

Monitoring Report – Cities Alliance-ABC

Santo Andre / ABC Region

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Chapter 1 - The Greater ABC Region

1.1 General Context

Impact of Global Over Local

Over the past decades we have witnessed the creation of new social exclusion processes in central countries as well as the deepening of traditional exclusion processes in satellite countries. This scenario is linked to processes such as financial globalization, worldwide culture, productive restructuring but, moreover, it derives from the association of these processes with conservative policies of liberal cuts, in the viewpoint of most countries round the world, including many countries in Latin America.

National Scenario

In Brazil, the economic logic that has been ruling over the years is extremely excluding, bringing about the deepening of social differences by means of a conservative discourse that diffuses the idea that social, labor, civil and political rights constitute an obstacle to development, always introduced as “Custo Brasil” (Brazil Cost).

Those economical changes posed a new task to the municipal government, that is, to act over the local economic development enlarging its autonomy and responsibility far beyond the boundaries of an isolated municipality. In response to the need of supramunicipal actions to meet the requirements of both metropolitan and regional economy themes, new forums for debate and decision-making were created.

Aspects of the Local Scenario

The problem that involves the reconversion of the Greater ABC Region, one of the most important regions in the country, has demanded the creation of regional management forums, above the municipal government and under the State, in order to implement the urban and economic development plan for the Greater ABC Region. In 1990, the seven municipal governments of the Region established the Intermunicipal Consortium of the Greater ABC; in 1994 the Greater ABC Citizenship Forum was created, constituted of 108 representatives of the civil society as well as an articulation and negotiation model of the Automobile Sectorial Chamber.

In 1997, the Regional Chamber of the Greater ABC was founded, aiming at the elaboration of strategic guidelines for the sustainable development of the region, shared among the decision-makers

of regional influence, namely: the regional government, the municipal governments, political and partisan leaderships, entrepreneurs, labor unions, and representatives of the civil society. Those different actors, with their own interests and specific points of view, get together to discuss, elaborate and implement collective actions, from a consensus, always respecting the cooperation principle.

The Regional Chamber is a democratic space, at the same time public and non-governmental, operating to emphasize collective actions, which are horizontal and have a flexible institutional characteristic, as opposed to the rigidity present in most government agencies. Among the agreements signed there are actions aimed at the development of economic activities, which have both a direct and indirect impact over the quality of life of the population. The creation of the Economic Development Agency of the Greater ABC is a result of this agreement. Its main mission is to produce and disseminate social and economic information that lead regional marketing initiatives and coordinate technical and financial support actions for the companies, aiming at the sustainable economic development of the region.

1.2 Characterization

The Greater ABC holds a true economical, urban and cultural identity, which is expressed by the great movement of people from one city to another and also by the specific polarizations which are typical of each city.

The region, widely known for its automotive infrastructure, for the size of its chemical and petrochemical segment and also for being the third consuming market in the country, together with the cities of São Paulo and Rio de Janeiro. The region has a historically industrial profile, derived from the first internationalization cycle of the economy, which started in the 50s, when the textile companies arrived.

It became the cradle of the country industrialization, with the implementation of a huge infrastructure with large multinational companies, which provided the region with an unparalleled economic power as opposed to other regions nationwide.

The industrial activity showed the first signs of decline from the 70s on, but the crisis revealed its true dimension in the 80s and 90s. By then, the changes in the global economy in terms of technological upgrade, together with a domestic unfavorable economic scenario, management changes and the opening of the market led to changes in the internal structure of the industries. Due to this crisis, the region faced the intensification of the “concentrated decentralization” process, that is, the transfer of industries or their productive segments, out of the metropolitan area of the Greater São Paulo, thus bringing about an abrupt reduction in employment levels, which somewhat hindered the 7 cities which compose the Greater ABC.

As a result of this process, there was a strong trend towards industrial unemployment, the growth of an informal segment of activities and a considerable expansion of the tertiary segment, thus changing the traditional profile of the regional economy.

The various efforts aiming at the generation of jobs and income in the region have not been enough, either for the quantity or because most of the openings do not guarantee the same quality of life offered by the former industrial positions. This resulted in changes in the social and economical profile of the population along these past years, followed by an identity crisis of the cities, in vocational terms. The facets of social exclusion became visible: acceleration of the “outskirting” process, expansion in the number of slums and their inhabitants, and an increase in urban violence.

These factors altogether, which prevent the necessary "predictability" required by social well being generates a discomfort which is not overcome within an isolated municipality. In general, one can say that this feeling, present in the Greater ABC for more than a decade, reunited the social actors in the sense of looking for guiding elements towards the path to be followed.

1.3 General Features

The Greater ABC region is located in the southeastern part of the Greater São Paulo metropolitan area (Brazil) and has a population of 2.4 million inhabitants, according to the IBGE Census of 2000. Its seven municipalities are briefly described as follows:

- Santo André:
Foundation 1553; Area: 174.38 sq.km; Population: 648,443 inhabitants;
Budget (\$ million) 300; GDP (\$ billion) 6.3
- São Bernardo do Campo:
Foundation 1553; Area 406.2 sq.km; Population: 701,289 inhabitants;
Budget (\$ million) 368; GDP (\$ billion) 7.3
- São Caetano do Sul:
Foundation: 1877; Area 15.3 sq.km; Population: 140,144 inhabitants;
Budget (\$ million) 71; GDP (\$ billion) 2.3
- Diadema:
Foundation 1963; Area: 30.7 sq.km; Population: 356,389 inhabitants;
Budget (\$ million) 100; GDP (\$ billion) 2.4
- Mauá:
Foundation 1954; Area 62.4 sq.km; Population: 363,110 inhabitants;
Budget (\$ million) 71; GDP (\$ billion) 2.2
- Ribeirão Pires:
Foundation 1954; Area 99.2 sq.km; Population: 104,336 inhabitants;
Budget (\$ million) 22; GDP (\$ billion) 0.5

- Rio Grande da Serra:
Foundation 1964; Area 36.7 sq.km; Population: 36,352 inhabitants;
Budget (\$ million) 5; GDP (\$ billion) 0.2

1.4 Antecedents

1.4.1 Brief Background on the Regional Action

1989 - of the seven municipalities in the region, the three largest ones – Santo André, São Bernardo and Diadema – are ruled by mayors elected by the Labor Party, creating a favorable picture for regional articulation;

1990 - The Intermunicipal Consortium of the Greater ABC, a discussion and articulation forum of the seven municipalities in the Region, was created to deal with common problems;

1991 - The “Permanent Discussion Forum” was created in December, in Santo André, aimed at issues related to local economic development, gathering regional leaderships, and representatives of unions, industry, commerce and local public power;

1992 - As an initiative of the Permanent Discussion Forum and the Intermunicipal Consortium, the I ABC Forum year 2000 was carried out in the second semester in Santo André. The objective was to build a consensus around the strategies to be adopted to booster regional economy. The discussions resulted in a Letter of Intentions, signed by significant regional leaderships. In the same year the Automotive Sectorial Chamber was created, and it was a negotiation turning point for unions, State and entrepreneurs;

- creation of the Greater ABC Citizenship Forum.

1995 - The State Secretariat of Science and Technology suggested the creation of a Regional Chamber for the Greater ABC. The Citizenship Forum actively participated in the discussion process, which was not able to obtain the adhesion of local governments;

1997-2000 - a new electoral cycle, the seven elected mayors are publicly in favor of an integrated regional policy. This period was characterized by a strong mobilization of all stakeholders.

- in March 1997, as a result of these activities, the Regional Chamber of the Greater ABC was founded, aimed at establishing strategic guidelines for sustainable development in the region. Regional decision-makers, the seven mayors, and leaderships of political parties, enterprises, unions and civil society institutions take part;

- on May 8 and 9 of the same year, the Regional Chamber carried out, with enormous repercussion, the International Seminar for Economic and Social Development – “The Greater ABC in search of solutions” and allowed the exchange of experiences among key international guests, Brazilian researchers, union members, State Secretariats of Work Relations and Science, Technology and Economic Development, the seven mayors and regional leaderships.

- In July 1997 100 priorities were chosen for the region;

- In November 1997, as a result of the discussions carried out in the established Work Groups, 9 Agreements were achieved expressing the need of actions for regional economic development, quality of life of the population, improvement of the regional road system, actions to fight poverty and social exclusion, among others. The creation of a Regional Development Agency was suggested;

1998 - Twelve other agreements were made in August, such as a capacity building project for 12 thousand workers in the plastic segment, implementation of a Technological Pole articulating teaching and research institutions in the region; revitalization of the Furniture industry; development of a design and marketing center; increase in the availability of housing units; improvement of the transportation system, among others.

The Economic Development Agency of the Greater ABC resulted from this Regional agreement, with the objective to produce and spread socioeconomic information, carry out regional marketing actions and coordinate technical-financial actions to support and stimulate companies aiming at the sustainable economic development of the region.

The Development Agency's strategy is to include several different social stakeholders at a regional level, in a public space of cooperation and consensus, which allows the exposure of interests and conflicts among the segments, and searches for solutions to face regional problems

1.4.2 The Economic Development Agency

The Economic Development Agency has as its working philosophy the congregation of the various social forces present within the regional context, in a public space of cooperation and consensus which, without restraining the exposure of interests and conflicts between segments, strives for solutions to cope with the regional problems it has to face.

