BRAZILIAN METROPOLITAN REGIONS: REGIME CHANGE AND GOVERNANCE VACUUM

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SUMMARY

The article analyses the political and the institutional features of Brazilian metropolitan regions in relation to (a) the influence of regime change, from authoritarianism to democracy; (b) the changes in the federal system brought about by the 1988 Constitution designed to legitimise the new democratic order; and (c) the dynamics of intergovernmental relations. It argues that the institutionalisation of metropolitan regions and the creation of agencies for their management during the military regime became associated with the regime's major negative features—authoritarianism and centralisation—hence influencing future choices and leaving metropolitan governance in a political, institutional, financial and administrative vacuum. Copyright © 2005 John Wiley & Sons, Ltd.

KEY WORDS — Brazil; metropolitan governance; metropolitan regions; federalism; intergovernmental relations

INTRODUCTION

Throughout the 1960s and the 1970s, issues related to Brazilian urbanisation were at the centre of the agenda of several institutions. Governments of the three levels, think tanks, political parties, practitioners and scholars debated ways to address the challenges of a country experiencing rapid rates of urban growth.[1] Among the issues under debate, those of metropolitan regions were of great importance, in particular their social, economic and management challenges, the latter encompassing institutional, administrative and financial issues. The government response to the metropolitan debate was to institutionalise, by federal law (Complementary Law 14, issued in 1973), nine metropolitan regions (MRs) in Brazil's main state capitals, with the aim of 'promoting urban planning and the provision of common services of metropolitan interest'.[2] This institutionalisation was made by the military regime and sub-national levels took no part in the decision. According to the law, MRs were under state jurisdiction and federal financing.

Although the evaluation of this experience is not the focus of this article, Brazilian MRs as well as the state agencies created for their management underwent several different experiences and administrative arrangements but one common characteristic was that they did aggravate jurisdiction conflicts and tensions among governmental levels and among agencies of the same level, therefore aggrandising intergovernmental cleavages in a federal setting. Conflicts and tensions were aggravated not only because of the control of the federal government over sub-national policies and sub-national governmental agencies, but also because during the military regime the federal government became accountable for 70% of the total public spending, whereas in the previous regime its share was less than 60% (Serra and Afonso, 1999, p. 15). However, conflicts and tensions around jurisdiction, power-sharing

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[1]Brazilian urbanisation was extremely quick and in the 1970s the country became more urban than rural. Urbanisation growth rates evolved as follows: in 1940, 31.2% of the population lived in urban areas, in 1960, 45%, in 1970, 55.9%, in 1991, 75.5% and in 2000, 81%.
[2]Metropolitan regions institutionalised in 1973 were: Belém, Fortaleza, Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo, Curitiba and Porto Alegre.

and financial resources are likely to occur in federations, even in a context of high political and financial centralisation, as it was the case of Brazil under military rule.

After almost two decades of the formal institutionalisation of the MRs and of the creation of the state administrative agencies in charge of their management, the great majority of these agencies were either abolished or transformed in the early 1990s. Why they have been abolished or lost importance in the government's portfolio is not yet clear, calling for the need to investigate two groups of questions. First, we need to know why metropolitan management died away from the political agenda once the process of redemocratisating the country started and why the entities created to administer them have lost their relative importance. Second, we need to understand better the role of metropolitan entities in a federal country like Brazil and the influence of the country's intergovernmental relations in a metropolitan setting, in particular as regards cooperation (or lack of cooperation) among governmental levels. Attempts to answer these questions are now important because the management of MRs, silenced in the 1990s, is slowly re-emerging into the agenda, although still restricted to scholars and practitioners. Issues like violence, poverty, lack of infrastructure in poor neighbourhoods, unemployment, housing and transportation in metropolitan areas are constantly debated by the media, politicians and policymakers, although not yet associated with proposals destined to introduce new ways of metropolitan governance.

