



# Subnational governance and public policies in Brazil

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**FAPESP WEEK**  
**50 Years of Science in Brazil and Challenges Ahead**

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Woodrow Wilson International Center for Scholars  
Washington – D.C



# As a center, we are committed to



## 1. produce fundamental research:

- Labor market
- **Living conditions, the state and public policies**
- Sociability and social ties

## 2. provide data and diffuse techniques:

- very comprehensive database
- GIS Software: Terraview Social Policy

**Software on geoprocessing techniques applied to social policies**

**Cooperation with National Institute for Spatial Research**

## 3. transference area

- to researchers outside CEM
- to public sector officials



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• Atualizações de conteúdo que se encontram no site de conteúdos  
• Criação de conteúdos em português e em inglês para a área de conteúdos de pesquisa



• Criação de conteúdo de conteúdos de pesquisa

New sections

The screenshot shows the website's layout. At the top, there is a navigation bar with the logo and the text 'Centre for Metropolitan Studies'. Below this, a sidebar on the left contains logos for partner institutions: CNPq, Inet, CEPIQ, and CEBRAP. The main content area features a central text block with the following text: 'Through a team of multidisciplinary researchers, CEM develops advanced studies on themes concerning social, economic and political transformations in contemporary metropolitan areas, with the work of multidisciplinary teams and an international network of researchers. **Transgressions and Diffusion.**' Below this text is a 'News' section with a red header, containing two article thumbnails: 'Social Reform' and 'Jornal Interativo'. On the right side of the website, there is a 'News' section with a red header, containing three article thumbnails: 'Social Reform', 'Jornal Interativo', and 'Working paper'.

User-friendlier

# Publications



## Working Paper series:

online publication with ISSN, to foster exchange of information among researchers and specialists



## Pontocem bulletin:

list of all publications related to CMS' research, as well as their location in the World Wide Web

## Research problem:



- factors affecting the Brazilian State capacity to provide public services to citizens
- **Intergovernmental division of policy-making:**
  - Federal government is in charge of income policies (pensions, unemployment compensation, welfare)
    - ↓ steady reduction of income inequality from the mid-1990s on
  - States and municipalities are in charge of the public provision of services (health, education, urban infrastructure, housing, garbage collection)

# Conventional wisdom



- Brazilian federal state creates institutional difficulties for efficient and effective policy delivery

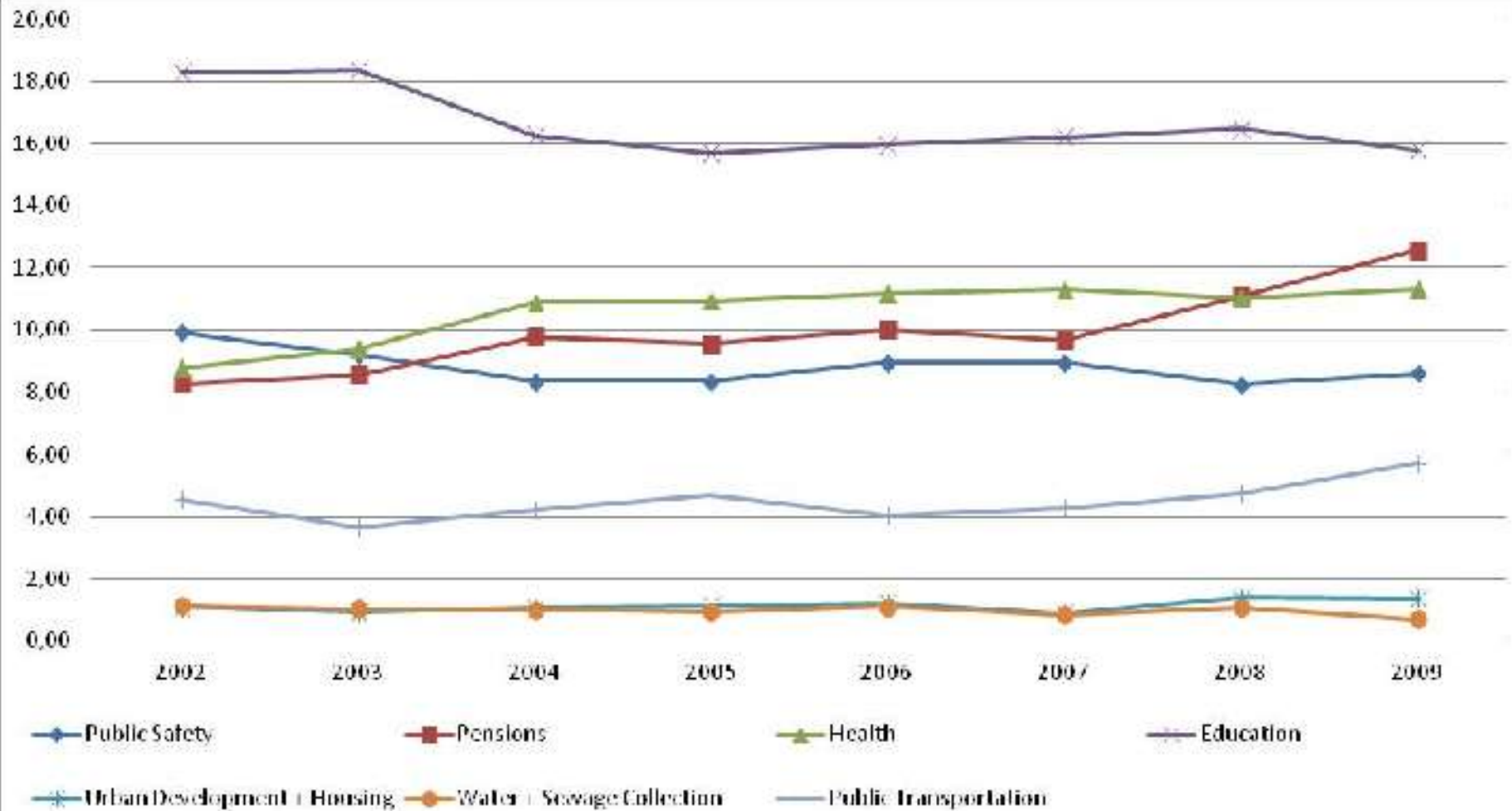
↑ **The center is too weak and subnational governments are too powerful**