The regional management, by its turn, does not exclude nor does it substitute the municipality. It does not even require the creation of a new federal entity. As a matter of fact, it acts in the sense of strengthening the local and municipal identities, and it does not displace the central role of the municipality in the regional development. An important part, if not most of the development projects

remain the individual responsibility of the municipality, even those projects which have a regional impact.

The sustained economic development required – dynamic, but not excluding; innovative, but compatible with environmental protection – is the main focus of the strategy that aims at changing the view of the Greater ABC as mere outskirts of the metropolis and, instead, turn it into a reference point in development terms.

1.4.3 The Regional Strategic Planning (RSP)

In the end of 1998, in a workshop carried out by the Regional Chamber the priorities for 1999 for the implementation of a regional strategic planning process were established, based on the diagnosis that the Region, having been the major economic development axis in the country after the 50's, however, has the status of a mere suburb of the Greater São Paulo in terms of the quality of life of the population, social indicators, urbanism, politics and culture.

The Regional Strategic Planning takes into account that the new location requirements for companies and the demand for a new city – therefore, an appreciation of the concept of citizenship – do not depend on the public power alone, but especially on civil society institutions and the social synergism it can generate.

It has led to the development of: a “future scenario” desired for the Greater ABC, i.e., a vision of what the Region could become; a set of basic guidelines, that is, the required preconditions to make that scenario come true; and finally a program and strategy to make these axes feasible.

Basic Guidelines 1 – Education and Technology

Basic Guidelines 2 – Sustainability of the Watershed Areas

Basic Guidelines 3 – Accessibility and infrastructure

Basic Guidelines 4 – Strengthening and Diversification of the Production Chains

Basic Guidelines 5 – Quality Urban Environment

Basic Guidelines 6 – Regional Identity

Basic Guidelines 7 – Social Inclusion

The Future Scenario is based on the perspective that the Greater ABC must be able to stimulate the development of new industrial tendencies, to seek the expansion of the service segments and commerce of high aggregated value and to maintain and renew the existing industrial park.

Therefore, without abandoning the industrial vocation, which was responsible for the region's development in the past, it shall be foreseen as one of the greatest advanced tertiary centers in Brazil.

In 1999, a partnership was signed with the Inter-American Development Bank (BID), which provided the required means to hire national and international consultants, responsible for giving support to the Regional Strategic Planning.

1.5 Characteristics of the CDS-ABC

General Objective: Elaboration of an Action Plan for the Regional Economic Development with Priority Projects

Specific Objectives

- Surveys on the services and informal segments;
- Elaboration of a Community-Based Diagnosis on strengths and weaknesses of the regional economy;
- Elaboration of a Regional Economic Development Plan with Priority Projects;
- Restitution of the Development Plan to the cities;
- Elaboration of a monitoring and evaluation methodology.

Monitoring of CDS-ABC

In the case of social policies implemented by the public power, we have adopted a very satisfactory procedure, which is the continuous monitoring of process execution and operation, considering the recording of successes and failures observed, summarizing them at the end of the process as a handbook of lessons learned.

The value of the above-mentioned approach is that it enables adjustments and route corrections with a clarity that would not be easily obtained by the end of the process. In a more formal point of view, it allows the strict achievement of goals, such as schedules and due dates, which are rarely established according to the institutional reality. Another remarkable aspect is the opportunity to proceed observations on the role played by the different actors in the process and the possibility of incorporating the elements of human subjectivity, from the various actors to the process analysis.

1.5.1 Consulting Partners

Consultants Hired by the Economic Development Agency:

- Allen J. Scott, University of California , USA
Report in December/99: Industrial Revitalization in the ABC Municipalities, São Paulo

- Thomas Grohe, report in December/99;
- Carlos Eduardo Orsini, report in April/00;
- André Urani, Municipal Labor Secretary of Rio de Janeiro
Report in January/00: Formal employment in the Greater ABC during the 90s,
- Pedro Paulo Martoni Branco, report in January/01;
- Francisco Albuquerque, Scientific Investigations Council of the Economy and Geography Institute of Madrid
Report in February/01: The Regional Development initiative in the “Greater ABC”, São Paulo;

Consultants Hired With Funding from ILDES, FRIEDRICH EBERT STIFTUNG:

- Jorg Meyer Stamer, Puipurg University - Germany
August/00: How to increase competitiveness in former industrial areas affected by productive restructuring processes.
- Wolfgang Potratz, Institute for Work and Technology-Science Centre Northrhine- Westphalia
October/00: Strategies for Regional Self-Organization in response to Regional Differentiation.

1.5.2 Local Partners: Profile and Regional Representativeness

The Economic Development Agency of the Greater ABC is composed of the seven municipal governments through the Intermunicipal Consortium for the Tamanduatei and Billings Basins, the Commercial and Industrial Associations, CIESP, Sebrae, Metallurgical Workers Labor Union of ABC (also representing the interests of the following Labor Unions: Dressmakers and Tailors, Bank Workers, Civil Engineering Workers and Furniture Industry Workers of São Bernardo do Campo), Chemical Workers' Labor Union, nine companies from the Petrochemical Pole and eight Universities.

Despite all the changes observed in the region over the last decade, among the seven cities of the Greater ABC the prevailing economic activity is still the industrial one. The seven municipalities manage a budget in excess of \$ 1 billion/year, a GDP over \$ 21 billion, and a whole population of 2,350,065 inhabitants in a total area of 824.88 sq.km, with the following characteristics:

- The Commercial and Industrial Associations of the seven municipalities were founded between the 30s and the 70s and together they represent more than 8,000 members, being 82% of them companies in the commerce and services segment and 18% of them, industries. This percentual ratio is almost the same for all municipalities, except for Rio Grande da Serra, whose Commercial Association is the newest one – founded in 1994 – and 100% of its members belong to commerce.
- CIESP - Centro das Indústrias do Estado de São Paulo (Industry Center of São Paulo State) is an agency associated to the Federação das Indústrias do Estado de São Paulo - FIESP (Federation of

the Industries of São Paulo State) – a labor union that represents the interests of company owners in the industrial segment in São Paulo State, with 128 labor unions and which promotes a dialog between the public sector and the community. CIESP is a civil association under private law founded in 1928, whose mission aims at collaborating with the expansion and modernization of the domestic economy, through political participation, representativeness, community participation and services rendering, activities performed through its 35 Regional Offices, which represent about 10,000 associated companies. In the Greater ABC there are 4 Regional Offices, settled between the 50s and 80s, which count on 779 associated companies.

- SEBRAE - Serviço Brasileiro de Apoio à Micro e Pequenas Empresas (Brazilian Supporting Service for Individual and Small Companies). It is a technical institution aimed at the support and presentation of programs to promote and strengthen the individual and small companies. Sebrae was created in 1990 by an initiative of the Federal Government and, although it operates closely to governments, it is not associated to any federal agency, being a non-profitable civil association. The headquarters of this institution is located in Brasília/DF and it counts on branches in all the 27 states of the Federation, each of them with its own decision council, oriented by the headquarters, although having full autonomy in their operations. In the Greater ABC, SEBRAE has 3 regional units.

- Labor Unions associated to the Agency represent, altogether, a group of workers over 130,000 people along the region:

- ABC Metallurgical Workers' Labor Union, founded in 1933, has now 92,800 workers associated;
- Santo André Bank Workers' Labor Union, 1959, represents a category with about 7,000 workers;
- Labor Union of the Workers in the Apparel Industries, Dressmakers and Tailors of Santo André, São Bernardo do Campo, São Caetano do Sul, Diadema, Mauá and Ribeirão Pires, founded in 1988, represents 3,200 workers;
- Civil Engineering Workers and Furniture Industry Workers of São Bernardo do Campo Labor Union, 1933, has now 2,000 workers;
- ABC Chemical Industry Workers' Labor Union, founded in 1938, represents about 30,000 workers.

- Capuava Petrochemical Pole. It was established 30 years ago, with the opening of PQU (Petroquímica União), the main company of the 2nd most important economic activity in the Greater ABC. The Pole has now approximately 2.8 thousand workers distributed among 11 large-sized companies and its affiliates, all of them highly significant for the region in terms of tax collection, since their combined net revenue is in excess of \$ 1 billion/year. Nine industries of the Petrochemical Pole are associated to the Economic Development Agency of the Greater ABC.

- Universities:

- FEI - Faculdade de Engenharia Industrial

- IMES - Instituto Municipal de Ensino Superior de São Caetano do Sul

UNI.A - Centro Universitário de Santo André
Fundação Santo André
UMESP - Universidade Metodista de São Paulo
UNIBAN - Universidade Bandeirantes
FOCO - Instituto Octógono de Ensino Superior
UNIABC - Universidade do Grande ABC

These eight institutions together constitute 12 campi, totaling 139 undergraduate courses and over 60 graduate courses. Counting on a structure of more than 1,000 employees and approximately 400 professors, they serve about 60,000 students, who come not only from the Greater ABC, but also from São Paulo, the countryside and coastal cities.

Chapter 2 - The Action Plan with Priority Projects for the Greater ABC Region

2.1 CDS-ABC Context

Starting Point

In 1999, the "Cities Alliance", a partnership between the World Bank and the Habitat UNCHS system, elaborated the so-called City Development Strategy (CDS), whose main objective is to elaborate community-based strategies for the social and economic development of the cities.

