For two decades, the Brazilian Workers’ Party (PT) has held a tough critic regarding the state reform carried out by Fernando Henrique Cardoso (Brazilian Social Democracy Party – PSDB) during his mandate. According to the PT’s narrative, the Managerial Public Administration is a neoliberal and conservative policy, and it cannot be politically conducted by the left wing. This article shows a review of PT’s antireform narrative. In face of urban problems, public bureaucracy barriers and increasing social demands, it is possible to observe mayors of the PT implementing policies associated with the ones advocated by the PSDB to modernize management and make it more efficient and effective. This scenario was verified in five Brazilian municipalities, through qualitative research with mayors and municipal secretaries in the areas of planning, budget, administration and management.

**Keywords:** State reform; managerial public administration; PT.

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**Reformar à esquerda: a administração pública gerencial em prefeituras petistas**

Há duas décadas, o Partido dos Trabalhadores (PT) sustenta posição crítica à reforma do Estado realizada no governo Fernando Henrique Cardoso (PSDB). No discurso petista, a administração pública gerencial (APG) é apresentada como política neoliberal e conservadora e não iniciativa que pode ser politicamente orientada pela esquerda. Este artigo mostra uma revisão do discurso antireforma. Diante dos problemas urbanos das cidades, dos entraves da burocracia pública e do aumento das demandas sociais, há prefeitos do partido implementando políticas associadas aos tucanos com a finalidade de modernizar a gestão e torná-la mais eficiente e efetiva. Esse cenário foi constatado em cinco municípios brasileiros, por meio de uma pesquisa qualitativa com prefeitos e secretários das áreas de Planejamento, Orçamento, Administração e Gestão.

**Palavras-chave:** reforma do Estado; administração pública gerencial; PT.

**Reforma hacia la izquierda: la administración pública gerencial en alcaldías del PT**

Desde hace dos décadas, el PT sostiene una posición crítica hacia la reforma del Estado realizada durante el gobierno Fernando Henrique Cardoso (PSDB). En el discurso petista, la administración pública general (APG) es presentada como política neoliberal y conservadora y no una iniciativa que puede ser políticamente orientada por la izquierda. Este artículo demuestra una revisión del discurso anti reforma. Delante de los problemas urbanos de las ciudades, de las trabas de la burocracia pública y del aumento de las exigencias sociales, hay alcaldes del partido implementando políticas generalmente asociadas a los “tucanos” con la finalidad de modernizar la gestión y volverla más eficiente y efectiva. Este escenario fue constatado en cinco municipios brasileños, por medio de una investigación cualitativa con alcaldes y secretarios de las áreas de Planificación, Presupuesto, Administración y Gestión.

**Palabras clave:** reforma del estado; administración pública general; PT.
1. INTRODUCTION

During the 1990s, the government of Fernando Henrique Cardoso (1995-2002) implemented a reform designed to usher in a new era of public administration. This managerial reform was conceived of as a way to overcome, among other problems, the deficiencies of the bureaucratic model. Defeated in the 1994 election, the Labor Party (PT) led the opposition and decided to resist this policy. In the Labor discourse, the management of public administration (APG) was treated as a group of management tools with intrinsic, pre-defined political content — considered neoliberal and conservative — and not as a policy-oriented initiative, which can be managed by the left.

This conflict created a bifurcation in the development of alternatives for the Brazilian public sector. On one hand, PT stimulated popular participation in decision making as a way to increase social control and make the state more democratic (Gugliano, 2005). On the other, the Social Democratic Party (PSDB) relied on these management tools to make the machinery of government more efficient with better quality services (Martins et al., 2006). Since the Labor Party discourse was constructed more than two decades ago, we need to evaluate it today in terms of how it has handled administrative challenges. This article demonstrates that PT mayors, facing urban problems in terms of the public bureaucracy and an increase in social demands, have gradually implemented policies associated with their adversaries in order to make the machinery of government more efficient and offer better services to their citizens. This change in posture did not occur without tension with public servants and the rest of the party’s supporters.

