

BRAZIL AND ARGENTINA: INSTITUTIONAL APPROACH TO THE CHALLENGES AND POSSIBILITIES OF REGIONAL DEVELOPMENT

BRASIL E ARGENTINA: ENFOQUE INSTITUCIONAL PARA OS DESAFIOS E POSSIBILIDADES DO DESENVOLVIMENTO REGIONAL

BRASIL Y ARGENTINA: ENFOQUE INSTITUCIONAL A LOS DESAFÍOS Y POSIBILIDADES DEL DESARROLLO REGIONAL

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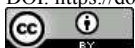
ABSTRACT: The topic of regional development arouses interest in the political debate because it involves State competences, intergovernmental relations, disparities in the distribution of wealth and the formulation of public policies. In Brazil, one of the main characteristics that permeates regional development policies is the intense inequality between the North, Northeast and Center-West in relation to the South and Southeast. This disproportion is not a specific prerogative of Brazilian society, as we see it in other Latin American countries. The article uses a comparative method to map aspects that led Brazil and Argentina in the construction of their governmental agendas, to indicate theoretical suggestions for overcoming obstacles to development. Brazil has a trajectory of State intervention in public policies controlled by the Regional Superintendencies. On the other hand, Argentina also applies some governmental measures - mainly located in the ministerial portfolios - to contain the progress of regional asymmetries.

KEYWORDS: Brazil. Argentina. Regional development. Federalism. Public development policies.

RESUMO: O tema do desenvolvimento regional desperta interesse no debate político porque envolve competências do Estado, relações intergovernamentais, disparidades na distribuição das riquezas e formulação de políticas públicas. No Brasil, uma das principais características que permeia as políticas de desenvolvimento regional é a intensa desigualdade entre Norte, Nordeste e Centro-Oeste em relação ao Sul e Sudeste. Essa desproporção não é prerrogativa específica da sociedade brasileira, pois a verificamos em outros países da América Latina. O artigo utiliza método comparativo para mapear aspectos que conduziram Brasil e Argentina na construção das suas agendas governamentais, com o objetivo de indicar sugestões teóricas para a superação dos obstáculos ao desenvolvimento. O Brasil possui trajetória de intervenção do Estado nas políticas públicas controlada pelas Superintendências Regionais. Em contrapartida, a Argentina igualmente aplica algumas medidas governamentais -

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principalmente localizadas nas pastas ministeriais - para conter os avanços das assimetrias regionais.

PALAVRAS-CHAVE: *Brasil. Argentina. Desenvolvimento regional. Federalismo. Políticas públicas de desenvolvimento.*

RESUMEN: *El tema del desarrollo regional despierta interés en el debate político porque involucra las competencias del Estado, las relaciones intergubernamentales, las disparidades en la distribución de la riqueza y la formulación de políticas públicas. En Brasil, una de las principales características que permea las políticas de desarrollo regional es la intensa desigualdad entre el Norte, Nordeste y Centro-Oeste con relación al Sur y Sudeste. Esta desproporción no es una prerrogativa específica de la sociedad brasileña, como lo vemos en otros países de América Latina. El artículo utiliza un método comparativo para mapear aspectos que llevaron a Brasil y Argentina a la construcción de sus agendas gubernamentales, con el objetivo de señalar sugerencias teóricas para la superación de los obstáculos al desarrollo. Brasil tiene una trayectoria de intervención del Estado en las políticas públicas controladas por las Superintendencias Regionales. Por otro lado, Argentina también aplica algunas medidas gubernamentales - ubicadas principalmente en las carteras ministeriales- para contener el avance de las asimetrías regionales.*

PALABRAS CLAVE: *Brasil. Argentina. Desarrollo regional. Federalismo. Políticas públicas de desarrollo.*

Introduction

It is possible to compare regional development policies produced by different government institutions in the neoliberal crisis at the end of the 20th century, a fact that led to the non-linear trajectory of those institutions in Brazil and Argentina. The historical transition to the 21st century was decisive for the process of re-signification of government projects in Latin American countries, immersed in conjunctures of regional discrepancies.

State institutions must encourage development supported by public policies that encourage participation in the various social demands, an essential condition for defining regional public policies concatenated to the expertise of federal governments. The regional issue as a problem on the government's agenda depends on the broad exercise of democracy in a context permeated by controversies raised by federative tensions. Given this reasoning, two questions emerge: 1) What are the institutional tools used in Brazil and Argentina for practical intervention to reduce their respective regional inequalities?; 2) What is the diagnosis of the problem and the practical and theoretical axes found in these public policies?

Brazil and Argentina have different trajectories in the management of regional asymmetries, but they have interesting points of convergence. Interlocutions reside in three



main issues: 1) Both countries experienced authoritarian governments that controlled intergovernmental relations between federal entities by carrying out extensive financial and political centralization. Conversely, democratic periods encouraged financial and political decentralization; 2) Highlight for the comparative analysis of the regional differences observed in Brazil and in the Argentine provinces; 3) The main justification for this study indicates that – between the 1950s and 1980s – the burden of economic growth began to be felt in Latin America due to the significant increases in social and regional inequalities (BETHELL, 1997).