The cities of Columbus (Sri Lanka), Johannesburg (South Africa) and the Greater ABC Region (Greater São Paulo Region) were the first ones selected for the implementation of this proposal which is developed within a context where most of the financing and technical cooperation agencies acknowledge the enhanced role that the cities have come to play, from the 80s on, thus generating greater interest in the accomplishment of programs and projects with the direct partnership with the various segments of the local power.

On the other hand, an increasing number of cities have become part of the economic development and changes in the relationships within the global society, creating local associations, usually characterized by a group of public and private actors, who get together for the elaboration and implementation of reverse strategies for social, economical and environmental degradation. After this maturity time, there came the consolidation of this trend, which was translated into concrete partnerships between the cities and the international community.

General Characteristic

The main characteristic of CDS is its community-based aspect, which aims at providing the roots for the main planning parameters – the objectives, responsibilities and financial resources – within the agenda of each stakeholder (local urban agent).

This cooperation and search for consensus among the actors is encouraged under the perspective of making the implementation of the strategy feasible, defined by a consensus among the local actors, on short- and long-term bases.

Because it is a relatively recent operation and partnership procedure, there is not enough critical mass to ensure a precise evaluation regarding limits and potentials, mistakes and correct actions, in view of the implementation of this community-based approach in the cities.

2.2 Objectives of the Action Plan

Along the analysis of one of the works carried out by the Development Agency, the conclusion was that, on the one hand there was a reasonable accumulation of knowledge and analyses of the industrial structure, the evolution of unemployment rates, an overview of possible strategic lines of action aiming at the economic reconversion – previous works, exchange of experiences provided by the International Seminar on Social Inclusion (April 19 and 20, 1999), and studies elaborated by consultants with both domestic and international background – on the other hand it became clear the unavailability of reliable information regarding the Tertiary segment, crucial for the definition of the scope of the Action Plan.

When the City Alliance Program decided to include the region, it was created the opportunity to deepen the knowledge of the structure of this Segment, configuring the picture of the current status of productive restructuring, thus providing elements to orient supporting and developing actions for the segment.

The choice was to carry out surveys about the activities of the services and informal segments and hire a consultancy agency focused on local development issues in order to elaborate the Community-Based Diagnosis and finally an Action Plan with priority projects for the Greater ABC region.

The specificity of the work proposed is based on its strong community-based aspect, where the accumulated knowledge and the regional vision of the social, public and private actors – either or not local partners of the Development Agency – are incorporated along all the phases of the process, that is, in the design and validation of the Diagnosis and Action Plan.

The final step will consist of a Plan Restitution to the cities, where the partners from the seven municipalities will promote a local discussion process of the Plan, aiming at the compatibilization of this plan with the municipal project or the adjustment proposal.

2.3 Facts Derived from the CDS-ABC Process

The main themes that came up during the implementation of the CDS-ABC, from the surveys on the services and informal segments, the community-based diagnosis, the consultancy agencies and workshops, were as follows::

VISION 1: The Economic Development Agency is a multi-sector entity, which is responsible for the articulation and coordination of the main local actors around a new phase of the endogenous regional economic development.

VISION 2: The main productive chains must be strengthened, gaining a more dynamic role in the technological and administrative upgrade, required to ensure competitiveness to the regional economy.

VISION 3: Aspects considered as negative characteristics of the region will have to be transformed into public assets of local interest, thus becoming a symbol of the New Regionalism (water cost, transportation, etc.)

VISION 4: The main local actors (universities, research centers, local governments, companies, etc.) must articulate a continuous and financially viable network of services that promote capacity building for the administrative and technological upgrade, information systems, regional marketing, etc.

VISION 5: The quality of urban life in the region has experienced quantum leaps, due to the implementation of successful pilot projects, which point out the direction to be followed by the region.

STRATEGIC GUIDELINES (SG):

SG regarding Vision 1: The market demanded changes from the Economic Development Agency which, more and more, must act as a professional broker, financed by its own capital – derived from the sale of services – public resources and international funding.

SG regarding Visions 2 and 4: The community-based elaboration of specific project proposals points out to the improvement in the management of horizontal and vertical communication networks between small- and medium-sized companies. The proposals must also encourage interaction within the production chain, between companies, research centers, city governments, labor unions and other local actors, being advisable to start from the production chains due to their representativeness for the regional economy.

SG regarding Vision 4: various initiatives are being implemented, aiming at providing the Economic Development Agency with the necessary information.

SG regarding Visions 3 and 5: based on the community-based diagnosis and on the strategic recommendations of the CDS-ABC, each of the seven cities which compose the Greater ABC region, together with the main local actors in the public and private segments, will promote discussions aiming at the design of strategic projects compatible with the vocation of each city and its own desired scenario. The result of these local debates will be included in the discussions of the regional strategy for economic reconversion, to be coordinated by the Economic Development Agency.

It is important to mention that the project for the cities whose territory is located 100% within the Watershed environmental protected areas – such as Ribeirão Pires and Rio Grande da Serra – will be different from that elaborated for those cities with significant presence in industrial activities and smaller portions of their territory within the watershed environmental protected area, that is, whenever a regional development strategy is implemented, these intra-regional differences must be taken into account in order not to hinder regional projects neither in political nor in economical terms.

ACTION PLANS (AP):

For each of the strategic guidelines (SG) mentioned, corresponding Action Plans (AP) are either under study or being already implemented, which can be considered as a direct consequence of the CDS-ABC:

AP regarding Vision 1: Changes in the organization and also in the financial structure of the Economic Development Agency are being performed, so that it can assume a more proactive and entrepreneurial role for business people. Due date for the accomplishment of these changes: ongoing process.

Hiring of three additional professionals. Consultants who will act as development agents, paid with the Agency's own resources and/or with external resources (IADB). Due date for the three hiring processes to be effective: first quarter of 2002.

AP regarding Visions 2 and 4: Creation of groups with endogenous potential to promote continuous administrative and technological innovations in the automotive, machinery and equipment and in the plastics segments. Resources: IADB. Starting due date to start: January, 2002.

AP regarding Vision 4:

- a) creation of a roll of potential investors;
- b) services by phone to provide information easily accessible to companies;
- c) elaboration of a data base on the commercial activities in the region.

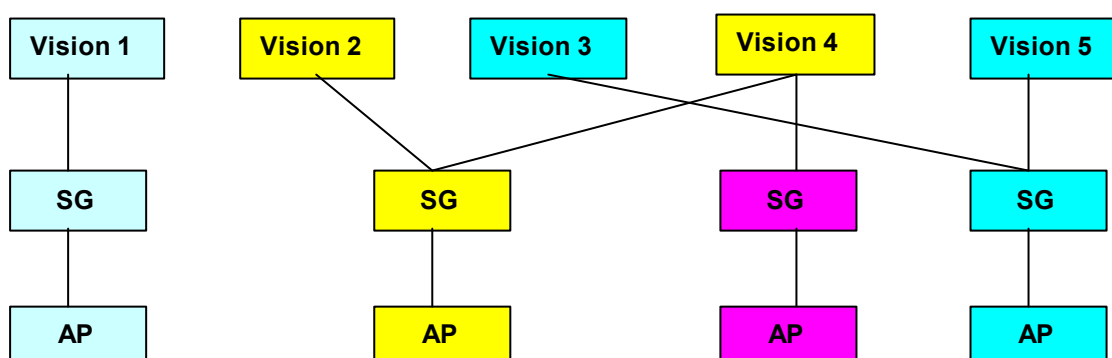
Schedule: planning and budget phases ready. Start: December, 2002. Partnerships with SEADE Foundation (state-owned) are being negotiated. SEADE Foundation also participated in the surveys within the CDS, for the elaboration of an Investment Guide.

AP regarding Visions 3 and 5:

- a) A regional Action Plan will be discussed and elaborated as soon as the seven municipalities have concluded their local debates.
- b) Some projects with urbanistic and economic emphasis have been implemented, such as the project named Eixo-Tamanduatey (Tamanduatey Axis) in Santo André, aiming at the urban and economic revitalization of an industrial area located in the surroundings of the river that baptizes this project – and which cuts across six of the seven

municipalities, and which has suffered an intense degradation process along the past years. Particularly during the first semester of 2002, Santo André will make a series of municipal investments focusing on the revitalization of public spaces, as well as private investments aiming at the increase of entrepreneurial and consumption potential within the tertiary segment in this area.

The CDS-ABC emphasizes the strategic importance of such actions, and has boosted additional investments, mainly from this Tamanduatey Axis project.