This article presents the results of a study which has tried to identify PT mayors aligned with the principles of the APG. This study focuses on five administrations in Canoas, RS; São Bernardo do Campo, SP; Contagem, MG; São Carlos, SP; and Niterói, RJ. The text is divided into three more sections. The following section discusses the origins and main critiques of APG and the reasons why PT opposed this reform. The next section presents the study’s methodology and this will be followed by the final considerations.

2. THE LABOR PARTY’S OPPOSITION TO THIS STATE REFORM

The Labor Party’s position in relation to the APG has always been linked to its origin. Developed due to the crisis in social well-being during the 1970s as well as the breakdown of the bureaucratic model of administration, this school of management was implemented in various countries before it arrived in Brazil. Its origin is attributed to New Public Management (NPM) which was implemented under the neoliberal government of Margaret Thatcher (1979-1990) in the United Kingdom. The model was strictly economic, focusing on cutting personnel costs and increasing the productivity of public administration (Abrucio, 1998).

The need to transform the state spread throughout the 1980s. Governments passed the reform to respond to various pressures, including globalization and increases in public spending (Pacheco, 2010). In Brazil, this management-oriented wave arrived at a time of economic crisis, high inflation, sluggish growth and a questioning of the size of the state. Ex-Minister of Public Administration and the Reform of the State Luiz Carlos Bresser-Pereira admits that the inspiration for this reform came from the United Kingdom, but by 1998 there were already differences between the APG and the NPM.
To this author, the minimal state “has proved to be unreal” and the state needs to be reconstructed to strengthen its role as the guarantor of social rights and the promoter of national competitiveness (Bresser-Pereira, 1998).

PT has always viewed this reform as the front line of a neoliberal project. A synthesis of the party’s thinking can be found in Mercadante (2010). The author states that according to the Washington Consensus, Fernando Henrique expanded reforms oriented towards “[…] establishing the absolute supremacy of the market and removing restrictions to the country’s exposure to globalization […]” (Mercadante, 2010:78).

In the literature, the most common criticism has been that the NPM represents a threat to democracy (Box et al., 2001). Dasso Junio (2006), within a scenario characterized by the end of the Cold War and the hegemony of the capitalist model, states that the state has come to represent a barrier to the expansion of private capital. “This context, central to the rise of ultra-liberalism, demanded reforms on the part of the state with an emphasis first of all on privatizations followed by a reform of governmental management itself” (Dasso Júnior, 2006:11).

Other researchers indicate a more complex reality. Pacheco (2010) demonstrates that there is a wide range of ideologies after the first few steps of NPM. Reforms have also been enacted by Labor governments in New Zealand (1984-1990) and Australia (1983-1996) (Pacheco, 2010:189). To Pacheco (2010:189), “[…] the current managerialist agenda cannot be treated as being synonymous with the NPM”.

3. THE APG IN PT CITY GOVERNMENTS

Summing the two rounds of the 2012 election, PT won control of 639 cities throughout the country. Four years earlier, the figure was 557. Given such a broad scenario, finding mayors aligned with the principles of the APG required a broad data collection strategy.

The first initiative was collecting information from the internet. Websites were researched for references dealing with Labor city governments. At the same time, awards for mayors recognized for their work in implementing innovative and modernizing management processes were investigated, such as those awarded by the Competitive Brazil Movement (MBC). Sources that because of their knowledge of management or professional contacts could cite mayors who fit the desired profile were also examined.