This article discusses the past and the current situation of metropolitan governance in Brazil in relation to three changes: in the political regime, in the federal system and in the dynamics of intergovernmental relations. This approach fills a gap in the recent analyses about metropolitan governance, which tend to ignore the links among these variables. Because of that, many view the current constraints on metropolitan governance as only a result of financial limitations and of party-politics cleavages. In contrast to this view, I argue that this interpretation does not fully explain why metropolitan governance and their entities have been abolished, either totally or partially, when the political regime changed from authoritarianism to democracy. I also argue that current constraints on metropolitan governance are more likely to be found in the past rather than in the present. This is because the choices made by the military in the 1970s as regards metropolitan governance have left deep legacies, therefore influencing future choices. When the political regime was changed, these past choices were inimical to the demands of a democratic system, of a stronger federal system and of complex intergovernmental relations which have emerged with redemocratisation and which were one of the foundations of the constitution approved in 1988 to legitimise the new regime. Thus, urban reform in Brazil has focused on strengthening democratic and participatory mechanisms of municipal government rather than on questions of metropolitan governance.

The argument relies on the concept of path dependency because it helps the understanding about the conditions in a given institution which will tend to influence future choices and about how institutions and their actors' mental constructs are interlinked (North, 1995). As we know, the concept does not simply mean that 'history matters' or the present only replicates the past. It is also not an overly deterministic concept, as in Putnam's (1993) interpretation of the Italian polity, but it rather implies that once a country or region has started down a track, such as that of Brazil to free its institutions from the authoritarian and centralised paths of the military regime, the costs of reversing the past path may be very high, although there will be, of course, other choice points. However, the entrenchments of certain institutional arrangements obstruct an easy reversal of the initial choice (Levi, 1997, p. 28), as those taken by the military policymakers in the 1970s, therefore provoking a reaction of constitution makers precisely in another direction.[3] This is why constitution makers, at the country's critical juncture of writing a new constitution, decided to leave metropolitan governance in a political and administrative vacuum and it is also why urban reform is focused on enhancing democratic and participatory mechanisms at the local level rather than on creating mechanisms of metropolitan governance.

Metropolitan governance was institutionalised through authoritarian rules, or coercion, as a response to Brazil's rapid urbanisation but these rules became incompatible in the context of the new democratic regime. They were also incompatible with the historical path of Brazilian municipalities, marked by great autonomy, coupled with policymakers' failure to create cooperative mechanisms among governmental levels to address metropolitan

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[3]The concept has been applied to explain different political processes. Its use may free political scientists of functionalist answers about the role and the objectives of institutions and of political and social actors, as argued by Pierson (2000).

governance. As a result, the choices made by the federal and state constitution makers in Brazil's most important critical juncture in recent years, the elaboration of new federal and state constitutions, were influenced by the choices made by the military as regards metropolitan governance.

Constitution makers, committed to free Brazilian institutions from policies and practices adopted by the military, had no room to revert to the prevailing equation of centralisation + authoritarianism of metropolitan governance because the costs of reversing the past path was too high. Furthermore, the creation of incentives for cooperation among governmental levels, an important aspect of metropolitan governance, was not a matter of concern of policymakers of both regimes. The article is structured as follows. 'Metropolitan governance and federalism' and 'Metropolitan governance and intergovernmental relations' analyse two other changes brought about by redemocratisation, i.e. the re-structuring of the federal system and of intergovernmental relations and their influence on metropolitan governance. 'Metropolitan governance before and after the 1988 Constitution' discusses metropolitan governance before and after redemocratisation and how it was treated in the Constituent National Assembly. The final section outlines some final remarks.

METROPOLITAN GOVERNANCE AND FEDERALISM

The 1988 Constitution promoted several changes in the federal system and the main change was that the states are no longer the country's sole constituent units, but the municipalities have also become part of the federation. Furthermore, the 1988 Constitution has kept the principle of previous constitutions that the municipalities are not a creation of the states, like in the majority of federal countries, but they are autonomous entities. However, theories of federalism do not consider local spheres of territorial power, only regional (states or provinces), as the locus of diversity, and the federal sphere, as the expression of unity. The territorial division of power, which characterises federal systems, is according to the literature on federalism,[4] a trade-off between these two objectives— unity and diversity—which, in turn, are the focus of analysis of federalism theories. This overlooks a third territorial sphere, which, in the Brazilian case, holds constitutional guarantees and autonomy. Because Brazil is a three-tier federation, one needs to investigate the country's intergovernmental relations and the centralisation/decentralisation continuum for a better understanding of how federalism operates in practice. This is because in three-tiered federations the distribution of territorial power is more complex because municipalities are relatively autonomous from the states. In the case of MRs, this autonomy is even more complex because political, institutional, administrative and financial arrangements designed for metropolitan governance demand cooperation, co-ordination and articulation among the three governmental spheres.