- Brazil is a highly decentralized federation (Shah, 2006):
  - Subnational governments are politically autonomous
  - Important players both at taxing and spending
  - Limited incentives to horizontal cooperation

# Average share of selected policies on State's Total Spending



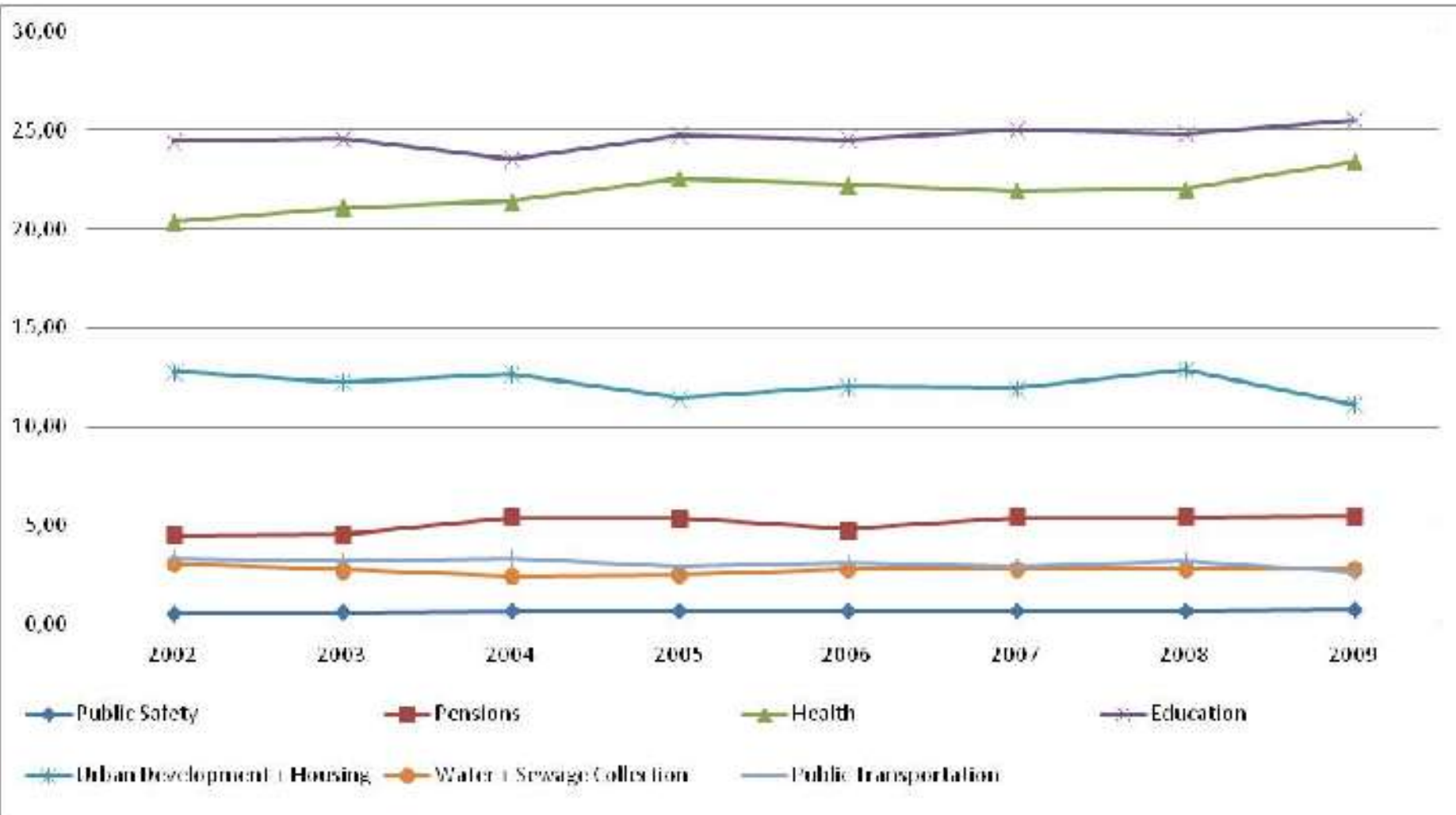
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# Average share of selected policies on Municipalities' total spending



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# ***The Union regulatory powers***



- Expenditures:
  - Constitutionally earmarked subnational government government expenditures
    - education policy:
      - ✓ 1998-2006: states and municipalities should spend at least 15% of their overall revenues on primary education
      - ✓ 60 % of such expenditure should be used exclusively on teacher wages
      - ✓ from 2007 on: states and municipalities should spend at least 20% of their transfers on basic education (primary and secondary education)
      - ✓ national wage floor for teachers
    - health policy:
      - ✓ since 2000: municipalities should spend 15% of their total revenues on health services
      - ✓ since 2000: states should spend 12% of their total revenues on health services