Thus, this qualitative study focuses on administrations in five municipalities located in four different states. The municipalities examined all have high or very high Municipal Human Development Indices, above the national average of 0.727 according to data from the MHDI (PNUD, 2010). They also registered above average GDP per capita for the year 2015: R$ 29,347.00. More significant differences appear in the data from the Basic Education Development Index (Ideb), considered to be the main indicator of the quality of basic education in Brazil. Ideb’s target for the initial years of Primary Education (1st to 5th grade), was set at 5.2 in 2015, and it was surpassed by three municipalities that also surpassed the national average of 5.5. Canoas (RS) and Niterói (RJ) remained below the target. The results have a strong relationship with the local administrations since in this country municipalities are responsible for most of the students registered in the initial years of Primary Education.
Between January and March 2015, ten interviews were conducted with PT mayors and ex-mayors and the municipal secretaries or ex-municipal secretaries in the areas of Planning, Management Modernization, Control, Budgeting and Administration. The studied administrations are listed below.

This study covers a period of electoral disputes in 2004, 2008 and 2012 in the five municipalities under examination. During this period, three mayors were reelected (Marília Campos, Jairo Jorge da Silva and Luiz Marinho), three were in office during the study (Jairo Jorge da Silva, Rodrigo Neves and Luiz Marinho), and one was not reelected (Oswaldo Duarte in 2012). The polarization with PSDB appears in the form of direct conflicts in three cities (Contagem, São Bernardo do Campo and São Carlos). PTB, PTN, PDT and PPS also arose as notable opponents. The PT candidacies in these five municipalities were members of coalitions, the smallest consisting of four parties (Campos in 2008) and the largest consisting of 17 (Jairo Jorge da Silva and Luiz Marinho in 2012). On average, the PT coalitions consisted of 10 parties.

To verify the adherence of these administrations to APG, we need to evaluate up to what point they implemented its principles, which since the 1980s have gone through various phases and have evolved...
along different paths within different political and cultural contexts. (Ferlie et al., 1999; Pacheco, 2010). To measure this adherence, this study has selected 20 management policies linked to the managerial agenda, compiled based on the specialized international literature (Martins et al., 2006; OECD, 2005; and Jann and Reichard, 2002; among others) and systematized to organize this study into five basic APG principles: Planning, Meritocracy, Partnerships and Contracting, Participation and Citizenship, Efficiency and Modernization. The 20 policies and their principles guided the interviews conducted by telephone and in writing, featuring structured and semi-structured questions. The purpose was to gather this data in a multidimensional way.

The cross-referencing of interviews and documental sources made it possible to deepen the knowledge of the relationship between these administrations and the APG. The results can be summarized in the following manner:

1. In terms of Strategic Planning, all of the city governments used its main tools, including structured programs, and management by targets and indicators. Three received assistance from private consulting firms. Niterói and Contagem stand out in the application of planning based on the idea of constructing the “best city to live,” a fact that demonstrates a concern with administrative continuity beyond the political cycle. The inclusion of participation mechanisms for the elaboration of planning appears in three of these cities, in particular São Bernardo, which has adopted the Participatory Multiyear Plan (PPA), a model which goes beyond legal requirements.

2. Meritocracy proved to be one of the most controversial principles due to resistance from public servants. Administrations acted to broaden measures of results and encourage professional improvement. Performance evaluations were adopted in three of the cities (Canoas, Contagem and São Carlos), while career restructuring was offered in four of the cities (Canoas, Contagem, São Bernardo do Campo and São Carlos). Variable remuneration was only approved in Canoas.

3. In terms of the Partnership axis, only Contagem did not agree to contracts with Public Interest Civil Society Organizations (Oscips), a result that may have been facilitated because it deals with older legislation. As for Social Organizations (OSs), there was less adherence, and they were approved only in Niterói and São Carlos, over the opposition of workers and other PT supporters. Concessions for Public-Private Partnerships (PPPs) currently exist in São Bernardo do Campo and São Carlos. They are few in number, but they are noted for their recent regulations, complex contractual engineering and high costs.

4. These five administrations implemented tools designed to hear the opinions of the population, instruments to enhance transparency, and IT systems to improve customer service for their citizens. Participatory Budgeting (PB) took place in four of these cities, but there are signs of its “aging.” Besides the fact that it is based on a long cycle of in-person hearings — a model that clashes with a more and more connected world — PB faces the appearance of new forms of participation such as collaborative culture. Among the city governments studied, there are now new digital models of participation.

