It is within this context that I focus my research. Thus, chapter Six contributes to the analysis of change in the structures of local government studied and the problems that emerge during the process of change by presenting the main institutional conflicts within municipal government in Brazil.

In sum these chapters about decentralisation and people's councils provides me with

a framework of analysis with which to examine the cases of Belo Horizonte and Ipatinga. It is expected that not only will specific issues of these processes be highlighted but that also that more general features of the Brazilian political context will be illuminated. In this sense both chapters Five and Six present the analysis that allows a characterization of the Brazilian traditional political context.

Chapter Seven will deal with the political parties the PT and the PSDB. The object is to present their historical development, their programme for public administration and their treatment of the process of decentralisation and of PCs.

Chapter Eight will discuss the research strategy used in this research, Case studies, the techniques of data collection used, the standardized open-ended and focused interviews; the use of tape-recording and the documentation process. My approach considers organizations as political systems where problems "of power, values and interests and their conflictual interaction are paramount" (Hoggett,1988:217). Objectives are not seen as "given" but as "emergent" or "shifting". Thus, instead of focusing on organizations as a whole I focus on individuals and groups.

Chapter Nine is about the case of decentralisation being run by the PSDB in Belo Horizonte. Initially it is presented a historical account of the experiment. After this I describe the experiment and then examine the views of the participants through interviewss. The views of the participants are considered in two groups. Firstly, the perspectives of the representatives of the executive and of the councillors (Municipal Chamber). Secondly, the representatives of the decentralised units of the executive.

Chapter Ten is about the case of the PC run by the PT in Ipatinga. As before I begin with a historical account followed by a description of the experiment. Then I consider the views of two groups of participants. Firstly, the executive representatives and councillors and the Ipatinga PT's president. Secondly, the people's representatives, the leader of the Housing movement and the president of the Ipatinga Federation of Neighbourhood Associations (FAMIPA).

Chapter Eleven presents the conclusion. I will answer my general question "Can decentralisation and People's Council be means of democratization" and the data collected will be compared and considered in relation to my hypothesis that the experiments on alternative forms of local government, decentralisation and people's council, encounter problems which are characteristic and typical of the Brazilian traditional political reality. These problems are considered to be obstacles to the successful of the implementation of these estrategies.

CHAPTER 2. THEORIES OF LOCAL GOVERNMENT

2.1. INTRODUCTION

In order to contribute to the understanding of the municipal experiments being studied here it is important initially to discuss the idea of local government. It is hoped that this discussion will provide information that helps to characterize both local government in Brazil and the experiments themselves.

From the outset I am aware of the observation made by Smith (1985:2) that the study of decentralisation "should beg no question about the concepts 'local' and 'government' when discussing local government", as both geographical areas and state-institutions vary greatly according to the different places. Another useful concept in understanding local government in Brazil is of the observation and approach of Stoker (1988:217-218) that it is necessary to have a more methodical approach towards the study of local government.

Stoker observes that there is a need to focus on those approaches considered to have "the most developed understanding of local politics and government". Those theories are much used in the debate about local government. He outlined four approaches linked to a more general discussion about local government which express, in political terms, different perspectives.

These theories are firstly, the localist view, secondly, the public choice theory, thirdly, the dual state thesis and forthly, the local state and social relations' approach. My aim here is not to define local government, in this case Smith's observation retains its value, but to outline the different approaches and their problems. At the end of the thesis I will show how some of the insights relate to the data collected taking into account the limitations of the research.

Throughout this chapter I am using theory produced in developed capitalist countries (most of the time Britain and sometimes United States) despite the fact the research relates to Brazil a developing country. A justification for doing this is that both countries are considered to "have the longest and best traditions of local self-government and representative democracy" (Magnusson,1986:1). The other point is that there are general principles that are common both in the First World countries and in Brazil such as the role of local government in the capitalist system, its position within a formal democratic country and bureaucratic features that justify the use of theory made in Britain and United States.

At the conclusion of this chapter I comment on the theories and the perspective adopted in this research.

2.2. THE LOCALIST APPROACH

This first approach starts from the same point as the orthodox public administration model. Both give local government high consideration. However, it differs from that model by regarding local democracy as a desirable matter of principle, avoides complacency and adoptes a perspective that goes beyond formal and legalist limits.

2.2.1. MAIN ASPECTS

This approach is basically influenced by the pluralist perspective. A perspective, which according to Dunleavy and O'Leary (1989:57) is characterized by being in favour of decentralisation rather than centralization. As with Tocqueville (1968), who in 1830 was well impressed by the townships of New England and with the "stabilizing effects of this neighbourhood democracy" (Magnusson,1979:119), they support the decentralized forms of federal constitutions "where the national (or federal) government share and divide legal authority with state governments". Decentralisation is seen as a mechanism to avoid "democratic" despotism and is able to create various channels for citizen participation and control over politicians.

Dunleavy and O'Leary (1989:58) observe that pluralists also favour elected local governments with local decision-making powers which cannot be meddled with "by a central government in a unitary state, or by state governments in a federal constitution". Local government plays an important role both as a counter-balance to the centre (from here I use 'centre' or Central Government as relating to both unitary or federal state) and as a site for political education. Voters, groups and politicians would learn the skills necessary to the political life, "thereby facilitating the emergence of the same processes in the centre" (Dunleavy and O'Leary,1989:58).

Another positive aspect highlighted by the pluralists is that local government is said to be more efficient in administrative terms. For them centralization of decision-making means emptying local government of its initiatives and overloading the centre (Dunleavy and O'Leary:1989:58).

In sum, the localists like the pluralists acknowledge and value different types of

social, institutional and ideological practices and are in favour of elected local governments. However, unlike some pluralists they consider that local governments neither offer equal access to all different groups nor offer equal attention to all demands made (Stewart,1983:135; Stoker,1988:222).

According to Stoker (1988:222-223) the localists see this circumstance as unavoidable and legitimate on condition that "choices about access are made consciously and openly by elected representatives". They also acknowledge that local government is not always responsive enough to changing local needs. For instance, bureaucratic modes of organization can inhibit risk-taking and innovative actions.

Within this perspective local government is characterized as being run by directly elected local authorities, with responsibility limited to a certain area and by being a general organization providing several services, rather than a functional organization with only a single primary responsibility. These features justify the use of the term 'local government'. It claims that the working of a local authority goes beyond the limit set by its statutory responsibility. Thus, local government is both a political institution for local choice and a provider of services (Stewart,1983:1).

As a political institution local government is one element of a system of governing institutions at national and at local level. It means that it has to take into consideration the different institutions whose actions affect the locality which it is responsible for. However, unlike other institutions, the actions of local government are limited to a specific area but its concern is not limited by its particular functions. Because local government is run by directly elected local representatives it acquires "the right to speak on behalf of its area over and above the functions for which it is responsible" (Stewart,1983:1-4). It also means that local government has the right to make local choices according to local contexts or local purposes. Local choice implies the possibility of variation, within limits, in allocating resources, in raising resources and in organising services. Thus local government can be a means of expression or of shaping the specificity of the locality (ibidem).

Local government is also an organisation that provides services. These services can be seen as supportive to the role of local government in the areas for which they are responsible. Local government maintains and orders its localities and communities by providing these services. Two kinds of services can be identified. Maintenance services which implies the providing of physical conditions, maintenance of services and roads, refuse collection and transport. Local authorities also deal with maintenance of social processes; e.g. education, social support, leisure and recreation, and housing. Another

function of local government is to keep order. It has to establish the conditions for the working of society and has to solve conflicts.

Finally, local government is considered to be an institution for change, as a means whereby an area can change without unnecessary conflict or without a rupture in the process. However, any change in the areas demands a change in the government, otherwise the change withers away. Local government tries to meet these demands or fails to, improving or worsening the problem. Here lies the responsive role of local government. It answers more promptly to certain groups. These group's interests are the dominant type of interests in society. Nevertheless, it is assumed that local government has, within limits a degree of autonomy. "At different moments of time and in different localities, different choices" are "made favouring different interests" (Stewart,1983:6). Thus, two kind of changes are identified. There is the change which aims at maintaining the prevailing pattern of society in an altered context. It is called responsive change and is linked to the roles of maintenance and keeping order. The other is the direct change which aims at altering that pattern (ibidem).

Firstly, local government is seen as generating a division of political power. It is believed that the spread of power and the participation of various decision makers in various different places is important. As local government is an elected body it is able to represent the legitimate power existing throughout the society (Jones and Stewart,1983:5). As such it is considered as a countervailing force to Central Government (Stewart,1984:3).

According to Greenwood and Stewart (1986:37) local government can strengthen liberty and participation as it acts as a guarantee against monopolization of governmental power (see also Goldsmith,1986:3). It means that empowered local government curtails the perils of the centralisation of governmental decisions by the centre (see also Muttalib and Khan,1982:1).

The second argument is founded on the perspective that "there is strength in the diversity of response" (Jones and Stewart,1983:5; Stoker,1988:221). Local government gives the means to the different localities to express their own specific needs, aims and wishes. That capacity for voicing the differences among localities is legitimated by the electoral base of local government. It lays down the ground for innovation and experiment and it is seen as the starting point of social learning. Social learning conveys the idea that by adopting uniform national solutions the diversity of urban and rural problems will not be satisfactorily dealt with and the social learning that flows from the actions that different local government implement to deal with their services can be severely diminished (Jones

and Stewart,1983:5).

Local governments can learn from their own actions and from those of other authorities. Thus, local government can promote efficiency by its diversity of approach to the delivery of services that are more appropriate to local needs than those provided by the centre (Jones and Stewart,1983:6; Greenwood and Stewart,1986:37; Goldsmith,1986:3).

The third argument is the localness of local government. Local government performs its tasks within a limited area. Officers and councillors live close to decisions that are to be taken and implemented, to the people whose lives are affected by those decisions, and to the sites whose features are also affected by their decisions. Thus, it can be said that those responsible for taking decisions have prior knowledge about issues and situations they are deciding upon (Jones and Stewart,1983:6).

Localness means that local government can be made accessible to and affected by influence from its citizens" (Jones and Stewart,1983:6). There is more visibility in its decision-making processes and activities than at the central level. This last aspect makes local government more open to pressure when it does not meet the demands of those who live and work in its area (ibidem; Stoker,1988:221).

For Walker and Darke (1977:14-16) localism can be supported on the basis of four arguments. Firstly, people tend to most readily identify with issues that are closer to them, matters that can be localized, that can affect their home, community and working place. Secondly, localism can maximize experimentation and innovation in solving or identifying new problems as it can provide the necessary freedom for these kind of activities. Thirdly, "local groups and individuals possess resources of time, knowledge, skill, and manpower which they can and do make available to the wider community". Fourthly, some activities are more effectively managed at a local level.

The fourth argument for local government is based on the assumption that resources can be more effectively allocated by decisions at local level than by those at national level. The matching of local resources to local needs is more readily achieved at a local level as judgment of need can be more appropriately made by those who live close to the local reality. Thus judgment is seen as a more suitable basis for economy than an application of a national standard (Jones and Stewart,1983:6-7; Stoker,1988:221-222).

2.2.2. CRITICISMS OF LOCALIST APPROACH

Stoker (1988:224) notes that there are three common criticisms of localist

perspective. Firstly he notes that although some commentators recognize the value of local democracy they would not consider it as an absolute value as localists do. They observe that in fact it is necessary to have a trade-off between local accountability and matters of territorial and social justice. In other words, they question if it would be realistic to see the centre allowing local government to act in opposition to its plans.

The second criticism is linked to the faith of the localists that political mechanisms of local authorities can effectively represent the demands of local citizens. Both right and left theorists challenge this view. The former assert that the mechanisms of the market provide a superior response to citizens' needs than the political mechanisms of representative democracy. The latter consider that the localist view does not properly take into account the issues of political power in areas like class politics, sexism and racism. According to this view it is these issues which provide political direction to local government and demands which it is asked to meet. The fact that some groups are excluded and others not is caused by a structure of inequality rather than by intensity of preference (Boddy,1987:96; Stoker,1988:224).

The third criticism is concerned with possibilities of changes in local government system. Localists are aware of the need of local governments to be reformed in order to obtain more responsibility, responsiveness and accountability concerning financing, political and organizational arrangements and constitutional provisions (Jones and Stewart,1983:14). However, they are criticized for overestimating the capacity and ease with which local government can be changed (Stoker,1988:225).

Stewart (1983:136) says that changes can be made in the "biases in the system". For this reason his proposal aims to convince top managers and politicians of the importance of these shifts. Nevertheless, as Boddy (1987:97) observes it is an elitist perspective that considers that the organization culture should be established from the top. Another problem is that it is unrealistic to expect local government structure to be reformed by a change of mind by its managers and leaders. Finally, it is questioned if existing councillors and officers would give away their privileged position in the unequal context where they make their business (Stoker,1988:225).

2.3. THE NEW RIGHT AND PUBLIC CHOICE THEORY

In its most common usage the label "new right" covers a wide range of intellectual positions from libertarian philosophers to those who support reactionary values. Within the

new right tradition the public choice theory stands out as one of the most important (Dunleavy and O'Leary,1987:72; Stoker,1988:225). Public choice theorists defend the idea that only pluralist politics is democratic and only small size governments can work efficiently. For them huge municipal bureaucracies and overstaffed administrative agencies are obstacles to democracy.

They advocate decentralisation of metropolitan government and understand inequalities as the outcome of non-political processes. At the same time they shift attention away from politics towards economic policy, separating both domains (Gottdiener,1987:64). The rationality of the market emerges as the basis for this model (Magnusson,1986;14).

2.3.1. MAIN ASPECTS

According to Magnusson (1986:14) the most developed public choice theory is American and is based on the belief in the virtues of the mechanisms of the market in relation to allocation of goods and decision-making. In this way public bureaucracies and representative democracy are considered extremely problematic in comparison with the market (Niskanen,1973; quoted by Stoker,1988:226).

On this view the problem with representative democracy is the tendency of groups with higher-than-average demands for bureaucratically supplied services being overrepresented. In turn, public bureaucracy is criticized for supplying "more of its services than the average member of the electorate wants" (Pollit,1986:163,170).

This over-supply is due to the fact that bureaucracies have special protection. Each bureaucracy is headed by a political sponsor. Generally the bureaucrats manage to involve politicians, as they possess control over technical information about services. Thus, what really matters for the bureaucracies is not the desires of the electorate but their influence over the sponsor (Niskanen,1973:15). Even when the bureaucracies are controlled by specialist committee-based systems, many of the components of these committees, in other words councillors, have similar interests to those of the bureaucracy staff as they represent those groups with higher-than-average demands (Pollit,1986:163; Stoker,1988:227).

This trend to over-supply is an expression of flaws of representative democracy and the working of public bureaucracies. Politicians who seek to assure their election usually increase public expectations about what the state can supply. Once they are in power they can cover up the outcomes of their decisions, while putting a veil over the true economic and fiscal situation. The state, in the end, will oversupply with much more than the citizens

need. A common consequence of this is that the cost of this state expenditure is spread over future years through borrowing (Stoker,1988:226; Pollit,1986:163; Gottdiener,1987:72).

The great influence exercised by sectional interest groups also affects the outcomes of party competition. While politicians and bureaucrats may attempt to set up electoral support for high levels of expenditure, well-organized interest groups are pressuring for more and better supply in order to satisfy their interests. The costs of these services are paid for by the unorganized sectors of society (Stoker,1988:226; Pollit,1986:163; Gottdiener,1987:72).

The existing liberal democratic mechanisms for citizen participation and decision-making are not considered adequate by the public choice theorists. For them, the market system offers a much broader range of alternatives that can work better than, for instance, periodical election when people have to decide on a variety of issues at the same time. They are puzzled by the fact that liberal democracies have done so little in terms of experimenting with alternative arrangements (Dunleavy and O'Leary,1987:95-98; Stoker,1988:226-227).

Thus local government is seen to have tendencies for wastefulness, inefficiency and overspending due to the flaws of representative democracy and to the public bureaucracies. It has become a huge bureaucracy under strong pressure from interests embodied by politicians, professionals and trade unionists. Managerial and political controls are considered weak and ineffective. Local government very rarely consider consumer's demands. As a result it over-supplies inadequate services that are in general criticized for being of low quality, unresponsive and more costly than those same services provided by the private sector (Pirie,1981:13; Stoker,1988:227-228).

In answer to these problems public choice theorists propose two institutional reforms. The first one is contracting-out. For them it has two basic advantages. Firstly, contracting-out means open competition with private agencies which pushes bureaucrats to make public more information on the costs of their service provision and allows comparisons of cost-effectiveness and efficiency to be made. According to this view because private organizations are profit-oriented and have a narrower focus in terms of operations they work with efficiency and flexibility. Second, contracting-out also implies a challenge to the monopoly position of local governments' service providers undermining the dominance of trade unions and professionals (Dunleavy,1986:16; Stoker,1988:228).

Fragmentation of public bureaucracies is the second institutional reform proposed

by this model. It is argued that the public bureaucracies are extremely large, that there is no motivation for being efficient and therefore, drastic reforms have to be implemented. According to this perspective local government is seen as a desirable form of organization (Stoker,1988:228). However, it is important to observe that reforms of local government systems in a country such as Britain have undermined citizen control by establishing very large authorities (Dunleavy and O'Leary,1989:121). What is suggested is the fragmentation of local governments. This idea has its main defender in Tiebout (1956). According to him if there is a great number of municipalities and if people can move unrestrainedly, then citizens can control provision of services of local government and raising of taxes. This creates competition in the consumption and production of local government services. Citizens express their preference about services and control local governments by voting with their feet. It means that citizens move to localities where their needs and demands for services and taxes are more adequately met rather than making use of democratic mechanisms like voting at local elections or exerting pressure upon the local council or town hall (Dunleavy and O'Leary,1989:120; Markusen,1976:51).

Tiebout's hypothesis reflects the idea, within the new right, of freedom conceptualized by the "power to choose". In this case the exercise of individual choice through local government is one aspect of the political value of freedom. For each local government, according to Tiebout, there would be an "optimum community size" grounded on the coalescence of taxes levied with services provided. This would be a result of individual consumers attempting to find which local government fits their demands and needs best (King,1989:189-190). Citizens are seen as rational actors able to calculate the ratio of benefits in terms of standard and suitableness of the services provided by and the costs in taxes paid to a local government so that they can choose the appropriate locality to live in (Dunleavy,1984:61). As a result local government has to be cost-efficient in its supplying of services and to charge adequate taxes and to run an economy in a developing process (King,1989:196). Thus, efficient local governments obviously attract people while the non-cost-efficient localities lose inhabitants to other areas (Dunleavy and O'Leary,1989:120-121). This also means that the trend of local governments to over-supply is undermined (Stoker,1988:228).

Another argument of Tiebout's hypothesis is that if a wide range of different preferences among different citizens is to be satisfied it is necessary to have a great number of small local authorities. This conveys the assumption that in smaller localities citizens' demands tend to be more homogeneous than in larger local governments. It is also easier

for a small local government authority to meet its citizens demands than for a large one (Dunleavy and O'Leary,1989:121).

Fragmentation has another positive aspect which is the breaking up of large bureaucracies that monopolizes the provision of services and goods which creates a growing intra-bureaucratic competition (Stoker,1988:228). This means to privatize many services and to fragment the state bureaucracies by putting them in a mutually competitive context. As a result, bureaucratic stagnation decreases while both citizen control and citizen choice increases (Pollit,1986:158).

According to the new right approach there are two ways by which citizens can control organizations. Either by applying "exit" options (quitting, leaving, and voting with feet) or by applying "voice" options (protest, articulation of grievances, and political participation) (Hirschman,1970; quoted in Dunleavy and O'Leary (1989:121)).

The new right public choice theorists advocate the "exit" option in contrast to the pluralists who are interest in the "voice" option, i.e. in the ways by which the citizens express their demands, e.g. via local elections, interest groups or urban protest movements. For Tiebout the process of deciding upon the mix of services and taxes in each local government has no room for local democratic procedures. In a case where a local government turns out to be inefficient or supplies an inadequate set of services, citizens will move to another locality where their needs can be better met (Dunleavy and O'Leary,1989:121).

Finally, the last point to be made is that public choice theory understands local governments as firms that have to be efficient to achieve the "optimum level of output in order to avoid citizens' migration (Markusen,1976:51). Dunleavy (1984:61) notes that public choice theorists consider that local authorities ought to be managed by entrepreneurial managers whose main goal is to maximize the tax base of their authorities. Then, they would compete for high income residents and high value, non-polluting industry or commerce. Thus, their starting point would be to question the rational actors, in other words the citizens, and ask what kind of services they would accept.

2.3.2. CRITICISMS OF PUBLIC CHOICE THEORY

The first criticism of public choice theory is that their argument that local government and other agencies tend to oversupply fails to notice that public provision has both to meet a standard of need and to be able to pay, and that in historical terms market

have been supplementing state programmes because of their inadequacy, rather than their oversupply of services (Beetham,1987:50; Stoker,1988:230).

Secondly, the public choice criticism of the mechanisms of the representative democracy as a means of distributing resources and giving voice for citizen demands is based on an uncritical approach to the markets. Both political and market systems have their flaws. The market is not an adequate mechanism for the consumer expressing his/her choice because, among other factors, the partial knowledge of persons both about their own preferences and about the qualities of the services and goods they are paying for; and because of costs of setting up transaction mechanism, e.g. the collection of fees. Producers and consumers can feel insecure and unstable and the market mechanism operate only when it is possible to produce a context of cooperation otherwise it will fail to operate properly (Lindblom,1977; quoted in Stoker,1988:230).

Thirdly, the view of the public choice theorists that bureaucrats always try to increase their budget is questionable. Some authors observe that there is rather a tendency to maximize staff (Blore,1987; quoted in Stoker,1988:230). Others disagree with the public choice theorists argument that bureaucrats are self-interested and self-serving. On the contrary, it is asserted that bureaucrats act by following their policies and their desire to serve the public (Goodwin,1982; quoted in Stoker,1988:230).

Fourth, public choice theorists are criticized for their assumptions about the extent to which senior officials can run their departments and by the fact that they do not take into account the cross-cutting conflicts within bureaucracies (Stoker,1988:230-231).

Fifth, King (1989:196-197) questions the assumption of the citizen as a rational actor able to either estimate his/her cost-benefit function or to decide to live where they can afford to. Most people live where there are jobs on offer, and while some may be able to afford to choose a job and move to a different locality many people cannot. Moreover, the "exit" option does not seem to be the preferable response of citizens to inadequate local government and "voice" or quietism may be a more probable reaction.

Sixthly, whilst focusing on consumer choice and exit options this model does not take into account the problems of income and resource inequality. These sort of problems can undermine the low income workers' or welfare service users' control over running their own houses or influencing on the management of their schools (Pollit,1986:185; Stoker,1988:232).

The proposal to set up competing bureaucracies and/or private organizations fails to consider the possibility that some agencies may collude in order to establish an

oligopolist division of the market. There is also a problem of coordination and interdependence. Decisions about issues like transport and land-use affect a wider group and demand a wider authority (metropolitan, regional or national agency) to deal with the duplication, inequality and waste (Pollit,1986:185; Stoker,1988:232).

Finally, it should be said that public choice theorists misrepresent the political process by using a depoliticised logic of welfare maximization, where social conflict is not properly considered but rather is covered up by the assumption of individual rationality (Dunleavy,1984:63).

2.4. THE DUAL STATE THESIS

The third approach, the dual state thesis, has according to Stoker (1988:232) had considerable attention from the academic area. It has been developed over time by its main representatives and its name has been modified to the "dual politics" thesis (Saunders,1986). In this model issues concerning functional allocation within the state machine are seen to be of vital importance to the understanding of political and social developments in advanced capitalist societies (Dunleavy,1984:66).

2.4.1. MAIN ASPECTS

The "dual politics" framework is based on Offe's (1975,1984) twofold distinction of state action: firstly the allocative functions which aim at maintaining the conditions of capital accumulation in an authoritative approach making use of resources over which it is entitled to control the money supply or regulate working conditions; secondly the productive functions whereby the state supplies resources necessary for capital accumulation, e.g. nationalization of key unprofitable economic sectors or provision of welfare to support the reproduction of the labour force (Offe,1975; quoted in Saunders,1986:295).

However, according to Offe, there is a rationality problem which is how to decide "between two sets of competing and crucial priorities" (Saunders, 1981:29) represented by the two functions of state. The state could be discharging allocative functions, in response to pressure from external interests. The same could be done with the productive functions to isolate them from competitive political pressures in order for them to be effective. However, Offe concludes that whatever the strategy used to achieve such isolation there

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is no guarantee that the outcomes of those interventions will meet the requirements of the system. He considers three strategies: firstly, the state bureaucracy which can not decide properly as bureuacracies are not enough "flexible and are poor instruments of policy innovation and intiative"; secondly, the rationality problem can not be solved by extending state planning since investment is mainly influenced by private sector and "is subject to the law of value", thirdly, a participatory strategy is not also more effective as it could put at risk the state's commitment to contribute for capital accumulation (Offe,1975; quoted in Saunders,1986:295-296; Saunders,1981:29; Dunleavy,1984:67-68).

Another aspect to be considered in the "dual politics" theory is state expenditure. Here Saunders (1986:296-297; 1981:27-28) draws upon the typology of O'Connor (1973) which differentiates two main categories of expenditure. The first one is "social expense" which consists of the provision of law and order or social security necessary to mantain the social order and provide legitimacy but which is neither productive nor profitable. The second is "social capital" which assists capital accumulation either directly, as "social investment" in order to lower the costs of constant capital, e.g. spending on infrastructure, or indirectly, as "social consumption" in order to reduce labour costs by supplementing workers' living standards, e.g. spending on housing or health care. According to O'Connor increasing demands in all areas generates a fiscal crisis as the state unsuccessfully tries to mantain profitability and repress social unrest during a long-term economic crisis.

However, O'Connor's approach is criticized as functionalist. He believes that all state expenditure aims at serving capitalist interests in one way or another. This view is counterposed by the fact that "social consumption" in some western countries has exceeded the necessary level to meet the capitalists needs. At the same time, there is no denial of the view that welfare services may help private sector's profitability as they both diminish wage costs and maintain demand for commodities produced by private companies. In spite of that, the main beneficiaries of "social consumption" are the people who consume the services and/or those who are employed by the state to deliver them rather than the capitalist enterprises directly (Saunders,1986:296-297).

Thus, Saunders (1986:297) asserts the existence of two kinds of state interventions. One which helps capital accumulation by supplying physical infrastructure, raw materials and energy, financial grants and incentives, etc. The other one which supports people's consumption by supplying housing, education, services, etc. However, he also observes that different types of interests are mobilized around these interventions. At the level of the production-oriented politics are the class-based organizations such as the Confederation of

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British Industry and Institute of Directors and the Trade Unions Congress in the British example, which are rooted in the social relations of production. This level is characterised as a relatively closed corporate sector. Corporatism is understood as a type of mediation of interest characterized by the existence of functional interests which participate in the formation and implementation of state policy (Schmitter,1974; quoted by Saunders,1986:298).

Where state consumption-oriented policies are applied there is a mobilization based on the organization of sectoral interests rather than on social classes. These sectoral interest may cut across class boundaries constituting a more open competitive sector (Saunders,1986:297; Stoker,1988:233).

From this point Saunders (1986:298) notes that these different interests have different ways of organizing themselves in order to deal with the state. In this way class-based producer interests participate in corporatist forms of state organizations, while consumer interests groups tend to organize within a more competitive or pluralistic political arena. Drawing upon Jessop (1978,1979), Saunders (1986:299) considers that in Britain's case the political system has become split between a sphere characterised by corporatist processes and a more open sphere characterised by electoral-democratic political processes. In the former's case, key producer interests play a considerable role in the making and implementation of state policies. Those producer groups are considered to be capitalist producer groups, trade unions and professional groups. However, whilst some argue that trade unions play only a minor role in the process there is general agreement that a system of functional representation and mediation of interests has appeared in parallel with the traditional representative side of the state apparatus and that the former has been strengthened in detriment to the latter. The sphere of electoral-democratic politics is characterised by competition and the existence of diverse interests, and elections, lobbies and public opinion are important components of the process (see also Stoker,1988:233).

This split in the political system tends to correspond with that between the politics of consumption considered as a matter within the sphere of the electoral-democratic process, and the politics of production, seen as a matter within the sphere of corporatist mediation. Thus, the state is seen as a non-homogeneous entity, made up of several agencies operating in different ways in different policy areas and providing different accesses to different kinds of interests.

However, as Jessop (quoted by Saunders,1986:300) observes there is a "contradictory unity" between the two modes of interest mediation operated by the state.

This tension emerges from the pressures made by non-incorporated sectors such as small business, welfare clients and consumers by using liberal-democratic instruments (elections, lobbying, demonstrations, petitions,etc) that tend to weaken agreements set up in the corporatist sphere, between the state and key groups from industry, organized labour and the professions. In turn, this first tension is super-imposed on the already existing tension between economic and social priorities. In other words, the problem of how to reconcile the demands of key producer interests with those of consumers is the same problem of how to harmonize corporatist economic strategies with demands from the electorate on social spending (Saunders,1986:301).

A way to deal with these tensions, as Saunders (1986:301) says, is by allocating "different kinds of intervention, involving different modes of interest mediation, at different levels of the state system". In this case, local government emerges as the level of the state which is likely to be more sensitive to popular mobilization and pressure. Thus, one way to manage the tensions emerging from the functioning of the state is by allocating key services relating to politics of production to its higher levels. It is said that producer interests generally find it more effective to organize at regional or national levels. On the other hand, Stoker (1988:233) notes that the "dual politics" theory considers that at least in Britain, the state considers it adequate to deal with social investment policies (production - oriented policies) at higher levels, as on this plane the state's organizations are more easily kept isolated from pressures from broader representational groups.

In turn, the closer the local agencies responsible for provision of state services are, the easier consumers find it to express their concerns and demands. On the other hand the relative visibility and accessibility make local governments more likely to be affected by a broader range of pressure. Nevertheless it is also asserted that local politics are not always open and pluralistic.

The implications of this approach for the study of local government are threefold. First, the specificity of local government is related to the fact that its main concern, at least in Britain, is with provision of welfare or consumption services. Second, this main concern of local government implies a form of politics more open to popular pressures and demands which are competitive, and based on shifting alliances of consumption sectors rather than on class divisions. Thirdly, this focus on social consumption leads local government to adopt the idea of provision for need and a concern with the quality of life based on the approach in which the citizen has the right to have access to the welfare services. In contrast, the central government concerns itself with market organization and the rights of

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private property (the right to prevent others from having access to resources) (Saunders,1984:26-30; Stoker,1988:234).

Within this context Saunders (1988:34) identifies three areas of constraint over local government activities. Firstly, social investment functions have precedence over social consumption as the former are vital to maintain the productive process. Secondly, corporatist strategies at the centre undermine democratic accountability to the local population. Thirdly, in a capitalist society ideologies of private property are more dominant than ideologies of social need.

2.4.2. CRITICISMS OF THE DUAL STATE THESIS

A criticism made is that the division between consumption and production politics is not a clear-cut boundary (Stoker,1988:235). The response of Saunders (1986:292-293,303) to this remark is that the focus on consumption does not reject the link between consumption and production but negates the idea that the former is a function of the latter or that both are ruled by the same logic. He acknowledges that the tendency for consumption interventions to be concentrated on local levels and production interventions on higher level of the state takes different forms, in different places at different times and there is no clear-cut division between them. Thus, he accepts that local government can be a stage where corporatist initiatives may take place at local level or where class-interest organizations may emerge. However, he notes, at least in Britain, that these patterns are not typical at local level. He considers that local politics focuses on the politics of consumption and is usually competitive (Stoker,1988:236).

A second problem is related to the difficulty in categorising spending between social investment or social consumption. For instance, Education can be seen as part of a legitimation process, as social investment in human capital or as a type of collective consumption. An analysis of the same kind of spending can vary from one society and time period to another, and in this sense a great part of the categorisation will be blurred or in a state of constant change (Dunleavy,1984:71-72; Stoker,1988:236).

Another issue is related to the aspect of causal sequence of the theory which sees the function of state policy as a determinant of the level and type of politics connected with it as if the government had been simply responding to a predetermined set of functional requirements. Instead it is argued that the tier of government which is responsible for the issue, and the type of decision it adopts, interact to set the pattern of the state spending

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(Dunleavy,1984:72; Stoker,1988:236).

Stoker (1988:236-237) observes that social investment policies can be managed in a more open and competitive way as long as decision-makers are committed to that type of politics. As an example he cites the cases of Great London Council and Sheffield who at the beginning of 1980s, attempted to work on their local economic strategies together with trade unions, shop floor workers, tenants and residents instead of creating a local corporate structure to work closely with business groups.

Finally, another criticism made is that the dual state thesis has not properly dealt with the internal politics of local government but instead it has focused on its environment (Stoker,1988:237).

Dunleavy (1984:76-77) observes that the theory does not give professions the importance they actually have in the policy decision-making process. The dual state theorists have seen the professionalised policy systems as examples of corporatism. Dunleavy stresses the importance of professions as interest groups on a set of organizational issues, e.g. conditions of work, but he notes what is more important is to analyze the role of professions in the process of originating, disseminating and implementing new ideas, technologies and innovations.

2.5. THE THEORY OF THE LOCAL STATE AND SOCIAL RELATIONS

Before dealing with this fourth approach it is important to note that the term "local state" became well known through the work of Cockburn (1977). By local state she meant "a key part of the state in capitalist society ... part of a structure which as a whole and in the long term has other interests to serve [capitalist class] than our own [working class]" (brakets added by the reseacher)(Cockburn,1977:41). Local government is understood as part of a national state structure and, in capitalism, under the control of central government. The use of the term "local state" referring to local government aims at stressing the idea that it is part of a whole and it is neither an agency different from "national state" nor the only local representative of the state (Cockburn,1977:45-47).

The local state has two main functions in the process of capitalist reproduction. First, the local state provides services that contribute to the reproduction of the labour force. Second, it contributes to the reproduction of the relations of production through ideology aiming at guaranteeing social harmony (Cockburn,1977:52-57).

Some authors, from the marxist tradition, have focused on the ideological aspect of

local state. In contrast to Cockburn, these authors (Holloway and Picciotto,1978; London Edinburgh Group,1979; CSE State Group,1979) see the local government's role as a contradictory process. According to them, if the state is to be understood the focus has to be directed to how the state does things rather than what the state does. Thus, they highlight the importance of taking into account the social relations within the state. The capitalist state puts class conflicts under the cover of a formal legal equality and freedoms within which relations between individuals develop. However, it is possible to find oppositional space within the state, where forms of state activity can help to set up collective consciousness (Stoker,1988:238). We now focus on how Duncan and Goodwin (1982) develop this argument.

2.5.1. MAIN ASPECTS

In order to make full use of the concept "local state", Duncan and Goodwin (1982:157-158) assert that is necessary to focus on social relations rather than on descriptions of things or structures as if the local state was something static. Structures are seen as the outcome of processes of social relations. In this way, they think, it is easier to study the nature of state actions and their changes.

Like the capitalist state, the local state is also a historically formed social relation, therefore the local state is not a given and unchanging form. Focusing on Britain, Duncan and Goodwin (1982:158) observe that local government arose as part of a process "of conflict and compromise between intimately linked groups of varying interests, ideas and powers". Its activities help to understand how society works and why. This means that it performs a structural role in capitalist democracies with universal franchise (Duncan and Goldwin,1985:228; Stoker,1988:238).

The term "structural" is linked to those relatively constant social relations which are basic to a certain organization of society or a specific social form. These social relations are not pre-determined. A "structural role" is related "to the specification of such actions in social practice". There are two aspects to be considered in the "structural role". Firstly, an analysis of local state activities help to explain how and why society works. It contributes in answering questions, e.g.is it a class society? Are markets efficient? The interpretation of such issues are important to the continuation and the change of social orders and social structures. Secondly, both local interests and social interests nationally dominant are represented in local government. At national level local interests can be

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marginal or be in a subordinate position, or even be opposed to the interests dominant at central level. This constitutes the "representational" role of the structure. However, local government also plays an important role in managing and implementing at local level the decisions emanating from central government, where large financial and industrial interests predominate. This constitutes the interpretational role of local government (Duncan and Goldwin,1982:229-230).

Duncan and Goldwin (1982:230) note that there is a moment when interpretational and representational aspects come together. This is when local government is performing the role of transmuting class and other relations into the seemingly neutral and atomistic relations of citizenship rights and bureaucratic procedures.

The interpretational and representational roles of local state are operated differently in different places. In some local states local landowners interests prevail, others are run by working-class groups. This variety expresses the inequality that results from the social and economic development of capitalist society. In some areas industrialization occurred, in others it did not. Some areas have experienced economic growth, while others have undergone de-industrialization. Differences are also related to different traditions of political struggle and class consciousness. Thus, local states implement different actions in response to their social relations and their reality of class, ethnic or cultural forces (Stoker,1988:239).

During periods of great and swift change the local state faces more difficulties in playing its role. As the local social base changes so policies must be adapted. For instance, the shift in a local government's economic strategy towards public sector and local authority employment may be detrimental to investment in the private sector. This can be as a result of de-industrialisation when public sectors union and workers became dominant in the local arena because the private sector has had its power diminished.

2.5.2. CRITICISMS OF THE THEORY OF THE LOCAL STATE AND THE SOCIAL RELATIONS

Firstly, a criticism can be made about the analysis of the interpretational role of the local state. Taylor-Gooby (1985, quoted in Stoker,1988:240) has shown in research into attitudes to welfare state provision that public opinion and consciousness is not so susceptible to manipulation by political forces and ideological conflicts as this theory assumes. Another point to be made is that local state theory overvalues the role of locality in people's perception. This model considers that local political experiences are the most

influential in the processes of political alignment (Stoker,1988:240). However, if the effects of non-local factors in local elections, the activities of powerful national political parties and a nationally-oriented mass media are taken into account this assumption is severely weakened (Stoker,198:240).

Secondly, the emphasis on the representational role of the local state is also criticized for its assumption that local government is concerned about local interests while the centre focuses its activities on the interests of financial and industrial capitalism. However, it seems that this model has not considered that some major social welfare reforms were promoted and directed by central government. This theory does not explain how specific local interest become dominant in particular local authorities. It indicates that the responsiveness of a local authority correlates with economic processes but no other suggestion is made about other factors with which there could be some links (Stoker,1988:240).

Thirdly, this model tends to see local politics as an ideological battle and a process of setting new social and political alliances. However, stressing ideology can reflect the fact that the task of transforming ideas into reality is overlooked. These new alliances can provide people with a new consciousness which omits the divisions between consumers of different services and between producers and users of services (Stoker,1988:240).

2.6. CONCLUSION

All four approaches consider local government as responsive to some local interests but they also note there is no perfect competition and no equal access to local authority officials and councillors. Excluding the public choice theorists, the other models consider that there are imperfections in the type of demands emanating from local politics and the extent of the access given by the local authorities to different local interests. It is assumed that these imperfections can be dealt with by changing the focus of local parties, councillors and officials or by the fact that they will act according to changes in the social and economic local context (Stoker,1988:241).

It is necessary to consider further issues such as who gets mobilized and how access is given. The argument that the localness of local government with its potential for providing a relatively responsive political system is deeply rooted. Nevertheless, it is necessary to deal more carefully with the exclusion and non-mobilisation of the working class, minorities and other deprived groups within local politics (Stoker,1988:241-242).

All the models do not give enough attention to the interests which manage to express their demands and be influential without being forced to mobilise and organize. Such interest groups, mainly major business interests, play such a vital a role in the market that no local government would be able to neglect their demands. Local governments, regardless of its political ideology, recognize the importance of business investment and cooperation and perceive the need to envolve business sectors in key areas such as economic and industrial development, land-use, property, and shopping schemes (Lindblom,1977 quoted in Stoker, 1988:242).

Stoker (1988:243-244) suggests the area of internal organization and policy-making of the local state has not been well studied. The dual state and the local state and social relations models do not treat this issue properly in their studies. Public choice and localist perspective deal with this matter but in rather abstract and simplistic ways. The former focuses on budget maximizing bureaucrats, the latter on general management principles.

Stoker stresses the necessity to study the internal dynamics of local government politics. It means studying the way in which different class, gender, and other social interests act in local government, and the way that conflicts emerge between and within councillors, managers, white-collar staff, blue-collar workers, part-time and full-time employees. Another aspect to be considered is that "local authorities as social structures cross-cut with competing material interests". It is also considered important to analyze the specificity and mode of operation of non-elected local government.

Finally, with the exception of the public choice model all other ones consider central government as an obstacle for local government. On the other hand, public choice theorists see local government as the source of its own problems. It is considered as unresponsive, providing little choice, lacking customer sensitivity and being dominated by trade-union and employee interests. Both arguments are to a great extent valid. Thus local government is seen to be in a situation where it has to face the pressure from above and at the same time it cannot count on support and commitment of its customers and electors. A way out for local government is to change, in other words, to improve service delivery, opening access and providing choice (Stoker,1988:244). This perspective is assumed in this research.

My focus is on the Brazilian municipal governments proposals to open their structures to the participation of the civil society without forgetting that the municipalities share the provision of some services with the higher spheres of power and is financially dependent to a certain extent. Also it must be remembered that resistances to changes can

emerge in both municipal executive and legislature. Thus the questions raised by Stoker (1988:241) about who gets mobilised and how access is established are relevant to my thesis. Morever, in Brazil's case, at the local level, the interests of dominated classes usually clash with the interests of landowners and/or influential capitalists who have a stake in the locality (Daniel,1988a:28).

What can be said here is that all four models can contribute to the study of local government in general but more research needs to be done. In the chapters about Brazil, Brazilian Federalism and Municipal Administration I will attempt to provide complementary information to characterize aspects of Brazilian local government, its political and administrative structure, its relationship with the Federal power; its constitutional position and its fiscal means. I will not be dealing directly with the relationship between local government and economic and social groups which although important are beyond the scope of this thesis.

The next chapters will deal with decentralization and people's councils as alternative proposals to create access to civil society to the decision-making process in local government.

CHAPTER 3. DECENTRALISATION

3.1. INTRODUCTION

In this chapter I will discuss the issue of decentralisation. My aim is to set up the framework of analysis which will allow me to answer my general question "can decentralisation and People's Councils (PCs) be a means of democratization?" and to test my hypothesis that alternative means of local government democratization, decentralisation and PCs, face problems that are characteristic of the Brazilian political context and elsewhere when they are implemented.

The basic notion of decentralisation is of shifting power away from the centre to the edge and is linked to the concept of democratization. I then present the basic aspects of decentralisation.

Initially it is important to distinguish decentralisation and the idea of the decentralised state from the other alternative trends discernible in local government management in 1990s. Other trends are the dismantled state which entails privatization; and the empowering state characterized by contracting with voluntary organizations. Once I have differentiated the concept of the decentralised state from the other alternatives attention will be directed to the key characteristics of decentralisation.

Decentralisation can be characterised in several ways. Firstly by establishing a set of possible objectives of decentralisation. However, if these aims are to be achieved it is necessary to choose the means of implementation. Means are related to physical and organizational considerations and by the division of power. Then I attempt to classify the different forms of decentralisation.

By the end of the chapter I hope to have established an analytical framework that will be applied to the case of Belo Horizonte, an experiment in decentralisation as a means of democratization. This analytical framework is based on Hambleton's scheme of three dimensions, the decision-making, the service integration and the political dimension. I focus on the decision-making and the political dimension and at the same time on the set of requirements proposed by Borja (1984:14,16-17) as necessary in order for decentralisation to be a process of democratisation. Nevertheless, it is important to note that I am not measuring democracy as such in this case but rather identifying a range of problems which arise when decentralisation is implemented, which in turn throw light on the central problems of the relationship between decentralisation and democracy.

This structure will assist in the evaluation of the process of decentralisation and identify the obstacles to this process which in turn undermine democratization of municipal government. In the Conclusion's Chapter I will be able to consider the hypothesis that problems which occur during the implementation of decentralisation are characteristic of the Brazilian traditional political context. A comparison can then be made with the case of People's council in Ipatinga.

I mainly refer to British literature in this chapter. The justification for doing this is that experience has been accumulated in Britain and writers have developed theoretical framework of analysis of local government . My assumption is that cases of decentralisation in Brazil involve sufficiently similar questions of principle to those studied in Britain, like resistance to the division of power, the division of responsibilities over the budget and the political use of decentralised units.

3.2. CONCEPTUALIZATION

The term decentralisation may conceal political and organizational initiatives with different, and sometimes incongruous, conceptions and logic (Hoggett,1988:215,217; see also Hoggett,1984:21; Dale,1987:152; Mullard,1987:148). There are difficulties in identifying the objectives and the ways of evaluating decentralisation due to issues of definition, terminology and interpretation (Arnold,1987:30; Mawhood,1987:10; Hanson,1964:1-2). In this sense, decentralisation may be seen as a politically neutral concept (Deakin,1984a:5 and 1984b:20; Hambleton and Hogget,1984:5) or as an "empty term" reflecting an idea of a political and organizational arena "which can be filled by a whole range of initiatives masquering behind this bland heading" (Hoggett,1988:217).

Having said this our attempt in this part is to establish a definition for this term and at the same time to link it to the idea of democratization.

The idea of decentralisation entails a territorial devolution of power, in other words "authority to plan, make decisions and manage public functions", from the higher/core to lower/periphery levels and subordinate units of a government organisation so that the decision-making process is in accordance with the local inhabitants demands and not merely determinations by the central power (Rondinelli,1981; quoted in Conyers,1986:88; Rondinelli,1983:185; Mawhood,1987:10; Arnold and Cole,1988:133). Accordingly, "decentralisation is inevitably a political issue (Conyers,1986:91). In other words, the arena of decentralisation is a political one.

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On the one hand this political setting is a determinant for the initiatives and conditions which are required by the process of decentralisation, on the other hand this setting is influenced "by the political consequences, both anticipated and unanticipated, of decentralized structures and process" (Fesler,1964:16). Smith (1985:ix) emphasizes the political character of decentralisation when he states that the choice of this kind of process is a political one. According to him, the state objectives are political ones and despite the fact that decentralisation proposals are put forward in technical terms "they reflect the outcome of conflicts of interests between groups in society" in the reform of local agencies, "in the delegation of power to them, or in the redefinition of areas". This can be described as a power situation in which, within the communities and institutions, different agents with different interests, according to their political, socio-economic condition, try to achieve their aims (Held,1989a:74).

As Smith (1985:1) notes, decentralisation means both deconcentration of administration from the core to the periphery and "conferring powers of local government". Therefore it is a political phenomenon which involves "both administration and government" and "the delegation of power to lower levels in a territorial hierarchy".

At this point it is important to take into account the territorial aspect of decentralisation. According to Massolo (1988:40) the state's decentralisation and the reorganisation of territorial management of the economic, socio-political and administrative processes have a common setting: the territory. The territory brings together the effects of a centralised and bureaucratised state's intervention.

Hambleton and Hogget (1984:1) and Smith (1985:1,18) also stress the importance of the territorial aspect. Smith, specifically, considers the territorial divisions of the state as one of two basic conditions of decentralisation. Those divisions are supposed to have some degree of autonomy and to be self-governed through political institutions based on the political context of area.

The second condition is that the recruitment for those institutions and the decisions to be taken will be in accordance with democratic rules. In this perspective the municipalities play an important role. In a democracy municipalities are elected representative political institutions. They consist of a legislative chamber with the competence to set rules and of an executive with adminstrative and coercive powers and with some resources of their own. In theory they have all the attributes of a political power but many lack resources to make this power real. However, the local power has an advantage over the other two spheres of power, the national and the state: it is closer to the

citizens. It is an adequate mechanism to promote political socialization (Borja,1988a:10).

According to Mill (quoted in Pateman,1970:31,33) individual participation at local level can be a fruitful learning process in terms of democracy. This educates the citizen to participate in political life at national level. Dilys (1974:23,28) stresses that in Mill's view there is a relationship between democracy and local government within which liberty would play an important role. Both Mill and Tocqueville considered local government as a place for political education and fraternity. Mill thought of it as an "arena for detailed administration and for a school of political responsibility". In turn, Tocqueville (1971:57-58) understood the town meetings as places for the basic apprenticeship of liberty. Given that the "people is the only source of power", local government, accordingly, would be where the citizens could exert "a more immediate influence".

Thus, the development of the local political institutions is the major condition to widen democracy (Borja,1988a:10). In this case, democratization is defined as a process characterized by the widening of rights and freedoms, increasing incorporation of excluded social groups in the representative institutions and greater people's control and participation in the public administrations actions (Borja,1984a:5).

This process entails decentralisation and deconcentration of public service at the national level, the strengthening of local government to the detriment of centralized state decisions and experiments that aim at increasing accountability and accesibility of government institutions to the public (Held,1989b:284).

It is difficult to obtain universal agreement about which procedure is to be used to make a decentralisation process a democratic one. It is a question subject to disagreements rather than consensus (Gyford,1987:58). This issue is an arena full of political content in which different perspectives are debated (Masolo,1988:48). In short, on the one hand it is clear that decentralisation is part of democracy, on the other hand there is no agreement about the influence of decentralisation upon the process of democratization. It is possible to find groups that use decentralisation to legitimate themselves and to keep their dominant position through a localist demagogy. Entrepreneurs may prefer to deal with closer but weaker public administration, and corporatist interests may seek to meet their demands in the context of decentralisation (Borja,1984a:11).

The potential for decentralisation is subjected to a double force. On one hand, instead of contributing to the democratization process, a decentralisation scheme can be used as a means of increasing central control and bureaucracy through depoliticization and "ad hoc forms of administration", making us believe that we can express our opinion and

blurring the divisions within society (Massolo,1988:43; Mullard,1987:149). On the other hand, central power is regarded as performing the tasks of distributing resources, facilitating the emergence of new forms of local control and coordinating the different support groups for decentralising initiatives (Shields and Webber,1986:139). Some authors suggest keeping accountability away from the neighbourhood or area authorities by using the central power to solve problems such as the distribution of resources (Hambleton and Hoggett,1984:5).

It is necessary to determine the role of central power as it is an important matter in any decentralisation initiative. Thus, decentralisation can be understood as a dialectical process in which neither decentralisation nor centralisation is an absolute phenomenon (Conyers,1986:90; Fesler,1964:74). There is a tension between decentralisation and centralisation.

From this perspective, it is important to establish the concept of decentralisation to be used here and its link to democracy. Almino (1986:67-68) assumes that to decentralise is to democratize if decentralisation is understood not only as a delegation of functions, but as a fragmentation of power through the different social spheres. It also means a rupture of the state's centralisation in all forms of power, in such a way that if the state retreats, all classes increase their control over the state at the same time. In other words, civil society, through the different associations, groups and movements, extends its scope of participation within the state's decision-making processes. Civil society increases its control over state decisions that are related to its interests. What is important here is that decentralisation is regarded as a means for the diffusion and multiplication of the spheres of social action. Civil society is understood as a set of organizations constituted by individuals who act essentially in activities which are not under state's control. These activities are related to the "domestic world, the economic sphere, cultural activities and political interaction" (Held,1989a:180-181). Through these activities the individuals can maintain and change their identity by exercising pressure or control over state institutions (Keane,1988:14).

Thus I adopt the definition of decentralisation proposed by Jacobi (1983:67) which, from my point of view, synthesizes the previous ideas. He conceives decentralisation as a way to cede power to subaltern units. That means basically to endow competencies and resources to the intermediate organisms so that they can develop their administration in a more efficient way, closer to the citizen and to the social groups. This implies that any government which intends to apply a decentralising initiative must define which model will be used and the scope of citizen and group participation. I understand that in this concept

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as in Almino's definition, there is an explicit commitment to the process of improvement of democratisation. In this sense, it does not allow for any misuse of the idea of decentralisation towards non-democratic practices, and the so-called neutral aspect of the concept is withdrawn.

As Borja (1984a:11-12) observes, decentralisation, "conceived as a means of democratising state and improving the territory's quality of life, has been an aim of progressive social movements and politicians". In this perspective local government is seen as a relevant arena for both defending local democracy and self-determination over welfare services, social programmes and experimentation with new forms of community enterprise. It is an arena where the potential can be created for people to became aware of and use new forms of organizations at the local level (Fudge,1984:209; Borja,1984a:5-6).

My intention here is to evaluate a decentralising experiment as a means of democratization. By doing this I can unveil the problems that the decentralisation process faces when it is being implemented. It is hoped that I will be able to determine to what extent decentralisation is used for motives other than those that characterize it as a process of democratization. I also hope to clarify the obstacles to the decentralisation.

In order to understand the potential for decentralisation it is necessary to distinguish it from the other two major trends in local government in the 1990s, namely the idea of the dismantled state whose main characteristic is privatization and the idea of the empowering state which aims at giving power to voluntary organizations.

3.3. TRENDS IN LOCAL GOVERNMENT

A number of trends in local goverment emerged from the attempts in 1980s to solve local government problems caused mainly by bureaucratization and centralization. They are the dismantled state, the empowering state and the decentralised state. These alternatives are not mutually exclusive. It is feasible to combine features from each within a local government managerial strategy. However, they affect the relationship between the local authority and the public in different ways. Because of the way that this relationship is seen as an influential factor for the structure of local government and "to the way people experience" local government, it is necessary to differentiate these three trends in local government. This provides a clearer view of decentralisation (Hambleton,1992:16).

In the 1980s two alternatives for local government emerged aimed at solving problems mainly arising from "the remoteness of centralized decision-making structures,

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irritation with the insensitivity and lack of accountability" of public officers, "and with the sectional and blinkered approach to the problem-solving and service provision often associated with departmental (or functional) organisational structures" and to the need to consider the different realities of different areas during the setting up of policies. (Hambleton and Hoggett,1984:4; Hambleton,1992:11; Smith,1985:47-52).

The first alternative, proposed by the radical right, was privatization aiming at replacing public provision with private provision. The second alternative sought to keep the notion of public service by a reform of the way this provision was made. It was envisaged as a means to set up a more responsive and democratic structure. There were two main variants within the strategy of reform the public service, the consumerist approach and the community-based approach. The consumerist alternatives' main concern was to enhance the responsiveness of local government services to individual consumers. Local government was seen as an administrative system. The community-based alternative starting point was that several services are not related to individuals but to groups of consumers or society at large. The best form to deal with such collective interests was by political accountability. Therefore, this approach stressed the need for democratization of local government service provision. Local government was regarded as a political system (Hambleton,1992:11-12). Attention is now directed to the trends themselves.

3.3.1. THE RADICAL RIGHT, PRIVATIZATION AND THE DISMANTLED STATE

Waligorski (1990:152-153) notes that the New Right is guided by two basic assumptions. Firstly, individuals are seen "as utility maximizers who cooperate solely for self-interest in marketlike situations"; and that the market achieves spontaneous order by individuals pursuing their self-interest.

Secondly, the New Right distinguishes two mirror-image markets, the economic and the political markets "in which market good is reversed into political harm" (Waligorski,1990:152). In the economic market, human imperfections are counterbalanced by the market ability to control and channel self-centred impulses, and to contribute to improve limited knowledge and skills. On the other hand, politics is led by the political market. There the political pursuit of self-interest creates a situation of "coercive conflict, dominance, and conformity" (Waligorski,1990:152). This happens because the political market lacks spontaneous limits to curb potential abuses of power and means to check self-interest. By means of vote buying and due to the non existence of fiscal restraint an

"inherent and fundamental bias" for intervention emanates from the political market. This intervention weakens and destabilize the economic process. Government is understood as a "collectivity of utility maximizers" who are not restrained by market control making it easier for self-interest to become exploitative. Therefore, in this view, Government does not serve the public interest but only its own, generating a steady growth in public services (Waligorski,1990:152-153), as was observed in the Public Choice theory in Chapter Two.

In sum, on the demand-side analysis, it is claimed that political parties outbid one another in their political platform during elections and that the voters do not intend to foot the bill for the policies they voted for. On the supply-side analysis, it is said that politicians and bureaucrats, as self-interested agents, over-supply government services. As a result of these both aspects, expenditure increases, bureaus expand, and governments increasingly tend to intervene in the economy (Gamble,1986:43-44).

In this context the expansion of government is seen as irrational because the public-choice mechanism fails to make sure that individual demands are adequately evaluated and considered, and that government agencies are constrained by competition and subject to "voter sovereignty". Thus, government failure in the economic arena is far more problematic than market failure, because as the former does not follow market rules it is unable to work efficiently at any time, while the latter can "work efficiently some of the time" (Gamble,1986:44).

Government is doomed to have its actions diminished as much as possible. Privatization of services emerges as a solution to costly services provided by the state. The high cost is considered to be result of lack of competition and leads to waste and inefficiency (ibidem).

Privatization of public services is seen as the means to extend consumer choice. Theoretically speaking this would give power and influence to the individual consumer within the market system (Hambleton and Hoggett,1984:4).

The British Conservative Government, in power since 1979, provides us with a relevant example of privatisation policies. In a context of local authorities expenditures and manpower consuming an increasing share of the GNP since 1945 the Conservative Government decided upon two objectives. Firstly, to curtail the local authority expenditure increase. Secondly, "to mantain and enhance the quality of those local authority services which the public really needs" (Ridley,1988:6-7).

In order to combine these objectives local governments have to concentrate on actual demands of local people, on improving accountability, on avoiding waste, duplication

and unnecessary functions and on improving value for money. Competition is seen as a main source of stimulus that makes local authorities target their operation to specific needs or shift work to more efficient competitors in the private sector (Ridley,1988:15).

People are seen not to be worried about who provides the service but whether the service meets their needs, whether it is good, efficient and not costly. The market is considered the most efficient device to deliver goods and services where they are demanded. Where there is not enough demand to make a service viable it is a matter for political decision (Central or local govenment) about whether other factors justify the use of public money to provide the service. Governments must not try to deliver services which would be delivered more efficiently without their interference. As far as services subjected to competitive tendering are concerned the local government's role is to set and monitor performance standards that assure the customer value for money. As a result, according to the conservatives, local government moves from its role as monopoly provider and manager to the role of an enabling and monitoring authority (Ridley,1988:21).

However, Hambleton (1992:16-17) observes that the enabling strategy is not necessarily harmonious with privatization policies. Privatisation carries the idea of the dismantled state. Here, the emphasis is on destroying the local government and on inserting competition between different providers so that local government becomes a business activity with a structure and organization that corresponds to this new function (Adam Smith Institute,1989:57). In this context, local government service provision is increasingly replaced by a profit-seeking organizations providing for individualized customers (Hambleton,1992:16).

Furthermore privatisation has drawbacks. One of the problems with privatisation is that the market does not always give adequate choice, "either because an imperfect market limits choice, ... or because individuals do not have the resources for effective choice" (Stewart,1984:36).

It is also important to note that the principal concern of the private sector is the achievement of profit, and this aim does not fit well in a sector that is supposed to have as its chief aim the satisfaction of the public's needs. Thus, the consumer has no mechanism of support that can help him/her to face the cost of services that he/she has to use. In other words, on the one hand the alternatives of choice can be widened by increasing the number of companies who can deliver the service, on the other hand the consumer has no guarantee that his/her capacity of buying will be strengthened. Another problem is that privatisation does not enhance the citizen's scope within the decision-

making process which affects the public services. This process is determined by the companies responsible for the services. In this respect these services which are supposed to satisfy a collective need are not executed by following an approach that considers the public needs as a collective matter. On the contrary, it uses an individual approach for public demand which, in turn, has a collective character. If public services have to be run collectively, different conceptions have to be expressed and different preferences have to be taken into account when decisions have to be made. Thus, decisions related to these public services can not be made by individuals working in isolation from each other but they have to be envisaged politically so that citizenship and local political control of decision-making can be strengthened (Hambleton,1988:129; Hambleton and Hoggett,1988:23-24; Stewart,1984:36).

3.3.2. WELFARE PLURALISM, THE COMMUNITY-BASED APPROACH AND THE EMPOWERING STATE

This approach, stresses the role of local government as a crucial part of the representative state. It focuses on the relationship between government agencies and the public they serve. One of the main issues is the need to work on the accountability of public agencies to those groups who not only are underrepresented at national and local level but who often need more government services, e.g. poor families, tenants and women. In this way, the strategies applied aim to work on community development, set up submunicipal forms of political decision-making, e.g. area and neighbourhood committees. User-group control and non-spatially based forms of political devolution are also means used in this approach (Hambleton,1992:12). In this way a relationship between state and voluntary organisations, acting as partners, can be developed and the pluralistic character of society can be improved. It envisages a distribution of power towards independent, non-profit making organisations instead of commercial firms which happens within the process of privatisation. It can in this way strengthen and enlarge the non-statutory sector (Hambleton and Hoggett,1984:1,5).

The idea of the empowering state, that stemmed from the community-based approach, sees local government as contributing to empowerment of citizens and helping various kinds of voluntary organisations to meet their demands. In this approach provision is public but not necessarily coming from the state. The main functions of local government are to stimulate new forms of provision by non-profit organizations and to back, monitor

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and regulate these agencies. "These new forms of provision (social trusts, management cooperatives, tenant management corporations, etc.) emerge accountable by contract, regulation and inspection to local authorities" (Hambleton,1992:17).

The concept of the enabling local government is a key part of this perspective. There has been a growing acknowledgment that despite the fact that direct provision of services is usually the most effective way of meeting local demands, there are same cases where it is more effective to deliver services through other agencies (Clarke and Stewart,198; quoted in Hambleton,1992:17). Because the British government has claimed that local government should adopt the enabling role rather the providing one (Ridley,1988:16-17) many think that the enabling role accords with the dismantled state approach. "This is not necessarily the case. It is important to ask: 'who is being enabled to do what?'" (Hambleton,1992:17).

Some criticisms of voluntary organisations have to be taken into account. They may not represent certain groups of society and may not be the most suitable to participate in "decisions about services in general, and may not have the interest or time to do so" (Gregory and Smith,1986:105). The state professionals can use the label 'voluntary sector' to identify many autonomous activities and, thus, to try to organise them under their control (Hambleton and Hoggett,1984:5). The transference of power to non-government institutions, for instance, may involve concentration of power and benefits to a few groups that are better organized than the rest of community (Massolo,1988:44). At the same time these organizations may have as their principal aim making profit rather than rendering a good service. They do not necessarily empower or democratise. They may be understood as a type of privatisation through which services are contracted to lowest bidder and responsibilities off-loaded to less accountable organizations. It implies a formation of a variety of interest groups which impede the making of more efficient long-term decisions (Mullard,1987:150-151).

3.3.3. THE DECENTRALISED STATE

This trend in local government derives from both the consumerist and community-based approaches. It stresses the need to provide good-quality services and link this to the need to delegate more responsibility (including budget) to the local level (Hambleton,1992:16-17).

Local government is organized in a core-periphery form. The core is responsible for

the strategic issues and policies and establishment of performance standards for the devolved units. These units have reasonable autonomy to meet local demands within the limits set by the standards. This approach has a public service ethos and is open to local initiatives and innovation. People are seen as both consumers and citizens (Hambleton,1992:17).

As decentralisation and People's Councils, seen as a processes of democratization, are the main subject-matter of this thesis, I will devote specific attention to decentralisation below.

3.4. ASPECTS OF DECENTRALISATION

Before dealing with aspects of decentralisation we have to consider three basic points. Firstly, decentralisation is not an end in itself. It should be seen as a possible way to achieve strategic objectives. Thus, the key question is to "know why, not whether, (the state) is decentralising" (Hambleton,1992:11). Secondly, those responsible for the process must have clear objectives and a clear view of the role of the centre in the local authority in the process if they want to have a well-made strategy (see also,Hoggett and Hambleton,1984:98). Thirdly, decentralistion must not only focus on enhancing the responsiveness of service provision to the consumer's needs. The main justification for decentralisation is to enable "citizens to participate in decisions affecting their lives and their communities " (ibidem).

Hambleton and Hoggett (1984:4) affirm that decentralisation is a word which can express different interests but there is a "risk of concealing" due to over use and misuse. In order to avoid this, it is necessary to identify aspects of the phenomenon that can give us a clearer understanding. Thus, I will discuss in the next parts the possible aims, means and forms of decentralisation.

3.4.1. THE AIMS OF DECENTRALISATION

The aims of decentralisation are related to a wide range of "hopes, expectations and anxiety" (Hambleton and Hoggett,1984:6). Because of this we meet differing and sometimes conflicting proposals when the model of decentralisation that has been applied is discussed. There are often different groups discussing a decentralisation project, each one defending its own aims (Conyers,1986:90).

Conyers (1986:91-92) establishes a dualistic approach in order to classify the aims, focusing basically on the internal aspect of process. Firstly, she distinguishes between managerial and political objectives. The former are those related to supplying of services and to the creation and implantation of development programmes and projects. To do this it is necessary to consider the local needs and conditions, to improve relations among the government development agencies, to diminish "delays in decision-making" and to enhance flexibility in the management of process. In turn, the political objectives have an ubiquitous character. They are not so clearly expressed and we face difficulties in identifying them. There may be conflicts among them.

Secondly, there are top-down objectives and bottom-up objectives. The different levels of government have some influence over the establishment of the guidelines governing the process, and through this they determine, in part, the form and the impact of decentralisation.

The top-down and bottom-up objectives are used in two ways. Firstly, they are connected to many differing levels within the organisation's political and administrative hierarchy. We have not only to identify the top and bottom levels but all the intermediate levels within this hierarchy. Secondly, they are used to distinguish which level is losing power (the top) and which is gaining it (the bottom).

Thirdly, we find explicit and implicit objectives. Those aims that are clearly expressed whether in documents or in declarations about decentralisation are called explicit objectives.

Implicit objectives are those which are not publicly declared but form the basic premise of the ideas presented by special individuals or interest groups. In general they are political ends and influence the model and consequences of decentralisation. This indicates above all the political character of the decentralisation process (Conyers,1986:92).

Finally, Hambleton (1992:13-14) identifies six "possible objectives of decentralisation". First, to improve public services. It consists of three sub-objectives. One of them is to improve the delivery of services where efforts are made to increase service responsiveness of neighbourhood offices (see also, Willmott,1989:50; Hoggett,1988:222-223). The second is to improve planning and policy development by developing a service planning and policy mechanism to take into account the different needs of the various areas in the policy-making process. The third sub-objective is to change the relationship between public servants and the public by a more personal and friendly approach.

The second possible objective is to strengthen local accountability. The key issue

is who decides what. The concern here is to the degree to which influence and/or authority is devolved to the local level. Authority means "the ability to take action without prior confirmation from a higher level". Influence "implies the ability to exert leverage on decisions affecting the neighbourhood" (Hambleton and Hoggett,1984:6; Hambleton,1992:14).

Yates (1973; quoted in Hambleton and Hoggett,1984:6) suggests some steps to accomplish local accountability. Firstly, to station "officials in localities to find out what is going on in the field." Secondly, to seek out opinions of local people. Thirdly, to make local people administrative agents. Fourthly, to establish elected officials at the local level as representatives of local interests. Fifthly, to make neighbourhood administrators accountable to local citizens. Sixthly, to give localities control over policy and programmes. Finally, to give localities control over fiscal resources.

Another point to be taken into account is the commitment of politicians to the decentralisation process. Even if the commitment to an initiative is clearly backed up, it does not mean that the politicians will be ready to apply it once they take power. According to Gyford (1987:59) different commitments for different authorities exist and these commitments can be used as devices for delaying the process by giving reasons for not implementing the initiative proposed. For this reason some questions have to be posed. For instance, it is necessary to check "how much the politicians are really committed to democratisation". It implies an analysis which considers the political conflicts and interests that characterize the setting in which the initiative takes place.

In my analyses of Belo Horizonte and Ipatinga I will try to verify to what extent decentralisation and People's Councils (PCs) as part of the parties' campaign political programmes have been accomplished, how they have been used by the parties in power and how they are seen by the councillors.

It has to be pointed out that the identification of the initiative's components is not always straightforward. In other words,it is necessary to ask "who would benefit" from this process. There is the risk of neighbourhood associations being under the control of either political parties or users' associations or professions (Gyford,1987:60). One important task is to be aware of and to counteract the tendency of neighbourhood associations to become "an extension of state" (Alburqueque,1985; quoted in Massolo, 1988:47). In others words to be aware of the fact that neighbourhood leadership can be involved by the political party in power through exchange of favours and/or jobs in the state machine. This will be considered in both the cases of decentralisation and the PC.

Smith (1985:9) notes that decentralisation does not necessarily entail a democratic government as the local government may be decentralised in such a way that the groups represented by the party in power keep their influence upon the decentralised structure or the area officer centralises the power within the area office. Thus, decentralisation is used to hinder the increase and diversification of channels of participation of community (Borja,1984; quoted in Massolo,1988:45).

The third possible objective is to improve the distribution of services to all inhabitants in the area. There is also a concern about improving services delivery for previously neglected groups in the poorer estates and areas. Basically there are two approaches to this issue. The first one is a selective approach where specific areas are targeted. The second one is an authority wide approach having the geographical pattern of resource distribution as the main guideline. In this way the poorer areas can benefit (Hambleton,1992:14;1988:133-134).

Hambleton and Hoggett (1984:7) observe that it is important to keep a measure of accountability towards the centre, because the decentralising initiative raises issues of distribution of resources. In this sense the local authority has to develop a capacity of mediation among different, sometimes conflicting, demands for services and requests for resources. Thus, the centre has the important role of mediating conflicts in the decentralisation process.

The fourth possible objective is to raise political awareness by pursuing party political and ideological ends and by increasing public support for local government to face possible threats from central government (Hambleton,1992:14;1988:1988:133-134). This is also an objective of the Workers' Party municipal administrations in Brazil whereby the PT administrations try to clarify to the public the different responsibilities of the different spheres of power. By doing this the PT administrations can attract the support of the community in the political struggle against the other spheres of power to guarantee the rights that the municipalities are entitled to have (Bittar,1992:224).

The fifth is to develop staff which is considered as an end in itself. It is said that improvement of the condition of work for local government employees is worth while. If decentralisation can make work more interesting and provide more personal contact, all the better. This end can also be seen as the basis to achieve through improved staff, moral and efficiency the other objectives (Hambleton,1992:14; 1988:134-135; Willmot,1989:50).

The sixth objective as evidenced by some local government practice is to use decentralisation as a cost-cutting measure. In a period of expenditure cuts, local managers

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complain that what has been decentralised is austerity. They see that the transfer of controversial decisions about spending reduction to them aims at switching blame from those responsible and weakens staff morale (Hambleton,1992:14; Yeatman,1990:172).

Hambleton (1992:14; 1988:135) asserts that although these objectives are differing, they are inter-connected and wide-ranging. Some objectives imply challenges to the established scheme of administration of services while some others do not have great influence. While some objectives reinforce each other, some are in conflict. For instance, if staff development is forgotten it is harder to achieve an improvement of public services. We find conflicts when a scheme to strengthen responsibilities of services to neighbourhood office is not congruent with the policies of equalising opportunities for poor groups which demands more efforts and resources in specific areas.

These two approaches concerning possible objectives of decentralisation by Conyers (1986) and Hambleton (1992), will be used in this research. The first highlights the conflict of power within the organization, and the difference between the explicit objectives, mainly expressed on political platforms and the implicit objectives. This may help us to get a picture of what actually happens with the process. The second one provides us with a view of the possible extension of the experiments.

3.4.2. MEANS OF DECENTRALISATION

From the outset it is necessary to observe that the means used for realizing any initiative is influenced by the objectives previously set by the political parties in power (Hambleton and Hoggett,1984:9).