# ***The Union regulatory powers***



- **the scope for subnational decision-making autonomy is policy-specific**
  - larger in developmental policies (urban infrastructure, housing, garbage collection and transport)
  - limited in redistributive policies (health and education)
    - education:
      - constitutionally earmarking of expenditures
      - Earmarked transfers
    - health:
      - federal universal earmarked transfers (attached to policies)
      - constitutionally earmarking of expenditures
      - National coordination of policies

# Subnational-level Policy Index



## Panel composed by 10 indicators on policy outcomes

	Ind 1	Ind 2	Ind 3	Ind 4	Ind 5	Ind 6	Ind 7	Ind 8	Ind 9	Ind 10	Total
Mun 1	0	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	4,5
Mun 2	0,1	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1	5,5
Mun 3	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1	0,8	0,9	6,9
Mun 4	0,4	0,5	0,6	0,7	0,8	0,9	1	0,8	0,6	0,4	6,7
Mun 5	0,6	0,7	0,8	0,9	1	0,8	0,6	0,4	0,2	1	7
Mun 6	0,7	0,8	0,9	1	0,8	0,6	0,4	0,2	1	0,8	7,2
Mun 7	0,8	0,9	0,7	0,5	0,3	0,1	0,6	0,4	0,2	1	5,5
Mun 8	0,9	1	0,8	0,6	0,4	0,2	0,6	0,4	0,2	1	6,1
Mun 9	1	0,9	0,7	0,5	0,3	0,1	0,6	0,6	0,4	0,2	5,3
Mun 10	1	0,9	0,7	0,5	0,3	0,1	0,6	0,6	0,4	0,2	5,3

# Municipal-level Health Index



1. Neonatal mortality rate (2007)
2. Child mortality rate (2007)
3. Proportion of live births per pregnant women having 7 or more medical consultations (2007)
4. Child Acute Respiratory Infection (ARI) rate (2007)
5. Mortality rate by diseases of the circulatory system (2006)
6. First Dental consultation rate (2006)
7. Rate of Citopatologic test in women (25-59 years-old) (2006)
8. Immunization coverage (DTP/Hib) (2007)
9. Leprosy Detection Rate (2006)
10. Dengue detection rate (2006)

# Municipal/State-level Education Index

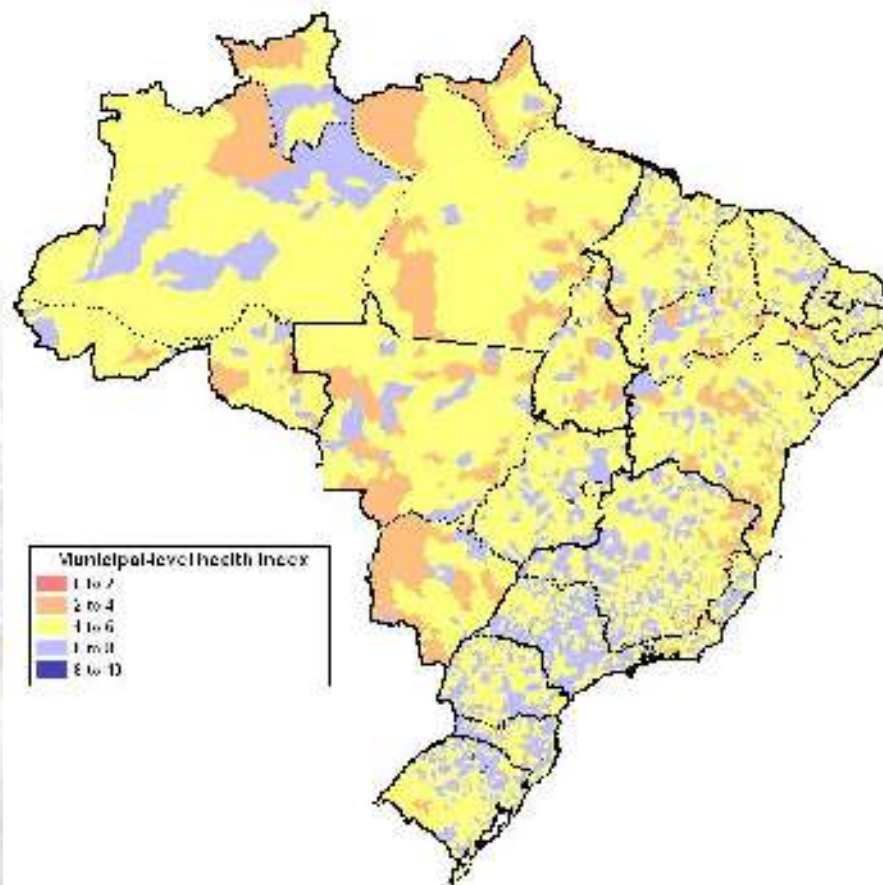
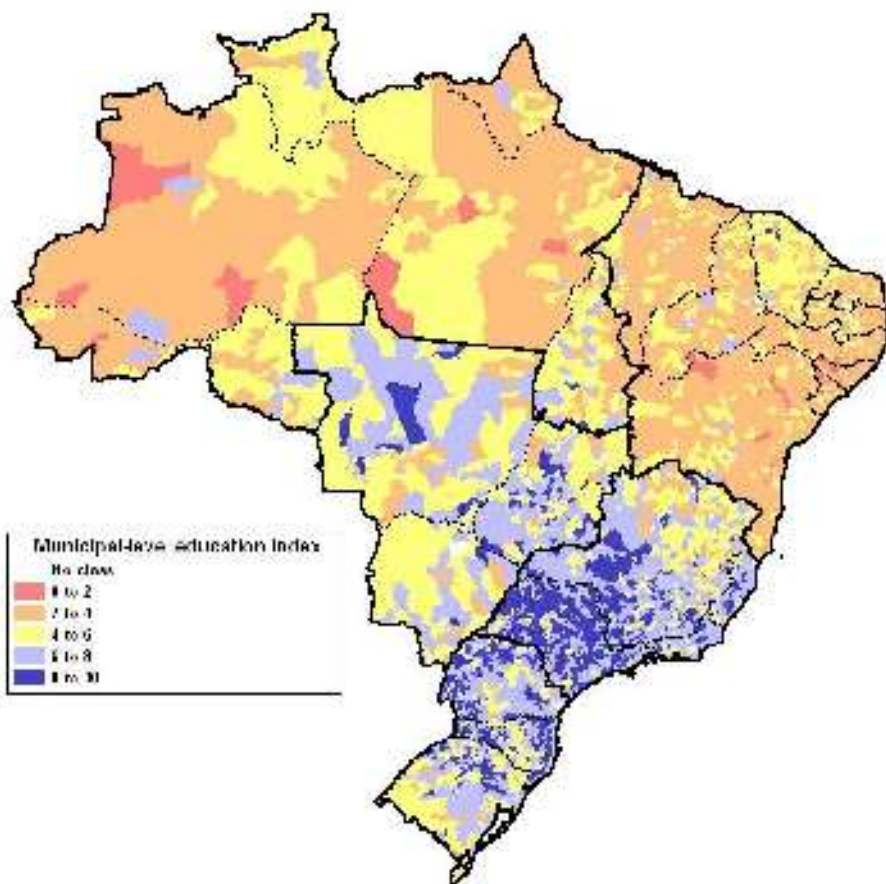