As I have argued elsewhere (Souza, 2002), Brazilian federalism has been modelled by political and territorial pacts built up throughout the country's history. These pacts were reflected in each of the country's seven constitutions since it became a republic and a federation. These pacts show that federalism in Brazil is best understood as a set of changes on a continuum of centre-state-local power relations rather than a dichotomy between centralisation versus decentralisation. This is because the country moved from an 'isolated' federalism in its early stages, when the republic was introduced in 1889, to centralisation during the two experiences of authoritarian regimes (1930–1945 and 1964–1985), until it reached its current configuration, in which the distribution of power among the constituent units is more balanced. However, the strong role played by the federal government, in particular its capacity to propose legislation about common issues to the three levels of government, has been the main feature of the Brazilian federation since the 1930s. But it has also been a feature of the federation to provide positive responses to local demands every time democracy was restored.[5]

The federal system redesigned by the 1988 Constitution was the result of the enthusiasm and optimism regarding the country's future. In this constitution, political power and financial resources were more equitably distributed among constituent units, although subsequent constitutional amendments and federal policies have been privileging the federal and the local spheres at the expense of the states. Despite changes promoted by

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[4]See, among others, Elazar (1987) and Riker (1964).
[5]For an analysis of the influence of municipal demands in the 1988 constitution making, see Souza (1997).

redemocratisation and decentralisation, deep inter and intra-regional imbalances persist. These imbalances are more visible in Brazil's metropolitan regions given the political and the financial strength of the state capital and of more industrialised municipalities *vis-à-vis* their neighbours because of the lack of mechanisms of fiscal equalisation to provide financial compensation between economically better-off and worse-off municipalities of a metropolitan region. These imbalances affect the capacity of local and state governments in dealing with metropolitan issues. Just as an illustration, the municipality of São Paulo collects more from a local service tax alone than what 17 out of 26 states collect from their main tax, which is a type of a value-add tax.

The distribution of resources within the federation approved by the 1988 Constitution has been changing since 1994, when a stabilisation plan succeeded in controlling Brazil's hitherto unstoppable inflation and a fiscal adjustment programme became a priority. As a result, constitutional amendments were passed earmarking part of the local, state and federal resources for specific allocation, in particular for health care and primary education, and imposing limits on sub-national governments' freedom to spend and to borrow.

In a federal country like Brazil, where the three levels of government enjoy relative autonomy, both politically and financially, with scarce mechanisms of cooperation, either horizontal or vertical, and where inter and intra-regional imbalances have always been high, metropolitan governance becomes more complex. Given the choices made by constitution makers in 1988 about MRs, to be discussed later, coupled with the imbalances within Brazilian MRs, the issue of intergovernmental relations is of importance for a better understanding of metropolitan governance constraints. This is because any kind of metropolitan governance, even if MRs are granted only administrative status, is likely to add conflicts and tensions in any given setting. Metropolitan conflicts and tensions become particularly difficult to address in countries marked by intra-regional inequality and where political, administrative and financial mechanisms of horizontal and vertical cooperation between governmental units are absent.

METROPOLITAN GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The management of metropolitan regions is dependent upon the existing scheme of intergovernmental relations given that the introduction of such a new entity is likely to overlap or to superimpose upon already existing institutions and entities. In any metropolitan region, the number of actors and institutions with a say on decision-making and with interests at stake is high: the three levels of government and their legislatures, the private sector, in particular the building industry, utility companies, non-governmental organisations and many other segments of civil society. If in large cities in general these institutions and actors are important players, in metropolitan regions they tend to have their importance multiplied given the high level of economic, social and political interests that need to cohabit or to cooperate for addressing solutions for their conflicting interests. Furthermore, other institutions also play a role in metropolitan regions of developing countries, such as the donor community that finances several local/metropolitan projects. Also related to intergovernmental relations, metropolitan regions are likely to change the planning and the managerial scales, bringing about what has become known as the city-region.

Given the picture above, the understanding of how conflicts are negotiated becomes more important in the analyses of intergovernmental relations than the understanding of legal and administrative rules regulating metropolitan governance. Problem solving capacity in such contexts must often rely more on informal rather than formal structures and processes, which, in turn, also bring about patterns of extraconstitutional and extralegal articulations.

According to IBGE, Brazil's statistical agency, there are 23 institutionalised MRs (Table 1). Institutionalisation only means that some states have passed legislation recognising these territories as MRs, but it does not mean that in all these regions metropolitan governance is at work.

Because the 1988 Constitution transferred to the states the right to regulate their metropolitan regions without creating cooperative mechanisms or specific resources to finance them, the absence of metropolitan structures has limited urban and metropolitan governance to the responsibility of local and/or state governments, therefore leaving metropolitan issues in a political and administrative vacuum.[6] As a result, the treatment of the city as a

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[6]In the majority of Brazilian MRs, the state government is responsible for the provision of services like housing, sanitation, water supply, inter-municipal transport and underground systems, with scarce or no participation of local governments.

Table 1. Institutionalised Brazilian metropolitan regions, 2000

Metropolitan region	Urban population (%)	Total area (km^2)	Demographic density (hab/km^2)
Belém	97.72	1819.5	986.52
Great São Luís	81.89	1446.6	738.57
Fortaleza	96.54	4954.0	600.67
Natal	87.35	1906.6	545.55
Recife	96.92	2742.7	1216.21
Maceió	96.56	1934.1	510.81
Salvador	98.42	2339.6	1290.07
Belo Horizonte			
• Total	97.55	9164.0	473.85
• Metropolitan Ring	90.80	5252.7	89.36
Vale do Aço			
• Total	99.02	807.3	494.82
• Metropolitan Ring	63.97	5982.06	27.26
Great Vitória	98.33	2017.5	706.46
Rio de Janeiro	99.26	5724.1	1899.46
São Paulo	95.75	7943.7	2245.13
Baixada Santista	99.59	2402.5	613.81
Campinas	97.07	3645.6	640.00
Curitiba	91.69	13,325.8	204.54
Londrina	94.81	3553.0	182.31
Maringá	95.43	2139.3	221.52
Florianópolis	90.19	7074.3	115.23
Vale do Itajaí	86.54	4297.4	125.26
N/NE Catarinense	88.14	11,543.4	80.16
Porto Alegre	95.93	8212.2	445.17
Goiânia	98.38	3990.9	410.05
Brasília	93.35	55,382.2	53.15

Source: Adapted from IBGE (www.ibge.gov.br).

region is inexistent and cooperation among municipalities within a metropolitan region is extremely rare.[7] Furthermore, addressing urban/metropolitan issues has become more difficult because the federal government, which was the main source of finance for large metropolitan investments, in particular for housing, sanitation and urban development, has backed down its role as a result of the policy of fiscal control.[8] Data from the federal government shows that since the early 1990s investment on housing and urbanisation is the lowest one when compared to other governmental functions. Urban and metropolitan programmes are now in a financial vaccum due to the fact that the market, sub-national governments and multilateral organisations either play a little or no role at all.

The Metropolitan Region of São Paulo, the wealthiest region in the country, provides a dramatic example of the lack of cooperation among neighbouring municipalities: recent data from the think tank CEM-CEBRAP (*www.centrodametropole.org.br/cemsas*) shows that the highest number of São Paulo's inhabitants living under severe social deprivation is along its borders with other municipalities. The highest number is found on the east border but along all the other borders over 60% of the inhabitants live in areas of high social deprivation. Another

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[7]One exception is a consortium of seven municipalities, which are part of the Metropolitan Region of São Paulo, known as the Greater ABC Consortium. Its creation was a result of these municipalities' industrial decline. However, the region is composed of 39 municipalities and the city of São Paulo, which is the core of the region, does not take part in the consortium. In contrast, municipalities which are not part of a MR have been active in sharing their resources, personnel and efforts through consortia, which are now widespread in mid-size municipalities, particularly for health care, environmental management and economic development.
[8]See Melo (1995).

example which illustrates the consequences of the lack of cooperation among metropolitan municipalities is the case of the MR of Salvador, in Bahia State in the northeast of the country. Because there are no mechanisms of fiscal equalisation among metropolitan municipalities, Salvador, the region's core municipality with over two million inhabitants, has a per capita revenue ten times lower than that of one of the region's smallest municipality, São Francisco do Conde, with a population of around 24,000. The reason for this discrepancy is that the latter municipality shelters an oil refinery, from which the bulk of its revenue is accrued, whereas Salvador has the burden of providing services and infrastructure for the majority of the region's population.

In short, metropolitan governance brings about new tensions for intergovernmental relations, particularly in federal countries in which the three levels of government have few incentives for cooperation. In the case of Brazilian MRs, historical intra-regional imbalances brought about by the lack of mechanisms of fiscal equalisation to minimise economic imbalances between metropolitan municipalities contribute to these tensions. Furthermore, because of the upgrading of several new actors and institutions in the decision-making process and in the financing of metropolitan projects, intergovernmental relations, although being a matter of governments, no longer are restricted to them. Without mechanisms to stimulate cooperation among governmental levels, metropolitan issues are dealt with either as a state issue or as a local issue and many times as a non-issue, meaning that crucial metropolitan problems are left in a political, administrative and financial vacuum. How did this situation arise?

METROPOLITAN GOVERNANCE BEFORE AND AFTER THE 1988 CONSTITUTION

The financial-administrative structure set up by the federal and the state governments to manage metropolitan policies during the military's rule was immense. On the financial side, the federal government had control over the main resources for all kinds of programmes, including metropolitan ones.[9] On the political side, popular elections were forbidden for governors, for mayors of state capitals and of municipalities considered by the military as 'national security areas'. Political control over the municipalities of MRs was strategic for the military because popular elections were maintained for the legislatures of the three levels, and the electorate of large cities tended to vote against the regime. Metropolitan governance was then strongly associated in the public mind with these military strategies to manage MRs, so that when the Constituent National Assembly was called, constitution makers were influenced by this association. Furthermore, many of the drafters had close ties with the local and state constituencies: 54% of the drafters had been previously a mayor, a local councillor, a governor or a state deputy (Souza, 1997, p. 59).

As a result of the picture described above, federal and state constitution makers did not debate forms of metropolitan governance, an issue high on the agenda of the military policymakers. Although the 1988 Constitution includes a chapter on urban policy, in which certain juridical and urban mechanisms of territorial regulation have been approved, it was not politically possible to move forward towards creating mechanisms of metropolitan governance or even to keep certain aspects of the previous model.[10] This was due to the reasons pointed out above, particularly the association (or the mental constructs) linking metropolitan governance on the one hand, and authoritarianism and centralisation on the other. Thus, the 1988 Constitution, although very detailed and programmatic, did not take decisions about how to administer and finance Brazilian metropolitan regions.

Constitution making mobilised Brazilian society for 20 months. The enthusiasm and optimism about its outcomes resulted in the presentation of 35,111 proposals by parliamentarians and 122 from organised movements.[11]

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[9]In an earlier publication (Souza, 1985), I identified 32 urban/metropolitan programmes and funds, the majority administered by the National Bank for Housing, a federal agency.

[10]About the legal-juridical aspects of Brazilian MRs, see Fernandes (1992).

[11]One of the most active groups was the Urban Reform Movement, which collected more than 150,000 signatures to send a proposal with their view of what should be done to achieve 'urban social justice'. The result was not exactly what they proposed but a chapter with general guidelines about urban policy was introduced. Later, the urban lobby was successful when, in 2001, the so-called City Statute was approved by federal legislation, after more than 10 years of negotiations in Congress. This law widens social control over urban development and enhances the legal-political role of local governments by granting them the right to issue detailed guidelines for urban planning, as well as to lead the process of urban development and management.

However, only 14 proposals regarding metropolitan governance were presented by parliamentarians, showing that constitution makers did not intend to face the issue. These few proposals represent two different metropolitan governance models—one granting political status to metropolitan regions and the other administrative status only. The winning proposal, however, was to insulate the federal government from any jurisdiction on metropolitan issues, transferring the responsibility to the state constitutions. Strikingly, the archives of the Constituent National Assembly show that there was no debate about whether or not Brazil needed some type of metropolitan governance. The final decision reflected the decentralised commitment of constitution makers, incorporating the rejection of policies associated with the military—particularly the policies of centralisation of decision-making and of financial resource allocation.

There was another issue which the Brazilian constitution-makers failed to address as a priority. In a federation marked by strong policy and financial interdependence among constituent units and by intra-regional inequality, they failed to create mechanisms or institutions of intergovernmental relations and cooperation.[12] This is also striking because the 1988 Constitution is very detailed not only about individual and collective rights and about the rules for the functioning of political institutions, but also on many public policies, making the 1988 Constitution a highly programmatic one.

However, the lack of rules regulating intergovernmental relations does not mean that they are nonexistent. Subnational governments share federal taxes, the municipalities share state taxes and there are some social policies—particularly those dealing with health care and primary education—for which the federal government provides guidelines and resources according to rules determined by federal legislation but the service is provided by sub-national governments, particularly by local governments. With the exception of these policy areas, intergovernmental relations are highly competitive, both vertically and horizontally, and marked by conflict. Cooperative mechanisms only come into being with federal support. Brazilian federalism tends to be Union-dominated and frequently competitive.[13] As for relationships among local governments and between local governments and the state, again, competition and conflict are constant within metropolitan regions.

I would argue that in federal countries like Brazil, the format, the content and the rules (both formal and informal) governing intergovernmental relations are important clues for the understanding of how federalism operates in practice and the degree of centralisation/decentralisation enjoyed by the constituent units. If formal and informal rules are taken into account, one can argue that since the 1988 Constitution, it has been difficult to describe the Brazilian federation as either centralised or decentralised. It has been marked by federally centralised policies and by constraints on sub-national freedom to introduce legislation. At the same time, state and municipal governments now enjoy considerable administrative autonomy, responsibility for policy implementation and a share of public resources they did not enjoy in the previous regime.

As was the case of the federal constitution, the states' constitutions, enacted one year after the federal constitution, did not incorporate metropolitan issues as their concerns. Many also did not follow the previous model, in which metropolitan regions were institutionalised only around a state capital. This is because many state constitutions granted the state government the right to institute several MRs within a state, therefore placing the Brazilian model closer to the US model. Although some states have institutionalised MRs since the 1990s or have not cancelled previous laws institutionalising their MRs, there are very few administrative bodies in charge of their management. Not surprisingly, new MRs and metropolitan bodies are currently institutionalised only where there has been no previous experience of metropolitan governance. Even when some state agencies still survive, as is the case for São Paulo, their role and their resources are insignificant. In others, like Salvador, the former metropolitan agency, despite still leading some programmes and administering resources from the donor community, is no longer focused on the management of metropolitan regions but is now responsible for urban development programmes throughout the entire state territory.[14]

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[12]The constitution states that a complementary law should be issued regulating cooperation among the three orders of government, but this has not been on the agenda.

[13]One exception is the management of river basins, but cooperation is a result of a federal law stating that their management has to be shared among all levels of government and has to take into account environmental and planning policies of the three levels.

[14]For the role of Salvador's metropolitan agency in constraining local governments' autonomy, see Souza (1999).

The lack of emphasis in both federal and state constitutions with respect to metropolitan issues may be explained in the light of the concept of path dependence. Certain characteristics of the past path can be cited for a better understanding of the constraints on metropolitan governance when new rules were designed by federal and state constitution makers. First, as institutionalised in 1973 by the military, metropolitan management was strongly associated with the military's objective of political and financial centralisation and of controlling Brazil's most dynamic territories, i.e. the state capitals and their neighbouring municipalities. As I have argued elsewhere (Souza, 1985), during the military period metropolitan entities played the role of federal outposts in Brazil's most dynamic areas. The institutionalisation of metropolitan regions dependent upon federal resources and of state actions was a constraint on municipal autonomy, breaking a long tradition in Brazilian history. Furthermore, virtually all state governors, mayors of the state capitals and mayors of municipalities belonging to MRs were unelected, increasing the authoritarian feature of metropolitan agencies. These features were in sharp contrast to the redemocratisation that was taking place in the late 1980s. Brazil's urbanisation rates, which continued to surge after the 1970s, were insufficient to bring about a rupture with the rejection of the founding moment of the MRs, i.e. their association with authoritarianism.

The model of metropolitan governance implemented by the military did not create incentives for cooperation between the state and its municipalities or among bordering municipalities, a crucial element for metropolitan governance. Metropolitan governance is likely to be seen by state and local decision makers as a zero-sum game, in particular if there are no federal resources for its financing. The past model also did not engender a collective approach or a sense of regional identity towards the importance of metropolitan issues. These issues were not, and continue not to be, on the agenda of elected politicians, citizens, interest groups or of most of the bureaucracy. Although the federal government created, in 2002, a Ministry of the Cities (because of pressures from urban social movements), there are no signs that proposals regarding new forms of metropolitan governance are about to be supported by politicians, even if some officials of that ministry are trying to introduce the issue onto the political agenda.

Second, Brazilian municipalities have always enjoyed relative financial and political autonomy, particularly during democratic regimes. Municipalities were created during colonial times, much earlier than the establishment of the federation. However, in the metropolitan model instituted by the military, municipalities were subordinated to federal and state decisions. Rejecting any kind of metropolitan management was a rational response of constitution makers to a recent past of what was seen as illegitimate municipal compliance with the military.

Third, with the return of popular election for all mayors, in 1985, electoral competition became fierce. Because there are no incentives or social pressures for administrative or financial cooperation among metropolitan municipalities—crucial mechanisms to make governments work jointly—electoral competition has prevailed over cooperation.

Fourth, the 1988 Constitution has granted, in relative terms, more financial resources to the municipalities than to the states (Souza, 1997, chapter 4). Thus, initiatives towards metropolitan governance under the co-ordination and the financing of the states are not likely to occur. Furthermore, after the fiscal adjustment of the late 1990s, states' resources are more earmarked for debt payment than those of the municipalities.

The picture above shows that neither the authoritarian nor the democratic regime, the former marked by centralisation and the latter by more decentralised features, was able to stimulate the cooperation required by metropolitan governance. Federal and state constitution makers, engaged as they were with the demands for more pluralist and decentralised structures and institutions, became silent about metropolitan governance. This explains the dissipation and/or the extinction of metropolitan bodies created in 1973.

In contrast to the lack of mechanisms for metropolitan governance, local governments and communities are now engaged in building and consolidating more pluralist and decentralised policymaking and institutions. Two different paths can be found. One path runs through community councils in which representatives of local citizens and/or service users have a seat at the table. The other path runs through what has become known as 'participatory budgeting' (PB).

The constitution of community councils is required either by federal legislation or by multilateral organisations when they finance a programme. The role of community representatives is to take decisions about the

allocation of resources and to control how these resources are ultimately used. For each social policy area a different council is required. Community councils are established in relation to specific policy areas (such as health, education, environment or the like) or for the protection of collective or individual rights. Evaluations of community councils have shown that (a) the existence of a council is insufficient to make community representatives perform their role as policymakers and as controllers of resource allocation, although there are exceptions; and (b) the more successful councils are those in which federal and multilateral resources are available.[15]

Contrary to the case of community councils, PB is not the result of exogenous induced policy, but rather stems from an initiative taken by local governments themselves. On the other hand, as is the case for community councils, PB is a 'top-down' governmental initiative, albeit an initiative whose undertaking and format is decided locally. At last count PB has been adopted now by 140 municipalities. While the Workers' Party was responsible for its initial dissemination in Brazil, PB is currently administered by different political parties and not only by the Workers' Party.[16] Although it may be organised in different local formats, the main objective of PB is to put members of the local community together to participate in the budget writing process and to decide on the allocation of a given amount of resources, generally destined for infrastructure in poor areas.

A nation-wide survey into PB by the think tank FNPP concluded that to accomplish its objectives PB depends on seven major factors. These are (1) the kind of political party that implements it; (2) society's level of organisation, mobilisation and politicisation; (3) socio-economic features and population size; (4) the administration's technical skills and management capacity; (5) the local government's commitment; (6) the financial situation of the municipality; and (7) the method adopted to establish the relationship between the local government and the community. The survey also concluded that PB is a difficult and unstable experience: in the period analysed—1997–2000—23 out of 140 administrations gave up on PB, a higher figure than that for administrations that introduced it over the same period, i.e. nine.[17]

To sum up, participatory policies have been adopted in Brazil over the last two decades, with varying results. Stimulated by federal legislation, federal programmes, multilateral organisations or by local government, participatory forums are widespread in Brazil's local communities as opposed to metropolitan structures, showing the localism of urban reforms in Brazil. Thus, great efforts are made by local politicians, policymakers and citizens to strengthening local democracy, following the path taken by constitution makers, whereas issues of metropolitan governance are not in their agenda.

CONCLUSION

This article has analysed metropolitan governance in Brazil in the context of regime change, from authoritarianism to democracy, of the country's federal features and of its intergovernmental relations. It argues that past political and institutional choices as regards metropolitan governance, based on centralisation, authoritarianism and lack of cooperation among governmental levels have marked metropolitan governance, rendering difficult its survival after redemocratisation. In contrast to the current view that the constraints for the adoption of some form of metropolitan governance are due to financial restrictions and to party-politics cleavages alone, I have argued that the authoritarian past of the metropolitan management has left deep legacies, constraining its re-creation.

However, after almost two decades since the fall of the authoritarian regime and of the re-writing of new federal and state constitutions, the issue about how to manage metropolitan regions has found itself back in the agenda, although timidly. Some scholars and policymakers are again debating the same dilemmas of the 1960s and 1970s about how to administer large cities. Although the form and some of the substance of this debate is similar to its

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[15]See Tendler (2000) for a critical analysis on the role of community councils and of demand-driven projects in a programme sponsored by multilateral organisations in developing countries.

[16]See FNPP—Fórum Nacional de Participação Popular, 2002. Experiências de orçamento participativo no Brasil: período 1997–2000. Rio de Janeiro, unpublished.

[17]For analyses of PB published in English, see, among others, Abers (1998), Nylen (2000), Santos (1998) and Souza (2001).

earlier incarnation, the social, political and institutional contexts are not. This is because Brazil is in the process of consolidating its democratic system, experiencing a federal system in which political and financial power is less imbalanced and has more complex intergovernmental relations. On the other hand, problems such as violence, poverty and lack of infrastructure in poor neighbourhoods of MRs are now more severe than ever before.[18]

The investigation of Brazilian metropolitan experiences based on what has happened in the past does not imply that the past foretells the future. Rather, this analysis can provide clues about the future, particularly about the role of the institutions, of their political actors and of how past experience may constrain or enable new ways of administering metropolitan regions.

Metropolitan conflicts and tensions have become more complex because after redemocratisation federalism 'matters', decentralisation to sub-national spheres and to grassroots movements is seen as virtuous, and a singular lack of cooperation still prevails. The insertion of metropolitan management into such a context requires political and institutional engineering which takes into consideration the conflicts and tensions mentioned above and which incorporates new trends and demands of a democratic regime, of a federal system and of intergovernmental relations. The novelty in Brazil's contemporary patterns of urban governance is more likely to be found in the attempts to involve local communities in the decision-making process, rather than—at least for the time being—in creating new metropolitan structures with the participation of neighbouring municipalities or other levels of government. But in Brazil's constantly evolving political dynamic, will metropolitan governance be the next piece to be featured in the urban puzzle?

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[18]For a comprehensive analysis of the current social conditions of those living in Brazilian MRs, see Ribeiro (2004).