2.3 Institutional Partnerships

Accomplishing entity: Agência de Desenvolvimento Econômico do Grande ABC

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Accomplishing entity team:

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The Economic Development Agency managed the process under the coordination of the Habitat Office – Rio de Janeiro:

Habitat - Centro de Las Naciones Unidas para Los Asentamientos Humanos (Oficina Regional para a América Latina y el Caribe)

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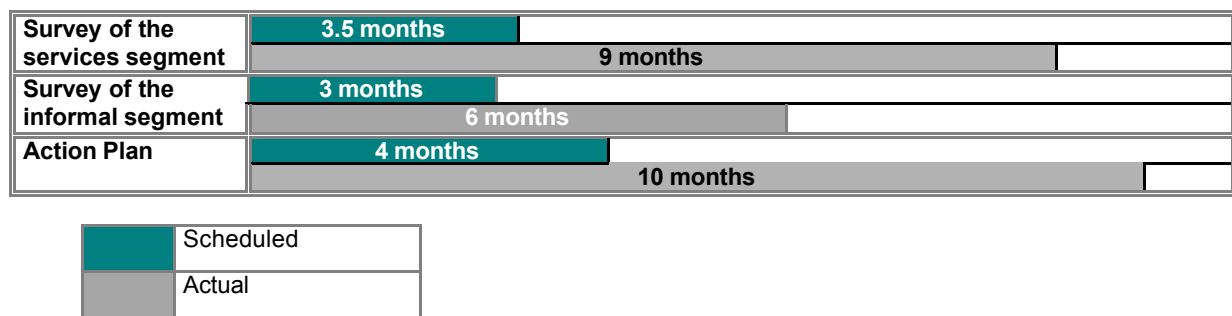
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Note: The constitution of teams is by itself a value-added knowledge, which may result in a cooperative link between the cities committed to community-based forms of regional planning.

2.4 Duration originally scheduled vs. actual duration



Reasons for the discrepancy in the scheduled times:

SURVEYS:

The process of designing questionnaires for the surveys on the informal and services segments involved conceptual discussions, which were extremely enriching; however, this also resulted in difficulties regarding due dates.

For instance, there were some operational difficulties, such as:

- a. The activity ranking of the Labor Ministry, whose information subsidized the survey, cannot be used as a source, for it clearly presents a profile which does not correspond to the actual profile of the Greater ABC region. This fact demanded redefinitions, requiring extra efforts and time.

Another difficulty was the resistance by the interviewees to answer the questionnaire, due to the size of the instrument vs. time allowed for response. Most people did not meet the due date for returning the questionnaires, sometimes extending it threefold; about 30% of the returned questionnaires came with incomplete answers. The solution adopted was to change once again the methodology of survey, when finally two questionnaires were produced – a thorough one and an abridged version.

- b. As for the survey on the informal segment, there were problems in identifying the irregular informal worker. It was an important challenge to build up a brand new data base, since there are no lists or previous studies about this. It did not turn into a more complex issue

because we created criteria to utilize subsidies, incorporated to previous works developed by IMES. Upon the analysis of the data gathered, it was possible to identify the irregular informal workers and contact them directly.

The questions that faced more resistance regarded size and revenue. Regional development was mentioned in general, but there were no communication mechanisms to show these people how each of them is a part – and beneficiary – of this process.

Under ideal conditions, it is advisable to assess the need to count on media resources to encourage the participation of the interviewee. In the case of the CDS-ABC, the letter itself (attached to the questionnaire) explaining the importance and value of the survey, did not convey a strong enough appeal to reach the target audience.

Professor Maria do Carmo Romeiro, Survey Coordinator of INPES/IMES, says that the change in the survey schedule should be as follows:

- In the services survey, phase 1 should last 5 weeks, instead of 3. As for phase 2, the time scheduled was enough. Phase 3 should be planned for 14 weeks instead of 10, due to the time required by the companies to answer the questionnaire, substitution in case of sample cases, etc. Therefore, the ideal schedule for this survey should be 20 weeks instead of 14.
- For the informal segment survey – considering that the survey required a quantitative sample of 200 cases – the ideal time should be 15 weeks instead of 8, with time for the elaboration and pre-test of the data gathering form extended from 3 to 5 weeks, and application of interviews/checking/coding/word processing extended from 4 to 9 weeks.

EXTERNAL CONSULTANCY:

Some factors caused a deviation regarding the time originally scheduled in the Reference Term, which was considered insufficient:

- a) Internal adjustments to the process and due dates for the availability of survey results changed the schedules, which were a prerequisite for the deepening of the Diagnosis;
- b) The lack of knowledge of the actual level of image penetration of the accomplishing entity regarding the local actors, as well as the insufficient information about the CDS-ABC created a deviation between the expected agility and the possible one, with the administrative structure of the accomplishing entity not being successful in assuring a good flow in the scheduling of interviews;
- c) Lack of knowledge, by the actors, of the process and objective of the Diagnosis and Action Plan;
- d) The confidential aspect of the Services and Informal Segments survey, which demanded internal negotiation within the process to ensure its availability. This negotiation, with the accomplishing entity, was slow and the indefiniteness generated new changes in the preset schedules;

e) Municipal ballots at the end of 2000 hindered the timely accomplishment of schedules.

This way, the consultants evaluated that an extension of 8 weeks in the schedule would allow the deepening of the analysis of the surveys and the accomplishment of a larger number of interviews, thus providing more subsidies for analysis.

Chapter 3 - Monitoring

3.1 Methodology

The Importance of the Continuous Monitoring of the Process

Monitoring is the instrument that tries to overcome the trend towards descriptive reports, providing an on-site observation of all phases of the experiment, recording the successes, tensions, discontinuities, progresses and errors, synthesizing them at the end of the process. Besides that, it is a highly recommended procedure because:

- a) It enables adjustments and revisions of procedures, with less damages to the final product;
- b) On a more formal point of view, it allows a more strict accomplishment of goals, such as deadlines and schedules;
- c) It incorporates lessons learned in case of strategy replication;
- d) We consider this an invaluable opportunity to proceed observations on the role played by the different actors (who are, of course, the main actors in the regional action) and therefore be able to incorporate the elements of human subjectivity to the process analysis.

Methodological Milestone: Emphasis on the Community-Based and Subjective Dimensions

Often most of the feasibility studies that orient investment plans are outsourced to external consultants. Without mentioning the advantages derived from an outside perspective, it is true that many times the references to the particular characteristics of the local social and economic reality are minimal, thus generating studies which are likely to ignore historical elements and local peculiarities, which are key to the understanding of the process and the required conditions to elaborate a reference term of the financed program. In a context like that, it would not be possible to incorporate in the analysis those material and subjective dimensions, as well as the inter-actor conflicts which permeate the elaboration and implementation of urban policies, programs and projects within the public context.

Considering what has been exposed so far, it is highly recommended the search for encouragement of the active participation of local actors in different phases. Harmoniously, the partners ensure mobility and quality to the Investment Plan for Regional Development. The operation is complex, but the articulation of commitments – financial, technical and political – from the group of local partners is the uttermost condition for the feasibility and implementation of the Plan.

Logical Outline for Process Follow-up

It's necessary to bear in mind that the elaboration of a follow-up methodological proposal is not an easy task, especially in cases searching for Local Economic Development Strategies with several stakeholders interacting in a way to represent the variety of interests within the social net of a given region.

In case of monitoring, designated by the use of CDS-ABC, there were a research team, a consultant team, and the process external dynamics as the most important observation focus.

In a general way, even knowing it is a preliminary outline prone to modifications along the course, the logic chain of actions to be monitored must be sought as it allows the setting of action priority upon competition as well as part observation within the process totality.

3.2 Monitoring Activities:

Follow-up:

- a) research questionnaire outline process;
- b) research process;
- c) theme-bound meetings;
- d) public presentation phase of research preliminary results;
- e) media outcomes;
- f) interview activities regarding external consultancy;
- g) two workshops with local partners;
- h) city Restitution process (ongoing).

Evaluation:

- i) research team process;
- j) consultant team process;
- k) local partners process and Action Plan;
- l) media outcomes regarding the Action Plan;
- m) city Restitution process (ongoing);
- n) result of lessons learned within the process;
- o) elaboration of recommendations having the experience reproduction in mind;
- p) notes on critical points: invested amount, proposed timetable
- q) notes on obtained results that were not initially foreseen.

The methodological proposal for stage systematization and follow-up regarding the Action Plan has presented the following logical chain:

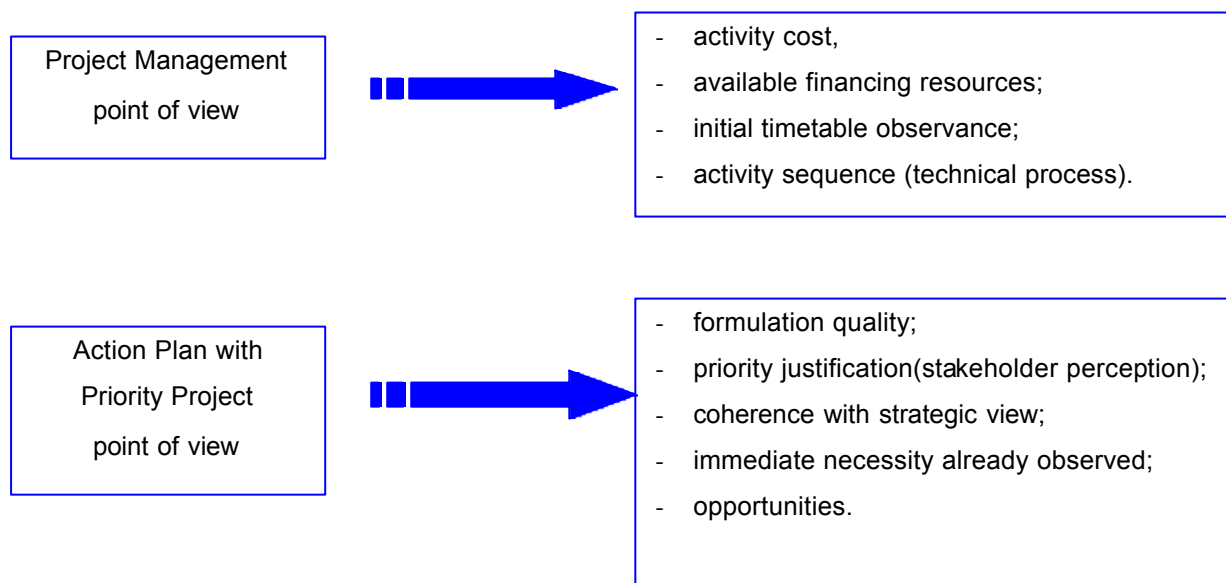
- 1- Internal dynamics monitoring and process result;

- 2- Monitoring and evaluation by the team in charge of Research elaboration;
- 3- Monitoring and evaluation along with the External Consultant in charge of Diagnosis and Regional Action Plan elaboration.