1. Enrollment rate (15 to 17 years-old) (2006)
2. Secondary-school abandonment rate (2007)
3. Primary-school drop rate – 4th grade (2007)
4. Primary-school drop rate – 8th grade (2007)
5. School failure rate in 4th grade of primary-school (2007)
6. Average score in the Federal-led Secondary-school assessment test (ENEM) (2007)
7. Average score in Math in the Federal-led assessment test (Prova Brasil - 2007) (4th grade of primary-school)
8. Average score in Portuguese in the Federal-led assessment test (Prova Brasil – 2007) (4th grade of primary-school)
9. Average score in Math in the Federal-led assessment test (Prova Brasil - 2007) (8th grade of primary-school)
10. Average score in Portuguese in the Federal-led assessment test (Prova Brasil – 2007) (8th grade of primary-school)

# Territorial inequality is lower in health



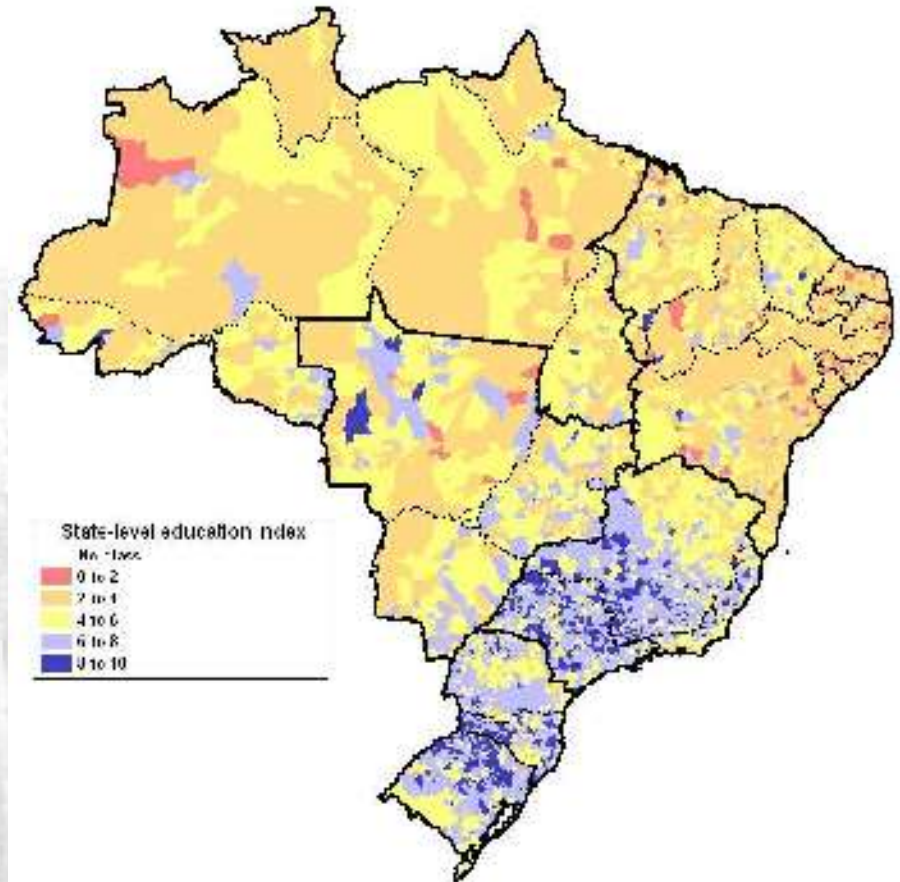
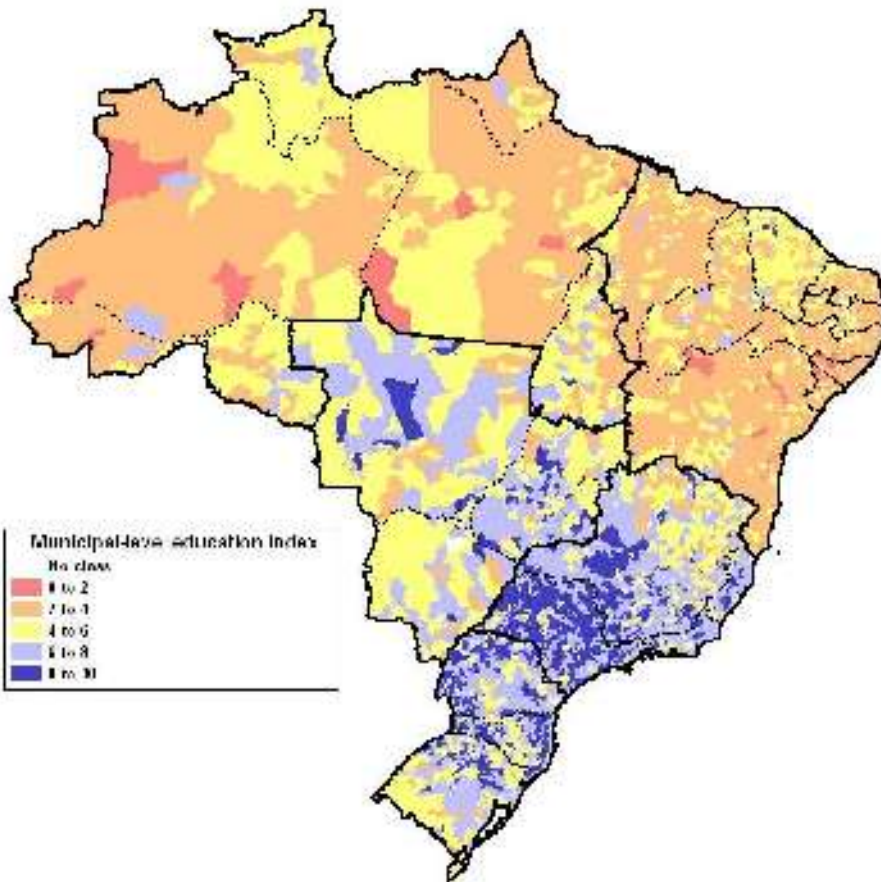
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# State provided and municipal provided education performance is correlated