5. Efficiency and Modernization’s main feature is fiscal adjustments. Niterói and Canoas have been categorical in adopting this measure, which is an attitude that has a double impact: First, because it is an unpopular measure and second, because it represents the reduction of public spending that the Labor Party has always accused the Social Democratic Party of using. Niterói has even used the expression “management shock” to define emergency measures to combat the economic crisis. The other three administrations confirm that they have reduced costs and increased revenues to balance city budgets. The other evaluated policies (IT to improve management; the streamlining/
reduction of the machinery of government; the hiring private management consultants; and reducing bureaucracy) have also been widely accepted.

3.1 PARTNERSHIPS AND CONTRACTS

In this section, we will explore the study's results in terms of the Partnership axis. Among the principles of the APG, this has the greatest impact on the structure of the machinery of government and it is at the core of the document that inaugurated managerial reform in Brazil, the Master Plan for Reforming the Apparatus of the State. It is of interest here to shed light on one of the axes of institutional engineering designed by Bresser-Pereira, non-governmental public space. The non-governmental public sector, receives, in partnership with OSs and Oscips, activities that are not exclusively the state's. OSs and Oscips are non-profit organizations, which are public but not governmental, and are financed and controlled by the state through management contracts and commitments that define performance indicators (Peci et al., 2008).

In 2004, the government of Luiz Inácio Lula da Silva reinforced privatization by approving the PPP Law. These partnerships are concessions, with contracts for the providing of medium-term and long-term services (Brito and Silveira, 2005). OSs, Oscips and PPPs all seek efficiency, flexibility and results. The government delegates the execution of these tasks to these partners and maintains its control in term of regulating and monitoring their services, in addition to planning and formulating policies.

The evaluation of the cases covered in this study begins with the OS which manages the Getúlio Vargas Filho Children's Hospital in Niterói. On July 30, 2013, the hospital's civil servants took to the street. With banners they protested what they termed the “privatization” of the institution by Mayor Rodrigo Neves (PT). This Labor Party mayor surprised them when he proposed handing over the administration of the hospital to an OS, which in fact occurred when the Instituto Ideias signed a contract with the city government. The protesters classified this proposal as cowardly and an act of betrayal (Duarte Filho, 2013).

To Mayor Rodrigo Neves, the handover to the Instituto Ideias was a way to get around the bottlenecks in human resources management in the health area, limitations which in his opinion, represent the most serious component in the sector's crisis (Neves, 2015, verbal information).

This point of view is not isolated. Three other interviewees related the same dilemma. Municipalities have difficulty in attracting and retaining doctors, especially those who are more highly paid in the private sector, at a level which denies “any chance that the public sector can compete within the current statutory regime,” says Neves (2015, verbal information). Besides the difficulty in retaining these professionals, there is another difficulty in hiring. The requirement that jobs be filled by competitive examination makes their selection even more time consuming, which results in professionals leaving this public career all the time. Neves adds that the origin of these adverse effects was the implementation of the Unified Healthcare System or SUS in 1990 and the start of the process in which municipalities took over control of health management and equipment. Municipalities received federal and state hospitals and assumed a series of obligations for this sector, that more than two decades later these obligations have begun to strangle the system.

In various municipalities, says the mayor, most of the workforce in the health sector is hired on a third-party basis, without the right to a yearend bonus or vacation. “This model is very precarious, but it is not possible to remunerate certain health careers and services through the statutory model,” justifies Neves (2015, verbal information). This is where the pragmatic option of an OS comes in. “Hiring in the health sector should be more flexible,” says the mayor (Neves, 2015, verbal information).
We have opted to integrate a mix of hiring and human resource management models into the network. In terms of basic services, we are implementing the model of a state foundation with private rights, through which public servants are full-time employees and are hired through public examination. In certain health areas of greater specialization and complexity we have OSs with public control and targets for quality of service. Finally, we have career plans and the holding of public examinations for certain careers such as Health Inspectors. [Neves, 2015, verbal information]