3.3 Monitoring Schedule

3.3.1 Variables to be Observed during the Process

Tangible/material dimension



Non-tangible/non-material dimension

- Stakeholders relationship
- Representativity
- Stakeholders mutual perception
- Tension degree between stakeholders

Participation:

- Participation perceptible degree
- Involvement perceptible degree
- Consensus level regarding strategies

Results:

- Process efficiency and replication potential;
- Cognitive requirements;
- Institutional internalization;

- Tools potential and limitations;
- System operationalization;
- Information use;
- Institutional learning potential.

3.3.2 Monitoring results

The establishment of variables to be observed must provide visualization of the following possibility – greater aggregated value in experience when compared to traditional projects and programs, as well as show if CDS-ABC has:

- a) came up to expectations of building an innovatory process that is much more effective and relevant than the traditional approach in order to present clues confirming the fact that CDS-ABC represents a new paradigm for the elaboration and implementation of programs and projects along with cities;
- b) redeemed the historicity of the articulation and negotiation experience between stakeholders through reconstitution of regional action route, from continuity and discontinuity and most relevant moments as to the process up to the introduction of CDS;
- c) not only stimulated the elaboration of a tangible and concrete product (for example, an Action Plan with feasible priority investments), but has also provided a dynamic and endogenous learning process between *stakeholders* and all kinds of institutions, bringing indirect and long-term benefits for the region.

First, through the most traditional analysis approach, CDS ("the project") management has been evaluated regarding combined objectives, products, their costs, people in charge, sequences, and due dates.

The most important monitoring tools were IB, Reference Terms regarding stakeholders involved with CDS implementation (Regional Development Agency, consultants and contractant institutions, HABITAT/RJ office, etc.), and interviews and material that were produced in meetings during the course of CDS activities. Such level has dealt with the tangible or material dimension of the project. A positive evaluation is essential and desirable; however, it is not conclusive enough to qualify the true CDS-ABC impact.

Second, it is necessary to evaluate the rooting degree of CDS process and results within local *stakeholders* own agenda. It demands such monitoring that takes into account the elaboration process of studies, diagnosis, and action plan (the disagreement relationship between stakeholders, looks over participation, etc.) as well as CDS relevance from *stakeholders* subjective and situational point of view. Monitoring activities must observe if, from involved stakeholders' point of view, CDS has aggregated value regarding all regional articulation that has been previously established by regional leader-

ships (that is, regarding the strategy planning set of studies, consultancy, and processes that are CDS-ABC base as well).

Finally, monitoring indicates if good and bad points during CDS implementation have resulted in a learning process. Such second-level evaluation approaches the non-tangible and non-material dimension of the project. A positive evaluation represents a clear indication that the CDS process itself has started an endogenous learning route among local stakeholders, bringing true perspective for the implementation of an Economic Action Plan with positive impact over cities within the region.

Monitoring allows evaluation of urban strategy's key variables – efficacy and relevance – which area generally used for the understanding of material or tangible dimension regarding any implementation process of applied public policy; for example, analysis of delivery compliance concerning agreed products, due date and costs.

However, some concerns, already outlined along with the complexity of plural and community-based regional action process – such as the one that features CDS -ABC, justifies the special attention taken to the incorporation of the process subjective dimension, focusing on tensions and conflicts among local coalition's main stakeholders who are responsible for elaborating and implementing the Action Plan.

	OCT 2000	NOV 2000	DEC 2000	JAN 2001	FEB 2001	MAR 2001	APR 2001	MAY 2001	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001
STAKEHOLDERS AND PROCESS MONITORING													
METHODOLOGICAL PROPOSAL ELABORATION													
SERVICE AND RESEARCH MONITORING													
WORKSHOP I													
DATA COLLECTION OF LOCAL MEDIA INFORMATION													
USED TOOL ANALYSIS													
WORKSHOP II													
EVALUATION OF ACTION PLAN, STAKEHOLDERS PARTICIPIATION													
INTERMEDIATE REPORT DOCUMENTATION AND SISTEMATIZATION OF PLAN NEGOTIATION (STAKEHOLDERS' CONSENSUS)													
CITY RESTITUTION													*
FINAL REPORT													
MEETING OF LOCAL COORDINATION AND PGU-ALC COORDINATION													
MEETING OF LOCAL COORDINATION AND PGU-ALC COORDINATION AND WORLD PGU COORDINATION													
MEETING OF LOCAL COORDINATION AND HABITAT - RJ													

* - to be accomplished

Considerations regarding the timetable: as the monitoring period is the total period of the process, the ideal time span for such activity is the sum of periods suggested in chapter 2, page 19, plus 45 (forty-five) days for the monitoring team to finish systematization, verification and final writing.

3.4 Action Plan Outcome Evaluation

The Action Plan with Priority Projects in the Greater ABC region, which was presented by consultants Giuseppe Cocco and Gerardo Silva (LABTec/ Rio de Janeiro,RJ), on August 3rd, 2001, has counted on local qualified stakeholders (Economic Development Agency partners, local media, and many opinion formers) who have answered questionnaires immediately after the plan presentation giving their opinions. They have all praised the consultant's elaboration of high level and quality as well as indicated the following:

The Action Plan should analyze process research deeper, focus on economic aspects, as well as provide alternatives and guidelines for environmental protection areas.

In addition, the plan had better detailed the role of each stakeholders rather than aggregating them in "simple" categories such as public and private ones, as it would have provided a better understanding of inter-stakeholders articulation for proposal referring.

Evaluations still indicate that the Action Plan, as part of a process, should not present fixed but ongoing objectives aiming at possible actions and solutions, detailing what the Economic Development Agency actions must be regarding "management" and "business".

As to regional media outcomes, the Service Research has been of great importance in order to present the Economic Development Agency image for the local society.

Throughout the monitoring process, some means of communication were followed:

- "Revista Livre Mercado": month magazine belonging to Grupo Diário do Grande ABC and Editora Livre Mercado, with a state and a regional issue that specifically focuses on several aspects of ABC dynamics, such as society, politics, and economics.
- "Diário do Grande ABC": as the greatest regional newspaper in the country, it has been totally focused on ABC daily life for over 50 years.

A number of daily articles have given monitoring tools for evaluating the Economic Development Agency, not only direct articles but also the ones that deal with local stakeholders expectation and points of view as to the future of the region.

Other means of communication from Greater São Paulo, such as O Estado de São Paulo, Gazeta Mercantil, and Folha de São Paulo, pay attention to ABC for its importance within the country.

From August 1999 to July 2001, there has been more than 150 articles focusing on the Economic Development Agency or related themes, as to regional development and economic dynamics. About 50 articles have specifically focused on themes related to the CDS-ABC process alone.

As to the media, it's still worth saying there is a special point within media coverage regarding regional economic dynamics. The Revista Livre Mercado's electronic news, a daily on-line bulletin that is read by over 4000 people (including local stakeholders) has followed, analysed, and reviewed the Economic Development Agency work in order to implement regional economic modification. From June to October 2001, there have been more than 100 e-bulletins focusing on themes related to Regional Development and Economic Development Agency actions.

What is special about such news coverage is the fact that this bulletin – recently named Capital Social – brings not only articles but also reader's daily participation, bringing a rather peculiar debate on the Economic Development Agency. It has also made Professor Giuseppe Cocco report, presented on August 3rd 2001, available through download in its site.

3.5 Restitution Process Evaluation

On September 6th 2001, the Economic Development Agency from Greater ABC, had an Extraordinary Meeting for a special agenda: bringing the Action Plan back with Priority Projects for the Greater ABC region.

The following was determined: City Halls, through Mayors and Economic Development Secretaries, will locally promote a plan discussion process in order to making the city project and such plan compatible. Such city discussion will take place between the Executive Power and Civil Society. Then, as transformation trends, potential, and local situation have been considered, cities will outline Action Plan strategies aiming at regional economic modification. Once such stage is over, the elaboration of a Regional Plan, taking local specificities into account, may take place within the Economic Development Agency.