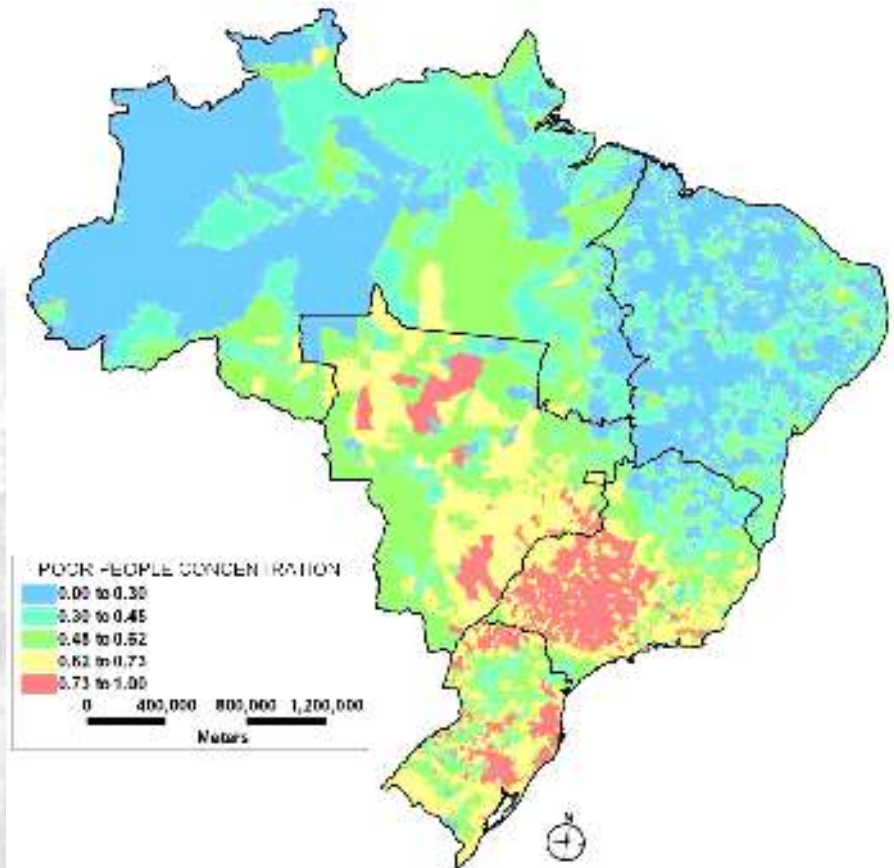
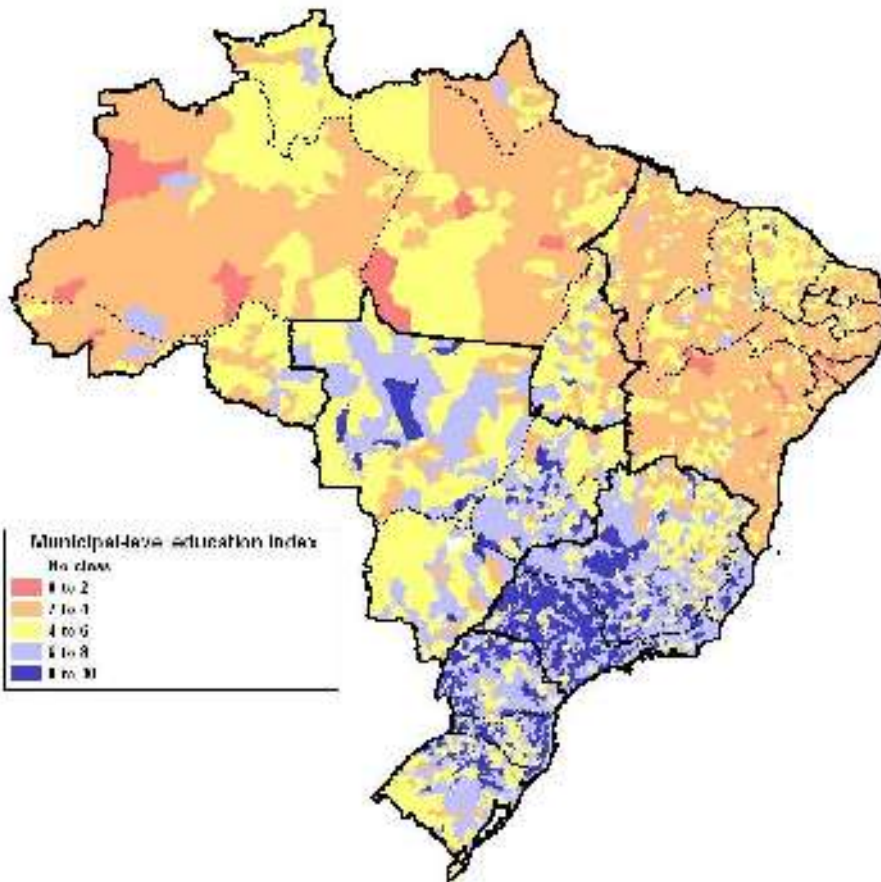
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# Education performance is associated with poor people concentration



