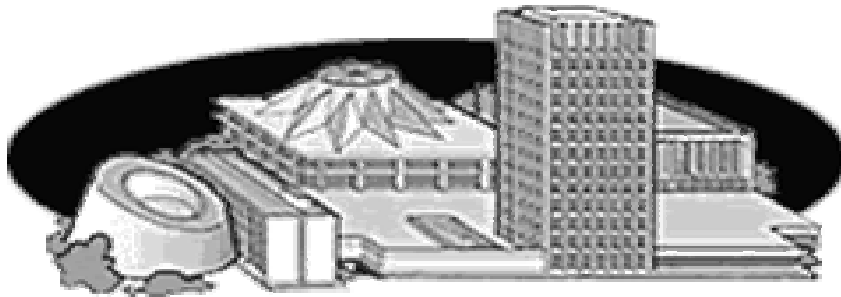


# **REGIONALISM, RESTRUCTURING AND THE NEW ROLE OF CITY REGIONS: THE GREATER ABC/SÃO PAULO CASE**

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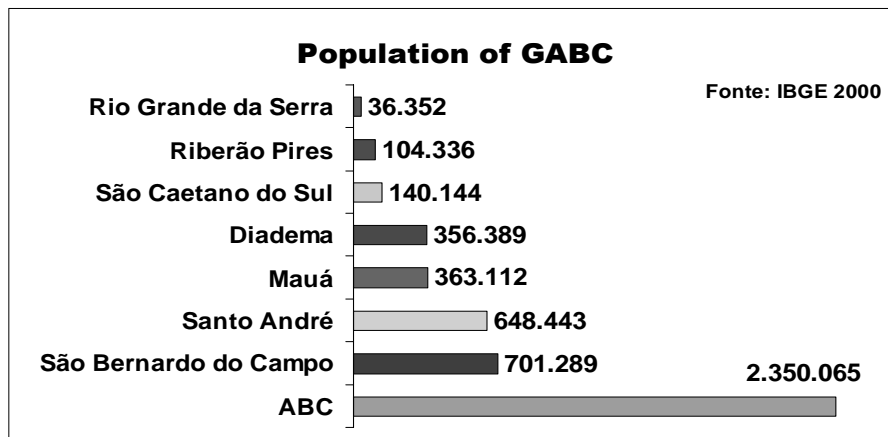


## **STRUCTURE**

- General characteristics
- The impact of economic restructuring on the region
- Some examples of a new regionalism - Consórcio, Forum, the Regional Development agency
- Preliminary evaluation of the limitations and potentials of the new institutional framework



## THE POPULATION



## THE ABC REGION - GENERAL CHARACTERISTICS

- Concentrated the bulk of industrial investment during the phase of import substitution (car manufacturing, petrochemicals, metallurgy etc.)
- Integrated vertical structure of firms
- Strategic presence of larger firms
- Most SME have not benefited sufficiently from the modernization cycles that have occurred in larger firms

## IMPACT OF ECONOMIC RESTRUCTURING

- 1970s: diseconomies of agglomeration - congestion, land, labor, quality of living
- 1990s: abrupt changes in macroeconomic framework (trade regime, industrial and technological policy)
- 1994 onwards: *Plano Real* and microeconomic changes of larger firms
  - > Macroeconomic impacts of the Plano Real on interest rates, trade balance and GDP growth figures
  - > Car manufacturing: microeconomic changes in relations between manufacturers and suppliers
- Net result: increasing unemployment levels, stabilization of figures on value added



## Some examples of the New Regionalism in the ABC region

- 1990 - Intermunicipal Consortium of the Greater ABC Region – the 7 municipalities
- 1994 - Forum for Issues on Citizenship – civil society
- 1997 - Regional Chamber of the Greater ABC – multistakeholder planning: state and local governments, enterprises, labor unions and civil society
- 1998 - Regional Development Agency – multistakeholder economic development planning



## **The strategic partnership approach of the Regional Chamber of the Greater ABC region**

- Important role of the "Forum on issues of Citizenship" and the Intermunicipal Consortium in putting regional revitalization back onto the political agenda in the 1990s – political cycle
- Role of working groups: regional consensus building around specific topics like local economic development, social development ,environment and coordination of administrative and tax policies.
- Working groups lead to more than 20 agreements (2001) in the field of social, economic and territorial development
- The Regional Chamber is the political forum through which a vision regarding the socioeconomic future of the city-region is worked out among the stakeholders
- Regional Development Agency is a direct result of the work of the Chamber

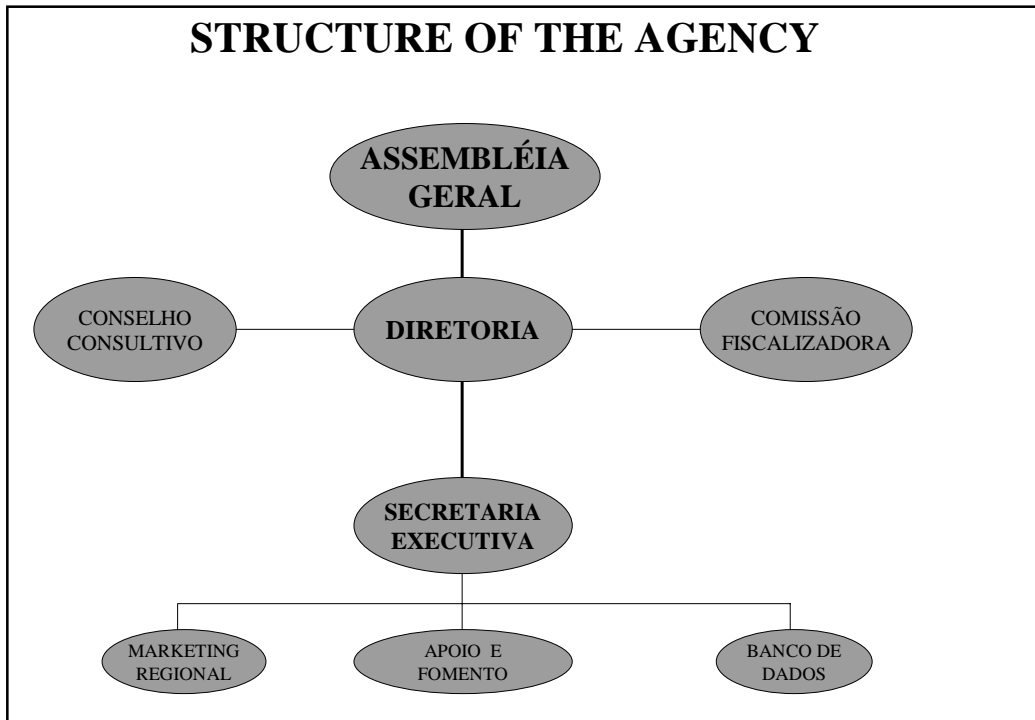


## **REGIONAL DEVELOPMENT AGENCY**

- Participation of the principal stakeholders - public sector is a minority stakeholder (49% - 51% => relative independence of the political cycle)
- Organization: board of directors and small professional structure of technical coordinators
- Principle mission: enabling local economic development through marketing, support to SME and information systems
- Is increasingly outward oriented – creation of networks among SME, larger firms, universities, training institutes (SEBRAE etc.), unions and local governments.



## STRUCTURE OF THE AGENCY



## DEVELOPMENT AGENCY

- Socioeconomic information
- Technological Incubators
- National and international partners
- Fund raising
- Sectoral workshops and initiatives => clustering
- Agency is expected to articulate tangible (real services) and intangible results (principle of professional brokerage)

## RESULTS UP TO NOW

- **New system of governance at city-regional level**
  - Flexible, multistakeholder and result oriented planning (however, flexibility may reveal to be a strong and weak point at the same time)
  - Horizontal and vertical coordination among stakeholders
  - Institutional thickness
  - Built in mechanisms for conflict resolution – usually one of the failures in city regional action planning (both in and outside the USA)
- **Awareness among stakeholders of the intense socioeconomic transformation process and their role in territorial development**
- **Structural weaknesses => operational and institutional fragility**