3.6 Obtained Results which was not Initially Foreseen

Some results, which were not initially foreseen, were obtained within the CDS-ABC process. Some examples are:

- the Economic Development Agency's institutional strengthening as to civil society;
- the unexpected relationship among technical teams has allowed gains regarding technical ability through experience share, and institutional aspect;

- the extra gain for such research has never been done before, the special feature of questionnaire elaboration that has called the attention of several research institutions, highly-fruitful experience share regarding team ability that has provided IMES with competitive advantages and new opportunities regarding technical, methodological, as well as business aspects;
- development of a paper called *“Desvendando o Informal Segment: Relatos de uma Experiência Brasileira”* (*“Informal Segment Development: Accounts of a Brazilian Experience”*), that was presented on the IV Portuguese Language Economist Meeting (session F3 – called Economic Growth 3) at Évora University on October 2, 3 and 4, 2001 (by João Batista Pamplona [Economic Development Agency] and Maria do Carmo Romeiro [IMES]).

3.7 Critical Points

Teams have considered due dates as critical points, as it had been previously indicated. More time is a *sine qua non* condition for better utilization of the whole process.

As to resources, the external consultant team has pointed that for the job to be done under the same dynamics by the same technical team, it is necessary to have a 50% (fifty percent) increase on initial amounts.

Regarding such matter, the research team has set the following considerations:

- Service Research: an effective cost balance concerning scheduled activities (record preparation, case raffle, questionnaire elaboration, pre-test-review process, training, Date entry structuring for database format, raffled-location visits – local unit confirmation or case replacement, form presentation, follow-up, material delivery, Date review, informer contact for Date confirmation/correction, codification, typing, Date processing and analysis) has recorded a 39.5% difference compared to previously presented amount.
- Informal Segment Research: planning work has originated a paper survey, stimulating methodological procedure modification. The research report developed by IBGE and IBASE-SEBRAE has allowed enough initial knowledge for subsidizing the questionnaire framework, making it possible for resources to be shifted from qualitative research (aiming at generating knowledge for questionnaire structuring) to quantitative research.

Thus, it was possible to enlarge the sample from 100 to 200 cases as resources have been redirected and IMES has provided subsidy for supervision activities and Date analysis.

IMES-subsided activities represent, in money terms, about 18% of the foreseen amount for the accomplishment of researches.

As to the monitoring team, there has also been operationalization difficulties, indicating, after time and procedure evaluation, that for such activity to take place it is necessary to consider an 85% increase over initial amount.

Chapter 4 - Conclusions

4.1 Lessons

The proposed outline offers an alternative focus to traditional planning, that is:

- a. It presents strategic feature;
- b. It is determined by process;
- c. It brings regional action historicity back and systematizes produced knowledge;
- d. It is Proposal-based (it proposes actions);
- e. There is strategy building agreement (it is not mandatory);
- f. It presents pro-active approach;
- g. It incorporates strong as well as weak aspects;
- h. Participative diagnosis combining economic and statistical Data with subjective components, presented by stakeholders;
- i. The community-based emphasis allows agreement and process legitimating upon diagnosis;
- j. The research methodology allows suggestions and reviews referral by future action beneficiary, that is, the most interested party;
- k. Consultancy, or external look over regional dynamics, is supportive, having the role of process facilitator, gathering knowledge and involuntary points of view;
- l. It incorporates endogenous knowledge from local partners, as well as more expressive stakeholders, whether they are partners or not;
- m. It is a *learning-by-doing* process, that is flexible according to the non-linear aspect of processes;
- n. The Plan is collectively designed and evaluated;
- o. A pedagogical aspect has come up as it brings public debate on regional important issues, making it possible for stakeholders, who are not directly involved into the process, to participate; it is a new stage for a learning process design for local stakeholders.

4.2 Recommendations

By and large, the objectives of the CDS have been reached. Nevertheless, the time that was needed was much longer. The original planning of the CDS underestimated the complex and dynamic learn-

ing process involved in the multi-stakeholder processes at the level of city-regions. In a way, the continuous time constraints were the other side of the coin of the value added that has been generated by a rich process characterized both by innovative procedures for conflict negotiation and by internal learning among stakeholders.

More specifically, and in light of the experiences of the CDS-ABC, the following recommendations can be made:

First of all, the **involvement of the supra-location levels** should be guaranteed already in the initial preparatory stages of the CDS. Ideally, the CDS should be the link between the local, national and international strategies, and specifically bringing in value added through **better defined programs and projects that are politically supported by the network of local stakeholders**. In the case of CDS-ABC, there should have been more involvement of the state and federal level. For example, time was lost in order to incorporate the state research Foundation SEADE (but the effort ultimately proved highly successful and worth while).

In addition, and even more important, several of the national and state level agencies that are responsible for technological and managerial modernization of small and medium sized enterprises still operate **according to a paradigm based on national parameters, and by and large ignore the territorial dimensions of local development and competitiveness**.

Here, the local consultation procedures that are part of the CDS strategy should play a fundamental role in triggering off broad based and lasting **changes in working procedures in some of these state and national level institutions**. In spite of all the fragile dimensions of the new regional institutions in the ABC city-region, the CDS-ABC has shown that there is a large local potential that could be leveraged by stable and transparent sources of finance from the supra-location level, channeled to both private and public stakeholders in the city-region.

Related to the above, more clarity should be created beforehand, i.e. before starting to discuss the preparatory phase of the CDS with all the stakeholders, on what will be the **subsequent steps after the CDS**. Theoretically, by not doing so, the CDS runs a risk of stimulating certain inertia among the stakeholders.

Perhaps a good model for the definition of these subsequent steps could be the **Urban Consultation Procedures of the Urban Management Program**. This methodology already contemplates subsequent steps, for example through the elaboration of specific action plans that are to be forwarded to local, national and international agencies.

The CDS didn't have that same clarity. The reason that the CDS-ABC nevertheless succeeded in maintaining its political mobilization among the stakeholders, which also resulted in specific projects

that are being negotiated with local and international donors, is both due to the political awareness among local stakeholders of what is at stake, but also to the knowledge on Urban Consultation procedures of the UMP that has been accumulated with the Santo André experience of the Integrated Program aimed at Social Inclusion.

Finally, the CDS should consider slightly larger budgets and longer time frameworks. The formal time framework of nine months has clearly proven to be insufficient. In addition to estimates of the Greater ABC Citizenship and Government Institute, the budget should at least have been doubled.

Chapter 5 - Annexes

Chapter 5 - Annexes

I. Reference Terms: Service Activities and Informal Segment Activities Research

Informal Segment

Two hundred questionnaires are applied by research technicians through personal interview. Their 77 questions consider the following aspects (not taking sub-items into account):

- developed activity features (11 questions);
- personal information (8 questions);
- business-related attitudes (19 questions);
- clients (5 questions);
- suppliers (13 questions);
- future plans and expectance (4 questions);
- activity starting point (9 questions);
- media habits (9 questions);
- respondent profile, difficulties concerning developed activities (14 questions).

WORK PLAN – INFORMAL SECTOR STUDY IN GREATER ABC REGION			
WORK PLAN	Foreseen date for activities to start	Foreseen date for activities to end	Number of people involved
FIRST STAGE – DIAGNOSIS OF INFORMAL SEGMENT FROM PED/SEADE'S DATA			
Database selection of employment and unemployment re-search– PED/SEAD	February 1	February 20	1 senior analyst
Compatibilization and junction of databases			
Result analysis and report elaboration			
Presentation and Debate			

SECOND STAGE – DIAGNOSIS OF INFORMAL SEGMENT FROM PRIMARY DATA			
NOTE 1: this stage takes into account lesson from the Service Segment Research			
NOTE 2: Part of Study 1 and Study 2 sample reports is made up of economic units hired for Service Segment Research that have been out of the sample for having less than 5 employees (minimum condition for the Service Segment Research to incorporate an economic unit to the sample).			
NOTE 3: Analysts staff came from the City University Center of São Caetano do Sul (body held by IMES in São Caetano do Sul)			
STUDY 1 – EXPLORATION RESEARCH			
Elaboration of a list of topics for explanatory research study	February 12	February 15	1 senior analyst
Elaboration of a case record for interview	February 12	February 15	1 junior technician
Interviews (tape and transcription)	February 15	March 2	04 research technicians
Elaboration of speech summary	February 15	March 2	1 analyst

STUDY 2 – QUANTITATIVE RESEARCH			
Elaboration of tool for quantitative research data collection (questionnaire)	January 24	February 12	2 senior analysts
Elaboration of sample unit report	January 24	February 12	1 analyst 1 junior technician
Procedure development for field follow-up	February 06	February 15	1 senior analyst 1 computer analyst
Development of interviewer and codification manual	February 08	February 15	1 senior analyst
Development of quantitative research verification manual	February 08	February 15	1 analyst
Hiring of applicant team / supervisors / codifiers/ word processor for quantitative research and training	February 13	February 15	1 senior analyst 1 analyst 1 junior technician
Structure development for result analysis	February 16	February 22	2 senior analysts
Base structure development for typing and processing	February 16	February 20	1 analyst 1 computer analyst
Interviews / reviews / verification / codification / typing	February 16	March 15	8 research technicians 1 senior analyst 1 junior technician
Data analysis	March 15	March 19	1 senior analyst 1 computer analyst
Elaboration of diagnosis for the informal segment	March 19	March 30	1 senior analyst

Service Segment

Target-Public

Date survey will be especially directed to service-rendering economic units that are dedicated to private segment companies in the greater ABC region.

In order to introduce such universe, segment segmentation is presented.