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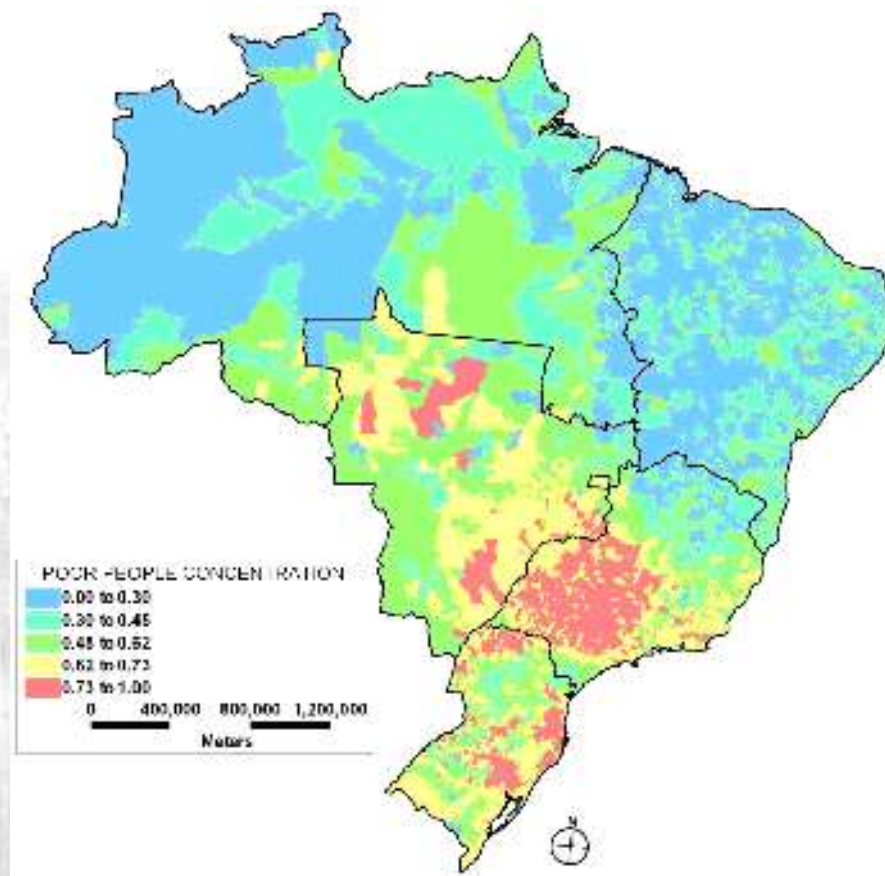
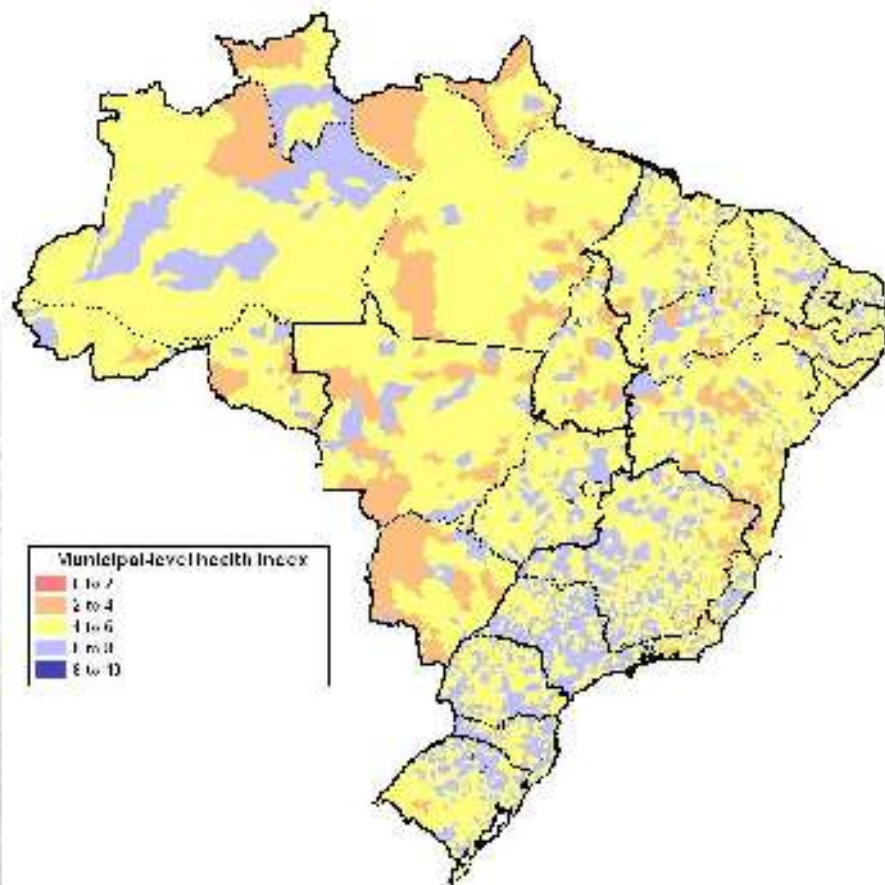