Hambleton and Hoggett (1984:9-12) suggest three aspects through which the different ways of decentralising can be assessed. They concern physical considerations, organisational considerations and the issue of power devolution.

3.4.2.1. Physical Considerations

These are concerned with geographical and design issues. At the beginning it has to be decided whether to implement an authority-wide decentralisation or to apply a selective approach to pre-determined areas.

The selective approach aims at first serving the poorer areas and then to attending to other areas. This approach has two problems. The first is that it fails to embrace "groups

living outside the designated area." The second is that it does not strongly challenge the established local government policies and practices. Therefore this method could be considered ineffective (Hambleton and Hoggett,1984:9).

On the other hand, authority-wide decentralisation can be introduced "area by area over a period of time." This is necessary partly due to physical limitations and partly due to the need for time to change the decision-making process and the procedures applied. The transformation is made in accordance with the organisational conditions (Hambleton and Hoggett,1984:9).

The problem of area size and of determination of limits are other important issues. Hambleton and Hoggett (1984:9) argue that areas with less than 10,000 inhabitants seem to be "most significant to local residents". In turn, Willmott (1989:21-22) asserts that in the area management scheme the size of area varies from 7,000 to 132,000 inhabitants and concludes that the determination by the central power of area size varies in each case.

In order to establish the neighbourhood boundaries the local authority can use different approaches. It can base them on the perceptions of the inhabitants of the neighbourhoods, on the desire of the administrative body to create common boundaries among different services areas and/or on electoral boundaries aiming to identify political accountability (Hambleton and Hoggett,1984:9; see also Willmot,1989:22).

Inhabitants' loyalties are not necessarily focused in terms of neighbourhood bonds. There are other different cross-cutting allegiances set up by class groups, by ethnic or gender movements, and by work place relations. "These allegiances co-exist and assume different levels of importance at different times". As decentralisation is a policy determined by the territorial aspect, which implies the determining of a specific area or a specific organisation, it cannot attend to all those demands represented by these differing allegiances. Accordingly, the initiatives for decentralisation may create forms of representation suitable for taking into account all these different demands (Deakin,1984a:22;1984b:20).

Smith (1985:62-63) asserts that the local government has to establish areas in such a way that they can express the reality of community and meet efficiency requirements. In this way the municipal government can fulfill its aims of enhancing civic education and of supplying public services. According to him, at this point social geography is a more influential element than government policy. He identifies some principles that can be used for determination of areas. They are the following:

I. The efficiency principle - areas are established by using the scale of working demanded

for an optimum performance.

II. The managerial principle - the administrative structure applied by the decentralising initiative defines the areas.

III. The technical principle - technical considerations, for instance economy or landscape, determine the area.

IV. The social principle - the areas are defined by the inhabitants themselves "regardless of administrative rationality".

The neighbourhood offices are also analysed according to their locations and designs. The principal issue is concerned with the creation of a suitable physical access for the people and to transform neighbourhood offices into pleasant places for users, providing "psychological access" (Hambleton and Hoggett,1984:9).

3.4.2.2. Organizational Considerations

The principal questions which have to be answered are related to the services that should be decentralised and which tasks the neighbourhood staff should do. At one end there is the possibility of decentralisation of just one service and at the other end the possibility of decentralisation of all services (Hambleton and Hoggett,1984:10).

One aspect of this scope is "the degree to which decentralisation is seen as an approach which will integrate and link separate services at local level." One strategy is that it begins with decentralising one service and step by step embraces the other ones. In this way, the authority is given "time to learn and change" when necessary (Hambleton and Hoggett:1984,10).

Another aspect that must be considered is the function of other agencies. In order to have a maximun level of involvement the initiatives have to be explained to the agencies involved so that they can create a "network of local contacts". In a more radical perspective it could be made to work at the same place and to set up a system of information with other agencies (Hambleton and Hoggett,1984:11).

The degree of involvement of area staff with the neighbourhoods is another aspect of organisational scope. The staff's role can be related to the process of solving the neighbourhood's problems that come to the area office or to the embracing of some kind of accountability for community development (Hambleton and Hoggett,1984:11).

In turn, the neighbourhood officer can use two kinds of control. In the first, he/she exerts "direct control of administrative, reception, community development and, possibly,

welfare rights staff". In the second, more radical way, the officer controls decentralised professional staff in areas such as housing, social service, etc. This approach uses a matrix management by applying a system of dual authority in which officers have to respond to either the neighbourhood manager or the departmental manager, according to the issue (Hambleton and Hoggett,1984:11).

Hambleton and Hoggett (1984:11-12) conclude that the degree of power that the neighbourhood officer/neighbourhood office has under its control directly determines the degree of change of the "traditional, functionally-based forms of management".

3.4.2.3. Relative Power

The devolution of authority and influence to the neighbourhood level constitutes an important question for many decentralisation processes, and is the key issue which has to be considered in case of democratisation of local government. In a decentralising initiative this issue can be analysed through three questions. Firstly, what are the forms of control to be devolved?

To answer this question Hambleton and Hoggett (1984:12) identify three principal forms of control:

I. DAY TO DAY OPERATIONAL CONTROL - This focuses on staff behaviour, daily decision-making, and control of performance according to norms of evaluation. Its scope relies on line managerial control. This approach has an important effect on the quality of service, but, from a political perspective, it is not considered an important issue. An example of devolution of control would be the neighbourhood offices obtaining "maximum discretion to modify and improve local operational management" (Hambleton and Hoggett,1984:12).

For different reasons I consider operational control an issue with political importance. The line staff have contacts with the user and this relationship can be very important for the exchange of information between neighbourhood office and user. The line staff can express clearly the aims of the decentralisation by providing a good service. The line staff is a kind of receptor of all kinds of demands and criticisms from the public, which it can then relate to the officers. In short, they provide feedback on the local authority performance. As Butcher (1986:114) asserts, it is at the level of the relationship between line staff and user where the involvement of citizens in process of identification

and definition of their own demands can be improved.

Secondly, there is the issue of possible demands from line staff for better working conditions supported by trade unions.

Thirdly, the line staff may demand a broader scope of decisions about their own work and, accordingly, reduce the control from the centre of the local authority upon its activities. For these reasons I consider that the operational control of the front-line staff have important political consequences which need to be taken into account.

II. CONTROL AND INFLUENCE OVER STRATEGIC DECISIONS - Strategic decisions are related to the establishing of priorities and allocation of resources. They can be made by the neighbourhood officer who evaluates and sets up the capital expenditure priorities and sends this information to the centre so that the centre pays more attention to area needs in the decision-making process. Those decisions are taken in an organisational area between the central policy making and the line managerial control (Hambleton and Hoggett,1984:12).

III. CONTROL OVER FINANCE - Hambleton and Hoggett(1984:11-12) consider that there is a good possibility of introducing area or neighbourhood budgeting in a way that would not stir up conflicts. For instance, the decisions related to "expenditures of small items (e.g. grants to community organisations, purchase of equipment, environmental improvements). The responsibility, at the neighbourhood level, for financial management can lie with, for instance, a neighbourhood manager or the principal neighbourhood officer. Deakin (1984a:18;1984b:20) considers that the key issue in the process of decentralisation with devolution of power to citizens is related to "the extent to which local organisations are entrusted with a budget over which they can exercise independent control".

With regards to devolution of control we can identify three forms through which it can be undertaken:

I. From central and senior staff towards front-line staff - This means changing the existing power relationship in the organisation. For this the senior professional and managerial staff have to delegate responsibilities and power towards lower levels.

II. From the managers and producers of services to user groups - This involves the transfer

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of power from service provider to service user. For example, the tenants associations exert control over local housing management decisions. There are other services in which the users can exert influence e.g. "leisure (parks, libraries, swimming pools), social services (residential homes, day centres), technical services (refuse collection, street cleaning)" (Hambleton and Hoggett,1984:13).

III. From the managers and producers of services to the community as a whole - This process has a more general character and it consists of empowerment of the community to the detriment of existing local government structures. For instance, the existence of a representative body, like an area or neighbourhood committee, consisting of councillors, user groups, community organisations, capitalist institutions and trade unions. This committee may supervise the work of the neighbourhood office, "formulate local strategic plans and control a neighbourhood budget" (Hambleton and Hoggett,1984:13).

The third question to be asked is how radical is the process. At this point, it is necessary to distinguish between a situation where the local government is devolving advisory power and where it is devolving executive power. The former refers to the ability of the lower levels to recommend proposals and give suggestions to central power, criticisms and information during the decision-making process. The latter implies that the lower levels acquire power to decide about the issues which relate to them, in such a way they are able to define and to establish the means, the aims and the methods of control that are necessary.

A key element that has to be considered within the process of distribution of power is the determination of the central power's role. According to Shields and Webber (1986:139) the centre is important to the distribution of resources, to allow scope for the emergence of new types of local control and to coordinate the different and "often conflicting stream of support for decentralisation". The establishment of the centre's functions means that decentralisation is not an absolute process but it is a process whose development is dialectical. In other words, the decentralising initiative carries in itself a tension between centre and periphery. There is no total decentralisation but,instead, there is reformulation of relationships between centre and periphery so that the latter acquires a broader sphere of action to the detriment of the former what still keeps control in order to avoid conflicts between the decentralised bodies on issues like distribution of scarce resources.

Willmot (1989:51-52) observes that the local politicians find it difficult to decentralise power. Elected members and senior officers may feel that their statutory responsibilities are in risk as the decentralising process develops. Moreover, he poses the question faced by the local government of how the centre can at the same time devolve power to the citizens and ensure that its priorities will be followed and implemented in the decisions take at neighbourhood office level. Arnold and Cole (1988:148-149) note that decentralisation which avoids paternal and authoritarian traditions of representation and management tends to meet both internal and external resistance, in other words resistance from the managers and from the local politicians and trade unions.

Devolution of power is a source of conflict and resistance in a decentralising process. Senior officers tend to oppose devolution as they lose power to the lower levels. Conflict also emerges between municipal officers located in the neighbourhood offices and the councillors because both deal with the public in the area; and between departments in the neighbourhood level (Conyers,1986:96; Arnold,1987:31). The problem of distribution of power is also to be taken into account in the case of Ipatinga People's council as this kind of structure entails a new kind of relationship between the municipal administration and the society that may affect the councillors work.

In accordance with my research objective those questions related to distribution of power will receive greater attention. It is clear that both physical and organisational issues are important and they will be considered in order to help us to understand decentralisation as a whole and to provide information connected to the problems that emerge while a decentralising process is being implemented. It is in this sense that these three issues, physical and organisational issues and distribution of power constitute the setting through which we can evaluate Belo Horizonte decentralisation.

3.5. FORMS OF DECENTRALISATION

It can be said that the form of the initiative adopted is linked to the services that will be decentralised, the type of activities that will be taken on by local authority staff, the political organisation and the actions that will be evolved in the neighbourhood and local authority areas. In sum one local authority may apply a different strategy and form from that assumed by another local authority (Fudge,1984:195). Borja (1986; quoted in Massolo,1988:45) distinguishes three forms:

I. TERRITORIAL DECENTRALISATION - This process intends to make the inhabitants of an area be represented by electing repressentatives to an organisation, as for instance an area unit of local government, with autonomy over its own responsibilities and use of its resources. Functions are delegated by the municipal government (see also Borja,1988b:22-23; Smith,1985:178). In this kind of approach investment can be widely spread, field execution can be improved, the plans can be better linked to the citizens demands and needs, and the central departments of municipality can be integrated in mutually supportive schemes to solve area problems (Allen,1987:23).

II. FUNCTIONAL DECENTRALISATION - Is a sector-oriented approach and seeks a more flexible and agile public management by setting up autonomous organisations with the specific aim of acting in a determined sector. It intends to make Administration closer to citizens' needs (Borja,1986; quoted in Massolo,1988:45). Thus, they could constitute bodies usually called user groups, for example tenants associations. Smith (1985:175-176) also notes that representatives from communities are represented in the management boards nominated by the central authority. These bodies are concerned to community school boards, nursery, hospitals, house for the aged, planning. Depending on how these bodies are set up they may contribute to transfer of responsibility for community services to groups worst off for collective provision.

III. DECONCENTRATION - Is a process which establishes small administrative units that seek to make administration simpler or to make administration closer to the community. These units are neither autonomous nor representative of local inhabitants (see also Rondinelli,1986:189).

Rondinelli (1981,1983:185) considers the transfer of power not only to devolved units within the government but to any individual, organization or agency at a lower level" meaning semi-autonomous public corporations, area-wide development organizations, specialized functional authorities or non-government organizations.

However, these approaches present some problems. Deconcentration is a limited form of decentralisation since the decisions of allocation remain under central control and only decisions of implementation are in fact decentralised (Conveys,1983:102,108). According to Smith (1985:9) in this approach the core unifies by force the decision-making process, thus reducing localism, i.e. the discretion of the neighbourhood offices.

Smith (1985:178), observes in the case of territorial decentralisation, what he terms "neighbourhood government", experiments are being characterized by delegation, indirect election and limited financial and administrative resources. Despite the fact that neighbourhood councils in Europe and in Scandinavia have made significant citizen's participation possible they have not resulted in "statistically representative assemblies". They in general focus their attention on planning, traffic regulation, schools and cultural activities and are supported by city government and have advisory power.

After having considered the main aspects of decentralisation I will present the analytical framework that will be applied in Belo Horizonte's decentralisation process.

3.6. EVALUATION AND CONCLUSION

Before defining the methods of evaluation of decentralisation it is important to note that there is a risk of mistaking decentralisation for participation. Although complementary they are different concepts. Decentralisation implies an organisational process that comes from the top to the bottom. Participation can be understood as the "influence, by the public (as citizens, workers, consumers,etc) over the decisions made by (already) elected representatives or others (such as industrial managers) in positions of power or responsibility" (Elliot,1983:14). Participation demands answers to two basic questions: "what is the members' degree of control upon the decisions" and "how important are the decisions in which it is possible for members to participate" (Bordenave,1985:30).

Borja (1984:16) observes decentralisation has been mixed up with participation and that the fact of putting participation in first place leads us to make inappropriate proposals for decentralisation. This, in turn, has negative effects upon participation.

Arnold (1987:31) identifies problems that may appear in researching decentralisation. The first problem is that most research is descriptive and stresses the positive aspect of the initiatives without examining failures in detail. Political, professional and managerial conflicts tend to be blurred. Another issue concerns the necessity of drawing up substantial information about the impact of decentralisation. Finally, research lacks any standardization of information and terminology.

As the concept of decentralisation implies the distribution of power, which is difficult to measure, it is necessary to consider decentralisation as a dynamic phenomenon "rather than static, as continually evolving and oscillating between greater unity and diversity". This means that it has to be analysed through a continuum (Friedrich,1963;

quoted in Fesler,1964:14). Accordingly, decentralisation is not an absolute and pure process. It may happen that within a municipality some departments have undergone more decentralisation than others and the relationship between centre and periphery can be different according to the amount of departmental decentralisation.

Thus, the framework that will be applied is made up of two schemes. The first one is that put forward by Hambleton (1988:130-132), where he suggests three dimensions to evaluate decentralisation: the decision-making, the political dimension and service integration. I will focus on the first two dimensions as they deal directly with my one of my research aims which is to study and unveil the problems of Belo Horizonte decentralisation seen as a process of democratisation of local government. As these three dimensions are interrelated information about services will be used to complement the other two dimensions.

The decision-making dimension refers to the degree of decentralisation of power "from the centre to the edge of the organisation":

local information	local service	local policy-
advice<------------------------------->delivery<------------------------>making		
(no decision)	(some local decisions)	(substancial local decision making)
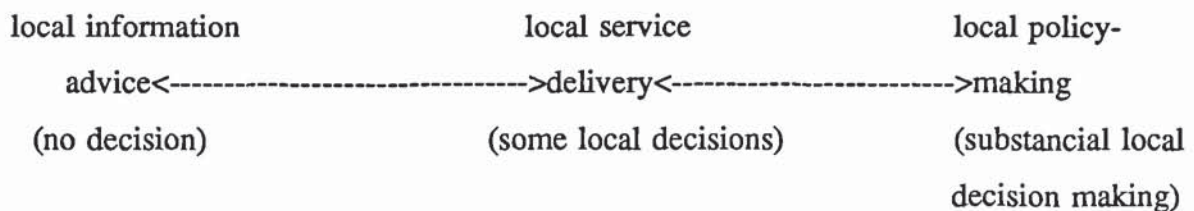
At one end we find the relocation of "services on a more local basis" which aims to improve "public access to local authority services". "Moving along the continuum" the local office receives "more decision-making power" and is able to supply "more actual service delivery". And at the other end the local administration would gain a degree of policy-making power according to the guidelines established by the central power.

The political dimension compares managerial schemes of decentralisation with politically-oriented schemes.

Officers only	Councillor	Public and interest
(Administrative<---------------------->involvement<-------------------->group involvement		
and managerial change)	(change within the the elected member system)	(extension of local democracy)
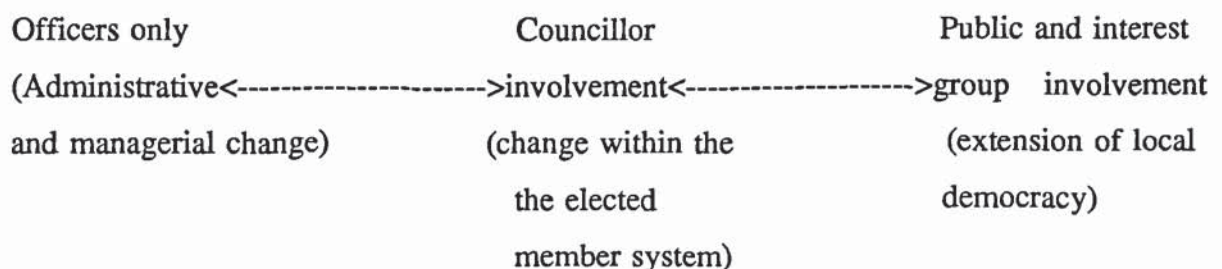
At the one extreme are approaches that conceive decentralisation only as a "managerial or administrative reorganisation" in which the public and councillor participation are not considered. Going through the continuum we find "approaches which combine decentralisation with efforts to democratize public service provision" that may take into account councillor, consumer or community participation. And at the other end there are schemes of decentralisation working on community development and establishing local arenas for decision-making involving councillors and community representatives.

The services dimension refers to "the degree to which decentralisation to local offices breaks down bureaucratic and professional barriers".

Besides the scheme proposed by Hambleton (1988:130-132), I will use a set of characteristics, put forward by Borja (1984a:14,16-17) that must exist in a decentralising initiative if it intends to be a democratising process. They are the following:

I. The local office's political structure is deliberative and representative, preferably based on direct election.

II. The local office has autonomy to exercise its competencies, which means that it can take decisions without any constraints apart from the statutory constraints. In other words, this decentralised structure can set up it own policies.

III. It has a global character. It means that it is not limited to a functional specialization.

IV. It should have power of decision or at least it should have an important role within the decision-making process.

V. It should have capacity of coercion for ensuring its decisions are executed.

VI. It should have either its own resources or transferred resources specific or final use without bieng designated, unless the programme has been established by the decentralised structure itself;

VII. There should be a coordination or at least the local office should have to follow the action of the different public administrations in its territory, and there should be a "progressive tendency to take upon the management, by delegation, of the services which are delivered in its region and which are intended to serve mainly the region's inhabitants;

VIII. Development of new mechanisms of political and social participation:

1. Information, and in a general way, communication, understood as the relationship between the administrator and the administered, is one of the first and principal links between decentralisation and participation. Nowadays technology can facilitate this relationship.

2. Within the decentralised territories new electoral procedures, which intensify the

relationship between voter and elected and which give citizens more opportunities of being elected as a local representative, can be implemented.

3. Mechanisms of articulation between the representative organisms and the social organisations can be promoted with more effectiveness, for example, mixed commissions at the territorial level or ad hoc, consultative council of organisations, etc. The more traditional mechanisms of citizen participation through public audience (session), the right of petition and of popular consultation can be used more effectively. If decentralised bodies have a democratising vocation, they can "strengthen the organized social fabric and therefore any kind of associations and forms of collective life". There is a risk of manipulation of these associations by the municipal government here. In this sense the town hall's role is one of legal and material support.

4. A very important form of participation is that which takes place in the social economic arena, such as cooperatives, associations, voluntary work, etc. "One of the great possibilities for decentralisation is to contribute to develop the social economy and to find new forms of collaboration between enterprises or groups of this sector and decentralised public administration in every field of action (housing, elderly people, cultural or the provision of recreational amenities, new kindsf of cooperatives,etc)".

5. One of the new aspects of participation is the defense of what is called "diffuse rights" of citizens, for instance, of environment, of information, of health, the rights of users of public transport, of consumers and so on. Both the social organisation of citizens and the possibility of effective exercise of their rights in public administration demand small territories and an institutional interlocutor closer to the citizens.

If decentralisation is to be understood "as a route to democratisation", it is necessary to analyse the specific political philosophies, the political strategies and political conflicts that exist within the city in question and also to consider changes in society as a whole which influence the process of decentralisation (Gyford,1987:63).

To do this fully would be to extend the scope of this thesis. I have tried to address this problem through a general political and administrative analysis that provides the context in which the Belo Horizonte's decentralising experience took placed. I have only lightly touched upon local city-wide political strategies and conflicts as these were not central to this research which focuses on the obstacles within the municipal structure to decentralisation and democratization.

In the case of decentralisation in Belo Horizonte as in the case of people's council

in Ipatinga I adopt an approach which considers objectives as "emergent" and "shifting" rather than as "givens" and which considers organisations as basically political systems where conflicts arise from the interaction between power, values and interests are predominant. Thus, I will focus on individuals and groups constituting the organisation rather than on the organization as a whole. This approach allows me to verify whether the real aim of these initiatives is in fact to implement decentralisation in the case of Belo Horizonte and PCs in Ipatinga or whether they use these aims as a cover to other political objectives. It must be acknowledged that organisational politics are both an outcome of prior determinations and an result of self-determination. Actors and groups can act according to their values to achieve their objectives but they may also be "empty vessels through which deeper social processes speak" (Hoggett,1988:217-218).

Another point to consider is that I am evaluating only some aspects of democratization. Hambleton et al. (1989:53-54) asserts that for a full evaluation of democratization the following questions have to be answered. Firstly "what powers of decision making are transferred to new arenas"; secondly" who participates"; thirdly whether these new democratic forms are more advanced than the previous forms and fourthly "what are the people's experiences of these new democratic forms". I am analyzing decentralisation as a process of democratization as far as the first three issues are concerned. The fourth aspect awaites further work.

In this way I expect the analytical framework will allow an identification of the problems faced by the municipal executive during the implementation of decentralisation. Then, it will be possible to test my hypothesis that at least some of these problems are traditional features of the Brazilian political context. This will be possible by reference to Brazilian History and contemporary Politics and Public Administration and their expression in Belo Horizonte and in Ipatinga.

The next chapter considers the theory of PCs as the other alternative form of democratization of municipal government asserting being implemented in Brazil. The aim is to consider the theory of PCs, the various attempts to introduce councils in pratice and to establish a framework of analysis within which the experience can be analysed.

CHAPTER 4. THE PEOPLE'S COUNCILS

4.1.INTRODUCTION

In this chapter I examine the People's Council (PC), the main alternative strategy being proposed to decentralisation as a means of democratising and reforming local government in Brazil. Here, as I have just done in the chapter about decentralisation, I will set up a framework of analysis that will help me to answer my general question "can decentralisation and PC be a means of democratisation?" and to test my hypothesis that local government initiatives of decentralisation and PC's face problems that are characteristic of the Brazilian traditional political and administrative context.

Both the Workers Party (PT) and the Brazilian Social Democratic Party (PSDB) consider PC as a means of democratization of local government. However it is mainly the PT local governments which are experimenting with implementing PC's.

PC's in practice cover a diversity of experiences, of places, and of historical periods (Gohn,1989:21). They are an area where theory is considered either as polemic (idem) or as non existent (Rolim,1989:13). In a less pessimistic approach the area was considered one in which both theory and practice have not achieved their full development (Magri,1972:16).

The emergence of councils in later years is, according to Magri (1972:16), due to the fact that mass movements have re-invented and re-discovered the idea of councils. These movements have been critical of parliamentary and representative democracy, and political and union organizations, and proposed new models of struggle characterized by democratic administration, which focus on vital centres of production and mass participation.

Gohn (1989:21) notes that there exists a "collective historical memory" which is expressed in two ways. One way is in terms of workers' council which oppressed sectors have used as an instrument for their political, social, economic and cultural emancipation. Example are the Paris Commune, the Russian soviets and the Italian factory councils. On the other way the idea of councils have been used in terms of policies and strategies to integrate individuals into citizens's councils striving to defend individual and collective rights and struggle against values considered harmful to their societies.

Explicitly the PT consider those experiments as source of inspiration for its approach of popular participation as a means of building socialism (Bittar,1992:214-215;

Serie Documentos II,1989:9-10). Hobsbawm (1973:206) reminds us that councils as revolutionary institutions can be found as far back as the medieval cities' committees, in sixteenth-century France and the experience of the New Model Army during the English Revolution (1640-1660). He concluded that a government structure based on "autonomous communal organs, perhaps linked by pyramids of higher delegate bodies, is for practical reasons ancient."

Natali (Folha de Sao Paulo,n.d.,n.p.) cites the Minutemen's experience Massachussetts, America in 1774, where the citizens' militia were supposed to go into combat one minute after the alert alarm. During the French revolution in 1789 there were the Paris' sections "which were essentially direct democracies of all citizens in public assembly" or the political societies "which were voluntary bodies of the familiar type" (Hobsbawm,1973:206; Arendt,1990:239-243; see also Thomson,1962:281-282 for more details about the Paris Sections). During the 1776 American Revolution Jefferson presented a proposal of a ward system where the councils were understood as means of citizens' participation in the public business and to keep the revolutionary spirit alive throughout the Republic (Arendt,1990:250-251). Despite the fact that I will not deal with the 18th Century American and the French experiments I acknowledge their importance as antecedents of the PC's.

I shall deal with some of these experiences knowing that they have materialized in different forms and types of organizations. What distinguishes them is the fact that these organizations have a different functional character either composed of workers or of citizens aiming at affecting the political and social decision-making process either in radical or reformist ways (Gohn,1989:21 and Hobsbawm,1973:206).

Some of these historical cases are considered by the Workers Party as sources of inspiration to its history and its process of articulation with organised social sectors that resisted and contributed "to the overthrow of the military government". The PT acknowledges that these cases have "internal and external historical limits" concerning the current process of the PT in Brazil (Bittar,1992:214).

Moreover, this chapter is heavily drawn on Gohn (1989) whose article was used by Ipatinga PT municipal executive in its newspaper where it presented its proposal for budget councils (Serie Documentos II,1989:9-10). As we shall see Gohn (1989) deals with cases that the PT municipal executive quoted in its newspaper, the Commune of Paris, the Russian Soviets, the Workers' Councils in Germany, in Italy and in Spain, and the case of councils in America. The other reference used in this chapter is Bittar (1992) who

organized the book "O modo petista de governar" (The "Petista" way of governing). This book is made up of collectively-written articles that were the result of seminars and meetings held by the PT concerning the various sectors of public administration including one chapter about people's participation. In this book the PT considers different models of political participation and explicitly recognized the influence of People's Councils in the PT's proposal for a participative public administration and makes comments about the Soviets and the Comune of Paris.

I then focus on the debate within the PT. At the end I establish my framework of analysis for the case of the town of Ipatinga, which has been governed by the PT. This framework is expected to help me to test my hypothesis that the implementation of alternative methods of democratization of local government face problems that are characteristic of the Brazilian political context.

4.2. THE PRACTICE AND THEORY OF COUNCIL

4.2.1. THE NEW MODEL ARMY'S COUNCIL IN THE ENGLISH CIVIL WAR 1640-1660

This experiment ocurred during the English Civil War that had overthrown Charles I. At this time feudal tenures and arbitrary taxation were abolished, the rights of property were established and the propertied classes acquired power as Parliament acquired sovereignty (Hill,1984:13-15). In 1647, the New Model Army, which had played an important role in the Parliamentary victory was facing the threat of disbandment and so decided to organise themselves to oppose this receiving, for this purpose, help from the Levellers. In order to present to Parliament a petition concerning army grievances the New Model Army decided to choose two men from each troop and company and form a delegation to represent them. This was a wartime common practice among civilians wishing to influence the Parliament. This process prompted the New Army to set up a council which would represent the soldiers and guide them into action if necessary. They had adopted the Levellers idea of representation but whilst the Levellers demanded elections of magistrates and parish ministers the soldiers applied the idea to officers (Brailsford,1976:180-181; Hill,1984:63).

At the end of April 1647 the cavalry's troops chose two representatives to participate in a meeting of the 4 regiments placed in Norfolk. However, when this process proved difficult to organize they turned to the idea of using indirect election. Then,

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according to Brailsford (1976:181) each regiment chose two agents or 'agitators' from the representatives of the troops to defend their interests. In the same month the agitators of eight regiments of horses created a council. Afterwards the foot soldiers did the same and by mid-May the council's representation comprised all the soldiery. In June, the officers followed the same steps and selected two agitators for each regiment from among the captains and junior officers. First, the infantry's soldiers paid for the movement's costs, then the officers followed suit. The soldiery organised themselves from the bottom starting with the yeoman cavalry regiments. Their petitions raised political and military issues. "Petitions against tithes, enclosure and copyhold fines were 'prompted' by the agitators" to attract civilian groups to the Army and its struggle against the nobility, gentry, and clergy and to overthrow the monarchy. Brailsford (1976:181) observed that nothing like this spontaneous experience of democracy had happened in any English or continental army before 1647 nor throughout the period after 1647 till the creation of the Workers' and Soldiers' Soviet in 1905 Russia.

4.2.2. THE PARIS COMMUNE

The Paris Commune is considered by many historians to be the first experience of workers' self-government through people's council (Gohn,1989:2). According to Hobsbawm (1975:167) this experience "was more formidable as a symbol than as a fact".

It was an insurrectionary workers' movement that lasted from March until May 1871 which resulted in the setting up of a government even though it did not last for long.

Marx thought the Paris Commune showed that a workers' movement with its own political guidelines was possible. Marx drew the conclusion that if the revolution was to be successful it had to destroy the bourgeois state and replace it with a proletarian state (Castells,1983:15).

As Marx (1968:288,291) observed the workers once in power should get rid of the state's organizations to make sure of their victory. The Commune was seen as "the direct antithesis to the empire, as a positive form of Republic" that had displaced not only "the monarchical form of class-rule, but class-rule itself".

The Commune was made up of municipal councillors, elected by universal suffrage from the wards and made responsible to and revocable by the electors at short periods if necessary. Its members were in the majority workers or representatives of the working class. It functioned differently from Parliament, combining both executive and legislative

functions. The Commune took control of the police, subjecting them to election and replacement as necessary. The officials of the whole administration, including the judicial functionaries, were also subject to election and recall. Workmen's wages were to be paid to all members of the Commune. "The vested interests and the representation allowances of the high dignitaries of State disappeared along with the dignataries themselves". The Commune would control all municipal functions (Marx,1968:291-292).

The few remaining central government functions "were to be discharged by the communal and therefore ... responsible agents. The nation would be united under the Communal Constitution thus putting an end to the State. The old government's legitimate functions were to be transferred to Communal agents. The people, making use of universal suffrage, would elect the right man for the right place and if a mistake occured they would know how to redress it (Marx,1968:292).

Marx (1968:293-294) noted that the experience of the Commune, a working class government, was an outcome of the working class struggle against the capitalists, "the political form at last discovered under which to work out the economic emancipation of labour".

From a somewhat different perspective Castells (1983:15-16) approached the Commune through the hypothesis of Henri Lefebvre who saw it as an urban revolution. In this sense the Commune could be understood as a merger "between the urban contradictions and the emerging labour movement, both in its most archaic aspects (the revolt of the Sans-Culottes against the abuses of the powerful) and in its anticipatory themes (the self-management of society).

Castells' (1983:16-17) first point was that the majority of the communards were not workers from the point of view of a "class struggle between the bourgeoisie and the proletariat over the control of industrialisation." They were, in fact, artisan workers, urban labourers and a minority of the new industrial proletariat. Another aspect was that although the petty bourgeoisie (clerks, accountants, doctors, teachers, lawyers and journalists) were a minority among the communards they were the majority within the assembly (La Commune) and among the officers and cadre in the Commune's military force. Then, he concluded that it is "at least doubtful" to characterize the Commune as a proletarian insurrection. Instead, it seemed to be a popular revolution made by people who were living in a city undergoing changes and severe siege and by "the citizens of a Republic in quest of its institutions".

The second point is that the communards defined themselves as representatives of

Paris struggling against the National Assembly whose majority had come from the rural area. Their first demand and the trigger of the movement was the re-establishment of municipal freedom and their first action was to hold municipal elections and then to set up self-government by the local civil society. They thought that the Communal model could be applied to the whole of France. Besides the principles of revocation and responsibility other functioning principles were as follows:

I. The Commune had the right to decide upon the budget, taxes, local services, judiciary, police, education and the administration of communal property.

II. Freedom of conscience, freedom of work and individual freedom; citizens had the right to permanent intervention in the communal affairs "by the expression of their ideas and the free defense of their interests".

III. The organization of the Urban defence and of their National Guards (Castells,1983:21-22).

The Commune was considered an urban social movement basically due to the fact that it was a municipal revolution. In other words a popular mobilization aimed at changing local society politically in three ways. Firstly, changing the internal organization through the democratisation of political institutions, encouraging citizen participation through the decentralisation of municipal power. Secondly, changing the relationship with Central Government by demanding local autonomy and control of all sectors of social life. Thirdly, at a more general level, the Commune saw the city as a kind of popular democracy where grassroots democracy would be interwoven with representative democracy. The city was understood to be the departure point through which the nation would be reorganised "by the connection between successive levels of political delegation" (Castells,1983:25).

On 29th of May the Commune was defeated by French troops in violent clashes but it left behind the themes of grassroots participation that still carry a great appeal (Castells,1983:26) and as a historical novelty it showed the possibility of the self-management of the public machine by the citizens and of the articulation between public management and production management within a libertarian project (Gohn,1989:2).

The PT distinguishes the case of the Commune from PC's by asserting that the Commune worked through direct democracy and the right of recall of those elected. The PT operates in a society qualitatively and quantitatively differently where representative democracy is not be rejected but combined with direct democracy (Bittar,1992:215).

4.2.3. THE SOVIETS AND THE RUSSIAN REVOLUTION

The Soviets first appeared in 1905 in St. Petersburg. They were created spontaneously by workers on strike as a non-partisan organization directly elected by the industrial proletariat from a workers' uprising against the Tsarist government. Their demands were an eight-hour working period, the seizure of large estates and press freedom. However the revolutionary proletarian was not linked to the peasantry and soldiers movement and the uprising was defeated by the government (Foa,1972:100).

Foa (1972:103) observes that Lenin (1972:20-21,23-24) had, at that time, both a traditional and ambiguous view concerning the soviets. He stressed the economic aspect of the soviets' struggle and saw it as an organization representing all occupations, and including democratic revolutionaries and all parties that shared the same ideals. He perceived the soviets as "an embryo of a provisional revolutionary government", a non-partisan organization that was as important as the party in the political struggle, which would work in temporary alliance with the party to realise practical tasks. Meanwhile the party would safeguard the basic interests and goals of the the socialist proletariat. At the end of the same month of November, Lenin expressed a different view by saying that the soviets were an organization of struggle for limited goals and not a proletarian self-government organization (Foa,1972:103).

From 1906 to April 1917 the Bolsheviks did not deal with the issue of soviets. The Bolsheviks always saw their party as the main revolutionary instrument and the soviets as auxiliary organizations of the party and often as a competitive organization (Foa,1972;104). Arendt (1990:257) observed that Lenin did not think of changing his ideas and including the soviets in any of the party programmes. As a result of this he and and his party were not prepared to incorporate the soviets when they emerged again in 1917. It was only in April 1917, when the Bolsheviks caled for a socialist revolution that the soviets came to the forefront as a means to destroy the bourgeoisie state (Foa,1972:104).

During the February Revolution the soviets emerged among the peasants, workers, soldiers, out of strikes and riots against high prices, scarcity and war. At the time the Bolsheviks had few delegates to the soviets. The soviets created a dual power situation between the bourgeoisie government dominated by the Mensheviks and the popular opposition. The Mensheviks were the majority within the soviets and during the months of February and March they managed to set up alliances with the soviet leadership.

In May social tension and political awareness increased among the masses and they

started to rebel against the soviets' policies towards the government. The gap between the soviets' policies and masses was made worse because of another problem. As the soviets increased in size and scope the real power, initially based in a deliberative assembly, became restricted to the executive committee. In Petrograd's case the soviet executive committee had 30 members out of whom 8 were elected by the delegates but 15 were nominated by socialist organizations. In total it had 1300 members but soon this increased to 3000. When this committee increased another more restricted committee was created. This went completely contrary to the original idea of the soviet with permanent contact between delegates and those whom they represented. With the increase of mass mobilizations the government found the excuse to repress the Bolsheviks, but they in turn, managed to take over the opposition movement's leadership and extend their influence in the soviets. During the weeks before the October Revolution the Bolshevik Party and soviets worked very closely with each other but at this time the soviets had already lost their spontaneity and were no longer a direct channel of expression from the masses. Instead they became a channel of transmission of party' slogans, a kind of means for the party to relate with the masses (Foa,1972:104-114,116).

Once in power, the Bolsheviks attempted to continue the phase of symbiosis between the party and soviets as had existed before the seizure of power when the party had, in fact, controlled this relationship (Foa,1972:113-114). However, Lenin and Trotsky soon rejected any kind of coalition government, the Constituent Assembly, representative democracy based on universal suffrage, the use of liberal bourgeoisie means (Foa,1972:115). This was completely different from the idea of a multi-party system that the Bolshevik party had originally proposed and differed from Lenin's proposal on the eve of the revolution when he considered the idea of election of deputies by the people, peaceful struggle among the parties within the soviets, analysis of the parties' programmes and transition of power from one party to another. The channelling of the soviets within a one-party system and the dictatorship of the party meant the passage from a system of proletarian democracy to a political monopoly system The justification was that the party represented objectively the masses interests, but left the masses out of politics (Salvadori:1972:50-51).

Foa (1972:118-119) observed that since the beginning the soviets' functioning had followed the party's guidelines causing conflicts from March 1917 among the socialist parties about the content of the revolution. During the first phase of the revolution the election principle had been changed by nominated representatives from the parties and trade

unions, transforming the soviets from a revolutionary organization into a kind of semi-parliamentary representation where conflicts emerged between the top and the spontaneous actions from bottom. Despite the fact that the Bolshevikies had managed, in October 1917, to turn the soviets again into revolutionary organzations Foa (1972:118) noted that with the soviets institutionalisation within a new system of power what emerged was the possibility of reproducing the conflict between an external authority, the central power, and the direct initiative of workers. As the distance between them increased the direct representation was replaced by a delegation system. Bordiga (1981a:47) shows that in the cities the soviets consisted of one delegate per one thousand inhabitants and in the country-side one per one hundred.

In November 1917 the soviets Pan-Russian council set up a pyramidal control apparatus whereby the factory councils, that had consolidated their position as the workers' means of control in the factories, were made subject to a series of superior councils up to the Soviets Pan-Russian Council. Foa (1972:122,236) observes that this decision was contrary to the workers's demands of taking control of factories. However, she points out, that the main problem for the government was sabotage by the capitalists affecting the production of a declining economy and it was necessary to take actions to strengthen order and discipline The government sought to stop the process of confiscation of factories by the workers with the excuse that the workers lacked specialised knowledge. Even when the companies were nationalised the workers had a one-third representation within the company's administrative council while the other two-thirds were nominated by the regional or central power.

Finally in 1921 during the Tenth Party Congress the government took direct control over the factories. The party prohibited any internal opposition setting the ground for Stalin. It is also important to remember the massacres of the sailors and workers soviet in Kronstadt and of the peasants soviet leaded by Nestor Makhno by the Bolshevik government in the same year of 1921 as these two cases were experiences of resistance against an authoritarian regime (Guillerm and Bourdet,1976:115-116; Guerin,1970:98-105).

Foa (1972:122-124) and Salvadori (1972:51-52) justify the centralisation of the Russian social and economic life as a consequence of the economic crisis, capitalist sabotage in the factories, the shortage of technicians, the foreign invasion, the civil war and the demobilization of the revolutionary proletariat. For both authors the fate of the Russian soviets was not linked to the formal organisation and only to a small extent to the Bolshevik leaders' conception of them. In fact it reflected the differences and the

contradictions of Russia. Contrarily the anarchists reject the idea that centralisation and the authoritarism of the soviet system was only caused by objective factors external to the revolution. For them they were partly result of the bolshevik's authoritarian ideas and of "the weakness of an overcentralized and excessively bureaucratic authority" (Guerin,1970:88).

The PT, commenting on the soviets, consider that the Brazilian context is not characterized by a revolutionary crisis, there is no abolition of the State, of private property and the market. As a result it can not work within a model of self-regulation, self-organization and self-government of the masses (Bittar,1992:215).

The PT view of popular power entails the creation of efective people's participation channels in the centres of power. Those channels are important means to discuss demands and priorities, to supervize municipal governments, strengthening the popular self-organization and contributing to set a correlation of forces favouring the working class. From this perspective the PT put forward the idea of PC. The PC is seen as an attempt to set popular representation backed by groups already organized or in the process of establishing organisations, associations and movements (Sousa,1985:46-47; Gadotti and Pereira,1989:281-282).

The participation of citizens and social movements mean the break from the traditional mould of politics in Brazil and represent the search for the fundamentals of democratic government through new public policies affecting both civil society and citizenship (Bittar,1992:209).

4.2.4. THE COUNCILS IN GERMANY

The councils movement in Germany arose amid a political and military crisis in November 1918. The old political institutions had been dismantled and the country defeated in the World War. This movement can be characterized by the intensity through which the councils were set up by the workers and soldiers (with lower participation of the peasants), and by their short life (Colloti,1972:125-126; Gohn,1989:4).

The Spartacus League (the Communist Party) proposed reforms were based on the proclamation of the councils; expropriation of all bank capital, mines, steelworks; of the big and medium sized estates, and radical changes in the Armed Forces. Those reforms were considered a means to obtain power (Colloti,1972:128).

Luxemburg (1971:14,19,25-26), one of the leaders of the League, asserted that the

revolutionary government should yield all power to the workers' and soldiers' councils. Their task would be to build up a socialist state political-machine. In her "On the Spartacus Programme" (30 december 1918) she proposed as a first step of the proletarian revolution the formation of councils in all sectors, with the aim of undermining the bourgeois state by abolishing the cleavage between legislative and executive powers, uniting them under the control of the Workers and Soldiers Councils. This political struggle would be a progressive process and not made "at one blow".

Before these steps were taken it was necessary to make the masses realize that the council had to be the core of the state's apparatus, all power was to be concentrated in them and used for the purpose of promoting the socialist revolution and the only way for the masses to "learn how to use power" would be for the masses themselves to start using power (Luxemburg,1971:27). Colloti (1972:141-142) noted that the Spartacus League Programme placed the same trust on the movement of the masses in the socialist revolution.

However, the councils experience turned out to be incomplete. Mostly they were restrained to the phases of mobilization and politicization of the masses. The councils became a means to express demands for a radical social and political renewal rather than an effective instrument for this same renewal. The localised character of the councils was also one of the constraining factors that decided their fate. The local character confined the revolutionary nuclei to a few places doomed to be smashed by the army and para-military troops. It also conditioned and falsified the nature of the experience, leading to aims that were imposed by the state out of necessity. These aims were not representative of the autonomous capacity of the councils. In Bremen, Braunschweig and in Bavaria the isolation of the councils was a key factor which turned the councils into an episode of not only civil war against capitalism but of conflicts within the workers movement itself.

The councils' experience continued to develop until 1923 despite the defeats in early 1919 in Bremen, Bavaria and Berlin. In Berlin there where violent clashes between the Social Democrats (who were for the Constitutional Assembly) and the Spartakists (who supported the workers and soldiers councils). This resulted in the death of Luxemburg and of many workers by the right wing political groups (Guillerm and Bourdet, 1976:86).

Throughout this period the state did not manage to stabilize and the councils managed to keep functioning. They developed in a different manner from the soviets and the Commune. While the latter were set up on a territorial basis the former were elected on a factory basis. According to Guillerm and Bourdet (1976:87) this aspect put the

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German councils at a superior level in comparison with the soviets. They were not only organzations of production self-management but above all organs of self-administration of the population concerned with all aspects of daily life. Thus, the firm was not only a production unity but a social cell, the main location of socialisation of individuals and the masses, from where a multitude of activities were to be performed. These councils were characterized as follows:"permanent revocation; abolishment of the difference between legislative, executive and judiciary powers; worker's average salary for the delegates; rotation of all tasks."

Gohn (1989:3) observes that the councils also dealt with prices and rent control and had mechanisms to avert speculation. In 1923 the councils were destroyed by military force.

Concerning the PCs' functions in general the PT's point of view is that the PC can and have to perform different functions as deliberative and independent agencies. Beyond those of organizing the popular forces, supervizing and controling the Administration, they can participate in policy-making in various sectors such as housing, transport and health (Gadotti and Pereira,1989:292).

4.2.5. THE ITALIAN COUNCILS

Gramsci was the main exponent of the theory of workers' councils in Italy. In April 1919 he started editing the L'Ordine Nuovo and inspired by the Russian Revolution which he saw as a manifestation of collective human will he began to work on the theory and practice of the councils revolution in Italy. His aim was to examine the Italian reality in order to see if there was ground for a workers' organization similar to the Russian soviets that could be used as an initial step towards and support for the creation of a socialist state in Italy (Coutinho,1981:7-9; Gramsci,1981a:33-34; Salvadori,1972:49).

In his view factory so-called internal commissions would be the origin of proletarian democracy. These commissions had been functioning since 1906 mainly in Turin. The commissions aimed at defending workers' interests and rights within the factory. Although they had emerged from the bottom Gramsci thought they had limits to overcome if they were to become a form of workers' democracy (Coutinho,1981:8-9).

He thought that the workers should hold elections of assemblies of delegates chosen from the workers. This would open an arena of revolutionary propaganda for the party and for the wards' centres. The wards centres should make a census of the proletarian groups

within their respective area and become the ward's council of workshops' delegates. The electoral system could vary in accordance with the size of workshops and through gradual elections get a committee of factory's delegates which included not only workers but also other employees and technicians. Untill then only the trade unionist members had the right to vote which made the commissions a kind of branch of the trade union. Gramsci (1981b:39-40) considered that the trade unions had become an enormous and conservative apparatus which obeyed its own internal laws of structure and function. The masses could not express their desires and aspire to power. The trade unions were unable to grasp the masses' psychology. The unionists identify the soviets with the trade unions, asserting that the union structure was identical with the proletarian structure.

The district committee, on the contrary, should be an outcome of the mobilization of all categories of workers with spontaneous delegated power and authority to suspend any work within the ward. It would be extended into Urban commissariats controlled and disciplined by the party and the professional federations. Such a workers' democracy system linked to the similar organizations of peasants, would provide the masses with a form and discipline of action similar to the army (Gramsci,1981a:36).

The participation of different professional groups existing within the factory commission would widen the democratic character of the commission, making it an expression of the so-called "collective worker" and rendering him/her capable of controlling and directing the whole production process. From such changes the commission would turn into a factory's council (Coutinho,1981:9).

Salvadori (1972:49) observes that the originality of Gramsci's thought came from the attention paid to industrial production. Gramsci's idea was based on the fact that the revolution's success depended on the party's abilities to change the masses by nourishing them with the will to become the ruling class. However, as the working class was one social unity within the factory, the power centre of capital, the proletarian revolution would only be victorious if the working class won the struggle within the factory against Capitalism. In this way the factory council turned into the model of the proletarian state.

In this sense the council was not only concerned with the immediate interests of the worker but they aimed at taking the worker from the level of wageearner to the level of producer. Here could be identified the difference between trade unions and workers councils (Coutinho,1981:9).

Gramsci (1981:b39-41) observed that the trade union was an organization typical of capitalist society and was a means through which the workers could negotiate better

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proposals to sell their labour and it could offer some special help on industrial issues. However, the trade union could not and did not aim at criticising the capitalist system and accordingly it was not useful for the revolution (see also Coutinho,1981:10; Guerin,1970:110).

On the other hand the proletarian dictatorship could embody an organization specific to the workers' activities as a producer not as a wagearner. The factory council would be the cell of this organization. As it involved all sectors of work it would be a class and social institution based on work not on wages. In this way the council would provide the masses with a cohesive form and be the most suitable organization for the education and development of a new social spirit among the proletariat (Gramsci,1981b:42-43, Guerin:1970:110).

Gramsci was severely criticized by both reformist trade unions and the Italian Socialist Party. The former thought that their monopoly of workers' representation was at risk. The latter did not trust grass-root democratic bodies that were not under their control. Nevertheless, in 1919 in Turin around 50,000 workers were organised in councils according to L'Ordine Nuovo (Coutinho:1981:10).

In September 1920 the factory owners established a lock-out as a reprisal to the strengthening of the the councils' movement. The workers reacted by occupying the main factories in Turin and maintained the normal level of production. However, this movement, without support from the PSI and from the trade unions and localised in Turin, was defeated (Coutinho,1981:10-11; Guillerm and Bourdet,1976:120-121).

As well as the practical issues behind the defeat of the council's movement there were theoretical problem with Gramsci's proposals. During the years of 1919 and 1920 Gramsci had not seen that the immediate control over the material production was not enough for the political domination and direction of the working class. He seemed to suppose that control over the productive forces granted immediate control over the whole complex of social relations and especially political power. It follows from this that Gramsci was thought not to have properly considered the role of the party as an agent of aggregation and mediation of the revolutionary proletarian movement (Bordiga,1981a:38; Coutinho,1981:11). Another criticism came from the Italian anarcho-syndicalists that observed that in a nonrevolutionary phase the factory councils, too, could turn into organizations of class collaboration. Also Gramsci did not have enough information about the degeneration of Russian soviets into Bolshevik organizations and therefore he made dubious assumptious thinking it would be possible to "reconcile Bolshevism with the

withering away of the state and a democratic interpretation of the dictatorship of the proletariat" (Guerin,1970:111).

However, these issues do not overshadow the positive aspect of Gramsci's thinking at that time. He shed light on the importance of the grass-root organizations ("working masses self-government") within the process of building up socialist democracy. His idea was openly contrary to Bordiga's conception of socialist state as a dictatorship of the revolutionary party. Gramsci began to outline a pluralist conception of socialist society where workers domination would be exerted by a plurality of organizations, parties, councils, trade unions (Coutinho,1981:11-12).

The PT aproach to local government, the so-called "Petista" (from the PT) way of governing, has two aspects. First, to re-direct administrative priorities by implementing redistributive policies. Second, to see "the civil society, with its plurality of interests, opinions and wills; and the citizenship of workers and social movements, as privileged actors in the formulation of policies and in the constitution of a new social and political order". It is asserted that the municipal government has to create both a channel and space to allow participation for the unorganized sectors of society; to allow new forms of interaction and persuasion by valuing the interests, desires and opinions and the unorganised. Thus a process of self-organization and increased political consciousness is established (Bittar,1992:210,218-219).

4.2.6. THE SPANISH EXPERIENCE 1934-1937

In Spain the councils' experiences took place between 1934-1937 tied to the anarcho-syndicalism movement when fascism and persecution of workers movements were increasing in other European countries (Gohn,1989:5; Guillerm and Bourdet,1976:121). In the first months of the Spanish Revolution (1936-1939) the factories in Barcelona, Catolonia, began to be run by revolutionary workers' committees, linked to the CNT (Spanish National Confederation of Labour) without the State's help or interference and sometimes without managerial personnel. In October 1936 a trade union conference was held in Barcelona aiming at the socialization of industry. At the end of the month the Catalan government institutionalized the workers' socialization initiative but at the same time introduced an element of government control by establishing one socialist sector alongside private sectors. Those factories with between fifty and hundred workers could be socialized if three quarters of the workers demanded it while those with more than one

hundred workers were socialized immediately. Those factories whose owners were judicially declared "subversive" or had stopped production and those whose importance justified them being taken out of the private sector were also passed to workers' control. Actually many companies were socialized because they were in debt (Guerin,1978:136).

Factory self-management was based on "a managerial committee of five to fifteen members representing the various trades and services. They were nominated by the workers in general assembly and served for two years, half being changed each year." A manager was appointed by the committee delegating partial or entire power. In case of very large factories the supervisory organization would approve the manager selected. In each management committee there was a government controller who turned this self-management into a kind of joint-management with the Catalan government (Guerin,1971:136-137).

The management committee was subject to recall either by the general meeting of the workers or by the general council of the particular branch of the industry (made up of four representatives of management committees, eight of the trade unions, and four technicians appointed by the supervisory organization). This general council, with mandatory decisions, was responsible for dividing the profits and planning the work. In the private companies there was a kind of joint-management between the employer and an elected workers's committee (Guerin,1971:137).

Guerin (1971:137) observes that one of the problems was that there was a tendency among workers' self-management to a kind of parochial egoism where each production unit would be concerned only with its own interests. The rich collectivities could afford high wages while the poor ones were sometimes even unable to keep up the existing wage level prevailing before the Revolution. The solution for this problem was the creation of a central equalization fund that made a fair distribution of resources easier.

In agriculture the experiments in self-management began spontaneously. For quite a time the peasant had been educated in a libertarian and collectivist tradition. Peasants seized lands left behind by the large landowners and decided to go on working on their own thus creating the collectives. The CNT in September 1936 held a peasants regional congress that decided that the trade union would control and manage the collectivization of land and which "large estates and the property of fascists were to be socialized, while small landowners would have a free choice between individual property and collective property" (Guerin,1971:130-131).

The agricultural collectivities were set up with two different functions, economic and geographical management. In each village a working peasants assembly "elected a

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management committee which was to be responsible for economic administration". All the committee members with the exception of the Secretary continued to do their manual labour. Groups of ten or more peasants were created, "each led by a delegate, and each being allocated an area to cultivate, or an operation to perform, appropriate to the age of its members and the nature of the work concerned." Every night the delegates met with the management committee (Guerin,1971:131-132).

Regarding local management the commune held a general assembly with the inhabitants to receive reports of activities undertaken. With the exception of family properties and utensils and personal savings everything else was put into a common pool. Collectivities were also created among artisans, hairdressers, shoemakers, etc (Guerin,1917:132).

The fate of the agricultural and industrial self-management was to a great extent determined by Stalinists participating in the Popular Front Republic (an alliance between socialists, communists and sectors of bourgeoisie) and by its administrative bureaucracy. One interpretation is that the Spanish collectivities were defeated by a Republic that repressed its own vanguard in the name of the war against the fascist uprising (Guerin,1971:139-143).

4.2.7. LEGACY OF THE WORKERS' COUNCILS

According to Magri (1972:18) Lenin, Luxemburg and Gramsci saw the councils as organizations of the masses that rejected the contractualist capitalist logic, and had the potential to undermine capitalist power and develop their own autonomous forms of organization thus preparing the way for a new kind of power and state.

Gohn (1989:6) asserts that they were experiences where spontaneity was combined to a certain extent with the theory of party's vanguard. Almost all these experiences took place in periods of revolutionary crisis or institutional changes. In these processes the councils were important in the process of building up a new political hegemony. However they were replaced by the groups that took over the power.

One aspect of the workers's councils was that they associated economic issues with political ones. They set up a link between the production sphere and the consumption sphere.

Another aspect was that they acted as organizations within civil society and intervened in the political arena. They were more than a double power as they had a project of changing

the society. Finally, despite being put aside by antagonist groups they managed to remain in the memory of the people's struggles (Gohn,1989:6).

We can also observe that some obstacles to the full achievement of the PCs. In Italy and in Germany the experiment of the PCs were isolated cases of mobilization. In all cases the political parties who were supposed to support them failed to do so either because of political unwillingness or because of lack of political strength. In the case of the soviets they were absorbed by the central power.

As was said before the PT considers the experience of the Workers' Councils as models to its own historically political experience recognizing at the same time the historical limits fo these cases.

In the case of Brazil, the PT thinks that the masses democracy and the socialist hegemony in the society become viable by multiplying interventions and organizations of social actors. Municipal government should be flexible in order to attend to this diverse set of experiments (Bittar,1992:219).

4.3. THE COUNCILS AFTER THE SECOND WORLD WAR

4.3.1. THE FORMER SOCIALIST COUNTRIES

Hungary, Poland and the former Yugoslavia were the most famous cases of PCs in Eastern Europe. In 1956, councils emerged in Hungary out of an uprising in Budapest against the former USSR and in support of the Polish uprising that had taken place a little earlier. The councils were created as defence strategies functioning in the factories, in the wards, in the municipalities and in the provinces. In Budapest's case a Great Budapest Workers Central Council was formed. For one month the councils managed to run the political, economic and military sectors. Their programme demanded national independence, neutrality, management of all social life and factories, the freeing of wage limits, free elections and an autonomous representation within the National Assembly (Guillerm and Bourdet,1976:126-129). The importance of the Hungarian case lies in the fact that it had a National dimension and elaborated an autonomous representation at the National Assembly level (Gohn,1989:7).

During 1969 and 1970 Poland was the stage of another uprising against living conditions that was violently repressed by the Government. Nevertheless, the movement managed to achieve its immediate demands with a cut in prices and improvement in foods

stocks. Unlike Hungary the Polish councils did not take power but after the uprising they created dual power situation and remained questioning the state bureaucracy (Guillerm e Bourdet,1976:129-130, Gohn,1989:7).

With regards to the Solidarity Trade Union the PT supported the Solidarity struggle against Polish dictatorship since its beginning in early 1980s. In 1982 some comparisons were made between the Solidarity and the PT's historical experience, i.e. both movements emerged in catholic countries, both of their leaders were catholic tradeunionist leaders whose leadership were made from militant activities against dictatorships, and both organizations were independent of communist parties. However, in 1982, in a meeting between Walesa, the leader of the Solidarity, and Lula, the leader of the PT, an important difference arose. Walesa suggested to Lula that he as tradeunionist leader should not be involved in politics and create a political party (Sader and Silverstein,1991:80-81). This was in the opposite direction to that Lula had already had taken and ironically contrary to Walesa's own political future as he would become Poland's political head.

Finally, the former Yugoslavia was the most famous case of workers' councils in the socialist countries. After the Second World War the so-called Liberation Committees appeared laying the foundations for the Yugoslavian councils with their experiments in self-management (Gohn,1989:7).

The factory was the nucleus of the councils' system. Within the factory there was a three-tier workers' representation set up through elections: the sovereign general assembly that formed the workers' council, a deliberative body, and the management committee, the executive organization (Valladares,1983:108,112; Guerin,1971:145).

However, this system had been implemented within the framework of a dictatorial, military, police state whose structure lies in a single party. As Guerin (1971:146) asserts "the authoritarian principles of the political administration and the libertarian principles of the management of the economy are ... incompatible". In fact the Yugoslavian regime was based on an authoritarian and paternalistic authority untouched by criticisms and control from the bottom (see also Guillerm e Bourdet,1976:132).

4.4. THE COUNCILS EXPERIENCE IN THE CAPITALIST COUNTRIES

4.4.1. THE COUNCILS IN USA

Citizens' groups actions at the neighbourhood level had always been a characteristic

of American political life with examples in employment, family and educational sectors. The neighbourhood is often seen as a social unit, whose relationships are considered as a basic form of human interaction. Participation at this level can be considered as important as participation at national level and as a fundamental aspect of citizenship. Problems of crime, housing, under provision of services are seen to be disruptive to the neighbourhood environment (Yin,1982:xi-xii).

Gohn (1989:9) observes that the American councils' experience carries different and contradictory aspects at the same time. She considers American society to display a predominance of individualistic and competitive values but at the same time there is a proliferation of associations which have evolved from interest groups and communities. Many of these experiences are based upon participative democratic ideology. This conception combines direct democracy with representation via delegates (Gohn,1988:9).

Analyzing the 1960s American inner cities revolts, that occurred within a general movement of social protests, Castells (1983:49) notes that they arose from problems concerning ethnic segregation, urban poverty, economic discrimination, and political alienation and had basically "two different forms of urban protest, developing at the same time and in the same places: the ghetto riots and community-based struggles."
The ghetto riots were limited insurrections with no hope of taking over power. They started in the black ghettos "in the inner cites of the oldest industrial metropolian areas". The organizational basis of the revolts was connected to the size of the black population, mainly within a context of police harassment and undemocratic local government. Housing policies and federal policies were also factors that lay behind the revolts (Castells,1983:52).

This information shows, according to Castells (1983:52-53), that the ghetto was the basis of the black revolt, it meant a "space of freedom" from where the black community arose as a collective actor. Thus, the black community attempted to impose its demands, improve its living standard and set up its space within the institutional system. Its main demands were concerned with the basic means of survival, access to public jobs, and welfare eligibility rather than with urban services. They expressed the need for reform of the local political system, protection from the police and creation of an autonomous organizational network. However when the movement attempted to increase its influence and scope of manoeuvre within a system that had not changed it faced severe repression and the movement split into, on one side, the leaders who were trying to act as negotiators in a situation characterized by legal equality but also by socio-economic exploitation, and on the other side, the mass of urban blacks who were undergoing discrimination,

underemployment and poverty (Castells,1983:54).

Another form of inner city residents mobilisation was the community based organizations where the Community Action Programme, created by the Federal Office for Economic Opportunity, played an important role in giving "the institutional support and the political legitimacy for grass roots organizing around the pressing social demands of poor neighbourhoods". This laid the foundations for the appearance of several community organizations in metropolitan areas, giving rise to the so-called new neighbourhood movement in America (Castells,1983:54).

The Community Organization Movement (COM) was made up of a varied set of collective actors with demands concerning urban services, politics of production, welfare rights and collective consumption trade unionism. Despite the differences among them all actions were a result of "the basic crisis of the inner city as a social form of consumption, human interaction, and political control" (Castells,1983:57).

Two kind of groups, expressing potential social divisions, were identified within the COM. The first one was mainly black neighbourhood associations. The leadership tended to be made up of well educated professionals, ministers, and bureaucrats. They used a varied groups of allies, mainly government agencies and churches. The second one was formed by neighbourhood associations, tenants unions, welfare rights organizations, and civic associations. Their leaders were mainly white businessmen, clerks and skilled workers. They did not have many allies and "did not easily mobilize in militant actions". They were more concerned with the improvement of housing and public services and tended to stress the importance of participation in the institutions instead of demanding political power (Castells,1983:58).

As a result of this process the Federal Government provided social programmes, welfare rights were extended, the number of public jobs increased, and improvements were made in urban services delivered by local governments where blacks or poor groups had acquired more influence. On the other hand these movements had serious setbacks. The economic structure had not been altered, the social reform initiatives took place where popular unrest went beyond the usual patterns of control and the national scene became more conservative (Castells,1983:65-66).

Valadares (1983:57-58) and Gohn (1989:9-10) share similar views about the American experience. Valadares gives the example of the Frontier Programme of Direct Action created by the Harlem black community which aimed, together with its allies, at bringing the decision making process down to the grass-root level and forcing the

municipal, state, and Federal government to devote themselves to the issues raised by the local groups. According to Gohn (1989:9-10) this objective shows the American councils as means of executing policies by involving the individuals into the so-called collectivity. They intended to solve their problems by working in common with the authorities. In comparison with the socialist councils they were not the instruments of power of groups seeking solutions to their needs and their emancipation but of groups seeking integration.

Another difference is related to the fact that the socialist councils' experience in the first half of this century took place in the production sector while the American councils emerged in the goods, services and public collective equipments sectors. They are organizations from within the civil society without power to interfere in the city's Urban policy. They act as lobbies or as an auxiliary structure of public administration in search of solutions that may mitigate conflict and social tension (Valadares,1983:17; Gohn,1989:10).

Gohn (1989:10) observes that another aspect of the American councils is that they see individuals as citizens, as consumers or users of goods. The dimensions of social class, productive groups or work collectivities were not considered. There is no questioning of the system but attempts at correcting and improving its working structure.

The PT considers that its approach to local government, based on effective participation of social movements, entails a new citizenship characterized by the recognition of the cultural, ethnic, gender, political and economic differences as the ground for the development of new individual and collective rights. The citizen is seen as the subject of power and freedom. This notion, according to the PT, contrast with the prevalent idea, in Brazil, of the citizen as a client of the economic and politically powerful or as individuals whose rights have been acquired by following the rules of the market (Bittar,1992:210).

4.4.2. THE ENGLISH CASE

Despite the fact that the Conservative Government, in power since 1979, has constantly issued legislation which curtailed local government' powers, responsibilities and control (Stewart and Stoker,1988:1-2; Batley,1991b:218) some experiments in the setting up neighbourhood councils have ocurred among them Islington and Middlesbrough.

In the early 1980s Islington Labour Council set out to re-evaluate service delivery as responsiveness to the provision of services was seen as the main issue at local government level. In order to decentralise and democratise local service provision twenty

four neighbourhood offices were created to provide local services and afterwards local forums, made up of nominated and elected representatives, were set up to make sure that neighbourhood office services were responsive to local needs (Khan,198:27).

The basic idea was gradually to devolve a certain degree of financial, administrative and policy making power to local forums. At the beginning forums could discuss the priorities of their neighbourhood office. Although they would not be able to instruct staff on how or when to perform their duties. They also could have local staff and centrally based officers attending forum meetings to explain their actions. However, the local forums did not have the power to censure council officers if they did not comply. They were also consulted by the neighbourhood officer concerning the annual Environmental Improvement Budget (Khan,1989:27; Hambleton and Hoggett,1988:77).

One problem that had emerged was the forums' difficulty in managing local budgets due to lack of time to analyze the bids put forward by local community groups. They had too little initiative in proposing the schemes and appeared not to have an understanding of the budgetary administration process. Even after the forums became more experienced and started spending all their budget allocation, suggesting their own schemes and making changes in proposals coming from other groups the budgetary process was controlled by the neighbourhood officer and some few active forum members. This problem tended to continue unless the council gave more details about the kind of information that the forums had and the way it could be used (Khan,1989:27-28).

The local officers still kept in the ascendent within the forums preventing the latter from having significant participation in the local decision making process. As some important services had not been decentralised the forums attempts at influencing the central departments were not always successful as in cases of the Building Works and the Engineering Department. This showed the problem of having formal structure whereby forums and central departments could work together (Khan,1989:28-29).

Stewart and Stoker (1988:24) observe that under such arrangement the forums could only act as advisory bodies. Accordingly, other mechanisms would have to be created so that community suggestions, demands and concerns could be integrated "into the mainstream of local authority decision making". However, Khan notes that if this last alternative was to be achieved more commitment would be required from the Council. The "forums would control all decentralised budgets and would be able to decide on resource allocation priorities...". They would decide upon local planning applications and "would control the delivery of all decentralised council services".

In Middlesbrough the local authority set up eleven Community councils between October 1984 and June 1986 adopting a geographical basis keeping a sense of local identity. The main aim of the Community Council was to enlarge the local community influence upon the decisions concerning their areas which emanated from Middlesbrough Council and from other agencies. The Community Council had a right to be consulted and any views were to be taken into account by the Middlesbrough Council before taking any decision. Its membership was made up of local people, elected on an area basis and representative of voluntary organizations in the area. The Community Council's meetings were held on a monthly or six-week period basis. Despite the fact that the residents Associations played an important role in the process there was one Association that felt threatened by the Community Council until the Middlesbrought Council explained to the Associations that it was expected that they kept their independence (Shepherd,1987:45,47).

Officers were required to attend meetings and to report on services where problems had been identified. The involvement of the whole workforce was seen as very important. Officers from several departments were nominated for each Community Council in order to make sure that there would be a satisfactory authority response to the needs of the community. These officers so-called "lead officers" should be influential within the council. An officer team was created aiming at helping lead officers service the Community Councils and encouraging local community activity. The Community Council had at that time a three thousand budget pounds per annum to spend as long as it was within the limits of the Council's power (Shepherd,1987:46-47).

According to Stewart and Stoker (1988:24) the importance of the Middlesbrough experience was that it had a mechanism for making sure that community's demands and concerns received due support within the local authority decision-making structure.

These authors, having Islington and Middlesbrough and some other experiences in mind, point out four conditions for the developement of participatory democracy.

Firstly local people must have "time and opportunity to learn the skills of involvement in decision-making" which may required training and support for community development.

Secondly "local people must be allowed to discuss issues which interest them and in which they are confident of their knowledge. The agenda must therefore be set by local people".

Thirdly the meetings format (time, location and degree of formality) must be convenient to the local people's needs.

Fourthly local parties and councillors have to accept the legitimacy of alternative bases of power within the community.

Stewart and Stoker (1998:24) observe that all these requirements make the development of participatory democracy a very difficult task. However, they can bring about a much better decision-making process and a better relationship between local authority and the community.

The points made by Stewart and Stoker (1988:24) are similar to comments made by the PT about their own experiences. The PT observes that many times the organized movements do not know the costs, the technical variables, the financial, socio-political effects, and the all-embracing processes that affect the achievement of their objectives (Bittar,1992:213). The party and its councillors must stimulate and support the social movements and the creation of PCs (Gadotti and Pereira,1989:290). The councillors are instrumental for the social movements and popular organizations as they can provide information about local government, facilitate access to different agencies of the state, stimulate the creation of new popular organizations by means of legal instruments or by providing directions to movements, explain how the state machine works and helping to increase the class consciousness of workers (Pieta,1985:53-54).

4.4.3. THE BRAZILIAN CASE

In Brazil Gohn (1989:11), drawing on the cases presented above, identifies two views of the PC's. Firstly, the PC is seen as an organization of social integration, as a means of modernization of the state apparatus, and an improvement of representative democracy. The second perspective sees the PC as one phase and one form in the construction of a new state, as a modern form of Politics, where conflicts are not suppressed and ignored but negotiated. As a result there would not be the ascendency of one group to the detriment of another but a victory of consensus.

The emergence of new forms of popular participation in Brazilian society during the 1970s which came from non-traditional and specific social movements (women, black, ecology, etc) and Urban social movements demanding improvement in collective provision in the cities or movements wanting improvement in living standards through improved access to land and housing, and the return of the representative democracy in 1980s were fundamental to proposals and political analyses about citizen councils in the public administration (Gohn,1989:11; Moura e Santos,1989:13).

Moura and Santos (1989:13) observe that there was at the local level a combination of the Municipal executive political will and social movements with a minimum degree of organisation and experience that gave them status as relevant political actors.

We can observe the existence of two kinds of PCs in the Brazilian context. There is the communitarian council created by the state apparatus aiming at establishing a channel of contact with social movements and people's organizations. The second type is the PCs created by social movements for negotiating with the state (Gohn,1989:11). Now we turn to some examples of these both kinds of councils in Brazil.

In 1977 Boa Esperanca's mayor set up a type of participative planning structure. Firstly, at the level of the grassroots community where each school was considered as a community. A representative was elected for each ten to twelve families, living in the school area. These representatives met once a month.

Secondly, at the level of the agrarian villages a council was made up of the leaders from the grassroots communities and the municipal councillors. They held meetings with the mayor and his staff, the police officer, and the head masters of the schools, to discuss grassroots demands, concerns and complaints and to plan the development of communities.