Service-rendering activities identification:

- Transportation (60, 61 e 62)
- Storage (63.1, 63.2 e 63.4)
- Communication: Mail and Telecommunication (64)
- Financing Intermediation (insurance and private security) and auxiliary activities (65 e 67.1)
- Real-estate activities (70)
- Car/other means of transportation rental (71.1 e 71.2)
- Machine and equipment rental (71.3)

- Computer activities (72.1, 72.2, 72.3, 72.4 e 72.9)
- Computer and office machine maintenance (72.5)
- Research and Development (73)
- Legal, accounting, and business consultancy activities (74.1)
- Architecture, engineering, and expert technician consultancy services (74.2)
- Material and product tests; quality analysis (74.3)
- Selection, seeking, and hiring manpower for temporary work (74.5)
- Investigation, supervision, and security activities; building and house cleaning activities (74.6 e 74.7)
- Other activities, especially service rendering for companies (74.9)
- Permanent education and other educational activities (80.9)

Note: Codes between brackets indicate activity identification according to C.N.A.E. and IBGE.

Study Objective

- a) Activity identification according to codes designed by the National Classification of Economic Activities (C.N.A.E.) - IBGE, that is, activity section, division, group, and class;
- b) Identification of main services and their estimate share within revenue;
- c) Local unit classification according to:
 - unit situation (unique establishment, headquarters, operation establishment or company's auxiliary unit);
 - capital origin;
 - constitution process;
 - company's control situation;
 - other;
- d) Period in which the economic unit has been working in current city or region;
- e) Identification of economic-unit initial geographic area, in case of transference to ABC, and reasons for transferring;
- f) Real-estate features and status (own, rented, lent, leased, other); usage type (business only, business and residential), area (m²) exclusively dedicated to the activity;
- g) Staff/manpower features:
 - number of people with salary/wages;
 - number of owners/partners; type of labor contract;

- number of people in each activity category: people directly related to main activity (except management), people not directly related to main activity (except management), management;
- hiring requirements according to activity category, lowest and highest month salary according to activity category;
- number of hierarchic levels;
- benefit policy;
- satisfaction/dissatisfaction level regarding manpower and reasons;
- offering and necessity of manpower training according to specialization area;

h) Supply dynamics:

- Identification of main supplier activities;
- Geographic location of main suppliers;
- Economic Identification of main client activities;
- Geographical location of main clients;
- Identification of distribution channels/service and goods purchase means;
- Local unit technological frame (computer, automation, and voice/Data communication means);
- Softwares used by local unit;

i) Outsourcing area and outsourcing service-renderer location for the last five years, considering the study reference date;

j) Outsourcing projects foreseen by company for the following 12 months, considering the study reference date;

l) Quality certification stage;

m) Activity-generated residue type (including packages) and its destination;

n) Activity evolution for the last 5 years and performance perspective for the next 5 years;

o) Identification of difficulties/drawbacks for a better performance of establishment;

p) Identification of establishment attraction/expulsion factors regarding the city;

q) Establishment increase/reduction perspective for the next 12 months, considering the study reference date;

r) Type of expected support for better performance of establishment;

s) Generated-product indication.

Methodology

Date collection will take place from an economic unit sample in the Greater ABC region.

Sample configuration will depend on record examination in relation to regional establishments, especially service rendering to companies, available through state or federal institution.

However, it is estimated that 1,152 cases will be shared among service-rendering activities, especially related to companies.

Date collection will take place through forms especially designed for service rendering. However, forms will be developed in a standardized frame of variables, giving special attention, whenever necessary, to activity peculiarities.

Date collection will be implemented through form referral to sample units that have received previous guidance. Following, forms are collected, undergo a critical analysis, and are eventually corrected if any inconsistency is to be found.

For reference purposes, a survey will be accomplished concerning a sample of 288 establishments in the city of São Paulo, service rendering selected segments.

Regarding such procedure, the following should be taken into account:

- a) The choice of São Paulo as reference is due to its development stage, that is, it is the location that holds the greatest diversity of activities in a highly competitive environment;
- b) The adoption of such procedure aims at contributing to the analytical evaluation process of Greater ABC region establishments compared to such location.

Result Analysis

Date collection, guided by previously mentioned variables, will be analysed through sustainable development in order to present:

- a) competitive advantages and disadvantages related to service rendering to companies;
- b) frame of activities to be considered priority within regional development strategies;
- c) local-regional activities for generating competitive advantages;
- d) local-regional actions for short-, medium-, and long-term revitalizing of the service segment;
- e) eventually, other government activities that are necessary to configurate and/or incentivize local-regional competitiveness of the service segment.

Work Team

Work was developed through a two-institution partnership, which was established according to the process invitation procedure. Such institutions were SEADE and Instituto de Pesquisas do Centro Universitário - Instituto Municipal de Ensino Superior de São Caetano do Sul (University Center Research Institution – Superior Education City Institute of São Caetano do Sul). In order to describe their responsibilities, “SEADE” and “IMES” will be used.

SEADE was responsible for records of regional establishments – greater ABC – and reference location – city of São Paulo.

Activities related to sample planning, case selection, and form and respective guidance manual development must be shared by both partner institutions, IMES and SEADE.

On the other hand, training activities by the supervision team, collection and review of form Date, codification, typing, and processing are IMES’s responsibility, as well as result and database listing through magnetic means.

The result analysis is under the responsibility of the Economic Development Agency’s technical team in greater ABC region.

WORK TEAM

ACTIVITY STAGE		QUANTITY	WORK PERIOD
PROJECT COORDINATION		1	STAGES 1/2/3 FULL-TIME
STAGE 1			
FASE ATIVIDADE	PROFESSIONAL IDENTIFICATION	QUANTITY	WORK PERIOD
Report structuring	Database technicians	2	Part-time
Sample planning and case selection	Analyst/ statistician	2	Part-time
STAGE 2			
Elaboration of questionnaires and analysis framework definition	Senior analyst	3	Full-time
Base structuring for typing and processing	Computer technician	1	Part-time
STAGE 3			
Data collection supervision	Junior analyst	4	Full-time
Verification / checking	Verification technician	4	Part-time
Data collection	Data collection technician	40	Part-time
Codification	Codification technician	10	Part-time
Typing	Typing technician	3	Part-time
Data processing	Computer technician and senior analyst	1	Part-time
Result analysis (preliminary)	Coordinators	2	Part-time

Due time for Stages 1, 2 and 3: 100 days

Due time for Stage 4: 20 days

Note: Activity research for the Service Segment

Dynamics comprehended form delivery by research technician, who provided general information on research scope (sensitivity) as well as form filling.

From 1,000 delivered questionnaires, 851 were considered effective.

Activities	Weeks													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Stage 1														
Report structuring														
Sample planning and case selection														
Stage 2 – Planning														
Elaboration of questionnaires and analysis framework definition														
Development of field spreadsheets / Development of field follow-up spreadsheets														
Procedure planning for field verification and follow-up														
Codification procedure development														
Base structuring for typing and processing														
Calling, selection and training of applicants and supervisors														
Calling, selection and training of codifiers and word processors														
Stage 3 – Field														
Visit to sample companies for delivery and explanation on forms – Greater ABC and SP														
Return to companies for form delivery: evaluation of form filling and blank data (1 st review)														
Supervision review on applied material														
Material selection for verification and checking														
Data codification														
Typing														
Processing														
Result analysis and referral of database for solicitant														

II. Consultancy Specialized in Regional Issues

General Objective

The consultancy general objective is to support the elaboration of a rapid community-based diagnosis regarding the regional economy in the greater ABC region and a priority investment plan aiming at economically revitalizing the region.

Specific Objectives

Give support for a diagnosis elaboration regarding main strong and weak aspects of regional economy in the greater ABC region as well as a community-based strategy for economic modification, based on a priority investment plan among main regional stakeholders.

Activities

- elaborate an economic analysis of main results regarding informal segment and service research;
- Systematize main social-economic researches that have been implemented in that region since 1997;
- Based on items 3.1. and 3.2, as well as on partnerships with main regional stakeholders (public and private segment), elaborate a basic analysis paper with strong and weak aspects of regional economy and recommendations for economy modification indicating priority investments.

Products

- A report with economic analysis of main results regarding informal segment and service research;
- A report on main strong and weak aspects of regional economy in the greater ABC region, recommendations for an economic modification strategy for that region, and priority investments for such accomplishment.

Due Dates

	OCT 2000	NOV 2000	DEC 2000	JAN 2001	FEB 2001	MAR 2001	APR 2001	MAY 2001	JUN 2001	JUL 2001	AUG 2001	SEP 2001	OCT 2001
Stakeholders and process monitoring													
Methodological proposal elaboration													
Service and research monitoring													
Workshop I													
Data collection of local media information													
Used tool analysis													
Workshop II													
Evaluation of action plan, stakeholders participation													
Intermediate report													
Documentation and systematization of plan negotiation (stakeholders' consensus)													
City restitution													*
Final report													
Meeting of local coordination and PGU-ALC coordination													
Meeting of local coordination and PGU-ALC coordination and world PGU coordination													
Meeting of local coordination and HABITAT- RJ													

* - to be accomplished

III. Notes on Monitoring

1. Products

1.1 Public Presentation of Research Preliminary Results

Informal Segment Research

Considerations by Research Technical Coordinator of Economic Development Agency in greater ABC region, João Batista Pamplona

This work has fundamentally tried to deal with two major concerns: bi-dimensioning and segment profile and functioning.