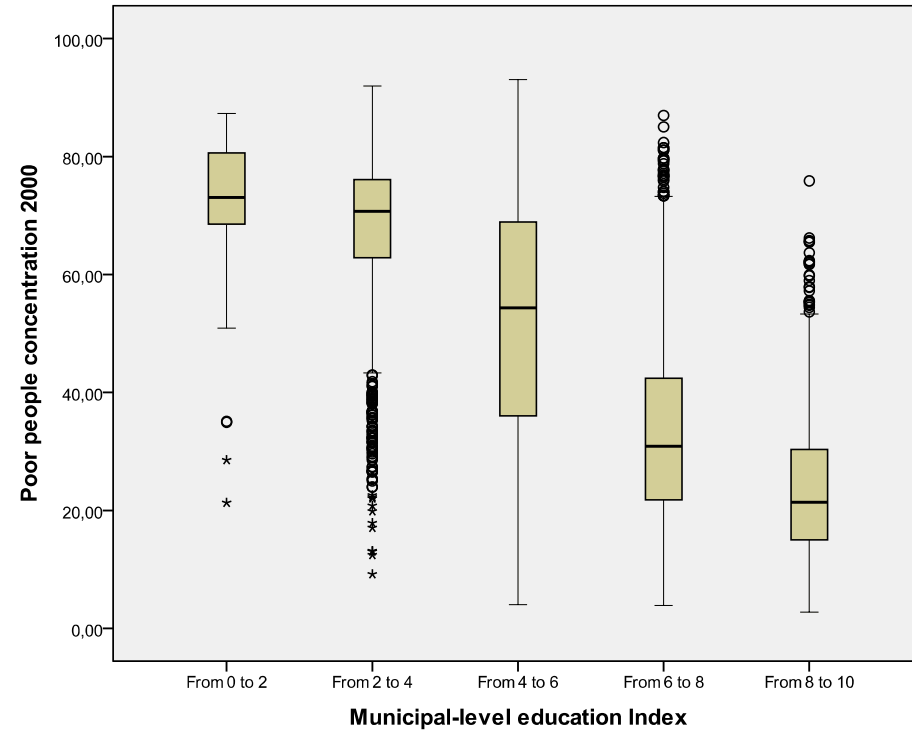
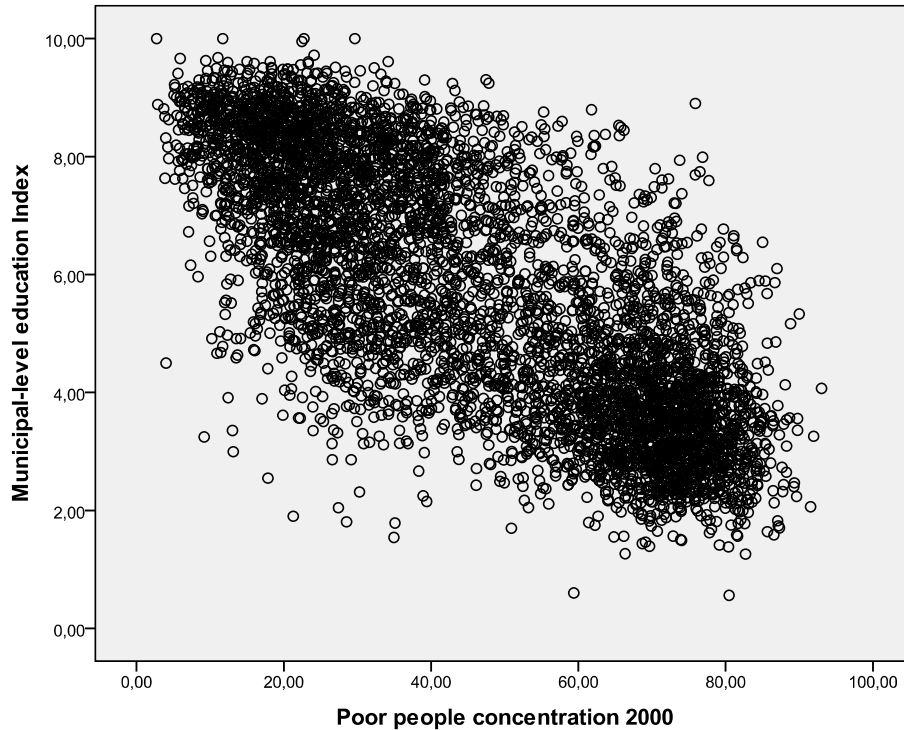
It does not hold for health!!