Questioned about the criticisms of the public servants who accused his government of privatizing the hospital, Neves remembers that there was “confusion” in the hospital regarding the countless hiring regimes, and that the hospital’s services were of low quality, and that its emergency pediatric area was closed. He argues that the unit now has better performance, receives more municipal resources, functions with fewer employees, has a single flexible employment regime run by Ideias, and uses electronic time clocks. “Doctors are productive and there are services that they should provide to the public,” he says (Neves, 2015, verbal information).

In these interview, Neves responded to his critics. Twice he emphasized that his administration is concerned with providing the “universal free services of the quality demanded by the SUS” (Neves, 2015, verbal information). “After much debate, we are constructing a public model that maintains the SUS’s guidelines in terms of being a free, universal and quality system, but with human resources models that are updated to reflect the Brazilian reality,” he concludes (Neves, 2015, verbal information).

In São Carlos, there was also arm wrestling associated with its contract with the Humanization, Support and Health Services Development Society to administrate the Horácio Carlos Panepucci Hospital. Signed in 2007, during the government of Newton Lima Neto (PT), the agreement was maintained by his successor Oswaldo Duarte. Several wings of the PT questioned the option of choosing an OS. This resistance involved the state political context. Having elected a succession of governors in São Paulo ever since 1995, PSDB has viewed OSs as their administrative showcases: and these contracts are in force in around 100 health units throughout the state.

To PT loyalists in São Carlos, the repetition of this model represents the outsourcing of work. “Various leftist wings of PT viewed this as a way of eliminating public services and handing them over to others,” remembers Rosé Donato, Duarte’s Ex-Secretary of Planning and Management (Donato, 2015, verbal information). In their internal debates, the strategy was to show the opponents of the OS that there was no other way out. “The question with PT was to gather the data and show technically that no other way was possible,” he says (Donato, 2015, verbal information).

Duarte asserts that the internal divergencies in relation to the OSs were also echoed in the union discourse against the model. “I like to think a little differently: what are the benefits that we are bringing to society? It is no use defending a public hospital and not caring about the services that it
provides to the population. I prefer it to be an OS that provides better care,” he emphasizes (Duarte, 2015, verbal information). The ex-mayor considers OSs and Oscips to be “managerial instruments”:

Public management is burdened by many constraints. We need to have mechanisms to make this management more dynamic. How are you going to run a hospital based on the rules of public service? You run out of medicine, you accept bids for the contract and wait three, four, five months and if you are lucky, the medicine will arrive. It won't work. You need to have dynamic mechanisms even in the management of human resources. OSs have flexibility. They don't have public servants; you can hire people when you need them. You can also fire them if they aren't good employees. [Duarte, 2015, verbal information]

The mayor of São Bernardo Luiz Marinho recognizes the need that cities have to seek alternatives in managing health care. This is why São Bernardo counts on an institution created in association with the neighboring cities of Santo André and São Caetano do Sul to manage four hospitals. The ABC Foundation is a public organization with private rights, qualified as a Social Health Organization (OSS), which is part of the OS model. Marinho asserts that the foundation does not act as an OS, but signs a management contract, a document that “establishes the remuneration and financial considerations for services” (Marinho, 2015, verbal information). “The body that makes health policy is the secretariat. The body that hires doctors, nurses, receptionists and assistants is the foundation. This makes hiring and firing agile; it provides the conditions to offer something more agile and professional,” says Marinho (2015, verbal information).

In terms of garbage collection, São Bernardo also faces another challenge: conforming to the requirements of the National Solid Waste Policy and deactivating a garbage dump of almost a million square feet that is 80 feet deep. “The garbage dump was the object of a civil suit. The city was fined daily for not recovering the area,” remembers Nilza Aparecida de Oliveira, the Secretary of Participatory Budgeting and Planning (Oliveira, 2015, verbal information).

The solution was to launch a 30-year long PPP. The consortium took responsibility for recovering the garbage dump area and transforming it into a park, as well as the administration of a new system of handling and managing waste. The bidding included the construction and operation of a plant that would incinerate waste that was not recycled in order to generate energy. Other demands included the managing of civil construction waste, the network of voluntary drop-off points and the implementation of six waste separation centers operated by cooperatives. “With this plant, the organic waste will be turned into energy. What can be recycled will go to the waste separation centers, which will provide work and income for the trash picking population,” says Oliveira (2015, verbal information). The PPP, signed in 2012, foresees the evaluation of these services, with participation from the public: if the parameters in terms of quality are not met, the consortium can be punished with a reduction of 20% of its monthly installment payment (São Bernardo do Campo, 2012).

You have to turn to PPPs when you definitely don't have the economic conditions in terms of the city budget or resources from the federal government to make an investment of this magnitude which will offer a return over a short period of time. So you make a long-term commitment with an investor to anticipate investments. Thus, something that would take 30 years to do, can be done in five. [Marinho, 2015, verbal information]
Before São Bernardo, São Carlos sought a PPP to handle its waste. The contract was signed in 2010 by Duarte. At the time, there was a prediction that the existing garbage landfill would soon be full. “We didn't have the money. We proposed a PPP in which the bidding would foresee the winner taking responsibility for waste from the beginning to the end of the process. It will collect and distribute it, make a garbage landfill and maintain it. This is according to a 20-year contract,” says Duarte (2015, verbal information). The innovation of this contract is the introduction of a fixed monthly price for its services. Instead of receiving payments based on the quantity of waste thrown into the landfill, the service provider has an incentive to increase recycling and reduce the volume of waste that is buried.

4. FINAL CONSIDERATIONS

The study’s results summarized above in five items demonstrate the assimilation of managerial principles and policies by PT mayors in contrast to the party’s traditional discourse. With the passage of two decades since this opposition to managerial reform, the studied administrations represent a revision of the Labor Party critique of the APG. In the administration of a city’s everyday problems, the distinctions between simplistic party and electoral antagonistic categorizations have become blurred.

The Partnership and Contracting principle illustrates how this change in posture has occurred under tensions involving public servants and other PT supporters. OS contracts, for example, have only been signed in two of the examined municipalities. The transfer of services to an OS is generally seen by PT as privatization, reducing the role of the government and abandoning the responsibilities of the state. New political and administrative arguments have arisen, however. Interviewees in Niterói and São Carlos underline the fact that an OS is an instrument that is free from the “ropes” that tie down public service, and are capable of assuring greater efficiency and flexibility in relation to human resources. Duarte asserts that he views an OS as a “managerial instrument” (Duarte, 2015, verbal information), and Neves defends them as a way of guaranteeing a higher principle, the public spirit of the SUS.

The nature of this study imposes limits on these results: there is no way to evaluate the extension of this phenomenon. Given that PT rules more than 600 city governments, five of them cannot be viewed as representing this group in its entirety. Since the mayors do not form a cohesive and articulated group, one can also not say that they possess the same motivations. It is possible to offer hypotheses. The peculiarities of the electorate or similar urban problems in these cities may have required these PT leaders to adapt their practices and discourses. It is equally possible to suppose that, given that they have accepted a greater range of political alliances to be electorally competitive, PT has assimilated agendas which are not in keeping with party tradition and are more open to negotiation. These are gaps to be examined in future studies.

The results of this study indicate that the revision of the anti-reformist appears not only in the verification of the implemented policies, but also in the observation of signs of a new discourse as pointed out by the declarations of interviewees such as Duarte and Neves, which are reproduced above. With the aim of making the machinery of government more efficient and offering better quality services to the population, the APG has been converted, in the eyes of these Labor Party members, into an instrument that can be politically guided to achieve their political and administrative objectives.
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