In Brazil, planning and regional development went through different phases. In the mid-1950s, the creation of government institutions responsible for reducing regional inequalities was pressing in the political discourse. In the 1960s, those institutions that were being elaborated in the previous decade were implemented, but focused on the military project that advocated political and administrative centralization to the detriment of the deliberations forwarded by the decentralization of competences. Subsequently, the Federal Constitution of 1988 ratified constitutional guarantees of deliberation for less developed regions. Finally, in the first quarter of the 21st century, decentralized social participation in the decision-making process of regional public policies was valued.

History of State intervention in regional inequalities in Brazil

By assigning the fragile institutional condition to the effective application of citizenship rights to needy populations, certain literature points to the decay of neoliberalism as a conducive system of regional development policies (FAGNANI, 2011; PINHO, 2013). This exclusionary characteristic of the neoliberal system - which generates unemployment and an increase in social inequalities - came into conflict with the emergence of progressive governments in Latin America in the 21st century. A particular occurrence of this phenomenon was the election of Luís Inácio Lula da Silva to the presidency of the Republic in 2002, which favored the resumption of state capacities in the strategic planning of regional development policies in Brazil.

In the 1980s and 1990s, neoliberal hegemony in Latin America gave way to economic growth and development, as it was confronted with the attempt to equitably incorporate marginalized social sectors in policies distributing income and social inclusion. These assumptions indicated that social equality would be the basis of regional development policies. However, the neoliberal model - albeit weakened - persists protected by fiscal austerity, which



can be considered one of the coefficients that prevents the incorporation of the popular layers in the division of socially produced wealth.

The State that resurfaced in the 2000s sought to regain leadership in the implementation of public policies with the intention of promoting social inclusion. In this scenario, Brazil and Argentina remodeled their public policies by using the supports contained in the federative rearrangement and in the conception of specialized institutional engineering that would benefit regional development (PINHO, 2013).

The beginning of federal intervention in regional development policies was the creation of government institutions responsible for reducing social inequalities, notably the Superintendence for the Development of the Northeast (*Superintendência do Desenvolvimento do Nordeste* - SUDENE), the Superintendence for the Development of the Amazon (*Superintendência do Desenvolvimento da Amazônia* - SUDAM) and the Superintendence for the Development of the Midwest (*Superintendência do Desenvolvimento do Centro-Oeste* - SUDECO). Those institutions sought to repair in republican history the gravitation around a federative policy that deepened regional inequalities, notably in the Northeast.

The organization of SUDENE in 1959, its extinction in 2001 and its refounding in 2003, prove the historical vitality that made it a model of regional planning. SUDENE represented a step forward for Brazilian federalism by proposing institutionalized planning to articulate Northeastern regional policies with the federal government. While it planned to lessen localist politics, by trying to contain the power of rural oligarchies, it politically reinvigorated northeastern governors in the decision-making process of public policies.

However, the military regime inaugurated in 1964 - in addition to blocking the development of our recent democratic experience - provided regional development institutions with significant cuts in their capacity to implement decisions. Several remodeling were processed within federalism: economic and political centralization transformed regional development into an appendix of the national plan regulated by the “economic miracle”. SUDENE lost autonomy in its deliberative power, which started to be carried out by governmental institutions supervised and controlled by the federal government.

The military regime did not reduce regional asymmetries by prioritizing the integrated national development strategy, which was related to the installation of articulated regional programs to take advantage of the potential of each region and not of a particular region. Regional inequalities would be tackled by the effect these national programs would have on underdeveloped regions.



In this process, SUDENE acted as coordinator and supervisor of the federal government's actions, reflecting the growing marginalization that this institution was experiencing in political decision-making processes. The Special Programs³ followed the federal government's new parameter for regional issues by emphasizing the integration of regions into the national economy to the detriment of reducing regional inequalities.

The 1988 Federal Constitution inaugurated a new stage in regional development criteria. Political decentralization delegated to states and municipalities the promotion of development. That Constitution reserved two attributions for the regional issue: 1) Reduce regional inequalities; 2) Strengthen states and municipalities as political actors that could attract private investment through tax incentives and transfers.

The execution and planning of regional development were transferred to subnational instances in a decentralized manner. In an attempt to mitigate the socioeconomic differences between regions, Article 3, item III, explains that “The reduction of regional inequalities constitutes one of the fundamental objectives of the Republic”. Several other constitutional provisions were designed to alleviate those inequalities. Article 21, item IX, provided that “The Union is responsible for the execution and elaboration of national and regional plans for ordering the territory and for economic and social development”. Complementing the previous Article, Article 174 emphasizes that the “State has the function of planning, this being fundamental for the public sector and indicative for the private sector”. Finally, Article 43 determines that “the Union must have an articulated action in administrative terms, aiming at the reduction of regional inequalities, including the use of incentives, such as exemptions and reductions of taxes and favored interest” (CONSTITUIÇÃO DA REPÚBLICA FEDERATIVA DO BRASIL, 2004, our translation).

However, by defining parameters that guide the creation of regional funds for the Northeast (FNE, Portuguese initials), North (FNO, Portuguese initials) and Midwest (FCO, Portuguese initials) regions, Article 159 can be considered the most significant for containing regional inequalities, as it defines that the Union must distribute 47% of the Income Tax and the Tax on Industrialized Products as follows: 21.5% to the Participation Fund of the States and the Federal District; 22.5% to the Municipalities Participation Fund; 3% for investment in

³ The Special Programs mainly aimed to modernize agriculture, livestock and irrigation programs, without direct connection with the idea of regional planning.

programs to finance the productive sector in the North, Northeast and Midwest regions, allocating half of the resources allocated to that region to the northeastern semi-arid region⁴.

