

Intergovernmental Relations and State Capacity in Brazil: Challenges for Dilma's Second Term and Beyond

by RODRIGO RODRIGUES-SILVEIRA | University of Salamanca | rodrodr@gmail.com

Beginning in June 2013, Brazil's largest cities experienced massive waves of protests. Citizens demanded improvement of public services and an accounting of how public funds were being expended on huge, short-term infrastructural projects. The lavish resources being channeled to the FIFA 2014 World Cup and the 2016 Olympic Games stood in sharp contrast to the low quality of public transportation, health services, and education.

Most protesters are young residents of the larger cities, where poorly managed urbanization has generated living environments resembling fictional dystopias. These are places where pollution, urban segregation, extreme levels of inequality, and violence are commonplace. However, not all metropolises are the same. They are extremely uneven in terms of their local state capacity and infrastructural power to deal with persistent challenges.

Why is this important for understanding federal relations in Brazil? My argument is that the existence of fragile mechanisms of federal coordination embedded in many Brazilian policies has made possible the existence of "nonpolicy spaces" or "spaces of political noncooperation." Although these spaces can be observed everywhere and in different policies, they are particularly meaningful in metropolitan areas or regions. They also constitute situations that reveal limits to both horizontal and vertical forms of cooperation under Brazilian federalism.

In order to illustrate this argument, I will address two major elements of policy making directly impacted by federal relations: the 2015 political reform (now under discussion in Congress) and the 2016 Rio de Janeiro Olympic Games. One of the most debated issues in the current political reform debate in Brazil is the possibility of

introducing some form of mixed-member proportional system of representation, wherein part of congressional seats would be allocated through a system of single-member districts and the rest through a proportional system in multi-member districts. This solution would reduce the number of parties and thus tackle the problem of extreme fragmentation in the Brazilian National Congress.

The central problem lies in the almost completely independent organizational logics of territorial and electoral administrations. The first, handled by the Brazilian Institute for Geography and Statistics (IBGE, in its Portuguese acronym), is responsible for defining the boundaries of all administrative divisions of the state, as well as generating all the documentation and statistics for the analysis of social and demographic phenomena within their territories. The second, under the control of the Supreme Electoral Tribunal (TSE, in its Portuguese acronym), is the organ responsible for registering voters, holding elections, and publishing the results. Electoral management is carried out using an independent territorial system almost entirely independent from IBGE guidelines.

This absence of coordination would not be a problem if it did not directly affect the possibility of linking demographic and socioeconomic data (produced according to the official IBGE territorial divisions) with electoral data. This is not an issue when entire cities are concerned, but it is crucial within neighborhoods of big cities. In some capitals it is almost impractical to try to match these two kinds of information. The problem lies when the creation of single-member districts within big cities is required.

Even when the matching is possible (using GIS or other techniques), there are still controversies on how to draw the lines in order to divide neighborhoods into districts. Let us consider a hypothetical reform scenario in which half of São Paulo's 70 seats in the Chamber of Deputies are elected in 35 single-member districts and the other half are elected using a single multimember district with 35 at-large seats covering the entire state. According to the population of the state (44 million inhabitants, according to the 2010 demographic census), each single-member district would have to include 1.25 million citizens (the total population divided by 35 seats). This means that the capital city of São Paulo, with its 11.9 million residents, would be allocated 9 seats and would therefore need to be divided into 9 territorial districts.

This hypothetical situation raises many questions: how would the TSE carve up the city? What would be the political consequences of one map versus another? There is little knowledge (and actual debate) about this apparently technical matter, both in academia and among political actors. If the voting patterns of both Dilma Rousseff (who won the periphery of the city) and Aécio Neves (whose support was concentrated in central neighborhoods) in São Paulo in the 2014 presidential election is taken as an illustration, the way the lines are drawn can affect significantly the performance of some parties over others. There is a tremendous space for political gerrymandering, given that we have no encompassing study on the demography of potential districts in Brazil.

This problem is deepened by the fact that the demarcation of neighborhood boundaries is an exclusive jurisdiction of local legislative bodies. Without this legal

delimitation of subunits in a city, the IBGE is not capable of producing aggregate demographic data for these areas. In some state capitals, with deeper state capacity and resources for urban planning, this is not an issue. But such cities are relatively few. In most cases, weak local legislative councils fail to perform and establish these divisions, making it almost impossible to aggregate demographic data by neighborhood. This is a clear example of how coordination problems within Brazilian federalism hinder the political debate on political reform and, more generally, the implementation of public policies.