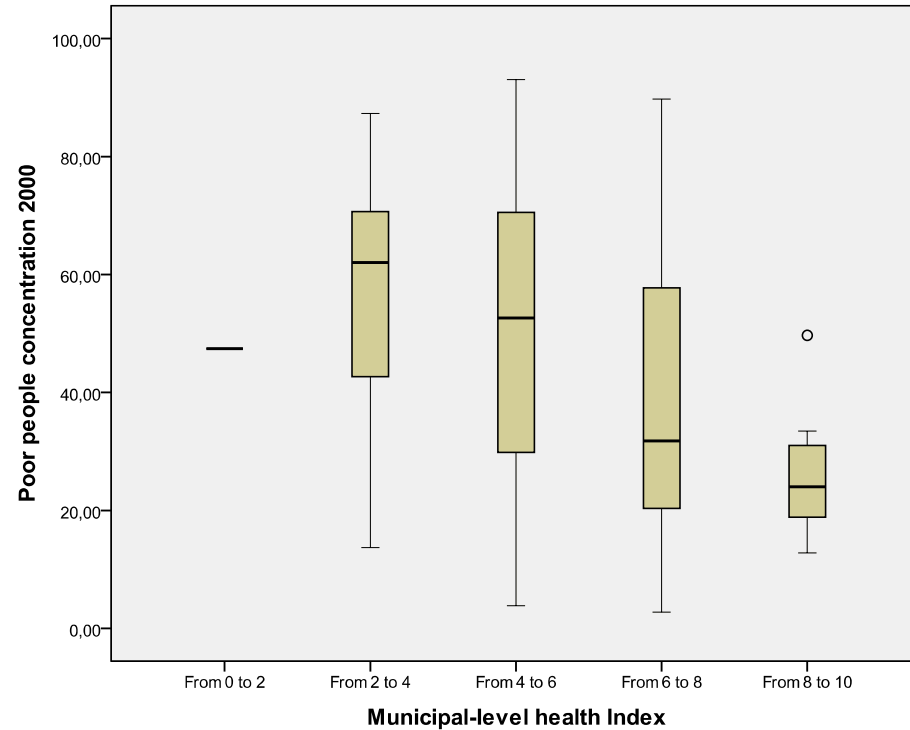
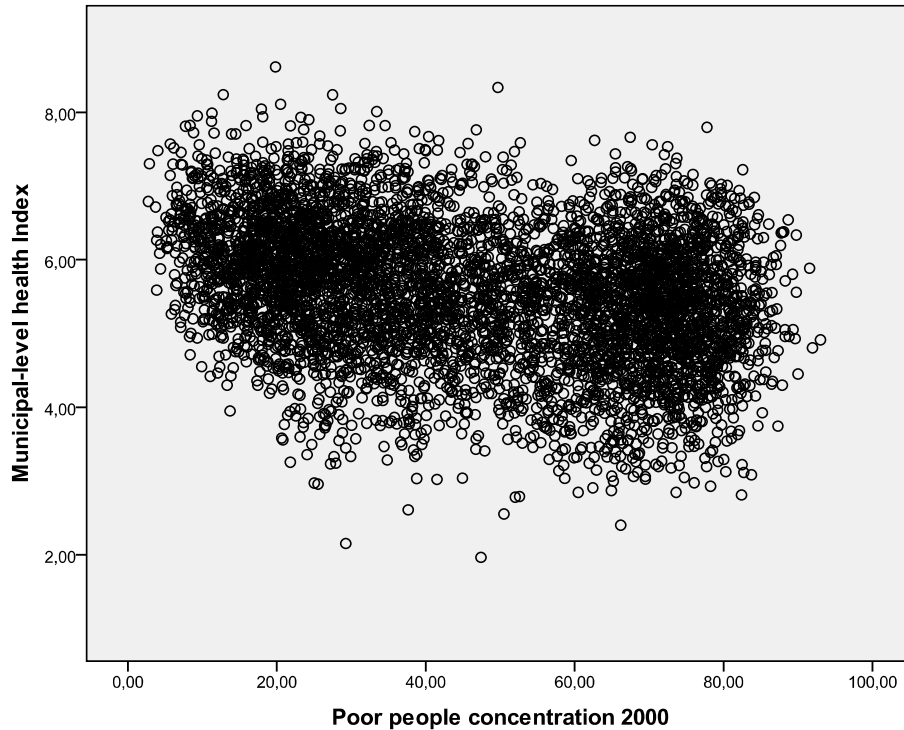
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# Education performance is associated with poor people concentration



# Health performance is not!!



# Policy matters!!



	Education	Health
<b>Earmarking of subnational gvt revenues</b>	municipalities should spend at least 20% of their transfers on basic education	municipalities should spend 15% of their total revenues on health
<b>Revenue Inequalityreduction federal policies</b>	Federal transfers reduce revenueinequalitybetween municipalities (Gini coefficient 0,600 to 0,275)	Federal transfers reduce revenueinequalitybetween municipalities (Gini coefficient 0,600 to 0,275)
<b>Federal regulation and supervision of municipality policies</b>	NO	YES

# Conclusion



- **Upper-level regulation and oversight reduces the impact of local factors on policy performance**
- **A central-local model enables analysts to better understand the outcomes of decentralized policies**
- **The Brazilian case shows that:**
  - Universalization is associated with binding subnational governments by means of earmarking subnational government expenditures and earmarking Union transfers
  - Reducing inequality on outcomes is associated with upper-level regulation of subnational policies



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Thanks!

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