From the 1990s onwards, a cycle of development ordered by the weakening of the state's role in regional planning was inaugurated. In encouraging regional policies, the State approached the private sector, expanding public-private partnerships. The orientation of regional planning started to prioritize the development of the regions, but with the simultaneous intention of integrating them to national and foreign territories.

Based on this new standard of intervention, the Regional and National Integration Axes were established in the 1990s, which valued sustainable development⁵. The precepts of these organizations were the reduction of poverty supported by local development, with the predominant idea that that struggle could take effect with the achievement of environmental sustainability based on balanced development.

Simultaneously, public policies were equated that incorporated the National Integration and Development Axes. These axes made up the Pluriannual Plan 1996-1999, called *Brasil em Ação* (Brazil in Action). The intention was to investigate methods of enterprises that encourage integration and development in a uniform way, without prioritizing the specificities of the regions. The Regional and National Integration Axes were organized during the government of the then President of the Republic Fernando Affonso Collor de Mello (1990-1992), who intended to map the obstacles to regional integration in the country.

In subsequent years, federal economic policies structured the *Avança Brasil* (Forward Brazil) program – scheduled for 2000-2001 – and the Pluriannual Program from 2000 to 2003. These programs offered continuity to the institutional policies adopted in the first presidential term of Fernando Henrique Cardoso (1994-1998). Its purposes guided the implementation of regional integration based on the items indicated in the Axes of Regional and National Integration.

In the first presidential term of Luiz Inácio Lula da Silva (2002-2006), public policies advocated alleviating poverty with the *Bolsa Família* and *Acceleration of Growth* (Programa de Aceleração do Crescimento - PAC I and II) programs. Both intended to restructure the

⁴ For a more detailed constitutional analysis of the Articles cited, consult BERCOVICI (2003). Alongside the Constitutional Financing Funds and the Participation Funds of the States of Municipalities, the 1988 Constitution maintained the fiscal funds Northeast Investment Fund (FINOR, Portuguese initials), Amazon Investment Fund (FINAM, Portuguese initials) and Economic Recovery Fund of the State of Espírito Santo (FUNRES, Portuguese initials), created in the 1960s with the aim of promoting the economic development of the North and Northeast regions. Through these instruments, the federal government allowed those regions to leverage economic growth rates, with the Northeast surpassing the general average of the other regions of the country.

⁵ Influenced by ECO 1992, where the UN and the World Bank gained prominence.



infrastructure by stimulating regional policies covered in the National Policy for Regional Development (*Política Nacional de Desenvolvimento Regional* - PNDR)⁶.

At this moment, a substantive change can be seen in the precepts of regional development that were being processed since the 1950s, which were based on the idea of planning that was gradually replaced by the concept of reducing poverty financed by federal budgets. The very conception of poverty and inequality has changed since the 2000s. Income Transfer programs were protagonists in Brazil and Argentina, having as their central goals the decline of social vulnerability.

In Brazil, the Bolsa Família program played a leading role in income distribution policies. In Argentina, the *Asignación Universal por Hijo para Protección Social* (AUHPS) provided a pecuniary benefit to children and adolescents under the age of eighteen residing in the country and to those with disabilities with no age limit, as long as they are native or naturalized Argentines with legal residence in the country for at least three years, who belong to families whose parents are unemployed, perform domestic activity or activity in the informal economy (VUOLO, 2012).

History of regional inequalities in Argentina

During the 1990s, Argentina was considered by the International Monetary Fund (IMF) as a model for other Latin American countries in the conduct of neoliberal policies. According to the then Minister of Economy, Domingo Felipe Cavallo, the country opted for economic reforms during the government of President Carlos Saúl Menem Akil (1990-2001), which were in line with the IMF prescription.

Domingo Felipe Cavallo (2003) points out that the neoliberal government of US President George Walker Bush (2001-2009) played a fundamental role in the recommendations and suggestions adopted by Argentina to abandon Peronist economic policies. This articulation with the US government envisaged maintaining bilateral agreements between the two countries.

Economic policy expanded its ability to implement neoliberalism, but the rates of social and regional inequality increased dramatically. Traditionally, Argentina is identified with Brazil by presenting development indices that indicate considerable differences between the

⁶ “The PNDR is an expression of the topic's effective priority and has been implemented so that effective results can be obtained in the regional issue. The PNDR has the dual purpose of reducing regional inequalities and activating the development potential of Brazilian regions, exploring the immense and fantastic diversity that can be observed in this country of continental dimensions. The focus of concerns is, therefore, on the dynamics of the regions and the better distribution of productive activities in the territory” (BRASIL, 2015, p. 45, our translation).



provinces. The constitutional attempt to resolve part of this problem was in the federative rearticulation of 1994, entitled *Coparticipação Impositiva* (Co-participation Tax). The reform defined the distribution of competences between the federal government and the provinces by articulating intergovernmental relations that did not cause harm to the provinces.