Yet the aforementioned problems are not exclusive to electoral administration. Other policies suffer coordination bottlenecks as well, both horizontal and vertical. In some of them, such as transportation, horizontal cooperation between metropolitan municipalities is crucial but repeatedly fails to occur. In others, such as health care, the lack of political coordination and adequate institutional design hinders the efficiency and efficacy of policy delivery, creating incentives to free-rider behavior and a “race to the bottom” between health care administrators from different municipalities. There is an urgent need for intersectoral planning and the development of mechanisms of coordination capable of promoting synergies and collaboration among different sectors and levels of government, transcending the usual political disputes between parties. Governability in coming years will be affected by the degree to which Dilma Rousseff can overcome these structural problems in her second term.

Deficiencies in intergovernmental coordination are also expressed clearly in the preparations for the 2016 Olympic Games. Rio de Janeiro, like other Brazilian

state capitals, suffers from a chronic problem of urban segregation combined with high levels of violence. One particularity, though, is that most *favelas* are clustered either within or on the edges of middle-class neighborhoods. These slums are places where drug trafficking and lack of public authority are commonplace. This situation generates challenges in terms of both public security and state penetration in Rio’s urban territory.

Most infrastructure initiatives related to the 2016 Olympic Games are the responsibility of the local government: urban development, transportation, communication, and urban mobility in general. In this respect, many advances have been made. Nonetheless, when competences between levels of government are not clearly defined or recognized by citizens, coordination problems emerge immediately.

Two policy dimensions are particularly salient. The first is public security. Traditionally, policing is a state-level responsibility with little or no federal jurisdiction or capacity to intervene. However, policies toward drug trafficking are now under the control of the Federal Police. The combination of violence and its association with drug trafficking in Rio de Janeiro creates a political impasse wherein the state of Rio de Janeiro heaps blame on the federal government, and Brasília responds by claiming that public security is not its constitutional attribution. Both are right and wrong. They are correct in pointing to each other’s jurisdictions but they are wrong in not recognizing that both have responsibility to solve the problem, either via informal arrangements and collaboration or through formal institutional changes that would allow cooperative behavior by actors from different levels of government.

The second is sanitation. The Olympic sailing competition next year will be held in the Bahia da Guanabara, which has long been extremely polluted due to an insufficient system of sewage treatment. Sanitation is a concurrent competence of both state and local governments, but most of the work is done by a public company controlled by the state of Rio de Janeiro. The systematic absence of investment in sewage treatment in Rio and surrounding cities has led to a major deficit in terms of capacity. This means that only a multilevel, coordinated program can solve the problem.

The federal government was initially insensitive to the problem and argued that this was not its jurisdiction (as stated publicly by Dilma Rousseff in the first presidential debate in 2014). It is commonplace among political scientists to claim that states do not work because they lack the capacity to regulate. But in the Brazilian case, we see precisely the opposite problem: there is an excess of regulation whenever the expenditure of public monies is concerned. The process of contracting firms for infrastructural projects is slow and subject to numerous limitations. The consequence is severe delays in producing deliverables, and many Brazilian observers are concerned that infrastructural improvements will not be completed in time for the 2016 summer games.

To a large extent, the problems referred to above are perpetuated by a legalist-formalist perspective on intergovernmental relations. Most conflicts derive from the absence of a clear understanding of the particularities of metropolitan regions and the challenges they face in providing basic services to their citizens. Joint coordinated actions of all three levels of governments, through both formal and informal arrangements, are urgently required in

order to deal with chronic urban problems—from violence, to transportation, to overcrowded hospitals.

Although the 2013 protesters were clamoring for higher-quality public services, they were also appalled by the consequences of unordered and unplanned urban growth. The usual suspect in a federal system (the federal government) was naturally held up as the main culprit, thus putting Dilma Rousseff on the defensive. However, as I have argued above, the origins of poor services and urban chaos are more complex. Solving these problems will involve reinventing the architecture of intergovernmental relations and rethinking dominant perspectives on how the state should work. Yet with her second term already marked by anemic economic growth, declining popularity, and a fragmented, rebellious Congress, it is unlikely that President Rousseff will be able to introduce new mechanisms capable of dealing with these perverse, deeply rooted practices in Brazilian federalism. ■