Thirdly, at the level of the municipal development council a council was set up that consisted of the agrarian village committee plus a representative of each church, each trade union, each research organization, the credit bank and the judiciary. It has been claimed, as one of the results of this process, that Boa Esperanca moved from 53rd to 21st place in tax yield and that its agricultural production based solely on coffee which was in decline was modernized and diversified (Souza,n.d.1980:2-10).

In Recife, during the years of 1986-1988, the mayor, who had won the election through an alliance of centre-left wing parties, created the Wards' Town Hall Programme. It set up a "People Meeting" in each of the twelve Area Administrations into which the city was divided. It aimed at defining priorities, formulating a minimum administrative programme for its own area, and establishing a permanent means of supervision of the executive's actions. The People Meeting was fully representative. Each organization or group had the right to one vote and federations represented their affiliates. Supervision commissions for some basic sectors were created. They acted in the sector's programmes decision making process. The meeting was held on a monthly basis with the respective Secretariat, the Area Administration and the People's Meeting (Soares e Soler 1992:27-28).

The perspective of the municipal executive team that coordinated this programme was that this experience created and strengthened channels of participation and expressed

a two-fold relationship between government and civil society, whereby the first seeks to widen the base of support and legitimation and the second seeks to widen its space for asserting its interests. However, they accepted that there was a conflicting relationship both between executive and people's organization and among the several communities. The executive team was also split between those who thought that the process was eroding the executive's political support and those who thought of it as a way of making the executive's apparatus work more efficiently and rapidly. There was also conflict and tension between the municipal executive and the Municipal Chamber (councillors). In this case the executive met the councillors' demands (Soares e Soler,1992:29,32,51). The councillors thought that the process affected their political activities as intermediaries between the community and executive.

An example of the second type of PC is given by the People's Health Council in Sao Paulo. It emerged in 1982 from the unification of social movements in the Health and Sanitation sectors active since 1970s. Despite their representativeness the councils did not have the autonomy to manage the resources and did not have deliberative power, making it difficult for them to supervise the services. This context was an outcome of a "policy of relationship" where a good relationship with the local government officers was the main objective in order to obtain a minimum of information. Accordingly, the movement's autonomy was compromised as the councils depended on trustworthy officers if they were to be reasonably effective (Gohn,1989:15-16).

Gohn (1989:16-17) observes that the lack of people participation in public management is so huge that when proposals to manage the city with the participation of lay people are made, traditional politicians are astonished. This astonishment comes from the view by traditional politicians of politics as a privilege of specialists. Brazil's political culture is still very influenced by clientelism and it has not absorbed certain practices that are usual in other non peripheral capitalist countries where there is a tradition of struggle for citizens rights.

Clientelism is understood "as a system of exchange involving reciprocal transactions between actors or sets of actors of unequal status or wealth" (Lemarchand and Legg,1972; quoted in Gay,1990:450). In its political form clientelism means "the exchange of the vote in return for the provision of, or promise of, specific goods or benefits" (Kaufmann,1974; quoted in Gay, 1990:450). The voter exchanges his/er vote and fidelity for something that he/she sees as a favour of the politician. It is not a case of donation of rights but of individual favour. There is no identification with a leader as in the case of populism

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although there are aspects of paternalism (Daniel,1988b:31).

For Gohn (1989:16-17) what predominates in the collective memory is clientelist public administrations that manipulate interests and favour certain groups. Gay (1990:450-451) explains that within a clientelist process it is possible to partially obtain scarce resources from highly unresponsive political systems. In his view clientelism conveys the idea of politics as something "non-idelogical, transactional, and sporadic". In this case, the popular consciousness links politics in the first place with acquisition of goods during periods of electoral campaigns. This kind of transaction creates a distance between political and civil society where the politicians, when outside the moment of exchange, are unaccountable to the electors.

Populism is a common urban phenomenon in Brazil. Here, the community is sensitive of politics and has freedom to support any leader. It carries an ambiguity. The leader makes a donation to the people, through this process of obtaining "rights" the person is levelled up to the category of citizen. However, the establishment of citizen rights is not understood as a victory by the people over the State but as a donation from the State by the leader in power (Weffort,1980; *quoted in Daniel,1988b:31*). It is, like clientelism, a "votes for patronage" strategy used by political elites to obtain support of until now excluded groups or classes in society. This makes populist movements propose moderately radical political goals. These movements have both aspects of mobilization and control and are not emancipatory. The possibility of autonomous organization is weakened by the link between backing and patronage, which is fundamental to both populism and clientelism. This link also guarantees the "fealty of the movements's mass base to the goals of political elite" (Gay,1990:452).

Nowadays local power is being rebuilt and redefined. After a long period of centralisation a trend towards decentralisation is happening in two ways. On one side in the populist and clientelist tradition and on the other side the pressure and demands of the social movements that emerged in 1970s and 1980s that are changing the character of local government. According to Gohn (1989:17) the social movements are fundamental to the building up of the people's council and at the same time the councils can be an organization directing and uniting dispersed fragmented political struggles.

4.5. THE PT AND THE PEOPLE'S COUNCILS

A key aspect of the PT's participative proposal of government is the devolution of

power to the majority of the population. Thus, it emphasizes people's participation in the process of formulation, decision, execution and supervision of public policies aiming at transforming the relation of power and the intelectual and moral guidelines of Brazil public affairs. The PT has thought of PCs either as an independent power of civil society or as an arena of citizen's participation within the public administration. PCs and other forms and channels of participation are considered to contribute to the strengthening of the role of people's participation as a key part to social transformation, of citizenship, of direct democracy and of "possible socialism". The PCs experiments the PT has highlighted are the Budget Councils that have been established in almost all municipal governments run by the PT. Budget Councils are considered of great importance by the PT as they can make sharing of power and direct participation of mass' organizations in the formulation-process of public policies possible. They are seen by the party as being able to formulate proposals of municipal income and expenses, establishing administrative acitons to be negotiated between the different groups within the civil society and the Municipal Legislature (Bittar,1992:211,215-216).

With the 1988 municipal elections the issue of People's Councils (PCs) was put on the agenda following the Workers's Party (PT) victories in several important cities. This meant that the social movements' proposals concerning people's participation in the municipal public administration could be achieved. However, the PT did not have a model. On the contrary, different proposals were being put forward (Gohn,1989:18).

One of the issues emerging concerned the PC's role, character and aim. On the one hand, there were those who saw PC as a means to make proposals and projects concrete thereby moving towards a new society. Here, PCs are seen as forms of autonomous organization with power and a as mechanism whereby the population can participate within the municipal government. On the other hand they involved new forms of Public Administration arising from a new perspective on administration adapted to the context where social conflict has to find its own arena of struggle. PCs are seen as a space within which society can administer and resolve conflicts. They are also seen as a mechanism to improve representative democracy through direct democracy (Gohn,1989:18).

The proposals were more uniform concerning competences and powers. The PCs would supervise and help the public administration to improve the delivery of services; they would make the citizen's influence in the city affairs possible; allow participation in the decision-making process of budget allocation, programmes and laws and develop permanent and parallel activity in the elaboration of guidelines, actions and decisions (Gohn,1989:18).

There is a consensus that the council has to be an autonomous and independent organization in the relationship between people and government. However, the problem of who creates the People's council remained without a solution. Some considered this should be a party's task, for others the municipal executive would be responsible for setting them up according to the district's needs. The catholic clergy who worked together with the social movements asserted that the civil society was the source of the council's power but did not say how this power would be achieved. Although there are some who see the PC as a means to strengthen social movements there is no one group who have defended the idea that social movements could create the councils.

Another issue is how to make PC function without bureaucratization. There is no consensus about who can participate in the council. For some, capitalist organizations have to be excluded, for others small entrepreneurs can participate as long as they are elected in the districts.

Finally, the last issue is related to deliberative power. If they do not belong to the government organizations, if they are not a parallel power and if they do not intend to stay above the institutionalized power the question emerges about what kind of power they would have (Gohn,1989:18-19).

In 1992 the Workers' Party held various seminars to discuss their administration and popular participation was one of the issues an the agenda (Bittar,1992:212). Concerning civil society they observed that the social movements have not advanced, since the beginning, in terms of presentation of demands and have had no proposals to struggle for hegemony and to occupy the space created. Some conclusions have been drawn. First, the great majority of the citizens, mainly the poorer sectors are not organized either socially or politically. They do not necessarily organize in terms of class interests but in terms of pertinent demands. Second, each different organization competes for the recognition of and solutions to its specific demands. A pertinent but fragmented view of the city prevails over the whole population and the city. Third, the social movement can sometime represent only itself, or only the militants who articulate it. Fourth, the movements can, by contrast, involve the non-organized sectors of society when the movements reflect or incorporate latent worries and interests. Fifth, the movements are not familiar with the costs, technical and socio-political variables that affect the achievement of their objectives. Sixth, in many instances the movement's practice is authoritarian and backward being nourished by the dominant political and social model (Bittar,1992:212-213).

The social movements saw the PT administrations as the great opportunity to solve

their problems and gave the municipal administration their best leaders and members. In this way the PT impeded the process of self-organization by shifting the main leading activists to the arena of municipal government. The party, itself without strategies for this context, yielded its best members who devoted their energies to these movements. The PT administrations obtained great autonomy from the party and in most cases excluded it. In same cases conflict arose between the party and the administrations that it had just won (Bittar,1992:213-214).

On the other hand the PT considers that the lack of a democratic culture and of a consistent organization around some issues and objectives prevented the creation of channels of participation. Thus, the population mainly desired that the municipal executive would meet its demands. When the executive explained the difficulties and the limitations, the population thought the executive was prevaricating (Bittar,1999:222). The party recognizes that it has contributed to the illusion that a "Petista" government would solve all problems. The party focused on criticising former governments without becoming aware of the ability of the municipalities to meet their demands. As result some PT administrations were criticized for behaving in the same way as the conservative clientelistic governments. On the other hand the PT spent a lot of time working on proposals for the constitution and creation of PCs while there was no organization of masses or political will of the inhabitants to create PCs. Rather the masses wished for better services instead (Bittar,1992:222-223).

The PT recognizes that different conjuctural obstacles created differences between administrations under its control over the emphasis on popular participation. According to the party, differences also emerged from the same local government in terms of ideology and practices promoting popular participation (Bittar,1992:221).

4.6. FRAMEWORK OF ANALYSIS AND CONCLUSION

This chapter conveys the idea of the PC as means whereby certain processes can have different objectives, contribute to significant social change or assist in strengthening social structures in transition or undergoing social pressure. The nature of the PC is determined by the kind of process within which it emerged. Therefore, we can identify two categories of PC. Firstly, those made up of workers originating and functioning in the production system. Secondly, those originating from the citizens's movements in the consumption and distribution of urban goods, services and equipments (Gohn,1989:21).

Gohn (1989:22-23) characterizes the PC as follows:

I - It can be either a transmission belt of the social policies elaborated by the government or represent the social sectors organised in associations and in social movement. In this last case they can gradually change the nature of power as long as they become active, supervizing the actions of public agencies and denouncing the economic lobbies so creating the basis for a popular administration.

II - Their main arena of participation is the sector of consumption and distribution of public goods, services and equipments but also they can act in the education and health sectors.

III - The PCs are an important experience in collective administration of public goods for social movements, taking into account that part of workers' salaries originate from the social policies concerning public collective goods.

IV - The establishment of democratic rules over the internal working of PC's depends on the degree of political maturity of groups involved in the process. Struggles for power lead to a lower participation and lack of confidence in the councils potential.

V - The PCs should be understood as a broad alliance comprising different sectors and social classes.

VI - Representativeness has to be seen as mixture of direct democracy and representative democracy.

VII - PCs must not be created by public administration or by political parties. They have to be autonomous and have normative and prescriptive powers and capacities.

One problem with this characterisation concerns the issue of how the council is created. Rolim (1989:34-35) observes that, given the Brazilian context, it would be an example of political passivity to adopt the idea that the PC could emerge spontaneously or through the strength of social movements, and it would be an illusion to think of PC's thus created discussing the issue of power. Therefore, in his view, a progressive municipal executive would have the task of proposing and organising the PCs. Initially they would be organizations of popular participation acting upon the municipal administration which, in turn, should stimulate their autonomy by creating a space of co-decision with the PCs albeit limited at the beginning. It is considered that the municipal administration must be aware of the risk of the PCs being absorbed by the local government's apparatus.

The view that the municipal executive has a role to play in the creation of the PCs is also shared by Moura and Santos (1989:5). For them it is possible and necessary to transfer some urban administrative functions to institutionalized channels where civil society can participate in social control and in the policy definition process. One of the

requirements of this process is the existence of a democratic political will arising from the municipal executive and social movements with a minimum of organizational experience that they can be seen as relevant actors.

The importance of the political will being expressed through government iniatives is twofold. First, the government has to deal with the issues of bureaucratic secrecy and the specialization of politics. These problems are obstacles to the civil society gaining access to information and the decision-making process. This initiative is demanded from the government as long as the solution to the problems implies yielding some power and reversing the hierarchical working of the administrative apparatus. Second, the administration of resources and social programmes give the State power of atraction and influence over the population and social movements. Thus, the decision of implementing democratic procedures and the stimulus to citizen's participation can affect the society contributing to create new political practices (Moura and Santos,1989:13-14).

The existence of organised social movements is a requirement to widen participation and to face reactions from the conservative sectors of the political party and from the municipal administrative apparatus and from the municipal chamber (Borja,1988b:25; Moura e Santos,1988:14). Social groups are seen as unpredictable and difficult to control and this creates conflict and argument among these different parts as to their own legitimacy in the decision-making process (Moura and Santos,1989:6,14).

Finally, the last point to be taken into account is that the PC's scheme as a channel of participation needs to be institutionalized. This would oblige local authorities to take into account and deal with the PCs, recognize the PCs' working and decisions, and therefore stimulate the inter-action of civil society organizations and citizens (Borja,1988b:25; Moura e Santos,1989:12). Notwithstanding this it is important to consider that PCs' activities have their own development and this can conflict with the law as it deals with static structures and procedures while the councils are dynamic. Thus, it is important to keep open the options of redefining the mechanisms and channels being used as the process develops (Borja,1988b:25).

Thus, giving the characteristics proposed by Gohn (1989:22-23) complemented by the observations made by Rolim (1989:34-35) and by Moura and Santos (1989:6,12-14) we set up our framework of analysis to study the case of Ipatinga run by the PT. The conditions established by Stewart and Stoker (1988:24) are also considered a useful part of my analytical framework. This framework will be used to answer my research question "can decentralisation and PCs be means of democratization?" and test my hypothesis that

implementation of decentralisation and PCs at municipal level face problems which characteristic of the traditional Brazilian political context.

CHAPTER 5. BRAZIL - A POLITICAL AND ECONOMIC OVERVIEW

5.1. INTRODUCTION

In the previous chapters I presented the theoretical framework through which I can evaluate the case studies of Belo Horizonte and Ipatinga in Brazil. Chapter Five presents a more general political and economic overview of Brazil in order to provide a contribution to the analysis of these case studies and the hypothesis that new proposals for local government through decentralisation and creation of people's councils, face problems that are characteristic of the traditional Brazilian political context. By discusing the general political and economic background I hope to illuminate the link with the political and administrative life of the municipalities and also raise issues concerning traditional patterns of politics in Brazil which have been characterized by authoritarianism and centralism (Silva,1987:92-96; Lobo,1988:14-15).

The main aspect to be observed in this chapter is the role of the Federal government in Brazilian history. In the economic sphere the Federal government has provided the major impetus for capitalist modernization. On the political side Brazilian politics has suffered intervention from the Armed Forces and for most of the period that will be described here the Brazilians lived under dictatorships (1930-1945 and 1964-1985) or a populist democratic regimes (1946-1964). The outcome of this history is the strengthening of the Federal state in both political public life and in the economy. The centralist and authoritarian character of Brazilian society has contributed to the low level of political participation of civil society. Our survey starts in 1930 as an important date in Brazilian history. It was a moment of change, a rearrangement of the dominant economic and political forces at that time which would influence the following decades.

The 1929 economic crisis was a blow to the Sao Paulo state economy, the centre of Brazilian economic activity. It was characterised by a decline of export-led modernization based on trade in agricultural products. It was also the end of political and economic control by the large landowners and commercial capitalists, that had been an obstacle to quicker industrialization (Munck,1989:25-26, Araujo,1983:25 and Mainwaring,1988:27-28). The opposition, made up of the urban capitalists, the middle class, and junior Army officers and the elites within the states controlled by the opposition had reformist and nationalist ideals. They started a movement led by Vargas, a conservative politician from Rio Grande do Sul which seized power in 1930. The country was about to

enter a process of modernization of the economy through increasing Federal State participation. In the political sphere populism emerged as a form of political domination.

5.2. GETULIO VARGAS'S RULE 1930 - 1945

The so-called 30's Revolution expressed the discontent of society with the dominant social and political groups during the First Republic (1889-1930) (Connif,1991:553).

As a consequence of this change a new power arrangement was set up. The oligarchical class and the internationalized fraction of commercial capital were obliged to cede much of their power to the industrial, financial, and commercial bourgeoisie. The government tried to attract the middle and the working class by creating job opportunities in the Federal Government and the states apparatus for the former groups and implementing social policies for the latter groups. This reorganization of power among the rural oligarchy and the urban classes was a basic characteristic of populism (Dulci;1978:28). The process could be characterized as strong state intervention which afforded the basis for increasing private investment. For this it was necessary to have a class-collaborationist structure tied in with a nationalist ideology (Munck,1989:28-29).

In 1934 a new Constitution was proclaimed and, through it, a set of social rights was introduced in order to coopt the working class (Lamounier,1989:122-123; Iglesias,1985:180-181). Vargas's intention was to induce the creation of fascist-like corporative representation in order to diminish the parties' influence in the political arena (Mainwaring,1988:28).

In 1937 Vargas led a coup d'etat supported by the Armed Forces that demonstrated that they were becoming an important element in Brazilian political life. By doing this Vargas aimed at avoiding the next presidential elections in 1938 as it had been agreed with opposition forces in 1933 (Connif,1991:556-557; Lamounier,1989:138). This period was named The New State (1937-1945). In the same year an authoritarian constitution was issued. It centralized all power in the executive, banned parties and closed the legislature. Economic institutions and natural resources were nationalized. Finally, public policy was placed under control of the central bureaucracy (Roett,1984:37). The central government assumed the power to nominate state governors.

Within the economy Vargas sought to promote economic expansion based on a model aimed at reducing Brazilian economic dependence on the world market by increasing industrialisation in sectors devoted to import substitution. To achieve this the Federal

government created internal investment mechanisms through an economic policy that favoured industrial entrepreneurs (Dulci,1978:27). The industrial and the agrarian bourgeoisie also received subsidies and benefits from Vargas. The support of the middle class was encouraged through increasing job opportunities both in private companies and in public institutions (Iglesias,1985:181; Bakota,1979:207).

This policy pushed forward Brazilian industrialization that had started during the First World War. One aspect of this process was the establishment of industry in the larger cities (Bremaeker,1990:179). This affected the growth of urban centres like Sao Paulo. Since the 1920s norhteastern migrants were coming to Sao Paulo seeking jobs, constituting the national labour force reserve and a living in the "favelas "and other ghettos (Gohn,1990:56).

By taking the side of the Allied Forces in 1942, during the Second World War, the Brazilian government obtained military and economic support (Conniff,1991:557). In terms of economic aid, the USA helped to finance the building up of steelworks, in 1941, and iron mining a few years later (Iglesias,1985:181-182). In the same year of 1942 Vargas issued the Consolidation of Brazilian Labor Law (CLT) that said that trade unions had to obtain authorization from the Labor Ministry to be legally recognized (Sader and Silverstein,1991:37).

In 1945 Vargas proposed a period of democratic transition by scheduling elections in December of that year and allowing the creation of new parties. He established two parties: the Social Democratic Party (PSD) and the Brazilian Labour Party (PTB). The first one was composed of traditional politicians, tied to the rural sectors and political officers of the government, from the most important states. The second one aimed at obtaining support from the urban working class and was linked to the ministry of Labour. Through the PTB Vargas aimed at continuing with mass politics and establishing a populist coalition out of these two parties (Conniff,1991;557-558, Dulci,1978:28-29 and Cammack,1991:31).

The political opposition assembled under the Brazilian Democratic Union (UDN). This was an anti-populist party made up basically of groups from the elites that had been ousted in 1930 and from the middle class who were to a certain extent uneasy with Vargas's speeches about the working class and looked down on certain devices of electoral mobilization used by the populists. This anti-populist feeling was also shared by some parts of the military. The UDN set up strong links with sectors of the military and accordingly, it became a state-oriented party as were its rivals (Dulci,1978:28; Cammack,1991:31-32).

In 1945 when it seemed that Vargas would try to remain in power the military

intervened and he was sacked (Conniff,1991:558). However, the state-centered political system, with its corporatist structures, in which parties played a secondary role, remained intact. Not only during the dictatorial periods but also during the democratic ones the executive would try to govern autonomously, above the parties, by diminishing their importance in congressional decisions and policy making and through the establishment by the president of a political support network with the state governors (Mainwaring,1988:25,27-28).

5.3. THE 1946 REPUBLIC

From 1946 to 1964 Brazil lived under a period of weak democracy dominated by populism. In this phase the federal governments could be characterized as using manipulation and subtle authoritarianism. Within this context the popular sectors were kept passive, immature and unorganized. The populist leadership was legitimated due to a low level of education and organization of the masses (Chaui,1981:61). At this time, the Communist Party remained illegal, strikes were prohibited and illiterate people had no right to vote. The state governors had the power to nominate the mayors for the capitals, spa resorts and for the municipalities that the Union considered strategic places in foreign defense (Pimenta,1989:129; Chaui,1986:50). From the political perspective centralization prevented the main cities from administering their own affairs and thus they were poor places for people to learn how to become competent in dealing with public business.

General Eurico Gaspar Dutra of the PSD (Social Democratic Party) was elected as the new president. During his term a new constitution was issued and a return to the free-market was put in motion. His submission to the USA foreign policies resulted in important financial support for great investments such as the building up of hydropower plants (Conniff,1991:558).

In the 1950 presidential elections Vargas reappeared as a populist leader, ran the elections with the PTB and won by making use of his achievements in the social area. An important step taken by Vargas was the nationalisation of the petroleum and electric power industries considered important if the federal government was to have more autonomy in economic planning. This economic model had two principal characteristics: firstly, national industry was protected against international companies by tariffs and non-tariff barriers, and secondly, the Federal State directly intervened in the process by providing economic infra-structure (energy and transport) and developing some basic sectors such as mining, the

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petrochemical industry and the steel industry (Braga and Matesco,1989:30).

In 1954 agricultural and mineral goods export prices fell which was a great blow to the economy and to Vargas's programme. Vargas himself was no longer in control of the process. He was also accused of fermenting populist mobilizations through workers organizations partially controlled by the Minister of Labour. The crisis deepened and a centrist movement arose in opposition. In August 1954, Vargas, forced to retire from power, decided to take his own life (Conniff,1991:559).

The next president Kubitschek (1956-1960) from the PSD established his economic plan, "Plano de Metas", aimed at cutting down dependence on imports of manufactured and capital goods by strengthening both the consumer durable and the capital goods industries. Concessions were granted to attract foreign companies. Accordingly, important industries were built up, e.g. the automobile, the maritime and the electrical industries. Some hydroelectric dams and highways were constructed in rural areas and national and regional development agencies were created (Conniff,1991:559; Iglesias,1978:190 and Oliveira,1989:66).

This industrialization had very high costs. It had been supported by budget deficits which, in turn, provoked high inflation. Also, the policies of subsidies and tax credits gave the new industries protection against competition and made them inefficient (Conniff,1991:560).

There was an increase of private and public investment helping the capital goods sector to grow (Oliveira,1989:64-66). Most of these investments came from multinational companies or were financed by international banks due to the policies favouring the flow of international investment to the country. The net direct investment, from 1947 to 1955, had an average growth rate of 2.25% per anunn and during the period 1956-1961 this rate went up to 16.59% indicating large increase in foreign investment. Industry as a whole had an average annual growth rate of 9.5% from 1948 to 1962 (Oliviera,1989:65-66).

However,in the late 50s the balance of payment deficit increased. It became difficult to finance public and private investment. Thus foreign investment retreated and foreign debt expanded. The government started to use the financial reserves and to encourage exports as a source of capital with which to repay foreign debt. However, Kubitschek did not manage to control the problem and prices rose (Oliveira,1989:66-67).

In 1960 the first signs of recession appeared in some important industries. Inflation rose sharply and provoked an impressive labour reaction to defend wages which, in turn, affected production. Financial speculation started to grow and the State faced a process of

disintegration. At this time the Brazilian industrial economy was one of the most advanced in the developing world (Munck,1989:34; Oliveira,1989:67).

By 1961 the populist political arrangement was breaking down. The president at the time was Goulart from the PTB. With the industrialization and urbanization levels rising since the 1930s, the popular sectors of this political arrangement were becoming more politicized and accordingly it was becoming more difficult for the federal government to manipulate them. The popular sectors were improving their standard of living and the trade unions were becoming more independent although the populist leaders still had some control over them (Dulci,1978:30).

At local level there were cases of neighbourhood associations for example the Friends of "Bairro" (district) Associations (SABs) in Sao Paulo and the neighbourhood associations in Recife. Silveira, mayor of Recife from 1955-1959, established People's Assemblies in the town hall as mechanisms for the participation of neigbourhood associations. Afterwards he implement people's audiences in the "bairros" (districts) and invited municipal councillors to participate. By doing this he aimed at breaking the councillors' political resistance against the audiences. This experiment lasted until 1964 when the military took power (Soares and Soler,1992:16).

Another aspect of this crisis, as Dulci (1978:30-31) notes, was that the import-substituting economic model was showing signs of decline. The popular sectors standard of living had improved and their purchasing power had increased. This put pressure on demand which the economy was not able to cope with and inflation started to rise. Finally, on the political side, at the height of the crisis, the government lost support from all the classes that composed the populist arrangement. Congress was dominated by conservative sectors, mainly rural who were against the Goulart social proposals. The working class become more radical when its demands were not met. The trade unions started to ask for further reform such as, the extension of rights for creating trade unions and the land reform, which Goulart himself had attempted to apply, although some considered his attempts as demagogic (Dulci,1978:32-33; Cardoso,mimeo.,n.d.:1,3).

The capitalist sector became extremely worried about the outcome of workers' mobilizations as the capitalists thought themselves unable to satisfy the workers' demands (Dulci,1978:31). The bourgeoisie stopped supporting the Government and assumed a critical position against what they saw as an increasingly left wing radicalism from the Goulart government. The majority of the middle class lost confidence in Goulart as the economy failed to improve and there were no prospects of raising or even maintaining standards of

living. All these sectors sought support from the anti-populist military faction who was no longer a minority within the Armed Forces and had links with foreign capital and the internationalized national capital. On 31st May 1964 the military led a coup d'etat against Goulart. It was also a defeat to the working classes (Dulci,1978:31-32).

This meant that the economic and political arena had new dominant actors. The Kubitschek economic plan had generated a high rate of industrialization and increased consumption of manufactured products by the urban middle class. This,in turn, meant a shift among the social groups who influenced the economic policy decision-making. The dominant economic sectors of populism began to lose control over the economic process in favour of other class sectors that came out of the highly capital-concentrated accumulation process, i.e. foreign capital and the internationalized fraction of the national capitalist class (Cardoso,mimeo.,n.d.:4; Munck,1989:34). The technocracy who were largely opposed to the populist government became increasingly important. The victory of the anti-populist military who led the coup ensured that they would retain the reins of power. During the dictatorship the military assumed the function of repression and the technocracy the duty of modernizing public administration (Cardoso,mimeo.,n.d.:4). The next part will deal with the dictatorship period that lasted from 1964 to 1985.

5.4. THE MILITARY REGIME - 1964-1985

The dictatorial government defined the pattern of social welfare that would prevail. It considered popular participation as prejudicial to rapid economic growth and thought that redistribution of income and wealth were to be postponed untill the country had attained a certain level of accumulation. What resulted from this policy was increased social and economic inequality which remains to this day (Campos,1990:37). This approach relied upon political repression that hindered the process of political participation of civil society.

Brazilian Federal Government has been characterized, not only during the dictatorial periods but also during the populist ones, as seeing itself as superior to the citizens and to other spheres of government. It has assumed right to take decisions in the name of clienteles who its programmes are supposed to benefit. Under authoritarian regimes the knowledge of the common people was understimated by technocrats and public opinion and participation were regarded with disdain or seen as an obstacle to efficiency. Technocrats allocated to themselves the power to identify needs, to establish national priorities, to develop alternatives and make political choices, in isolation from the population. They

always thought their decision were right. Mistakes were never acknowledge and concealed. There was no control over government actions despite popular suspicion of their low level of efficiency, efficacy and effectivenes. Clienteles were seen as object of government and subordinate to the public agencies. Therefore, services were delivered as though they were public charity. Many times the clients themselves saw these services as donations and felt obliged to reward those responsible for the services delivery (Campos,1990:41). Hence, the phenomenon of "assistentialism" as the process whereby the State provided society with services and resources in a tutelary manner and at the same time gave the idea that it was making a donation or giving a favour to the client (Bittar,1992:115-118).

Military intervention also turned out to be damaging to the plans of the Bourgeoisie. The Armed Forces had not only repressed some social groups, e.g. trade unions and social movements, but they had also extinguished the Bourgeoisie's means of political expression. All the political parties, including the UDN who had supported the coup, were put aside in the decision-making process and the Bourgeoisie and middle class representative organizations became dependent on contacts and alliances with military groups and technocrats in order to have some influence on State decisions (Cardoso,mimeo.,n.d.:4-5).

Just after the coup, on the 31st March 1964, the military issued the 1st Institutional Act which established the election of a new president by Congress. Many important politicians from the former government, some military and members of the judiciary had lost their political rights. Congress elected Marshall Castelo Branco (Iglesias,1985:206). Throughout the dictatorship the Army determined the presidents to be elected by the Congress (Skidmore,1989:5).

The authoritarian and centralist character of the military government was realised through three major aspects of Brazilian society. First of all, through political centralisation, in which federal government held the power over the other levels of government. Second, by implementing an administrative centralisation that meant concentration of power of decision in the federal bureaucracy. Finally, by preventing individuals and communities from participating in public policy making (Campos,1990:40). All three aspects were damaging to the municipality political and economic autonomy.

The federal centralisation meant that the lower levels of government, mainly the municipalities, were technically and administratively dependent on the centre. This dependence was expressed through a sometime real or sometimes presumed weak managerial capability. This organizational weakness, even when it had not been proved, was used as an excuse by the Federal government to keep its control over and impose its

pattern on the lower levels of government (Lobo,1988:16).

Centralisation also created a political disequilibrium whereby the lower levels of government had to adapt to the decisions and political guidelines of the Federal sphere if they wanted to perform a minimum set of functions. An aspect of this situation was the emergence of political and partisan discrimination against states and municipalities which did not belong to the same party (Lobo,1988:16).

The prohibition of election for the major executive offices and the repression of social movements and trade unions, weakened the legislative power and hindered the process of political development of civil society (Souza,1990:57).

What used to be public knowledge became the State's secret under the dictatorship. Accordingly, corruption spread and became impossible to control and was rarely punished. This impunity made any attempt to control it worthless. A significant number of laws were created but never implemented (Campos,1990:41).

The dictatorial period meant the strengthening of the already elitist and closed character of the Brazilian State. At the local level the non existence of channels of participation, with the exception of the political parties and elections, resulted in more pressure on the municipal legislature. Thus, the function of councillors (legislature members) came to act as intermediaries between the community and the mayor or the municipal administration. Hence the emergence of so-called "politician of the area" that is characteristic of clientelism (Brasileiro,1987:13). The legislature was, in turn, weakened in its role of controlling the municipal executive.

However, the municipality as part of the State apparatus, belongs to a structure based on the status quo and accordingly, linked to, in the case of Brazil, the exclusion of the masses from the decision-making process and the benefit of governmental action. Government action even when guided by technical criteria, reflects the elitist and asymmetrical character of the society. The military dictatorship strengthened this aspect of the municipal government. Scarce resources were in great part used in meeting clientelistic demands (jobs, privilege interests) or in meeting demands for housing, jobs, and leisure from the well-off sectors of the local population. Municipalities followed the resource-allocating procedure that was used in the state and federal levels of government (Brasileiro,1987:130).

Despite the authoritarian, centralised and excluding profile of the Brazilian State there were always channels of articulation between State and the dominant classes both before and during the military dictatorship. Accordingly, there was a "privatization" of the

public funds, through an unequal distribution of public resources between the quota directed to the reproduction of capital (infra-structure, credit and direct investment on production) and the quota to social investment (Moura and Santos,1989:3).

5.4.1. CASTELO BRANCO - 1964-1967

The first president of the dictatorial period was Marshal Castelo Branco. He aimed at organizing the political system decision-making process so that it would be possible to guarantee private investment and modify and strengthen public investment. This period of so-called economic reconstruction, set out to control and cut inflation, tackle other problems such as the rising costs subsidies, budgetary, deficits, etc (Lafer,1984:179). He managed to reduce inflation and achieve a favourable renegotiation of foreign debt but he did not succeed in making the economy grow (Skidmore,1989:6).

Cardoso (mimeo.,n.d.:6) argues that Castelo and his group's (the castelistas) plans entailed the strengthening of State control of the economy, a stronger executive, increased support to private companies and an opening of the national economy to international capitalism. On the political side he intended to strip political institutions of traces of populism. This was exemplified by the fact that Castelo had respected the electoral calendar even with the limited risks that this action could bring to the military regime. He envisaged a political decision making system without as much military interference which would benefit the political parties and the bourgeoisie sectors represented by these parties.

However, under pressure from the so-called 'hard-line' military, (a more authoritarian group whose principal aim was to call off elections and block a change in constitutional rights which would have make it easier to purge and practice arbitrary procedures (Skidmore,1989:6)) another political model emerged. The model had a strong executive, as Castelo wanted, but was put directly under the control of the Armed Forces (Cardoso,mimeo.,n.d.:7).

The Armed Forces aimed at establishing social stability and modernizing the economy. In this context stability meant the maintenance of the existing pattern of social organization, in other words class society. In this approach certain aspects such as social mobility were considered not only possible but ideologically necessary as long as there was no political risk to the system. This model was know as modern conservatism. It sought to keep society socially open but politically repressed based on the dynamic between public and private capitalist organizations. That feature might explain the relationship

between the principal political actors (the military and the technocrat bureaucracy) and the internationalized bourgeoisie. The former had the power to implement policies which would meet the internationalized capitalist sectors' demands while keeping these same sectors apart from the political decision-making process.

The modern conservatism model might also explain the political apathy of most of the middle class that saw a chance of entering this process through opportunities arising from an increase in economic activity by private and public companies and by the State (Cardoso,mimeo.,n.d.:7-8).

One feature of the huge and centralised Brazilian Administration was the uniformity of its actions. Hence, the development of great national systems (housing, urban planning, sanitation) which did not take into account local community needs. These systems were necessary for centralised decisions and political dominance (Castor and Franca,1986; quoted in Campos,1990:41). For example, in 1964 the Federal Government created the Federal Service of Housing and Urbanism (SERFHAU). From 1964 until 1974, when it was extinguished, SERPHAU had the role of promoting and elaborating uniform urban strategic plans (plano diretor) for the municipalities. Its approach stressed the idea of the neutrality of the government action. Their expert knowledge was valued in the elaboration of proposals of intervention in the cities. Local political relations were minimized and the communities were excluded from the planning of their own areas. It imposed an equal approach in terms of research and conception of plans for the different municipalities disregarding differences among them (Santos and Baratta,1990:20).

In October 1965 elections for half of the state governors were held and the opposition won in two states. The military reacted by issuing the Institutional Act number 2 (I.A.2) which decreed the reform of the party system creating a two-party system, the ARENA (Reforming National Alliance) that was the government's party and the MDB (Brazilian Democratic Movement), the opposition party which in fact was a very broad opposition front ranging from centre to left wing.

By proclaiming another Institutional Act the Federal Governmnet established that the next President, the remaining state governors and the mayors of the state capitals were to be elected indirectly by legislative bodies. The states and capitals were left without political autonomy as their respective executives did not represent the interests existing in the diverse states and municipalities. In the November 1966 legislative elections the ARENA, won the majority, but the opposition, obtained good results in the urban areas (Roett,1978:75-76).

During Castelo's term the government started to adopt a tactic, that would be used throughout the dictatorship, to keep political control at local level. It did not allocate central funds to towns and cities that were ruled by the opposition party. As a consequence, many MDB's mayors moved to the ARENA in order to maintain their administrative and political base. This expressed the weakness of party affiliation in the case of the MDB Some politicians gave priority to their own political interests neglecting political links with the MDB. Castelo left the government delivering a new constitution. His sucessor, Costa e Silva, was chosen by the hard-liners (Skidmore,1989:6; Lamounier,1989b:48; Cammack,1990:39).

5.4.2. COSTA E SILVA - 1967-1968

The 1967 Constitution reduced Congress's power and accordingly enhanced the Executive's discretion. Costa e Silva continued to fight inflation which started to reduce (Skidmore,1989:6). The aim of the military regime, in this period, was to make the economy grow and expand. It was the beginning of so-called "Brazilian Miracle" period (1967-1974) that came about as a result of three factors. Firstly, the decisions that had been taken during the 1964-1967 term resulted in regulatory efficiency of the state apparatus. Secondly, there was an economic capacity that had not been used during the period from 1964-1967 and that began to be put in motion in this second period. Thirdly, the external sector acquired great relevance due to the international market so that the Brazilian government started to advertise and diversify Brazilian exports. International investment was increasing worldwide and the government started to attract it in order to enhance direct foreign investment in the country. Finally, there was an excess of international cash that the government pumped into the economy (Lafer,1984:179-180). According to Skidmore (1989:6) the economy had an average growth rate of 11% from 1967 to 1974.

In May 1968 Costa e Silva introduced the Municipal Security Law which denied the right of almost 700 cities to run elections for mayors. In the municipal elections (mayor and town councillors) of this same year ARENA had an overwhelming victory (Roett,1978:78). The military government used the need to preserve national security as an excuse to ban municipal elections. In fact the aim was to prevent the local governments leaving the ARENA's control. Elsewhere once the pro-government political group seized power it obtained "control of local patronage channelled through the State" (Cammack,1991:37).

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In the same year students started mobilizing for democracy, workers twice went on strike and guerrilla groups began to act (Skidmore,1989:6; Weffort,1989:344).

The Government reacted in two ways. Firstly, by increasing repression and secondly by issuing the Institutional Act 5 on December 1968, closing the Congress and suspending civil rights. The I.A.5 gave the president exceptional power for example the power to close the Congress whenever he/she thought necessary and strip congressmen and citizens of their political rights (Skidmore,1989:6,18).

In late 1968 Costa e Silva became unable to rule and was replaced by a military command. By October 1969 the regime issued the 1st Amendment to the 1967 Constitution increasing the executive power and cutting off Congress immunities (Roett,1978:77; Iglesias,1985:212).

Campos (1990:41) notes that those legal instruments appeared to be federalist but gave the localities neither resources nor fiscal autonomy to meet their basic needs. The Federal Government lacked flexibility to deal with the diversity of populations with different cultural, economic and socio-political realities. By issuing legal norms the Federal Government attempted to cover centralization and authoritarism. This process was characterized by the so-called formalism. Formalism means the degree of discrepancy between legal prescription and norms and daily practices in reality (Riggs,1964; quoted in Campos,1990:41).

One example of the growing participation of the Federal Government in other spheres was the fact that from 1967 to 1972 the municipalities and the states share of the expenses in health and sanitation dropped from 56% to 45,1% (Najar and Melamed,1990:66).

5.4.3. MEDICI 1969-1974

President General Garastazu Medici's term was considered the most repressive since the beginning of the military dictatorship. It was during this period that guerrilla actions peaked. However, Medici attempted to approach society through nationalist populist propaganda. He managed to gain a partial de facto legitimacy from sectors of the upper and middle class due to the economic growth that Brazil was underdoing during these years and to the reign of "law and order" he had imposed. This economic phase had coincided with the end of the recession that lasted from 1964 to 1967. An outcome of this period of prosperity was an increase in the State's participation in the economy (Skidmore,1989:6-7;

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Iglesias,1985:212).

Under Medici's rule the MDB almost disappeared as a party. The 1970 legislative elections for all three levels of government had a high level of public apathy. ARENA won at all levels. In April 1972 Medici suspended the 1974 direct elections for governors. The governors would have to be chosen by the state legislatures. The regime had an overwhelming victory in the 1974 governors indirect elections. Finally in 1972 the Federal Government had run elections for mayor and city council in which the MDB won in three state capitals municipal legislatures. The state capitals' mayors were not elected through direct vote yet (Roett,1978:78; Lamounier,1989b:48).

5.4.4. GEISEL AND THE PROCESS OF LIBERALIZATION 1974-1978

Medici's succession brought changes. His sucessor General Ernesto Geisel, confirmed in power by the electoral college in January 1974, had plans for starting a process of liberalization of the regime (Skidmore,1989:7).

Geisel come to power after all the guerrillas were defeated by Medici. Fractions of the elite had started to lose their fear of social rebellion so that the need for a authoritarian government began to be questioned. On the other hand pressure from civil society increased as important personalities from the middle class began to be arrested and tortured (Philip,1984:273).

On the economic side Geisel aimed at intensifying the industrialization process by expanding the intermediate goods production and the capital goods industries in order to overcome a gap in the economic system. This gap was caused by the fact that during the miracle economic years the durable consumer goods sector had expanded due to the middle classes increased purchasing power. However, if the economic plan was to be successful other areas of economy had to grow as well, such as the energy industry. This became one of the great problems for Geisel's administration because of the October 1973 oil crisis. In Brazil 80% of oil used was imported and 45% of Brazilian energy depended on oil (Moreira,1984:161).

The government chose to implement transient measures so that it would have conditions for a further structural adjustment (Moreira,1984:161). To do this, the Government used its foreign exchange reserves and borrowed more capital from the international banks taking the opportunity of the low cost of international financial loans (Skidmore, 1989:8).

The Government, besides trying to overcome the oil crisis, committed itself to investments in capital goods and basic raw materials in order to strengthen the national economic structure. An immediate result of this process was that the external debt doubled from 1973, when it was around 6.2 billion dollars, to 11.9 billion dollars in 1974 (Skidmore,1989:8; 1984:161). In 1974 economy growth started to slow down. The middle and upper classes and the national and the international capitalists began to criticize the regime (Evers,1983:99).

The liberalization process stemmed from the following factors: firstly, there was an increasing acknowledgement within the military that the regime's future depended on the changes in the political repression that had been imposed by Medici. Secondly, the economic decline affected society. Some national and international capitalist groups started to demand less State participation in the economy and more chance for them to influence the State decisions. The middle class witnessed the weakening of its purchase power and became more critical of the regime. Thirdly, the November 1974 elections, drew all these feelings together and resulted in opposition victories. The opposition won the majority in the Senate and in seven state legislatures (Baloyra,1989:17). In this election the government allowed free access to T.V. which had helped the opposition to transmit its message. The results of this election showed that the people wanted change and that the military regime lacked support (Skidmore,1989:10). This opposition pressure gave Geisel support to face the military and civilians fractions who were against any kind of liberal change (Lamounier,1989b:46-47).

An important fact to be noted in 1976 was that the Catholic Church and the Brazilian Bar Association had begun to mobilize to force the Government to stop violating human rights (Roett,1978:167).

Seeking a victory in the next municipal elections to be held in November 1976, the Government issued the Falcao law named after the Minister of Justice Armando Falcao. This law forbade both parties from broadcasting their political programmes, "made one third of senate seats subject to appointment and reverted to an allocation of Chamber seats by population rather than number of registered voters", accordingly, increasing the rural areas representation where the government was electorally more dominant (Cammack,1991:39-40). In spite of this manipulation the MDB won the municipal legislatures of the most important cities with 45% of the votes, while the ARENA did well in the less-developed regions obtaining 55% of the votes (Roett,1978:79 and Skidmore,1989:14).

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During 1977-1978 Geisel was concerned to hinder the emergence of a possible independent political power centre arising from social demands for economic changes; or from the political sphere, as a stronger opposition; or, finally, from the military, whose principal aim was the maintenance of the military integrity and status quo (Baloyra,1986:31).

At the end of 1977, Geisel replaced the Institutional Act (I.A.) 5 with the so-called constitutional safeguards making a timid, although important, step towards liberalization. In early 1978 Geisel announced his successor, General Joao Figueiredo, head of the Intelligence National Service (SNI) who was confirmed by the electoral college in October of the same year. The congressional elections were held one month later showing increasing support for the opposition (Skidmore,1989:18).

At the end of his term Geisel went further in his political plan. He re-established habeas-corpus for political detainees and banned censorship from radio and television. The National Security Law was revised and a selective amnesty was declared (Skidmore,1989:19).

From 1977 some local governments (for example Lajes and Boa Esperanca) started implementing plans to stimulate people's participation in the municipal administration in contrast to the Federal government political guidelines. These experiments were due to the political context that made it possible to foresee a process of political liberalization and decentralisation expressed by the emergence of social movements demanding participation (Santos and Baratta,1990:24). The great number of municipalities spread around the country gave municipal governments a relative degree of freedom from the Federal Government (Daniel,1988:28).

5.4.5. FIGUEIREDO AND THE "ABERTURA" 1979-1985

When Figueiredo assumed power it seemed that the regime was being pushed towards liberalization by pressure from the society and the politicians. The Figueiredo presidency, in turn, expressed the typical contradiction of Castelo's followers like Geisel, seeking for legitimation but at the same time acting without any kind of consultation (Baloyra,1986:36).

The Brazilian economy, in 1979, could be considered as being complex and dynamic but with increasing social-economic inequalities. By 1981, 306 out of 500 largest enterprises in Latin America were Brazilian. The state companies produced 40 % of all

investment employing 1.4 million direct employees and 4.2 million indirect employees. On the other hand, the Brazilian debt, around 55 billion dollars, was the highest in the world but, at the same time, Brazil had the fastest-growing market at international level (Baloyra,1986:41).

The Government had to be successful in dealing with the problems of the balance of payments if its legitimacy was to be maintained. From 1979 to 1980 the Brazilian government tried to overcome the balance of payment debts by increasing exports. Although it managed to meet all the foreign exchange requirements by applying ad hoc policies, by the end of 1980 recession was inevitable and the Government introduced an austerity programme. This programme created anger among some capitalist groups. The bankers criticized the government for increasing the interest rates. A group of "thirty-two prominent citizens" issued a document proposing an alternative economic model. However, the private sector was not unified in its criticism to the government as many companies depended on contracts made with the Federal Government. Some other companies traded political support for contracts with main figures of the political arena. At the end labour carried most of the burden caused by that programme (Baloyra,1986,41-42).

In 1981 and beginning of 1982 the production of goods as a whole decreased. The GNP per capita in 1981 fell -5.6%. In 1982 Brazil got into an exchange crisis and was forced to rearrange its external accounts in accordance with IMF rules. At the end of 1982 the foreign banks stopped lending making the exchange crisis worse and in 1983 GNP decreased by -2.5%. Brazil was in a process of stagflation and the government was forced to seek a partial suspension of the foreign debt instalments (Oliviera,1989:74-75).

Besides these economic problems Brazil was suffering grave social inequalities caused, by policies which ignored income distribution. From 1960 to 1977 the income of the poorest 50% of the population fell from 17.4% to 13.1% while the income of the wealthiest 10% increased from 39.6% to 51%. The land tenure patterns and the different access to rural credit made income concentration worse. By March 1980 0.8% of the landowners had 42.65% of the land. In turn, unemployment never stopped being a major problem. In accordance with the Minister of Labour it was necessary to have an economic growth rate of around 7% in order to halt the increase in unemployment (Baloyra,1986:42).

Figueiredo's political plan did not conceive a complete democratization with an opposition government replacing him at the end of his term. What he had in mind was to set off a process of political opening (so-called Abertura) that aimed at attenuating the "excesses of centralisation" which had begun in 1968. This political opening was seen as

necessary by the government due to the risks that might be caused by economic pressure and social disturbances. These, in turn, could turn out to be protests against the regime generating future radicalization. Thus, the Abertura process aimed at augmenting the legitimacy of the regime, splitting the opposition and obstructing the growth of the MDB (Baloyra,1986:36).

In 1979 Figueiredo removed many authoritarian instruments by, for instance, issuing an unrestricted amnesty, freeing political prisoners, allowing the National Student Union to act legally, being more tolerant of strikes. All those actions had been demanded by the opposition for many years (Selcher,1986b:55).

By doing this the Federal Government aimed to take the political initiative from the MDB and to split it. In this way the two-party system reform was a priority for the Government (Fleischer,1986:100). As a result of this, five important parties emerged.

The Social Democratic Party (PDS) arose from the ARENA. The PDS, as its antecedent, would be controlled by the Government and for a certain period remain the largest party in the Congress. It became an instrument that reflected the Federal Government and it was used to distribute patronage through clienteles. It was not a party that created policies. Its president was chosen by the president of the republic. Till 1983, the PDS was a subservient party to the executive (Selcher,1986b:71).

Another right wing party was the PTB (Brazilian Labour Party) that re-emerged under the image of Getulio Vargas. In 1983 it set up an opportunistic coalition with the PDS which was quickly broke off due to the Government's inability to negotiate with the parties. In 1984, when its leader passed away, the PTB was badly affected. (Selcher,1986b:74).

The PMDB (Brazilian Democratic Movement Party), that came from the MDB, had a reformist character and was the second largest party in the Congress. It had, to a great extent, an urban electoral basis and is supported mainly by middle class and the upper levels of the working class and its leadership was made up of liberal professionals. With this reform the former MDB lost affiliates to the other opposition parties. In 1982 the PMDB increased its moderating trend when the Popular Party, a party led by bankers, that was created in this same reform, merged with it. However, it would always have to strive to halt potential splits caused by the fact that it was more like a front opposition than a united party (Selcher,1986b:72).

The left wing was represented by the Labour Democratic Party (PDT), a populist left-wing party led by Leonel Brizola; and the Workers Party (PT) led by Luis Inacio

"Lula" da Silva, a former trade-union leader. The PT was a unique case in Brazil because it had emerged out of the workers' movements. It started during the metalworkers' strikes in 1978 in the industrial region of the ABC in Sao Paulo, and the principal leader has been Lula. Being a prolabour party it adopted a purist "class party" position. It had support from the trade unions, the Catholic Church's Ecclesiastical Base Communities (CEBs), workers pastoral (pastoral operaria) and social movements (Selcher,1986b:75).

In order to have time to re-structure its party the Federal Government postponed the November 1980 municipal elections to November 1982. By then, the voters would be allowed to cast their votes for the state and municipal executives, with the exception of the state capitals and cities considered of national security, for the first time since the 1960s, and for the national and the state legislatures. By putting together so many elections the Government's intention was to increase its chances of victory (Skidmore,1989:23; Lafer,1984:185; Gadotti and Pereira,1989:246).

As far as civil society was concerned important steps were taken towards the strengthening of a trade-unionism independent from the Federal government. In 1978 Sao Paulo automobile industry workers embanked on a strike which turned out to be the most significant in labour movement terms since 1968. They went on strike again in 1979 but this time with 3 million workers from other industries. In both they were led by Luis Inacio "Lula" da Silva. Some important aspects arose from these mobilizations. First, a new kind of union leadership emerged. New leaders replaced the so-called "pelegos", who were union leaders that did not set off any kind of radicalization against the employers or the government and intended to remain in power as long as possible. Second, some companies were prepared to set up direct negotiations with the workers. This was impossible under the dictatorship. Third, the Catholic Church and fractions of the middle class showed a high degree of solidarity toward the labour movement (Skidmore,1989:21).

By April 1980 Sao Paulo automobile industry workers struck again. However, this time the Government repressed the movement and the workers did not get any of their demands. At the same time, they ran out of financial help and it was impossible to set up any kind of direct negotiation with the employers (Skidmore,1989:25).

The November 1982 election results meant a new phase for the Abertura. They affected the regime's capability to govern the country and the key states and determined in great extent the composition of the electoral college that would vote for the next president (Selcher,1986b:61). The opposition parties gained the majority in the Federal Chamber of Deputies, a great number of local and ten of the twenty three state

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governments, among them Sao Paulo, Rio de Janeiro and Minas Gerais. In turn, the regime had only the Senate and the electoral college as instruments of restraint. But both had their legitimacy questioned because some senators had been chosen indirectly (one per state) according to the April 1977 package and because of the June 1982 Constitutional Amendment 22 which gave more representation to the smaller states, in which, usually, the Federal Government had the majority. This duality of power, between the regime in one side and the state governors and the lower house (the Chamber of Deputies) on the other side, would influence the presidential succession and, accordingly, the regime's fate (Lamounier,1989:115).

The election results diminished Government control upon the Abertura. The moderate and pragmatic politicians gained more space, setting an atmosphere of conciliation. The opposition aimed at not irritating the military hard-liners by adapting itself to Government manipulation. In this way the opposition thought that its participation in the process could go on increasing without any problems. On the other hand, the elections gave support to the opposition strategy based on negotiations. Moreover the results showed the Government that it could not control the succession any more (Selcher,1986b:66).

In 1983, there was a strong perception that absolute power had come to an end and that now was the moment to increase participation more quickly. However, Figueiredo did not take any initiative to open negotiations with the opposition and started to lose the initiative (Selcher,1986b:67).

The economic crisis and the process of liberalization with the rising demands for participation and re-distribution of wealth contributed to highlight the need for a complete reform of the State. It is from this context the issue of decentralisation emerged (Teixeira,1990:80). The victory of the opposition parties both at state and at municipal level expressed the desire of changing the military political and administrative system, in other words to democratize and decentralise the political arena and the public administration.

However the opposition state governments quickly had to face the Federal Government centralized power and resources. It meant that the state governments were still, to a large extent, dependent on the Federal Government. As a tactic these state governors became more moderate in their political actions and pressures against the Federal Government. In turn the Government set off an austerity policy to pay the foreign debt interest and slow down reforms in order to weaken the opposition force. Accordingly, the states were unable to fulfil the urgent social demands and by early 1984 they had lost much of their popularity and begun to share with the Federal Government the blame for the

austerity (Skidmore,1989:30; Selcher,1986b:67-68).

From the second half of 1983 Figueiredo's team were under pressure from both the IMF and from civil society. As a consequence they tried to implement pro-growth economic policies to satisfy civil society and, at the same time, austerity measures in order to be on good terms with the IMF. In fact the Government was disorganized and without authority (Selcher,1986b:68).

Meanwhile, the PDS were losing members and increasingly getting out of Figueiredo's control (Skidmore,1989:30). Figueiredo's team split over the succession problem and the political parties and the social groups assumed the initiative. The key actors among the social groups were elite-level groups. Some professional organisations such as the Brazilian Lawers Association (OAB) and the Brazilian Press Association (OAB). The National Student Union was also in the front of the movement for liberalization. There were also signs of pressure coming from the growing mass organisations such as the labour movement, the peasant movement, the Catolic Church's base communities, from which the labour movement was the most important. They were of more progressive tendencies and tried to widen a limited "political class" or intra-elite consensus that was being built up at the same time but which consolidated outputs mainly for the middle and the upper classes (Selcher,1986b:69,75-76).

In 1984 a national campaign for a federal deputy's proposal for direct presidential elections was launched with great involvement from the people. As the PDS had hopes for a victory through the electoral college its members voted against and the amendment was defeated. Even so 55 PDS deputies voted for direct elections. The "Diretas ja" (Direct elections now) mobilizations made clear the lack of the regime's legitimacy and facilitated the split within the PDS (Skidmore,1989:30).

Meanwhile the political opposition was gathering around Tancredo Neves, Minas Gerais governor, opposition presidential candidate. He was a conservative politician with abilities to project a forward-thinking rhetoric and a good relationship with the military. He could also attract the PDS members's votes that would be vital if victory was to be achieved. In turn, Figueiredo did not not reach agreement on his choice and gave up trying to influence the process. Paulo Maluf, a former Sao Paulo governor was chosen as the PDS candidate. Maluf's arrogant and authoritarian style made key PDS leaders leave the party. They then created the Liberal Front Party (PFL). Eventually the PFL joined the PMDB and set up a coalition so-called Democratic Alliance (Alianca Democratica) to support Neves. The vice-president would come from the PFL, a senator in the PDS Jose

Sarney. Neves and Sarney won the electoral college by an overwhelming majority of votes. But due to an illness Neves never assumed power. Thus Sarney, a former leader of the PDS, the party of the regime, was to be the president who would run the country in the last phase of the political transition (Skidmore,1989:30-31).

Before going further I will summarize the effect of this period on Brazilian society and in relation to political and administrative aspects of local government. From the administrative perspective firstly the Federal Government strengthened its power over the states and municipalities through a scheme of negotiated resources transfers which were used to obtain political support. Secondly, it increased the number of cases of intervention on sub-national governments. Thirdly, there was the creation of rigid criteria of allocation of resources in accordance with Federal priorities. Fourthly, there was the establishment of metropolitan areas not as modern forms of management but as Federal agencies in the more economically dynamic cities. Fifthly, the creation of programmes run by the Federal government as housing, sanitation, urban transport without taking into account the diverse realities of the different municipalities (Souza,1990:57).

From the political point of view centralisation banned the right of election for most important public offices, for example, the federal president and the mayors of the capitals which affected the political autonomy of the cities. Social movements were repressed, the Legislature was weakened. This period created a process of political alienation hindering the political modernization of the country despite the fact that the dictatorship managed to achieve economic modernization (Souza,1990:57).

In sum the the military dictatorship with its constitution, laws and fiscal and financial norms left the state and municipal governments without autonomy and political power (Campos,1990:40).

From a dual state perspective Daniel (1990:12) notes the municipality in its function of domination is linked to some forms of legitimation based on political values characteristic of the Brazilian State and society that have been strengthened by the dictatorship.

Firstly, he notes that the military government, by means of its Doctrine of National Security, presented the State, through its Administrative apparatus, as the only organization able and efficient enough to produce social policies and exert social control. Civil society was considered unable to ellaborate and put forward demands. Hence, the justification for the growth of the bureaucracies. The Administrative apparatus was the source of State legitimation. The growth of the Administrative apparatus was linked to the growth of the

executive. This meant that at local level the municipal executive and its administration not only executed but also ellaborated policies. As a consequence the municipal legislature as a mechanism of legitimation lost power. The executive used its monopoly of information and bureaucratic secrecy to impose itself. It embodied intellectual work in opposition to manual work. Within the executive power it seized and used knowledge and as a result excluded civil society from the policy-making process (Daniel,1988:35;1990:12)

Secondly, the elitist aspect of the political culture which looks down upon the role of the people in the process of creating the social life was embodied by the local elites. They represented a kind of social power. They consisted of social groups who presented themselves as representatives of local tradition and enlightenment and therefore as responsible for managing the municipality and its future. The result of this way of thinking was to create opposition between elites, the social sectors who participate in the history of the municipality; and the people, the majority of the population who were not enlightened and constituted the passive sector of municipality. Elitism ocurred at a symbolic level. The membership of the social elites came from diverse sectors, professionals, members of local business, the middle class and sometimes representation of the local economic power. They influenced the municipal executive through their associations. In Brazil due to the fragility of the party system it was possible that they assumed part of the functions that were traditionally undertaken by the parties (Daniel,1988:30;1990:12).

Thirdly, the local media was another kind of means of social representation. Media tended to show a mass culture which homogenized the social reality by puting a veil over the social conflicts. It contributed to produce classes and social groups without their own identity. This political anti-culture was used in the process of legitimation of local political power (Daniel,1988:30;1990:12).

Fourthly, many local governments allocate money for large-scale works, mainly in the road system, for example fly overs. They made use of the identification that the population made between large works and good administration (Daniel,1988:30;1990:12).

Fifthly, populism and clientelism were the dominant political mechanisms. Many people and social movements continued to see the actions of the local government as donations of the mayor, strengthening the relationship of domination between the populist leader (the donator) and the people. Clientelism was also presented both within the executive and its administration and the municipal chamber. The executive institutions worked on the basis of the logic of bargaining. In this case citizens were prevented from using services that apparently were available for all because of the bureaucratic secrecy,

i.e. the monopoly of information. In fact these services would only be delivered after dealing with a bureaucratic ritual that could include bribery. Because the citizen did not know the procedures to obtain the service that he/she needed he/she asked for councillors for help. Thus the person was to be used by the councillor. The executive used to stimulate clientelist procedures in the municipal chamber, either in order to guarantee submission of councillors to its rules or as a means of legitimation of local political power (Daniel,1990:12; 1988:35,37).

5.5. JOSE SARNEY 1985-1990 - THE NEW REPUBLIC

Sarney from the PFL was elected vice president and Neves from the PMDB, president in the indirect election in the electoral college. Neves could not assume power due to health problems was replaced by Sarney. Sarney had three problems to face during his term. First, the establishment of the legal parameters of a democratic political system. Second, to make the economy stable. Third, to start to resolve the problem of social inequality (Tyson,1991:568).

Since the early 80s, with the worldwide recession, the Brazilian economy had to face the reality of the outcomes of its development model. A lack of financial resources made Brazil incapable of paying the foreign debt and forced Sarney to try to convince foreign creditors to lend more money. Although Brazil had, in 1986, a GNP of 348 billion dollars, ranked among the ten biggest capitalist economies, Gross Internal Investment had not increased since 1981 and social inequalities had increased. One percent of the economically active population had 14.4 % of the national income while half of the 35 million economically active population had 13 % and the 5.5 million poorest population had 1.6%. Forty percent of the families were close to the poverty limit. The richest 13.8 million people had an annual per capita income of 11,100 dollars while the poorest 58.2 million people earned an average 568 dollars per annum (Sangmeister,1988:15).

However Sarney had only the small PFL as political support and he had to rule in accordance with the PMDB government plan. The cabinet, made up of members of the PMDB and PFL, was basically conservative (Munck,1989:132). This situation was a source of conflict as Sarney tried to increase the influence of PFL in the Government (Skidmore,1989:258).

During Sarney's term direct presidential elections were re-established but without specifying the date for the next election. Illiterates were enfranchised and parties that had

met the minimal registration requirements were legalized, among them the Moscow-oriented Brazilian Communist Party (PCB) and the Maoist Communist Party of Brazil (PC do B) (Skidmore,1989:263).

A national pact was proposed by Sarney but it was never implemented as the PMDB was split over the issue of support for Sarney and Sarney himself had a very narrow political base. He soon started to govern disregarding the PMDB, by using a populist approach, exchange of favours with politicians and, like the military, by decree-laws, executive legal instruments that bypass the congress and political parties. The trade unions rejected this pact by striking in April and October 1985. Later, in November, the Government held municipal elections including muncipal executives of state capitals and cities considered to be of national security. The PMDB won most of the major cities, the PFL did very badly and the PT took a big step by winning the major north-eastern city, Fortaleza (Munck,1989:134 and Mainwaring,1988:29). In the big cities there was a dominant trend to vote for reformist and centre-left wing parties but it would be false to conclude that the majority of these votes were consciously ideological (Souza,1989:385).

These municipal elections showed the emergence of decentralising projects for local governments. The elected mayors proposed different types of decentralisation, from deconcentration to territorial decentralisation. They represented a movement to recover local autonomy and to try alternative forms of administration with greater or lesser citizen participation (Barbosa,1989; quoted in Fischer and Teixeira,1989:40-41). According to Fischer and Teixeira (ibidem) these projects, explicitly or implicitly, foresaw citizen participation in the government's decision-making process.

On the economic side, in 1985, GNP rose 8.3% but inflation went up to 222%. In early 1986 as the Government had avoided resorting to the IMF, it decided to implement its own plan of economic stabilization, the Cruzado Plan (Plano Cruzado). Prices were frozen, Mortgage rates and rents were frozen for one year, the system which regulated inflation was banned, the minimum wage was regulated according to its average value over the previous six months plus a bonus of 8 percent and whenever the inflation reached 20% wages would be increased (Skidmore,1988:279-280).

The plan was expected to bring about a of sustained economic growth. Inflation decreased and consumption rose. Manufacturing industry grew 11% in 1986 and the capital goods industry grew by 20%. Taking the opportunity of this high level of consumption companies began to bypass the price freeze by putting on the market "new products" more

expensive than the ones that were already in the market or by selling through the black market with higher prices instead of sending the products to the market. In July and November the Government, under pressure from the capitalist sectors, increased car and gasoline prices and started to charge for travelling abroad. Later in November, after the elections the prices for goods and services from both private and public sectors were increased together with taxes (Munck,1989:137-138).

The president's leadership strengthened after the introduction of his economic plan. However, as Sarney's popularity was an important card for the Democratic Alliance in the elections, the economic measures that had to be taken before November were postponed until after the elections (Lamounier,1989:148).

In these elections the PMDB did well by winning 22 out of the 23 state government seats and the majority of the Congress. The PFL did badly and Sarney's fragile legitimacy became weaker (Skidmore,1988:304).

The economic performance in 1987, reflected the distortions of the Cruzado Plan. By the end of 1986 interest rates reached 400% per year, while inflationary expectations were increased by the partial implementation of monetary correction mechanisms and by increases in wages obtained by the industrial workers through strikes in early 1987. By February the price freeze was lifted for most products and later inflation soared to an annual rate of 400%. Real wages lost one-fifth of their purchasing power in comparison to 1986. The internal debt was around 70 billions dollar and the public deficit almost reached 3.5% of GNP at the end of 1987 (Munck,1989:140).

In turn, the labour movement had some setbacks during Sarney's term. At the beginning the Government, in order to avoid any authoritarian action, tried to be on good terms with the workers. Accordingly, the trade unions tried to take advantage of this period of democratization. The 1985 strikes were concerned with recovering lost wages, reducing the working week from 48 to 40 hours and improving working conditions. However, with the 1986 Cruzado Plan the conflict between Government and workers worsened. From February 1986 to July 1987 all the categories in the formal sector of economy had wage losses of 37.74% (Souza,1989:385-386).

Within the context of increasing inflation and a low level of productive investment labour movement activity diminished in intensity. Finally, in December 1986 the workers succeeded in having a general strike. The government's answer was to place the Army on "state of alert" and to blame the strikers for destabilizing the Government. The military finally intervened in two strikes in 1987 just after the beginning of a social pact

negotiation. Then, in 1989 the workers went on a general strike again that was considered successful by the trade unions although the employers said the contrary. It is worthwhile noting that the labour movement had always been present during the democratisation process and one important result of its participation in this period was the implementation of the practice of collective bargaining (Munck,1989:144-145).

By 1988 a new constitution was promulgated and, within these parameters, a great step was taken in terms of political participation. This constitutional innovation was due to two factors. First, the mushrooming of social organizations, that from the late 70s had been emerging from demands for better urban life conditions and for democratization. Second, the acknowledgment of the existence of these new political actors in the political process. This constitutional opening created room for political participation by encouraging the social movements struggles. Freedom of association got rid of the need of government authorization so that the association could represent its members judicially or not. Popular sovereignty was to be exercised by universal suffrage through plebiscite, referendum and people's initiative which was to be regulated by ordinary law (Souza,1989:111-112). Decentralisation was also considered in this Constitution not only at the level of the inter-governmental relationship but also between government and community which could participate in the administration of actions concerning social areas (Souza,1989:22; Baeta,1989:100).

Municipal elections were held in November 1988. Once again the tendency of the urban centres to support the opposition was identified. The left-wing parties did well but the conservative parties maintained a high percentage of votes mainly in the poorer and backward regions. In turn, the PMDB had some losses. The decline of the PMDB stemmed from its position in the Federal Government and the fact that the party had been associated with the failures of Sarney's economic policies.

The PT and PDT performances reflected the electorate who had voted for changing the status quo although this might be caused by feelings of dissatisfaction with the government rather than by ideological motives. The good results obtained by PT were considered to be as an outcome of a maturation process within the party and of its ideological coherence. PT won in 3 states capitals, one of them Sao Paulo, and in 33 cities, among them Ipatinga in Minas Gerais, an industrial city that accounts for the second highest collection of state value added tax (an industrial tax) in that state and which is one of the case studies in this thesis. These cities together represented 30% of GNP of Brazil. Within the first hundred biggest cities in terms of inhabitants, 38% of the Brazilian

population, the PT got 28% of the votes electing 11 mayors (Maduro,1989/90:91-91 and Gadotti and Pereira,1989:271,274). PT municipal executives presented proposals for people's councils. People's Councils were created in different sectors and in the big cities the PT also implemented decentralisation. In the case of Ipatinga the executive initially established a people's council structure to control the budget and afterwards councils were created in other sectors like Health.

A newly created centre-left wing party, the Brazilian Social Democratic Party (PSDB), did quite well by winning the third largest Brazilian state capital, Belo Horizonte which is the other case study city. This party was made out of defectors from the PMDB who had disagreements in the party regarding economic policy and the kind of relationship that the party had with Sarney. The PSDB considered decentralisation essential to the process of implementing a participative-representative democracy making it easier to control the State by pressure from interest groups. In cities like Belo Horizonte they gave life to a stagnant decentralisation process where despite the fact the city had been divided formally into nine areas only two were effectively working. The PSDB would stimulate the setting up of councils of representatives elected from the population to participate in the planning and control of the municipal administration (Comissao Executiva,1989:12).

According to Moura and Santos (1989:13), the Brazilian political and administrative situation presented the requirements for developing of alternatives strategies for local government. On one side, there were legal guarantees and institutional procedures that made up a context of democratic freedom (election with universal suffrage, freedom of organization). On the other side, there was a combination between a democratizing political will expressed by the political parties in charge of municipal executives and social movements with enough organization and experience to make them relevant political actors.

After three years of the New Republic it was noticeable that the dominant parties had not performed well. The populist discourse was still dominant and State clientelism was the key factor behind political party consolidation. The social movements that had played an important role during the dictatorship, as the years went by have slowed down their mobilizations. The military were still influencing the political process. Although they were no longer responsible for the Government it was difficult to ignore their presence because it seemed that they were a normal part of the civilian government (Souza,1989:354). Sarney ended his term amid political isolation and without managing to control the problem of stagflation.

5.6. COLLOR DE MELO 1990-1992

In 1989 the presidential elections were held. They were the first for twenty-one years. A former PDS mayor and governor with links to the landowners in Northeast, Fernando Collor de Melo, was the candidate elected.

During the campaign the conservative sectors were afraid of the possibility of either Lula (PT) or Brizola(PDT) becoming the next president. In fact Lula got the second place in the final run-off. The right-wing chose Collor de Melo by default. Collor de Melo used a populist discourse in which he stressed his struggles against the so-called "maharajah" (civil servants that earn high salaries and sometimes have more than one job) and without addressing the great social and economic problems. The election showed that the old parties and the old politicians had been partially put aside by the voters. As the electorate was, in its majority, uninformed, they pinned their hopes on individual political personalities who presented themselves as the big reformers instead of delivering their support according to the party programmes. Collor got power with a small organized political base and without a clear-cut political programme or ideology (Tyson,1991:571-572). The economic perspective for Collor was extremely bad. Taking into account the GNP growth average rate per anunn from the last five governments we have as follows: Medici (1970-1974),9.1%; Geisel (1974-1978),4.2%; Figueiredo (1978-1985), 0.0%; Sarney (1985-1989),2.4%; and Collor (1990), -6.5% (Exame,20-3-91). The inflation rate had gone up to around 1,660% in 1990 (Faucher,1992). Income distribution was another problem to be dealt with. In 1985 87.1% of families earned less than 3 times the minimum wage, 6.65 earned up to 5 times the minimum wage, 4.4% of families up to 10 times the minimum wage, 1.5% between 10 and 20 times the minimum wage and just 0.4% earned more than 20 times the minimum wage (Teixeira,1989:6). In 1989 the minimum wage was worth 75 dollars per month (Sader and Silverstein,1991:132). Social services expenditure was also badly affected. For instance, although the number of hospitals increased during the period 1970-1983 from 584 to 16,749 the proportion of beds per 1,000 people remained at the rate of 4:1000. In 1987 less the half of people under twenty years old were at school (31.5 million at primary schools ,3 million at secondary schools and 1.3 million at universities) (Souza,1989:386).

Collor's economic aims were to strengthen industry, expand foreign trade, curb foreign debts and inflation (Business Japan,1990:59). His inauguration speech was characterized as modernizing and liberal. But soon after he introduced his economic plan

(Collor 1) without consulting the Congress, by using the so-called provisory measure that the executive only apply in emergency cases. He froze private savings and prices in order to cut inflation (Sader and Silverstein,1991:169). This was just one example of his attempt to govern without Congress which, in the end, would prove damamging to his policies. His authoritarian style undermined any would-be political support from the Congress that now had more instruments with which to face the executive.

However, as the Collor Plan 1 began to show signs of failure, industry began to increase prices and inflation rose (Exame,1991:23). By January 1991 the Government implemented another plan, the so-called Collor 2. At this time the entrepreneurs were already expecting such an action and they just refused to sell their products so that the consumer had nothing to buy. This plan, as the first one, was developed by the Government alone and weakened its minority political support in the Congress. It was an attempt to regain control of political action. He wanted to attract the PMDB or the PSDB as some entrepreneurs sectors and conservative congressmen were beginning to distrust him. In turn, for these parties any negotiation implied that Collor would have to change his authoritarian style of governing. Collor could push these parties to negotiate by making changes in his cabinet but on the other hand these parties knew that Collor would not like to lose his prerogatives. His excuse for this would be that the deepening of the crisis demanded a strong executive (Exame,1991:21-23). The problem of foreign debt is another issue that Collor had to face. He was trying to renegotiate the debt repayments in order to obtain loans for the economy. However, at the end of September 1992 Collor was impeached following accusations of abuse of power and corruption. Collor's impeachement showed civil society capable of reacting and influencing the politicians by means of street demonstrations througout the country and gave an example of democratic maturity. He was replaced by the vice-president Itamar Franco.

Franco's first problems were that inflation in 1992 was 1,149% (Lamb,1993:10), the foreign debt of 115 billion dollars and the country suffered the world's most inequal distribution of income. In the same year the poorest 50% of the population received 14% of the national income and 14.4 million families had a 3 pound a month per capita income (Rocha,1993:19). In political terms he was guaranted support from the PMDB, PSDB, PT and other parties up the end of his term.

In the field of public administration he had to deal with the swelling of cities by the arrival of former peasants and rural workers expelled from the countryside by the capitalisation and mechanization of agriculture in the rural areas. Many rural workers who

came to cities had been either small farmers whose business went bankrupt due to lack of financial and technical help or had been working for richer farmers. Another cause was the concentration of industrialization process in cities that attracted rural workers with the ideal of a better life in the city. This problem has been affecting the big cities for the last 3 decades and now the middle cities are facing the same problem. Basically this process tends to exhaust the existing fragile social services infrastructure. The inequity of social service provision between the classes is intensifying the gap between rich and poor (Tyson,1991:572-573).

Although the Brazilian electorate is getting more aware of public issues it still has problems shaping its own political opinions due to poverty and lack of education (Tyson,1991:572-573).

Democracy in Brazil may become stronger when the party system becomes more effective and participation increases and effective action to reduce inequality and increase social service provision is taken (Tyson,1991:574-575). Of course a more politicized citizen able to defend his/her interests, the creation of representative groups participating in political life and influencing parties and the Government is a constitutive element of this process. However, there has been little improvement with respect to these requirements which means that much work has to be done to strengthen democracy in Brazil.

5.7. CONCLUSION

This chapter has given an account of the Brazilian political and economic process from 1930 to 1992. Important features can be identified in this period. Firstly, the Federal State always intervened in the economy and in politics. Centralisation was a main feature of the Brazilian society. This was strengthened by the military dictatorship. The political and fiscal autonomy of both states and municipalities was severely affected as they did not have resources and representation to deal with the problems of the cities and communities under their jurisdiction.

Secondly, the continued presence of populism and clientelism in Brazilian history until today together with political repression by authoritarian regimes contributed to the low level of political organization and participation by civil society. Another effect of this situation is the weak political party system where politicians' work is based more on their individual and group interests than in terms of party or of society.

Thirdly, within the period considered Brazilian civil society also gave examples of

political mobilization through neigbourhood associations in Recife and Sao Paulo during the late 1950s and early 1960s, the students and workers movements in the late 1960s, the emergence of new tradeunionism and social movements in the late 1970s, the experiments in local governments of participation in municipal administration from the late 1970s by means of decentralisation and people's council, the movement for direct presidential elections in 1984 and the mobilization for the impeachment of Collor in 1992.

Fourthly, there has been the emergence of the PT and of the PSDB as the main alternatives from the left and the centre-left respectively to rule the executive in all levels of government. Both parties have won the main capitals in the 1988 mayoral elections and are important components of the alliance that support the new president Franco. Lula is seen as the main candidate for the next presidential elections in 1994.

Fifthly, inflation, foreign debt and the unequal income distribution are major economic problems which became worse after the military government and affected public administration as a whole.

All these features affect the lifes of the municipalities and therefore provide the national background to the cases of Belo Horizonte and Ipatinga. These cities were ruled by the PSDB and the PT respectively during the term 1989-1992 in which the PSDB continued a process of decentralisation and the PT implemented people's council. Those proposals were by the parties seen as steps towards of democratization of the local governments.

The next chapter will characterized Brazilian municipal government and its role within the Brazilian Federation. I will also give attention to municipal autonomy within the several Federal Constitutions issued throughout the republican period. In the last part I will discuss cases of democratization of local government in Brazil by means of People's Councils and decentralisation.

CHAPTER 6. BRAZILIAN FEDERALISM AND THE MUNICIPALITY

6.1. INTRODUCTION

Having described in the last chapter the Brazilian political and economic process from the 1930s until 1990 this chapter intends to focus on local government within Brazilian federalism. The aim is to describe the basic political and administrative characteristics of municipal government and by doing so to give the background for the cases studied.

Initially I will present and discuss the current Brazilian municipal structure. What is important here is to highlight the fact that the 1988 Federal Constitution was an important step in terms of democratisation of public administration as it established a legal framework for the creation of mechanisms of citizen participation within municipal planning.

A point to be stressed is the structure of local political power. There is the mayor, the head of the municipal executive (also named the executive, municipal government or the Administration), who is ultimately responsible for municipal policies and whose office concentrates the main powers. In turn, the municipal legislature (the municipal chamber or the legislative chamber), made up of councillors, is the body responsible for controlling the executive and for voting approval of programmes and projects. Both mayor and councillors are directly elected for a four-year term on an at large basis.

The distribution of tax revenues between the spheres of government is also considered and is extremely important in an inflationary economy like Brazil and directly affects the working of the municipal administration. The next part of this chapter will provide a historical account of the successive Brazilian Federal constitutions and the role of municipal authority within them. Finally, I will present some experiments at local government level, which aimed to create mechanisms of citizen involvement in the municipal policy-making process. Many attempts to open up the executive's structure to citzens have been made during the last years of the dictatorship (1964-1985) and throughout the first years of the New Republic from 1985. Most of those experiences have been led by progressive political parties. They provide examples of the role that the municipality can play in the democratisation of the public administration. By following these steps I intend to give the reader part of the background for the cases studied in this thesis. This will be complemented by the next chapter which will provide details of the

political programmes for public administration of the parties responsible for the local governments studied.

6.2. THE BRAZILIAN FEDERAL STRUCTURE AND THE MUNICIPALITY

The Brazilian federal structure is made up of 24 states, 2 territories, a federal district and 4495 municipalities. Amongst the municipalities there is no difference of formal power despite differences in size and character, rural or urban. A municipality is usually composed of a town with its surrounding areas. It can be set up by states after public consultation preserving "the continuity and historic cultural unity of the urban environment" (Batley,1991:para.11,12).

The municipal governments can create administrative districts; however these districts do not have independent political status. Municipalities can, either by acting alone or together with other municipalities, establish associations to perform specific activities by using pooled funding (Batley,1991:para.14).

At the municipal level the division of power between executive and legislature is reproduced as at other levels of power. Mayors (prefeitos) are responsible for the executive power. Direct elections for mayor and the Legislative Chamber are held at the same time (Batley,1991:para.27-28).

The Legislative Chambers (Camara Municipal or de Vereadores) can have from 5 to 55 councillors (vereadores) according to the municipality's population. The councillors are elected for a four-year term and can stand for re-election. The constituency is based on the whole municipal area and not on a ward or district, the voting system uses a party list system of proportional representation (Batley,1991:para.29).

According to Batley (1991: para.31-32; see also Goncalves,1989:25-33) the Legislative Chambers have three functions: legislation, supervision of the executive and administration of itself. The first one concerns legislation that can be put forward "by the mayor, by a specialist commission of the chamber, by an individual, (or) by the popular initiative of at least five per cent of the electorate" in accordance with the 1988 Constitution. However, only the mayor can put forward legislation concerning the executive's administrative organization, employment, the budget and planning. The mayor has power of veto over issues related to the working of the executive. This can be overruled by a majority of councillors' votes. The importance of the legislative function is that the law sets up rules "for much of the executive's work: the budget, borrowing, terms

of staff, subsidies, tax rates, the creation of new posts". Specifically, the discussion about the budget's approval and variations gives the Chamber opportunities to confront the executive and alter its proposals.

The supervisory function means, for instance, that the Chamber can ask the executive to provide an explanation about issues that it thinks are unclear, it can check the expenditure in accordance with the budget and question the executive on issues "of conformity with law". In a setting where the municipal chamber's technical staff consists of a few technicians, if any, and which lacks permanent party structures, it is difficult for the councillors to give a very informed opinion about the problems being discussed. In the financial area, for instance, the Municipal Chamber may resort to the State Tribunal of Accounts. The third function is related to the administration of the Chamber itself.

The executive is concentrated in the mayoral office both legally and in practice. In a country like Brazil, as Mainwaring (1988:32) notes, where politicians, once in power, tend not to follow the party policy so that they can retain more freedom to meet their clienteles interests, local administration usually becomes very personalised. This is strengthened by the fact that the mayor is directly elected giving him/her more ground to pursue what he/she thinks is most important. The exception is the Workers' Party, where the mayor more often follows the party policy. The more normal situation causes a strong tendency of non-continuity in policy and strategic actions between administrations even where there are no great political differences (Batley,1991:para.32). Because the mayor concentrates executive power, it allows him/her to play a key role in terms of strategy during his/her term. This political context is characterized by two aspects. On the one hand, according to Batley (1991:para.37) the mayor relies on the chamber's vote for the approval of "tax rises, budgetary appropriations or legislation on which policy fulfillment depends". On the other hand, councillors may rely on the mayor's resources in order to be able to afford their clientelistic political actions. This kind of political arrangement, as was said before, is characteristic of the relationship between executive and legislative, at all levels of government in Brazil, and it became worse during the military dictatorship when the legislative lost its power to put forward new laws. This limited its power to control the administration and encouraged the growing autonomy of the executive, effectively centralizing policies and politics (Somarriba e Afonso,1987:292-296).

Another factor that has fed this process is the lack of participation channels open to the community, excluding the traditional ones, i.e. political parties and the elections. This created a pressure from the community on the legislature which has strengthened its role

of intermediary between community and executive characterized by clientelism (Brasileiro,1987:13).

Among his/her functions the mayor can determine broad policy, formulate and implement the budget, nominate "senior political executives who head secretariats, departments and dependent agencies" initiate and sanction legislation, set contracts and agreements for loans and represent the municipality. He/she is elected at large for a fixed four-year term, with the vice mayor on the same ticket. The mayor is only allowed to be reelected after a four-year or longer period. The one-round voting system was applied until 1988. Due to the number of parties and candidates many mayors won with a small proportion of the total vote. Then, for subsequent elections, a two-round system was used for cities with more than two hundred thousand inhabitants. If in the first round no candidate obtains an absolute majority, a second-round will decide between the 2 candidates with the most votes (Batley,1991:para.32; see also Goncalves,1988:10,33-38).

There are 3 different kind of municipal agency through which the executive can operate. Firstly, the direct administration, subordinate to the mayor, is made up of secretariats and within them, departments, divisions and sections, in hierarchical order. These secretariats are responsible for different municipal policies, e.g. health, culture, transport, etc. The number and organisation of secretariats is different from one municipality to other. The Municipal Secretariats are usually concerned with areas such as Administration, Planning, Education, Culture, Transport, Social Assistance and Welfare, and Environment.

Secondly, the indirect administration is composed of municipal parastatal organizations with some autonomy concerning budgetary control and staff services. There are different types of parastatal organization. The so-called "autarquias" and foundations are more closely linked to the executive. The mayor chooses their chief executives and their staff are employed under the same norms as the municipal employees are. They are enterprises that are entirely owned by the municipality or mixed (majority public-minority private) and function as private companies with no specific employment and pay agreements. The mayor can nominate their chief executives.

Thirdly, a less common form is that in which the executive delegates responsibilities, by permission or concession, to private groups and voluntary organizations (Batley,1991:para.34,47; Goncalves,1989:21-22).

As regards planning the municipal government has three instruments. Firstly, in the big cities, the mayors issue a Government Plan (Plano de Governo) setting up the plan of

action for their whole term. Secondly, the constitution demands that executives, in all levels of government, publish a three or four yearly document about anticipated expenditure. Finally, in accordance with the constitution, municipalities with over 20,000 inhabitants have to make a "Plano Diretor" that is an urban development plan whose legal validity lasts beyond the mayor's term (Batley,1991:para 37).

6.3. THE MUNICIPALITY AND THE BRAZILIAN FEDERAL CONSTITUTIONS - A HISTORICAL OVERVIEW

For most of the Brazilian republics' history the municipality was seen merely as an administrative level of the Federation and, at maximum, as a political-administrative unit in which the formal participation mechanisms (election, vote, party) prevailed and the electoral function was considered the most important activity that a citizen could undertake. As a consequence the discussions concerning the social, political and economic relation that made up the municipality were characterized by a very low level of politicization (Oliveira,1981:23).

The first federal constitution, in 1889, established a decentralised system through the Federation (the Union), the member-states and the municipalities. The Federation was seen as the outcome of the unification of the member-states and these, in turn, were responsible for the municipalities organization. Accordingly, the municipalities were kept under the hierarchical control of the states but they kept a degree of formal autonomy (Horta,1982:30 and Fischer,1987:23). Nevertheless, there were two municipality-oriented initiatives at that time (1889-1930). Two states, Ceara and Rio Grande do Sul, had allowed for municipal self-organization. A third state would later join these first two. It meant that the municipalities, through their town councils, could issue their own basic law, the so-called "Organic Law". The organic law provided the municipalities with a set of judicial norms that permitted them to issue their own laws and regulate their own affairs (Horta,1982:30).

In 1926 a constitutional reform gave the Federation power to intervene in the state whenever it put municipal autonomy in danger.This was a breakthrough in comparision with the 1889 Federal Constitution. Municipal autonomy would not depend just on the state but also on the Federation in that the Federation was able to curb any abuse of power from the state that affected the municipalities. The Federation would act like a counter-weight (Horta,1982:31-32).

During the 1930 regime the Federation became centralised. President Vargas imposed an authoritarian executive structure divided into three spheres: the interventorias (that were the state governments with the governors, so-called interventores, appointed by Vargas), the DASP (Administrative Department of Public Service) and the Minister of Justice. The intervenors were responsible for political coordination, the DASP state branches worked as a legislative and supervisory organism, subduing the mayors and often having more power than the intervenor, and finally the Minister of Justice who was seldom asked to act (Fischer,1987:23).

In 1934, due to pressures coming from society, Vargas called for elections to choose an Assembly which issued a new constitution. The 1934 Constitution allowed the mayors to be chosen by the town council with the exception of the mayors of spa resorts and state capitals. Some authors consider that as far as municipal autonomy is concerned this constitution was an innovative document as municipal autonomy began to be seen in its political, financial and administrative aspects (Horta,1982:32). However, in terms of political participation it could be considered authoritarian. Moreover, Fischer (1987:24) notes that the 1934 financial and taxation system was a hindrance to the municipal autonomy. The Federation and the State had power to introduce taxes but the municipalities were only allowed to receive a percentage of these taxes (Horta,1982:33).

During the New State (Estado Novo-1937-1945) a new constitution was issued in 1937. It was in fact unitary rather than federalist. It banned any sign of municipal autonomy by saying that all municipalities would have their mayors chosen by the governor (Pimenta,1989:129; Horta,1982:34).

In 1946, after the overthrown of Vargas and the New State, another constitution was voted in. It took an important step forward concerning the autonomy of municipal finances. The Federation had to deliver 10 percent of income tax to the municipalities with the exception of the state capitals. Besides the municipalities had, with regard to administrative affairs, autonomy to decree and collect taxes, invest their income according to their need and organize the local public services (Horta,1982:35; Pimenta,1990:110).

The level of political autonomy did not change very much. The governor had the power to nominate the mayors for the capitals, the spa resorts, and,due to the experience of the 2nd World War, for the municipalities that the Federal Government considered strategic places to foreign defense (Pimenta,1989:129).

By 1961 a constitutional amendment stipulated that the Government had to distribute 15% of the income tax and 10% of the consumption tax to all municipalities,

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including the state capitals. But in 1967 the consumption tax disappeared (Pimenta,1990:110).

At the time of the 1964 military coup the municipalities were struggling against budget difficulties despite the 1961 reform. In December 1965 the Federal Government issued the Constitutional Amendment 18 which created the Participation Fund of States, Federal District and Municipalities (FPEM). This instrument created a mechanism for compulsory delivery that obliged the federal tax collection organisations to transfer funds through deposits in official credit banks to states and municipalities (Horta,1982:35). In fact this fund increased the municipalities' dependence on the Federal Government (Fischer,1987:24). In 1965 the FPEM was made up of 10% of industrialized Brazilian products federal tax and 10% of the federal income tax. It was applied in different areas and delivered in accordance with the population and per capita income of the state or municipality (Oliviera,1980:7-8).

The 1965 Constitutional Amendment led to the Tax Reform of 1966. This reform enhanced Federal Government's control upon the tax policy that was seen as an important means for the accumulation of capital and for the military regime's economic plan. Thus, the states and the municipalities were forbidden to decree new taxes in any circumstance. Taxes that the Government considered important to its economic policy were transferred into its sphere of control. The states and the municipalities became unable to change the value of their own taxes as this power had been transferred to Senate (Oliveira,1908:7-8).

The military constitution of 1967 made obligatory the selection of capitals and spa resorts mayors by the governors with the approval of the respective town councils. The governor, with previous presidential approval, could also nominate the mayors of cities which were seen as important for the national security. The town councillors of the cities with less than 100,000 inhabitants would not receive any kind of payment unless the city was a state capital. Finally, the requirements for creating a municipality became subjected to supplementary federal law instead of being subjected to the Federal Constitution as it used to be (Horta,1982:37).

In October 1969 (during the military dictatorship 1964-1985) the Constitutional Amendment 1 raised the limit of inhabitants from 100,000 to 200,000 above which the councillors could be paid a salary, and the municipalities were obliged to apply 20% of their income for primary education. In that same year the Federal Government decided that 50% of the FPEM was to be applied in sectors previously chosen by the Government through its economic policy. Thus, the States and the municipalities had their power

completely curtailed (Oliviera,1980:7-8). In sum, the 1967 Constitution and the 1969 Amendment increased federal control upon the municipalities (Horta,1982:38-39 and Pimenta,1989:129). Meanwhile the FPEM was being reduced from 20% to 14% in 1967 and to 12% in 1968, when 2% of this amount was sent to a special fund and the rest was divided equally between states and municipalities (Oliveira,1980:10).

In 1970 the states and the municipalities lost much of their already weakened financial power. They began to give fiscal credits but the federal state did not take charge of the financial burden that arose from these activities (Oliveira,1980:10).

When President Geisel's liberalization process began, in 1975, the municipalities share in the FPEM started to increase, from 6% in 1976 to 10,5% in 1983. In 1984 and 1985 they obtained 13.5 and 16% respectively (Pimenta,1990:111). During Geisel's term another Constitutional Amendment was issued requiring that councillors salaries would be fixed by the town council itself. There was no population limit (Pimenta,1989:129). Although this measure strengthened the town council's autonomy, on one hand, on the other hand, given the characteristics of political representation in Brazil, this law proved to be damaging to the public treasury since there was (and there still is) a trend for the Municipal Chambers to set high payments for councillors regardless of the municipal financial condition.

During the military dictatorship the municipalities practically became executive agents of the higher levels of power. Through their financial dominance the federal government and states had increased their power in the municipalities. The system of financial transfers gave the higher levels instruments of control over both local expenditure and local activities. By implementing a national planning system the military centralized policies and set up a hierarchy "between sectoral agencies and departments at different levels of government". Although some formal guarantees were untouched, the centralisation of allocation of resources increased to the detriment of local autonomy (Batley,1991:para.6).

Another factor that undermined local autonomy was the lack of definition of the functions of the state and the municipality. On one hand the Constitutions gave states responsibilities for "all matters not denied to them" and municipalities responsibility for administering and supplying the local public services. On the other hand, where those services were neither named nor exclusive functions, federal and state levels could assume control of them or compete with the municipalities to perform them. As a consequence the services could be supplied by one level, by two levels, by all the spheres or not be supplied

at all (Batley,1991:para 7). A damaging effect of the concurrent competence was that it made it difficult for civil society to control the services delivery (Souza,1990:16).

The military attempted to implement a process of rationalization of functions that would be controlled by the federal government's planning and financial teams. Accordingly, the Federal government actions at local level increasingly took up areas related to basic industry, transport, communications and control of credit. In turn, the states took over the control of energy distribution, agriculture and local infrastructure, i.e. water supply and sanitation. Municipalities, within this context, were pushed into areas like social services, basic education, town planning and maintenance functions. Nevertheless, due to the remaining municipal autonomy this rationalization did not go far and, at the end, developed cities still had resources which allowed them to keep their grip on their infrastructural services (Batley,1991:para.8).

Another aspect of this financial weakness was the exchange of favours where the higher levels of government distribute resources and rewards in exchange for local electoral support for political bosses (Batley,1991:para.5).

At the beginning of the New Republic the Constitutional Amendment 25 withdrew the indirect nominations of mayors for capitals, spa resorts and cities of national security interest. The 1988 Constitution set up a two-phase elections system for mayor in cities with population above 200,000 inhabitants. The municipalities acquired autonomy for self-organization but had to follow the state and the federal constitution (Pimenta,1989:130).

The municipal budget has to be available for a 60-day period, every year, to any tax-payer , in order to be analysed and, if necessary, the citizen can question it in accordance with law. With regard to the payment of mayors, vice-mayors and town councillors rules were fixed so that some control can be applied over it if there is a political will to do so. The town councillors acquired inviolability of mandate concerning opinions, words and votes within the municipalities (Pimenta,1989:130).

The 1988 Constitution also allowed room for civil society in the municipal structure by decreeing the participation of representative associations in municipal planning. Proposals for laws that emanate from the civil society and are supported by at least 5% of the electorate must be taken into account. The municipality became responsible for planning and control over urban land (Pimenta,1989:130-131). The Constitution states that each municipality has to issue its organic law (tantamount to municipal constitution), which previously, was the responsibility of states with the exception of three states where the municipalities were already accountable for issuing their own laws. The organic law gives

the municipality the power of self-organization. It is a kind of municipal constitution because it fixes the basic rules for the executive and the legislature's actions. This law has as one of its precepts the cooperation of representative associations in the municipal planning and the popular initiative of projects of law of municipal interest. Any citizen, political party, association or trade union can legitimately denounce irregularities to the federal state and states's accounting tribunes and municipal accounting's councils (Souza,1989a:17,24).

Decentralisation is guaranteed both between the spheres of government and at intra-municipal level where communities' participation in the social areas services is confirmed in an attempt to bring the rulers closer to the ruled (Souza,1989a:22; Baeta,1989:100).

Concerning the municipalities participation in the federal tax collection the Constitution fixed a gradual increase from 20% in 1988 to 22.5% in 1993 (Pimenta,1990:112). To make this possible the federal government distributes 47% of its taxes on income and industrial production which constitutes the Municipal Participation Fund (FPM). The 1988 Constitution asserts that a new legislation has to decide how this fund will be distributed. Meanwhile the state capitals get 10% of this fund and other municipalities received 90%. The capitals earn their part according to their population but weighted inversely to GDP. The other municipalities receive their share according to inversely weighted population. A municipality with a population of more than 150,000 is not considered. Thus, the smaller municipalities earn proportionately more (Batley,1991:para.66). Mello (1990:1) notes that about half of all municipalities depend for between 65 and 95% of their income on FPM. Two thirds of the municipalities of the north-east region depend for 60% of their income on the FPM (Batley,1984:para.62).

The municipalities also have the right to receive a share of some state taxes, e.g. the state value added tax (ICMS) which is based on the circulation of goods, interstate/intermunicipal public transport and (tele)communication services. The municipalities obtain 25% of the amount collected. In turn, 75% out of the municipal share has to be divided according to the value that each municipality generated in terms of ICMS. The other 25% is under control of the state who redistributes it among the municipalities. The ICMS is the most important source of state taxes, the second most important tax is the state tax on vehicle ownership, from which municipalities obtain 50% of the collection in their own territory (Batley,1991:para.64-65; Daniel,1988a:12-13).

The tax reform means that the municipal tax income as a whole will increase from 2.75% to 3.56 of the GNP when this reform is accomplished while the Federal Government

participation will decrease from 6.75% to 5.7% (Souza,1990:57).

There are also assistance programmes to municipalities that are sponsored both by the Union and the state governments. As these are non-constitutional grants they can be used according by the higher levels at the government's discretion, as a consequence they are usually manipulated in order to get political support from the municipalities's political bosses and mayors. However, the 1988 Constitution tends to diminish the federal sphere's power to offer such grants, and accordingly diminishing the municipalities' dependence on them, by reallocating taxes. But states may assume the responsibility for transferring grants and go on using them for their own political purposes. This has happened on many occasions in the past (Batley,1991:paras 67-68).

Amongst the municipal taxes the most important is the Property tax (IPTU). It is charged on the estimated value of urban land and buildings set by the municipality taking into account the local property values, the location and the size of property. This estimated value may undergo monetary correction (Batley,1991:para 57).

Another municipal tax is the Services tax (ISS) that is charged on 100 services nominated by the federal government. Regarding companies the municipality charges "a proportion of the value of actual sales and services, at a flat or progressive rate". A self-employed person is charged on a fixed percentage. Other municipal taxes are the Improvement tax, which is considered a tribute as it comes from certain municipal works and it is envisaged that receipts go on funding similar activities. It is based on an evaluation of who has benefited from improvements in roads, street lighting, drainage, etc. The tax on transfers of real estate (ITBI), a former state tax, that charges "on actual transaction values or on the rateable value of the property" and on inter-vivos transactions; and the tax on sale of liquid and gaseous fuels (IVVC), a former federal tax, that charges a percentage on the sales' value to the final consumer (Batley,1991:paras 58-61).

Municipalities are also allowed to set a fixed fee for an administrative transaction, for instance, annually licensing construction, setting up a new business. They can charge for occupation of markets, kiosks and street vending.

The municipal executive also charges for supplying services, e.g. cleaning, refuse collection, street lighting, public transport, slaughter-houses, cemeteries, recreational facilities. In certain cases, some charges are paid either by fixing a rate to be paid annually (street collection and lighting) or by charging at the time of use (public transport) (Batley,1991:para 62).

The municipalities are careful when it comes to borrowing money due to the

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inflationary situation of the Brazilian economy. Moreover, the existence of federal grants made borrowing levels lower. Credit programmes are, in the majority, limited to state capitals. There is a limit to borrowing, 25% of net revenue for maintaining cash flow. On the other hand, long term-borrowing has several constraints but these do not affect federal lending for housing, water, sewerage and social development programmes (Batley,1991:paras 69-70).

As far as the developed cities are concern the state value added tax (ICMS) and the services tax (ISS) are the most important taxes. They account for 28% and 16.2%, respectively, of 1984 national revenue. The property tax (IPTU) in third place accounts for 13.2%. In the forth place there are fees and charges that account for 9.2%. A basic advantage of these former two taxes is that they float according to inflation (Batley,1991:para 71).

The Municipal Participation Fund (FPM) is the only source of municipal revenue with redistributive features in that it distributes a percentage of federal income and industrial tax to favour smaller municipalities. The problem with this fund is that although it supplies resources to poor municipalities it only helps a small proportion of the poor areas (Batley,1991:para 72).

In sum, the municipalities ended up financially stronger after the 1988 Constitution with an estimated 30% increase in their income as a whole. This means that discussion about allocation of resources became more important. Usually the municipalities apply resources from tributes to the maintenance of administrative apparatus, swelled by clientelism, and use loans for public works augmenting debt. However, the Constitution prevents municipalities for expending more than 65% of current income on personnel as a means to prevent this process (Souza,1989a:20).

Nevertheless, the fact that municipal incomes were increased by transferences through states and Union may reduce the local government's will for collecting its own taxes which may lead to a low level of collection, favouring groups that will tend to dodge payment, mainly the urban property tax, as the municipality may not properly control possible evasion, and thus harm the city (Souza,1989a:26). On the other hand, according to Daniel (1988b:28), the Constitution restrains the capability of the municipalities to tax; and despite the increased municipal share in the whole tax income, this was not enough to deal with the new demands for public works and services emanating from urbanization. The municipalities and states financial dependence on the Federal Government can be shown by their 46 billion dollar debt to Brasilia in 1993 (Branford:1993,p.10).

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This increase in the percentage of federal taxes being transferred to the municipalities is an important attempt to break with centralisation although it is worthwhile noting that not just the percentage but the amount of financial resources should also be considered (Colsing,1986:243).

The economic function of the city, in other words if it is an industry, agricultural or services-economy based city or if it is a capital influences the financial autonomy of the municipality. It means that the most industrialized municipalities tend to receive a large share of the tax resources, accordingly having great financial autonomy and diminishing their dependence on the other spehres of power. On the other hand, the less economically developed cities obtain less tax resources and are more dependent on loans or benefits coming from the superior spheres of power (Daniel,1988b:28).

The 1988 Constitution has not been clear about the division of responsibilities among the three levels of power. The Brazilian experience is characterized, on one hand, by exclusive responsibility where only one level, usually the federal government, is exclusively responsible for the planning and delivery of services; on the other hand, by concurrent powers, where the three levels compete with each other. This can cause delay, duplication of resources or complete lack of provision of these services (Souza,1989a:16). There are cases in which one level does not do its part of the service because of the existence of political rivalries.

Some functions in which there are concurrent powers are health, culture, education, construction of dwellings, basic sanitation and poverty. Both the states and the federal state have common powers on urban and economic development, production and consumption, education. However, the states must follow the norms set by the federal state. Here other conflicts may emerge between the states, that accomplish the tasks, and the municipalities, that legislate upon them by following the Union's norms. The only service under completely control of the states is piped gas (Souza,1989a:17, Batley,1991:para.22).

Urban public transport is the only service that is exclusively under municipal control. The other services considered are pre-school and basic education, health, local historical and cultural patrimony. However, as the Constitution in its article 30 says, in these cases they have "to be performed with the technical and financial cooperation" and "controlling action" of the Union and state (Souza,1989a:17).

Despite this confused situation, Souza (1989a:16-17) gives some options. To begin with, the 1988 Constitution says that complementary legislation has to fix norms for the relationship among the three levels of government. This outlines a degree of administrative

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decentralisation. Secondly, if society organises itself to demand the realization of services in its interest this conflictive context can be partially solved. Moreover, this possibility is supported by the Constitution through the mandate of injunction that can be applied whenever "the lack of a regulating norm makes the exercise of constitutional rights and freedoms not possible" (Article 5). The ordinary legislation is responsible for setting up norms concerning complaints about public service delivery (Souza,1989a:17-18).

From this problem of the institutional division of power arises the debate about the role that the Brazilian municipalities play in the process. It must be observed that the debate about the political importance of local government is basically split between one approach that sees the local government as just an expression of the national state so that institutional division of work would be a kind of wishful thinking, Gottdiener (1987), and the other approach that sees local government as having certain peculiarities which make it a unique sphere as far as the levels of power are concerned, Daniel (1988b) (Souza,1990:58).

My point of view is that the second alternative seems more appropriate to the Brazilian case if we take into account the experiences with neighbourhood associations that emerged at the end of the 50s, the mobilizations of social groups prior to the 1964 dictatorship, the social movements and the new neighbourhood associations that appeared in the late 70s and early 80s and finally local governments' experiences in participative administration that emerged even while the military was still in power. All these seen to give the municipality a unique characteristic as a place in which the citizen can participate or have at least the possibility of defending his/her interest as he/she is closer to the government apparatus.

Following the perspective of the dual state thesis, the levels of power in federal capitalist countries can be divided according to the distribution of responsibilities such as capital accumulation and reproduction of labour force. In general terms it can be said that the Federation and some sectors of the state level are responsible for capital accumulation and some other state agencies and municipalities are responsible for the reproduction of the labour force, such as for example education, health, culture, leisure and sports (Souza,1990:58; Daniel,1988b:30).

But once attention is focused on Brazil we note that all government levels act in both areas, accumulation and reproduction. This is due to the rapid urbanization and industrialization process that took place in Brazil. Although the municipality has limited action in the process of accumulation (road system, traffic, sanitation, use and occupation

of land) its importance is considerable because local government has absolute control upon the use and occupation of urban land and power to decide about which capitalist fractions will benefit or not. However, the 1988 Constitution Tax Reform and the growing social crisis may rearrange the division of responsibilities making the Federation work much more on the accumulation sphere and leaving the states and municipalities with tasks concerning the social crisis (Souza,1990:58). It is within this context that some local governments' experiences in alternative structures of administration have emerged in the recent years.

6.4. MUNICIPAL GOVERNMENTS' EXPERIMENTS IN DEMOCRATIZATION

This trend had already begun in the middle of the political "opening up" process, and more specifically from about 1979. The military regime was beginning to break down and the economy was in crisis. All this created favourable conditions for discussing new models of local government administration. But these discussions were, at that moment, taking place outside the state apparatus. Different social groups had been organized in order to find out how to make the different levels of Government deliver the specific services that these groups really needed and how to stop the Government intruding into their private spheres. Neighbourhood associations together with planning and public policy professionals, trade unions and the Base Ecclesiastical Communities (CEB), linked to the Catholic Church, set out to criticize the authoritarian decision-making process and the social investment that increased the concentration of services and infrastructure in certain groups and areas but left unsolved grave problems that the majority of population had to face (Godim,1988:6 and Oliveira,1981:30).

These popular movements expressed the growing need of individuals to organize for and participate in the local decision-making process. This meant the creation of new channels of participation that went beyond the traditional mechanism of voting for councillors and the mayor (Oliveira,1981:30-31).

On the other hand, at the same time, in the late 70s and early 80s, some municipalities started to apply different methods of organizing their administrative process. One characteristic of these cases was that they were made without any influence from the Federal Government and many times even against it. The most important were Lajes (Santa Catarina), Piracicaba, S.J. da Boa Vista (Sao Paulo), Garanhums (Pernambuco), Toledo (Parana), Boa Esperanca and Vilha Velha (Espirito Santo) (Fischer,1987:25). Most of these cities were governed by the opposition party MDB but some were ruled by the PDS, the

government party, like Boa Esperanca.

Despite the great diversity and discontinuities existing among the experiences it is possible to identify some common aspects. Some of these municipalities sought to break off the relationship with the local dominant classes (capitalist entrepreneurs, landowners) to reduce the links between municipal government and these economic groups. These groups responded by exerting strong pressure through their representatives in the municipal Chamber or/and through the media; sometimes the mayors were even prosecuted. As a means of defence the municipal government had to resort to lawyers and public support. The opposition in the Chamber also arose because municipal governments with popular participation did not apply traditional procedures for obtaining support from the councillors. These had included bribery, favouritism to sectors or places that were important in electoral terms to some councillors and offering public jobs for councillors' relatives (Daniel,1988a:25-26).

The second aspect concerns taxation, allocation of tax income and norms. In terms of taxation these executives attempted to apply redistributive taxation and to combat housing speculation and tax dodging. As for instance, in the case of the IPTU (tax on property) measures were taken to make it a progressive tax so that owners of big and vacant lands had to pay more, to increase the tax according to the value and real valuation of lands, and to charge less to people who paid rent and exempt people with few resources (Daniel,1988a:29).

These municipalities, as regards tax allocation, focused on works and services tied to the reproduction of the labour force and to the needs of small-production companies. They emphasized small projects of direct interest to each district, in a way that the town hall itself could carry out the works. Another aspect was the creation of alternatives to production and administration of works and services that included the voluntary participation of the population, e.g. housing, schools and health centres, culture, leisure and communitarian vegetable garden. This was seen as an important device to meet the needs of families who otherwise could not afford these works and services and as a kind of stimulus for organization of the population (Daniel,1988a:31-35, Ckagnazaroff,1988). Finally, some municipalities tried to allocate resources in favour of poor families by, for instance, transferring resources from less-important areas to more relevant areas in social terms. Attempts were made to set up strategic planning and public services in accordance with public interest (Daniel,1988a:31-35).

The third issue was related to the existing popular participation in these

municipalities. One aspect to be noted was that these governments tried to obtain support not only from the working class but also from salary-earning middle class workers and petit-bourgeois. The aim was to avoid conflicting with these sectors that were liable to be attracted to the dominant class (Daniel,1988a:38-39).

Popular participation had two different forms. One arose from the executive initiatives to stimulate the creation and strengthening of popular movements, which is more the concern of my research, and the other resulted from the social movements themselves which, then, put pressure on the political institutions and directly or indirectly participated in the local government decision-making process. Focusing only on the first type of popular participation two approaches were applied. One where there was localized or sectoral participation and the other where there was participation by the community as a whole in the decisions and control of global activities of the municipal executive such as the budget, public transport, taxation, etc (Daniel,1988a:39-40).

The most common examples of initiatives taken by the executive favouring popular participation were:

I. support for organization of the population by which the executive gave priority to urban districts and rural cores where the population was mobilized;

II. to hand over physical infrastructure to institutions in order to help them develop their autonomy;

III. support for the community's participation in production, administration and control of works and services in the interest of the community by attempting to bring together and organize sectors of the population;

IV. support for educational and cultural programmes that aimed at improving the people's life and favoured the development of communitarian rather than a competitive spirit;

V. support for organized participation of municipal civil servants in discussion about their remuneration (Daniel,1988a:40-42).

The critical point observed in these experiments was that the creation and organization of popular participation, although modifying the level of political consciousness of people, did not lead to any deeper participation and politicization which questioned the system. Politically, the solution for this problem would be to find a formula which combined support for organization with support for popular participation (Daniel,1988a:46-47).

Participation in the municipal executive's global activities (budget, public transport) involved a variety of names and forms for the mechanisms used. With the advance of these

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movements, it appeared that only if they were controlled by people would they be representative and function democratically. The participative experiences had to have as their foundation organizations involved in effective mass mobilization, that in turn implied a certain level of development of the popular's movement.

There were also cases where either the channels of participation were created by the muncipal executive or the heads of the neighbourhood associations were not representative of the community. In these cases the processes became controlled by the executive.

Another conclusion was about the importance of guaranteeing participation in the budgetary decision-making but without making this participation an end in itself. It meant that the budget discussion should go beyond the mere allocation debate and allow for open discussion among the different interests existing in society and through this set up a process of political education (Daniel,1988a:49-50).

As an example of these experiments we can take Vila Velha where the executive implemented an important experience in budget discussion during the period from 1983-1986. Having proposed a participative political programme during the campaign the mayor started to have meetings in each district in order to collect demands from these regions. In 1984, he held an assembly with representatives elected in each district in order to open the discussion about the budget and create the Budget Municipal College (BMC) that would be made out of community-elected representatives. The BMC would be responsible for deciding about the municipal investment in general and about the division of resources among the districts. In sum, each district decided about its priorities and sent them through its representatives to BMC to be analyzed. After that the BMC sent back the information about the investment in each district and in the municipality as a whole. Then, the districts adapted their demands to the resources and sent this information back to the BMC for analyzing and issuing the final document (Bossois,1987:8,9).

More recently, mid 1980s, many capitals implemented the decentralising process by creating regional administrations. Porto Alegre, Sao Paulo, Belo Horizonte, Salvador were among the capitals that have changed their structures. Of course there were differences among them. Porto Alegre was more informal and the other three were reported to be more institutionalized. This move towards decentralisation had nothing to with any kind of generous concession from the public power. In fact, the capitals had became, from the administrative point of view, ungovernable. The main cause behind this was the rapid urbanization in the last 50 years (Fischer,1987:25). According to Lamounier (1989a:131) the percentage of urban population had increased from 31.2%, in 1940 when the total

population was 41.2 million inhabitants, to 67.7%, in 1980 when the population was 119.1 millions inhabitants. During the 1980s urbanization has grown as follows:

TABLE 6.1 - BRAZIL URBAN GROWTH

YEAR	TOTAL POPULATION	URBAN POPULATION	PERCENTAGE
1981	124,068,000	85,040,000	68.5
1982	126,898,000	88,147,000	69.5
1983	129,766,000	91,288,000	70.3
1984	132,659,000	94,451,000	71.2
1985	135,564,000	97,624,000	72.0
1986	138,493,000	100,601,000	72.6
1987	141,452,000	103,614,000	73.3
1988	144,428,000	106,649,000	73.8
1989	147,404,000	109,697,000	74.4

SOURCE: 1990 DEMOGRAPHIC YEARBOOK - UNITED NATIONS - NEW YORK 1992 p. 176

The economic model adopted during the military regime had as its outcome a huge income concentration and an extended process of marginalization of the lower classes who could not enjoy the benefits of their own work (Souza,1980:1). Translated into urban life this meant that the areas with better infra-structure were occupied by the rich economic fractions of society while the majority were obliged to occupy the low-value areas, the so-called suburbs, without adequate public services, very far from the work places and from job opportunities. As the suburbs swelled the demands for services like transport and sanitation increased. At the same time, the municipal structures became less flexible making it more difficult for them to meet the social demands. Then the main features of the municipal governments were, and still are, the inadequate structures, the centralisation of decisions and of the administration of public services delivery, the conflicts between executive and legislative and last but not least, the lack of citizen's participation in the decisions (Fischer,1987:25-26, see also Brasileiro,1987:13-14).

As far as decentralisation is concerned Fischer (1987:32-34) noted that some points have emerged from those initial experiments as follows.

Firstly, the Area Administration (the decentralised unit of the municipal executive) is a locus of tension between the executive and the community. The executive sets the procedures, supplies the resources and controls the actions of the Area Administration (AA). The community "struggles to increase its influence and share of the social benefits that it can get from the government". The management of the Area Administration will be largely determined by strategies of organization and administration adopted in each context.

Secondly, intra-municipal decentralisation has to take into account the municipal

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identity and its municipal autonomy vis-a-vis the other spheres of government.

Thirdly, the creation of other decision-making levels modifies the roles of the executive and the legislature. The executive will be under increasing pressure, with more internal conflicts due to the divison of power. The legislative chamber's traditional role of mediating between community interests and the executive is diminished and accordingly clientelism is diminished. The new roles for the executive and the legislature entail that they have to learn a different kind of political relationship with the community.

Fourthly, even with more resources coming from the tax income reform, demands will increase. The AA becomes responsible for managing scarcity. This demands definition of a criterion for allocating and using resources, as a definition of controlling forms of public resources with community participation.

Fifthly, decentralisation entails delegation to the AA of decision-making power over functions and public services transferred to it. It is necessary to analyze feasibility of decentralising services. The political-administrative division has to coincide with the functional division. In order to have a vertical integration i.e. each Secretariat relating to the sectors of the AAs, there has to be a coordinating organism in the central administration that can be a special Secretariat created form this aim or one of the already existing bodies with enough scope of action to perform such task.

Sixthly, it has to be decided which services can be decentralised. Fischer (1987:33-34) suggests that transport, roads, theatres and museums, central markets and urban planning have a municipal scope. Other functions because of their territorial character such as the management of facilities and equipment, or because of the need for local areas to their planning, execution and control can be transferred to the AAs.

The 1988 municipal election results indicated the progress of the left and centre-left parties in the capitals and in the larger cities. One of the most important aspects of this election was the PT victory in Sao Paulo, Porto Alegre (southern capital) and Vitoria (southeastern capital). In Sao Paulo the PT has implemented a radical plan to improve the existing decentralised structure. The PT approach in each region of Sao Paulo has been to set up a sub-town hall based on the former regional administration (neighbourhood office). The general planning and control of the urban and social development are under the responsibility of municipal secretariats. The sub-town halls acts as a area centre responsible for local service delivery. They also manage their own budget and equipment. They also execute their own projects, programmes and activities and coordinate and develop specific policies in their respective areas. Finally, unlike the experiments of decentralisation, there

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is no hierarchical relation between municipal secretaries and sub-town halls and both are equally subordinated to the mayor. According to the organic law it is expected that the areas will create their own people's council but this still has to be be specified further by the town council (SERA,1990:73,77).

In small and middle size cities one of the PT strategies is to encourage the creation of people's councils as for example in Diadema, an important industrial city in Sao Paulo state. The first time that the PT took the town hall, in 1983, the mayor set up a district council and later in 1984 a budget council was established. Both had their members chosen by assemblies. The district's council did not last long due to conflicts with the town hall and to splits within the PT itself. The budget council had its meetings fixed by the town hall and had no defined structure. The budget council could define the investments but only after analyzing the mayor's proposal. They tried to become institutionalized but the Municipal Chamber did not vote on this issue. The principal problem of this experiment was that both councils were dependent on the Municipal executive and they lacked the resources to have a life of their own (this comes from a document by Diadema's PT).

6.5. CONCLUSION

The aim of this chapter was to characterize the Brazilian municipal structure, to describe its development within the Federal process in this country and to emphasize its importance in the democratization experience. Nowadays the municipality has achieved a degree of political autonomy that has strengthened its role in the construction of democracy. Although its economic autonomy was enlarged the municipality is still dependent, to a certain extent, on the higher levels of power. This aspect makes political autonomy more important than ever. It may mean that the municipal governments may seek different methods of administration in order to make local government more efficient, more responsive to the priorities of the majority of the population and to strengthen its representation. This last aspect may mean the political strengthening of the municipality in relation to other levels of power, and it also may generate changes in political participation within civil society. However, this depends on the political will of the executive to implement change. By shedding light on the functions of the executive (the mayor, his/er Secreatries and administration) and the legislature I hope to understand the role that those municipal bodies can play within alternative forms of local government.

Given that the progressive political parties are the ones that usually implemented

alternative administrative proposals for local government, I will focus, in the next chapter, on the two parties responsible for the cases analyzed by me. One of them is the PSDB (The Brazilian Social Democratic Party), a social democratic party, which in its first municipal elections, in 1988, won the Belo Horizonte town hall and embarked on a process of decentralisation. Belo Horizonte, in Minas Gerais state, is the third largest state capital of Brazil. The second party is the PT (The Workers Party) that governs Ipatinga, an industrial city that is the second rank in State value added tax (ICM)'s collection in Minas Gerais.

CHAPTER 7. THE POLITICAL PARTIES

7.1. INTRODUCTION

This chapter presents the background of the political parties responsible for local government administration in my two case studies. The origin, development and programmes of the Brazilian Social Democratic Party (PSDB) and the Workers Party (PT) are examined. The PSDB was only recently created which explains the lack of information about it. In its origin the PT arose from social movements and trade union struggles, while the PSDB originated from a split within the PMDB (Brazilian Democratic Movement Party) a centre-left party. This is reflected in their programmes, which shows that grass-roots organisation acquired much more importance in the programme of public administration proposed by the PT, a left wing party, than in the PSDB, with its centre-left oriented approach. Both aim at destroying corruption and clientelism within public administration and reforming the State apparatus. It is important to stress that whilst I was doing the first round of my field work (from mid-May to mid-August) the PT was preparing for the December 1991 National Convention that was to resolve ideological problems existing within it and set up a new political and economic project. Some hints of matters to be discussed could be found in newspapers and magazine articles. Basically these issues were concerned with the acknowledgment of the market and private enterprises, the adoption of a less radical approach to political change by stressing the importance of representative democracy and of politics as an arena of struggle for reforms.

7.2. THE BRAZILIAN SOCIAL DEMOCRATIC PARTY (PSDB)

7.2.1. ORIGIN

In contrast to traditional social democratic parties the PSDB did not emerge from the trade union movement. It came from the top, from Congress as a split within the Brazilian Democratic Movement Party (PMDB) in 1988. The PMDB emerged from the 1979 parties reform. It had been the authorised opposition party throughout the dictatorship and succeeded the MDB (Brazilian Democratic Movement 1965-1979); during the transition process it became the principal opposition organization and negotiator with the military government.

Having won the indirect presidential elections in 1985, with Neves and Sarney, as Presidential and Vice Presidential candidates, the PMDB was expected to begin transforming the authoritarian State into a more open structure and struggle against the grave social inequalities brought about by the military government's economic policies. Although Brazil was, at that time, the 8th largest capitalist economy in the world, almost two thirds of its population were living in poverty. Also, as Jaguaribe (1989:14-16) notes, the context in which the negotiated political transition was made affected the following political phase, the so-called New Republic. The New Republic did not have a clear-cut ideology and programme. Neves died and Sarney assumed the presidency.

Neither Sarney nor the PMDB had a coherent political and economic programme to implement although they tried to show a social-democratic profile. As the situation proved to be unbearable a group of centre-left politicians in complete disagreement with Sarney's policies and with the PMDB'relationship with the President left the PMDB. Mainwaring (1988:8 and 28-29) observes that Sarney used the State apparatus to set up his own coalition rather than building up a base through the political parties. He attempted to destroy the PMDB. Part of the PMDB had demanded actions from Sarney which were completly opposed to his interests, e.g. agrarian reform and income redistribution.

The PMDB failed to become a party with a clear-cut programme once it came to power. As Santos (1989:261) says, this kind of party has to have a clear political and economic position. It has to offer proposals, policies, alternatives to society, but, as Mainwaring (1988:8-9) points out, the party had not changed its programme since 1981 when it was controlled by the social democrats. Once in power, the PMDB became a mixture of political groups with corporatist and clientelism-based interests and distanced itself from any serious social-democratic approach. From this background the PSDB emerged.

The group who left the PMDB, basically centre and centre-left politicians, founded the PSDB in June 1988. In the party's Manifesto (Comissao Provisoria,1989:9) the main disagreement with the PMDB and Sarney's presidency is that the Government had not fulfilled its promises of social and economic change, it lacked proposals for solving the economic crisis and moreover, it used the same methods of political influence that the dictatorship governments used e.g. corruption, exchange of favours, and clientelism. Finally, the PSDB considered Sarney's presidency as a continuance of the dictatorship. It also criticized the political parties who did not act in accordance with the electorate's demands by saying that they were not trustworthy.

The Manifesto (Comissao Diretora,1989:9) hints at its origin from the top when it says that the party was born far away from power and from the benefits emanating from its use but close to the "vibration of streets". By using the word "close" the party intended to separate itself from any populist trace but at the same time show that the party had been developed from within another specific group and from the top, i.e. from Congress instead of developing from the social movements and social groups of civil society.

7.2.2. DEVELOPMENT

The PSDB took part in an election for the first time in the 1988 municipal contest. It won in only one state capital, which will be studied in this research, Belo Horizonte, in Minas Gerais, the third city in political and economic importance in Brazil, and in 17 more cities. Its results as a whole were not considered too bad given the fact that it was only created in 1988. In the 1989 presidential elections its candidate won 10% of votes and in the runoff supported Lula from the PT.

7.2.3. PROGRAMME

The following PSDB principles are important to note:
I. to defend democracy against any kind of attempt to return to authoritarianism;
II. to improve the functioning of institutions by popular participation in political decisions and to improve representative democracy;
III. to implement improvement policies for basic public services and to redistribute income to overcome poverty;
IV. to reform public administration and destroy clientelism and ensure efficiency in firms and state organisations;
V. to establish, through democratic procedures, control over public expenditure.

The PSDB's programme (Comissao Diretora,1989:15-17) stresses its plural class character by addressing Brazilians from every class and region. This position is reinforced when the party stresses the possibility of uniting different political tendencies, for instance progressive liberal, christian democrat, social democrat and democratic socialist tendencies.

The party separates itself from the populists by acknowledging the importance of a clear definition of public policy priorities and the stimulation of efficient production. It refutes the authoritarian way of making reforms through a strong State by asserting that

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reforms should be the outcome of freely expressed pressures and from the solutions of conflicts within civil society (Comissao Diretora,1989:17).

Democratic Liberalism is taken into account by the party although, it does not accept the belief in the market's regulatory forces. The PSDB, differs from the conservative liberals as it does not intend to cut the regulatory action of the State whenever it is necessary to increase production and contribute to welfare. In this case State action is seen as being controlled by the civil society instead of being led by the State bureaucracy and/or private interests. Accordingly, they affirm that in their conception of democracy the rationality of the relationship between society's aims and the means available calls for clearer information and broad participation by citizens in the public decision-making processes (Comissao Diretora,1989:17).

Democracy is understood as a basic value and considered as the party's first aim. Thus, the party considers the possibility of alliances with other parties and groups whenever this aim is put at risk. The PSDB characterizes democracy as being participative and pluralist. It implies the participation of the citizen in political decisions, the existence of dialogue among different groups and the possibility of a relationship between different forms of organisations and interests. Decentralisation of political power, autonomy of civil society organisations, the enlargement of channels of information and debate with and consultation with the population are seen as prerequisites for an increasing adoption of new forms of citizenship that, in turn, strengthen representative democratic mechanisms. It means that democracy implies the participation of trade unions, communitarian councils and the various forms of popular organizations (Comisao Diretora,1989:19; Comissao Executiva,1989:11).

The conception of democracy proposed by the PSDB consider that the economic and social context carries the same weight as the political context. In this sense the party asserts that a certain economic standard must exist which allows the full implementation of political rights (Comissao Diretora,1989:21). As a consequence economic growth is seen as an instrument for a better income distribution and for meeting the basic social needs of the population (Comissao Executiva,1989:13). If this idea is to be realized, efforts have to be made with high investment, modern technology and efficient use of resources. All this implies, according to the party, economic competence. Thus, the PSDB values the free initiative and the entrepreneur's action as a factor of development.

The party's programme stresses that the private ownership of the means of production is the base of the Brazilian economy and, therefore, it must be defended as long

as it fulfils its social function and values labour. Nevertheless, the party acknowledges different forms of productive organizations such as the cooperatives (Comissao Diretora,1989:21).

This defence of private property emerged as common characteristic among the European social-democratic parties after the First World War. It expressed the idea that the social democratic policies are dependent upon the profitability of the capitalist companies and upon the willingness of capitalists to play their part in the process. Private companies, with more or less state planning and co-participation of publicly owned companies, would produce the economic surplus. Although the entrepreneur had a guaranteed freedom of action and the conditions within which to produce wealth, he could not entirely control the destination of the surplus. The State would be the organization which had the means (taxation,etc) to do this. At the same time, the State should observe the necessity of reproducing, modernizing and expanding productive processes and of a reasonable profit margin in order to stimulate investment of capital and to reward enterprise. The remaining surplus would be applied, directly or indirectly, in a social programme that assured equal opportunities among the citizens, economic protection to the sectors in need, and a set of policies to reduce social inequalities (Przeworski,1980:56 and Juaguaribe,1989:5).

From this position the party envisages a reformed State that plays an important role in the struggle against social inequalities, in giving direct support to infra-structure activities and economic innovation. However, the party sees the State as subordinate to a participative civil society (Comissao Executiva,1989:13). This means, in turn, that the reform of the State must be linked to a change in the relationship between it and the civil society. The PSDB considers this issue as a vital element to promote social justice and to increase citizenship. This change implies the need to replace the traditional practices existing within public administration based on giving privileges to entrepreneurial, corporatist groups or some social sectors, which it calls "cartorialismo" (Comissao Executiva,1989:48).

The PSDB thinks that one way of tackling this problem is to set up institutional mechanisms that ensure a democratic administration by creating channels for direct participation of citizens, by modernizing the administration and by establishing control mechanisms over public resource allocation. The party proposes the creation of deliberative and consultative councils with public representatives who are served or affected by the sectoral policies from the government (Comissao Executiva,1989:48).

Another proposal of the party is the institutionalization of participation of users'

representatives in boards that control the public organisations responsible for the public service, for instance public transport, electricity, etc and in administration councils of private or state concessionaire companies (Comissao Executiva,1989:48).

Privatisation of the State's productive sector, as a means of reform, is justified when the public resources are to be used for development and security of country and investment in social programmes or where companies can be better managed by the private sector, in areas that are no more vital or important for development (Comissao Executiva,1989:50).

Decentralisation has an important function within the State's reform as proposed by the PSDB. It is seen as an instrument to bring the government's actions nearer to the users so that the users can have increasing control over the government. According to the party, the closer the discussion about the State is to local power, the more important and necessary is decentralisation. In this sense the PSDB supports the municipalization of public services, in other words to transfer to the municipality's control of the basic services. Moreover, decentralisation is regarded as the beginning of the process of setting up a participative-representative democracy. The PSDB suggests as a municipal decentralisation mechanism the creation of councils of representatives elected by the population that would participate in the process of local planning and the control of the municipal administration (Comissao Executiva,1989:48-49). This would be a structure parallel to the Municipal Chamber and its vereadores (the town councillors). In this case the inhabitants of areas in which the city would be divided would vote for their representatives.

7.3. THE WORKERS PARTY

7.3.1. ORIGIN

The emergence of the PT is identified with the trade union's struggle against the military wage policies of the late 70s. The military regime had started its process of political liberalization but at the same time it had been giving signals of weakness as the economic crisis worsened. The world recession and oil price rise together with increasing mobilization of social movements against the dictatorship was the background against which the PT emerged (Sader,1987:96-97).

From 1978 to 1980 the Sao Paulo metalworkers, having Lula as their leader, went on strikes demanding changes in the union's structure, new forms of negotiation and a new system of labour relations, as well as wage increases. Despite the increasing repression,

these movements resulted in a growing politicization of workers, which was translated into a more intense labour mobilization and attracted the solidarity of other groups of civil society and the Catholic Church, and resulted in two important conclusions. First, companies were not to be trusted as they broke their promise of not firing returning strikers. Second, due to the lack of political support from the opposition party the workers should only rely on themselves if something was to be achieved (Meneguello,1989:48; Sader and Silverstein,1991:42-46).

Those strikes meant the strengthening of a tendency within trade unionism, the so-called new unionism that had appeared in 1973 being known then as the "authentic" fraction of the unionist movement. During the 1979 and 1980 strikes that spread to other regions and professional categories, the new unionism acquired a status of political force as those strikes combined demands for changes in the labour relations system with demands for democratization of the political system. As a result those mobilizations affected other social groups that had as a common aspect an anti-authoritarian stand. Other professional bodies, basically from the service sector, joined the industrial workers giving a basis to the so-called middle-class unionism (Meneguello,1989:45-46).

However the new unionism's principal issues had not undergone any institutional change, and the diversity of organizational levels and demands also helped to demobilize the movement. The new unionism had to find a new strategy to overcome the authoritarian labourist structures and at the same time keep its political support gained by its more general demands (Meneguello,1989:48).

The new unionism's strategy was to enter the national political arena as an independent political force having as a central platform citizenship, understood as conquest of social and political rights. In fact what had happened was that the trade union as the principal instrument for workers political and social emancipation became exhausted. It was necessary to move from the union arena to the political arena. This process happened at the same time as the government was reforming the party system as a counteraction against the increasing mobilization of civil society. The establishment of the pluri-party system and the extension of the new unionism's mobilization set the context for a proposal of participation in the political system that embraced the diversity of social sectors and the broad demands, in other words a proposal of a political party (Meneguello,1989:55-56).

Since 1978 some trade-union leaders, basically from the new unionism in the southeastern and southern parts of the country, had been discussing the formation of a party. On the other hand, some politicians from the MDB and intellectuals were voicing

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the idea of a strong opposition party. After the 1979 party reform the discussions aimed at finding a formula to attract a good deal of MDB partisans to the new unionism proposal and giving the discussions among the intellectuals took a concrete shape (Meneguello,1989:56-57).

Basically five groups took part in the formation process of the PT. First of all the trade unionists, mainly from the south and southeast parts, but basically from Sao Paulo. Sao Paulo housed the most important industries in the country and most of the principal union leaders from the new unionism. Among them, it is important to note the figure of Luis Inacio "Lula" da Silva who was the key actor in the process of unification of proposals and political agents into the PT (Meneguello,1989:58-59).

Within this group the discussion about the feasibility of a workers party started after the 1978 strikes. The unions realized that they could not count on the MDB as it was a party with different ideological positions within it and its left wing members did not give them strong support (with the exception of a dozen of them). Another factor behind the debate was the acknowledgement that economic and political action are inter-related. According to Lula it was useless to obtain a pay rise if the workers could not influence the wage policy. However, Lula and some other leaders who wanted the formation of a party were still in a minority within the new unionism.

In 1979, the Ninth Congress of Metalworkers, Mechanics and Electricians in Sao Paulo decided to support the idea of creating a party. Nevertheless, a substantial minority had voted against it but the proposal went ahead. On February 1980 the Worker's Party(PT) was officially created. At that time the party had just 300 activists. The founding document asserted that the party would be the political channel of those who were exploited by the capitalist system. According to Lula the party had emerged not from any marxist theory but from practice (Sader and Silverstein,1991:48-50).

However, his claim coincides with Marx and Engels's belief that the working class was capable of self-emancipation. They declined the view, supported by the German Social-Democratic Workers' Party, that the workers were unable to liberate themselves by their own actions and therefore they had to be under the guidance of educated and propertied bourgeois, who knew what was good for the working class. This belief was expressed through the dual role that Marx and Engels ascribed to the trade unions in the process of the emancipation of working class. The trade unions had, according to them, at the same time to fight to improve the work conditions within Capitalism and at the same time to be means of struggle in the process of superseding the capitalist system itself. This stressed

the fact that Marx and Engels saw trade unions, in political terms, as important as the party. They did not regard the party as the main vehicle of political expression of workers. Marx was ambiguous about the party and his only one definite prescription was that the party was not supposed to be isolated from the workers and made out of "professional conspirators". Whatever the case, Marx had emphasized the role of the working class in its own emancipation and was less concerned than were later Marxists with the position of the party vis-a-vis the trade unions in the process of workers's emancipation (Miliband,1990:119-120,131-132).

The intellectuals and politicians were two other groups who had participated in meetings to discuss about a workers' party during the period from 1977 to 1979. They intended to create a european-like socialist party. The idea was to put together the new unionism movement with the PMDB leftwing fraction. However, in discussions with the unionists a split emerged between those who wanted to make the party act in accordance with a pre-arranged model of a political party and to concentrate efforts on parliamentary actions and those who opted for acting together with the social and unionist movements and to build up a project of democratization from the bottom to the top. The first group decided to remain in the PMDB and the second one preferred to support the formation proposal of the PT. According to the PT's followers (petistas) the parliamentary way could mean the non-participation of those in the political base. This concern reflected one of the political-pedagogic principles of the group around the PT that asserted that it was necessary to bring the workers into discussions about politics, to develop the workers' critical consciousness and at same time to work in the workers' organizations (Gadotti e Pereira,1989:26-27).

Another group was made up of left wing groups that approached the union movement during the discussions about the PT causing disagreement about the kind of party the PT should be. Most of these groups were underground organizations that emerged in the late 60s and early 70s. Their approach was basically due to the fact that the PT gave them legal political space in which to act.

A common characteristic of these groups was that they had well defined political guidelines and a strong tendency to stick to their principles and ideas. Some of them named themselves as Trotskists and others as Maoists. Their main instrument of action was through the so-called alternative press which played an important role in organizing the union and the PT's movements (Meneguello,1989:62-63).

The social movements were the other element participating in the PT's formation. During the 60s Brazilian society underwent an economic infra-structural change and a rapid

proletariazation process. In the 70s the political arena witnessed an impressive surge of unionist and social movements caused by the political opening process, after a ten-year period of authoritarianism, with very limited pluralism and weak political institutions. These movements were, in part, a reaction against the urban professional re-structuring and the consequent impoverishment of the middle class, the urban growth process, the increasing number of shanty towns and the degradation of living conditions. Part of these movements constituted the new and the middle class unionism. The other movements emerged out of popular sectors struggles for a better standard of living and for democratization of the State. The social movements, in general, sought their own identity, independent from the traditional political organizations, by building up autonomous organizations from the base. In this way, they acquired a broad political importance exercising the role of alternative representatives of interests acting alongside the parties and trade unions (Meneguello,1989:28-29).

An important component of this process was the Catholic Church which played a vital role in rousing and supporting the Ecclesiastical Base Communities. A factor that might have been an important stimulus was that within the Church there already was an idea of creating a kind of Christian Workers Party. This idea reflected the progressive tendency that some sectors of the National Conference of Brazilian Bishops(CNBB) envisaged through the Theology of freedom (Meneguello,1989:30,64).

Despite the autonomous character of the social movements it became important for them to make use of the parties since the 1979 party system reform implemented by the military regime turned out to be the only answer from the government to demands from civil society for democratization. Accordingly, some movements joined the PMDB and others the PT (Meneguello,1989:30). It meant that the social movements by themselves would not end up as strong opponents to the regime. On the other hand, the alternative of joining a party meant that their struggles had more chance of being successful and their organizations received more support. However, in many cases, these movements would be engulfed by the parties and consequently lose their representativeness and in some cases wither away.

7.3.2. DEVELOPMENT

The novelty of the PT, in Brazilian history, was that it was the first mass party which originated outside the Parliament, with a societal character and a defined form of

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workers' participation in the political system. Also, the PT was the only party that set up linkages between social demands and the political institutional arena, seeking a new relationship between society and State. By doing this the PT introduced new issues in the political debate, re-shaping the conflict among existing forces. In this specific issue there is some resemblance between the PT and the European parties that emerged in the late 70s and early 80s, as for example the German Green Party. Both experiences arose in a more general re-organizing process of capitalist societies' political systems and both organizations basically acted oriented by their political bases, changing the nature of political conflict by mobilizing non-institutional sectors of the opposition with new proposals to be debated and implemented (Meneguello,1989:36 and 104-105).

The new unionism seemed to be a great influence upon the PT's initial proposal. Firstly, from the unionists' experience of being left out of the institutional political sphere the party developed the idea of re-organizing the political system so that the previously marginalized social actors could participate through an autonomous organization. This idea concerned a specific agent, the working class. It meant that the PT's proposal was strongly influenced by a class analysis. However this classism was ambiguous. It was not clear if the party only took into account the industrial workers or the wage workers as a whole (Meneguello,1989:107). It is important to note that another problem in this approach was that it turned out to be reductionist in terms of understanding the society. It did not consider the complex Brazilian reality with its different forces and contradictions. Instead it replaced this reality with a dualistic view based on the conflict between workers and bourgeoise (Sader,1987:97).

In the PT's launching project the social conflicts and inequalities were seen as outcomes of the elitist and authoritarian policies, and they could be solved only by working class organization and participation. In this sense the proposal for workers political participation included not only the task of organizing interests but went further towards the idea of government and administration. Accordingly, the traditional idea of Politics, as an elite phenomenon, was replaced by the view that the popular sectors could also participate in the administrative arena. In accordance with the PT view this kind of participation did not require an intellectual background (Meneguello,1989:108).

Secondly, the new unionism, with its experience in organizing and mobilizing the trade unions, transferred to the PT a kind of democratic ideology based on grassroots democracy and on plebiscite. This was translated into a specific notion of political representation and popular government. This notion was the PT's answer to an important

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problem of participative democracy; the conflict between direct and representative democracy. For this purpose the PT, at the level of partisan-political representation, sought to implement the organic representation form. In this kind of representation the representatives must emerge from the same profession as those they are representing. Accordingly, as this representation is characterized both by the sociological resemblance between representative and represented and by the expression of specific interests, it moves towards a strong-bond-mandate, so-called imperative mandate. The implementation of democracy in the PT's scheme would be seen as a mechanism to prepare the workers to administer society (Meneguello,1989:109,111).

From this mandate principle, the maximizing of political participation of the PT's bases was considered an outcome of a representation which was loyal to the interests of those it represented. On the other hand, at the level of participation in the public administration decision-making process, the maximizing of political participation of bases would be made possible through a project of popular government. Here, the mechanism of increased individual participation in political decision-making was based on direct democracy, what the PT'speech called "form of democratization of public services" (Meneguello,1989:109).

This process should start from the municipalities. In each ward the inhabitants would vote for People's Council representatives, who would participate in the town hall decision-making process and control the town council. In turn, the idea of democracy, expressed by the PT, was one that understood a democratic society as that in which the suppression of the gap between society and the State had been achieved. In this case democratization meant to create new forms of organization and mechanisms of representation so that the majority of the population could in fact rule the country. The democratic state implied the existence of grassroots democratic structures, like neighbourhood commissions, factory commissions, etc (Meneguello,1989:110).

The PT's discourse about a democratic and socialist society was unclear and simplified at that time. In this society there would not be exploited and exploiters, and the basic requirement was the socialization of private property. However as the PT began to participate in the electoral process it started defining more precisely its own specific characteristics. This also was an attempt by the party to differentiate its proposal from other parties (Meneguello,1989:111-112).

In the 1982 state and congressional elections the PT presented itself as a novelty in relation to the other parties and to the dictatorship by stressing its class origins and the

possibility of change through workers' democracy. Some aspects of organic representation are noticeable at this point, for example, one of its slogans said that "worker votes for worker". On the other hand this class approach, expressed with a strong ideological character, displeased many of its own would-be voters. In this sense the electoral option for the PT seemed based on a class conflict view of society in which the worker clashes with the businessman (Meneguello,1989:114-118).

The PT also sought to overcome the view that participation in politics and in public administration requires an educated background. The party aimed at justifying the inclusion of workers in the public administration by asserting that due to his/her working skills the worker was able to perform the administrative tasks of public institutions. However, the PT created other dichotomies between those who were educated at university and workers or non-educated people. Some intellectuals ran for office with the PT, although most of the PT's candidates come from the working class and the social movements (Meneguello,1989:118-119).

The PT thought of elections as a limited struggle that might change the control of the municipal and state governments but without affecting the decision-making centres (Sader and Silverstein,1991:79).

The PT's results in the 1982 elections were grim. In Sao Paulo the PT won in only one industrial city, Diadema, and Lula got 10% of the statewide vote for governor. At the national level, with 3.1% of votes, the party did not reach the level required for registration. The majority of votes, 71.3%, came from Sao Paulo (Sader and Silverstein,1991:81-82). The cause of its failure was the strong class approach of the PT which made it difficult for the middle class to vote for it (Meneguello,1989:195).

The 1982 defeat showed the PT that it had to re-evaluate its strategy if it wanted to widen its electoral support. Accordingly, in 1983 the PT issued political guidelines that stressed the importance of attracting social sectors that were still distrustful of the PT's actions, mainly the urban middle class. Moreover, the PT had to regain some sympathizers that it had lost during the campaign (Meneguello,1985:198).

The party underwent an internal re-organization, with the "Articulacao" list (representative of the trade unions and Lula's tendency) defeating the more radical groups in the elections for the party state directory in Sao Paulo. Also the party set up guidelines for its actions in agreement with the labour movement, especially with the Central Workers Union (CUT), a workers confederation. By doing this the party sought to stress its linkage with social movements thereby widening its public appeal (Meneguello,1989:198).

With the nation wide campaign for direct presidential elections, in which the PT played an important role, the party had the opportunity to broaden its political base. At the end of that mobilization the PT managed to enlarge its class-based image by adding to it the role of a fighter for democracy. However, the government defeated the opposition amendment that would set up direct elections for the presidency in 1985 (Sader and Silverstein,1991:82-83).

The party's determination to keep its new image isolated it from the institutional political arena during the congressional mobilization for the 1985 indirect presidential elections in the Electoral College. The PT had refused to participate in this process by saying, basically, that the people's right to vote on the Republic's president had been violated (Sader and Silverstein,1991:83 and Meneguello,1989:199).

The refusal to participate in the Electoral College together with a critique pointing out the limits of the coming conservative transition, constituted the party'strategy for the 1986 general election. The party presented itself as the legitimate opposition to the regime. However, three federal deputies voted in the Electoral College and were expelled negatively affecting the party's institutional action (Meneguello,1989:199).

In the 1985 mayoral elections this strategy started to be applied by the PT re-casting itself as the alternative governmental power. The new way of presenting its image reflected a socialist political project of building up a mass party by unifying broad social interests. Some radical factions in the party were initially against this approach but their views were not dominant in the party (Meneguello,1989:199-200).

As a result of this change the party lessened the radical content of its programme but at the same time it broadened its electoral appeal. It increased its electoral support in different social sectors in Sao Paulo city and won the town hall of Fortaleza, a northeastern state capital, defeating the oligarchies of the Ceara state. This was considered the most important electoral phenomenon in this election (Meneguello,1989:199-200).

For the 1986 elections the PT went on using the image of a mass party and stressing its institutional role in the coming Constitutional Assembly. Its campaign focused on criticizing the PMDB and the New Republic. Due to its institutional strategy the PT's list, in Sao Paulo, did not have a majority of trade unionists, although Lula was the federal deputy who received most votes in Brazil (Meneguello,1989:200-201 and Sader and Silverstein,1991:88).

The 1986 election results showed that the PT had increased its electoral support (the PT's votes, from 1982 to 1986 increased from 3% to 7% of overall votes cast). This

increase did not fulfill expectations. The PT had to face up the fact that the majority of the population had not had their basic social and economic needs properly met by Brazilian capitalism which was characterized by an increasing concentration of wealth and an increasing impoverishement of the middle and working classes. There was a lack of provision of education, health, housing. Intermittent employment undermined the ability of these groups to develop political organization, consciousness and collective action. Another factor preventing PT's growth was the media control upon the flow of information (Sader and Silverstein,1991:89).

During the period of 1987 and part of 1988 the PT concentrated efforts on the Constitutional Assembly. Its action focused on the workers' rights, land reform and democratization of the State (Meneguello,1989:201).

Meanwhile the economic crisis deepened with inflation undermining the purchasing power of the salaried classes. Strikes were called by unions linked to the CUT, but they faced violent repression from the Army. The PT supported those strikes and movements by using its time on TV and radio for political propaganda criticizing the repression and supporting the strikes. This happened in the months that preceded the 1988 municipal elections (Sader and Silverstein,1991:97) and enabled the PT to put forward its political programm to society (Meneguello,1989:201).

The good results that the PT obtained in the 1988 elections were due to two reasons. One was the coherence in its practice whilst struggling for a democratic programme and the other was the feeling of revolt by the population against the state and federal government. The PT won in three state capitals, Sao Paulo, Porto Alegre and in Vitoria and in 33 more municipalities. Among them, important industrial locations like Diadema in Sao Paulo state, and Ipatinga, in Minas Gerais state, one of the first cities to be ruled by the PT in this state. My case study concentrates on Ipatinga where the party started to implement some of its ideas of public administration. These victories were seen as an important step towards consolidating the party as a mass organization, a partisan and popular government with new proposals for public administration (Meneguello,1989:202).

The PT, soon after assuming power, faced new problems. First of all, the new mayors had difficulties administering the cities they ruled as the party had not laid down a strategy for governing. Secondly, the federal and state government lacked resources to implement social policies. Thirdly, the PT's classism conflicted with the public characteristic of municipal administrations (Sader and Silverstein,1991:99). Sao Paulo was a good example of this issue. At the beginnig of the 1988 mayoral campaign Luiza

Erundina's proposal for the municipal administration said that the city's regional administrations would work as "dual power", as a mechanism of direct democracy. As the campaign developed this issue was given much less emphasis and after assuming power the mayor adopted a moderate policy oriented to the public sphere. In her first year in office the municipal civil servants went on strike. They were led by CUT (Central Workers Union) linked to the PT. If the workers demands were met they would absorb from 66 to 100% of the municipal budget. Erundina, at the same time as acknowledging that the workers demands were justified peacefully opposed the strikes and tried to mantain the basic public services througout the stoppage (Sader and Silverstein,1899:99 and 108).

Having in mind the 1989 presidential elections, the first direct presidential elections after the dictatorship, the PT knew that one of its more important political electoral instruments were the municipalities that it had won. As an intellectual party member put it, within this context the PT-ruled municipalities had their profile increased as the party was about to start its great experience in public administration. The party understood that its municipal experience would became a necessary and indispensable step towards ruling the country (Weffort,1988:3).

In the 1989 presidential elections, in a two-round system, Lula got the second place losing by a difference of 4 million votes, in other words 3% of votes. Just after the elections the party entered into a phase of disruption that it has been recovering from ever since (Sader and Silverstein,1991:142). However, as Cammack (1991:57-58) points out, the presidential elections results meant that the PT together with the PDT (Labour Democratic Party), controls the left leadership in the country. The difference lies in the fact that while the latter bases its political action and strength on the personality of its leader figure, Brizola, and on clientelism, the PT, with its experience of linking representative democracy in with grass-roots organizations and social movements, represents the strongest possibility of political and social change.

Having given a summarized account of the PT's origin and development in the previous parts the next section will focus on how its programme deals with the State, the public administration and their relationship with democracy.

7.3.3. PROGRAMME

Since 1980 the PT has released important documents, for instance its Manifesto, in 1980, the "PT's Political Project" issued by the National Executive Commission in 1983,

and its programme that had been planned in 1980 but was approved and made official in 1986 (Gadotti e Pereira,1989:23,52-58,123-124 and 126-127). However these documents did not explore in detail the PT's view of democracy, socialism, how the State would work, and how to deal with the opponents once the PT got into power. In other words it had not set up a political project of its own. I intend to consider in detail the document released by the Fifth National Party Conference, in December 1987.

The 1987 Fifth National Party Conference document addressed socialism as the party's strategic objective. The struggle for socialism was divided in two different, but linked, strategies. The first concerned the seizing of power. It said that to overcome capitalism and begin to set up a socialist society the workers had to become the hegemonic and dominant class in the State. At the beginning whilst the building-up of socialism was seen as based on workers' forms of struggle and organization, many of the socialist economic, social and political organizational forms would come from experiences stemming from the class struggle against capitalism, i.e. the factory commission, a kind of mechanism of workers' control within the factories, and organizations of popular control of neighbourhoods. These organizations should be used as schools of political education and self-organization of workers that would help them to conquer power and construct a new society. In this sense the party distinguished two kinds of action. One kind would be based on the existing context and would make workers aware of the necessity of taking political power. The second action, once the workers were conscious of that necessity, was concerned with the immediate conquest of power. In this way, reform and revolution were not considered antagonistic tactics of struggle for socialism. In accordance with the party both tactics could be combined emphasizing one or another according to the political situation. However, reform, in this view, should not be an end in itself. The role of reform was to show the working classes that the consolidation of reforms was only possible when the workers set up their own power (Gadotti e Pereira,1989:132-133).

An important issue to be addressed was political alliances. The party had to overcome the workerism inherent in its dualistic approach to social class, because this did not distinguish the contradictions within the bourgeoisie class.

The second strategy concerned the building of socialism. However, Sader and Siverstein (1989:94) note that the document was not clear about the means of setting up the socialist society. Statization, socialization or collectivization of large agro-industrial cooperatives, commercial, industrial and banking companies were considered as steps toward a new society. The state should evaluate its capacity to meet the social needs and

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adopt an economic policy according to that capacity. The party did not propose a wholesale nationalization of the economy. A degree of private ownership was envisaged by the party in small businesses and small farms (Sader and Silverstein,1991:95).

The PT also had to acknowledge that different political positions and demands existed during the process of building socialism. Democracy, in this sense, became an element of revolution and not a concession to it. Within this view, Brazilian civil society was considered to have developed some organizations that were able to influence to a certain extent state policies. It meant that the State was incapable of isolating itself from society as it depended on popular classes to supply it with workers to keep the State machine working. Accordingly, the State was seen as housing in itself different groups of interests, as the civil society also did (Gadotti e Pereira,1989:136-137).

The PT rejected the bureaucratic socialist view based on a one-party system. For the party the construction of socialism would imply the existence of different parties and civil society organisations and the relationship between those organisations and the socialist power would not be one of cooperation and participation only but also of opposition. This meant that the party, once in power, had to set up alliances with certain sectors of society and engage in political confrontation whilst at the same time, negotiating with the opposite side. The party foresaw that the most important problems would emerge from the relationship between the base's mechanisms of participation and consultation (factory's commission and neighbourhood's associations) with the mechanisms of participation and consultation at the intermediate and top levels of power (municipal,state and federal level) (Gadotti e Pereira,1989:137-138). This leads us to the party's proposal for public administration.

In May 1989, at the Fourth Municipal Meeting of the Sao Paulo PT, the party issued a document in which the basic characteristics of a PT administration were outlined. To begin with, the administration should create an instrument through which the population could understand the capacity and limits of the town hall and the State and became aware of the necessity of a new kind of establishment. In this sense, the administrative machine lost its image of neutrality, of having a broad and general feature, that the bourgeoisie tried to impose on it. To administer in accordance with workers demands meant to frustrate and generate conflicts with powerful interests groups (Gadotti e Pereira,1989:288).

In order to fight the capitalist interests, the party asserts that it would be necessary to rely on social movements. Actions on three fronts was proposed. Firstly, the PT municipal government should clearly define which dominant sectors would be affected by

its policies and seek to establish an alliance against them. Secondly, the PT needed to fight corruption knowing that any delay in this action would have a negative impact on the administration. Thirdly, it was necessary to build channels of mass communication and of participation as the administration's strength would be based on the population, specifically the organized sectors and the social movements (Gadotti e Pereira,1989:288).

According to the document the PT's administrations should have as their main tactical objective the defeat of the right wing parties and to popularise its own proposals. This was understood as a pre-requisite of a democratic and popular government. As a consequence, the success of the administration was, therefore, dependent on PT's commitment to meeting the needs of ordinary people. An important factor to achieve success was the creation of a link between the party's political definitions and the administrations' policies (Gadotti e Pereira,1989:289).

The party had an important role to play in this process, according to the document. It had to set up the political practices guideline to be applied, and analyze if the administrative and technical methods used by the administration were the best ones. On the other hand, the party had to organize and support the demands of the populations. The party's political intervention should not be subordinate to the economic and institutional limits of any administration. Those same limits should became the targets of its political actions. Finally,the party had to explain to the population about these matters, having in mind the construction of a new society (Gadotti e Pereira,1989:289).

The document observes that the PT should not seek the solution of municipal problems exclusively within the municipal sphere. When necessary it had to re-direct public opinion towards a solution by questioning the state and/or the Federal government and, at the same time, guiding the administration's actions in this direction. The document recognizes that tensions might arise between the party and the administrations. However, it asserts that these tensions could become a positive element if both administrations and the party politicized their relationship by creating co-responsibility ties between the PT's partisans in the administration and in the party's organizations (Gadotti e Pereira,1989:289).

The fact that the party was responsible for the political direction of the municipal executive did not mean that it had to interfere in all administrative decisions. Instead, it meant that for the party there was nothing like a pure technical administrative action. Those actions might have political consequences and, therefore party intervention was considered decisive (Gadotti e Pereira,1989:291).

This 1989 document stressed that if the PT's government platforms were to be

successfully implemented the constitution and mechanisms of popular representation and participation had to be stimulated by the party, as for instance the People's Councils (Gadotti e Pereira,1989:290).

Using its own experience, it distinguished People's Councils from the institutional channels of people's participation. The former were seen as autonomous organizations, independent of State and of the administrative machine, and stemming from the social movements and from the civil society as a whole. The latter were mechanisms created by the administration in order to democratize the municipal government structure, as for instance the councils of health, commissions of civil servants,etc (Gadotti e Pereira,1989:291).

The popular councils were understood as a broad organization of workers that struggle for their interests. They should have a unitarian form and democratic working. It meant that all those who were concerned about a particular area, regardless of religion, political ideology, etc, could participate and that its procedures would be based on direct participation of the people and on respect for the pluralism of opinion. The party should support the establishment of a council organization and then seek to conquer and mantain hegemony within these organizations by combating other political tendencies existing within them (Gadotti e Pereira,1989:291).

According to the same 1989 document although the creation of popular councils did not directly concern the administration, it did not mean that the administration was exempt from responsibilities. On the contrary, as the administration had received a popular mandate it had to introduce a mechanism by which the administration accounted for its actions to the councils. The People's Councils should be the channels for the people discussing and making proposals about the PT's problems and, on the other hand, the administration should recognize the councils as superior instruments of popular demands (Gadotti e Pereira,1989:291).

The People's Councils should incorporate and unify the leadership and the organized sectors of population that participated in other popular organizations. It should also broaden the level of participation by bringing new sectors and/or attracting non-organized sectors to the political arena, and be as close as possible to their respective neighbourhood (Gadotti e Pereira,1989:292).

The party considered that the People's Councils working was dependent on how well constituted they were, on their own representativeness and on the more general political context. The People's Council was expected to deal with different subjects and be

a deliberative body (Gadotti e Pereira,1989:292).

Some points have emerged from the PT's experiences in the municipal executive. First of all, the PT faces problems between itself and some of its town halls. Some mayors left the party, as in Fortaleza, which the party had won in 1985, and Campinas, an important Sao Paulo state city,that it won in 1988. The relationship between the party and the municipal executives run by the PT is still unresolved. Some party member activists have difficulties in identifying themselves with the administrations and, on the other hand, the mayors feel under pressure that they have been rejected by the party. The boundary between the party, that has to establish the general political guidelines, and the administration, that is responsible for daily actions, is obscure. A question arises from within the party: how could the party have their guidelines concerning public policies ready when only now are they being experienced ? The way out is, they say, to think of the contradictions that exist in this crisis (Daniel,1991:18) which takes to the second point.

These contradictions are twofold. Firstly, the PT was born from the social movements that emerged during the dictatorship. These movements adopted an approach in which the State was not considered as an interlocutor in the political arena. As a consequence of this, a strong distrust of the State arose within the party. This feeling is fuelled by a minority in the party that reject the occupation of institutional space within capitalism unless it is to destroy it from within (Daniel,1991:18). As an outcome radical demands are made towards the town hall creating, in turn, grave conflicts between party and administration that, in turn, tends to be seen as working against the working class interests. Secondly, the administration is not able to meet fully the rights demanded by those same social movements. In a society like Brazil, the extent of these rights clash with the administration's lack of resources to absorb them, specially in an immediate way. In turn, the fact that the party does not have a conception of administration makes that contradiction appear as a crisis whenever a social struggle involves a PT's administration (Daniel,1991:18).

A possible way out for the PT, according to Daniel (1991:18-19), is a proposal that rejects both the capitalist (both the neoliberal and the social-democratic options) and the statist approach of the so-called "real socialism", whereby democracy is seen as a strategic value. Thus, two main actions have to be considered. First, to break with economic groups in order to have more freedom to redefine investments and establish norms to the municipal public power. Second, to consider citizen's participation as a essential component of change. However, it has to be taken into account the level of organization and

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consciousness of the social movements and what role citizen's participation plays in the process of changing the relationship between municipal executive and society.

Having presented the PT's programme for public administration I hope to complement the discussion of the PT's point of view concerning People's Council in the chapter on People's Councils.

7.4. CONCLUSION

This chapter has sought to describe the two political parties that were governing the municipal executives studied. What is important to stress here is their completely different origins even though it is possible to find some similarities in their proposals of government. Nevertheless, the PT has a more radical approach to local government than the PSDB, which creates problems for its own administrations as recognized by some of its partisans. Despite the fact that both parties consider the people's council as a mechanism of public administration only the PT has been experimenting with it and not without problems, as for instance how it should be created and by whom. The role of the municipal executive remains unclear, as do the relationships between party and municipal executive, and municipal executive and social movements.

The next chapter intends to present the cases studied characterizing the cities in order to set the scene for the data analysis.

CHAPTER 8. METHODOLOGY

8.1. INTRODUCTION

In order to explain the methodology used in these case studies, it is important to recall the aim of this research. This research aims at making a comparative analysis of two municipal governments that were applying two different forms of administration as a means of democratization, one based on decentralisation and the other on Municipal and Area budget councils, by looking for the problems that arise when these forms of administration are implemented.

Before dealing with the Cases Studies I have to address the contextual feature of my thesis. I gave attention to the Brazilian context so that I could provide information concerning Brazilian political and economic processes and local government. By doing this I aimed at giving a background to the cases studied and to my own analysis. A criticism that could be made in taking this option is that there would be a risk of the thesis becoming a mainly historical work. However, as Smith et al. (1988:99) stress, both researcher and object of research are enshrined in History. In other words what happens is informed by what has happened before. From the organizational perspective it means that the actions of management can be related to a "behavior developed over time" or to a pattern of performance established in the past. These authors also highlight the need to take into account the historical and contextual features of the organizational change. Context is not given. Management action is oriented by determined interests, objectives and perspectives which rule out any trace of neutrality and it takes places within specific social, economic and political structures (Smith et al.,1988:100).

From the information received from Brazil the Ipatinga experience appeared initially to be based on decentralisation but on closer examination in fact they were implementing a different structure based on municipal and area people's councils. The documents about this experience produced by the Ipatinga Administration Municipal Secretary were useful in identifying potential interviewees and appropriate questions.

The fact that Ipatinga was not a case of decentralisation but of a People's Council (PC) provided a different but still relevant dimension to the relationship between decentralisation and democracy. Ipatinga is one of the most important industrial cities of Minas Gerais state; it has been run by the Workers' Party (PT), the main left-wing party, with some progressive ideas concerning Municipal Administration. From the municipal

executive's newspaper there were indications that Ipatinga was evolving in such a way that justified the research. This newspaper reported on meetings at area and municipal level among the community through the area and municipal councils. Now instead of studying two cases of decentralisation therefore I decided to compare one case of decentralisation with one of a PC.

8.2. DEFINITIONS OF CASE STUDY

The Case Study is understood as a research strategy where, most of the time, the research questions are "How" and "Why" questions. The researcher focuses on a contemporary phenomenon, taking into account the context in which it is located without having much control over the setting. In this kind of strategy the boundary between phenomenon and context is blurred and several techniques of data collection can be used (Yin,1990:14,23).

The"How" and "Why"-kind of questions have an explanatory character. Those questions are concerned about identifying and understanding the functioning of the process or processes within a phenomenon. Accordingly, the dominant feature of case studies is explanation. Case studies can also be conducted as exploratory studies. The exploratory studies are characterized by focusing on evolving "hypotheses and propositions for further inquiry" and by "What" questions (Yin,1990:17).

A similar view is proposed by Mitchell (1983:192,205-206) who sees the Case Study approach as a careful analysis of a phenomenon that can be an event or a range of interlinked events in which the researcher thinks that she/he can identify some theoretical principle in practice. In other words, the researcher studies some characteristics of an event which, he/she thinks, may be evaluated and considered as an example of some theoretical principle existing in practice. He also stresses the importance of the contextual aspect of case studies calling attention to the fact that the contexts can be a hindrance to the researcher. It means that the researcher has to take into consideration these contexts by seeing them as "ceteris paribus conditions", in situations where extrapolation has to be made.

According to Hakim (1987:61) the Case Study may be considered as the most flexible form of research design. The relevance of Case Study is strongly determined by the way the research is focused. Its subject can be chosen from one or more examples of a social entity, a community, social groups, organisations, events, life histories, families,

work teams, roles or relationships. This flexibility also refers to the use of different techniques of data collection. However, a Case Study's strength is evaluated by the method of selection. This case study can be situated "on the continuum between the descriptive report and the rigorous test of a well defined thesis".

Finally, Patton (1990:54) sees case study as a research design through which the investigator intends to make an in depth analysis of a determined group of people, a certain problem, or a special situation, through information-rich cases. The cases are considered rich in the sense that many things "can be learned from a few examples of the phenomenon in question". The strategy applied in selecting my cases stemmed from this idea of information-rich cases which show the phenomenon being studied in such a way that they lead to the understanding of the different situations in which the phenomenon can take place. Patton (1990:169,171-172) calls it intensity sampling where the cases are thought to express intensively "but not extremely" the issue under investigation. These cases are not considered to be extreme or deviant information-rich cases, they do not have troublesome or enlightening aspects, they are not unusual.

In my case the examples chosen could be considered information-rich cases where they provided information related to common aspects that could be found in other similar experiences. I used as guideline for building up my research a general question: "Can decentralisation and people's council be a means of democratization?".

By analyzing the cases through a specific framework of analysis it was hoped to identify problems in implementation as processes of democratization and test the hypothesis that I developed in the course of the research that these problems are characteristic of the traditional political context in Brazil. The concluding chapter compares these two cases.

With reference to decentralisation, the theoretical framework of analysis stemmed from existing theory and more specifically from the schemes proposed by Hambleton (1988:130-132) and by Borja (1984:14,16-17) who establishes a set of requirements for decentralisation to be a democratizing process. Although the theory gives basic points to be investigated it was necessary to study the structure of experience in order to identify the actors for interview.

The theory about local PC is more diverse than theory about decentralisation but provided information which allowed characterization of the case being studied and setting up of a framework of analysis. The people's council chapter relied in part on documents produced by the Municipal government itself where it explained the process that they were implementing and gave historical examples from which they had drawn their own proposal.

Following the general research question it seemed that a standardized open-ended form of interview would be the most useful for the research. Questions were formulated to obtain information about the respondents'roles in the processes and obstacles that they identified while performing their roles and issues concerning the processes as a whole.

The number of interviews was determined by how the processes were structured and which kind of role the different actors played in the processes. In total forty seven people were interviewed in Belo Horizonte and fifty seven in Ipatinga. Some of the interviewees had more than one function in the processes. In the case study chapters more detailed information about the respondents is presented.

At this point it is important to identify some criticisms of the case study method then after to deal with the techniques of data collection used.

8.3. CRITICISMS OF CASE STUDY

The first criticism refers to the problem of bias. The Case Study method is said not to be a good research strategy as it provides no means to prevent the researcher's bias from influencing the analysis of the results and findings. However, the same problem exists whenever somebody designs a questionnaire, conducts an experiment or undertakes historical research. Other research strategies are not free of the risk of bias (Yin,1990:21).

The second issue refers to the suggestion that in case study there is insuficient basis for generalisation. This criticism does not grasp the fact that Case Study is a research method which intends to improve theories through the collection of empirical data. It is "generalizable to theoretical propositions and not to populations or universes" (Yin,1990:21).

The third criticism is that the case study takes a long time and generates a large amount of data difficult to analyse. This view may confuse case studies with Ethnographies and Participant-observation studies which require a long time working on site and demand "detailed, observational evidence". On the contrary, case studies do not only depend on these techniques of data collection (Yin,1990:21-22).

In the research a combination of standardized open-ended interviews, focused interviews and documentation which could be completed in the time available was used. This combination had advantages in two ways. Firstly, it provided direct accounts and opinions of experiences in Brazilian local government reform. As observed previously by Hoggett (1988:217), when approaching decentralisation and, I would add, PC, organizations

have to be understood as political systems of power. Both entail a division of power within organizations. Accordingly, power, values and interests were considered key issues in these cases.

Secondly, documents were an important source of information about aspects of the process of local government reform whether concerning the legal framework within which these organizations operated or the political programmes of would-be reformers.

8.4. CASE STUDY AND QUALITATIVE RESEARCH

It is important to note that a Case Ctudy is not the same as Qualitative Research. Yin (1990:25) notes that there is one view about qualitative research that characterizes it by making "use of close-up, detailed observation of the natural world" and by attempting not to be committed to any theoretical framework whilst doing the research. In a Case Study the researcher does not always follow these requirements of Qualitative Research. The researcher can focus on quantitative data and it is not always necessary to use direct, detailed observations (ibidem).

Hakin (1987:89) observes that in qualitative research the basic material to work on is the people's account of the phenomenon, their feelings and evaluation of this phenomenon and their own and other people's attitudes. According to Bryman (1989:29-30) the researcher pays attention to the subtlety of the people's answers and the contexts in which people act. In order to understand the phenomenon the interviewees' accounts tend to carry more weight than that of the researcher.

When we turn to case study the researcher's report tends to play a more important role than the interviewees' accounts. From his/her report the researcher tries to reach theoretical conclusions (Mitchell,1983:191). He/she aims at getting a satisfactory report of the phenomenon based on the respondent's perspective. In general, the researcher uses more than one method of research. The researcher, by using the case study method, can work on different kinds of causal processes, while doing qualitative research he/she "can deal with causes only at the level of the intentional, self-directing and knowledgeable individual" (Hakin,1987:8-9).

8.5. ADVANTAGE OF CASE STUDY

Case Studies provide the possibility of using different data collection techniques

which offer the possibility of a more elaborate study with a more global perspective (Hakim,1987:61). Yin (1990:97) considers these features as one of the principal advantage of this research strategy. In this situation the researcher can analyse a wider set of historical, attitudinal and observational issues. A converging line of enquiry can be developed in such a way that findings can be more accurate if different data collection techniques corroborate the information.

In this research standardized open-ended and focused interviews and documentation were used as data collection techniques, however the process of confirmation of data was to a certain extent limited. A participative technique would have enabled me to more firmly establish the validity of the data. However, time constraints prevented me from applying these kind of data collection techniques as my research period did not allow me to attend events which took place after my departure from the city. At other times I could not be in one place because I was doing interviews in the other city. I think that the use of participative technique in this research would have given more in-depth information about the cases despite the fact that the basic issues had been addressed.

Nevertheless it was possible to participate in some meetings, in both cases. In Belo Horizonte I was able to attend a meeting among the Economic and Social Development Department directors of the Area Administrations and another one between an Area Administrator, his team and civil associations of his region, and also the Municipal Planning Secretary and a representative of SUDECAP (organization responsible for maintenance works). In Ipatinga I participated in two meetings. One was the 3rd Municipal Congress of Budgetary Priorites (COMPOR) and a meeting of the Budget Municipal Council (CMO) which voted the President and Vice-President of the Budget Area Councils's representatives in the CMO.

I interviewed those people directly involved in the process, in other words key actors and all time I aimed at being as close as possible to the issues. The approach followed considers the organisation as a political system. Attention is given to conflicts of power, values and interests. This perspective focuses on individuals and groups who work within the organisation rather than on the organisation as a whole. Organisational objectives are considered as "shifting" or as "emergent" but not necessarily as "givens" so that it is possible to verify changes in terms of what had been presented as a proposal and of what actually happened or was done (Hoggett,1988:217).

Standardized open-ended and focused interviews and documentation were the primary techniques of data collection. The selection of the interviewees was based on their

position within the process and on the fact that they could provide valuable information because of their experience within the process. In Belo Horizonte the questions derived from Hambleton's (1998) and Borja's (1984) frameworks. They were concerned with the political and decision-making dimensions and with the features that characterize a decentralisation initiative as a democratizing process. Thus, attention was paid to the relationship between the executive and the Area Administrators and the directors of the Economic and Social Development Departments within the Area Administrations. The interviews considered issues of autonomy, authority, budget, and policies towards implementation of mechanisms of representation, participation, and local social and economic development at the Area Administration level. Interviews were also made with actors who were not participating in the process or were not directly involved in it but who could provide important information. In Ipatinga questions followed characterization established by Gohn (1989) and Rolim (1989) of PCs. The characteristics are concerned with PC's function, its arena of action, its nature, representation and who and how it is created. In interviews with the municipal executive's senior administrators questions were focused on the PCs working, problems, and the relationship with the people's representatives. The interviews with the people's representatives aimed at gathering information concerning their views about the PCs and what problems they faced. Other interviews were made with actors who could give important information about the PCs.

Attention will be focused on the techniques of research used in this work in order to assess their usefulness in this kind of research.

8.6. THE STANDARDIZED OPEN-ENDED INTERVIEW

The basic aim of the standardized open-ended interview, or structured interview, is that it draws, through pre-established questions, impressions, opinions and suggestions from the respondent about the subject under investigation (Schwartz and Jacobs,1979:39).

The standardized open-ended interview is the kind of interview suitable when there are time constraints and it is necessary to obtain the same information from each interview. Its strength consists of aiming at diminishing the interviewer's influence "by asking the same questions from each person interviewed". This process also facilitates data analysis because it allows the researcher to identify more quickly the differences in the interviewees' answers to the same question and to identify similar questions and answers (Patton,1990:285).

For the interviewee this technique gives him/her scope for answering what he/she thinks important without it being classified into standard categories (Patton,1990:46). At the same time, the interviewers have the opportunity to probe for more specific information and when it is necessary he/she can repeat a question. It happens that certain questions can be more suitable for certain respondents and in this kind of interview context the researcher has the possibility of deciding what questions are more appropriate (Bailey,1982:182).

In my case as I had to interview people from different social and economic origins sometimes I was obliged to rephrase the question and according to the interviewee's knowledge about the case I added questions as the conversation developed.It is important to note that the questions, the way of asking them and their subject matter are decided in advance (Stacey,1970:75).

Yin (1990:89,91) observes that interviews for Case Study have, in general, an open-ended nature which enables the researcher to question key respondents about the events concerned, and their own opinion about facts concerning the research problem. Another advantage is that the well informed respondents can give the interviewer valuable hints about the problem being studied and prior historical information about it, in such a way that the researcher can verify the existence of other important sources of evidence. The use of open-ended questions is vital for this. In this research the open-ended interview technique was valuable in the sense that both hints and important historic details of both cases were revealed. Because these cases were recent there was little other sources of information such as articles, books etc. These reports were important in giving a background to the experiments thus enriching the data. Whenever possible information from the interviews with newspapers and documents was checked.

Another characteristic of the open-ended questions is that there is no determinate response categories and no fixed-alternative. These kind of questions are useful in case studies because they give the respondent time to answer in a way that he/she thinks more appropriate allowing him/her to explain the answer when it is necessary, where for example, the subject being studied is extremely difficult to categorize.

Another advantage is that the interviewee has more freedom for using creativity and he/she does not feel that his/her answers are being imposed on him/her (Bailey,1982:125-126). This view is corroborated by Stacey (1970:77,80) when she asserts that open-ended questions leave the interviewees free to answer in a way they think is more suitable. They can qualify and explain the answers that they give. It is also advisable to use this kind of question when one wants to obtain more subtle information. Taking into account the fact

that I interviewed people with different educational backgrounds and different skills in expressing their thoughts, the open-ended interviews provided them with the possibility of giving answers which they considered more appropriate.

In many of the interviews in this research the interviewees gave examples that they thought were important for their answers and some even suggested other people they thought could be a good source of information on certain issues.

However, the researcher must also be aware of some disadvantages. This kind of question may lead the investigator to collect useless information since there is no means of controlling the kind of things that happen. Another problem concerns the difficulty of making comparisons because the data is not in a general standardized form from one interview to another. Finally, it is important to take into account that very long questions can make the interviewee feel tired (Bailey,1982:126).

To overcome these problems the interviews were made as consistent as possible by attempting to establish questions based on the theory and the actual structure of experiences. When it was possible I tried to direct the answers when I thought that the interviewee was giving "useless" information. However, sometimes this kind of tactic could destroy the confidence/respect created between the interviewee and myself and, furthermore, it could cut his/her chain of thought as the interviewee could be making a bridge from one idea to another whilst giving me less important information.

An important issue that exists in applying open-ended questions is the problem of bias. According to Patton (1990:245) as the interviewees answer the questions in accordance with their perceptions and perspectives of the unity of analysis, their answers can be influenced by "distortion due to personal bias, anger, anxiety, politics, and simple lack of awareness". Besides, he notes that interview data can be subject to recall error, to the reaction of the respondent to the investigator and self-serving responses.

In issues like the one studied one must be always aware of the danger of bias from the interviewee. As I had to interview people from different origins and in different positions, in other words, people who were responsible for the experiments, people who participated in the experiments but came from the opposition parties, people who had been involved for some years within one of the local governments and people who were not so aware of the processes, the risk of bias was always high. This situation made me sometimes ask further questions to clarify previous answers and to try to verify, the extent to which the bias affected the answer. There were other ways of noticing bias, as for example, by observing facial expressions, voice intonation and of course the content of the answers and

the person's knowledge of the experiment. Another factor that had affected the respondents' behaviour, in the second round of interviews, was the immanence of the municipal elections. The majority of the interviews were made with councillors and municipal functionaries. One councillor in Belo Horizonte and an Area Budget councillor in Ipatinga who were running for a place in the Municipal Chamber took the opportunity to show themselves in a more election-oriented way. The latter, even showed me a video of his campaign as a kind of introduction to our interview. Both gave me important information.

There are a range of problems associated with the use of interviews some of them are present in open-ended questions. As Bailey (1982:183) notes it is time consuming and costly for the researcher. Usually the respondent does not have time to check documents, "to consult other persons about facts, or to ponder his or her reply". It can be also a tiring process for the respondent. There is the possibility that the interviewee feels insecure about the anonymity of the answers and he/she can refuse to respond. Another problem is that sometimes the researcher has to probe and "to phrase the same question differently for different respondents". Another issue is that the interviewer must acknowledge the fact that he/she can make mistakes by misunderstanding the interviewee's information or by understanding it but committing an error while recording it or recording something that he/she thinks is an answer when the respondent in fact has not replied. Finally, the interviewer must be aware that his/her sex, race, social class, age, dress and physical appearance or accent can influence the interviewee's answer (Bailey, 1982:183).

In my case the problem of confidentiality appeared in both cases. In Belo Horizonte, the vice-Municipal Planning secretary, after the interview, explained why he had asked me some questions before the interview started, despite the fact that I had presented myself with a letter from the university saying who I was, by saying that it was an election period and it was necessary to be careful about giving some information that could be used by the opposition. In Ipatinga, an area budget councillor asked me to write down his answers instead of recording because he was afraid that they might come into his employers hands as he worked in the steelworks, on whose working the city of Ipatinga depends, and was afraid of reprisal. A councillor from the opposition also asked me to write down his answers so he could check them maybe because he thought that this information could be used against him in the next election. In some other interviews I had to re-assure the interviewee that the information given would remain anonymous.

There were moments when the respondents tried to resort to documents but in one case the document was not found and in the other there was not a copy available for the

researcher. In another case the respondent could make use of minutes as he was responsible for them, to exemplify what he was saying.

The rephrasing of questions was necessary many times as I was interviewing people from different educational backgrounds and sometimes the questions were either long or the words gave an unclear or double meaning and I had to explain the question to the respondents.

I tried to reduce obstacles and conflict for conducting the research by establishing a relationship between the respondent and myself based on respect. With this approach the researcher supports and accepts both the affect and the information the respondent gives. In this way the interview can be understood as a role-playing situation founded on an understanding between researcher and interviewee, where the former is allowed to present his/her questions to the latter, and the latter has the guarantee of no denial or any kind of harassment (Beney and Hughes,1970:193-194).

The role of the interviewer is guided by some criteria but at the same time there is space for changing roles if it is necessary. There are no clear-cut guidelines for the respondent's behavior. It is agreed, in general, that in the research interview where there is more freedom for the respondent to answer the questions, the information is more valid (Beney and Hughes,1970:193-194).

In my case I sought to make the respondent feel as free and comfortable as possible. Usually we had a short talk before the interview when I presented myself and explained my research to him/her. In most of the cases, the interviewees seemed pleased to talk to me. It was as if they were somehow feeling in an important position in terms of the cases studied and the way in which they could help me. The interviews took place mainly in their offices or in their homes. Four were made in one of the Workers' Party offices and one, made with a CRO president in Ipatinga, was made in a room next to the Municipal Secretary of Administration in the municipal executive. Some interviews made in offices had problems of lack of physical space. On four occasions I was obliged to interview with other people working around. Nevertheless, the information that I obtained was extremely relevant and the level of bias might not be high as crucial information could be checked with other interviewees.

8.7. THE FOCUSED INTERVIEW

As I have said before there were times when some people or some interviewees

indicated other people to be questioned and sometimes these people gave valuable information. For instance, my first interview in Belo Horizonte, with the former Administration Secretary (responsible for the process of decentralisation), was through a contact made by a friend of mine that happened to be a friend of his. It was something I had not expected as I had thought before that the present Administration Secretary was in the office since the beginning of the Administration in 1989. These kind of things happened without prior warning and this led me to use a different tactic as I did not have enough time to establish an open-ended structured interview. For the sake of time and objectivity I applied a focused interview or as other authors call it, an interview guide (Goode and Hatt,1952:133).

In this kind of interview there is a list of points through which the interviewer questions the respondent. This technique gives the interviewer freedom to decide about the way of asking the questions and it can be "useful where experiences, feelings, reasons and motives are involved" (Stacey,1970:75).

It is important to say that there were similarities between the use of standardized open-interview and of focused interview. When I thought the interviewee was giving important information I let him/her talk until the moment I considered adequate to stop him/her and return to the questions or to the list of points. Thus, in practice there was no clear dichotomy between those techniques of research. The difference is more a question of degree.

The interviews were tape-recorded with three exceptions, all in Ipatinga. In one case as already mentioned the interviewee was afraid of risking repraisal from the steelworks where he worked and who opposed to the PT administration. The second one was an opposition councillor who might have felt afraid of having his account used for political motives as this interview was being made just before the municipal elections. The third case was the priest who gave me no clear explanation why he refused to have recorded his interview. Nevertheless tape-recording was negotiated and based on confidentiality by explaining the aim of my research and where I was coming from. The length of interviews was on average thirty minutes being longer or shorter according to the development of the interview.

The interviews were based on the interview's role in the process and what their perceptions of it were. In the case of the councillors (members of the municipal legislature) questions were about their approach to the processes and how it affected their work. In the specific case of the Area Administrators in Belo Horizonte the questions were divided

between the decision-making dimension (questions number 2 from 8) and the political dimension and the requirements for a democratization process (questions 1 and from 9 to 15) following the framework of analyses.

8.8. THE USE OF TAPE RECORDING AS A MEANS FOR INTERVIEWING

The process of tape recording has some advantages. It allows the researcher to make comparisons between interviews. It also helps the researcher to observe his/her personal evaluations, that he/she brings into the site, which can be distorting or biased (Beney and Hughes,1970:197). Yin (1990:91) considers tape recording as a means for making "a more accurate rendition of any interview". In turn, Schwartz and Jacobs (1979:43) assert that as the interviewer does not need to make notes while recording he/she can focus his/her attention on the interview without disturbing the interviewee or him/herself.

As with other techniques the investigator has to take into account certain aspects of the process. First, the respondent can feel intimidated in answering and this can produce bias. Second, the interviewer, feeling secure in having a recording of what was said for future evaluation, may pay less attention to the interview than expected. Third, there is the risk of getting a lot of information that can be useless making it difficult afterwards to sort it out (Schwartz and Jacobs,1979:43). In my case, the fact that I mainly used a structured interview prevented me, to a certain extent, from gathering a great amount of "useless" data by focusing on the questions to be asked.

Another problem is that the researcher has to grasp the subtleties of the spoken reports. Some expressions, some words may have specific meanings in the context of the site being investigated. Another issue is that "persons' memories and their reconstructions of what was said during an interaction alter radically with time" and what is said in a interview is full of meanings that go beyond the sound of the words. To overcome this problem the researcher has to clarify these meanings after the interview by recording what appeared as being relevant and why (Schwartz and Jacobs,1979:43-44).

During the interviews there were moments when the respondents made use of expressions and intonations to express their opinions. My problem was that there were cases after some interviews when I forgot to ask them about the meaning behind certain expressions used and this made it difficult when I was transcribing the interviews because although one could perceive the intonation it was difficult to perceive the intention behind it. It is also important to note that some expressions are difficult to be translated from one

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language to other and this affects the quality of answers that have been translated in this research. This means that expressions connoting criticisms or stressing one point of view tend to lose weight when they are translated. Efforts were made in order to keep in mind the meaning of the answers. In some cases the structure of sentences was re-made to convey the idea being transmitted.

8.9. DOCUMENTATION

Two types of documents were used in this research. Firstly, I used secondary documents. Those are produced "by people who didn't participate in the event but who were given enough information to write the document by interviewing eyewitnesses or by reading primary documents" (Bailey,1982:302); for example interoffice memos, financial records, files with important materials about the organisations life, administration documents (proposals, progress reports,etc) and formal studies or analyses of the same organisations under investigation. The second type are articles published in the mass media (Bailey,1982:302; Yin,1990:85 and Patton,1990:10).

The documents that I managed to obtain were concerned with the parties' programme, electoral strategies, theoretical discussion within parties and Municipal laws. In total I worked on fifteen documents in the case of Belo Horizonte and on thirty in Ipatinga.

Analysis of documents can be seen as a technique which can meet some functions that have to be accomplished by the researcher. They can give information on issues which are not easily analysed by using other methods; they can examine the validity of information obtained by other methods and they can provide another level of analysis that is different from the other methods when one is interested in investigating for instance "the gap between official policy and practice" (Bryman,1989:150).

Another advantage, noted by Bailey (1982:303) is that there is little or no reactivity, specially if the document was made for a different purpose. In other words it is extremaly unlikely that authors of documents "anticipated being studied" by some researcher and thus felt unnatural, self-conscious, or bothered by the" research.

There is the problem caused by the fact that many documents analysed by the researcher were not produced to meet research aims so had to be interpreted. Another issue is the risk that documents can not give a full report of the subject discussed to the investigator "who has no prior experience with or knowledge of" it. The researcher also

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must be aware of the fact that the documents may not represent all the groups involved in the issue being studied. Moreover, analysis of documentation is a technique whereby the researcher can not see the nonverbal behavior of the interviewees and in this way he/she loses the signals that can add complementary information to the answers. The documents do not follow any standard format making comparison difficult. Some important information may be contained in a document but may not be in the other one. Finally, there is the problem of getting access to the documents. Some interviewees may feel insecure or may not be allowed to present some documents (Bailey,1982:304-306,309).

Yin (1990:86-87) observes that documents must be worked on attentively and the researcher must not see them as a pure account of facts that have happened. In the context of the case study the relevance of documents is grounded on the fact that they can be used to confirm and increase "evidence from other sources". He indicates three ways of using documents. Firstly, the researcher can check the titles or names of organisations cited during an interview. Most important is that the investigator can get more details which can help him/her "to corroborate information from other sources". In cases where this information contradicts rather than confirms the evidence, then it is necessary to probe further. Finally, it is possible to make inferences from documents. At the same time, the researcher must consider these inferences as suggestions about which he/she should make further investigations instead of seeing them as findings since inferences can afterwards become false clues.

In the case of my research the information from documents was important mainly to verify the difference between the facts and the original proposals, the advance in terms of laws and the obstacles in reality. It was also valuable to check the quality of the debate within the parties, specifically the PT that is an eleven-year-old organisation and has an extremely productive internal life, and from which I could obtain documents and magazines both in Ipatinga and in its Belo Horizonte directorate, By contrast the PSDB, in Belo Horizonte, could not give me any document about Municipal government. I managed to obtain documents that included the Manifesto, Programme and the Rules and one with the party's guidelines for a social-democratic government. Another aspect that must be considered when studying a country like Brazil is the existence of a high level of informality that makes concerns about preserving documents something uncommon within the institutions and organisations. At the same time there may be cases where the documents describe institutions and programmes which are quite far removed from reality.

Concerning information from the media, extensive research was done in the major

newspaper of the Minas Gerais state, for Belo Horizonte's case, and for Ipatinga's case, in the Ipatinga town hall's press files. Moreover, whenever it was possible I took news from other newspapers. This research was very time-consuming (a three-week period of seven-hour days) and provided information about the daily life of the town hall and the implementation of reforms.

8.10. PRACTICAL ASPECTS OF THE FIELD WORK AND CONCLUSION

In order to promote a better understanding of the cases it was decided to conduct two stages of field work. The first stage (May-August 1991) provided me with detailed information related to the functioning and problems of both cases. The second stage (July-September 1992) allowed me to verify how the reforms were progressing in both cases and gave me a chance to look at some issues in depth. Time and resources were the main constraints on my work. Another factor that has to be taken into acount is that my second round of interviews was made just before the coming municipal elections to be held in October 1992. This became a problem because in this round I was concentrating my interviews on town councillors and municipal functionaries. From the twenty two councillors interviewed in the second round only one was not standing for re-election. This meant that I had great difficulty in fixing appointments with councillors. Some of them only appeared at their offices in the Municipal Chamber for meetings of the Chamber. I used to go directly to their offices at the Municipal Chamber without appointment. In Ipatinga another difficulty was that the councillors did not have a fixed time to work at their offices and when they appeared I had to "struggle" for their attention with people who were there asking for solutions to their requests, from bus tokens, to intervention to help somebody's relative in prison. This means that the interviews were made on the spot after finding an empty space in which to talk. Some interviews took place with other people around. In Belo Horizonte I had similar problems but managed in some cases to make appointments.

There were cases involving both councillors and senior officers where I was confronted with resistance and distrust and there were also cases where the interviewees took the opportunity to make political propaganda for themselves.

In the case of Ipatinga my contact was made through my brother who works in the steelworks and who knew the Municipal Administration Secretary as a fellow employee. I was asked to send a letter explaining my research and once I arrived in Brazil my brother

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(who offered me a room which was very uselful for me) put me in contact with the Administration Secretary. He gave me guidance about potential interviewees and made the first contacts providing phone numbers of people's representatives, more specifically the presidents of the budget area councils. They had the name and address of all people's representatives. This facilitated the search for the interviewees but did not mean that names given to me were controlled by the town hall. The content of the interviews suggests that I interviewed the key participants in the reforms. In general I received much help from the Ipatinga municipal executive. The Administration Secretary had been replaced before my second round of interviews took place. I decided to approach the Budget Coordinator who I already knew me from my undergraduate course at the University and who also had been helpful to me in the first round of interviews. He was again very useful.

In Belo Horizonte contact was made by a former colleague in the consultancy company where I used to work before my doctoral programme. He put me in touch with the former Municipal Administration Secretary, who was his friend and was the mentor of the decentralisation implementation process. The former Secretary, in turn, contacted the present Municipal Administration Secretary whose secretary helped me to organize the interviews with the rest of the people. The former Secretary also suggested that I should interview his wife as she was a PSDB councillor whose activities concentrated on neighbourhood associations and had a project about area councils to be voted in the Municipal Chamber. In the first round of interviews I did not encounter any great difficulty in making contacts. However, the second round of interviews proved more difficult. I tried to contact the Municipal executive directly. My first appointment was with the head of the Mayor's Office, who provides direct assistance to the mayor and performs some formal tasks. He sent letters to the secretariats whose services had already been partially or wholly decentralized, i.e. Education, Urban Maintenance, Health and Urban Activities. It took some time to receive answers from these secretariats so I decided to fix appointments myself. I managed this in Maintenance (where I first interviewed one director and afterwards received a call from another person asking me to fix an appointment) and in Education (an Area Administrator gave me names to look for in this secretariat).

A point must be made about personal contacts. Firstly, they can help the researcher to get in touch with the right people involved in the processes within the organisations. They can make it easier to get into the organizations. This was what I had felt from my initial contacts in both cases. The second time I went to Belo Horizonte I tried to contact the executive by myself and it was much more difficult and slower to get into the

organisation. Secondly, once I got into the organisations I tried to arrange other contacts within them. In other words, my initial contacts put me in touch with people within the organisations who in turn became my main contacts so that a network could be established. This was succesfull in Ipatinga because I was acquainted with the Budget Coordinator. It was not the case in Belo Horizonte. There the bureaucracy was bigger and I did not have any direct acquaintance. Everything was anonymous. Thirdly, there was the risk that the personal contact was not well thought of or had a different political view from the interviewees. This sometimes created an atmosphere of distrust towards the researcher as I noted in the case of one people's representative and some councillors in Ipatinga. In these cases I made clear that I was studying the experiment of the municipal executive but had no links myself with the executive.

Chapters Nine and Ten will present the Belo Horizonte and Ipatinga cases respectively. I will give a historical account of the cases, describe them, and present the data according to the groups. The interviews, in both cases, were divided in two blocks. In Belo Horizonte we have one group of executive senior officers and of councillors, a former Area Administrator and a municipal teacher and another group of area administrators and directors of the Economic and Social Development Departments, (when the Directors were on holiday I questioned the municipal functionaries who were replacing them), an Area Administration Administrative and Financial Services chief. In Ipatinga one group consists of the executive senior officers, councillors and the Ipatinga PT president and the other of people's representatives, a priest, the leader of the Housing Movement and the president of the Ipatinga Neighbourhood Associations Federation (FAMIPA). The idea was to contrast one group mainly made up of the municipal executive and councillors working in the traditional representative bodies of local government with what I understood to be an innovation in the local government structure, the decentralised units in Belo Horizonte and the PCs in Ipatinga. It has to be noted that there was no clear-cut dichotomy between the two groups as the executive was responsible in both cases for the implementation of those strategies. However, this structure based on two groups in each case can be used to facilitate the presentation of the main issues.

CHAPTER 9. BELO HORIZONTE - AN EXPERIENCE IN DECENTRALISATION

9.1. INTRODUCTION

Belo Horizonte, the capital of Minas Gerais state, ranks tenth among all Brazilian cities in terms of development, with an estimated population of 2,339,039 inhabitants in 1989 (Dirigente Municipal, dez.1990/jan.1991:64). In accordance with its Plano Diretor (SMP-SMP-BH,1991:141), the economically active population of Belo Horizonte in 1980 was divided as follows:

TABLE 9.1 - ECONOMICALLY ACTIVE POPULATION OF BELO HORIZONTE

ECONOMIC SECTOR	ECONOMIC ACTIVE POPULATION	PERCENTAGE
Agriculture	2,922	0.40%
Industry	217,575	29.57%
Services	460,232	62.55%
Others	37,228	5.06%
Unemployment	17,776	2.42%

Source: Plano Diretor - Secretaria Municipal de Planejamento de Belo Horizonte,1991:141

This data shows Belo Horizonte as a city whose economy derives its strength from the Service and Industrial sectors. As far as the standard of living is concerned, from 1981 to 1985 the percentage of the total population below the poverty line doubled, rising from 18.1 to 35.3 (Batley,1991,para.76). Fifty percent of the families in this city lived on an income lower than 4.44 times the minimum wage. In terms of infantile mortality, the rate was 40.5 per 1000 children in 1987. The number of shanty towns was estimated at 180 in 1990 accounting for one fourth of the estimated population in that year. In addition, between 3,000 to 5,000 families were considered homeless in the same year (SMP-BH 1990:26,93 and 140).

The following table provides information on some of the aspects of urban standard of living in the areas of the city:

TABLE 9.2 - DISTRIBUTION OF ESTIMATED POPULATION FOR 1990 AND OF URBAN SERVICES AS A PERCENTAGE OF POPULATION SERVED PER AREA

AREA	POPULATION	SLUM	PERCENTAGE OF POPULATION HAVING ACCESS TO		
			WATER	SEWAGE	PAVEMENT
BARREIRO	250,157	14,662	88	86	43
CENTRE-SOUTH	354,290	78,880	99	93	87
EAST	307,610	80,873	97	86	72
NORTH-EAST	270,745	34,510	92	81	54
NORTH-WEST	426,345	57,270	93	70	67
NORTH	168,767	14,990	82	66	25
WEST	309,525	183,192	92	75	64
PAMPULHA	116,102	21,509	83	71	50
VENDA NOVA	190,767	30,250	82	68	22
TOTAL	2,393,851	516,316	92	79	59

SOURCE: Plano Diretor de Belo Horizonte - BH 2010, SMP-BH 1990:141. OBS: 97% of population is provide with electrical energy

This capital has been governed by the PSDB (Brazilian Social Democratic Party) since January 1989. The party won the 1988 Mayoral elections, runing with the federal deputy Pimenta da Veiga taking the executive from the PMDB (Brazilian Democratic Movement Party). Veiga occupied the Mayoral office until April 1990, when he left in order to dispute the Gubernatorial elections in the following November. Since then the municipality has been run by the former vice-mayor, Eduardo Azeredo.

9.2. THE HISTORICAL CONTEXT

The results of the 1988 Municipal elections meant that candidates with a stronger ideological and partisan profile, i.e. community and union leaders and people who already had partisan allegiance, had increased their participation in the municipal chambers as a whole (the councillors are elected at large). The votes for these councillors were ideologically based and in protest against the PMDB (Brazilian Democratic Movement Party). The PMDB has been the dominant party nationwide since the beginning of the New Republic in 1985. It was present in the Federal government and in most of the state and municipal executives, such as those in Minas Gerais state and Belo Horizonte for example. During this period, the PMDB became a large client-based machine. The vote for mayor had a plebiscitarian character and expressed a rejection of the level of inflation, and the State and Federal governments. It also indicated that the electorate saw the Presidential

direct elections as the first step to be taken if the structural problems were to be resolved and the final step to accomplish the democratic transition (Estado de Minas,24/11/88).

As we said before, both the mayor and the councillors, who make up the Municipal Chamber, are elected at large. In the case of the councillors they are elected at large according to a party list system. It is important to remember that Brazil has a federal political system, based on the Constitution, where the separation of power exists at all levels of government. Therefore, at the municipal level the mayor is responsible for the executive power and the Municipal Chamber is responsible for the legislature. As Batley (1991,para.32) notes, the functions of the mayor are as follows: the determination of broad policies, the formulation and execution of the budget (he has to send the Budget Project-Law to the Municipal Chamber to be approved), and the nomination of political executives who head secretariats, departments and dependent agencies. He also "initiates and sanctions legislation, makes contracts including for loans and represents the municipality". The Municipal Chamber legislates and supervises the executive, The legislation deals with the budget (the Chamber approves the budget and its variations), borrowing, staff, subsidies, tax rates and the creation of new posts. Concerning the executive's functioning, "the mayor has the right of veto but this can be overridden by a majority of all councillors" (Batley,1991,para.30).

9.3. THE PSDB CAMPAIGN FOR THE BELO HORIZONTE MAYORAL ELECTIONS

During the 1988 campaign, the PSDB with Veiga set up alliances with other parties from the centre-right, the PTB (Brazilian Labour Party) and the PL (Liberal Party), from the centre-left, represented by the PDT (Democratic Labour Party) and the traditional left represented by the PCB (Brazilian Communist Party - Stalinist) and by the PCdoB (Brazil's Communist Party - Maoist). The PCB and the PCdoB were created out of a split of the CP in the early 1960s. The main opponents of the coalition were the PMDB (Brazilian Democratic Movement Party) and the PT (Workers Party). The latter had increasing electoral support. In fact, the results for the Municipal Chamber reflected this tendency. As we can see here:

TABLE 9.3 - BELO HORIZONTE MUNICIPAL CHAMBER COMPOSITION

PARTY	SEATS	IDEOLOGY
WORKERS PARTY	9	LEFT
BRAZILIAN DEMOCRATIC MOVEMENT PARTY (PMDB)	6	CENTRE
BRAZILIAN SOCIAL DEMOCRATIC PARTY (PSDB)	5	CENTRE-LEFT
LIBERAL FRONT PARTY (PFL)	3	CENTRE-RIGHT
LIBERAL PARTY (PL)	3	CENTRE-RIGHT
BRAZILIAN LABOUR PARTY (PTB)	3	CENTRE-RIGHT
DEMOCRATIC LABOUR PARTY (PDT)	2	CENTRE-LEFT
OTHERS	6	
TOTAL	37	

The remaining 6 seats were divided among other small parties including the Brazilian Communist Party and the Communist Party of Brazil with 1 seat each. The ruling party the PSDB with 5 councillors set up a coalition with the PL with 3, the PTB with 3, the PDT with 2, with the PCB and the PCdoB with 1 each amounting to 14 councillors against 22 councillors in the opposition. This implied that the municipal executive had to make agreements in order to have some of their projects approved by the Muncipal Chamber.

One of the basic aspects of Veiga's and the PSDB campaign was the successive meetings that he had with neighbourhood associations, mainly in the poor areas, and with different professional associations, such as those representing the engineers, businessmen, state agencies, civil servants and students, etc (Estado de Minas,6-15-16-17-27/9/1988). Participation of and consultation with the population were the key words in his campaign. His approach was seen as a means to find solutions to the collective problems of the city and to administer with as few mistakes as possible. Another plank in his platform was the "moralization" of public administration (Estado de Minas,14-9-1988). According to him, participation was an important mechanism for increasing awareness and for helping to restore credibility of those representing the people. Thus, participatory mechanisms were to be created so that planning could provide a more global and lasting solutions for the population, instead of the clientelistic and temporary solutions that characterized the traditional administrations (Estado de Minas,20/9/1988).

Following on from this idea, he also held public debates on basic issues like the environment, street children, health, democratic administration with those sectors concerned in order to obtain information to elaborate his government programme (Estado de

Minas,18/9/88).

Another important point stressed during his campaign, was the necessity of centralising the Administrative action in order to avoid competition among agencies, and of decentralising services to facilitate the access of the community to these services and to diminish costs of transportation and the period of journey. For this last purpose, he promised to make the Area Administrations (AAs - the decentralised units of the local government) more autonomous as they had been highly dependent upon the executive's actions in the past. Another point made was the necessity of involving the municipal bodies personnel in the Administration before involving the communities. According to Veiga if the municipal employees did not trust what the executive was doing the population would not trust it either (Estado de Minas Gerais,24/9/1988). In this way his proposal of decentralisation connected with his idea of community participation in the Administration.

Another campaign promise was the revitalization of the city centre. To achieve this, he spoke of launching a Nationwide competition in order to select the best urban project for the city centre (Estado de Minas,24-25/9/1988 and 14/10/1988).

Veiga's discourse emphasized that a democratic and participative administration would imply the community having access not only to the planning of services but also to their execution and delivery. In this way, they could bypass the clientelistic political practices applied by the former Municipal government and by clientelist councillors. At the same time he recognized that with the 1988 Constitution, the councillors had had their importance in the Administrative process increased. He also pointed out the involvement of municipal employees, who he felt should earn better salaries and receive professional acknowledgement as an important element for a successful administration (Estado de Minas, 23/10/1988).

In terms of community participation, Veiga promised to fix norms for the People's Council Area and Municipal Council that should emerge from the civil society's organized sectors. In accordance with some PSDB vereadores, these councils should come into existence by society putting into action its own organizational capabilities to survey the priorities of society, and thus provide suggestions to the budget and control works undertaken by the executive and its agencies. They were to be a channel between society and the public powers (Estado de Minas,28/10/1988). Prior to 1983, a PT town councillor had put forward a similar project but at that time it was considered unconstitutional and was not even voted upon (Somarriba e Afonso,1987:306).

Once in power, Veiga started to implement his decentralisation plan that would

have, according to him, four important advantages. Firstly, the public would not need to travel from their districts to the city centre to solve their problems. Secondly, the municipal employees would be offered the choice of working in the Area Administration that was in, or near to, the districts where they lived, accordingly they would have more time for their private life and spend less time travelling. Thirdly, the traffic in the city centre would be improved, since the plan diminished the number of people who had to go there just to solve their problems with the town hall and accordingly the number of vehicles passing through the city centre and the number of users of collective transport would be reduced.

Finally, he proposed to cut the costs of facilities. Instead of renting properties in the city centre to allocate departments the executive would rent less expensive estates in the wards.

Seeing decentralisation as a basic means of the Administrative reform, Veiga asked the Municipal Secretaries to transfer as many responsibilities and tasks as they could to the Area Administrations (AAs- hereafter I will refer to Area Administration as AA). He aimed at transferring all the services to the AAs. However, he highlighted that the Secretaries would not lose political space for manoeuvre as they would remain responsible for the policy coordination and principles of their respective areas, while the AAs would have the function of executing these policies (Estado de Minas,16/2/89).

The origin of the process of decentralisation in Belo Horizonte can be traced as far back as 1948, when the municipality was divided into the so-called five residencies with each utilising municipal employees recruited from areas where they were set up. Later, three of these residencies were absorbed by the town hall due to the lack of facilities that prevent them from working properly, and the remaining two, Venda Nova and Barreiro, became AAs in 1973. In 1983 seven more AAs were created but it was not until 1985 that they had their boundaries and activities decided, based on data concerning population, area, principal routes, and the localization of the Area office, and on studies made by the Metropolitan and Municipal Planning agencies (Coordenadoria Geral,1987:51-53) (see appendix 4). At the time, the main activities of the AAs were very small works, such as street and pavement repairs. The Area Administrators were politicians chosen by the mayor. As politicians these Administrators dealt with the urban works according to the their own political interests and as a result the decentralisation did not work properly.

In 1986 as a kind of solution to this problem, the mayor replaced these Administrators with professionals, mainly engineers (interview with the former Administration Secretary) and the General Coordination of the Area Administrations was

created, with the aim of controlling the political pressures that the AAs were subjected to from the different political groups who were interested in using them as a centre for their political activities. This Coordination, which was supposed to be politically neutral, was said to have managed to decrease the political resistance from the higher ranks within the town hall. Besides the political issue, five of the AAs did not have their own buildings and this was a great problem for their effective functioning (Coordenadoria Geral,1987:56-57). Nevertheless, according to the former Administration Secretary, the political aspect of the process was not completely achieved.

This General Coordination was also responsible for *distributing work among the* AAs. The Area Administrators did not have the power to hire workers and companies by themselves, as this was also under the control of the General Coordination (interview with the former Administration Secretary). It was only with the election of Veiga, that the restructuring process was put in motion. The former Administration Secretary asserted that the basic motive behind the decentralisation initiative being applied by Veiga, was the modernization of the administration to make it more efficient. The structure proposed by his team for the decentralisation of the municipal executive was as follows (see appendix 5):

1 - First level - is constituted by the mayor who, by law, nominates the senior administrators, i.e. the heads of the Secretariats, the departments and the divisions within them, the Area Administrations and the departments within them and finally the heads of the Municipal Superintendencies, like the SUDECAP (Superintendency for the Development of the Capital).

2 - Second level - is formed by the Municipal Secretaries who are responsible for policies for the different areas of action. These policies have to be approved by the mayor.

In accordance with the municipal law 5562/May 1989, that deals with the organisational structure of the town hall, the Municipal Administration Secretary is responsible for the coordination of the organisation and the administrative modernization activities, and accordingly, is also responsible for the implementation of the decentralising process (art.18-VII). In turn, the Municipal Government Secretary co-ordinates the political activities of the Municipal government and the AAs' actions (Art.35). The AAs are directly linked to the so-called Municipal Government Secretariat which in turn is responsible to the mayor.

The Municipal Planning Secretary, in co-ordination with the AAs, is responsible for the Municipal Development Policy, setting up plans, programmes, information and projects

in urban renewal, economic-social, budgetary and financing areas (Art.41). Finally, the AAs coordinate the execution of plans and programmes set up by the Municipal Secretaries, adapting them to the needs of each region; they are also responsible for the maintenance activities of urban space and the town hall's estates in their regions; for activities of licensing and control of buildings and business; for programmes, projects and activities linked to education, culture, sports, environment, supply, industry, commerce, delivery services, community welfare, health and for their own administrative and financial activities (Art.51).

The Municipal Secretaries, together with the AAs, were expected to define the guidelines for policies, programmes, and the technical execution of activities, in their respective areas (Art.63).

3 - Third level formed by the Area Administrations (AAs). They were divided into departments, that were in turn divided into sectors. The departments were the following:

Maintenance - to maintain the town hall estates and equipment and to undertake small works, such as painting, street and pavement repairs and the construction of small bridges and fencing.

Urban Control - to inspect private works, buildings, business and to give permission to start new business and constructions.

Education - to coordinate the execution of programmes, projects and activities related to Education. In accordance with the Northwest Working Manual, the Education department also plans, coordinates and controls all technical and administrative activities that aim at guaranteeing the working of the Municipal schools. It also seeks to attend to the demands of State public schools and other bodies for resources to undertake activities related to Education.

Sanitation - to coordinate the execution of activities concerning health, such as sanitary inspection and the control of health centres.

Economic and Social Development - to coordinate the execution of programmes, projects and activities that aim at cultural, economic and social development. Its activities concentrate on parties, tournaments, support for cultural groups, support for elderly people and children, the generation of income and social assistance.

Administration and Financial Service - to coordinate the execution of administrative and financial activities. It is responsible for the systems of information through computer, telephone and reception services; for the bureaucratic procedures concerning personnel, for the services of maintenance cleaning; and finally it is responsible for the elaboration of the

budget document together with the other departments.

Among the agencies that make up the Belo Horizonte Municipal Public Administration, it is relevant to cite the SUDECAP (Superintendency for Development of the Capital). This agency executes the services and works of maintenance and, the restoration of Municipal public goods, including properties, works, heavy machines and equipment, and the elaboration and execution of major works projects. The SUDECAP as such was established in 1984, out of the structures and operational divisions situated around the city under the Superintendency of Municipal Transport, which was dismantled at that time. This meant that even before the PSDB decentralisation process, the SUDECAP already had a decentralised structure of 7 divisions. These divisions were coordinated by two departments and, in turn, these departments were controlled by the SUDECAP.

Another agency important to be cited is BELOTUR (Belo Horizonte Tourism Municipal Enterprise). This agency is responsible for the most important parties and events, in terms of folklore, the carnival and the city's tourist sites. Both BELOTUR and SUDECAP report directly to the mayor.

Some articles of the municipal law 5562/May 1989 were vetoed by the executive (the mayor and his secretaries), in particular the article that made the AAs autonomous bodies within the Municipal budgetary process. The explanation provided by the executive for this veto, was that the AAs had neither an income of their own nor a need to operate an autonomous budget. This veto was later overruled by the Municipal Chamber and was re-inserted in the law. Another veto concerned the creation of advisory and deliberative councils to work alongside the AAs. According to the executive, this issue deserved broader debate with the councillors, the Area Administrators, and the neighbourhood associations. This debate had not happened at the time of the conclusion of this research in 1992.

In March 1990, Belo Horizonte had its Organic Law approved. Within it important steps were taken in terms of the participation of civil society in the Municipal Government. For instance, it guaranteed popular participation in public administration through popular bodies (People's Councils), with their own rules approved by the Municipal Chamber (Art.2). It also asserted that decentralisation had to be seen as a criterion for administrative action of the executive power (Art.18).

Finally, Article 22 of this law established that within each AA there would exist an autonomous and independent body, with the functions of reporting the area needs and demands of the different sectors, of participating in the elaboration of the priority of works

plans and in the evaluation of costs, of controlling the Public Power actions in the area, of controlling the allocation of public resources addressed to the area and of elaborating proposals for the solution of regional problems. In August 1990 a PSDB vereadora presented a bill to the Municipal Chamber, which proposed the functions and the structure of this body (Area People's Council). Each Area People's Council would have nine members, elected by direct vote by the electors registered in the electoral zones. For this proposal to be implemented the AAs would have to change their boundaries in order to overlap with the electoral zones existing within the areas. However, this project was not voted on until the last moment of my field work in 1992, thus preventing an important step for democratization of the municipal government from being examined.

Veiga also set out the Programme for Priority Works (PROPAR), which aimed at meeting the most urgent needs of the poor areas of the city. This programme was based on three steps. First, the mayor met the neighbourhood associations leaders in their own district or area in order to receive their demands and, at the same time, to provide them with information about the available financial resources. The town hall then estimated the cost of the works. And finally, the executive presented the cost of each project to the community, who already informed of the amount of money available decided what work was to be undertaken. The town hall then executed the projects chosen by the community.

However the former Administration Secretary said that the PROPAR was used as an electoral tactic by Veiga "because of his candidature" for the 1990 Gubernatorial elections.

Having given this explanation, I will describe the experiment through the interviews made. There were two rounds of interviews. The first round was undertaken from the 27/06/91 to the 16/08/91 and consisted of 24 interviews. The second was undertaken from the 29/07/92 to the 18/09/92 and numbered 30 interviews. The list below records the interviewees from both rounds:

TABLE 9.4 - LIST OF INTERVIEWEES

INTERVIEWEES	1st ROUND	2nd ROUND
Former Administration Secretary 1989-1990	1	x
Former Planning Coordinator 1983-1985	x	1
Former Government Secretary 1990-1992	x	1
Administration Secretary	1	x
Treasury Secretary	x	1
Planning Vice-Secretary	x	1
Social Development Vice-Secretary	x	1
Culture Vice-Secretary	x	1
Urban Activities Vice-Secretary	x	1
Sports Vice-Secretary	x	1
Sports Activities Director	x	1
Education Secretary's Advisor	x	1
Health Planning and Coordination Director	x	1
Sudecap Planning Director	x	1
Sudecap Maintenance Director	x	1
Former Area Administrator 1989-1990	1	x
Area Administrator	9	3
Economic and Social Department Director	9	1
Vereadores (councillors)	2	10
Vereadores advisors	x	2
AA Administrative and Financial Services Chief	1	x
Municipal teachers	x	1
TOTAL	24	30

x= no interview

The interviews with the former Administration Secretary and Planning Coordinator were important to give historical details of the process from when it began during the PMDB administration. The former Administration Secretary, who was responsible for the process being put in motion under the Veiga term (1989 to April 1990), also gave me details of the process. The former Government Secretary had played an important role in the process as the AAs were under his political coordination. He was also an intermediary between Area Administrators and councillors and the executive. The present Administration Secretary gave a more recent account of the process as the coordinator of decentralisation. The Treasury Secretary responsible for the execution of the budget provided me with information concerning the distribution of financial resources, bearing in mind the problem of inflation in the Brazilian economy. The interview with the Planning Vice-Secretary aimed at verifying the role of the AAs in the planning process. Because I saw the economic and social sectors as the main areas to be examined in considering decentralisation as a democratizing process, following the requirements proposed by Borja (1984), I interviewed the Social Development Vice-Secretary to verify what kind of actions were being taken in

that direction. Interviews with senior administrators of Urban Activities, Education, Health and SUDECAP (urban maintenance works) were made because these sectors were considered to be significantly decentralised. Senior administrators in Sports and Culture were also interviewed as these services were being delivered through the Economic and Social departments in the AAs.

I interviewed all nine Area Administrators because they were obviously the key agents by being responsible for the decentralised unity of the municipal executive, the AA (Area Administration). A former Area Administrator was also questioned in an attempt to obtain an account of the beginning of the process from the AA point of view. Following the idea of Borja (1984) cited before I interviewed the directors of the Economic and Social Development Department located in each AA. The interview with the AA Administrative and Financial Services Chief explained how the AA worked on its budget proposal. The interview with the municipal teacher was made in order to get information about the process of election of school heads and the role of the AA in a strike that the municipal teachers had undertaken for an increase in wages.

The councillors were interviewed to check their reaction to decentralisation as it appeared to put the municipal executive closer to the community. I took the opportunity to interview two councillor advisers on urban policies as they could give more detailed information about their respective party's view about decentralisation.

Finally, it is important to note that towards the end of the first round of interviews (8/8/91), an agreement was made between the SUDECAP and the executive that transferred small works like the laying down of asphalt on small parts of streets, embankments, small footbridges and the maintenance of streets and municipal public buildings to the Area Administrations. As a result of this agreement the SUDECAP had to train 40 municipal employees for norms, standards, buildings and works services. The AAs' Administration service was transformed into an Administration department that was divided into Human Resources and Administrative services. This transformation was intended to solve the problem of the lack of administrative support in the AAs.

Both set of interviews can be divided in two blocks. One block with the former and the present senior administrators, the municipal teachers and councillors. The other with the former and the present Area Administrators, the directors of the Economic and Social Department of the AAs and the Administrative and Financial Services chief of one of the AAs. The data will be presented in terms of problems identified by the two large groups. This division is made in order to obtain as sharper a contrast of perspective as possible

from the interviewees. Thus we have in the first block those who work in the already established structure, the executive and the municipal chamber, and in the second block those from the decentralised units which represented a novelty in terms of administering the local government. As said before this division is at the same time not dichotomic as the executive was responsible for the implementation of the decentralisation but can help to unveil possible conflicts within the blocks.

9.4. INTERVIEWS - FIRST BLOCK - THE SENIOR ADMINISTRATORS AND THE COUNCILLORS

The senior administrators interviewed were the following: the former Planning Coordinator, Administration Secretary and Government Secretary, the actual Administration and Treasury Secretaries, the Vice-Secretaries of Planning, Social Development, Culture, Urban Activities, Sports; the Sports Activities Director, Education Advisor Secretary, the Health Planning and Coordinator Director, and the SUDECAP Maintenance and Planning Directors.

The list of councillors interviewed is the following:

TABLE 9.5 - THE PARTIES AND THE IDEOLOGICAL POSITION OF THE COUNCILLORS

PARTY	INTERVIEWS	IDEOLOGY
PSDB(Brazilian Social Democratic Party)	3	CENTRE-LEFT
PT(Works'Party)	3	LEFT
Brazilian Democratic Movement Party)	1	CENTRE
PFL(Liberal Front Party)	2	CENTRE-RIGHT
PTB(Brazilian Labour Party)	1	CENTRE-RIGHT
PMN(National Mobilization Party)	1	CENTRE
PCdoB(Brazil Communist Party)	1	LEFT
TOTAL	12	

9.4.1. A HISTORICAL BACKGROUND

Both the former Planning Coordinator and the former Administration Secretary had worked at the town hall during the period from 1983 to 1985, when initiatives in decentralisation were being attempted by the PMDB, the party running the local government. The latter respondent later became responsible for the process put in motion

under the Veiga term (1989-1990), while the former, who was already a PT militant at that time, was later invited by the Ipatinga PT to reform the Ipatinga's executive in 1989. One aspect of these interviews, was that they give us a historical background to the process.

In the first half of the eighties, the last years of the democratic transition, direct elections for the state capital's mayors were not yet allowed. Instead they were nominated by the state governor, in this case Tancredo Neves from the PMDB who had won the elections for governor in 1982. Neves had nominated his vice-governor Helio Garcia to the mayoral post. Garcia was on the municipal executive till 1985 when he replaced Neves who had left his post of Minas Gerais governor to run for the presidential elections in the same year. Both belonged to the conservative fraction of the PMDB.

The executive structure was basically hierarchical, where the mayor and his team retained control of the administration without room for influence from the municipal employees let alone civil society. Moreover, the common practice in terms of planning was the so-called 'planning for negotiation', created during the dictatorship. This was where the municipal executive would propose a project not because it was in the interest of the municipality, but simply because it was necessary to bring something to show the Federal Government as an excuse to obtain some financial resources. It was in this context in 1983, reported by the former Planning Coordinator, that he and his team came to the conclusion that if it was not possible to advance towards a more democratic executive, at least it should be possible to work in such a way that the executive could become more transparent to the civil society and provide the organised sectors of civil society like trade unions and neighbourhood associations, with more information.

They thought that this change could enable the civil society to defend its interests with greater efficiency and allow it to place pressure upon the executive. They also aimed at improving the relationship between the executive bureaucracy and the citizen, by diminishing his/her feeling of impotence before the bureaucracy.

The team then began to produce and disseminate information by issuing booklets covering topics of interest from urbanisation and shanty towns to popular education. The team also started to defend proposals for decentralisation and administrative modernisation.

Concerning decentralisation, the Planning team intended to set up sub-town halls where so-called sub-mayors would be voted in by the community. In turn, these sub-mayors would constitute a committee, which would participate alongside with the mayor and the Municipal Secretaries in the policy decision-making process. The decisions within this committee would be taken with one vote per person, meaning that the mayor would not

have special (disproportionate) power. The sub-executive would have a major role in both local and municipal issues, including the budget. It would also be responsible for delivery of services and for small urban works, since the decentralisation of large works would mean a loss of economies of scale. Thus, the Municipal Secretaries would concentrate their effort on establishing the general policies. The Area Administrations' boundaries were to be demarcated by technical and political criteria.

However, the original plan developed by the Planning team differed greatly from the plan decided by the mayor in 1985. Many of the changes were made in accordance with political interests. Firstly, the proposal of sub-town halls was replaced by a deconcentration of Administration, whereby no power whatsoever would be delegated to the community. Within this proposal the Area Administration would become nothing else than a department of the executive in the area.

Secondly, the Area Administrations' boundaries were changed due to electorally-oriented political interests. The former Planning team gave an example of a councillor who managed to extend the boundaries of an area where he had a political base. Despite the fact that the Planning Secretary had heated discussions with the councillors, the Mayor himself had a good relationship with the conservative majority of the Municipal Chamber as far as political interest was concerned.

In 1985, when Neves ran for the indirect presidential elections in the electoral college, Garcia replaced him in the Gubernatorial seat and left the municipal executive. At this point in time, the former Planning coordinator also left the town hall (interview with the former Planning Coordinator).

In the interview with the former Administration Secretary, the political character of the method of nomination of the Area Administrator was highlighted. Prior to the period in which the PSDB governed (from 1985 to 1988 the PMDB was the party running Belo Horizonte), the Administrators were influential politicians in the area where they were nominated to. In 1986, as the AAs were not performing well, the mayor replaced the politicians with technicians and created the General Coordination to curtail the political influence in the nominating process. Nevertheless, this did little to change the situation. At the end of the former mayor's term, under the PMDB, the AAs were stripped of the works under their jurisdiction and responsibilities. When Veiga got into power, his team led by the former Administration Secretary tried to reverse this situation by reducing the size of the Municipal Secretaries offices and transferring some of their units and services to the AAs, together with civil servants who received training when necessary.

According to the former Administration Secretary, Veiga made a "political choice of technicians" for the Area Administrator. These technicians had political backing and some were even politically active. Within this process of choosing the Area Administrators, Veiga had to compromise with the parties that had supported him during the elections. The relation between the Municipal Secretariats and Area Administrations was basically functional, with the latter having smaller resources than the former. The hierarchical division within the Municipal Secretariats and the AAs was the same. That is, below the level the Secretary and the Area Administrator was the department, and then the service and section level. The former Administration Secretary observed that the Area Administrators were willing to perform their duties, but that these changes also meant that they had to face up to some problems. We now turn our attention to the problems that were identified through the interviews in this first block.

The issues reported here follow the theory discussed about decentralisation and the two frameworks by Hambleton (1988) and Borja (1984). Hambleton's (1988) framework is based on the political and decision-making dimensions: the former concerns decentralisation approaches, whether they are restricted to administrative reorganization or consider participation of councillors, consumer or community in the process, and the latter is related to decentralisation of policy-making power from the centre to the periphery of the organization. Borja's (1984) framework gives the features of a decentralisation seen as a democratization process. In sum these features are related to area office's structure, autonomy and character and also focus on relationship with other public bodies and on creation of mechanisms of political and social participation.

9.4.2. ISSUES

9.4.2.1. The resistance of the municipal secretaries to yielding power to the area administration

The former Administration Secretary observed that one problem that had been expected and actually arose, was the unwillingness of the Municipal Secretaries to concede power to the AAs. As we can see in this quote:

> "Then we started to decentralise ... I commanded the Area Administrations ... in the process of bringing services to them. For them the more services the better, they wanted to make their name, to effectively set the Area Administration in motion, etc. However, actually one thing already expected (happened), ... , the resistance of the Secretaries against decentralising

effectively. Then we took the organisational units by force but the services themselves did not want to decentralise at all.."

The former Government Secretary highlighted the resistance of the SUDECAP to the attempts to transfer functions linked to the urban works and maintenance to the Area Administration. In his view, the Municipal Secretaries did not show any resistance to accepting their function of elaborating public policies. However he noted that there should be a more clear-cut definition about what kind of repairing works the AAs could actually be responsible for (he was interviewed after the agreement between the SUDECAP and the executive was made, where the AAs would be responsible for small urban works).

Through a self-criticism of how the process had been implemented, the former Administration Secretary recognized that it had been an error not to decentralise the function of maintenance and works under SUDECAP control. All the requests that were made in the AAs for works or repairs, with the exception of the very small ones, were sent to the SUDECAP and placed on its works programme. After this point, the Area Administrator was no longer in control of the process and so he/she was not able to give user(s) any kind of information about when the user/s request would be dealt with. According to the former Administrative Secretary, if this service was under the AAs' responsibility the effects of decentralisation on society would be more noticeable, because the AAs would be quicker in terms of informing the user about his/her request and of realising the work. This he felt could make the community more concerned with the AAs (This interview was made before the agreement between the executive and the SUDECAP).

The SUDECAP Maintenance Director and the Planning and Project Technical Adviser highlighted the fact that initially the relationship between the SUDECAP and the Area Administrators has been problematic, because the SUDECAP was apprehensive of being abolished (it had been established in 1984). The Maintenance director considered that the problem originated from the fact that when the PSDB took over the Municipal executive, it stressed that it would strengthen the proces of decentralisation within the city. As a result, the Area Administrators felt motivated to bring the SUDECAP structure under their control. However, all of the SUDECAP directors reacted against this move and exerted such pressure on the mayor that he revised the process. Consequently, the SUDECAP directors managed to achieve what they considered to be a good solution, whereby the AAs would only take care of the small works. This agreement was set up in August 1991 and both respondents agreed that the conflict was solved.

In accordance with the Maintenance director, one of the motives behind that conflict

was that the Area Administrators wanted not only to decentralise the administrative services but also to control the decentralised urban maintenance works that were already under the control of the SUDECAP. Another problem, related to the first, was that the Area Administrators were seeking to gain more power. From this he observed that despite the fact that the SUDECAP was responsible for "the executive part (maintenance and building) of a programme determined by policies actions", it had to maintain the control over its own programmes and the way in which they would be executed. In his view, the SUDECAP works could not be led by political interpretation, or in his words to be "subordinated to political administrators", at the risk of losing efficiency.

The SUDECAP Planning and Project technician asserted that the SUDECAP was willing to collaborate in the process, but only if it did not lose prerogative of establishing general levels of standardization, procedures and norms. This was because the SUDECAP thought it was necessary to have criteria set by an organisation with experience and knowledge in the area.

Interaction between the SUDECAP Maintenance Department and the AA Maintenance Department was infrequent. The Planning and Project technician observed that the AAs did not converse among themselves and accordingly they did not have a homogeneous approach concerning the SUDECAP and their demands varied. He perceived that some AAs, such as the Centre-South and the Venda Nova, were always contacting the SUDECAP and knew how to utilise its resources according to their needs. However, other AAs made little use for the different resources within the Municipal Administration. This disparity arose due to a lack of information among the AAs about the SUDECAP as a potential resource, a weak structure that lacked external services and this adversely affected their contact with the SUDECAP, and a lack of political and policy guidelines that prevented them from being more agile.

One PSDB councillor acknowledged that the law that allowed for the transference of small works from the SUDECAP to the AAs represented a great advance, as these kinds of work were considered among the most important demands by the public. The PCdoB councillor stressed the importance of decentralising the responsibility for the small works to the AAs. At the same time he observed that some of his colleagues of house complained of this law. These councillors said that Area Administrators were assuming what they saw to be their function of solving localised demands of small works. The PSDB councillor specifically observed that this law diminished the AAs' dependence on the SUDECAP and, from that point on, made the SUDECAP act in accordance with the AAs' requests as far

as small works were concerned. This councillor believed that the completion of these works would become more rapid, as the AAs could use a local labour force. However, she and other councillor of the PSDB criticized the resistance of the Municipal Secretaries to cede power and transfer resources to the AAs.

In Health the Health Coordination and Planning Director identified two problems. First, there were sectors within the Health Secretariat that resisted the idea of decentralisation. Second, there was a problem of articulation between the Health Secretariat and the directors of Health departments in the AAs. These directors were administratively linked to the Area Administrator and technically linked to the Secretariat. However the link between Secretariat and Health departments in the AAs was still obscure. Consequently the directors of the Health departments in the AAs had problems concerning whom they had to report to.

The former Government Secretary also stressed the need to clarify the relationship between Secretariats and the departments responsible for their sectors within AAs, for instance the Health Secretariat and AA Health department.

9.4.2.2. The ad hoc implementation process

In terms of the decentralisation planning process, we can observe that it was implemented by ad hoc actions. This fact is directly linked to the Municipal Secretaries opposition to yielding power to the AAs. As we can note from the interview with the former Administration Secretary:

> "From this I tried to work, I sketched the general change in the executive. What fundamentally was it? The diminishing of the Secretariats size ... to decentralise effectively ... to the Area Administration ... because of the working method of the executive and nobody wanted to decentralise ... Public Administration is rather difficult. To take power from a guy is something a bit complicated. Then you have to do something somehow by force. What was done by force? We emptied the organisational units of the Secretariats. Education Secretariat that had 50 functionaries ended up with 10,15. Administration Secretariat ... that was mine ... it had 50 and ended up with 25, we halved (and we kept) doing the same thing."

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9.4.2.3. The lack of physical space and the need to decentralise computing and administrative services and personnel

The former Administration Secretary observed that the existing buildings were, in some cases, not adequate for the AAs, due to the lack of space to house people and equipment. Moreover, there were still more personnel to be decentralised to the AAs. He also stressed the fact that some information services such as licensing (that in his view was the main administrative service delivered by the executive) and control over buildings, business etc, were still undertaken by the executive. That is, the majority of the work of the executive was not transferred to the AAs. The general idea was to decentralise the services and establish a centralised information system in order to maintain a central data control. The current Administration Secretary pointed out that it had been an error to decentralise ends-activites but not some basic administrative functions (means-activities), such as the administration of stores and pay slips, that in his view was hindering the working of the AAs (this interview was done days before the proposal of creating an Administration department within the AAs was approved in 1991).

The former Government Secretary noted the need to decentralise computing services in order to give continuity to the decentralisation of services and to prevent the feeling of frustation among the clientele from increasing.

With reference to planning, the Planning Vice-Secretary answered the criticism made by some Area Administrators that the AAs needed technical personnel mainly in the planning area, by asserting that not all tasks could be decentralised. It would be necessary to have a specific policy, training and routines, and to take into account the technical knowledge to perform the task. Thus, some tasks due to their technical and economic characteristics could be decentralised. He gave a general example of the tree pruning work.

A specific problem in planning, was that the Plano Diretor (city strategic plan till the year 2010) had not been approved by the Municipal Chamber. Therefore, there could not be any guidelines for the decentralisation of the Planning activities and for the working of the AAs in this respect. However, he stressed that even if the AAs were allowed to undertake specific urban projects, this would have to follow certain criteria for its accomplishment and meet the requirements of the urban policy in the area concerned, established by the Planning Secretariat. The importance of keeping tasks centralised under the Planning Secretary team, was in his view linked to several factors. Firstly, as Planning was made up of more specialised and inter-discipline personnel, it would be very expensive

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to employ this kind of professional in all of the AAs.

Secondly, the team had to have the necessary distance from the daily routine of the AA's, to avoid becoming entangled and side-tracked by operational issues. At the same time, the Planning team should not be isolated from the AAs.

Thirdly, the AAs dealt with short-term issues, operational issues like receiving demands, enforcing laws and giving details for some policies. On the other hand, the Planning Secretariat dealt with medium and long-term issues, like urban policies, the conception of plans, and the workings and analyses of outcomes. The AAs were seen as information providers, being able to filter and prioritize the local needs through their direct contact with the population and accordingly the Planning Secretary should seek to involve the AAs in its works.

Finally, he quoted a town hall document saying that the percentage of decentralised personnel jumped from 3% in 1989 to 78% in June 1992, but he recognised that the AA should have a more homogenous technical team, that is, it lacked technicians to face problems concerning its functioning.

Nine of the councillors interviewed, including one from the PSDB, pointed out that the resources that the AAs had at their disposal were not sufficient for them to carry out a work they were supposed to do. As a PT councillor observed, the AAs did not have budgetary autonomy, lacked the necessary equipment and technicians and could not plan. The AAs had the power to execute some works, but had to implement the remaining works without deliberative power. In her view, the agreement with the SUDECAP, whereby the AAs would acquire responsibilities for small works, did not help in any way to increase their autonomy. This was because they remained linked to the Government Secretariat, such that works were undertaken according to the interests of the executive. Another PSDB councillor believed that the agreement with the SUDECAP could mean a step forward in strengthening the process of decentralisation.

9.4.2.4. The lack of cultural change - no community involvement

A mistake acknowledged by the former Administration Secretary, was what he called "the lack of cultural change within the executive", to enable society to have some influence in urban planning as well as participation in the workings of the executive. He said that this should be a function of the Planning Secretariat, but as the Planning team was concentrated on the Plano Diretor (strategic development plan) no attention was paid

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concerning the involvement of society in the planning process. Were society involved in the planning process, it might be more active in its support for decentralisation.

The former Administration Secretary, who happened to be the husband of the PSDB councillor who proposed the bill for the creation of the Area People's Council in each Area Administration, considered that if the council was approved it could mean a strengthening of the decentralisation as the council would be a channel for participation by civil society within the town hall and, accordingly, would push decentralisation forward.

The PSDB councillor who had put forward the idea of the Area People's Council faced strong opposition from the centre-right parties and even from 3 out of the 5 PSDB councillors within the Municipal Chamber. These PSDB councillors did not want to open up the structure to allow for community participation and were in favour of maintaining the traditional decision-making process, centralised on the mayor and his team. In summary, this project aimed at regulating the body of popular participation foreseen in the Organic Law (the main Municipal law). It suggested that in each AA there would be a Representative Council, made up of nine members elected from the area community. The Mayor would suggest and nominate the Area Administrator, but this Council could approve or veto this choice. If the Council vetoed the suggestion of the Mayor more than three times, it would be dissolved and another council would be elected.

The PT councillors, despite the fact that they thought that the executive should go further in the process, agreed that decentralisation would create a space for participation as long as the AAs or sub-town hall had more autonomy in terms of its budget, works and planning. This process would be complemented, in their view, by area and sector councils created by the civil society.

9.4.2.5. Community awareness of decentralisation

From a different point of view, the Planning Vice-Secretary asserted that although the executive's initiatives were fundamental to the decentralisation, he questioned whether the civil society could appropriately approach this process so that it could put pressure on the executive to make it advance. He was in doubt about the possibility of the civil society being well-informed, being able to understand what the AAs' role would be and organising itself so that it could make a good use of the AAs'structure and help to improve their working.

9.4.2.6. The fragility of the process

The former Administation Secretary recognized that the process still depended on the mayor's political will and on the Administration Secretary's action to make it advance. Despite the fact that not all computing services and personnel had been decentralised, there was a lack of physical space which placed the process in a very delicate situation. If the mayor had decided to stop the process he would not have found it difficult to do so. This same view was shared by one of the PSDB councillors.

9.4.2.7. The dilemma of the budget

According to the Treasury Secretary the budgetary process was badly affected by a number of factors including an unstable economic environment characterised by a high rate of inflation and monetary instability, and institutions and laws that did not take into account all these factors affecting the process. The Treasury Secretary argued that because of this there was a process of decreasing the importance of planning, and as a consequence, the budget. As he said:

> "In the case of the budget, that is prepared...in the year before its actual execution, all this budgetary process is a fake, where the executive prepares and foresees the amount of money carelessly... sends it to the Municipal Chamber who discuss it and change it as if the budget was something important, while in fact it is not very important at all, taking into account this economic situation."

The budget is a bill put forward by the executive, that has to be discussed and voted on by the Municipal Chamber to give it the legal basis to be executed in the coming year. However, there is no guarantee that the financial resources necessary to implement the budget will be available. On the other hand, if there is some money but no heading within the budget to place it then it can not be spent because it would be illegal. According to Treasury Secretary, the Area Administrators and the Municipal Secretaries in general mix up 'financial resource' with 'budgetary sum'. There were many instances where he had had talks with Area Administrators and Secretaries who had come to him asking for the money that they believed had been guaranteed by the budget, but where the financial resources required were not available. This was a source of conflict where he had to face demands from other areas and to manage the money available according to those demands.

However, the Secretary of Treasury observed that his actions concerning the budget were not only determined by financial reasons but also by political decisions. As he says:

"Many things that you think should not be done are done because there are... other priorities... to be dealt with and they are not financial issues. Then it depends a lot on the team... on the Mayor... on the Secretary. It means that there is not a general answer... for all those questions... It is a modus operandi that we are already used to ... The Mayor has a way of working, etc. However, certainly conflicts emerge all the time, mainly when the crisis worsens... but this is usual... A Secretary comes here saying 'I want to do this and that' and I say 'you will not do it' and he answers 'I'll do it. The Mayor has ordered'. But I say 'I'm against it. Then let's talk to the Mayor'. There I explain... my arguments, he defends his. This is usual".

The Treasury Secretary noted that the executive team were sometimes more worried about decentralising means-activities (activities of support) than focusing on end-activities. It was not always necessary to decentralise equipment and material to the AAs, where each AA would have its own stock of own resources. Instead it was felt that it would be more economical to centralise the means-activities in the Municipal Secretariats so that the resources would then only be transferred to the AAs when they were needed for their projects. This view opposed the opinion expressed by the current Administration Secretary that the executive should concentrate its efforts on decentralisating means-activities (resources).

With regards to the decentralisation of the budget, he considered that if each AA had a cash limit under which it could freely apply for funds, this could undermine the budget planning of the executive. In his view if budgetary autonomy was to be given to the AAs, it should be limited so that Municipal Planning would not be undermined.

As regards budgetary control, the former and the current Administration Secretaries also shared the idea that the Municipal Secretaries have to maintain control over the budget otherwise there would be the risk of each AA becoming a mini-city and accordingly, of the process failing due to the resistance of the Secretaries. However, this turns out to be a constant dilemma as one of the basic characteristics of decentralisation is to transfer budgetary control to the periphery of the organisation. This issue can be observed in these remarks by the former Administration Secretary:

"For you to decentralise effectively ... you have to give the budget with its authority. As you give Area Administration budget under the authority of an Area Administration as such you 'kill' the figure of the Secretary who then does not have structure already (he) does not have people, (he) has programme definition and etc, but (he) does not decide because (he) does

not have a budget. The budget has to stay under the control of the Secretary if not the figure of Secretary practically becames useless. I don't know whether it would be good or not unless there were a good Planning Secretary that could make the budget compatible, etc, if not, indeed, each area would become a small city with its own personnel. But this, on the other hand, would have to have a coordination."

Concerning the budget, the vice-Planning Secretary observed that the AAs could set their own goals and investment for the decentralised activities within the scope of their actions.

9.4.2.8. The political character of area administrator - conflicts with councillors

· The political character of the Area Administrator is expressed by the the current Administration Secretary when he observes that the Area Administrator "is placed in the Government Secretariat because ... it is a very political office but ... he receives policy guidance from all Secretaries who have their secretariats decentralised."

One aspect of this situation was the conflict between the councillors and the Area Administrators which was considered to be a basic problem, according to the former Municipal Government Secretary. As the programme of decentralisation was implemented, it faced strong opposition from some councillors. These councillors had a 'clientelistic' approach to their work and usually had the bulk of their political and electoral support in one specific area. They acted as an intermediary between the communities that approached them asking for solutions to their demands, and the executive where the councillors presented these demands and made efforts to have them met. The councillors manipulated these communities by appearing before them as those responsible for the execution of the works that the communities had demanded. This was intended to make the communities feel dependent on the councillors, in order that they would vote for them in the next election.

In the former Government Secretary's view as the Area Administrators were closer to the communities the councillors became afraid of losing their political space. As a result, the councillors created such resistance that a bill was put forward whereby the Area Administrator would be chosen by the Municipal Chamber through a triple list presented by the mayor.

Asked about the criticism made by some councillors that if they did not have any political links with an Area Administrator they would have problems in contacting him, the

former Government Secretary answered that the councillors distrusted the Area Administrators. In his opinion, the councillors believed that the Area Administrators would use the Area Administrations as a political springboard for the next Municipal elections, and thus emerge as competitors for seats in the Municipal Chamber. According to him, only two Area Administrators were to run in the next elections. Finally, although the PT was considered by him as the main opposition party, the councillors who posed more problems concerning decentralisation came from his own party the PSDB and its allied parties.

It was noted by the PTB councillor that the political use of the AAs could be confirmed by the fact that some of the Area Administrators were defeated candidates from the last municipal elections. In fact, two of them had been candidates (Barreiro and Pampulha Area Administrators) and two were running for the next elections (Pampulha and East Area Administrators - in accordance with the electoral law as public officials they had to leave their posts six months before the elections to be entitled to run).

A PT councillor observed that the very fact that the AAs were directly linked to the Government Secretary meant that the AAs' works were decided upon according to the political interests of the executive, nullifying the idea that the population could participate in the process.

Some councillors, from the PTB, the PFL, including two from the PSDB, noted that the Area Administrators usually gave priority to the demands of politicians with whom they had political links. In some instances, these politicians had had an influence on their nomination to the AA. This meant that for those councillors without this kind of political link it would be more difficult to put forward a demand before the Area Administrators. The Area Administrators were unwilling to receive them and even if they received their demands it did not mean that these would be dealt with. If one councillor wanted to have his/her problem solved the councillor would have to have contacts with the mayor or with the politicians closer to the Area Administrator.

9.4.2.9. Political bargaining between executive and municipal chamber

The former Government Secretary explained the success of the Secretariat of Government, in other words the fact that the Municipal Executive had not lost any important vote in the Municipal Legislature, by the existence of a relationship with the Municipal Chamber based on meeting the demands of councillors. This process consists of

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"conciliating the more local-oriented interests that the councillors used to represent ... it is the paving of a street with an almost individualized attention to the large projects of the Administration. The effort is in terms of ... conciliating these things and all the time the Municipal Administration makes the effort to conciliate. It must make it. That is to say we try to implement our large projects. The councillors's demands are also dealt with. I think the formula is the balance between these two ... tendencies ...".

This answer indicates that the Administration makes use of political bargaining to win votes within the Municipal Chamber. This issue which was also expressed by three councillors and one of the PT advisers, was that the executive usually won the main issues voted on within the Municipal Chamber. A PT councillor observed that the executive managed to influence the votes of the councillors, according to its interests. The PMN councillor pointed out that the executive would bargain with the councillors for their votes, by promising them that their demands would be dealt with. One PSDB councillor told me that after voting on one executive project another PSDB councillor came into his room saying that a lot of money had been spent in order to approve the project.

9.4.2.10. The PSDB resistance against area administrators of other parties

Another problem observed by the former Government Secretary, was that some councillors and partisans from the PSDB criticized the Area Administrators of other parties. This criticism arose because they felt these AAs did not represent the Municipal Administration and did not accomplish the political interests of the PSDB in their respective areas. For them, the solution would be to have all the Area Administrations ruled by the PSDB.

One councillor from the PSDB and one PFL, asserted that there was a risk of Area Administrators from other parties working for their own parties' interests, instead of working according to the needs of the public and to the executive interests.

9.4.2.11. Risk of neighbourhood associations demands for urban works being manipulated

The SUDECAP Planning and Project technician considered that in general the associations were not well-prepared or informed enough to fully understand the executive's responsibilities and the need to meet certain demands and not others. Neighbourhood associations made demands directed to the SUDECAP either through the AAs, or through

the councillors or by themselves. Most of their demands had an immediate solution, such as to cover holes or to divert rain water from land. Other demands were not the responsibility of the executive. Moreover, their political disorganisation also made such associations vulnerable to political manipulation. As a result of this, the SUDECAP studied the associations' demands, in order to verify whether they were true demands or rather the outcome of manipulation or even imagination.

9.4.2.12. Clientelism

According to some of the councillors interviewed, clientelism was still a dominant feature in the relationship between councillors and citizens. The public still came to ask them to intervene in the actions of the town hall, the Municipal Secretariats and the AAs, to help it to solve its problems. This behaviour, according to the PCdoB councillor, was wide spread in the society and was made worse by the fact that the state apparatus was not open to demands coming directly from the society. In this sense, the councillor was seen as a channel to the executive and thus tended to work on demands raised by citizen. The political support of a councillor would depended on his/er skills of manipulation, in convincing people that he/she was responsible for solving the community's problems when in fact they had been solved by the executive (interview with a PT councillor).

The PSDB leader and the PTB and PCdB councillors noted that these councillors obtained their victories with votes coming mainly from specific areas. This is possible because they are influential politicians in those areas. Then, despite the fact that the election is at large these politicains obtain most of their votes from the areas where they are influential. They are elected by making promises to defend and solve the demands of the communities of those areas. Davey (1989, quoted in Batley,n.d.:para 29) observes that some link between councillors and localities can be established because the votes are counted "by polling station so that a councillor's geographical locus of suppport is known". In these cases, decentralisation was seen as an obstacle to their clientelistic actions. This was because it would narrow the gap between civil society and the executive, nullify the links of these councillors, and consequently diminish their political influence.

An example of this resistance was a project proposed by one of the PFL councillor interviewed, which would allow the Municipal Chamber to choose the AA Administrator through a triple list presented by the mayor. This however failed to be approved. This councillor criticized one Area Administrator for interfering while he was helping a

community to solve one problem of a landslide. Another PFL councillor told me that he had an office in the area where he had more political support, the Barreiro area, and that there he could welcome the community and its demands and present them directly to the mayor. According to him the Area Administrator responsible for the Barreiro AA from the PL did not receive the community and only worked in his own political interest. This same Area Administrator was also criticised by one PSDB councillor for the same reasons.

The Advisor to the Education Secretary observed that with decentralisation the number of councillors who used to intercede with the Secretariat on behalf of particular interests had diminished. The Advisor Secretary observed that not all of those interests meant breach of rules, some of them constituted rights. The interference of councillors was a means to avoid the normal bureaucratic steps which resulted in delay in dealing with the request, and depending on the case, to make sure that an interest that would imply a breaking of a rule could be met by means of their political influence. The AAs, by their location, were much closer to the public and curtailed bureaucracy.

The SUDECAP Planning Director also observed that councillors used to address the agency to request works. The procedure is as follows: the councillor sends the project to the Government Secretary who puts forward to the Municipal Chamber to be voted on. In a case of approval the project is send to the AA who analyzes whether is able or not to make it. In the latter case the AA request the SUDECAP to do it. Then the project is put in the SUDECAP planning.

It is relevant to stress the fact that in some of the councillors interviewed I observed that there were people waiting to be attended by the councillor at his/her office. Sometimes as early as 7 a.m. one could see people waiting to talk with some councillors as was the case with the interview with the PMDB councillor. This could be seen as signal of clientelistic activities as those people were there asking for help.

9.4.3. SOCIAL DEVELOPMENT

Despite the fact that within each AA there was an Economic and Social Development Department, the Social Development Municipal Secretariat and the AA department worked separately. The former worked through the seven Community Support Centres (CAC), where job training courses were held for children, teenagers and the elderly. In addition, the Secretariat had established agreements with 260 private organisations, such as creches, anti-drugs centre, nursing homes for the elderly and centres

for the handicapped. As many of these organisations were poor, the Secretariat helped them to mantain their operation. This meant that instead of building new structures, the Secretariat helped to sustain existing ones.

The CACs were managed by one municipal employee, responsible for the administrative and financial issues. There also existed a Community Council made up of community representatives, that participated in the administration of the CACs.

The Secretary believed that the reason why the Secretariat and the Economic and Social Development departments within the AAs were not integrated, was because the former had been created upon an older social services structure than the AAs' departments and there had never been a reason for them to work together.

9.4.4. EDUCATION

The main function of the Education Secretariat is to define Educational policy and to supervise the execution of this policy under the responsibility of the Area Administrations. Its basic principles are firstly to ensure that every child is given a place in school and that he/she will stay till the end of the course, and secondly to improve the quality of the teaching.

On December 1989 decentralisation was formally accomplished by the creation of Education departments within the Area Administrations. The directors of these departments meet with the Education's Advisor on a weekly basis. In these meetings proposals, problems and future actions are discussed. The departments are responsible for administrative and pedagogic issues and having a coordinating and adivisory role.

An action that deserved to be noted here is the direct election every two years for the head and deputy-head of municipal schools. The electorate is constituted by the functionaries and teachers of school, students of and over 13 years and parents of children under 13. The vote is individual and has the same weight for all groups. When the PSDB took the power in 1989 there were 125 municipal schools and at the time of this interview September 1992 this number had increased to 158. This increase was due either to the by building and enlargement of shools or to transference of from the state to the municipality. The direct election for the head of school was part of the political platform of Veiga during the campaign.

Afterwards there was the creation of a committee in each school with participation of functionaries, teachers and representatives of students' parents.

According to the Advisor to the Education Secretary the structure based on the AAs educational department and schools' committees created a favourable context to strengthen the groups of teachers, functionaries and communities existing in those areas through discussion of their own proposals.

Another aspect that contributes to enhancing the autonomy of schools is the fact that each school works on the curriculum according to the reality of the locality where it is situated.

The municipal teacher noted that the so-called political pedagogic project that allowed the school to adapt the curriculum to the reality of its pupils was seen as an instrument to make the students aware of their own reality and to contribute to the political strengthening of the community.

The Advisor noted that the Secretariat had the power to curb any action that it understands to be contrary to the principle that the school is public and that it has to serve the public. She stressed the fact that currently the municipal school had a limited autonomy because it did not manage its own budget. The municipal executive had control of money to be invested in the schools.

The implementation of the elections of heads of schools and committees was different according to the school. These cases show that the heads resisted the sharing of power with the committees. Teachers and functionaries did not see the school as being a public organization but as theirs. As an example the Advisor observed that there was resistance from the teachers to the participation of pupils and parents in the elections for head of school. According to the municipal teacher the election for head of school was an opportunity for politicians influential in the area to intervene by supporting the candidate with whom they had links.

Finally, in the Advisor's view the level of political consciousness of the community which was served by the school affects the functioning of the committees and the election for the head of school. This consciousness was related to the extent that the community saw the school as something public, as part of its social rights.

The municipal teacher firstly noted that the AA had power to distribute resources to schools in its area. However, there was no criteria for this distribution. In her view those schools which were able to exert more pressure managed to have their needs met. This pressure had to with the ability of the professionals of the school to mobilize themselves and at the same time to mobilize the community around the demands. It implied that the community should have a certain level of political consciousness. Her school served a poor

population without unified leadership and with an inactive direction. Another aspect was the conflict among neighbourhood associations within the same community that acted as an obstacle to the mobilization of community. She also observed that those schools with more tradition and conservative direction tended to have their demands met. Her school was one with a lack of basic resources such as paper, a hand-printing press or drinking fountain. In the same area another school which served a rich clientele had a computing laboratory.

According to the municipal teacher the proximity of the AA made the mobilization of a community easier as it would not be necessary to go to the city centre to demonstrate. The AA, in this was seen as space of discussion. However, she stressed that during the last strike of teachers the AA played an important role in putting pressure on the strikers.

9.4.5. HEALTH

Decentralisation in Health took two directions. Firstly, assuming autonomous control of services formerly delivered by both the Federal and the state governments. Secondly, there was decentralisation from the Municipal Secretariat to the sanitary districts which are administratively linked to the Health departments within the AAs. At the beginning the sanitary districts had an administrative structure aiming at administrative efficiency.

Afterwards, the sanitary districts had their team increased to 10 full-time professionals, besides the support personnel and assumed full responsibility for epidemiological control. At the time of the interview, the Health Secretariat was about to achieve financial autonomy as the responsibility for the financial administration would be transferred from the Treasury Secretariat to the Health Secretariat. The next step would be to pass financial control on to the sanitary districts.

According to the Health Planning and Coordination Director the positive aspect of decentralisation is:

> "the issue of efficiency, of visibility and integration of all sectors and of all services of the Secretariat. I mean the inspectors who today control bars and restaurants were not linked to ... doctors, nurses ... who were attending (the people). They (supervisors) controlling the food, they (doctors) attending those who eat the food ... whithout interrelation."

9.4.6. CULTURE

The basic policy of this sector was to democratise cultural information. Firstly, by giving support to cultural movements and groups and maintaining historical heritage. At the same time it aimed at establishing projects and courses to develop as a cultural agency. Those projects aimed at bringing together people from different places, either from other parts of Brazil or from abroad, who in different artictic sectors give seminars and workshops to local groups. This enables these groups to make events in their respective localities with an idea of what and how this was being done in other places.

The role of the AAs concerning cultural agents was to identify in their respective areas what artistic productions were there and to identify groups who stood out as a cultural leadership. Then, the Secretariat invited these people to participate in courses about the Arts including public functionaries who worked in the AAs who they thought to be inclined to these kind of activities, so as to provide them with some basic tools of management. Besides learning how to make a project they also had the opportunity to participate in the projects mentioned above. An important point to be made is that as this Secretariat was created by the Administration of the PSDB at the outset they had few personnel. Initially they brought the heads of Culture from the AAs to work with them in the Secretariat in a process of supervision and exchange of information among the AAs. At the time of this interview the course for cultural agents (one per semester) was not being provided because of lack of funds.

9.4.7. SPORTS

Basically the AAs lack equipment and personnel to put on tournaments and street leisure parties and activities. Only one AA had a specialist in Sports and Gym. The Secretariat itself was in poor condition in terms of equipment. It could not meet the demands coming from the AAs being obliged to set up a calendar for rationing the use of equipment among the AAs.

9.5. INTERVIEWS - SECOND BLOCK - THE AREA ADMINISTRATORS, THE ECONOMIC AND SOCIAL DEVELOPMENT DEPARTMENTS (DDES) DIRECTORS AND THE ADMINISTRATIVE AND FINANCIAL SERVICES CHIEF

In this part I will present the data of the interviews made with the Area Administrators, with the Economic and Social Department Directors of each Area Administrations, with a former Area Administrator and with one AA Administrative and Financial Services Chief. The former Area Administrator belonged to the Brazilian Communist Party (PCdoB). This party had left the alliance that had supported Veiga in the 1988 Municipal elections, due to the Gubernatorial elections in 1990.

As a consequence of the political alliance that helped Veiga to win the elections, the AA offices were divided among the political parties that had participated in that alliance. The division of the AAs among the parties and the Area Administrators profession were as follows:

TABLE 9.6 - THE PARTISAN MEMBERSHIP AND PROFESSION OF THE AAs ADMINISTRATORS

AREA	PARTY	PROFESSION
NORTH	PSDB	CIVIL ENGINEER
EAST	PDT	SURGEON DENTIST (RETIRED)
BARREIRO	PL	CIVIL ENGINEER
PAMPULHA	PSDB	LAWYER
NORTHWEST	PSDB	MANAGER
VENDA NOVA	PCB	DOCTOR
WEST	PSDB	ARCHITECT
CENTRE-SOUTH	PSDB	ECONOMIST
NORTHEAST	-	CIVIL ENGINEER

Three of the Area Administrators started work after Veiga had left the office. In my first round of interviews, the Area Administrators had been interviewed before the agreement had been made with the SUDECAP, where the kind of works the AAs were supposed to undertake was set out. I re-interviewed three of them in the second round of interviews.

The Economic and Social Development Department (DDES) directors were interviewed to verify what policies were implemented through this department and how it was structured. In the second round, I re-interviewed the Northwest DDES director, who in 1991 had expressed criticisms about the department's lack of structure and the

centralisation of the Secretariats.

The functions of the DDES were divided into sectors, related to the planning, execution and attendance of programmes, projects and activities that sought to support the cultural, sporting and leisure activities, exhibitions and markets. It also aimed to provide support to children and elderly people, to help social and communitarian organisations in their economic activities, and to deliver social assistance to nurseries, asylums, work's teams, families and poor pregnant women. The guidelines were set up by the Secretariats concerned.

It was observed from the interviews that the departments, created by Veiga in 1989, were not well structured to deliver the services expected of them and that their functions were not clearly specified. The activities in the sporting and leisure areas were basically events that were either promoted by the Municipal Secretaries and agencies due to a special date or motive, or demanded by the community when it wanted to promote parties in the streets or sporting competitions. The assistance to nurseries and asylums was basically provided by donations, through private philanthropic institutions. In terms of social assistance, the department distributed food baskets to poor families and warm clothes during the winter. Most of these projects originated at the Federal and the State levels. The municipal executive only executed these through the DDESs (Economic and Social Development Department). However, the DDESs did not undertake work directly aimed at development of economic activities. Finally, the DDES had implemented a new practice whereby it supported Cultural projects that arose from the community instead of imposing projects from above. The idea of this measure was to help the community to become a Cultural subject de facto.It was perceived from the interviews, that the departments' planning was basically concerned to promote parties and cultural events. This was the area in which they had more autonomy, in terms of resources and initiatives. Some supervision work was done with the nurseries and asylums, but even in this area one respondent expressed concerns about the continuity of these works. Only one of the departments (EAST-AA-DDES) said that a social economic survey was being carried out on local churches and neighbourhood associations. Nevertheless, the activities of the socio-economic area ranked after Culture and Sport, in terms of importance in the answers provided by the EAST DDES director.

Within each AA, the departments' directors were responsible for the planning of their departments. There were weekly or monthly meeting with the AA, depending on the AA where the basic issues of each department were presented and discussed. The

departments also had autonomy to deal directly with the Municipal Secretaries, though they had to report back to the AAs Administrators, who had to give the final approval.

The planning process of the DDES, following the explanation given by the Venda Nova DDES director, could be seen as an attempt to combine two poles. One in which the DDES received information from the Secretariats (this information might have been about general policy and guidelines) and, from the interpretation of this information, set up a project taking into account its own reality. The other pole was constituted of contacts with neighbourhood associations and other organisations such as the Cultural clubs, nurseries, sport associations, etc and individuals who sought to meet their demands. In turn, within each DDES, the director met his/her sectors chief in order to establish the work's programme. The frequency of such meetings varied between the AAs. Concerning the budget, the DDES established its own proposal that would form part of the AA's Budgetary document to be sent to the Municipal Planning Secretary.

The situation within each DDES varied between AAs. For instance, the Barreiro DDES incorporated three people including the director, whereas the Centre-South DDES included eighteen people in addition to the director, who belonged directly to the department with a further more twenty staff from which the DDES could draw on as and when it is was necessary. The following is a list of the interviewees:

TABLE 9.7 – PROFESSION AND PARTISAN AFFILIATION OF THE DDESs DIRECTORS

DDES	MUNICIPAL EMPLOYEE	PROFESSION	PARTY
BARREIRO	NO	TECHNICAL MECHANIC	PSDB
CENTRE-SOUTH	YES	LAWYER	PSDB
EAST	YES	TOURISM MANAGER	PDT
WEST	YES	BCH HISTORY	NO
NORTHEAST	YES	PEDAGOGUE-MUN.TEACHER	PSDB
NORTHWEST	NO	PUB. ADM. CONSULTANT	PSDB
PAMPULHA	YES	DOCTOR	PSDB
VENDA NOVA	YES	ENGINEER-MUN.TEACHER	PCB
NORTH	YES	ECONOMIST-MUN.TEACHER	NO

NOTE: I interviewed stand-ins for the DDESs directors in the North and West AAs. The Centre-South DDES director was a Federal employee. The East DDES director had worked before as an assistant of a vereador and is being considered here as a municipal employees.

9.5.1. ISSUES

9.5.1.1. Limited scope of action - centralisation of resources and of the SUDECAP - unwillingness to decentralise

A problem that had been already hinted at by the law issued by Veiga's Administration was the limited autonomy of action in the hands of the Area Administrators. After having said that the PSDB's reform gave the AAs more power and that the process had not yet been accomplished, the Pampulha Administrator observed that the "AA is not totally autonomous from the administrative and financial point of view" and "in some areas of AA we depend on interventions from other agencies of ... Administration to be able to give more immediate and precise answers that come from the community".

The centralisation of the big and medium works and the major maintenance works by the SUDECAP, curtailed the AAs' ability to provide a rapid answer to people when they came to make a request. Accordingly, the AAs acted as an intermediary between the community, that delivered its demands to the AAs, and the SUDECAP, that received the demands from the AAs and placed them in its plan of action. This meant that the AAs did not have any control over what tended to be the most important area for the AAs.

The Municipal Secretaries resistance to give up power, was another factor expressed by the Area Administrators as a hindrance to the decentralisation. These points are raised in the following answer by the Northeast AA Administrator:

> "Q:What is your degree of autonomy of action as an Area Administrator?
> A:I would say very high, although in some ... moments we may complain about the limitation for instance of the budgetary part. My budget is very limited and even in the definition of ... execution of some works, as I don't define the policy I can not define the works, for instance one school. I ask the Education Municipal Secretary for studying the convenience ... of building up a certain school. The decision is always from the Secretariat for it is an educational policy decision ... and even in the moment of defining who will execute this work, many times, I mean, all the time the execution of the work is always managed by the SUDECAP. It is the superintendency that prioritizes the execution, that says that school A will be delivered before school B, the same thing with the health centres and even to the agreements about opening streets, laying asphalt, channelling streams ... I am more or less in that story although I consider that I have power, a reasonable degree of autonomy, but on the other hand many times I also feel as a confessor priest that is to say I listen to the citizen's sins and I can't pass ahead because I can not solve it."

And in this answer by the Northwest AA Administrator:

Q:I know. But could you cite more specifically one obstacle or other in relation to that process?
A:Yes. The Municipal Secretaries don't want to lose power. They make it difficult even to decentralisation. And I cite specifically, in the works case, the SUDECAP itself. It makes it a little bit difficult because it turns out to be, in the specific case of the Municipal enterprises, they become, as in Brazil, very corporativist and that makes it difficult. We have to open. Because what is the SUDECAP? It is a public organisation. It has to be more open. It has to be closer (to the society). It can execute big works but in mutual agreement with what the people want. And who listens to the people, this is the difference, who is there now to listen to the people, closer (to them) are the AAs, are the AAs."

The AAs Administrators were acting for increasing their power of execution as we can note in the North AA Administrator's answer:

"...on Thursday we (the Administrators) are going to have a meeting basically ... proposing a step further in this decentralisation, making a proposition to the mayor ... In terms of execution of services, because we have a limitation in the execution of those services. Then we want to increase this our power of execution. I think that is fundamental. And we ... talking to the mayor to manage to to get this".

Accordingly the Administrators would produce a document where they made clear to the mayor what services were considered feasible to be decentralised at that moment. It seems that this action was successful to a certain extent. At the end of my first round of interviews the agreement already commented before had been signed between the executive and the SUDECAP.

In the second round of interviews I interviewed the Northwest, the Northeast and North Area Administrators who in 1991 had expressed some criticisms of the SUDECAP. All three interviewees agreed that the agreement made with the SUDECAP meant that they were given autonomy for small works. Both the Northwest and the North Administrators agreed that the relationship with the SUDECAP had improved once the definition of works that could be made by the AA was set.

However, the Northwest Administrator admitted that the AA would have to increase its autonomy of action in terms of works still further. The Northeast Administrator was more critical. This agreement was ineffective as far the technical relationship with the SUDECAP was concerned. Basically the SUDECAP and the AAs had a different approach

concerning area priorities. In his view, this divergence might be linked to some facts. Firstly, that the SUDECAP had a macro-perspective of the city while the AA focused only on its own area. Secondly, the economic crisis that diminished executive tax revenues, making the investment in works more difficult. Thirdly, as there were nine AAs all trying to gain the attention of SUDECAP for their own demands it was difficult for SUDECAP to analyse these demands and set priorities. Fourthly, he stressed the pressure from the construction companies that worked for the SUDECAP who most of the time preferred to execute easier and more profitable work rather than works considered to be a priority for the Area. The companies would prefer to build a street where it would make a small investment and have a quicker financial return than to undertake major works where, despite the fact that it would earn more, the long-term execution would oblige the company to invest its own capital in a period of recession.

All the Administrators shared the opinion that the relationship with the Secretaries had improved. The Northeast Administrator asserted that the activities of the Education and Health Secretariats had taken into consideration the views of the AAs Education and Health departments.

The former Area Administrator (1989-1990) confirmed the resistance to decentralisation from the SUDECAP, from the Municipal Secretaries of Sports and of Urban Activities and from the BELOTUR. As with the current Administrators and the former Administration Secretary, she considered that the whole decentralisation process depended on the mayor's political will. This basically implied his will to overcome the resistance of the Secretariats and to push forward with the process.

She believed that the urban works sector was one where it was possible to gain a strong electoral support and as a consequence of this the executive tended to concentrate investment in that area, to the detriment of health, education and housing. Thus, it was in the works sector where the political bargaining occured. The services related to this sector were not decentralised, but were used instead as instrument in political deals. As we can see in the example given by her:

> "For instance, the contractors in every period of the campaign ... finance the candidatures ... and they want afterwards to reap the benefits of this backing don't they ? Then the thing being centralised it is much easier to favour this or that enterprise independently of you are seeing that the priority is X or Y but you invest in that ... space where electorally you are going to have a bigger return".

According to the former Area Administrator another motive for the non-decentralisation of the works services was that some AAs were being managed by other parties of the alliance. Thus, the different parties were able to use control of these services to further their own interests, to the detriment of the mayor's administration planning and the PSDB.

The centralisation of power and resources by the Municipal Secretaries, was also identified by the Economic and Social Department (DDES) directors as a major obstacle to decentralisation.

The Northwest DDES director observed that they did not have "the power to operate all the policies that emerge from the central power ... it is a power that remains more restricted".

With regards to the general policies, they also "remain restricted to the first level of Secretariats". When a project initiated by the DDES gained "a broader dimension", it would be thwarted by the executive. The North DDES director argued that there were cases when the DDES had proposed a project to one Secretariat and this Secretariat offered material assistance leaving the DDES responsible for the financial resources. However, as the DDEs never had the sum necessary to apply to the project it never managed to undertake it.

According to the North DDES director, the centralisation of resources by the Secretariat could imply that they wanted to use the AAs and the DDES services for political propaganda:

> "... because in essence those other Secretariats that are Municipal Secretariat of Sport ... of Social Action and BELOTUR, they have not decentralised yet, have they? They have not decentralised personnel let alone resources, equipment ... work practically does not exist in these areas ... exactly because ... there isn't any decentralisation of services that were delivered by the Secretariats. Therefore, the AAs today are considered much more as an easier form of doing propaganda for those Secretariats rather than, in fact, an executive organisation of policies emanated from them ...".

The West DDES director observed that services delivered through her department were characterized by "assistentialism" with no social action policy. There was a lack of financial and material resources and expert personnel, social workers and psychologists, so the DDES is unable to give advice those groups who demand its services. The DDES' activities were limited to promote some cultural events and executing Federal Government programmes like to supply food to poor families.

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While I was undertaking my field work during the first round the DDES's directors were holding meetings among themselves aiming at analyzing the operational capacity they needed to execute the policies coming from the Secretariats. I had the opportunity to sit in one of these meetings, where they discussed common problems and decided to elaborate a document to be presented to the mayor, explaining their situation and showing the initiatives that they thought could be useful for the DDES in terms of autonomy of action.

In the secound round I interviewed the Northwest AA DDES director. In his view, the relationship with the Secretaries concerned with his department had not improved. The Secretariats' directors, who had the same hierarchical status as the AA department directors would ask him to report to their subordinates. In his view, this was brought about by the need of the Secretariats to reinforce their status within the structure. The DDES structure had not improved either. The economic situation was raised as a large obstacle to the municipal government,since the Federal and the State governments were transferring responsibilities and services to the municipal level without also transferring resources. Finally, he criticised the Municipal Culture Secretariat's policy as, in his view, it did not meet the real needs of the community. For him the Culture's projects were elitist, and far from the community expectations for more popular cultural activites.

9.5.1.2. Political use of the AA through the Economic and Social Development Department (DDES)

The political use of the DDES was not restricted to the Secretariats but it also included its own director and the party itself. In this case, the director, who belonged to the PSDB, had run for the Municipal Chamber in the 1988 Municipal elections and lost. According to him, he was invited by Veiga to work as the Barreiro DDES director, an area where his electoral support had been strongest. He accepted the office, as he had plans to run again for the next Municipal elections in 1992. This point can be illustrated in his own words:

> I have been in the town hall for one year and four months. Because as I told you I was ... candidate for a councillor's seat I got 2000 votes and I stayed as a councillor's substitute. And my project is political. Then Pimenta invited me to be director and I accepted because it opens to me a political space. Then I assumed (the post)."

This fact was severely criticized by one of the stand-in directors interviewed (North DDES). According to her, besides the fact that since the beginning the problem of the lack

of resources and autonomy had been posed and nothing had been done, the process of decentralisation was being used as an electoral machine. For her the party had been concerned with placing "the correct person from the party who will carry out ... a correct electoral campaign ... and not actually work for the community." In this sense, she thought that the experience ran the risk of lacking professional commitment and this might affect the efforts of the municipal employees in the town hall who work to improve the process of decentralisation.

9.5.1.3. The ad-hoc implementation of the decentralisation

The lack of a detailed implementation plan for decentralisation as has already been noted, in the interview with the former Administration Secretary, could be linked to the opposition of the Municipal Secretaries to decentralisation. This point is raised, again, in this answer by the Centre-South Area Administrator:

> "I think it is till now a very successful process with some problems. First, the process is not so much planned. It is much more an outcome of political will to decentralise than a detailed plan of decentralisation. Then, the decentralisation was made in this way, in a summarized way, it was made by setting their heart on it. Then, for instance, when the Urban Inspection was decentralised they begun to plan, but they found it was difficult (due to the political resistance). Then one day the Secretary said in this way 'Here you have the inspectors. (Take them and) assume (the function).' Then he sent 70 inspectors here. Then we had to learn how that (service) was done. And it has happened in this way. Then we have waves, peaks of decentralisation."

9.5.1.4. The AAs' lack of control over other public agencies

Despite the fact that the AAs act in accordance with the guidelines set up by the Municipal Secretaries and that they already have a limited autonomy, another factor identified as a hindrance to the AAs' actions was that they did not have any control over other Public agencies regardless of whether they were Municipal,State or Federal agencies. According to the North Area Administrator, this situation clashed with the autonomy that they had "of defining priorities. This (autonomy) does not prevent services being provided without you being notified in advance".

It was possible to observe that *one of the AAs*, the Centre-South, had a broader scope of action, at least in terms of projects, than the other AAs and this overlaped with the functions of other Municipal agencies. This was possible to a certain extent due to the political importance of the region, stressed by the fact that one of the major planks in Veiga's Manifesto was the reform of the city centre. Another factor was that the Area Administrator was one of the Veiga's campaign coordinators and one of the founders of the party.As we can see in his answer:

"Q:What are the AAs' functions?
A:Well you know the structure ... formally the functions of executing the policies produced by the Secretariats. In practice it is very different.
Q:How would it be in practice?
A:It is the case for example that the AA has a function beyond the functions (established)... we assumed a function of project elaboration. It means that this is a characteristic of the Centre-South AA ... we have big projects, developed within the Centre-South sometimes by initiatives of the AA itself. Today, in order for you to have an idea of the size of what I am speaking of, we have 120 architects more or less working for this Administration. Well it has large projects such as construction of big parks, the restoration of Liberty Square ... some really big projects involving a great amount of resources as much in the project elaboration level as in the execution of works generated by the AA itself ...
Q:Would this bypass the Municipal Secretariats' functions?
A:Frequently. And bypass also for instance the SUDECAP functions. The SUDECAP usually has the function of elaborating projects. Well it is a little bit related to history. One of the outstanding planks of Pimenta's (Veiga) campaign was some promises that he assumed concerning the reform of the city's central area, isn't it? Then when he invited me to the office, he invited me already with the function of organising the National competition of projects for reforming the central area that is the BH (Belo Horizonte) Centre Programme ... Then we became responsible for this function since the beginning. However we managed to expand that function, today we have other projects that have nothing to do with that BH Centre Programme ...
Q:Then,basically due to that programme of Pimenta ...
A:That gave ... I think that gave a different character since the beginning. However, there is a question of let's say of political insertion in the Administration. That means Pimenta gave me autonomy to choose all my directors, all my advisers ... There is a partisan insertion due to the fact of being one of the founders of the party, being a member of the Executive Commission, having coordinated the Pimenta campaign ... Because of the participation in the history of the party, being a founder, being a member of the Executive Commission gave me greater autonomy that then allowed me to have a 'slight longer flight' (a greater scope of action)... in terms of attracting for the AA functions sometimes even in contradiction ... with the

project of decentralisation which says that the Secretariat creates and we execute".

9.5.1.6. Limitations of the budgetary process

The budget is the most important Planning instrument for the AA. The AAs are involved in the following steps in the budgetary process: Firstly, the Planning Secretary sends a form to each AA. Secondly, within each AA, each department analyses its own needs and the demands that it receives from the community, and creates a document for its areas of responsibility. Thirdly, all the departments in a given AA hold a meeting coordinated by the Area Administrator. As a result of this meeting a final document is issued for each AA and this is sent to the Planning Secretary who makes them compatible with the town hall's budget. The Planning Secretary has the power to either approve an AA budget, make some cuts to it or even reject it completely. Then, the final document, the Municipal Budget is sent to the Town Council to be voted upon. In summary, the AAs do not have the resources to establish their own budget. In this part I also drew upon the interview with the Venda Nova Administrative and the Financial Services Chief to explain the procedures concerning the AA budget proposal.

The former Area Administrator also stressed the AA's dependence on the executive in terms of the budget. The municipal executive had centralised the financial resources and therefore used them according to its own evaluation of the city needs and its own political needs.

9.5.1.7. The "Plano Diretor", the bi-annual and the annual plan

The Bi-annual (1992-1993) and the Annual plans followed the same procedures as the budget. The difference between them was related to the time period. Both overlap with the budget. There was a very low level of participation from the AAs during the discussion process that lead to the Plano Diretor (the strategic plan to 2010) The AAs belonged to a Deliberative Committee, made up a number of civil society associations that was intended to aid the debate on the Plano Diretor. However, the Deliberative Committee was said to have had little importance in the process. Only the Centre-South AA played an influential role in this discussion, by writing the whole chapter concerning the Centre-South in the document. The Area Administrator believed that this had been possible thanks to the political decision taken by the mayor, who established that the Centre-South AA would be

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responsible for the part of the plan concerning the Centre-South region.

Despite the fact that a number of meetings were held in some of AAs together with the local community, the North Area Administrator thought that "the AAs' participation" had been "very precarious because they did not have qualified personnel to directly express an opinion about the principles and the Plano Diretor as a whole."

9.5.1.8. The lack of formal mechanism for participation by the citizenry

As far as participation channels were concerned, taking into account the criteria proposed by Borja (1988:130-132) it was observed that the AAs, with one exception, had not taken any initiatives to set up alternative mechanisms of information/communication beyond the existing channels, which included meetings with neighbourhood associations and interest-groups, media coverage, daily contact in the AAs' offices and the information service through computer and telephone. The community did not have any representation in the AAs' structure and the AAs' officers were chosen by the mayor. An existing procedure of contact between AA and community is by councillor interceding with Area Administrator on behalf of some community. This could be observed when I was interview the East Area Administrator and he got a phone call from a councillor asking for information about a request for a street repairing work that he had made some days before. The East Administrator explained that councillors usually came asking for some kind of services.

The creation of councils, that had been guaranteeded by the Organic Law, was something that had not yet been discussed among the AAs' Administrators. For them the setting up of councils was a subject that still needed more clarification. However, it was observed that no activity in that direction had been undertaken so far.

One initiative had been taken concerning the issue of community representation. The West AA administrator had set up a Deliberative Council of Community Associations (CAPE), made up of the presidents of the neighbourhood associations but without any AA representatives. However, the CAPE was established without the power expected of the council in the Organic Law. In fact, it was an institutionalisation of an initiative that already existed among the associations.

In one of the AAs we could observed an initiative for set up a channel of participation in the planning. In the Pampulha AA, the Administrator held the first meeting, among the AAs, between an AA and all neighbourhood associations of that area in order

to receive their demands to be added to the Pampulha AAs proposal for the Bi-annual Plan 1992-93. Differently from the meetings in the AA, where usually the associations come separately to discuss with the Administrator, this meeting, attended by the researcher aimed at formalising a procedure of participation. In this case the AA Administrator was accompanied by his staff and by a SUDECAP engineer in order to give explanation when necessary to the associations presidents. This meeting had its formal aspect highlighted by the fact the Municipal Planning Secretary was present at it. Each president of a neighbourhood association had a 3 minute period to present his/er demands and make any comment the Administration with the AA team answering the critics and explaining doubts.

However, it is clear that this kind of instrument can be also used by the executive as a kind of display of its political willingness towards opening the structure. This happened twice in this meeting when both the AA Administrator and the Planning Secretary stressed that this initiative had been a step taken by the executive towards a more participative Administration.

The Centre-South AA was making use of forums with groups concerned with the issues that were to be dealt with as a way of contact between the AA and the community so that information could be exchange between the two parts during the process of solving the problem. As an example he cited a forum created out of the neighbourhood associations together with the Municipal Urban Cleaning Service (SLU) for implementing a programme of improvement of cleaning conditions in the slums in his area.

The former Area Administrator of the East AA said in her area an Area Committee was composed of neighbourhood associations, heads of schools and health centres, and was set up to discuss the AA's performance and establish priorities for the area. In the end this Committee was not successful, due to the lack of support from the town hall and the lack of organisation and political awareness of the civil society. She, like the former Administration Municipal Secretary, believed that the PROPAR (Programme for Priority Works), had been used as a political instrument in Veiga's Gubernatorial election campaign. According to the former Area Administrator, Veiga had got in touch directly with the associations, bypassing the AA and an Area Committee that was being set up at the time.

For her, PROPAR reflected a lack of attention to the achievement of more concrete participation by society. She saw it as simply an initiative made by a politician in order to obtain certain political results, without taking into account the existing bodies like the AAs.

It was observed that in only one DDES, in Venda Nova, meetings were being held

with amateur sports groups, Culture groups and public school heads, in order to create commissions for these sectors that may compose the so-called Area Communitarian and Popular Council that was supposed to be set up in 1992.

9.5.1.9. The so-called "diffuse" rights

With reference to the so-called diffuse rights, we focused on the Consumer's charter and on the issue of the environment. As far as the environment was concerned, the AAs basically followed the guidelines set by Municipal Environment Secretary's guidelines in accordance with their respective peculiarities. The Consumer's charter which had previously been under State responsibility, was transferred to the Municipal arena. During the field work, a law was voted in requiring each AA to establish a Consumer's department. However, the Northeast Area Administrator believed that the executive and, accordingly, the AAs were not well equipped to fully adopt this charter. Prior to this only very sporadic actions had been taken; such as a project-law demanding that cafes and bars provide advice to consumers concerning aspects of consumption; a computer service detailing the different prices of goods in different supermarkets (although this service had not yet been decentralised); and one AA had held a seminar about the Consumer's statute.

9.5.1.10. The non existence of supporting initiatives for neighbourhood associations

Besides the bureaucratic requirements for acknowledging associations and groups as organisations and the 1988 Federal Constitution that gave them more strength, the actions of the AAs did not extend beyond what was required of them by law. On the contrary a number of criticisms were levelled towards the neighbourhood associations. Firstly, that they might have leaders that tend to act in accordance with their own individual interests, instead of struggling for the demands of those whom they were supposed to represent. Another criticism expressed the fear that the associations were not truly representative of the wider communitty. The large number of associations in existence was also a source of criticism, as this meant a great number of meetings, demands and pressure. In summary, what may underlie these criticisms is the notion raised by the Centre-South AA Administrator that says that public power has nothing to do with establishing these associations and therefore they run the risk of being manipulated by the town hall. The maximum that the AAs are supposed to do, is to provide legal advice on

how to register an association.

9.5.1.11. Political alliance as a hindrance to the mayor's control

A point made by the Northeast AA Administrator was the fact that the political alliance could jeopardize the mayor's control of the process as the decentralisation needed to go further. In his view as decentralisation was giving more autonomy to the Area Administrators the mayor would be taking the risk of losing control over the process as some of the Area Administrators came from other political parties that made up the political alliance. In this situation the Area Administrator from the other party acted in accordance to his/er own party's interests regardless of the mayor's guidelines. In this way he thought that the mayor should keep central control over the Area Administrations.

9.5.1.12. Lack of personnel

The lack of personnel both in the administrative and technical areas (mainly in the planning) had affected, in different degrees, the AAs working. With the exception of the Centre-South AA, whose Administrator observed that his region had increased in terms of technical personnel but not in Administrative support, the rest of the AAs expressed the need of people in both areas (All the interviews with the Area Administrator were made before the proposal for creating an Administrative department within the AAs was presented).

9.5.1.13. Conflict among directors of the same AA

Another problem identified, was political conflict involving DDES directors and other departmental directors within the same AA. According to the North DDES director, the DDES was the department most open to political manipulation through clientelism. She gave as an example the Basic Food Basket Programme, initiated by the Federal Government and aimed at distributing food to poor families. This programme had been executed by the DDES, but was being disputed by another department as it provided contact with a great number of poor families, that from a electoral perspective, could be used to obtain votes. That is the programme became an object of dispute because the director of another department was wanting to strengthen his political influence.

One more example of conflict among directors was given by the Barreiro DDES director. In his case, he involved himself in another department's issues, solving problems involving the laying of asphalt or the channelling of a stream. This was possible thanks to his political influence in the area. In his words : "Through my political influence I have managed things that are not related to my department". Nevertheless, he saw his actions as the correct thing to do if the area was to be improved. He justified his attitude by the fact that he was born and lived in the area, and in this way "the people look to" him "because they have a lot of affinity with" him therefore he would be asked to solve "problems of education, health." In his view, his involvement in other departments' activities and his "political tendency" brought about conflicts with the other directors.

9.5.1.14. The importance of decentralisation from the perspective of the area administrators and DDES directors of the AAs

Decentralisation developed by the PSDB was considered a step forward in terms of structuring as it established seven of the nine AAs. It was also considered relevant the decentralising initiatives in the sectors of Education, Health, Urban Activities and Maintenance and Culture. It was also observed that the AAs promoted a closer contact with civil society.

9.6. CONCLUSION

The field work in Belo Horizonte was undertaken in two parts, the first in 1991 and the second in 1992, during the third and the final year of the experiment under the rule of the PSDB. This allowed me to probe deeper in some issues concerning the councillors and the executive staff. Basically, the important points to stress here are first of all, the conflictual character of decentralisation within the municipal executive and the political use of the Area Administrations. Senior Administrators resisted the decentralisation of services as was noted for instance in Health and Urban Maintenance. This process did not seem to follow a clear plan. The economic and social development sector in the AAs had its activities directed toward distribution of food, medicines, clothes, community parties. There was not any policy toward local economic and social development at AA level. The AAs' Economic and Social Development Department had no link with the Municipal Social Action Secretariat. No formal mechanism of participation for the community was

established at the AA level. The conclusion is that the decentralisation implemented by the PSDB in Belo Horizonte can be considered a case of deconcentration. Finally, the councillors most strongly against decentralisation were those whose political space within civil society would be undermined by the process. Some PSDB councillors showed opposition to the proposal of creating Area People's Councils being proposed by councillor of their own party and which could open the structure more to the population. All this information will be analysed with the Ipatinga data in the concluding chapter.

CHAPTER 10. IPATINGA - THE BUDGET COUNCILS

10.1. INTRODUCTION

Ipatinga is located in the so-called "Steel Valley", which is one of the most important steel producing regions in Brazil, with one of the highest concentrations of blue-collar workers. It ranks among the highest contributors to state tax in Minas Gerais. Its population was estimated to be 179,696 inhabitants in 1991, of which 99% lived in the urban area. The economic life is centred on a steelworks (SIMI), a former state-owned company with a capacity of 3.5 million tons/year. The steelworks started working in 1962, bringing about a great change in Ipatinga which at the time was a small village. The steelworks built housing districts, schools, high schools and a hospital for its employees and their families. It also set up welfare services in order to make its workers feel secure to work and live there. However, this change brought improvement for only a part of the town as the rest remained untouched.

In 1964 Ipatinga acquired political autonomy and, accordingly, more power to work on the parts of the town that were not under the influence of the steelworks. Before acquiring its autonomy, the municipality that was responsible for its administration always refused to deal with Ipatinga's problems, by using the excuse that the steelworks would take care of the whole city, but in fact this never happened (Diario do Aco,1984:5-8). This situation has generated what the city inhabitants have called the "SIMI Culture". That is, on one hand, the SIMI employees were not interested in the problems of the town as the SIMI would look after them, while on the other hand, the rest of the population did not care about the town either, as during the weekends they returned to their cities of origin (interview with the Education and Culture Secretary assistant).

Ipatinga became divided with the steelworks as a factor of economic growth providing opportunities for those seeking a job. At that time almost half of the town was provided with basic urban equipment and welfare services by the steelworks and the other part became characterized by a lack of investment in infra-structure, health and education.

In the 1960s and in the 1970s, Ipatinga had one of highest population growth rates in Minas Gerais 18,1% and 12,1% per year respectively. The supply of urban jobs grew at a rate of 15,2% per year, between 1970 and 1980. From 1980 the economic crisis of the state steel industry reduced the rate of population growth to 2,9% per year. Economic growth centralised in one big industry did not provide for the diversification of the local

economy. The rapid population growth has meant that almost all of its urban area has been occupied, restraining the possibilites of establishing new economic activities and new residential areas. The concentration of income is high, with 54% of the economically active population earning up to 3 times the minumum wages, 80% up to 5 times, and 7% earning 10 times the minimum wages. All this has made Ipatinga, and the region where it is located, a problematic area in terms of urban services, job opportunities, housing and welfare services (PMI-1991:45,46,47,50 and SEPLAN-1980:3).

In relation to politics, Ipatinga did not differ from the rest of the interior towns during the dictatorial period (1964-1985). From 1965 to 1977, the ARENA (National Renovation Alliance - the government's party) won all the mayoralty elections. In 1977, the MDB (Brazilian Democratic Movement - the only opposition party allowed at that time) won the municipal executive for the first time. Due to accusations of mismanagement, the now PMDB (former MDB) did not manage to win the next election in 1982 and the PDS (Social Democratic Party - former ARENA) regained the executive. The PDS remained at the town hall up until the 1988 municipal elections (Diario do Aco,1984:12).

The dictatorial period also affected trade unionism in Ipatinga. The army intervened by imprisoning or expelling workers from the region. As a consequence, Ipatinga did not have a significant independent trade union throughout these years. The steelworks exerted a tight control over the workers during the elections for the trade union presidency, so that workers voted for the candidates who the steelworks management thought most appropriate to serve its interests. Besides this pressure, the welfare services provided and the wages that the steelworks paid also acted as a strong deterrent to the emergence of an opposition trade union.

In the 1988 Municipal elections (for both the mayor and the Municipal Chamber seats), the PT fielded candidates for the five most important cities of the the Steel Valley. Chico da Ferramenta, a former oppositionist union leader and former SIMI worker who had been dismissed for his political activities, was nominated to run for Ipatinga's town hall. The PT won in four cities, including Ipatinga, with support from the Ecclesiastical Base Communities, defeating oligarchies gathered around the former mayors who were still dominant figures in the city (interview with the Muncipal Administration Secretary).

The PT (Workers'Party), beyond winning the executive power, gained the highest number of councillors in the Municipal Chamber (6 out of 17), but it did not obtain a majority. The composition of the Municipal Chamber changed throughout its four year term. The number of seats per party during my first round of interviews (June 1991) and

my second round (end of August and the first half of September 1992) was as follows:

TABLE 10.1 – COMPOSITION OF THE MUNICIPAL CHAMBER

PARTY	SEATS		IDEOLOGY
	1991	1992	
PDT(Democratic Labourist Party)	1	1	centre-left
PFL(Liberal Front Party)	4	7	right
PMDB(Brazilian Democratic Movement Party)	2	1	centre
PRN(National Renovation Party)	1	0	right
PSDB(Social Democratic Brazilian Party)	1	1	centre-left
PT(Workers'Party)	6	6	left
PTB(Brazilian Labourist Party)	2	1	centre
TOTAL	17	17	

The PT, in Ipatinga, received more than 50% of the votes for mayor. The PT's programme had a wide social reach, took into consideration the main demands of society and could be characterized as a mass party project replacing the traditional centre-left (Estado de Minas 4-12-1988).

Basically the political content of the PT's campaign was based on three main points. Firstly, opposition to the Federal Government and the political right as a whole and the dissemination of socialist ideas among the workers. Secondly, opposition to the representatives and supporters of the New Republic at the Municipal level, in accordance with the local class struggle. Thirdly, struggle for a Municipal Programme that involved political democratization, economic-social changes and public policies that put in practice its programme (interview with the Administration Municipal Secretary).

The key point in the PT's proposal was popular participation in public administration. According to the interview with the former Planning Secretary, if the municipal executive was to be democratized, the budgetary process would have to undergo changes so that civil society could influence what had been considered the main plannimg instrument affecting the lives of the citizens i.e. the budget. According to the PT the People's budget councils create possibilities of division of power and direct intervention of the civil society in the formulation of policies. They are effectively formulating proposals for municipal income and expenditure. They formulate administrative actions to be negotiated with the different sectors of civil society and the Municipal Chamber (Bittar,1992:216).

10.2. THE BUDGETARY STRUCUTURE OF THE IPATINGA MUNICIPAL EXECUTIVE

In 1989, the first year of its mandate, the executive proposed and coordinated a budgetary discussion process with the civil society. The first action was to divide the city into seven areas (see appendix 6). As they did not have any research data on which to base the division, they divided the city according to the most visible references of residential standard, and on the already existing division between the steelworks area and the area that did not receive the company's assistance (Interview with the former Planning Secretary in Serie Documentos II,1990:21).

In August 1989, the Town Hall's newspaper (Ponto de Partida,No.4-Agosto,1989:6) presented to the population a scheme with two bodies: the Budget Area Councils (the CROs - Conselho Regional de Orcamento), with one CRO for each of the seven areas into which the city was divided; and the Municipal Budget Council (the CMO - Conselho Municipal de Orcamento), assembling representatives from each CRO, the executive and the Municipal Chamber (councillors). In 1990, a third body was created, the COMPOR (Municipal Budgetary Priorities Congress - Congresso Municipal de Orcamento), to establish the priorities that would be included in the Budgetary project-law, to be sent to the Municipal Chamber to be voted on. Those bodies are described next (see appendix 7).

10.2.1. THE AREA BUDGET COUNCILS (CRO - CONSELHO REGIONAL DE ORCAMENTO)

The CRO was the body that represented each of the seven areas into which the city had been divided. Their members (people's representatives) were chosen, for one-year term, by vote in popular assemblies in their respective areas. Those assemblies were held by the executive in public spaces, and were advertised on the radio, newspapers, and specifically through the town hall's newspaper. The attendance varied from area to area and the procedures were informal. The numbers of people who attended to these assemblies was obtained from the interviews with the CROs' presidents (1990-1991 term) and were as follows:

CRO I 30, CRO II 50, CRO III 50, CRO IV 80, CRO V 20, CRO VI 120, CRO VII 800 people.

These numbers were based on what they could remember from these meetings. The

high attendance in the CRO VII may be explained by the fact that it was an area with a high level of popular mobilization, according to the Budget and Evaluation Municipal Secretary. He also added that in this area the PT was very well organised. The president of the CRO VII was also the leader of the Housing Movement, considered by the Work and Social Action Municipal Secretary as the best organised movement in the city.

During the assemblies, once the people were gathered, the representative from the municipal executive explained the motive for the meeting and presented the candidates for the CRO. Sometimes names were indicated on the spot and voted upon. Each assembly chose the CRO's members (people representatives), its president and its vice-president. The number of members for one CRO was proportional to the number of inhabitants in its area in relation to the population of the whole city. In 1992 this number was reduced by half. They were divided as follows:

TABLE 10.2 - CRO - AREA BUDGET COUNCILS - BASIC COMPOSITION

AREA	ESTIMATED POPULATION	PERCENTAGE OF THE WHOLE POPULATION	MEMBERS 1989/91	92	ASS*
I	11,133	5%	10	5	30
II	23,869	10%	20	10	50
III	24,592	11%	22	11	50
IV	19,871	8%	16	8	80
V	42,729	18%	36	13	20
VI	58,896	25%	50	25	120
VII	52,896	23%	46	23	800
TOTAL	223,855	100%	200	100	1150

SOURCE: Ponto de Partida No.4-Agosto-1989:7
*Participation in assemblies for electing CROs presidents for 1990-1991 term according to the interviews

The functions of the CROs were as follows (Regulamentacao do Conselho Municipal de Orcamento,fev.1991, Art.8):

I. To survey the demands from its respective area on the budget, write a document and put this forward to the superior body. In 1989, this body was the CMO (Municipal Budget Council - Conselho Municipal de Orcamento). In 1990, the CMO was replaced in this specific function by the Municipal Congress of Budgetary Priorities (COMPOR - Congresso Municipal de Prioridades Orcamentarias), that was to be held annually.

II. The CRO aimed at being a channel of communication with the popular bodies, for

instance the neighbourhood associations in its own area.

III. To communicate to the area population the decisions taken by the superior levels (CMO and COMPOR), when the budget is being executed.

IV. To hold elections of delegates to the COMPOR and of its representatives in the CMO.

10.2.2. THE MUNICIPAL BUDGET COUNCIL (CMO - CONSELHO MUNICIPAL DE ORCAMENTO)

The CMO assembled representatives from all seven CROs, from the municipal executive and from the Municipal Chamber, in order to monitor the execution of the budget by the municipal executive (town hall). It was also the executive body of the COMPOR (Municipal Budgetary Priorities Concress) (Regulamentacao do CMO, fev.1991, Art.1).

The general objectives of the CMO were as follows:

I. To supervise and monitor the budgetary execution and the works plan.

II. To explain to the CROs the procedures and decisions taken concerning the implementation of the budget.

III. To prepare thoroughly the discussions about the various problems of the town, in order to put forward proposals for the solution of these problems during the elaboration of the budget. If it was necessary, they could form groups in order to discuss the issues.

IV. To stimulate and support existing councils, commissions and forums so that they could be integrated into the CMO (Regulamentacao do CMO,fev.1991,Art.2).

The CMO was made up of 52 effective members, of these 40 were CRO members (each CRO chose its representatives to participate in the CMO), 6 were from the municipal executive and 6 were from the Municipal Chamber. The number of each CRO's representatives in the CMO was in accordance with the percentage of the total population in each area. The CROs representatives had, in turn, to elect the so-called President with his/her Vice-President of the CROs who were supposed to represent all the CROs members within the CMO and to be one of the chairmen of the CMO. A Secretary was also elected from among the CROs' members who was responsible for the proceedings.

The municipal executive was represented by the mayor and five other people suggested by the municipal executive, preferably Municipal Secretaries. The Municipal Chamber was represented by the Chamber's president and the leaders of the parties benchs (Regulamentacao do CMO,fev.1991:3).

At the beginning of the experience in 1989, according to the newspaper of the

executive Ponto de Partida (no.4-Agosto-1989:7), the municipal executive representatives within the CMO formed the so-called Budget Committee. The functions of this committee included defining, previously, the guidelines to the budget, setting up the budgetary timetable, as well as other institutional roles. These basic guidelines were to be discussed by the popular assemblies, the CROs and the CMO. During the first round of interviews it became evident that this Committee did not participate fully in the budgetary process, to the extent that some CRO presidents seemed not to have heard of the "Budget Committee". In 1991, this Committee did not appear in the rules of CMO (Regulamentacao do Cmo, Fev.1991). These rules only dealt with the representation of executive within the CMO, without any specification of its function.

The criteria for the approval of issues under debate, was by simple majority in both ordinary and extra meetings. The minimum quorum for voting in both of these meetings was 3/5 of the municipal budget councillors, which represented 31 members. In the case of meetings for changing the rules of the CMO, the minimum quorum for voting was of 2/3 or 35 of the municipal budget councillors. At the time of my two rounds of interviews the composition of the CMO was as follows:

TABLE 10.3 - COMPOSITION OF THE MUNICIPAL BUDGET COUNCIL

CRO	NUMBER OF MEMBERS	RELATIVE PARTICIPATION
I	2	3.8
II	4	7.6
III	5	9.6
IV	3	5.8
V	7	13.5
VI	10	19.2
VII	9	17.3
SUB-TOTAL	40	76.8
MUNICIPAL CHAMBER	6	11.6
EXECUTIVE	6	11.6
TOTAL	52	100.0

SOURCE: Ponto de Partida,No.4-Agosto-1989:7

10.2.3. THE MUNICIPAL BUDGETARY PRIORITIES CONGRESS (COMPOR-CONGRESSO MUNICIPAL DE ORCAMENTO)

The COMPOR (The Municipal Budgetary Priorities Congress), created in 1990, was the superior deliberative body of the CMO (Municipal Budget Council). Initially, in 1989,

the CMO deliberated on the demands which the CROs wished to be included in the draft Budgetary Bill to be sent to the Municipal Chamber. This function was transferred to the COMPOR. This congress was held annually and was intended to select the priorities within the sectors of health, education, housing, urbanization, social programmes, urban cleaning and provisions. At the same time the COMPOR was to choose three sectors of the sectors listed before, with their respective list of 3 main demands, as the main priorities to be considered for the next budget. The delegates to the COMPOR included all the members of the CROs (in 1990 and 1991 there were 200, in 1992 100), the mayor, the thirteen Municipal Secretaries and all the seventeen councillors (municipal chamber). The COMPOR then issued a document of budgetary priorities that, in turn, was to be included in the Budgetary Bill to be sent to and voted by the Municipal Chamber (Regulamento do Conselho Municipal de Orcamento,fev.1991, Art.12).

As was said before, only the mayor can propose legislation concerning the budget and the budgetary process. He/she also has the power of veto in all matters with reference to the executive, although this can be overturned a majority of votes in the Muncipal Chamber. The Municipal Chamber, in turn, has to approve the budget and its subsequent variations (given the high inflation rate variations are often made). This is an important point at which the Chamber can exert pressure on the executive and change allocations in the budget (Batley,1991,para.30). It also means that the mayor has the power to propose and implement a structure of community participation in the municipal administration if he/she and the party so wishes. It must not be forgotten that the 1988 Federal Constitution asserts that the Organic Law (the main municipal law) has as one of its principles the cooperation of neighbourhood associations in municipal planning, giving the executive a legal basis for its initiative. On the other hand, the recognition of the importance of the Municipal Chamber by the executive, can be seen in the documents quoted above where the Municipal Chamber participated in both the CMO and the COMPOR. Moreover, if this process of area and municipal budget councils is to be legalized it has to be approved by the Municipal Chamber.

In August 1989, the town hall started the budgetary discussion. However, these discussions were held hurriedly as the final document was required to be sent no later than the 31st September in accordance with the law, so that it could be voted upon in the Municipal Chamber.

As the majority of demands collected in 1989 were locally-oriented rather than city-oriented, the executive decided in 1990 to create the COMPOR (Municipal Congress of

Budgetary Priorities). This Congress was to be held once a year, with the aim of making the budget mirror the main demands of the community (Ponto de Partida,No.12-Julho-1990). In late August 1990, the executive held the 1st COMPOR with the participation of the 184 people representatives from the CROs, the mayor and senior officers (Administration; Budget Coordinator; Education, Culture, Sport and Leisure; General Attorney, Government; Health; Mayor's Gabinete; Planning; Social Action and Work; Social Communication; Treasury; Urban Services and Environment; Works and Transport), all the councillors (municipal chamber) and 100 technicians from the town hall to provide members with assistance during the discussions. At the beginning of the experiment the people's representatives were supposed to decide upon the percentages of the budget to be allocate in each sector considered to be priority for the coming year.

In the same year the Municipal Chamber voted the Organic Law (tantamont to the constitution), where the creation of Municipal People Councils was given legal support. In accordance with the Organic Law, People's Councils were to be created in different sectors of the Municipal Administration. These sectors were Urban Policy, Planning, Health, Budget, Environment, Sanitation, Transport, Human Rights, Education, Culture, Sports and Leisure, Control of Public Services, Rights for Children, Adolescent, Elderly and Handicaped People. The Organic Law stated without further details, that the councils were to be either deliberative or consultative. However, the councils were expected to participate in discussions about relevant issues to the municipality. The councils functioning was to be established by specific norms and their institutionalization had to be approved by the Municipal Chamber. During my first round of interviews, besides the Budget councils, only the Health Councils had been set up. On my second visit, three other councils had recently been set. These were the councils for the Environment, Children and Adolescents, and for Education, Culture, Sport and Leisure.

In 1992 some people's representatives were proposing to send a bill for the legalization of the people's councils to the Municipal Chamber. The legalization of the people's councils would mean that they would become an institutional body, independent of the mayor's political will. However this idea was not considered feasible by some members of the executive and even by some people's councillors who thought that the proposal for the people's council would be defeated in the Municipal Chamber dominated by opposition parties.

In the same year of 1992, due to the low level of participation and with the objective of preserving the process, the CMO reduced the number of CRO members by half, from

200 to 100. However, the representativeness of the CROs within the CMO remained the same (interview with the Budget Coordinator). Another change was made within the COMPOR, that now also embraced representatives from the four other existing councils (Health, Environment, Child and Adolescent and Education, Culture, Sports and Leisure) and the neighbourhoods associations. Each Council was to be represented by 8 members in the COMPOR. They were to present a list of ten priorities in their respective areas, for discussion at the COMPOR. In this way, the CROs would present a list of priorities with 3 items from each of the following areas: housing, infra-strucuture, public services delivery, economic development and public transport and traffic. As regards the neighbourhood associations, they were allowed to send one representative per district to the COMPOR and 3 delegates from the Ipatinga Neighbourhoods Associations Federation (FAMIPA) (Series Documentos III-Ag.92:16). The FAMIPA represented 25 out of 35 associations existing in the city (interview with the FAMIPA president).

In order to facilitate an understanding of the process, I will now summarise them (see appendices 7 and 8):

I. The executive launches the Budget Campaign with a debate and the presentation of a documentary video about popular participation in the budgetary process.

II. The executive holds Area Puplic meetings, in order to discuss participation in the budgetary process and the budget of the current year.

III. The CROs produce their list of demands and elect the new CROs members for the coming year. However, these new members can participate as delegates at the COMPOR to be held shortly afterwards.

IV. The COMPOR is held and issues a document of budgetary priorities.

V. Final discussion in the CMO about the Budgetary Project-Law.

VI. Handing over of the Budgetary Project-Law by the executive to the Municipal Chamber to be voted upon. The deadline is the 30th September.

Source: Based on the Ponto de Partida,No.12-Julho-1990:4

10.3. THE INTERVIEWS

The field work in Ipatinga was undertaken in two phases. The first phase was during the month of June 1991 and the second was from the end of August to the end of the first half of September 1992. The second round of interviews took place shortly after the changes in the COMPOR but before the municipal elections to the mayoralty and

legislative seats, that were to be held in October. The list of interviews is as follows:

TABLE 10.4 – LIST OF INTERVIEWS

INTERVIWEES	1st ROUND	2nd ROUND
FORMER PLANNING SECRETARY	1	1
BUDGET COORDINATOR	1	1
PLANNING SECRETARY	x	1
TREASURY SECRETARY	x	1
ADMINISTRATION SECRETARY	1	x
HEALTH SECRETARY	1	x
COLLECTIVE HEALTH COORDINATOR	1	1
ENVIRONMENT SECRETARY	1	x
EDUCATION AND CULTURE SECRETARY ASSISTANT	x	1
CULTURE COORDINATOR	x	1
SOCIAL ACTION SECRETARY	1	x
ADMINISTRATIVE MODERNIZATION DIRECTOR	x	1
CMO'S CROs VICE-PRESIDENT	1	x
CMO SECRETARY	1	1
CROs PRESIDENTS	7	1
CROs COUNCILLORS WHO DO NOT BELONG TO THE CMO	x	7
FORMER CROs PRESIDENT	x	2
NEW CROs COUNCILLORS	x	4
COUNCILLORS (MUNICIPAL CHAMBER)	1	12
IPATINGA WORKERS' PARTY PRESIDENT	x	1
FAMIPA* PRESIDENT	x	1
HOMELESS MOVEMENT LEADER	1	x
PRIEST	x	1
TOTAL	18	37

*FAMIPA stands for Ipatinga Neighbourhood Associations Federation

The interviews are divided in two groups. The first is made with interviews with the town hall's staff involved in the process, with the councillors and with the Ipatinga Pt's president. In this group interviews were carried out with the Budget Coordinator, who is directly responsible for the management of the Budgetary discussion process, and with the former Planning and Education Secretary, who was the intellectual mentor responsible for the implementation of the experience at the beginning. Interviews were also made with the Health Secretary, whose sector had already set up a structure based on local health centre committees and a Municipal Health Council; the Environment Secretary, who was still at the very early stages of setting up its Municipal Council; the Work and Social Action

Secretary, with whom I tried to see if there was work being done linked to the Budget councils; with the Planning Secretary, whose sector included the role of Budgetary coordination; the Treasury Secretary, responsible for the financial aspects of the budget; the Administration Secretary, who provide historical information of the period pre-PT municipal government; the Education and Culture Secretariat staff, who gave a report of the executive policies in these areas; and the Administrative Modernization Director to see what the executive actions were in this area and usefulness of the councils structure to modernization.

The interviews with the councillors aimed at obtaining their view and reaction about the initiative. The interview with the Ipatinga PT's president focused on the relationship between party and the executive, on the tendencies within the party and on the Municipal Chamber. The second group of interviews was basically made with the people's representatives of the Budget Councils. The interviews with the President of the CROs in the CMO (the CROs members, the people representatives, within the CMO had to elect a new president and vice-president of the CROs, as the current president had to move from the town, I interviewed the vice-president who I call henceforth President of the CROs), the CMO Secretary (who was also a CRO's member) and the seven CROs' Presidents, provided me an insight into their perspectives of the working of both the CMO and the CROs and of the behaviour of the executive and Municipal Chamber.

The interviews which took place with the CROs members who did not belong to the CMO, were to verify their perspective on the relationship of the CMO with the CROs. The interviews with the new CROs members informed me about their expectations. In the second round of the field work the interviews with the now former CROs presidents, focused on the development of the budget councils as they were still participating in the process. I interviewed people's representatives who had participated for some time in the budget formulation to find out their opinion of the process. Of the seven CROs presidents, three of them were replacing their respective presidents who had left the position. I also interviewed one of the leaders of the Homeless Movement, who also happened to be one of the CRO presidents in 1991, in order to verify the importance of the strucuture of the councils to their struggle. In this case, I interviewed the same person three times, in 1991 as CRO president and as Housing Movement leader and in 1992 as a former CRO president. The FAMIPA president, who was also the CRO I president in 1992 was also interviewed twice. His interview provided information about the relationship between this experience and the associations, and how his CRO, located in the steelworks area, was

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developing. Finally, I questioned a priest from the Ipatinga Diocese, who worked with the Pastoral groups. As some of the people's representatives had also been participating in the Catholic Church movements and because the Church had given support to the PT (the PT's candidate for the 1992 mayoral elections, the vice-mayor, had participated in the Church movements), I thought it to be important to see the ideas behind the work of the Church in Ipatinga.

10.4. INTERVIEWS - FIRST BLOCK - THE EXECUTIVE TEAM - THE COUNCILLORS - THE IPATINGA PT PRESIDENT

10.4.1. A HISTORICAL ACCOUNT

The basic conception that guided the implementation of the Budget Councils in Ipatinga came from the PT core in Belo Horizonte, who had prepared the political programme for the Municipal elections in 1985. Both the former Planning Secretary, who worked out the council's structure in Ipatinga, and the Budget Coordinator came from the PT Belo Horizonte. At the time, according to the Budget Coordinator, the budget council was seen as a seed for future soviets and as an experience that would build up an alternative power structure, as discussed in the chapter on the theory of People's Councils. As Brazilian society was advancing towards socialism, the councils' experience would supply the knowledge needed to create a new order of power for this new society.

In its newspaper (Serie Documentos II, Dez.1990:9-12) the municipal executive cited historical examples of councils like the Paris Commune, the Russian soviets, the councils in Italy, Germany and in Spain and after the Second World War the case of America and Spain. In the executive's view there was not a choice between implementing socialism in one municipality or only reforming the municipal government. The idea was to link reforms and the improvement of services with the struggle for a radical transformation of society. To achieve this it was necessary first of all to make the municipal executive an institution of support for and as a means of the broader struggle for democracy. Second, it was necessary to stimulate people's participation and organisation. Third, the aim was to change the routines and the structures of the government as an initial step in a transition process aiming at radical political reform of the municipal executive. The fourth objective was to improve the living standard of the inhabitants.

According to the former Planning Secretary, once the PT got power in Ipatinga they

had to face two issues. Firstly, if the Municipal government was to be democratized it had to open space for participation in the budgetary decision-making process, otherwise any kind of participative experience would be, at the outset, doomed. Secondly, the PT executive had to face the dilemma of whether to create forms of participation linked to the Municipal government structure that at the end of the day would be considered as just another body of the Municipal government, or to work on popular participation aiming at setting up a new kind of focus of power within civil society.

The Budget Coordinator observed that the project was intended to build up a channel of participation that could overcome the limits existing in the power tripod constituted of the executive, the Municipal Chamber and the State Tribunal of Accounts (that gives technical assistance in financial matters to the Municipal Chamber). The councils were to act as intermediate bodies, through which the relationship between the executive and population would assume a distinct ethos different from the previous experiences of decentralisation, where the executive was always in control of the process. The idea was to build up a "process that conceded the population power to decide about the allocation and not to be a trajectory of consultative participation" (interview with the former Planning Secretary in Serie Documentos II Dez.,1990:21).

Both respondents stressed that the CROs would be another step forward in terms of popular organisation. They were conceived to be bodies that centralised the diverse social movements and associations existing in the same area. As the CROs' members were chosen by direct vote at popular assemblies, considered to be the "most democratic sovereign mechanism" by the former Planning Secretary, the CROs would have a broader representation than any isolated body such as neighbourhood association. The different groups that had been working in the area "would naturally make their representation within the CRO" through the assemblies. According to the same respondent, the associations had proposed that the CROs' members should be chosen from the existing civil society bodies. However, the executive understood that the assemblies held for the CROs were more representative than the associations and that, in some cases, according to him, the associations had much more a "presumptive representation than a real one". He observed that if the neighbourhood associations were included in the process it would become more difficult to operate. This was because its representativeness would be more uncertain, as some times there were 2 or 3 associations for the same district. In addition, associations in Brazil and often elsewhere have a clientelistic and self-oriented tradition, causing debates to be oriented around very specific issues such as problems on streets where some of the

association leaders lived, etc (interview in Serie Documentos II/1990:21).

Then in 1989, the Budget Area and Municipal councils (respectively CRO and CMO) were presented, explained and set up by the municipal executive. At that time, according to the former Planning Secretary, the idea was that the CROs would have a limited function. Their role was to participate in the budget elaboration process and to control the fulfilment of their demands through the CMO. The CMO, which included the mayor and members of his first staff, would discuss and produce a final document based on the CROs' lists of demands. That would then be included in the Budget Project-Law and sent to the Municipal Chamber to be voted upon. Once the budgetary discussion was finished the CROs were to close until the following year. The CMO on the other hand, went on working uninterruptedly. It was the executive that initiated the process, hoping that afterwards the councils would become autonomous (interview with the former Planning Secretary).

However, the CROs started to demand their participation in other issues. In this way, problems concerning the re-evaluation of property tax (IPTU), the municipal employees strike and the tax reform were debated along with the CROs and they, according to former Planning Secretary, acquired a life of their own. At the same time, he observed that the existing neighbourhood associations had conflicts with the CROs, as the executive tended to discuss area problems with the specific Budget Area Council (CRO) rather than the associations.

The Budget Coordinator had a different view about the potentiality of the CROs. He considered that the CROs were not performing their functions well. In his opinion, only the CRO II and the CRO VII were managing to hold meetings and, as a result, have a more active life.

According to the former Planning Secretary, although the CMO (Municipal Budget Council) could not be considered as a Popular council it gradually acquired the characteristics of a Planning council. However, as the actions of the CMO began to overlap with the actions of other sector councils and as it became involved in sectors where councils were being created, it had to set limits to its scope of action. Nevertheless, he considered that the CMO was very dependent on the executive.

Concerning the CROs' demands the Budget Coordinator and the former Planning Secretary differed in their analyses. The former considered that in 1989 the CROs' demands were basically locally-oriented and covered a wide range of problems requiring the solution of all of them. He explained this behaviour as an expression of the urban deterioration, that

the city underwent during the 70s and 80s. The localism, although considered "natural" in this kind of context, also expressed the fact that the people's representatives had difficulties in perceiving the city as a whole. On the other hand, the former Planning Secretary saw the demands of the CROs as more city-orientated than expected.

In 1990 the town hall proposed the creation of the COMPOR (Municipal Congress of Budgetary Priorities), in order to overcome the problems of long lists of demands and of their locally-oriented aspect. As the Budget Coordinator explained, the COMPOR was intended to make the budget execution more controllable and the demands more workable for the executive. The CMO would continue to control the actions of the executive.

10.4.2. ISSUES
10.4.2.1. The councils as an outcome of the municipal executive initiative

The first problem to be considered is the existence of the dilemma, since the beginning of the process, of whether to create PCs linked to the administrative structure, with the risk of them losing their autonomy because of this link to the municipal executive, or wait for the social movements and neighbourhood associations taking the initiative in creating PCs with practices autonomous from the executive. This conflict, according to the former Planning Secretary, was a result of two basic motives. Firstly, the party had not thought enough about the councils and lacked experience (the same observation was made by the Budget Coordinator). This made it adopt an administrative approach, where the councils were seen as an element of the town hall structure instead of being autonomous boiesy. This administrative approach was expressed by the fact that although the PT, in its political programme, understood that the councils were to be created by the party working together with social movements and neighbourhood associations regardless of the party in power, in reality the councils were created only where the PT was ruling the executive. Although it was easier to take such initiatives where the party was in power, at the same time, it was more dangerous, because as long as the executive supplied the resources needed for the structuring and working of the councils the executive could manipulate them.

The second motive, according to the former Planning Secretary, was linked to the fact that there was a precariously organized popular movement, with a very low level of autonomy, which still made use of a clientelistic approach to the executive.

As the councils had been created by the executive, this posed a new challenge for

the executive's team. That is, having initiated a process of participation, the executive needed to be aware of the risks of the process being controlled by itself and in this way the executive was required to have "sincerity and the conviction of allowing it to become autonomous". This meant that the executive should undertake the role of controlling this process, as long as it recognized that the process would have to become autonomous as the experiment advanced.

The Budget Coordinator Secretary also perceived that the PT, and accordingly, Ipatinga's executive, faced up to the problem of how to set up a parallel power. He remembered the fact that before 1988, the PT had only two experiences with such councils. After criticising both the social democratic and the Soviet Union's experiences, as well as the representative system that did not represent the majority, and the so-called participative experiences in Brazil considered to be manipulative, the PT had still not found its own way whereby there would not only be assemblies for collecting demands from the population but also some mechanism of participation through which the people could define together with the municipal executive what to do.

10.4.2.2. Split within the Executive's team

According to the former Planning Secretary the executive team appeared to be split on how to lead the process. For him there were two different views. One view was that the council was an autonomous body and the other was that it was a body that legitimized the actions of the executive. According to him, the former still prevailed within the executive's team, but it risked being overcome by the alternative view. This difference was expressed through alternative projects that were suggested, or even outlined, which affected the actions of the executive.

In the second round the problem of the lack of a homogenous action among the executive's team within the budgetary process, was also raised by both the Budget Coordinator and the current Planning Secretary. In their view, there were some Secretariats that only worked specifically for their own sector. The Secretariat in this case, was Health. According to the Budget Coordinator, this self-oriented behaviour was so strong that they managed to approve the building of a hospital at the end of the municipal term which would create financial problem for the next Administration.

The current Planning Secretary said this approach was brought about by two motives. On the one hand these, areas already had their specific activities and were also working

with the community through their specific councils. However, on the other hand, these same sectors had difficulty in gaining an overall view of the executive's work and accordingly of the budget. They used to demand for their own areas more than the executive could afford, forgetting the other sectors that the budget had also to deal with. In his view these people, although they had experience in their own sectors, did not have experience in public administration, which prevented them from having a broader view of the process. In sum Health was criticized for acting according to its own concerns, and, for not taking into consideration the work of the executive and the different demands upon the budget during the elaboration process.

The Collective Health Coordinator in response pointed out that until the 3rd COMPOR (August 1992) they had worked in isolation from each other. In the last COMPOR, each sectorial municipal people's council was allowed to have representatives and to put forward its own priorities. At this point the Health team began to look beyond its limits and obtained a broad notion of what the budget was. They discuss the priorities of other councillors and other sectors' council members to obtain a better perspective of their priorities in comparison with the other groups. Explaining the reason why the Health Council had worked in isolation, the Health coordinator said that the Budget Councils were established just before the Health team set up its own councils. According to the Health team there was no general council that assembled all the others. Thus, the process of creating and working of both Health and budget councils ran in parallel. In her view, the lack of meetings through which they could coordinate work between both councils was an outcome of the fact that there had not been inter-sector integration throughout the experience.

10.4.2.3. Relationship with the neighbourhood associations

According to the former Planning Secretary, the tendency of the executive to focus its attention on the councils, especially the CMO, seeing them as bodies that carried more representativeness in terms of society, produced a conflict between the executive and the neighbourhood associations. On the one side, the associations demanded to be listened to as bodies that had their own interests and representativeness. While on the other side, the municipal executive attempted to convince the associations that the CROs and the CMO, with their members elected by area assemblies, were the most representative mechanism in area terms, and that "the associations, churches, trade unions that had their

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representativeness in that area naturally would make their representation within the CROs".

In the second round of my field work the first point that emerged from the interviews with the former Planning Secretary and the Budget Coordinator were the changes in the COMPOR. Firstly, the inclusion of other sector municipal councils (Health, Environment, Child and Adolescent, Education). These councils were allowed to have 8 representatives each. Secondly, the inclusion of one representative from the neighbourhood associations for each district and three representatives of the FAMIPA (Ipatinga Neighbourhood Associations Federation) that included 25 out of the 35 existing associations in Ipatinga. Finally, the reduction ot the number of the CROs' members by half.

According to the Budget Coordinator, all of these changes had been discussed in meetings with the mayor, the Planning Secretariat's team and the then 7 current CRO presidents, and afterwards discussed and agreed in the CMO. He observed that there had not been any resistance to these changes. Firstly, the neighbourhood associations had been demanding to participate in the budgetary process for a long time and as most of the CRO councillors belonged to these associations, there was no difficulty in getting this implemented. Secondly, the reduction in the number of the CRO councillors was supported by the CMO, as the participation of the CROs members had been decreasing since the first year of the experience. According to the Budget Coordinator, this modification "preserves the process as it remains feasible to be continued". By saying this, he meant that it was impossible to elect 200 councillors and make them participate in the meetings. Another reason for this reduction, was that the number of councillors to be called was making those who were responsible for calling the councillors in their respective areas lose heart, feeling afraid that nobody would turn up at the meetings.

Nevertheless, the former Planning Secretary saw the inclusion of the neighbourhood associations as a retreat from the inital proposal of setting a popular organisation with a more general approach towards the city problems, without being entangled in disputes among different particular interests. In his view, the reason behind this inclusion was basically election-motivated and not due to pressure from the neighbourhood associations themselves (it is important to observe that the FAMIPA president belonged to the Workers Party, he was also the current CRO I president and had been invited by the mayor to work with him). He also saw the risk of more self-oriented behaviour by including the councils of the different sector within the COMPOR in detriment to a more broad approach towards the town problems.

The Ipatinga PT president supported the inclusion of the neighbourhood associations

in the COMPOR, as their experience and organisation were potentially useful for the rest of the CROs' people's representatives, and they carried demands directly from the localities. However it was necessary to balance the participation of the CROs' popular representatives, who did not participate in any popular organisation, with that of those from the associations and trade unions. She believed that the inclusion of such organised movements in the COMPOR would not inhibit those who were not associated with these movements, saying that the organised social movements were those that in certain way "drives on, controls and demands more", and once the citizen joined the COMPOR he/she would have the chance to be involved in an already organised movement and to integrate more in the process.

10.4.2.4. The lack of technical knowledge

The Budget Coordinator pointed out a problem among the people's representatives of "submission to the technical knowledge", that had arisen in the CMO and COMPOR meetings. People's representatives had complained to him, about the difficulties that they had had in grasping the technical terminology and information in the budgetary documents. In order to tackle this issue the executive had promoted seminars. In addition, the newspaper of the executive was used to explain the budget, its features and the workings of the budgetary process. For him, despite its level of complexity, the budget was not a difficult document to understand because of the way it was organized.

In the Budget Coordinator's view, the resistance of the people's representatives to discussing the budget was not concerned with the technical aspects of the budget but with some political factors. As the popular movements got used to the clientelistic and paternalistic political practices of the executive and councillors during the dictatorship, they became dependent on them. Accordingly, the popular movements did not take the initiative because they were used to waiting for the initiatives of the institutional political bodies. At the same time, some of them did not trust these bodies due to the risk of being manipulated by them. As a consequence, the popular movements refrained from taking over the space created by the executive to discuss the budget, by saying that the executive was hiding information and that the budgetary reports should be clearer.

When asked what the executive could do in order to overcome the problem of the lack of technical knowledge of the people's representatives, the Budget Coordinator answered that the executive had done all that was necessary concerning the budget. In other

words, it had created the councils and had given the necessary information through the budgetary reports, the executive's newspaper and seminars, and that it was the turn of the community to assume its position within the process.

The leader of the PFL noted that the people's representatives and even the councillors had difficulties in grasping the technical language of the budget. One PT councillor stressed that the CMO and the COMPOR were thought of as having parity of participation from the executive and the society. He agreed to the idea that because the civil society was not well organised the executive had to lead the experiment. However, due to the lack of technical assistance for the people's representatives they did not have the same power to defend their views and decisions, and this made them dependent on the executive. Thus, it was necessary to give the CMO and the CROs autonomous technical assistance, in order for them to have the power to make decisions. Another PT councillor also acknowledged the lack of technical knowledge of the people's representatives.

The president of the Municipal Chamber, the PMDB vereador, considered that both the CMO and the COMPOR were "meaningless ... because the people who participate ... do not actually know the needs of the municipality", making it difficult for them to solve the problems that arose. In his view, the people's representatives did not know the financial limitations of the executive or how to deal with the budget information.

10.4.2.5. The councils' inactivity

Both the Budget Secretary and the former Planning Secretary acknowledged that the councils had not being performed their functions well. The Budget Secretary observed that only two CROs had an active life, whereas the other CROs' leaders were always trying to hold meetings without success. In turn, for him, this issue reflected the fact that the executive had not managed to make the CMO work as a deliberative body. This then encouraged the CMO's members to push their respective CROs ahead, as the CMO had a more clear-cut function.

According to the former Planning Secretary, the CMO still had a very dependent relationship with the town hall due to two motives. Firstly, if the CMO was to work properly it would be necessary for it to have "a very high level of organisation and political demand that it does not have." Secondly, the CMO had to live "with a structure of municipal power that is highly hierarchical."

In the second round the Budget Coordinator observed that as far as the CMO was

concerned that it only held meetings during the months prior to the definition of the budgetary priorities in the COMPOR, i.e. the first six months of the year when the CROs should be deciding their own demands. In his view, the actual motive behind the lack of mobilization of the CMO was not linked to the CMO's councillors resistance to go through the budgetary techniques and the Budgetary Execution report, as he had observed as one of obstacles in 1991. For him the main reason behind the low level of participation by councillors was due to the lack of commitment from the executive's team. In his words:

> "I think that there is a fear, the word is fear of that participation grows, that it loses the control... There is also a kind of prejudice that I think is the other side of the coin. How many times I heard here the opinion that said 'why we should deal with these leaderships if they are weak. We are going to lose time'.

Therefore, he noted that the executive might lose an opportunity of setting up what he called a "pedagogic process", through which the executive could learn how to live with the existing popular leaderships, while on the other hand it would help these leaderships to change their still deep-rooted clientelistic approach towards the executive.

Another outcome of this situation, was that the CMO became weaker. Popular leaderships had told the Budget Coordinator that the COMPOR had been a great achievement, but as the CMO had not been given a well-defined power of decision-making, they thought that it was not working properly. He concluded that nothing had changed in terms of the working of the CMO. The possibility of change would arise if the PT won the next elections and the mayor decided to open space for popular participation.

The president of the Municipal Chamber criticised the fact that some participants sought to establish political alliances, instead of discussing the budget. Finally, he observed that the small extent of the city, the fact that the majority of the people were not born in Ipatinga, the fact that the steelworks was responsible for the districts of their employees (areas I and II) and the executive's lack of resources, all this undermined the importance and the need for the councils in the future. The city would soon be growing fast beyond the municipal boundaries so that the need to undertake works such as pavements and housing would decrease leaving space only for maintenance and activities concerned with sectors like education and health, thus preventing the budgetary process based on councils from going ahead.

Of those councillors who praised the experience (4 from the PT and 2 from the PFL), two of them (both from the PT) highlighted some problems. Both observed that

within the CMO meetings, the executive took many of the decisions leaving little room for the community to participate. They also noted that the councillors participated more when decisions had to be taken, than when meetings were concerned with the supervision of the executive works. According to one of the councillors, the basic problem lying behind this situation was the fact that the people had not been able to afford or had not had the time to educate themselves and their children, because of the economic crisis and the political repression during the period dictatorship (1964-1985). This process undermined citizenship and therefore the political participation of the society. This meant that in Ipatinga, the citizen had to become aware of his/her right and duties, and then assume the experience by him/herself. Given this political context, he justified the Administration's lead in the establishment of the councils, as the executive aimed to democratize the municipal government and as the society would not act by itself.

10.4.2.6. Centralisation of power and the mayor

The centralisation of power in the mayor was another problem observed by the Budget Coordinator. Asserting that the mayor had qualities in terms of leadership, the Budget Coordinator recognised that the mayor knew how to cultivate his position of authority by postponing decisions and explicitly saying no. However, the group of municipal Secretaries was not homogeneous in terms of experience in political decision-making. In his view only 3 out of the 13 Secretaries had such experience, but they did not have any social base in the city. Therefore, the Secretaries did not exercise the role of criticising the mayor when it had been necessary to do so. At the end, the team was split and the mayor had centralised the power in his hands.

This centralisation was at its peak when the mayor chose a candidate to run for the party's internal selection for the candidate for the mayoralty elections. However, his candidate did not manage to obtain support and lost the nomination. The issue of the centralisation of power on the mayor was also raised when the Budget coordinator observed that "although the process of decision in many occasions still ends up in the mayor's hands the making of a decision happens within the Government team".

10.4.2.7. Budgetary process's limitations

In evaluating the budgetary process, the Budget Coordinator identified those aspects

of the budget elaboration that created the basic obstacles for the advancement of the process. The first obstacle concerned the lack of viability in presenting the demands in a detailed way. According to him, despite Law 4,320 that allows the budget to be made with any level of detail, the detail can become a kind of strait jacket as the town hall becomes unable to face up to the conjunctural changes that in a country like Brazil amid its economic crisis, must always be taken into consideration in any kind of planning. As a consequence, the leadership had difficulties in registering their demands clearly.

Secondly, the budget is a law that authorizes but does not oblige the administration to do anything. If the Administration does not realize some of the work that was indicated in the budget, there is no sanction against it. In this sense, the budget does not link the moment when the priorities were set up with the moment of its execution.

Thirdly, not all of the demands from the population to improve their living standards are contemplated by the budget. Thus the budget is unable to deal with all the demands coming from the public. Finally, although the budget is a forecast and authorisation of the work that will be undertaken, there is no order or weighting that defines the priority by which the work has to be done. It is during the execution itself, when the municipal executive gets the money and decides what to do, that the priorities are in fact established.

10.4.2.8. Time lag between the executive decisions and implementation and control by civil society

An important aspect noted by the Budget Coordinator, was that the Administration's decision-making process and actions had a different pace to that of the control actions by the CMO. This led the executive team to be unclear as to the question of "how is it that you (Secretary) make this popular participation (through the CMO) be the actual determinant of ... these decisions you have to take", where the CMO's participation can go beyond the simple a posteriori supervision of the executive's actions. Because the executive did not get to any answer it "ends up convening ... the council (CMO) in the more crucial moments, in the moments of major decision".

10.4.2.9. Conflict with councillors

The Budget Coordinator observed that many councillors had refused to acknowledge the CMO as a legitimate body. It was only in 1990, when the Municipal Chamber came

to the CMO to discuss the executive's power to alter the 1990 budget, that the councillors subtly recognized the CMO. Despite this problem, the president of the Municipal Chamber had often participated in the CMO meetings, giving some kind of recognition to the process. In his view, as most of the councillors usually trade favours for votes they tended to see the CRO members as a threat to their political activities, since the people's representatives would be working closer to the community interests than the councillors. In terms of the budgetary process, the councillors limited their participation to what was prescribed by the law. This allowed them to veto executive proposals for altering the budget. With regards to the PT councillors, he observed that the participation was irregular.

In terms of reaction from the opposition councillors two of the councillors from the PFL and one from the PTB (Brazilian Labour Party) observed that there was manipulation of data, as some of the budgetary priorities chosen at the COMPOR were not presented in the Budget Bill sent by the executive to be voted on by the Municipal Chamber.

Another criticism from one of the PFL councillors was that priorites voted in the Budget Bill had never been acomplished. One of them cited a priority concerning the Hospital, a demand that had been approved in 1989 although building had not begun until the end of the PT term and then, according to him, only for electoral motives. The PSDB councillor observed that the CMO meetings approved proposals that had already been planned by the executive, in order to give the appearance of legimation to what in fact was manipulation. The decisions had been taken with the appearance that "the population {had} give(n) them an apparently popular backing".

Two of the PFL councillors criticised the executive for being radical and not being open to the exchange of ideas with other parties. One of them asserted that the executive turned its attention to the community instead of to the councillors. He believed that this was the case because it was easier for the Administration to deceive the former than the latter, since the councillors in his view had more experience and knowledge.

The PFL leader observed that the people had difficulties in approaching the executive. He suggested that the executive should included two kinds of personnel; technicians and politicians. The latter "should be 'close' to the people ... give the people attention ... Many times the person wants a word ... and if he voted for them, he thinks he has the right ... to talk" with that politician. In his opinion, since the executive's team was not providing room for the people to contact it, it was taking the risk of losing electoral support.

A point to be made here is the difficulty I had to interview the councillors. Their

offices, with the exception of the PT councillors, were always busy with people queing to be attended by the councillor. As observed by the researcher they required any kind of help or support from the councillor. This aspect can also be seen as the main feature of the councillor's activity. As was observed by the PFL leader the councillors are not performing their role which is to control the executive and legislate but only meeting requests from the people:

> "Look, unfortunately the political class in general they do not play their role, which in the case of the councillor is to supervize and legislate ... But today due to the ... crisis ... the people sometimes don't know the real function of the councillor. They want tiles, cement ... medicines,etc. There are people who even ask for 'good health' and 'beauty' ... (they) ask for everything. Then it is a very difficult situation ...(brought about by) unemployment."

Both the Ipatinga PT president and a PT councillor acknowledged that the Budget Bill, that usually included the People's Councils demands, was approved with difficulty in the Municipal Chamber because the councillors of the opposition parties did not recognise it as an outcome of citizen participation. The same ocurred with many projects that had been debated with the population. They had to be changed in order to be approved thus modifying their original content.

10.4.2.10. Relationship with the Ipatinga PT

The Budget Coordinator noted the lack of participation by the PT councillors in the process. When the PT councillors came to a meeting, for example, they did not intervene. For him the relationship between the executive and the Workers' Party was almost non-existent. Only in 1990, was a formal meeting held to discuss the organisation of the COMPOR. He perceived that the Administration did not have any interlocutor in the party, as the dominant group in the PT was made up of several leaderships and therefore the mayor did not have any specific leader to address. Another issue that arose, was that the party sought to influence the policy-making, without taking any responsibility for it. The PT members who participated in the COMPOR annual meetings, used to attend in order to criticise the process.

According to the PT president, the conflict with the municipal executive was caused by the gap between the expectations that the party had about what constituted a "petista" (PT) administration, and the reality that the executive team faced once they assumed the

power, in terms of the resources available to implement policies. In her words: "We had a vision ... when we got there we would manage to solve all the problems ...we had no idea of the limits that the apparatus imposed". This situation made those people who did not work in the Administraton frustrated. This conflict was worsened by the fact that the party did not manage to set up a committee under the Administration, whereby the party could participate in the decision-making process of the broader issues, such as municipal employees wages. The idea was that the party could only provide support to the decisions that had to be taken, where it appreciated the context within which the Administration made decisions. The executive, according to her, misunderstood the position and consequently rejected it.

Concerning the budget councils the party only held meetings at the beginning of the process to discuss the concept of the councils and the party's stance on the budgetary process. Despite the fact that the party did not organise its participation in the creation of the budget councils, most of those who did play an integral role were from the PT, since they already had experience in political and social mobilization.

10.4.2.11. Gap between COMPOR priorities and the budgetary execution

Another problem concerning the working of the COMPOR, was that it did not manage to translate its broad budgetary guidelines (the priorities) into local actions that could benefit the different areas, for instance the building of a square or a school, of the repairing of a street. As a result of this, a proposal for decentralisation had been discussed within the PT to be implemented in the next Administration, if the party won the election. In accordance with this proposal, once the Area Administration was established, the CRO would be made the body responsible for the management of it. It would have authority to execute or to authorize the execution of small works as in the case of Belo Horizonte. The need to decentralise was also expressed by the Modernization Director.

10.4.3. TREASURY

The Treasury Secretary explained how his area worked in the budgetary process. Before the budget elaboration, a great part of executive's income was already compromised. The expenses of personnel alone took 55 to 60% of the total income. Other expenses were linked to the transfer of sums from the executive to the Municipal Chamber, and to the

costs and maintenance of the administrative apparatus (some costs were fixed like free school meals, physical structure, public lighting). From January to October 1991 the executive had spent in terms of costs and investment the following: personnel expenditure took 50.7%, debts 5.0%, administrative maintenance 19.76% and works 25.0%. It is in this last heading that the budget people's councils could exert influence. In some years there were established work plans that had to be continued, so that it was necessary to provide finance. However, as the Brazilian economy had a very high level of inflation and was in recession, and the municipalities depended on tax transference from the State and the Federal Government, the Treasury Secretary had difficulties in executing the budget as planned. The municipality was subject to pressures beyond its control, such as the economic growth rate, fiscal dodging and successive institutional changes. Another problem for the Treasury, was that it was not always possible to make an accurate budgetary forecast of the cost of large work projects, which could end up two or three times higher than the initial budget. The greater part of the data was prepared by the Treasury Secretariat and was discussed with the Administration and Planning Secretaries. The final information was sent to the mayor and other Secretaries.

With reference to the COMPOR meetings, the treasurer observed that at the beginning, debate had been undertaken without the Budget Councillors knowing the amount of money the executive really had. As a consequence, the councillors demands exceeded the actual executive financial position. In the next COMPOR, in order to solve this problem the executive tried to show to the councillors that the data that was under debate was actual, and that this set financial limits.

10.4.4. HEALTH

From March 1989 fourteen local health commissions were created in each one of the health centres. The basic aim of the local health council was to collaborate with the working of the health centre, to identify and seek a solution to the problems concerning health in its ward together with the Municipal Health Secretariat. Some of these local commissions managed to verify the problems concerning health in their wards, others only discussed the health centre's problems and others did not work properly. Some councillors had lost interest due to the unbalance between their demands and the ability of the Secretariat to meet them. In 1990 the First Municipal Conference of Health was held. The Conference became the main deliberative body with regard to the formulation of health

policy and through it was decided the establishment of the Health Municipal Council created in 1991.

Working on a monthly basis the Health Municipal Council was the main body with regard to evaluation and control of health municipal policy. Its composition was divided between fourteen representatives of the users and seven of the workers of health sector, being five from the public sector and two from the private sector, and seven from the delivers of health services. They were elected through the Congress each two years and had as president the Municipal Secretary of Health. The local commissions also had the same division of representatives. The Congress was composed of one hundred members, with the same division as in the other two bodies and was held once a year. Its members were chosen by assemblies within each group of representatives. The Collective Health Coordinator observed that the representatives of the private sector did not participate in the meetings of the all three bodies.

10.4.5. ENVIRONMENT AND SOCIAL ACTION

There is an Environment Municipal Council with eighteen members. Four representatives from the executive, one from the Municipal Chamber, one from the Judiciary, four from class organizations, two from environmental groups and six from social movements and neighbourhood associations. Its main objective was to control and make practical proposals concerning the environment according to the Municipal Environment Congress and to examine whether the norms established under the various environmental laws were being met.

The Social Action Secretariat worked on developing agricultural cooperatives, surveys on labour market, and on actions to increase the supply in housing, either by Federal financial resources, by Municipal investment or by actions together with the community with Federal financial support.

10.4.6. EDUCATION AND CULTURE

The PT Administration started with 25 schools. At the time of the interview there were 31 municipal schools. A main plank of its platform was direct election of the head of schools. Those qualifying to be candidates included teachers or specialists in education who worked in the school. The weight of votes from parents, pupils and neighbourhood

associations' representatives was forty percent, while the votes from the teachers and functionaries was sixty percent. Committees of school were created so as to set up a democratic process within the school with the participation of the community and to be the main deliberative forum within the school. The same weight of voting was applied as for the election for the head.

The Secretary Assistant identified two problems. First, the working of the councils was different for different schools. Its development was uneven. In some schools the heads did not manage to encourage parents' participation and thus the participation rate was very low. At the time of these interviews the Secretariat was discussing what actions it could take to improve participation in the committees. They were seen as an instrument to counterbalance the possible centralisation of power by the head of the school. Second, the teachers and functionaries were resistant to community participation. They saw democratization of school as a process where their demands were met but not as process that included the demands of the community.

The Assistant to the Secretary highlighted the fact that the people in Ipatinga did not see the city as being their own and this had been an influential factor lying behind the cultural life in the city due to the particular influence of the steelworks in the city's life. In her view, the creation of people's councils meant the beginning of change in the behaviour of the community affecting Culture. The actions of the executive were twofold. First, to support cultural events. Second, to respond to initiatives coming from the community. The main activities were based on specific themes like folklore and the promotion of mass events. The main guidelined were to democratize the access to culture and to develop cultural citizenship. It meant seeing Culture as a basic right with access for all, and setting a cultural identity for the city. Cultural social groups were the main contacts used by the Secretariat in implementing its policies.

10.4.7. MODERNIZATION

At the time of the interview, this department was studying the possibilities of establishing a system of information, through which the user could obtain information about services delivered by the executive and how to access them.

She saw the councils as the best way of communicating with the users. She considered that the work of the Education and Health councils, which were very self-oriented and very well informed about their own areas, lacked a macro-pespective of the

town as a whole. She observed that the CMO was not performing its function of controlling the budgetary execution well and it was not a deliberative body as it should be. She also observed that instances of more participation in the budgetary process occurred when the budget was being elaborated during the first months of the year until August, when the priorities for next year were being defined. Finally, she asserted that the executive needed to start considering the decentralisation process as Ipatinga developed.

10.5. INTERVIEWS - SECOND BLOCK - THE PEOPLE'S REPRESENTATIVES - THE IPATINGA NEIGHBOURHOOD ASSOCIATIONS PRESIDENT - THE HOUSING MOVEMENT LEADER - THE PASTORALS

This section will deal with the interviews with the vice-president of the CROs in the CMO and with the CMO's Secretary, the CROs presidents, the people's representatives who did not belong to the CMO and with the new CROs. At the time of the interview the vice-president was replacing the first president, a Franciscan priest, who had just been moved to Mexico. He did not belong to any party and was a municipal employee. The CMO Secretary had been town councillor for two terms during the 1970s and president of the Ipatinga's Commercial Association twice, in 1986-87 and 1988-89. He was a pharmacist and owned a chemist's, and belonged to the Liberal Party. However he did not participate within the party. These interviews gave me information about the CMO's working and difficulties. In this group I also interviewed a priest, the leader of a Housing movement and the president of the FAMIPA (Ipatinga Neighbourhood Associations Federation). Of the seven CRO presidents who I interviewed, two were replacing former presidents that had left the office. Their partisan affiliations and their professions were as follows:

TABLE 10.5 PRESIDENTS OF THE CROs

CRO	PARTY	PROFESSION	PARTICIPATION IN NEIGHBOURHOOD ASSOCIATION
I	PT	civil servant(sociologist)	No
II	–	school teacher(not working)	Yes
III	–	maintenance electrician	Yes
IV	PFL	electrical engineer	Yes
V	PT	universitary teacher(not working)	Yes
VI	PT	telephone technician	Yes
II	PT	municipal executive officer	Yes

OBS: PFL stands for The Liberal Front Party and PT for the Workers Party

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The interviews made with people's representatives who did not belong to the CMO in 1992 attempted to obtain information about how they saw the relationship between the CMO and their own CROs. The interviewees were the following:

TABLE 10.6 – PEOPLE'S REPRESENTATIVES WHO DO NOT BELONG TO THE CMO

CRO	PARTY	PROFESSION	NEIGHBOURHOOD ASSOCIATION
I	–	EDUCATIONAL TRAINER	YES
I	–	ENGINEER	YES
II	PDC	RETIRED	YES
II	–	RETIRED	YES
VI	PT	CLERK	YES
VI	PT	TEACHER	YES
VII	PT	TEACHER	YES

OBS: The CRO VI people's representatives were the Ipatinga PT President and a clerk respectively. The CRO VII people's representative was a trade unionist and belonged to the CUT, the trade union linked to the PT. PDC stands for Christian Democratic Party, a centre party.

The interviews with the new people's representatives aimed at obtaining information about the expectations of the experience. All of them had been chosen in 1992 and had participated in the 3rd COMPOR. These were the following respondents:

TABLE 10.7 – NEW PEOPLE'S REPRESENTATIVES

CRO	PARTY	PROFESSION	PARTICIPATION IN ASSOCIATIONS
I	–	RETIRED	YES
II	–	MUNICIPAL EMPLOYEE	YES
III	–	UNEMPLOYED	YES
IV	PT	WORKER	YES

10.5.1. ISSUES

10.5.1.1. Lack of participation in the councils -

the weak relationship between the CMO and the CROs

The CMO's Secretary, who himself belongs to the CRO II, criticised the lack of participation of the CRO representatives in the CMO meetings. As a consequence, information concerning what had been discussed in the CMO was not being transmitted by

these representatives to the other members of the CROs. This problem weakened the relationship between the CMO and CROs. He believed that the CMO was prevented from having more substantial discussions due to the short duration of the meetings (60-120 minutes) and the fact that they were only held monthly. Another problem that influenced the discussion was the fact that the people representative's one-year term was very short which prevented them from obtaining the necessary experience. By the time a representative had started to get to grips with the subject matter he/she was replaced. Finally, the Secretary noted that due to the commitments of representatives at the work place and/or at home, some had problems in attending meetings. The Secretary observed that it had been difficult to hold meetings at the CRO level as well.

In 1992 I re-interviewed the CMO's Secretary, as he had remained in the post since 1991. The first issue raised by him concerned the CROs. In a meeting between with all of the 1992 CROs presidents, it was concluded that the CROs had a very low level of participation (as was observed in 1991). Besides having information concerning his own CRO II, he had visited the CROs III and V. In his view, a large part of the population was not aware of the necessity to work together in order to put pressure on the executive. The citizen tended to make demands on an individual basis or through small groups, and thus kept away from the CROs.

The CMO meetings still had a low level of participation from the people's representatives, with no involvement from the councillors (Muncipal Chamber) and had difficulty in achieving a quorum. He repeated his criticisms made in 1991, that the councillors saw the CMO as a threat to their work in the community.

In 1991 the CMO's Secretary criticised the non-attendance of the Municipal Secretaries at the CMO's meetings. As a consequence of this non-participation, the CMO team were obliged to approach the secretaries to gain information about what was being done. This information could have been more easily obtained by the CMO's team through the Secretariats' attendance at the the CMO meetings. He observed that at the beginning of the experience, the executive had participated more in the meetings.

In the second round of interviews the CMO's Secretary observed that from the 2nd COMPOR in 1991 to the 3rd COMPOR in 1992, the municipal executive did not act effectively to keep the CROs constantly informed about what had been decided in the CMO in terms of the budgetary process, for instance how the 2nd COMPOR proposal would be included in the budget. This affected the operation of the CROs. As a result, they met only a few weeks before the 3rd COMPOR to discuss their priorities for the 1993 budget and

the level of participation was lower than the previous year. In his view, the executive was the main body responsible for creating the link between the CMO and the CROs.

The CRO Presidents also criticized the lack of participation of the municipal executive team. The mayor and five other members of his staff were supposed to attend the CMO meetings to represent the executive. Although it was preferable that these five staff members were muncipal secretaries the CMO did not define which secretaries were to participate. However, in the event, the executive was rarely represented at these meetings. The participation of its members varied in accordance with the political needs of the executive. The CRO II President cited a case where the CMO was assembled to discuss a law concerning the state water services, proposed by a PT councillor who was running for the state legislative seat. As he lost the elections they stopped discussing the issue. In her view "when it is in their interest they do it with more details. When it is not the case they just do it without care." The CRO V President noted that when some problem emerged and was related to a particular Secretariat, the respective Secretary would be present "in the extraordinary meetings. In the ordinary meetings they are ... out as are the councillors and most of the people representatives".

The CMO's Secretary, himself a former town councillor, observed that the councillors were not so interested in the CMO as they saw it as a body that interfered in their own area of action and perceived that the population could use the councils as an alternative channel to bring its demands to the executive in a more direct way. In accordance with this view, the community would no longer use the Municipal Chamber as a means of contact with the executive and, accordingly, the political influence of the councillors over the community would be undermined.

Another problem, tied to the lack of participation of the people's representatives, arose due to the fact that some of them had difficulties in combining their business and household chores with the times fixed for the meetings. For example, the CRO VI President asserted that the majority of the people's representatives in his area were house wives and thus the time fixed for the meetings created a major obstacle to their participation as it coincided with the time that they would be preparing dinner for their husbands.

Another case was observed in the CRO IV, where the president noted that the working hours of the people's representatives who worked in the steel company, made it difficult for them to attend the meetings. Nevertheless, two of the presidents adopted a critical position towards their fellows concerning this problem of availability. The CRO VI president remarked for example that people should think about their availability to

participate in this kind of process before running in the people's representatives elections. The CRO II president asserted that if the people's representatives, both in the CROs and in the CMO, stuck to the rules their participation would not be irregular.

Another problem posed by CROs presidents was the fact that many of the discussions and debates in the CMO were considered pointless. The CRO VI president observed that many people's representatives posed issues that had nothing to do with the main subject, while others played 'devils advocate', resulting in time-wasting, tiredness and long discussions. In some instances the principal debates took place at other meetings, while in other cases further meetings were fixed in order to finish discussions. This problem, according to the same respondent, turned out to be an obstacle to the CMO fulfiling its part in the process and the people' representatives became dispersed. This specific president identified this issue as a factor behind the low level of participation in the CMO meetings.

Another point noted by the CRO VI president, was that in the case of his CRO the meetings should be long enough to enable discussion to be properly conducted on any issue. The CRO VII president noted that since many of its council's members had come from other movements, usually they ended up discussing problems concerning their own movements instead of debating the problems of the CRO.

In 1992, I interviewed the now former CRO I president, whose area was considered under the influence of the steelworks, and the now former CRO VII President, whose CRO was considered to be one of the more active. I also questioned the current CRO I president, who was also the FAMIPA (Ipatinga Neighbourhood Associations Federation) and had previously been the CMO vice-president. However, he was asked to leave this latter post as he was holding a post of confidence in the executive at the same time and this created the potential for political deception (interview with the former CRO I president).

Both the now former CRO I and VII presidents agreed that the operation of CMO continued to be weakened. According to the former CRO I president, there were two reasons for this situation. Firstly, it was not possible to elect another CMO vice-president after the current CRO I president had been sacked, because of the decrease in participation that usually happened after the COMPOR and due to the heavy rains that always fall during the last months of the year. Secondly, many of the CROs presidents were involved in the municipal electoral process (for the Municipal Chamber and for the mayoral office) and in the selection of the PT's mayoral candidates. This resulted in some of the PT candidates and even candidates from other parties, taking the opportunity to use the CMO as a

political springboard and as a consequence many CRO people's representatives began to refrain from going to the CMO meetings.

The now former CRO VII president also agreed that the municipal elections affected the working of the CMO. In his view the CROs' members did not have yet a view of the CMO as a body separated from the party in charge of the executive. Therefore some of the CROs' people representatives saw the CMO as party's political propaganda instrument.

All three respondents said that their respective CROs were not working properly. In the case of the CRO I, this was because the influence of the steelworks was still very strong, as had been observed the previous year (this issue will be detailed in the next section).

The now former CRO VII President asserted that the CMO should focus its efforts in consolidating its "real basis" rather than in legalizing itself. This real basis would be the CROs' members who made the link between the CMO and the CROs (the CROs representatives in the CMO, including the CROs presidents). This consolidation would make these people's representatives well-informed so that they could understand the implication of the budgetary process and the administrative issues and to be able to transmit this information to the population so that the citizen "has a more mature understanding of public administration, that he has ability to understand and elaborate ...because then the political formation will grow". The former CRO I president also stressed that the CMO had to draw near to the CROs.

In all the interviews with people's representatives who did not belong to the CMO it was confirmed that the CROs were not working properly.

Both of the CRO VI people's representatives thought that there was a lack of coordination in the operation of their CRO and, as one of them added, it usually held meetings when the COMPOR was approaching. Finally, the CRO VII people's representative raised the problems of transport within his CRO, as the districts that belonged to his CRO were separated by a hill and there were no bus services to link them up. The people's representatives did not have enough available time to hold meetings preventing them from having more constant work. In his view, the people's representatives were still learning how a traditional Administration works and how it should work under a participative model. The people's representatives also had problems in understanding that the executive could not simultaneously meet all of their demands, because they did not have a global view of the Administration and the city.

The main criticism of the CMO emerging from these people's representatives was

that it had not performed its functions well. According to the CRO VI people's representatives, the CMO should approach the CRO more often, so that the CROs' members could be informed about the actions of the executive in order to be able to question it when necessary. However, one of the CRO VI people's representatives noted that it was necessary that the CRO itself should become more active, in order to have a more fruitful relationship with the CMO. This view was shared with the CRO VII people's representative, who asserted that the precariousness of both the CMO and the CROs was the cause of the absence of "a more organic relationship" between them.

A further hindrance to fruitful discussion, was the fact that the meetings in the CMO and, accordingly, in the CROs used to happen after works or decisons had been initiated or taken by the executive.

Both of the CRO II people's representatives shared the opinion that the space for participation and discussion in the COMPOR was small. One of them pointed out that the executive would come to the meetings with a pre-arranged set of priorites that they wanted to be approved and they would usualy exert pressure for their approval. However, he acknowledged that to a certain extent this kind of practice was part of the democratic process. He also noted that in the previous COMPOR meeting, the people's representatives were able to have a broader view of the financial resources available and to distribute this money in terms of percentages among the various sectors. In the 3rd COMPOR, the people's representatives were not able to discuss these percentages and did not know how much would be invested in the sectors chosen as priorites. Moreover, some sectors such as that under the Government Secretary could not be discussed by the COMPOR. This last view was also shared with the CRO VII people's representative, who noted that the discussion had been focused more on investment without room for discussion on the expenses of the Administrative apparatus. The COMPOR, he said, needed to be have deliberative and consultative power supported by law.

Some new people's representatives commented about the 3rd COMPOR. It was observed by a CRO III people's representative, that the Health Secretariat and the executive team were well organised in making their views prevail at the end of the congress. With reference to the people's representatives participation, she noted that they lacked political experience in terms of how to organise themselves to defend their own rights and interests. She also asserted that the executive and the Health teams were right to organise themselves, as "this is part of the democratic process". For instance, the Health team managed to place health as one of the three main sectorial priorites. Both her and the CRO II people's

representative, noted that there were participants in the 3rd COMPOR that made unncessary questions or comments. Whilst she thought this behaviour was some a kind of tactic to affect the quality of the discussion, the CRO II people's representative believed that some people appeared because of electoral interests. The CRO III people's representative observed the Municipal Chamber's lack of interest in the 3rd COMPOR, as its president only came on the first day of the two-day congress.

10.5.1.2. The steelworks influence

In 1991 the presidents of the CROs located in the areas where the company's workers lived (CRO I and II) observed that one of the reasons for the low level of participation in their areas was basically linked to the fact that when any kind of problem appeared the company usually dealt with it. Accordingly, the councils were not seen as something that was important to their lives. Another example of the steelworks influence on the process, was given by the stand-in for the of president in the CRO I (this council was dismantled when I made this interview). She asserted that although the people had been elected and undertaken to work on the council their non-involvement stemmed from the fact that as they worked at the steelworks they were afraid of facing some kind of reprisal from the company. Besides, the former CRO I president belonged to the steelworkers trade union, considered to be made up of 'lapdog' unionists by the PT and the CUT (the trade union linked to the PT).

In 1992 the current CRO I president added that the influence of the steelworks on the level of participation in the CRO I was not only related the fact that the steelworks used to solved any urban problem in the area but also to the control that it exerted upon its workers. According to him the steelworks controlled the employee as soon as he/she begun to participate in any organisation. Thus, it would exert pressure to push the employee out of the movement or organisaton. When the person started to acquire more influence and importance, and the outcomes of this process tended to be against the company interests, the person would be sacked and was sometimes unable to find a job with any other large company in the region.

The influence of the steelworks on participation was also noted by the people's representatives who do not belong to the CMO in 1992. In those areas under the influence of the steelworks (CRO I and CRO II), the CRO I people representatives agreed that the steelworks exerted control over their employees such that they did not participate in the

CRO because they were afraid of reprisals from the company. One of the CRO I people's representatives actually worked in the company and asked me not to tape-record the interview. The other CRO I people's representative had been involved in movements for the past 20 years and her husband was a retired steelworks worker. When the time came for her sons to try to get a job in the company they were not employed. She also stressed that the company used to send people to watch her in meetings where she was participating. According to this people's representative the fact that the company usually undertook the repairs in the surrounding areas, and the lack of political consciousness of the inhabitants of these areas made people fail to perceive the importance of the councils to their daily life.

One of the CRO II people's representatives agreed with this last point, but disagreed with the view that the company exerted control over its employees. For him, the problem of the lack of participation in Ipatinga was also linked to the lack of a participative culture in Brazil's history, which became worse during the dictatorship.

10.5.1.3. Lack of technical knowledge

The difficulty in grasping the technical discussion that the elaboration of the budget demands, was another problem noted by the CMO's Secretary. According to him, as a people's representative only had a one-year term, it meant that he/she did not have enough time to obtain experience in the issues raised in the elaboration of the budget. This situation was worsened by the fact that most people's representatives came from the poorest part of the town (suburbs) and thus did not have the adequate educational background to allow for more intense participation in the process. As a consequence, the discussion among the representatives was concerned more with actual demands raised, whether they had been executed or not and how well or badly they had been implemented. For him, the seminars held by the town hall to explain the budget and its political aspects, did not succeed in improving the representatives' understanding of the budget.

In 1992 the CMO's Secretary considered the lack of technical assistance from the executive for the CMO meetings as a hindrance to the increase in participation at the CMO. This technical assistance should provided explanations concerning the execution of the budget and why certain works had not been made. This non-participation of the executive team in providing such explanations served only to make the CMO's members lose heart to attend the meetings.

The CMO's Secretary specifically criticised the fact that the report, made each month by the town hall concerning the execution of the budget, was very brief. Accordingly, this made it difficult for the people's representatives to follow the execution of the budget and to discuss with the executive the actions that had to be taken. In his view, the reports that were being presented had to be broader in scope and contain more detail. Another problem that affected the CMO's control over the implementation of the budget, was the fact that the report was sent after the works had already been initiated.

The lack of technical knowledge concerning the budget was raised in five interviews with the CRO's presidents. According to the CRO VII president, the people's representatives were "common workers, that live the day-to-day problem, who have the solution but don't have the technical knowledge." Thus, they did not have the tools and information to understand the data in the monthly report, sent by the executive to the CMO to be discussed. As the CRO V president observed, the report "comes in general terms ... and does not indicate where these works were made ... the people's representatives want more detailed ... items".

The same problem happened, in the CROs' and in the CMO's meetings, with the discussion of technical aspects of the budgetary process and of the Administration as a whole. As the CRO II President noted:"You come (to the CRO) to show the people it was this that had been done ... it had spent that amount ... (but) you don't manage to discuss. I think that the representative should be a technician but we are not." The outcome of this situation was that the CROs presidents were unable to perform their function of explaining to the other people's representatives the execution of the budget, as they were "not still so well trained to follow a budget" (CRO V president).