The Argentine Constitution reorganized the distribution of revenues among the administrative entities divided between the nation, provinces and the city of Buenos Aires. The new criteria adopted by federalism stipulated a more cooperative standard, based on the designs of equity, solidarity, quality of life and equivalent opportunities throughout the territory. This federative alteration became known as the Covenant-Law to the Federal Constitution, being an institutional innovation that restricted the historical concentration of power in the federal executive (HERNÁNDEZ, 2008).

Notable progress was made in cooperation between the President of the Republic, the governors and the head of government of the city of Buenos Aires, encouraging the participation of these political actors in the debate on financial distributions. The Covenant-Law presupposed the approval of the financial divisions with the consent of the absolute majority of the representatives of the provinces, who should cooperate for the approval of the provincial legislatures.

These special requirements seek to revert, on the one hand, the simple adhesion that the provinces had to give to the legislation that the central government almost always imposed against the dependence of the provinces and, on the other hand, to establish a definitive regime with clear rules, which allow a balanced development of the federation, instead of the arbitrariness that has marked the Nation-province relationship (HERNÁNDEZ, 2008, p. 23, our translation).

Contrary to the Brazilian case – which recently implemented regional development via public policies – Argentina followed the constitutional alternative for resolving federative asymmetries. For example, the Covenant-Law became State policy by guaranteeing “overcoming the very serious imbalances that are observed between the provincial districts, through an equalization system like the Canadian one, which contemplates the authentically federal action of the national government and the solidarity between the provinces” (HERNÁNDEZ, 2008, p. 25, our translation). The fundamental conjecture of that law is the attempt at collaboration between the provinces and the federal government in sharing financial resources.

Recently, regional imbalances and the models of public policies adopted are recurrent themes among Argentines. Fiscal and administrative decentralization is increasing, especially



after the creation of new provinces: from fourteen existing provinces, the number increased to twenty-three. The formation of these new provinces sought to rearticulate power previously centralized in the federal government. At the same time, it aggravated regional imbalances because responsibility for public policies ended up being concentrated in subnational entities historically dependent on the federal government. Likewise, this scenario can be seen in Brazil with the municipalities and their co-responsibility for the implementation of public policies.

The constitutional reform implemented in 1994 recognized regional inequality among Argentine provinces. It innovated by delegating to the provinces the right to create regions that motivate socioeconomic development and provided for the construction of competent bodies to implement public policy programs. Under the terms of that constitutional reform, the provinces had the right to participate in international agreements, as long as they did not conflict with national programs or affect the interests of nationally prepared Foreign Trade (PORTO, 2004).

The composition of regions by provinces was an operative instrument for the development of the impoverished parts of the territory. Local development was driven by public policies that served needy regions without depending exclusively on the central government. The clause that foresees the constitution of regions favors the autonomy of the provinces and municipal autonomy, avoiding benefiting the “emphasis on the development of regional economies to guarantee an Argentina that does not continue to be a desert, with some small islands of economic development, but that there is the possibility of a balanced development of Argentina” (HERNÁNDEZ, 2008, p. 45, our translation).

The innovation contemplated by the introduction of the constitutional reform in the federative relations came from the possibility of the province composing more than one region in case it presented low levels of development. Regionalization would not be synonymous with territorial fragmentation: the new measures would contribute to the modernization of government relations to the extent that they would encourage cooperative federative measures. The possibility for the provinces to create new regions was intended to supplant the development model established in the 1960s, which delimited Argentina into eight regions: Patagonia, Comahue, Centro, Cuyo, Noroeste, Nordeste, Pampeana and Metropolitana.

The fear of generating greater dependence and subordination between subnational entities and the central government was implicit in the 1994 constitutional reform, which was seen with uncertainty and distrust as it directly affected the autonomy of the provinces, opening paths for the increase of regional asymmetries (MIDÓN, 2008). However, the classic structure of the federal state (central government and provincial governments) would not undergo

substantial changes, as it observed the experience of European countries where the regional issue is more decentralized.

Regions could enhance public policy decision-making by favoring complementary and cooperative activities between provinces and the nation. The attribution of conceiving and implementing regionalization is shared by the Congreso de La Naci n, which approves or rejects the proposal with the participation of the Senate, responsible for managing initiatives and promoting public policies that balance the relative development of provinces and regions.

The Argentine option for the creation of regions stems from the belief that only federative remodeling can leverage integrated regional development proposals that facilitate intergovernmental relationships. However, the fear was that the consolidation of the region would give rise to vertical subordination of the other entities, causing damage to Argentine federalism. At the limit, there was the fear of unbalanced checks and balances. It was necessary to consider with balance the creation of these regions so as not to deepen regional inequalities. The data in Table 1 allow us to understand the particularity of Argentine inequality in the first quarter of the 21st century.

Table 1 - Gini Coefficient - 2014 to 2015

Jurisdiction	2014/ Quarter 2	2014/ Quarter 4	2015/ Quarter 2
Buenos Aires	0.401	0.400	0.389
C.A.B.A	0.383	0.385	0.397
Catamarca	0.384	0.401	0.374
Chaco	0.389	0.398	0.368
Chubut	0.416	0.396	0.413
C�rdoba	0.414	0.426	0.420
Corrientes	0.384	0.427	0.378
Entre R�os	0.410	0.385	0.393
Formosa	0.370	0.347	0.346
Jujuy	0.398	0.380	0.358
La Pampa	0.377	0.356	0.389
La Rioja	0.348	0.371	0.360
Mendoza	0.392	0.387	0.392
Misiones	0.414	0.410	0.421
Neuqu�n	0.419	0.384	0.394
R�o Negro	0.426	0.403	0.385
Salta	0.442	0.449	0.403
San Juan	0.371	0.411	0.385
San Luis	0.387	0.385	0.371
Santa Cruz	0.391	0.370	0.386
Santa Fe	0.389	0.373	0.379

Santiago del Estero	0.416	0.416	0.379
Tierra del Fuego	0.395	0.386	0.371
Tucumán	0.392	0.391	0.386
Country Total	0.418	0.419	0.409

Source: Encuesta Permanente de Hogares (EPH), INDEC (2021)

Cicowiez (2004) carried out a broad study on regional differences between Argentine provinces in the period from 1980 to 2001, considering social aspects such as population density, education, health and violence. In that analysis, the author developed a classification referring to the Argentine territory.

- Advanced Provinces: Ciudad de Buenos Aires, Santa Cruz, Chubut, La Pampa, Tierra del Fuego, Neuquén, Buenos Aires and Santa Fé.
- Intermediate Provinces: Córdoba, Rio Negro, Mendoza, Entre Rios, San Luis, Catamarca, San Juan and San Miguel de Tucumán.
- Lagging Provinces: La Rioja, Salta, Jujuy, Misiones, Corrientes, Santiago del Estero, Chaco and Formosa.

Given these asymmetries, Néstor Carlos Kirchner (1950-2010), President of the Republic in 2004, proposed an arrangement for the Social Equity Fund to reduce inequalities between the Northeast and Northwest. The Fund's resources would be managed by a committee made up of the Ministers of Economy and Production, Federal Planning, Public Investment and Services and Social Development of the Nation and by the provinces of different geographic areas.

Despite representing a tool for controlling inequalities, the Fund was incompatible with the Federal Constitution because it was not a constitutional law, but just an agreement that did not adequately detail the criteria for sharing among the federal entities and that could be extinguished at any moment.

This Fund exclusively benefited the federal government to the detriment of the provinces and municipalities, which practically safeguarded the guarantees provided for in the constitutional text (HÉRNANDEZ, 2008). The governors of the provinces of Córdoba, Buenos Aires, Santa Fe, Corrientes, Neuquén and La Pampa filed objections to this feature. Brazil has a reality similar to that of Argentina, as shown in Table 2.

Table 2 - Gini index, according to Brazilian regions from 1992 to 2008

Region	1992	1995	1998	2001	2004	2007	2008
Brazil	0.580	0.599	0.598	0.594	0.570	0.554	0.545
North	0.560	0.585	0.582	0.566	0.540	0.533	0.510
Northeast	0.591	0.602	0.609	0.598	0.581	0.564	0.556
Southeast	0.544	0.564	0.563	0.564	0.539	0.520	0.514
South	0.545	0.563	0.555	0.545	0.519	0.502	0.493
Midwest	0.586	0.581	0.599	0.595	0.569	0.572	0.564

Source: IBGE. PNADs, 1992 to 2008. NINSOC/Ipea - Devised by the authors.

Recently, Brazil plans to curb its regional inequalities through the action of regional superintendencies, which in 2019 drew up regional development plans and presented them for voting in the plenary of the National Congress.

The performance of SUDENE, SUDECO and SUDAM and their regional development plans

Outlined by SUDENE, the Regional Development Plan for the Northeast (PRDNE) is in line with the estimates contained in the National Policy for Regional Development (PNDR) (BRASIL, 2015), with a forecast horizon of twelve years of operation, in addition to envisioning the possibility of articulation with other institutions.

The basis for the preparation of this document was the National Strategy for Economic and Social Development (ENDES, Portuguese initials) 2020-2031, the guiding frameworks of the National Policy for Regional Development (PNDR) and the Strategic Agenda for the Northeast - prepared by SUDENE result of the working group created within the framework of the review of the National Policy for Regional Development in 2018. This plan is also part of the context of clear convergence with the national initiatives of the 2030 Agenda of the United Nations (UN), which defined the Objectives of the Sustainable development (ODS) (PRDNE, 2019, p.10, our translation).

The participation of civil society in the preparation of the plan was valued through public consultations with civil society on the listed issues, with emphasis on the intense work of SUDENE members in thematic groups of specialists composed within the scope of the Ministry of Regional Development and Ministry of Economy.

State governments participated in the public consultation process and collaborated to define a territorial approach for the use of intermediate regions, focusing on medium-sized cities in the implementation of public policies. The main structuring axes of the Northeast plan are: 1) Water Security and Environmental Conservation; 2) Education and Development of Human



Capabilities; 3) Innovation; 4) Institutional Development; 5) Dynamization and Productive Diversity; 6) Social and Human Development (PRDNE, 2019).

The SUDENE plan appreciates overcoming the historically fragile image of the Northeast, which could be equated with taking advantage of the tourist potential, encouraging science and technology, sustainable development and articulation between the PNDR and the 2030 Agenda of the Social Development Objectives of the UN.

Some considerations are made explicit in SUDENE's plan: 1) Innovation must be the central axis for sustainable growth in the region; 2) Innovation must be used to guarantee employment and quality of life opportunities for the population, stimulating technology-producing companies and startups to help cities use technology to their benefit; 3) Science and technology are devices to mitigate regional inequalities and boost the economy with the aim of internationalizing regional trade (PRDNE, 2019).

By defending federative and governance cooperation, SUDENE's plan mentions the need for integration between the northeastern states: “It also depends on the Federation entities and political actors - public and private and at different scales - speaking the same language. The language of the sustainable development agenda that explores its potential and offers solutions” (PRDNE, 2019, p. 14, our translation). The plan calls for the implementation of public policies at the local level, with the appreciation of the productive sectors to increase employment and income. Furthermore, the plan prescribes the quality of education and alignment with the C&T Policy, praising entrepreneurship and economic potential in the region.

Likewise, family farming in the Northeast was discussed in that plan and boosted the National Program for Strengthening Agriculture (*Programa Nacional de Fortalecimento da Agricultura* - PRONAF) and the National School Feeding Program (*Programa Nacional de Alimentação Escolar* - PNAE). In these programs, food produced by family farming should be distributed as school lunches to primary and secondary school students. The plan proposes the improvement of infrastructure, communication and logistics to boost foreign trade and generate employment and income in intermediate cities.

By identifying a set of intermediate cities as a target for the formulation of strategies focused on reducing inequality and segregation patterns, the Northeast challenges itself to accelerate the adoption of digital technologies in circular businesses, in order to contemplate public-private partnerships in the search of solutions for mobility, health and safety problems, among others, resulting in the improvement of the population's life. Public health services, for example, can act as one of the “triggers” to start technological and management changes resulting from the digital transformation, in addition to aligning academic and business environments in an impact initiative for the region (PRDNE, 2019, p.28, our translation).

SUDENE's plan considers the difficulties in putting the planned goals into practice. The precarious professional qualification of the educational sector needs to be addressed to fill jobs that may eventually arise with recent ventures. Another drawback is the high rate of violence in Northeastern cities, which could be solved with the improvement of housing conditions, sanitation and sewage system. The plan notes the urgency of dealing with droughts, suggesting the integration of the São Francisco River transposition project with other programs related to droughts in the region, which impair the quality of life and inhibit economic capacity (PRDNE, 2019).

In order to develop research activities in biotechnology, nanotechnology and information and communication technology (ICTs), the articulation foreseen in the SUDENE plan inserted the region's Universities in line with the Legal Framework for Science and Technology. These policies would be implemented at the local level, as the SUDENE plan accepts the decentralization enshrined in the Federal Constitution of 1988, which guarantees the participation of civil society in the decision-making process by encouraging the active participation of local and regional political actors and the Public-Private Partnerships. Forms of articulation are widely encouraged in that plan with the formation of public consortia for health, basic sanitation and the environment.

Governance is a key factor in renewing the role of the Superintendencies, which have lost protagonism in recent years. It is essential for ordering collaborative governmental arrangements to resume a regional development agenda that considers the political strengthening of these institutions

The SUDENE plan suggests the participation of micro and small companies to finance the proposed targets and designates the operations guarantee fund endowed with resources from the Northeast Financing Constitutional Fund (*Fundo Constitucional de Financiamento do Nordeste* - FNE) and the Northeast Development Fund (*Fundo de Desenvolvimento do Nordeste* - FDNE). In another area, it boosts the capital market supported by company investment funds. In addition, the contributions from BNB, BNDES, Caixa, Banco do Brasil and SUDENE would be guaranteed by resolution 007/2008 of the Internal Regulation of the Regional Committee of Federal Financial Institutions (Coriffe, Portuguese initials), composed of members of the institutions described (PRDNE, 2019).

Other prerogatives of the SUDENE plan provide for connection with the institutions responsible for financing public policies applied by work groups committed to the study of



relevant sectors for economic activity, promoting partnerships between the local business community and technicians from other development institutions that operate in the Northeast.

In accordance with Complementary Law No. 125/2007, Sudene's Deliberative Council (Condel, Portuguese initials) may create permanent or provisional Committees and establish their respective powers and compositions. Specifically, article 6 establishes the competence of CONDEL for the creation, organization and operation of two committees of an advisory nature, chaired by the Superintendent of Sudene: the Regional Committee of Federal Financial Institutions and the Regional Committee for Articulation of Federal Agencies and Entities (PRDNE, 2019, p.126, our translation).

SUDENE understands governance as a guideline to be achieved based on the outline of the regional development agenda for the Northeast. The recognition of institutions such as SUDENE and the resumption of the role of its Deliberative Council – as a public space for making strategic decisions for the region – can increase the capacity of governance based on horizontal and vertical coordination, improving the participation of civil society by improving monitoring and evaluation mechanisms.

That plan provides for strengthening the institution based on an organizational structure technically capable of resolving conflicts and achieving established goals. Furthermore, it is necessary to approach SUDENE with the state governments and the Ministry of Regional Development. It is crucial to revitalize the Deliberative Council (Condel), which should function as a forum for the participation of social actors and technical and operational agencies (PRDNE, 2019).

Currently, Condel is made up of the following social and political representations: 1) The governors of the states in the area covered by SUDENE; 2) Ministers of the Ministries of Regional Development, Economy and Sector Ministries; 3) By three mayors of municipalities in various states in the Northeast; 4) Three representatives of businessmen from different states; 4) The working class will be represented by three workers from different states; 5) By the Superintendent and President the Bank of Northeast Brazil (*Banco do Nordeste do Brasil - BNB*).

The Executive Secretariat is part of the organization chart, but it is an autarchy with autonomous financial and administrative attributions, linked to the Ministry of Regional Development. It has the mission of executing the prerogatives of the Deliberative Council by offering technical support for its operation.

From now on, we will describe some important aspects of the regional development plan for the Amazon. SUDAM's plan is foreseen for the years 2020 to 2023, foreseeing a time horizon of twelve years to establish a close connection with the precepts of the PNDR.

Articulation with other institutions is described, especially with the Ministry of Regional Development, which allows for broader social participation, since it was established in public consultations.

Like SUDENE, SUDAM's plan foresees governance as a fundamental assumption to be achieved in order to face inter and intra-regional inequalities by encouraging the cooperation of vertical and horizontal public policies. In fact, it is a multilevel federative articulation between the Union, States and Municipalities, as well as geographically multiscale; the focus of the plan is intermediate cities, allowing the effects of development to spread to neighboring cities and maximize social participation. However, the plan makes it clear that the intention is not just to finance public policies.

In this way, the defined regional development strategy necessarily includes fundamental factors such as: social capital, social self-organization, the stimulus to the exercise of collaborative solutions to common problems and broad multiscale articulation, not being able to be limited to fiscal incentives, lines of credit, etc. (PRDA, 2020, p. 11, our translation).

The plan elaborated by SUDAM is based on a multiscale unit.

To prepare the PRDA, the state scale was used. This choice was justified by the process of defining the typologies of the new PNDR that is in progress, in addition to the difficulty of obtaining updated indicators at the municipal scale. The advantage of this scale resides in the availability of data in a timely manner, which allows periodic monitoring and evaluation of the Plan. On the other hand, it is understood that this choice has the potential of not capturing possible intra-regional inequalities, which is why this scale will be changed as soon as the difficulties pointed out are equated (PRDA, 2020, p. 7, our translation).

The structuring axes of the SUDAM plan demonstrate concern with the transversality of public policies: agriculture, livestock and extractivism, fishing, aquaculture, industry, tourism, environment, science, technology and innovation, education, logistics and transport, energy generation, telecommunications, health, culture and leisure, basic sanitation and public safety.

The reduction of regional inequalities - inter and intra regions - is a goal to be conquered in line with the improvement of the quality of life of the Amazonian population. For the implementation of the planned goals (PRDA, 2020), that plan provides for fairer and more balanced social development by encouraging horizontal and vertical cooperation between entities with the intention of stimulating public policies supported by multilevel collaborations between the federal, state and municipal spheres.

The SUDAM plan prioritizes institutional adjustments with the municipal sphere, adopting a multilevel governance pattern dependent on the articulation of the two spheres in question. The plan is structured around specific areas: productive development, science, technology and innovation, education and professional qualification, economic and urban infrastructure, social development, access to essential public services and strengthening of the governing capacities of subnational entities.

These are the guiding purposes of the PRDA, which is aligned with the UN Sustainable Development Goals (SDGs). The 2030 Agenda - synthesis of the SDG guidelines - is an action plan foreseen for the 5 Ps: People, Planet, Prosperity, Universal Peace and Global Partnerships. That agenda presumes that the function of sustainable development is to balance the dimensions of sustainability, in which the economy, social rights and the environment gravitate (PRDA, 2020).

Social participation was valued in the plan construction process. A link was created on the SUDAM website for public consultation and other forms of contact with society via email and telephone contacts. For the implementation of the foreseen goals, the source of resources is broadly specified, with the collaboration of regional banks and federal sources of financing. The financial resources described in the plan are the following: 1) General Budget of the Union and of the Amazon States; 2) Constitutional Financing Fund for the North (FNO); 3) Amazon Development Fund (FDA); 4) Funds set up by state and municipal governments; 5) Financial, tax and credit incentives and benefits; 6) Existence or creation of development programs for public, federal and state banks, in addition to public-private partnerships (PPP) (PRDA, 2020).

The Amazon plan demonstrates dialogue with the PNDR and the UN Agenda for Sustainable Development. By fundamentally linking itself to what the PNDR suggests - incentives for Science and Technology, Education and Health, among other areas - the plan simultaneously develops governance, a purpose evidenced by institutions that demonstrate concern with the government agenda that effectively implements the listed public policies.

SUDECO's plan is in line with the UN's 2030 Agenda, which recommends sustainable development focused on small and medium-sized cities to ensure safety, food, housing, education and health. Citizens can actively participate in the governance and integrated management of territories. The plan is foreseen for the period 2020 to 2023, sustaining that it is desirable for cities to offer mobilization for the capture of human resources in response to environmental, social and economic changes. Sustainability is envisaged to minimize impacts on the environment, so that they are integrated into the UN 2030 Agenda and the 17 Sustainable Development Goals (PRDCO, 2019).



That plan suggests to municipalities that: 1) Revitalize their urban spaces by building intra-urban and polycentric growth areas; 2) Invigorate rural areas to recover strategic areas for ecosystem services, such as water recharge areas for public supply; 3) Be diversified and enterprising; 4) Support the creation of clusters to feed back the fragile socioeconomic structures of medium and small cities in certain regions of the Midwest (PRDCO, 2019).

By prioritizing the principles of sustainable development, it boosts the political participation of city dwellers. To achieve the planned goals, the creators of the plan held a series of dialogues with civil society, listening to the demands and transforming them into public policies. The main goals listed by the plan are: 1) Reduction of spatial and interpersonal income inequalities; 2) Employment and income generation; 3) Reduction of the illiteracy rate; 4) Improvement of housing conditions; 5) Universalization of basic sanitation, levels of early childhood education and primary and secondary education; 6) Strengthening the process of internalizing higher education; 7) Ensuring the implementation of projects for technological development and environmental sustainability; 8) Attention to ecological-economic and social zoning; 9) Reduction in the cost of transporting regional products (PRDCO, 2019).

In accordance with the plans of the other superintendencies, the Midwest plan is aligned with the 17 objectives of the UN's 2030 Agenda and is based, like the PRDA, on four fundamental axes: Productive (sustainable) development; Science, Technology and Innovation; Education and professional qualification; and Economic and Urban Infrastructure. Like the PRDA, the PRDCO proposes articulation with the National Strategy for Economic and Social Development (Estratégia Nacional de Desenvolvimento Econômico e Social - ENDES) of Brazil for the years 2020 to 2023, which was conceived to facilitate the articulation between the national, sectoral and regional plans with the Union Pluriannual Plan. ENDES suggests five lines of action articulated with the UN's 2030 Agenda: economic, institutional, infrastructure, environmental and social. PRDCO fits the two documents described by incorporating the highlighted lines of action (PRDCO, 2019).

Once the axes have been properly outlined, it should be noted that the plan selects a series of potentialities to be explored: biodiversity, water resources, entrepreneurship and innovation, agricultural production base, internal market, schooling and technological innovation. These components can be leveraged by the geography of the Brazilian Midwest, which facilitates transportation and logistics. The plan enunciates the convergence of economic, social, political, institutional and environmental factors that maintain well-defined interrelationships (PRDCO, 2019).



The plan developed by SUDECO poses an immediate need to reconfigure the role of SUDECO with the intention of training political actors capable of promoting guidelines and actions by prioritizing the decentralization of actions and programs. In addition, in order to achieve this capillarity, the plan provides for the implementation of seven strategic programs: 1) Public management democratization program; 2) Educational improvement and structuring of the research and development (R&D) system; 3) Environmental management and recovery of the environment; 4) Expansion of social and urban infrastructure; 5) Expansion of economic and logistical infrastructure; 6) Diversification and consolidation of production chains; 7) Consolidation of a polycentric network of cities in the Midwest (PRDCO, 2019).

The financial resources to operationalize the goals are described in the plan: Constitutional Fund for Financing the Midwest (*Fundo Constitucional de Financiamento do Centro-Oeste* - FCO); Corporate FCO; FCO Rural; Midwest Development Fund (*Fundo de Desenvolvimento do Centro-Oeste* - FDCO). The raising of these resources would come from the following sources: Inter-American Development Bank (IDB), International Bank for Reconstruction and Development (IBRD), Green Climate Fund (GCF), New Development Bank (BRICS), Andean Development Corporation/Development Bank of Latin America (CAF), International Fund for Agricultural Development (IFAD) (PRDCO, 2019).

Governance was frequently cited in the plan, indicating the urgency of consolidating SUDECO's Deliberative Council and the essential connection with the Chamber of National Integration and Regional Development Policies - guided by the National Policy for Regional Development - prepared by the Ministry of Regional Development. Provides for federative cooperation, with the articulation of federated entities to achieve the goals set by the Superintendencies in line with the federative units. The Midwest plan contains clear goals - regulated by its subdivisions - by indicating the partner institutions for the achievement of these goals. In addition, it lists in detail the financial instruments that will be used for its purposes, outlining strategies for the future.

Final considerations

In this article, we intend to pose two central questions. The first is to analyze the institutional tools used in Brazil and Argentina to deal with their respective regional inequalities. Linked to this analysis is the question: what is the diagnosis of the problem and what axes appear for the implementation of these policies?

Brazil and Argentina have a fundamental common characteristic: inequality between regions (in the case of Brazil) and between provinces (in the case of Argentina). From the 1990s onwards – especially with the decline of neoliberal policies widely implemented in both countries – new ways of combating regional inequalities were created with different institutional designs.

Argentina opted for constitutional remodeling of federalism, mainly through the Covenant-Law that sought to establish cooperative relationships between the provinces and the federal government, granting the former the prerogative of creating regions to facilitate the formulation and implementation of regional policies. Brazil, in the same period of the 1990s, lived with prerogatives that contemplated in the Federal Government's Pluriannual Plans the possibility of reorganizing the agenda of regional policies anchored in the federal budget. Recently, there has been a slowdown in the attempt to reorganize this agenda, notably in the development superintendencies that have drawn up regional plans responsible for conducting these public policies.

The constitutional course chosen by Argentina and the Brazilian preference for the institutional and budgetary path recommend the resumption of the development agenda in both countries to correct the effects of the neoliberal policy that prevailed for decades. It is urgent that we circumvent the historical episodes of regional asymmetries that culminate in injustice and social inequalities.

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