Concept landmark: There is a controversy regarding the informality concept – on one hand, legality vs. illegality in case of formal regulation; on the other hand, measure would be the establishment size. The latter choice is adopted by IBGE, OIT, among other agencies.

What defines informality?

The way production is organized makes the difference between a small company and the informal segment.

- a) It's not typically capitalist as the owner has multiples roles, including execution;
- b) Paid job is not a reference;
- c) The profit rate is not a key variable as income is usually used for subsistence;
- d) Only guarantee for family income;
- e) Short-scale "production";
- f) Simple "technological" process;
- g) Subordination to formal economy.

In the case of greater ABC region, companies with up to 5 employees are considered independent contractors.

	32% population = 295 thousand people
DIMENSION:	55% = independent contractors
	21% = wage earners
	7%= family workers

Evolution (in 10 years): 106 thousand workers have entered the informal segment, 56% in ABC, and 12% in the metropolitan area.

Informal Segment Profile

Men – 63% compared to 59% in formal segment

Predominant age group, over 40

There is evidence of more women in formal work

- more women in service segment

- women earn lower wages

- lower education level – 71% elementary education compared to 61% in formal segment

Lower income – 720 compared to 859

Shorter working hours – 51 hours/week compared to 44 in formal segment

Lower stability

No social security charge

It is a very heterogeneous segment; there is no way of stating that everyone is in a poor situation.

Employees: older men, house chief, higher level of education, higher income and stability, more promising situation;

Wage earners: younger women, not a house chief, lower level of education, lower or very low income, little stability, precarious situation;

ABC's situation is similar to the metropolitan standard;

The number of businesswomen had increased from 23% to 29%;

Older workers go to the informal segment;

When the formal segment gets weak, the informal one follows;

The informality status is less temporary, getting to be permanent.

Considerations by INPES/IMES's Research Coordinator, Professor Maria do Carmo Romeiro

Informal economy concept and the necessity for a description

LEGAL X NON-LEGAL

ECONOMIC X SOCIAL

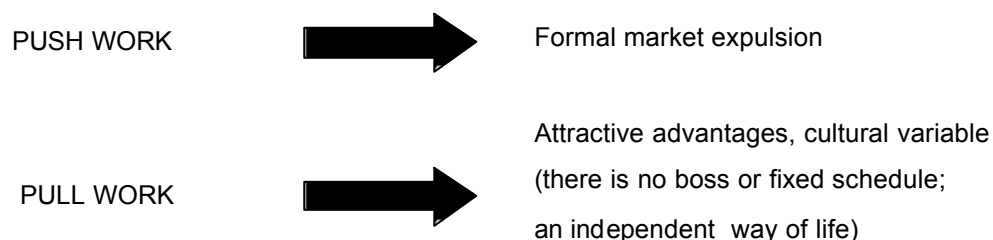
Non-legality presents difficulties as it is reflected in business operations through banks, usurers, among others. In addition, there is no integration with economy dynamics as there is no invoice issuing and purchases are carried out by individuals.

Entrepreneurs who work in non-legality receive no training opportunity or credit lines from formal bodies. Thus, legal activity issues are very important from an economic support point of view.

Inferred or wished illegality?

Bureaucracy or economic aspects may cause an illegality choice as there is no expense regarding an accountant, no union pressure, no salary increase related to categories. Taking such aspects into consideration is for stakeholders who do not want legality. That's why it is even harder to reach them.

Reasons for informal work (simplified for a better picture):



Source and paper review: We would like to point out there are a number of papers (from science and the media) for the fact that it is a pioneer investigation with a regional scope.

- Reports and studies in terms of Local Strategic Planning;
- Academic research;

- Media articles;
- First round of open interviews with local partners (strongly present in Regional Action).

1.2 External Consultancy Activities Follow-up

Local stakeholders have been interviewed as to regional issues.

Most significant respondents per segment were selected by the Economic Development Agency in greater ABC and an appointment was scheduled with consultants.

Interviews took place at stakeholders' houses. The questionnaire was very flexible and its adopted method had neither recorded information nor note taking for a greater freedom of speech. According to interviewers and stakeholders' evaluation, there was a positive result as it has widely presented the action plan formulation process as well as a better understanding of stakeholders' universe.

It has been observed that many relevant stakeholders had no knowledge of the Action Plan process with Priority Projects for the ABC region and, according to consultants evaluation, the less related stakeholders were to the Regional Action, the more they have contributed with a regional critical view.

As there was no knowledge of what idea stakeholders had about the agency and the CDS-ABC was not made public, there was an unbalance between expected and possible pace upon interview appointments and approaches.

1.3 Follow-up of Two Workshops with Local Partners

Workshop: "Challenges, issues, and clues for the Development Agency"

Date: January 11, 2001

Location: Santo André

Such meeting was the first one from a series of three workshops among local partners and external consultants.

Objective: Stakeholders' interactions with preliminary results, making the work continue from such group debate on.

Presentation:

Mayor Celso Daniel explained that the World Bank covenant through Cities Alliance aims at transferring resources for researches on the service segment as well as the informal segment. The external consultant team, with great experience on regional planning issues, had to systematize a set of avail-

able information about the ongoing regional action process, analyse international and national consultant reports on subsidy for the Regional Strategic Planning implementation, research books and quantitative studies published by the Agency, produce information through interviews with local partners who will subsidize, and elaborate an Action Plan with priority projects for Regional Development.

The partner institutions are: Instituto de Governo e Cidadania do ABC (ABC's Citizenship and Government Institute), responsible for process monitoring, marketing, as well as a possible reproduction of such experience; and IMES - Instituto Municipal de Ensino Superior (Superior Education City Institute), responsible for the above-mentioned researches.

Consultant Giuseppe Cocco states that such work is divided in two parts: the first one is Diagnosis, designed from an analytical synthesis of regional studies and information that have been collected so far and ongoing research analysis; the second part is the Action Plan, incorporating the Diagnosis stage and qualitative data from open interviews with main stakeholders, who have been incorporated to the Regional Action or not.

Workshop: "Transformer l'essai" – How to get goals to consolidate greater ABC regional agenda
Date: February/2001

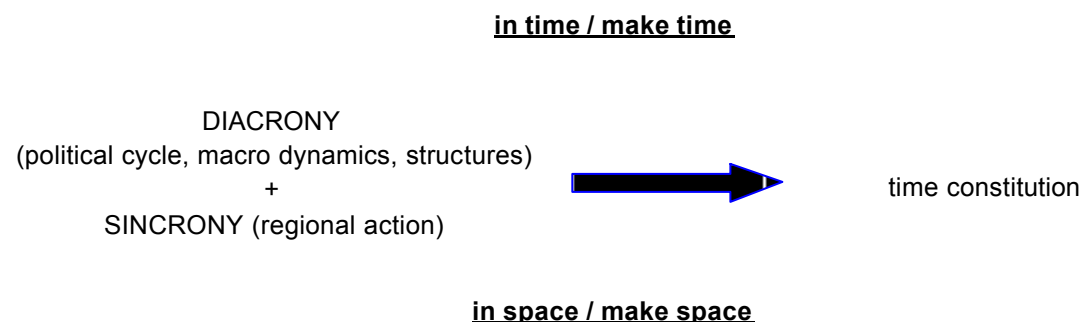
Professor Giuseppe Cocco's presentation summary

The ABC region has set a goal: it has produced a wide and complex regional net and a Regional Agenda; however, it is going through difficulties imposed by its own maturity. Problems to be faced are diverse and highly complex:

- Institutional plurality: involving federal, state, regional, and city aspects;
- Space plurality: involving global, metropolitan, and regional aspects;
- Social-economic variables plurality: micro vs. macro, specific segment policies x macro aspects.

Considering such complex demand, the Agency must redefine its "purpose". The central issue is about definition: what it must be and what it must do.

Time/Space Mapping:



Provincialism + Complements



Make intra-regional
centering positive and
convergent

The 80's – 90's:

Common problem discussion: basins, waste, territory political discovery, Intercity Covenant creation (1990)

Greater ABC Union Movement: first social step

1992 – 1996:

Conservative/traditional electoral modification – city provincialism (1992)

Themes: FEBEM (Youth Well-being Federation), basins, water pollution

"ABC cost" rhetorical, (negative externality)

Citizenship Forum: second social step

1997 – 2000:

Creation of Greater ABC Council, 1997; a new political cycle meets innovative and regional dimensions again

Themes: job crisis, urban violence

Regional Agenda consolidation

Creation of Greater ABC Economic Development Agency, 1997

2000: There is a third social step to go

Main Issues Mapping:

- Greater ABC Regional Agenda is going through transition with structural and political difficulties;
- The Agency is charged for regional action in terms of the Regional Action crisis/transition, as ordinary problems are not translated into ordinary objectives in a time when regional dynamics are stronger;
- There is an urgent need for Regional Action in terms of industry outsourcing and service industrialization.

Deadlocks Mapping:

- Definition of crisis true dimension;
- Dichotomy: "neo-industrial" speech vs. "post-industrial" speech – a need for separating work and job dynamics; services and industry (opposites);
- Action features: segment or transversal – it brings short- and long-term implications; micro vs. macro, local vs. global;
- