

Excerpts from:

REGIONAL PLANNING

Center for Urban Development Studies

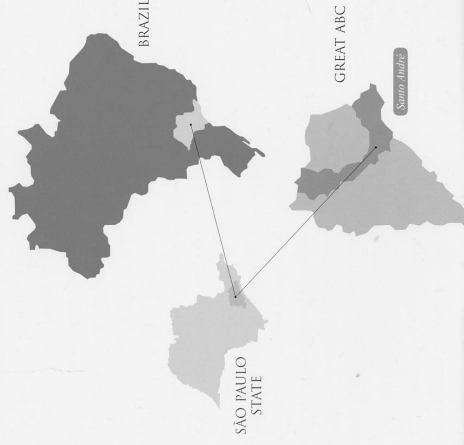
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SANTO ANDRÉ: A CITY IN TRANSFORMATION

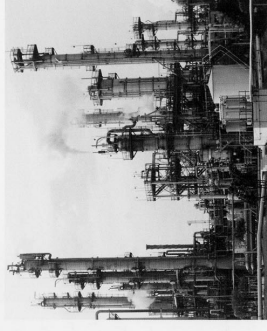
Santo André is a city of 648,433 inhabitants, according to the Brazilian population survey carried out in 2000, and is located southeast of the metropolitan Greater São Paulo, Brazil. The city is going through a transitional period: with a strong industrial past, it now counts on the remaining industries which are modernizing and saving labor and an expanding tertiary sector. Despite the fairly good economic indicators - the municipal Gross Domestic Product per capita is approximately US\$9.8 thousand - and quality of life markers - the Human Development Index is 0.8739 -, the city reproduces the striking contrasts between wealth and poverty characteristic of Brazil.



WORKING TOGETHER ON A NEW MODEL FOR REGIONAL PLANNING: THE CASE OF THE GREATER ABC REGION, SÃO PAULO, BRAZIL.

INDUSTRIAL RESTRUCTURING

The Greater ABC region, composed of 7 of the municipalities in the southeast-ern part of the metropolitan region of São Paulo, has been undergoing a process of economic restructuring, which has only intensified during the last few years. First, and as part of a process that started already in the 1970s, several of the important industries have been imple-menting investments outside the region, allegedly because of the increasing levels of diseconomies of scale in the São Paulo area, associated with congestion, environ-mental problems, lack of space, strong



labor union and an overall low quality of living (Cano, 1995). Second, it has become increasingly clear that the Brazilian development model, based on import substitution, has reached its limits. Consequently, and also as a result of the opening up of the Brazilian economy, the domestic industrial sectors are being forced to modernize and introduce new production and man-agement techniques aimed at higher pro-ductivity levels. The broad conse-quence of the above tendencies has been an increase in unem-ployment levels in the ABC region, more particularly in those sectors highly relevant for the region, such as car manu-facturing and the metallurgical and mechanical sectors.



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THE CREATION OF INSTITUTIONAL THICKNESS IN THE REGION

A number of policy responses have been developed by the local stakeholders - both from public and private sector - during the 1990s. A process has been set in motion in which the region is increasingly emphasizing its own economic, political and cultural identity. There is an increasing awareness that the number of problems and potentialities in the region exceed the mathematical sum of what exists in the 7 municipalities. In relation to the public sector, for example, this led in December 1990 to the creation of the Intermunicipal Consortium of the Greater ABC region, responsible for the coordination of municipal policies where these have considerable spill over effects.

The Consortium has been dealing with wide ranging issues, e.g. from solid waste disposal to local economic development. The process of regional coordination of municipal policies went through a severe crisis during 1993 (1996 because of the weakening position of the Consortium. In the meantime, however, complementary

relevant initiatives were being taken by the local community itself, reflecting the awakening of a regional identity and awareness about the common problems the municipalities of the region were sharing. Undoubtedly, one of the most important initiatives in this sense was the creation of the so called Forum on issues of Citizenship in 1995, composed of a more than 100 Non Governmental

Organizations from the civil society, like associations of enterprises, labor unions, ecological movements, environmental groups etc. The agenda of the Forum put a large emphasis on regional issues. On the 12th of March, in the presence of the most important regional leadership and the State government, the so-called Chamber of the Greater ABC was created. It is composed by three types of actors, i.e. from the civil society, the public sector (the state government, the intermunicipal consortium and representation - from the three spheres of government - of the legislature) as well as from the local economy (businesses associations, important production chains like car manufacturing and petrochemicals, and labor unions).

THE APPROACH TOWARDS REGIONAL PLANNING

The Council is composed of a deliberative body (which gives the overall strategic guidelines for the work and has participation from the main stakeholders), an executive coordination (which prepares the so called regional agreement that are to be approved by the deliberative body and the working groups, which can be considered as the backbone of the Council of the Greater ABC region.

Since its initial moment in March 1997, these working groups have been able to get more than 20 proposals approved on social, territorial and economic development. Each of these (gentleman's) agreements indicate time frames, responsibilities and financial resources. It should be stressed that, depending on the character of these agreements, the stakeholders and the financial resources defined will be different. To give an example, agreements on the working week (local commerce) were worked out between the unions and enterprise associations. Another example refers to the movement for the eradication of illiteracy, which was elaborated by the mayors, the

State government and community based organizations.

A brief summary of the thematic areas where agreements have been approved and are under implementation is summarized below.

THEMATIC AREAS OF REGIONAL AGREEMENTS

THEMES

Regional Development Agency
Competitiveness of production chains
Local Commerce
Technological poles
Car Manufacturing
Furnitures
Petrochemical and plastics
Investments in road system
Macro drainage
Regional Public transportation
Regional Traffic system
Housing
Industrial efficiency
Regional tourism
Reform of the state environment legislation
Street children
Health
Literacy campaigns for adolescents and adults



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While the Council is a non legal body, the Regional Economic Development, created in October 1998, has a legal status, enabling it, for example, to sign contracts. Its board of directors is composed of

the private sector (associations of enterprises, labor unions, SEBRAE, together having a participation of 51%) and the Intermunicipal consortium (with a participation of 49%). Among others, it is presently working on a regional system of socio-economic data and indicators, an income and employment strategy for small and medium sized firms

and a marketing strategy in order to revert the still somewhat negative image the region is believed to have. The work on the competitiveness of the main commodity chains (filieres) has lead to concrete

results for the plastics manufacturers. Small and medium sized firms in this sector have started to adopt more cooperative practices amongst them, for example through the implementation of centralized

buying and exporting procedures. It is also important to mention the program for a State level guarantee fund which is in a far advanced stage of elaboration and negotiation with the State of São Paulo. This fund will be crucial in facilitating the access of small and medium firms to credit, badly needed to finance their technological and

managerial modernization. Finally, an ambitious plan to train about 12.000 workers is ongoing in the petrochemical sector, emphasizing recently unemployed workers in the plastics sector.



LESSONS LEARNED

The Council, the Consortium, the Forum for Issues for Citizenship and the Regional Economic Development Agency are reflections of a new model for regional governance. Its first dimension is its focus on participatory democracy. In effect, the

Council of the Greater ABC represents the foundation of a broad democratic sphere, at the same time public and "non parastatal". It facilitates a multi-stakeholder planning process where,

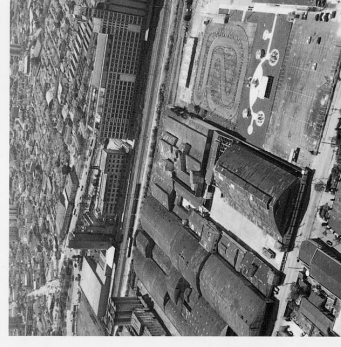
in a transparent way, interest based negotiations are aimed to come to consensual decisionmaking. Second, the Council has subtle mechanisms for horizontal and vertical coordination. The approach of working towards regional agreements is in line with a worldwide tendency to emphasize

the importance of negotiation among stakeholders, instead of hierarchical decision-making mechanisms. The presence of the State government means that the coordination is not only a horizontal one.

Instead, the more complex coordination of the council is both horizontal and vertical. Third, and directly related with the previous argument of coordination, the institutional framework

of the Chamber is quite flexible – contrary to the institutional rigidities which characterize the formal model of metropolitan planning in many countries, and also in Brazil. The model of metropolitan planning

designed in the 1960s during the military regime, has proven to be quite ineffective. Thus, considering the present institutional vacuum and the scenario of rapid transformations, this institutional flexibility is an important advantage of the Chamber.



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