Concerning the discussion in the CMO the CRO VI president noted that if a member of the executive member so desired, he could take any proposal or questioning from the people's representatives to pieces "because they've basis, they've documents, they live the problem of Administration ... and I see a problem here (at my place) ... they've much more argument". As a consequence, the people's representatives did not succeed in countering the executive's staff explanations during the meetings held in the CMO.

According to the CRO VII president, since the experience was new and the people's representatives did not have the necessary technical assistance to discuss the issues raised, the executive had a strong influence on the decisions taken on the COMPOR (Municipal Congress of the Budgetary Priorities) due to its technical knowledge. Once the CMO had decided on the percentage of the amount of money that could be discussed over in the

COMPOR there was a decisive participation of the executive's representatives in the priorities-defining process. Despite the fact that the people's representatives were informed about the tax's collection, the decisive participation ended up coming from the executive "in this kind of information for instance 'we have these demands to be met but we just do these ones'". However, he added that the executive team did not go to the meetings with a pre-designed plan but they posed their ideas and discussed the issues.

In 1992 the problem of lack of more detailed information in the CMO and the COMPOR discussions about the budget and the Administration that had been raised again by the now former CRO VII president.

10.5.1.4. COMPOR, neighbourhood associations and councils from other sectors

The CMO's Secretary considered the inclusion of the neighbourhood associations and the other sectors in the COMPOR, was seen as good way to avoid the conflicts that used to arise when the decisions of the COMPOR and the CMO did not coincide with the decisons taken by other councils on the same issue. It also served to lessen the associations resistance to the CROs. He noted that the idea of including the associations and other sector councils was supported by the Budget people's representatives, as most of them also participated in these other bodies.

According to the former CRO I, the inclusion of the neighbourhood associations and other municipal councils established a more harmonious relationship between the associations and councils and the COMPOR and the CMO.

One of the CRO I councillors, who was also the president of the Municipal Council for Children and Adolescents, welcomed the initiative of including the other sectors councils in the COMPOR. This was because they could in future gather more support for their demands and it was also seen as one more opportunity for participation.

The FAMIPA's president was also the CRO I president and participated in the Municipal Council for Children and Adolescents, as well as belonging to the PT. According to him, the inclusion of the neighbourhood associations in the COMPOR was an outcome of the pressure exerted by the associations on the executive. The associations felt uneasy seeing people who did not have any interest in helping the community being elected to the CROs, whilst at the same time being excluded without from the process for no apparent reason from the 1989 till beginning of 1992. During this period the FAMIPA view was that the daily struggle was responsibility of the neighbourhood associations. However, when the

CROs' members were chosen, a kind of a parallel power was created at grass-root level that kept the associations aside. The COMPOR had a lot to gain from the inclusion of the associations, as they would try to improve the level of participation in the COMPOR and in the districts. He contended that the budgetary process should be independent of both the steelworks as it exerted pressure on its employees not to participate, and the executive, as it itself established a process that was completely new for both Administration and neighbourhood associations, sometimes wanted to manipulate the civil society movements.

10.5.1.5. Rules, participation, the operation of the CMO and its relationship the executive

The President of the CROs observed that the people's representatives' demands did not receive the proper attention and this affected the people's representatives' motivation concerning their participation in the council. As we can see here:

> "From the moment that the Administration starts to give attention to those people's representatives it would create in each one of them a greater capacity to participate. Once a demand is given attention ... Then the council will have a greater force and the Administration will be actually sharing (the decisions) with the council".

He criticised the executive, for the fact that it had not opened the channel of participation that they promised. It was necessary "to deepen" the relationship between them. According to him, although the CMO had its own norms and rules, in other words its limits, the executive should be more clear about the CMO's role in the process in order that the CMO "could be more in tune with the administrative issues ... and the Administration could share its responsibility with the Council". The President of the CROs in an attempt to explain the situation in which the people's representatives were working, suggested the idea of what he called "abstract power" where "you have the authority to say something, to try to change something but not to make the action, to make that happen". On the one side were the people's representatives, who "know that they have power ... undertake the supervision, the monthly control but ... stay in a deadlock".

Despite the norms that gave them some power within the budgetary process, they did not have any guidelines that set the limits of their actions concerning the Municipal Administration. On the other hand, the Administration "could be consulting more and ... giving more information", but it was not doing this. However, in his view, at the same time, the executive perceived the CMO as a parallel force when it came to establishing

priorities and controling the budget execution.

10.5.1.6. Respecting the rules

The CMO's Secretary criticised both the executive and the CMO itself, for not having a more assertive position concerning the necessity to follow the rules with regards to attending meetings. This lack of participation was an obstacle to the effective operation of the CMO.

10.5.1.7. The experience is a novelty - overlapping of discussion - dispersion of work

One of the points that emerged from the interviews with the presidents of the CROs was that the experience was very new and it was a novelty for the city. As with the other two blocks of interviews, the first year of the experience, 1989, was seen as a period when the process was being hastily implemented. In this same year, the organic law and the budgetary control were being discussed, and splits between the PT and executive emerged. All of this, according to the CRO VI president, diverted the attention away from the people's representatives. In 1990, the 1st COMPOR was the great event of the experience and it enjoyed an important input from the people's representatives, the executive and the Municipal Chamber. In 1991, the Plano Diretor (city's strategic plan) had received the attention and as the majority of the CMO people's representatives belonged to the group that discussed the plan, this affected the budgetary process at the level of the councils. As a result, according to this president, the members of the town hall were worked on different subjects and the people's representatives were unable to concentrate on the operations of the councils as such.

10.5.1.8. Executive representativeness and technical assistance at council's meetings

One problem felt by the CRO presidents, was that the CMO needed some kind of assistance to help it with the discussion of the budget. According to the CRO VI president, the explanation given by the Administration was that as the town hall's team was already participating in the CMO it would not be necessary to provide any kind of assistance. The mayor believed that the duty of the team was to advise the Budget PCs when it was necessary, in order to solve their doubts. The idea was that the CROs whould have a more

locally oriented approach, the CMO would have a wider view and the executive would deal with the more general problems. Then, the CROs and the CMO would not need to have a technical assistance. The CROs' members lived the problem themselves and knew what the problems were, thus they would not need to work on technical aspects. There would be people to defend their demands in the CMO, while the executive would deal with the more general problems, in other words the technical issues; and help to define the budgetary priorities.

10.5.1.9. Manipulation

In two of the interviews it was asserted that the town hall had manipulated meetings, in order to obtain a decision that suited its interests. The CRO IV president observed that when the executive wanted to achieve a particular result in a meeting, it would bring as many members as possible from those CROs where it had political suppport. Another method used by the town hall to obtain the results it desired was ilustrated by the CRO II president. In this case, the Secretaries with their knowledge guaranteed the intellectual backing necessary to support the executive point of view and in this sense convinced the people's representatives of the validity of the executive's intention even though at the beginning the people's representatives had been against the idea.

10.5.2. THE PASTORALS AND THE COUNCILS

There were two motives behind the interview with the priest linked to the Pastoral works. First, some of the councillors interviewed had participated in the Pastoral works. Second, the Catholic Church in Ipatinga had a strong link with the social movements and with the PT. My general question concerned the conception behind the Pastoral works. This interview was not recorded.

In Ipatinga there were around 20 socially oriented-Pastorals, for example, Children, Slums, Lands, Workers,etc. For them, the main objective was to build up the Kingdom of God, but, for this man/woman should have a life where all his/her needs were met. It was at the confluence of this need of having a so-called "full-life", with the need to face up to the realities of the people, that the Pastorals emerged. Thus, the Pastorals aimed to make the community aware of its difficulties and of the need to struggle to change society. Politics was understood within this context, as action for the common-good. As the

Kingdom of God meant justice, fraternity and solidarity, given the realities within Brazil, it was deemed necessary to participate. The people who belonged to the Pastorals sought to engage in the struggles of the community because as a Christian who lived in that community he/she would have to participate in Politics. Finally, the Gospel gave Christians the grounds for participation and at the same time demanded of them effective participation on the side of the poor and the oppressed. He stressed that the Church as such did not participate in the budgetary process, but the Pastorals' members as citizens and as Christians who thought it to be their duty to act within the budget councils.

10.5.3. THE HOUSING MOVEMENT

The importance of this interview made in 1991 with the Housing movement's leader, who was also the CRO VII president, was to see how a strong social movement in Ipatinga viewed the Budget PCs structure. In this case, the relevant aspect to be considered, besides the organisation of the movement itself, was the intention of this movement to use the PCs structure to increase its influence on the town hall. From this point of view, the fact that housing had became the top priority at the 2nd COMPOR, for the 1992 budget was part of the movement's plan to meet their demands. In 1990 in the 1st COMPOR housing had been the 3rd main priority. The next step was to participate in the next elections for people's representatives in order to increase the participation of the Housing movement's members in the budget's structure and, accordingly, to be able to exert a continuous influence on the Municipal Administration. at the 3rd COMPOR, held in August 1992, housing was 3rd of the 3 main priorities for 1993. Thus, this movement had managed to keep its demands at the top of the agenda in terms of budgetary executions.

10.5.4. VIEW OF THE PEOPLE'S REPRESENTATIVES

All the people's representatives considered that the Budget PCs created an arena for participation, exchange of information and debate between the executive and the civil society that had never existed before. "The people ... did not have a broad participation, did not have knowledge of what happened within the Municipal Administration before", but now, according to the President of the CROs, any person could "go to the executive and complain about certain irregularites".

Moreover, the budget had not been the only issue that had been discussed. Important

laws such as the Plano Diretor (strategic plan), the IPTU (property tax) and the Organic Law had also been dealt with.

According to the CMO's Secretary's point of view there was an opening in the Administration so that it became more transparent and "totally open to representative bodies ... the former Administrations were closer, were linked to very particular interest groups". As a former president of the Commercial Association, he observed that the businessmen's ideas had never received so much attention from the municipal executive as they were receiving now by the PT Administration.

Both the CMO's Secretary and the President of the CROs thought that this experience brought about a possibility for political learning. The CMO's Secretary asserted that the initial meetings, held in order to set up the CROs, were open to everybody to express their own ideas. As he was a businessman he had expected some aggressiveness from the others, who were mostly workers, but this did not happen. From those meetings "we start to have a better analysis of the popular movements' context, of what the people actually intend, what are their ideas".

In turn, the President of the CROs thought that the population was "acquiring a new form of participation within the context of the general administration" and was adapting itself to "this process of choosing, of effective participation together with the Administration". It was also believed that the population was learning more about the budget process and the reality of the Administration.

According to the CMO's Secretary the CMO meetings could be useful to the councillors, in terms of the exchange of experiences and information. The CMO's Secretary considered that despite the decrease in the level of participation, the 3rd COMPOR was more efficient than the previous two due to the participation of members of associations who had had experience in this kind of meeting. The questionnaire that the executive sent to the CROs was more understandable making it easier for the councillors to respond. The decisions were more city-oriented than the previous COMPORs. He also noted that the document issued by the CMO, to be included in the Budget Project-Law for 1993, had been more consistent than those of the previous years. The now former CRO VII president observed that the 3rd COMPOR meeting had improved as far as discussions and priorities were concerned, in terms of understanding of the budget, of what could be a priority and of how his/her region could be related to this priority.

The setting up of the COMPOR (Municipal Congress of Budgetary Priorities) was seen the most important moment in the process of participation. It was seen to be an arena

of intense debate and participation, where civil society could establish its own priorities and become involved in political discussion.

10.6. CONCLUSION

This chapter looked at the experience of the Budget PCs in the case of Ipatinga. What can be noted here is that the PT initially had a radical proposal for local government but was out of touch with the political reality of Ipatinga and in particular the low level of political organization. This meant that the executive took the initiative to start the process which they thought should be initiated by the civil society and the PT. The municipal executive team did not have a common approach to the Budget PCs working as it could be observed in the Health. The mayor was criticized for centralising power. The relationship between the Ipatinga PT and the executive reproduced the pattern of other cases of local government run by the PT. They did not manage to establish a good relationship. From the point of view of the people's representatives the importance of this case lies in the fact that an arena for participation was created and that this meant a change as far as the municipal budget decision making process was concerned. However, they faced problems related to lack of experience in political participation and of technical knowledge to discuss budget. There was also a feeling of distrust toward the executive which was seen as manipulating the meetings. All these issues affected the working of the CMO and of the CROs. The municipal chamber did not have a relevant participation in the process even in the case of the PT councillors. The president of the Municipal Chamber did not consider the PCs as uselful mechanims for the Municipal Administration in Ipatinga. The opposition councillors interviewed with three exceptions criticized the experiment. In sum it can be said that the People's Councils still depended on the executive's support to go on functioning. A further question could be asked whether there had been a failure to implement the PC strategy or the approach had been misconceived and considered unhelpful by the key actors. However, my research did not go so far and it was took for granted that the PC would be a relevant approach to the municipal administration. The interviews with the people's representatives support this view. On the ohter hand most of the politicians gave no credit to the PCs' working despite the fact that they thought the idea to be good. With regards to the officials' view the fact that they, with the exception of those directly concerned (the Budget Coordinator and the Planning Secretary) did not participate properly in the CMO's meetings could be seen as a sign of

the small importance they gave to the Budget PCs (even though other sectors were beginning to established their own PCs). In the concluding chapter, I will draw some conclusions from the People's Councils in Ipatinga.

CHAPTER 11. CONCLUSION

11.1. INTRODUCTION

This chapter will deal with the data about decentralisation in Belo Horizonte and the PC in Ipatinga respectively in the first and second parts to address my research question which is: "Can decentralisation and PC be a means of democratization of local government in Brazil?". The third part will compare both cases and highlight their features within the context of Brazilian political and administrative reality in order to explore the hypothesis that the implementation of alternative forms of local government face problems that are characteristic of the wider Brazilian political reality.

11.2. BELO HORIZONTE

The principal purpose of decentralisation was to modernize the Administration. It envisaged Area Administrations with more autonomy and the involvement of the municipal employees. There were concerns about the impossibility of keeping services centralised in the town hall and about the need to provide better services and access for the public. The PSDB proposal to go further with decentralisation was put forward together with proposals for area people's councils. The people's council meant to be a body constituted of representatives elected from the area community which would participate in the AA decision-making process. The main idea of Veiga (the first mayor) was the creation of people's councils that would be responsible for the setting of priorities and supervision of municipal works (Estado de Minas,28/10/1988). The main difference between the PSDB councillor's people council proposal from PT's idea was that the former was supposed to work on an area basis together with the Area Administration while the PT was sector-oriented. The PSDB councillor's proposal obtained legal support through the Organic Law in March 1990 (the main Municipal Law). During the first months of government, May 1989, the leader of the municipal government within the Municipal Chamber expressed the idea of increasing administrative efficiency and of decentralisation of power although it was not clear if he was referring to the empowerment of the Area Administrations (AA) or to the establishment of the area people councils (Estado de Minas,5/5/1989). The idea of the people's council in order to be institutionalized had to be voted on in the Municipal Chamber. However the proposal never came to the vote and according to the PSDB

councillor faced resistance from 3 out of 5 PSDB councillors in the Chamber.

Using Conyers's (1986:91-92) classification of objectives of decentralisation we can say that the explicit objectives of this process were related to the improvement of public services where the focus was to be given to service delivery, to the relationship between public servants and the public, to the increase of AA autonomy and involvement of municipal employees in the Administration and the establishment of people's councils (PC) in each area of the nine areas of the city and the municipal council. All these objectives coincided with Hambleton's (1992:13-14) classification. However, in fact no action was developed towards area-based policy-making where the AAs had more decision-making power. The AAs were restricted to supplying the Municipal Planning Secretariat with information about their respective areas. With regard to the budget each AA issued its own budgetary document and sent it to the Planning Secretariat to be analyzed and inserted in the Municipal budget. The AAs proposals could be wholly or partially changed.

Concerning the strengthening of local accountability it can be said that AAs acquired influence rather than authority over decision-making processes that affected their areas and sectors where they worked.

From the seven stages within the ladder, from putting officials in localities to find out problems to give localities control over fiscal resources proposed by Yates (1973) to strengthening local accountability, we can say that this process established through AAs officials a point of contact with the areas communities and that the AAs had control over the execution of policy and programmes but not directly over their formation. It means that Belo Horizonte decentralisation was placed in the first two stages.

Another objective of a decentralisation process is the distribution of services for poorer groups. It was observed that through the AAs the only special action towards poorer groups had an 'assistentialist' characteristic, not aimed at dealing with living condition or directing any specific service to these groups. It consisted of donations to asylums, nurseries, poor families and pregnant women, of cleaning material, food, and some times of second hand clothes, school material, painting material, toys, etc. Some special projects like supplying food to pregnant women were financially supported by other spheres of government, mainly the Federal Government. The Municipal Social Development Secretariat had no link to the AAs and their Economic Social Departments and acted independently through the existing community support centres.

Decentralisation was not used to increase public support, another of the possible objectives of decentralisation. Another possible aim concerns staff training. It was observed

that some staff received training oriented to technical aspects of services. However, according to the former Administration Secretary, people responsible for tasks considered "easy" were decentralised without receiving training.

As to physical aspects the PSDB government used the already established nine areas to implement its process. In three areas the town hall built new offices for the AAs (this was part of its programme). The division of areas had been affected by political interests when it had been voted upon by the Municipal Chamber in 1985.

It seemed from the interview with the former Administration Secretary that there had been a principled kind of approach to select which services could be decentralised. They decentralised those services they thought feasible. The structure within Education and Health facilitated their decentralisation. Administration, Urban Control and Licences were not completely decentralised because they needed to have an information system and some services, mainly under Urban Control which would demand more experts for some services such as the control of buildings if they were decentralised. Social and Economic Development departments were put under the responsibility of people who, if possible, had links to the communities in their respective areas although their actions were mainly concentrated in cultural and sporting areas.

Decentralisation in urban maintenance was made with small works that did not demand the use of big machines and technical expertise. Decentralisation was characterized by conflicts with the Secretariats involved which implied ad hoc procedures concerning when and how to implement it. The main conflict was between SUDECAP, responsible for the urban maintenance works, and the Area Administrators.

With regard to the distribution of power we can observe that at the level of the daily operation the AAs had discretion to decide how to perform their tasks and adapted the procedures according to the local context.

The AAs had no control over strategic decisions. Their main role was as a channel of information about the demands from their areas. In general, they set up priorities that were received by the respective Secretariats who were expected to analyze them in order to establish the plan for their respective sectors. For instance, the SUDECAP, responsible for urban maintenance specially the big works, contributes to make the works' plan, under the responsibility of the mayor, with its information and knowledged about the city problems. It means that beyond executing the work planned the SUDECAP had its own set of priorities for the city as a whole that was put forward to the mayor. The AAs, in turn, sent their priorities to the SUDECAP who included them in its own work's plan.

The Secretariats define the policies and the AAs coordinate the execution. Following Hambleton and Hoggett (1984:13) in terms of distribution of power we can say that the AAs had basically an advisory capacity. It means that the AAs could recommend proposals and give suggestions and criticisms to the central power concerning the plans and projects for the different sectors. The problem with their dualistic classification between advisory and executive power (the power of the lower levels to decide about the issues which they are related to) does not take into account the different processes that may happen within different sectors.

Thus we could observe that the AAs had discretion of action in the day-to-day activities and in the sector of maintenance they became responsible for the small works after a conflict with the SUDECAP that had resisted decentralising services to the AAs because they felt this could lead to them being dismantled and its responsibility being distributed among the AAs. This can be considered one motive for the resistance from SUDECAP to decentralisation.

It should also be noted that the Area Administrator office and line-staff positions could have a political use as for example the Economic and Social Development Department (DDES) Director of Barreiro AA. He had been placed in that office because he was politician of that area and he was planning to run for the next municipal election. Two of the Area Administrators would also present their candidature in these elections. Another example was given by the DDES director of North AA where a conflict emerged between her department and the maintenance department for the control of the distribution of food for pregnant women. These aspects can indicate the AAs had a political use as they were in closer contact with the community.

In Brazil, services concerning social and economic activities and urban maintenance are considered to have an impact on the population so that electoral and political support can be obtained from the community by improving services but also either through clientelism and/or populism .

According to Daniel (1990:17) the importance of small urban works, in a democratization process, lies in the fact that their results are of immediate use to the population as they are localized in parts of the city where the people live; they are frequently very old demands that have been forgotten because they are related to a very specific locality; and they help the participation of inhabitants involved. One way is through "mutirao" which is a kind of cooperation between the community, the state and entrepreneurs where diverse means can be used to realize the works. In some cases, it

creates jobs, uses appropriate technology and reduces costs. In other cases the financial resources are obtained by the community itself (Campos,1990:49). One example of this was given by one PSDB councillor where one AA hired local labour and by using its technical personnel made a small bridge over an open-sewage stream. The other way is by the community playing an advisory role in the process of elaborating the work. Then, small works can contribute to giving the community a different way of experiencing the city (Daniel,1990:17). However no power had been transferred to user groups or community as a whole. On the other hand the centralization of big works had among others a political objective. As observed by Daniel (1990:12) the big works was seen by the population as a symbol of a "good Administration". Thus it can be said that conflict upon the decentralisation of urban maintenance services also had a political motive as urban works might have a political impact on the community of the area where the work had been done.

Concerning the budgetary autonomy which was considered a key issue for the autonomy of decentralised units (Deakin,1984a,b) the AAs basically had an advisory role in the budget-making process. The Municipal budget is the responsibility of the Planning Secretariat and the Treasury Secretariat is responsible for its execution. The AAs sent a document putting forward their financial programme.

With regard to the form of decentralisation, following Borja (1984:14,16-17) I may conclude that Belo Horizonte is a case of deconcentration. In other words, in Belo Horizonte administrative units were established which aimed at getting the Administration closer to the community. The AAs were not autonomous nor elected by the community. Add to this Conyers's (1983:102) observation that deconcentration is a limited form where the central power controls the decisions over the allocation of resources.

Having made this analysis we can evaluate this experience according to Hambleton's (1988:130-132) dimensions. With regard to the decision-making dimension we can say that in this process as well as allocating services in different areas so as to improve public access to services, gave the AAs some power concerning local decisions as they were responsible for coordinating the execution of policies, control over daily activities and executive power over small works. It means that this process was in the middle of the continuum between giving local information and advice at one pole and local policy-making at the other pole.

As far as the political dimension is concerned this experiment run by the PSDB was basically an administrative and managerial change with no participation of the public and the councillors in its elaboration. The councillors's participation did not go beyond the legal

limits, in other words voting for the proposal in the Municipal Chamber with a right to veto. No arena or instrument of participation was created so as to incorporate the public or groups.

Following the characterization set by Borja (1984:14,15-16) for a democratising decentralisation process we can observe the following:

I. Area Administrators were chosen by political negotiation with the Mayor having the final word and following the political alliance made during the campaign. In general, the political parties of this alliance controlled the AAs in the areas in which they were the main political force. It was also observed that some councillors had influence in this selection. As a consequence some AAs run by the parties of the alliance were criticized for acting in their own political interests; and some Area Administrators were criticized for not giving equal access to different councillors instead favouring those who had influenced their selection for the offices.

With regard to the directors of departments nominations occurred according to political interests. For instance, the Municipal Health Secretary had an important role in selecting the Health directors within the AAs which became a source of conflict as the directors felt divided about whom they had to report to (in this case either to the AA or to the Secretary). Another example was the Barreiro DDES who was selected to that office because as a former defeated political candidate, he had his strongest electoral support in Barreiro and was running in the next municipal elections. Of the nine Area Administrators interviewed in 1991 two were running for the Municipal elections, one for the PSDB and the other for the PDT. It can be said that the AAs were used according to political and electoral interests and the population had no participation whatsoever in the selection of the Area Administrators. Nevertheless all these officers were defeated in the 1992 municipal elections (Estado de Minas,13/10/1992).

II. The AAs could not set up their own policies, although they had autonomy concerning actions within the sphere of small maintenance works.

III. As suggested by Borja (1984) the AAs had a global character rather than a functional specialization.

IV. They had an advisory role in the plan and programme making-processes.

V. The AAs were the coordinators and the executors of the policies and the Secretariats had the power to guarantee the accomplishment of what had been planned.

VI. As the AAs did not have budgetary autonomy they did not have their own resources except for those necessary for the day-to-day tasks and the small urban works.

VII. The AAs had no control upon agencies from the other public administrations, i.e. Federal and state's spheres.

VIII. Concerning the development of new mechanisms of political and social participation we could observe initially that the information computing service to the community was limited in providing the public with information about prices of goods in different stores. There was no mechanism of election for local leadership. In some cases, like in the Centre-South AA, ad-hoc commissions were formed to deal with very specific projects. In the Pampulha AA the Area Administrator was beginning to hold meetings whereby all the neighbourhood associations could also hand in their own demands and present their criticisms. This meeting could be also seen as an opportunity to the associations to meet each other and exchange information. Some AAs held meetings to discuss the Plano Diretor (strategic planning) with organised sectors but the participation of the community was not relevant.

However it cannot be said that the AAs as a whole took specific action to strengthen organized society. The neighbourhood associations were seen as a natural type of political articulation from the society with which the AAs had to deal. Nevertheless, criticisms emanated from some Area Administrators and the town hall team concerning the possibility of some of the associations being manipulated by politicians or even by their own leadership. For instance, the SUDECAP considered whether the demands coming to it from the associations had real priority as well as analyzing these demands according to its own plan. Another complaint was that there were too many associations which meant too much time being spent with meetings in the AAs and too many demands were put forward. The great number of associations caused the Area Administrators to be suspicious towards their representativeness.

The AAs, through the DDES, took no part in developing social economy either through cooperatives or collaborating with enterprises and other public administrations.

With regard to consumer's rights nothing was done specifically by the AAs beyond what had been already set by law. In other words the AAs were not used to improve in any direction the implementation of consumer's rights.

In sum, Belo Horizonte's decentralisation did not materially change the hierarchy of power centralized in the mayor and the Secretariats. It did not create any institutional mechanism of participation although the Area Administrators had autonomy to establish any institutionalized procedure of participation. There were ad hoc procedures either through assemblies with neighbourhood associations of one area as we could see in the case of the

Pampulha or with specific associations to deal with certain issues. There was no involvement by civil society in the selection of the Area Administrators which was the responsibility of the mayor and dependent on negotiations between his party and the others parties of the alliance that support the government. The municipal executive did not make any effort in setting up the PCs. The PSDB councillor who put forward the proposal of PC faced opposition from members of her own party. This helped to maintain this experiment within the limits of managerial change.

Although I acknowledge the fact that there was an advance in terms of deconcentration of services the decentralisation in Belo Horizonte can not be considered as a mechanism for democratization. Following Hambleton (1988) and Borja (1984) no mechanism of participation for the civil society whereby it could influence on the area policy-making process of on the selection of Area Administrators. The Area Administrator did not have control over its budget and only had an advisory role in the planning process. Despite the existence of the Economic and Social Departments the AAs had no initiative in developing the social and economic arena by creating cooperatives or associations. Their actions were limited to supply food and clothes to poor families and to help creches.

11.3. IPATINGA

Following Gohn (1989:22-23) the structure of the Budget council in Ipatinga can be seen as a channel of participation for the organised sectors of the society. The budget councils were considered a novelty by the people's representatives. However low the level of participation the councils constituted an arena for discussing the demands of the different areas of the city.

The possibility of changing the nature of power remained remote. The organised sectors of the society were represented in the councils, there were norms for the working of the budget councils and the councils were important channels of information emanating from the community. However the budget councils were very dependent on the executive and they were not working well, in other words participation was low and the power was still centralized within the Mayor's team with the Mayor having the upper hand.

People's Councils had been set up in other sectors such as Health, Environment, Education, Culture, Sport and Leisure, and Child and Adolescent's rights. Of these the Health council was the most developed. The fact that other PCs had been created was a positive signal in terms of change in the relationship between local government and the

society.

The budget council system was meant to be an important instrument for the urban movements to express their demands and exert pressure to make these priorities within planning. For example, from an interview with the leader of the Homeless Movement, considered by councillors (Muncipal Chamber) and by the town hall team to be the strongest social movement in the city, it was seen that it had used the budget councils to get its demands met by having its members participate as representatives. In fact in the last three years housing was among the three main priorities selected by the COMPOR (Municipal Congress of Budgetary Priorities) held annualy.

Health was another sector considered to be well organized by both members of the executive's Secretariats and by the people's representatives. It managed to make its demands main priorities in the last years. However, Health was criticised by the Planning Secretary and the Budget Coordinator for working only on its own councils and disregarding the budget councils. This split within the executive team was also observed by the CRO IV's president that said that there was easy access to Health but this Secretariat was not supported by other Secretaries.

The councils' structure was set by the municipal executive. Ipatinga was not characterized by a high level of politicization which had affected the participation in the process since the beginning. Nevertheless, this process created an important political arena according to the perspective of the people's representatives. This importance could be also verified by the fact that in the 3rd COMPOR there were people who used the opportunity to appear as they were running for the next Municipal elections.

With regard to CMO (Budget Municipal Council), which was responsible for supervizing the executive works, its meetings (to be held monthly) were, too, used by candidates for the municipal elections and this affected the level of participation in the council. From the point of view of some people's representatives interviewed there was no point in going to meetings to listen to people who were speaking for political propaganda purposes only instead of discussing the problems of the city.

Another important factor seen as a deterrent to participation within the CMO was the fact that the town hall team always managed to get decisions in its favour when conflictive issues were being discussed. The main reason for this was, according to some people representatives, their lack of expert knowledge and knowledge of the working of the Administration. They felt unable to question the executive as they did not have the tools to do so. Thus, the executive ended with decisions according to its interests. Some other

representatives thought that the executive in fact did not want to share power and one of them thought that the meetings in the CMO were just a form of political manipulation. Another point raised by some people's representatives was that the CMO was notified of some decisions after they had been taken by the executive. This last issue was acknowledged by the budget coordinator who justified this attitude by saying that the executive's decision-process had a different pace from that of the CMO and therefore the CMO was consulted only over the most important problems.

The budget coordinator also recognized that the mayor had been unwilling to cede power to the community. Another obstacle to participation was the influence that the steelworks had upon its workers so that they felt inhibited from joining the discussions. The steelworks was also responsible for the maintenance of the areas where its workers lived which meant that these areas did not have so many demands to be made as they had fewer problems to be deal with. Therefore, representatives from these areas (CRO I and II) did not feel the need to participate.

The Budget PCs were thought to embrace all the different sectors and social classes. It can be said that there was an opening for all social sectors and this could be exemplified by the CMO Secretary who was a business man and former president of the Commercial Association of Ipatinga.

We could identify aspects of both direct and representative democracy. The aspect of direct democracy lay in the election through area assemblies of representatives of the area's community who participated in the CRO, at the first level. In turn, those members of the CRO selected their representatives in the CMO whose composition embraced representatives from the executive and the Municipal Chamber, institutions of representative democracy. The CMO had a total of 52 members being 40 representing the seven CROs (Area Budget Councils) and the Municipal executive and the Chamber with 6 each.

The budget council structure was not created by society unlike Gohn's perspective (1989:23). Rather its emergence followed the observation made by Rolim (1989:34-35) and Moura and Santos (1989:13-14). The councils were a result of a policy of the party in power, the PT, whose programme considered the people budget council as an instrument of public administration which could democratize the machine by creating room for citizens participation in the state. Although, it was noted, that within the PT there was no unique view of how the councils were to be set up. The main motive for the executive guiding the initiative was the lack of political participation in the society in Ipatinga. This fact and the party programme were the main justification for the executive to assume the initiative. It

was noted that the team was aware that the councils were to become autonomous if the process meant a democratization of the municipal government. In this context the councils created were articulated with the respective Secretariats.

The CMO had supervisory and monitoring powers but people's representatives complained that it was not clear to them how to exercise these powers. The COMPOR was the deliberative body. The CMO worked more in terms of exchanging information, channelling demands and questions and it was strongly influenced by the executive. It was not performing its functions properly.

The COMPOR was considered by the representatives interviewed as the most important part of the process and which attracted more representatives. It had the participation of the executive team playing not only an advisory role but also having an influential role in the decision-taking-process. Here, the people's representatives considered the discussions to be more open in terms of putting forward different demands and suggestions, of deciding upon priorities and questioning the executive. However it has to be observed that most of the income was already compromised before being discussed in the COMPOR. From 55 to 60% went to Personnel heading, other share was transferred to the Municipal Chamber, costs and maintenance of the administrative appartatus leaving in average 25% for works to be discussed. Even though there were works programmes that range for several years and resources had to be put into them. Finally, the inflation prevents the Treasury from properly following the budgetary execution, in other words, it was difficult to match the monetary forecast for some programme with its actual expending.

Before ending this part I would like to highlight the usefulness of the analysis by Stewart and Stoker (1988:24) of the requirements for a local government with people's representatives. We could observed that representatives expressed difficulties in mastering technical data. Some seminars were given at the beginning of the experiment but these were not enough. When the representatives started to became more used to the process they were replaced by newly elected representatives. The representatives were elected for one-year term. Thus, despite the fact that the local people could discuss issues in their own interests they did not feel confident when it came to discussing more specialized questions with the executive.

Concerning the meetings format in some area councils (CROs) there were problems of transport because of the lack of a direct bus service obliging representatives to use more than one bus. Some people's representatives complained that there was not enough time to finish the discussion on the same night. Others observed that some representatives had

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problems in participating because of their work commitments.

Finally, the proposals that emanated from the people budget councils had undergone severe criticism and resistance from the Municipal Chamber. The PT with 6 councillors in a total of 17 in the Chamber did not have a majority. The opposition councillors considered the process to be a political manipulation and that the demands selected by the COMPOR to be put in the budget were not for the most part executed. The president of the Municipal Chamber, who had a good relationship with the mayor, considered that the people's representatives were not competent enough to contribute to the budgetary process. What can be observed was that the Budget PCs created a short-cut between the community and the executive. Thus, the people councils were seen as a kind of threat to the municipal councillors's clientelistic practices towards the electorate.

To answer my research question I have to recognise that the creation of the budget council was an important fact in the civil society in Ipatinga as long as it was meant to be an arena where it could present its demands and influence the budgetary laws, and discuss with the executive its issues and doubts. In this case the COMPOR was seen as the main part of the budgetary process. However, the low level of participation of people's representatives in the CRO and the CMO meetings reflected a lack of political organization of civil society. On the other hand the executive team did not have a homogeneous perspective concening the budget councils. The mayor centralised power. The people's representatives felt impotent before the executive team within the CMO who was supposed to supervize the executive actions. This problem was aggravated by the fact that they felt that they did not have the technical knowledge to counterpoise the executive's arguments in discussions concerning the budget. This context made the budget councils' working weak and dependent on the mayor's will to be continued. Thus I can say that the budget councils in Ipatinga did not effectively constitute a mechanism of democratization of local government although they contributed with their demands to the budget bill made by the executive and meant an experience of involvement of civil society within the municipal administration that had never happened before.

11.4. FINAL COMMENTS

To summarize a characterisation of local government in Brazil from discussions and research we can say the following:

I. The executive and the Municipal Chamber are inserted within a wider context of power

which means it be seen as an expression at the local level of the structure of the global political society. Both institutions are politically, economically, legally and administratively limited. The Federal Brazilian Constitution is the wider limit. The Organic Law (the main municipal law) guaranteed by the Constitution provided the local government with power to self-organize (Fischer and Teixeira,1989:39). Another view sees the local government and municipal chamber as a sphere of a capitalist state but with relative autonomy and specific aspects that differentiate it as a sphere of power (Daniel,1988:33). Local government can be seen as having some discretion to implement alternative forms of adminstration so as to democratize the apparatus.

II. We can observe that the Brazilian Municipal government has a role in both accumulation and legitimation functions. This was due to the rapid urbanization and industrialization processes that demanded growing intervention and enormous financial resources. Despite the fact that the municipalities play a restricted role with regard to accumulation, it is nevertheless important because they monopolized the laws of land use and occupation.

III. The 1988 Federal Constitution has not changed the predominance of the exclusive competence in the hands of the Federal Government, leaving the states and municipalities with few exclusive competencies. There are also a great number of competitive competencies among the three spheres of government. The Municipal government can supplement the legislation emanating from the superior spheres with regard to common activities (Souza,1989:16-17).

IV. The tax reform set by the 1988 Federal Constitution and the social crisis have pushed the Municipal and the states Governments towards the function of legitimation leaving the Union with the accumulation process.

V. The municipalities have increased their share in the distribution of the total of all taxes (Souza,1989:20; Baeta,1989:100). The municipality income was to grow from 2.75% of the GNP in 1985 to 3.56% in 1993 (Souza,1990:57). This was due to the increase in the percentage of resources transferred from the Federal Government and the states but the municipality has not strengthened its power to tax (Daniel,1988:20). On the other hand the municipality have a fixed share of federal and state taxes.

VI. Municipal government and its relationship with the Municipal Chamber can be characterized by the existence of conflicts. Basically these conflicts have to do with resistance against division of power, use of resources and resistance from the vereadores who want to preserve their political influence through clientelism.

Taking into account the Brazilian political and administrative reality and understanding both decentralisation and PCs as democratizing processes it is clear that in the cases studied here the PCs had a more radical approach where it attempted to create channels for community's participation. Both worked as channels for demands emanating from the community but the councils meant an arena where the relationship between the executive and the community could be articulated in a different manner with the community having control over some aspects of the government. However the low level of participation of the community, the municipal executive's resistance to devolving power and the lack of resources affected the working of the CMO (Muncipal Budget Council) which was to be the main instrument of control upon the executive. The presence of the executive within the CMO and the COMPOR reflected the weakness of the process as the community could not by itself sustain it. As the budget coordinator suggested, "it might be asked where the autonomy of people's councils would be without resources and outside the local government apparatus". Even in the case of Budget PCs having autonomy there would be no assurance of having direct control over the working and the resources of the executive. In Belo Horizonte the Area Administrations had a structure and certain resources and could work with autonomy on small works. On the other hand there was no institutional arena where the population could periodically participate in the administration process.

These two cases highlighted the importance of the political willingness of the ruling parties to support the initiatives of democratization of local government in a low-participative political context like the Brazilian one. However, if political willingness of the ruling parties was a main factor in the implementation of these processes at the end it seems that the lack of political willingness of these same parties was one of the main obstacles as in other cases in Brazil.

In Belo Horizonte decentralisation did not go further than decentralising the execution of services and the autonomy for small works and faced the resistance of Municipal Secretaries, in other words resistance from within the executive itself, and from the Municipal Chamber as some councillors felt threatened by the AAs. The resistance within the Belo Horizonte executive team to give away power was an example once more of the centralizing tendencies of Brazilian society. From the councillors's resistance against decentralisation we observed a reaction to something considered as a threat to their political activities based in dealing with communities demands before the municipal executive. However limited the decentralisation was it caused strong rejection among those councillors

who used of 'clientelism' as means of relationship with the community.

In Ipatinga the councillors also showed resistance against the PCs and the mayor himself was criticized for not decentralising power.

According to Moura and Santos (1989:17) the resistance from the members of the Adminstration and from the councillors, and the reproduction of clientelistic political relationships are expressions of the political culture in Brazil and have been highlighted in the chapter about the Brazilian Federalism and municipality.

In Belo Horizonte it was observed that the executive used traditional mechanism for obtaining support in voting within the Municipal Chamber. This mechanism consisted of exchanging favours between the executive which promised to meet demands presented by the councillors and in turn, the latter voted in favour of the executive projects.

It can be said that the parties in power failed to follow their respective parties' programmes and recommendation. The PSDB government in Belo Horizonte did not abide by its programme as is characteristic of the Brazilian party system and others. This can be exemplified by the fact that the executive did not introduce the PCs, made political use of the AAs as some other parties of the political alliance that helped to take the power, and dealt with the councillors by means of political bargain and clientelism. The PT municipal executive in Ipatinga did not fully materialize its proposal of a budget councils. Against the PT advice the Ipatinga executive hired the Housing movement leader and the president of the Ipatinga Neighbourhood Associations Federation FAMIPA) taking the risk of weakening both movements (Bitar,1992:213). Another issue was that the relationship between the executive and the Ipatinga PT was not good. In both these matters the Ipatinga executive repeated what had happened in other PT municipal executives.

Both Belo Horizonte and Ipatinga experiments largely depended on the mayors' political will to support them highlighting the key role of the mayors in the initiatives and in municipal political life as observed by Battley (1991:para.37).

Another matter that emerged from the interviews was the problem of expert knowledge. In the case of Belo Horizonte expert knowledge was centralized. The justications given were that decentralizing services that demand specialized personnel was costly; in the case of Planning it was said that to have a central group of specialists would be more efficient as they were able to have a general view and be away from the daily reality of the Area Administration which could act as a barrier to their work. On the other hand, as in the case of the SUDECAP, the fact that this body already had professional experience and data concerning works in Belo Horizonte was used to justify the

centralization of the responsibilities for the main urban works. It was also observed that it was not economical to decentralise heavy equipment in all nine Area Administrations. Moreover, a demand from the neighbourhood associations had to be evaluated by the SUDECAP to verify if it actually needed solving or not. The SUDECAP used this procedure as it thought that sometimes the neighbourhood associations could be manipulated by other interests.

In Ipatinga there were cases of distrust of the people's representatives. One was expressed by the president of the Ipatinga Muncipal Chamber when he said that the people's representatives did not know anything about the budget. The other by the CRO IV's (Area Budget Council) president who was an electrical engineer working for the steelcompany and thought that the members of the CRO VI and CRO VII because of their lack of education were easily manipulated by the municipal executive, did not know how to express themselves properly and how to discuss technical matters with the executive team. In these cases we can identify examples of elitism as was observed by Daniel (1988) where the poorest classes were not considered competent to deal with public affairs.

In their turn the people's representatives in Ipatinga expressed impotence to be able to discuss technical issues with the executive team. Ipatinga's case also showed what had been observed by Daniel (1987) about other experiments that the budget councils'experience did not lead to any criticism of the existing social structures. Nevertheless, the people's representatives stressed the importance of the arena created in terms of knowing better the municipal administration's functioning.

Reflecting the Brazilian economic situation of a 1,149% inflation rate in 1992 (Financial Times,22/2/93) the budget was severely undermined as planning instrument according to the Belo Horizonte Treasurer. In the case of Ipatinga the Treasurer observed that the greater part of the budget was already in personnel and administrative expenses. Nevertheless in both cases there were huge disputes over the remainder of the budgetary cake. In case of well-organized municipalities with political will to tax the increased power of direct taxation can generate more benefits to them and help to counterbalance to a certain extent the high inflation.

A point to be stressed is that both decentralisation and people's councils can be complementary to each other. As hinted in some interviews, councils may help decentralisation as a channel of pressure from the community to guarantee the process, and on the contrary, decentralization may contribute to councils by giving away power resources to the Area Administrators making participation in the area councils more

relevant and thus, attracting more citizens to participate as they perceive that the councils' actions would have some effect upon local matters.

From a broader perspective I can say that both cases reproduced what has happened in Brazilian political and administrative context, in other words that power remained centralized in the executive. On the other hand, by saying this I mean that despite the dominant features of Brazilian political and administrative realities, initiatives in alternative strategies for local government can achieve modest results even though they are very dependent on the municipal executive.

From the point of view of democratization I consider that the resistance of the executive and of the clientelist councillors in the Municipal Chamber against attempts to create channels of participation for the civil society and the low level of organization and participation of civil society are the main obstacles to the use of decentralisation and PCs as a mechanisms of democratization in Brazilian public administration.

Finally I would like to highlight two further issues that I think worthy of study. First is the issue of expert knowledge and impact on the relationship between local government and community. It would also be interesting to examine the role of expert knowledge in the formation of citizenship. Another issue is the neighbourhood associations and their relationship with the Area Administrations and the effects on their relationship with the councillors. Despite the limited ability of decentralisation and PCs in promoting democratization as revealed in this thesis both decentralisation and people's councils in a context where civil society is organized and the executive is fully determined to reform the apparatus can create an arena where the relationship between the local government and community can be exerted in a different way and where democratization and citizenship can be strengthened.

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APPENDIX 1: THE INTERVIEWS IN BELO HORIZONTE

GUIDELINE FOR THE INTERVIEW WITH THE FORMER ADMINISTRATION MUNICIPAL SECRETARY
NAME:
PROFESSION:
AGE:
PARTY:
1.Historical report of the process.
2.Reaction of the public servants (functionaries) to the decentralisation process.
3.The community's role in the decentralisation process.
4.Motives of decentralisation.
5.Relationship between neighbourhood associations and the Area Administration.

GUIDELINE FOR THE INTERVIEW WITH THE FORMER PLANNING COORDINATOR
NAME:
PROFESSION:
AGE:
PARTY:
1.Historical account of the decentralisation process in Belo Horizonte.

INTERVIEW WITH THE CURRENT MUNICIPAL ADMINISTRATION SECRETARY
NAME:
PROFESSION:
AGE:
PARTY:
1.For how long have you been working in the town hall?
2.How had the decentralisation process been thought of? What were the motives ? What were the objectives?
3.Could you explain to me how this process has been established?
4.How were the areas established?
5.What were the services chosen? Which criteria were they chosen on?
6.In accordance with the proposal being implemented what are the municipal executive functions?
7.In accordance with the proposal being implemented what are the Municipal secretaries functions?
8.What is the relationship between the Municipal Secretaries and the Area Administrations?
9.How is the town hall's Strategic Planning made? Do the Area Administrations have participation in the strategic planning?
10.Is there some change in the relationship between the town hall and the community through the process of decentralisation? What are they?
11.Has the town hall established different procedures of contact with the community? Could you give me same examples?
12.How has the trade union reacted in relation to the decentralisation process?

13.How is decentralisation understood by the town hall?

INTERVIEW WITH THE NINE AREA ADMINISTRATIONS
NAME:
AREA:
PROFESSION:
AGE:
PARTY:
1.For how long have you working on this function? How were you chosen?
2.What are the Area Administration's functions? What is your autonomy of action as Area Administrator?
3.How is the Area Administration's planning made? What is your role in the process?
4.What are the services delivered by this Area Administration?
5.What kind of participation does the Area Administration have in the services planning and delivery/ Can you give me examples?
6.What kind of participation does the Area Administration have in the town hall strategic planning?
7.What kind of control does the Area Administration have upon the services delivered by other public administrations in your area? How is made? Does it tend to increase?
8.How is the Area Administration's budget establhished? What kind of control do you have upon it? (Do you have autonomy to decide about your expenditures?
9.Is there any mechanism through which the community, by its different groups and associations, or even individuals can:a) express its problems; b) give suggestions; c) talk with the public functionaries about its problems?
10.Is there any mechanism through which the community can participate in the planning process of the services delivered in this Area Administration?
11.How is the relationship between the Area Administration and the existing civil associations? Does the Area Administration help to create and establish new associations?
12.Does the Area Administration have any policy related to environment, consumer rights? Can you give examples?
13.Is there any system of information/communication between the Area Administration and the community? How does it work?
14.Is there any kind of relationship between the Area Administration and the political party represented in the town hall? If there, is how is it?
15.Does the community have representatives in the Area Administration? If it has, how are they chosen?

GUIDELINE OF THE INTERVIEW WITH THE VICE-MUNICIPAL PLANNING SECRETARY
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN WORKING IN THE OFFICE:
PARTY:
1.What is the role of the Area Administrations in the Municipal planning? Budget/ Annual Plan/ Bi-annual Plan.
2.Comments upon complaints from some Area Administrations about lack of personnel.
3.Obstacles to the decentralisation.

GUIDELINE OF THE INTERVIEW WITH THE TREASURER
NAME:
PROFESSION:
HOW LONG HAVE BEEN WORKING IN THE OFFICE:
PARTY:
1.What is the role of the Municipal Treasury Secretary in the budgetary process?
2.How the Area Administrations' budgetary proposals are made compatible with the municipal budget?

GUIDELINE OF THE INTERVIEWS WITH THE SENIOR ADMINISTRATORS OF THE MUNICIPAL SECRETARIES OF HEALTH, CULTURE, URBAN ACTIVITIES, EDUCATION, SPORTS, SOCIAL DEVELOPMENT
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN WORKING IN THE OFFICE:
PARTY:
1.What are the functions of the Secretariat?
2.What are the policies and actions that the Secretariat implement to decentralise its activities? Could you give me examples?
3.How do you evaluate the decentralisation process up this moment? Do you identify positive and/or negative aspects?

INTERVIEW WITH THE DIRECTOR OF MAINTENANCE OF SUDECAP
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN WORKING IN THE OFFICE:
PARTY:
1.What is the function of the Department of Maintenance of the SUDECAP?
2.How the department perform its functions within the process of decentralisation?
3.How is the relationship between SUDECAP and the Area Administrations?

INTERVIEW WITH THE TECHNICAL ADVISER OF PLANNING AND PROJECT OF SUDECAP
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN WORKING IN THE OFFICE:
1.What is the function of SUDECAP within the municipal government of Belo Horizonte?
2.What is the role of SUDECAP within the process of decentralisation being held by the PSDB?
3.How is the relationship between SUDECAP and the Area Administrations?

INTERVIEW WITH THE SPORTS ACTIVITIES DIRECTOR
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN WORKING IN THE OFFICE:
PARTY:

1.What are the functions of the Department of Sport Activities?
2.Which kind of relationship exists between the department and the Area Administrations?

GUIDELINE OF THE INTERVIEW WITH THE ADMINISTRATIVE AND FINANCIAL SERVICES CHIEF OF THE VENDA NOVA AREA ADMINISTRATION
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN WORKING IN THE OFFICE:
1.How are the procedures for establishing the Area Administration's budgetary proposal?
2.What are the steps to be taken after the Area Administration's budgetary proposal is ready?

GUIDELINE OF THE INTERVIEW WITH THE URBAN POLICY ADVISOR OF CONCILLORS
NAME:
PROFESSION:
PARTY:
1.In your opinion how the Area Administrations are affecting the urban policies of the PSDB in the Belo Horizonte municipal government?
2.What have the role of the Area Administrations been within the municipal planning?

INTERVIEW WITH THE DIRECTOR OF ECONOMIC AND SOCIAL DEVELOPMENT DEPARTMENT IN THE AREA ADMINISTRATION
NAME:
PROFESSION:
AGE:
AREA:
PARTY:
1.What are your functions?
2.For how long have you been working in this function in this Area Administration?
3.Did you have any training before coming to work here?
4.Do you have any kind of participation in the planning of the services that you delivered? How does it happen?
5.Do you have any kind of participation in the management of this Area Administration? How does it happen?
6.What are your responsibilities?
7.Have your work increased with the decentralisation?
8.Have decentralisation helped to improve your work?
9.Have decentralisation helped to improve the relationship with the public?

GUIDELINE OF THE INTERVIEW WITH THE TOWN COUNCILLORS
NAME:
PROFESSION:
AGE:
PARTY:
1.How do you evaluate the decentralisation process being run by the PSDB?
2.Could you highlight its positive and negative aspects?
3.Does it affect your work? If yes how does it do?

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GUIDELINE OF THE INTERVIEW WITH THE FORMER AREA ADMINISTRATOR
NAME:
PROFESSION:
AGE:
PARTY:
1.Report of her experience in the Area Administration.

GUIDELINE OF THE INTERVIEW WITH FORMER MUNICIPAL SECRETARY OF GOVERNMENT
NAME:
PROFESSION:
AGE:
PARTY:
1.What are the functions of the municipal Secretary of Government concerning the Area Administrations?

GUIDELINE OF THE INTERVIEW WITH THE MUNICIPAL TEACHER
NAME:
AGE:
1.How is the relationship between the Area Administration and the municipal school?
2.What is the importance of the decentralisation to the municipal school?

APPENDIX 2: THE INTERVIEWS IN IPATINGA

INTERVIEW WITH THE MUNICIPAL EDUCATION SECRETARY (FORMER PLANNING SECRETARY)
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.For how long have you been working to the town hall?
2.Do you have any kind of link to the party?
3.How was the process of creation of the councils thought of? What were the motives? What were the objectives?
4. What would the functions of the budget councils be?
5.How are they constituted?
6.How are the Popular Assemblies are arranged?
7.What are the sectors chosen where the councils are to be created? What was the criteria used to chose these sectors?
8.What are the executive functions in this proposal?
9.What are the Municipal Secretariats functions in this proposal?
10.How have the relationship between the town hall and the communitarian associations and groups been in this process?
11.Have the town hall established different procedures of contact with the community than the councils? Can you give me examples?
12.How does the town hall understand the councils?
13.What evaluation would you make about this experience? Could you identify obstacles? and positive aspects?
14.Could you compare this process based on councils with the process of decentralisation understood as transference of power from the centre to the periphery of the organisation?
15.How is the relationship between councils and communitarian associations?

INTERVIEW WITH THE CURRENT MUNICIPAL PLANNING SECRETARY
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.What is the role of the Budget Area Councils and the Budget Municipal Council in the planning process of Ipatinga? How is the information provided by them used by the Planning Secretariat?
2.What kind of participation the Planning Secretariat has in the Budget Municipal Council (CMO)?
3.What are the difficulties that you identify in the process of budget councils?
4.What are the initiatives of the Planning Secretariat to overcome those problems?

INTERVIEW WITH THE COORDINATOR OF BUDGET AND SOCIAL EVALUATION
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.Could you explain to me how is the process of municipal budgetary priorities discussion? How is the budget established as a final document before the Municipal Chamber (town council)?
2.Could you explain the functioning of the Budget Area Council and what its functions are in the process?
3.Could you explain me the functioning of the Budget Municipal Council and what its functions are in the process?
4.Could you explain me the functioning of the Budget Committee and what its functions are in the process?
5.What is the town council's role in the process?
6.Could you explain me the functioning of the Municipal Congress of Budget Priorities?
7.What evaluation do you make of the process?

INTERVIEW WITH THE VICE-PRESIDENT OF THE AREA COUNCILLORS IN THE BUDGET MUNICIPAL COUNCIL (CMO)
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.What is the function of the Budget Municipal Council in the process of the municipal budgetary discussion?
2.How were you chosen?
3.Could you explain me how the budget's process of discussion in the Municipal Council?
4.How is the Budget Area Councils participation in the Budget Municipal Council?
5.What is the Budget Committee's role in the budget's discussion process in the Budget Municipal Council?
6.Could you give me the positive aspects of the Budget Municipal Council?   and the negative aspects?

INTERVIEW WITH THE PRESIDENT OF THE BUDGET AREA COUNCIL (CRO)
NAME:
PROFESSION:
HOW LONG HAVE BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.How were you chosen for the post of president?
2.How were the councillors chosen?
3.What are the functions of the Council?
4.How are the proposals of the Area Council collected?
5.Is there any kind of survey in the community about what should the priorities be?
6.What is your/your council participation in the Budget Municipal council?

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7.What is the relationship between Area Council and the Budget Committee?
8.What is the relationship between the Area Council and the Town hall?
9.Could you make a comparison between this municipal administration and the former administrations?
10.Do you have assistance to help you during the elaboration of your proposals?
11.Do you have assistance to help you in the budgetary discussion in the Municipal Congress of Budgetary Priorities?
12.How is your participation in the Municipal Congress of Budgetary Priorities?

GUIDELINE OF THE INTERVIEW WITH THE SECRETARY OF THE CMO (FORMER HEAD OF THE IPATINGA COMMERCIAL ASSOCIATION)
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.Experience in social movements and in associations.
2.How was he elected.
3.Details of how his CRO works.
4.Problems within the CRO.
5.Details of the CMO's functioning.
6.Problems within the CMO.
7.Comparison between the actual Municipal Administration and the former Administrations.
8.Relationship between the Commercial Association and the town hall.
9.Participation of the town hall within the CMO.

INTERVIEW WITH THE TOWN COUNCILLORS
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING HERE:
PARTY:
AGE:
1.How is your participation in the CMO?
2.How do you evaluate the CMO's functioning?
3.What kind of participation do you have in the COMPOR (Municipal Congress of Budgetary Priorities)?
4.How do you evaluate the COMPOR's functioning?
5.How do you evaluate the process of discussion of the municipal budget?
6.How do you evaluate this actual Administration in relation to the former Administrations?

GUIDELINE OF THE INTERVIEW WITH THE ADMINISTRATION MUNICIPAL SECRETARY
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY FOR:
PARTY:
AGE:
1.History of the electoral process of the 1988 Municipal elections in Ipatinga.
2.Political platform

GUIDELINE OF THE INTERVIEW WITH THE TREASURER
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY FOR:
PARTY:
AGE:
1.Details about the compatibility between the COMPOR proposals and the municipal budget.
2.Aspects concerning the presentation of the technical information to the COMPOR

INTERVIEW WITH THE WORK AND SOCIAL ACTION MUNICIPAL SECRETARY
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.What is the Administration policy in terms of improvement of social and economic life in the region.
2.What are the actions that have been implemented aiming at achieving this policy.
3.Is there some kind of contact with the community's associations and groups? How does it happen? Does the Secretariat help in creating and establishing new associations? Is there any channel for participation of community with in the Secretariat?
4.Does the Work and Social Action Secretariat have a representative that participates in the CMO and in the COMPOR?
5.How do the CROs and CMO's proposals affect the Secretariat's policy?

INTERVIEW WITH THE HEALTH MUNICIPAL SECRETARY
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.How is the local commission of health is constituted?
2.What is the local commission of health function within the Health Secretariat's planning?
3.How are the local commission of health's proposals elaborated?
4.How does the Health Secretariat deal with the local commission's proposals?
5.How is the Municipal Health Conference constituted?
6.What kind of participation do the local commissions within the Conference?
7.What is your evaluation of the process so far?
8.What are the Health Secretariat's projects? What projects have been made?

GUIDELINE OF THE INTERVIEW WITH THE COORDINATOR OF THE AREA OF COLLECTIVE HEALTH
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.What are the problems found in the local health commissions' functioning?

2.How is the relationship between the Health and the Budget Councils?

INTERVIEW WITH URBAN SERVICES AND ENVIRONMENT MUNICIPAL SECRETARY
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY?:
PARTY:
AGE:
1.What is the Secretariat's policy in terms of improvement of urban life and environment?
2.What actions have the Secretariat taken?
3.What kind of relationship exists between the Secretariat and the community? How does it work?

FRAMEWORK OF THE INTERVIEW WITH THE EDUCATION AND CULTURE SECRETARY ASSISTANT
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.Policies and actions implemented in terms of community's participation in schools.
2.Difficulties in the process.
3.Cultural policies and obstacles.

FRAMEWORK OF THE INTERVIEW WITH THE CULTURE COORDINATOR
NAME:
PROFESSION:
HOW LONG HAVE YOU BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.Policies and actions concerning cultural production
2.Relationship with the cultural groups in Ipatinga

INTERVIEW WITH THE ADMINISTRATIVE MODERNIZATION DIRECTOR
NAME:
PROFESSION:
HOW LONG HAVE BEEN LIVING IN THE CITY:
PARTY:
AGE:
1.Could you explain me the municipal executive project of establishment of channels of communication with the community?
2.Do you think that the councils could play a role in that process of communication with the community? Why?

INTERVIEW WITH THE PRESIDENT OF IPATINGA'S PT
NAME:
PROFESSION:
AGE:
1.What is the policy of Ipatinga's PT concerning the Ipatinga's municipal government?
2.What was the participation of the party in the formation of the budget councils?

3.How does the PT evaluate the working of the budget councils?
4.What are the political parties in the Municipal chamber the PT set up alliances with?
5.What are the political tendencies within Ipatinga's PT?

INTERVIEW WITH THE CROs COUNCILLORS WHO DO NOT BELONG TO THE CMO
NAME:
PROFESSION:
PARTY:
AGE:
CRO:
1.How do you evaluate the working of your Budget Area Council (CRO)?
2.If there are problems what kind of problems do you identify? What could be done to solve them?
3.What is your opinion about the councils?

INTERVIEW WITH THE FORMER CROs PRESIDENTS
NAME:
PROFESSION:
PARTY:
AGE:
CRO:
1.What is your evaluation about the working of the CMO and of the COMPOR?
2.What is your evaluation about the working of your CRO during the period 1991-1992?

INTERVIEW WITH THE NEW CROs PEOPLE'S REPRESENTATIVES
NAME:
PROFESSION:
PARTY:
AGE:
CRO:
1.What do you think of the budget councils?
2.What is your expectation concerning the councils?

FRAMEWORK OF THE INTERVIEW WITH THE PRESIDENT OF IPATINGA NIEGHBOURHOOD ASSOCIATIONS FEDERATION
NAME:
PROFESSION:
PARTY:
AGE:
1.How many associations exist and how many are affiliated.
2.Historical account of the creation of the FAMIPA.
3.What is your evaluation of the relationship between the budget councils and the associations before they were incorporated within the COMPOR?
4.How do you evaluate the incorporation of the neighbourhood associations within the COMPOR?

FRAMEWORK OF THE INTERVIEW WITH THE HOMELESS MOVEMENT LEADER
1.Historic account of the movement
2.How the Homeless Movement use the budget councils to present and defend its demands.

FRAMEWORK OF THE INTERVIEW WITH THE PRIEST
1.How the Catholic Church is organized in Ipatinga.
2.How the Pastorals Catholic Church are structured and work.
3.What are the Pastorals Church principles, aims.

Aston University
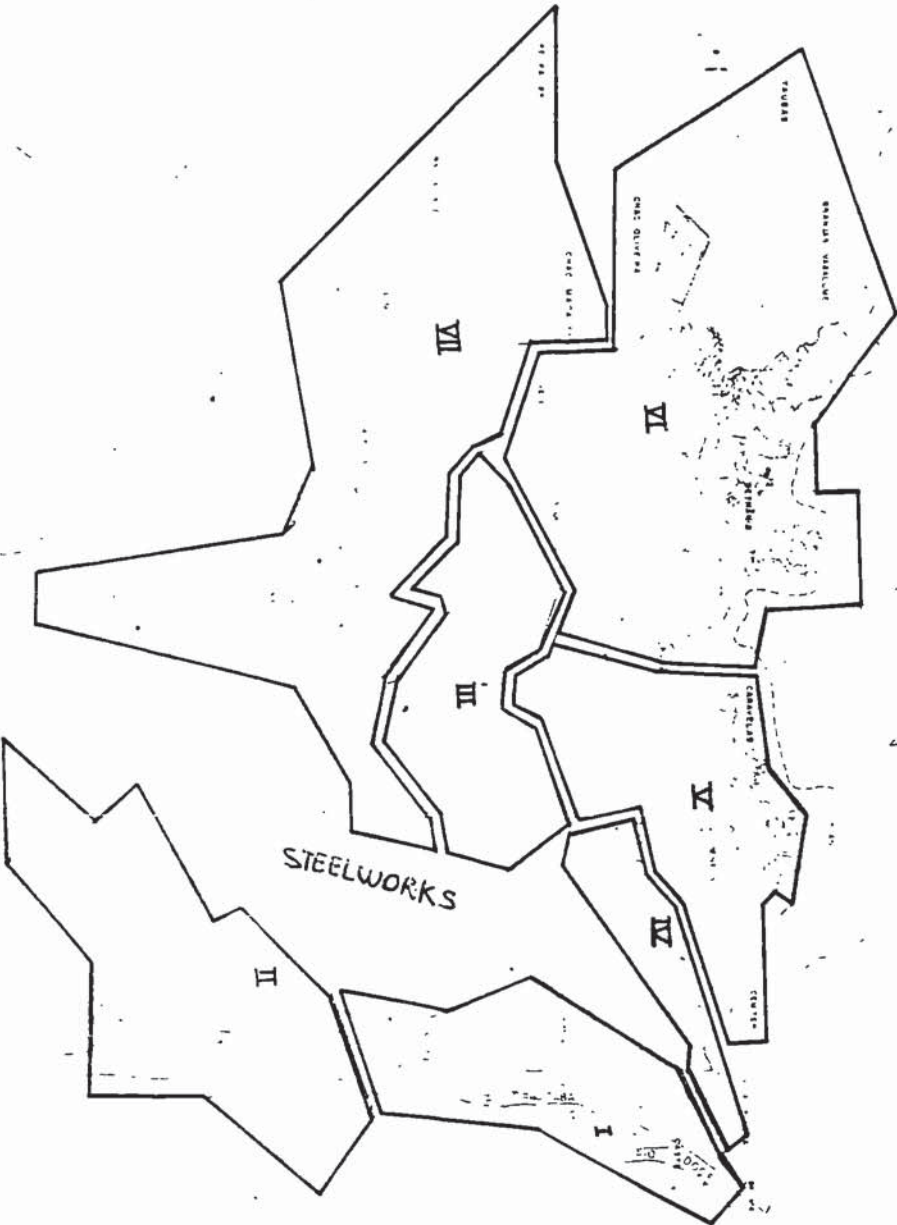
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STEELWORKS

The Budgetary Process in Ipatinga
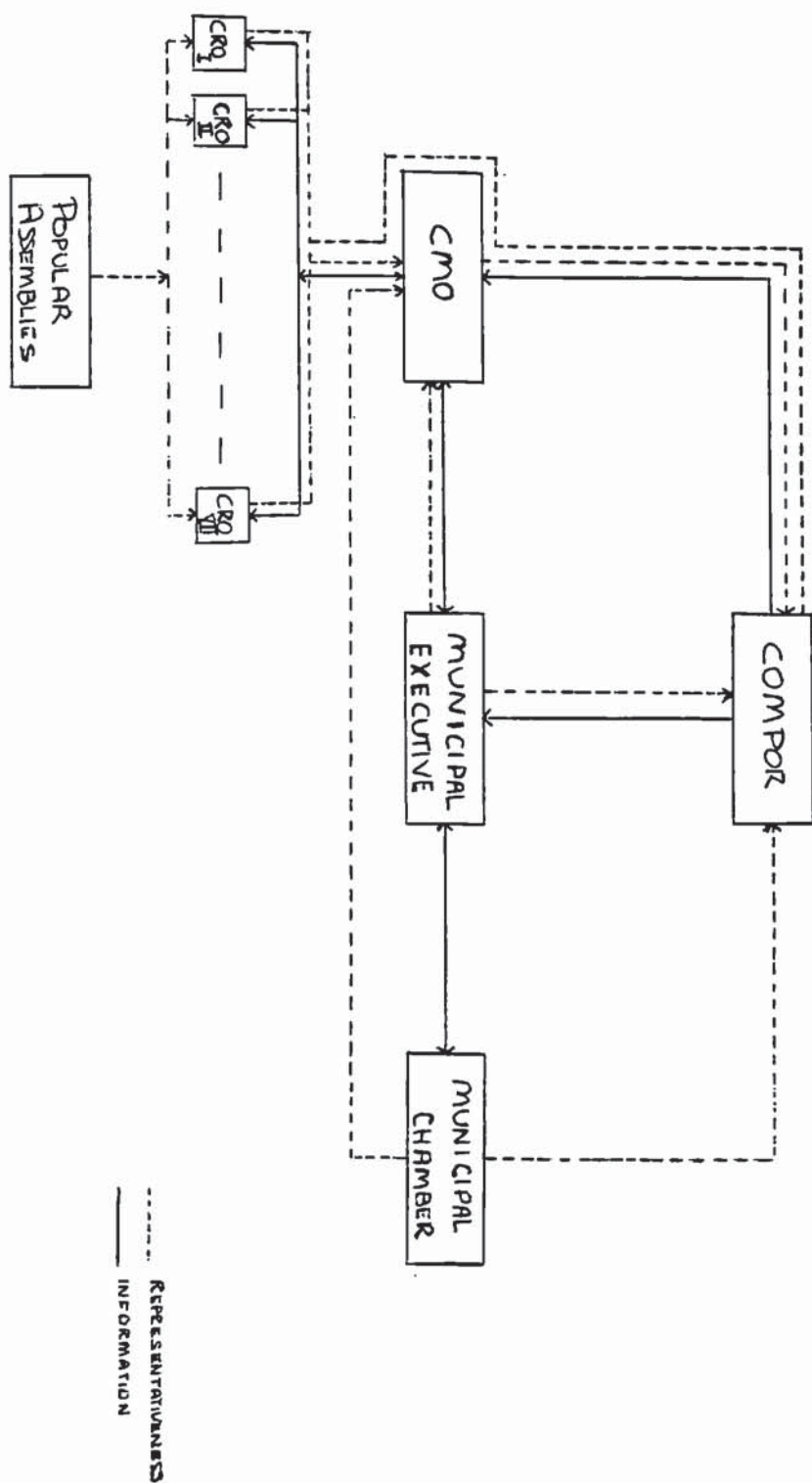
PHOTO 1: Mayor speaking at the COMPOR

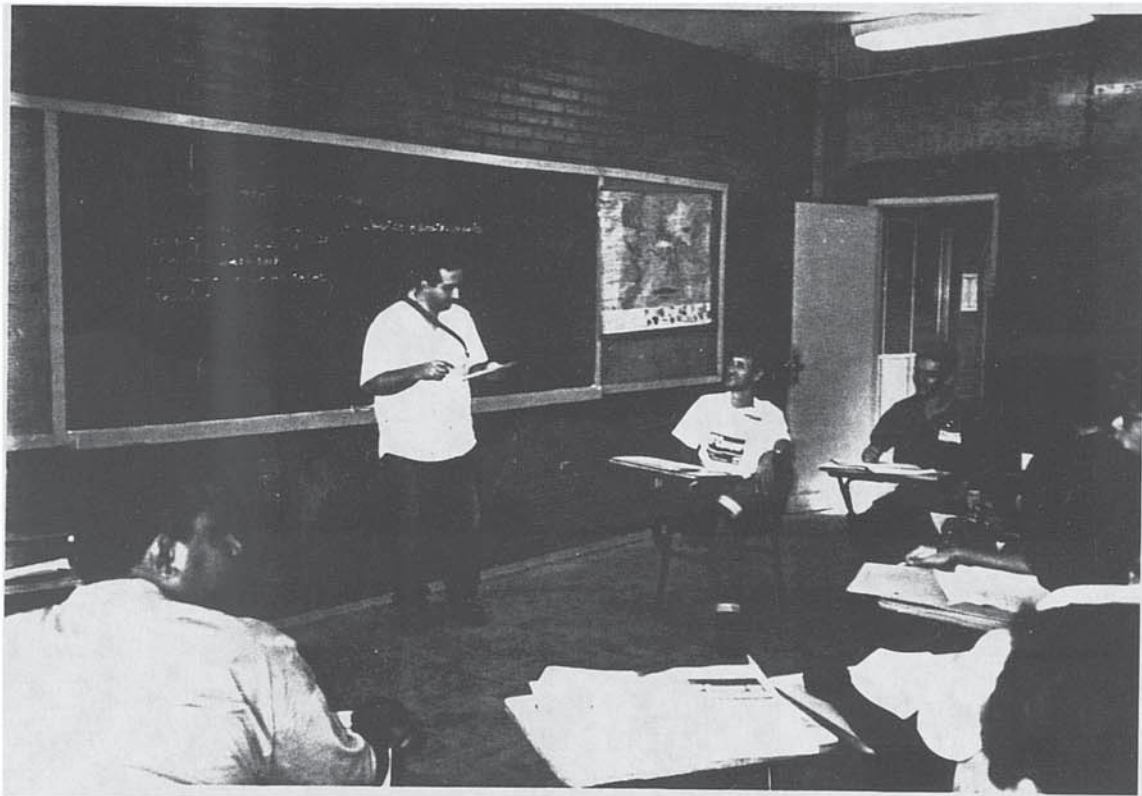PHOTO 2: Treasurer explaining the municipal accounts

PHOTO 3: People's representatives discussing at the COMPOR

PHOTO 4: Deciding budgetary priorities at the COMPOR