

# Presidential elections and the imperative of structural and management changes in public sector of Brazil

Fernando Alcoforado

The economic, policy and moral crisis, facing the Brazilian society in the contemporary era is demanding deeper structural changes and management in public sector of Brazil. The essential structural changes in Brazil are: 1) Raise the level of public savings in Brazil needed investments in economic infrastructure (energy, transport and communications) and social (education, health, housing and sanitation) to meet the needs of population and the productive sector; 2) To promote the reform of the state to make it efficient and effective; and, 3) Democratizing management of public sector in Brazil.

The increase in public saving in Brazil is absolutely necessary because in 2012, the rate of public investment was only 1.09% of GDP which is very low because the federal government committed nearly half of its annual budget to the payment of interest and repayment of public debt. This means that the federal government does not have resources to invest in economic and social infrastructure that demand currently R\$ 2 trillion. In addition to the high expenditure on the servicing of public debt, high interest rates Selic adopted by the Central Bank of the federal government, the fifth largest in the entire world economy, as well as the growing public sector deficit decisively contribute to the continued increase public debt in Brazil. Maintained the trend to allocate more resources for the payment of interest and amortization of debt, there will be fewer resources available by federal, state and local government to invest in economic and social infrastructure.

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Reform of the State and of Public Administration is unavoidable. One of the great challenges of Brazil is the innovation in the public sector with the completion of the reform of the State in their respective levels, federal and state because the Brazilian crisis is demanding that it perform efficiently and effectively its constitutional responsibilities and reduce their operation costs to minimize the tax burden on taxpayers. The recovery of the capacity of the Brazilian State to regulate the economic system, to invest in the expansion of the economy and implement programs in the social sector depends to a large extent, the restructuring that it is processed.

Much of the inefficiency and ineffectiveness assigned to the State in Brazil is due to the lack of integration of federal, state and local governments in promoting national development. Join to this fact, the existence of inadequate organizational structures in each of the federal, state and municipal levels that prevent integrative effort in these bodies of government. The lack of integration of the various levels of government is, therefore, causing the overall action of the government becomes chaotic as a whole generating therefore diseconomies of every order as has been happening especially in the disastrous government of Dilma Rousseff.

The organizational structures of government at all levels in Brazil are

overcome. It is unacceptable that structures of federal, state and local government coincide efforts exactly, as still happens today in many sectors, depleting scarce resources available to them. To solve this problem, it would be necessary to make the federal and state governments to assume regulatory and global, regional and sectoral planning in integrated basis functions, while the municipal governments, regional development agencies and state enterprises would make executive part also articulated.

Therefore compete to municipal governments, the regional development agencies and state companies a big responsibility to put in place all the plans for the overall development, regional, state, local and industry jointly developed by various government bodies after listening parliaments in its federal, state and municipal levels, as well as civil society. This model of integrated management of the public sector in Brazil would be the opposite to what prevails today in which federal, state and local governments are autonomous in their decisions and actions and politically responsive to the idea of integration. The major instruments for implementing the plans would be the municipal governments within each municipality, state enterprises in the sector and the regional development agencies in integrating efforts of municipalities and state enterprises in the implementation of programs and projects for economic and social development.

The implementation of a model of efficient and effective management to the Brazilian State will make its tax collection capacity be expanded. Corruption



and tax evasion, found today in Brazil, are largely due to the inefficiency of the administrative machinery of the state. The new management model based on the rationalization of work processes will inevitably lead to reduced costs of operation of the State and, consequently, the tax burden on taxpayers. It's necessary to change the focus of government organizations that are focused on process rather than the outcome. In addition, government organizations are distant from the citizen. There is a structure with organization charts, ministries, departments, divisions of ministries and departments, teams and a set of laws that determines everything that may or may not do. From these structures – and its laws, rules and instructions, ordinances, regulations etc. – a program or project, a concrete action that is not related to the interests of the citizen is drawn up. It wasn't looking for the citizen that have been structured the administrative machine, nor reflected on team organization that should implement it, or whether their action could be exclusively in the public sector or in partnership with civil society and the private sector.

To achieve a true revolution in the work processes of the public sector, it is essential, however, to recycle across the civil service, change all of today's dominant culture in the State apparatus and adopt a policy of remuneration compatible with their new responsibilities. As for state-owned enterprises, it is necessary that the relationship between its leaders and the bodies to which report is based on management contracts. Through these agreements, the companies would get relative autonomy from the government and assume the commitment to pursue preset goals of efficiency and effectiveness.

Other important aspects to incorporate in order to change the managerial quality of the public sector, are: the issue of transparency, social control (public dialogue) and information management and evaluation. The most important is that the State is facing citizens – not from a theoretical-conceptual standpoint, but from an operational standpoint. The State must design policies and programs looking for the citizen and their real problems, with all the implications. The implementation

of management culture will only be successful if it is subject to the principles of transparency and encouraging public dialogue – richer than social control concept, although it used more.

Without putting in place a package of measures described above the Brazilian State will not recover the integrity its ability to regulate the economic system, to invest in the expansion of the economy and adopt social compensation policies to mitigate the negative effects of the process of capital accumulation in Brazil, as well as prevent the occurrence of endemic corruption that has taken the country characteristics. Instead of enabling the minimal state advocated by supporters of neoliberalism, we must instead restructure the State to make it efficient and effective in Brazil. Unfortunately, none of the candidates for president will engage in all the measures described above.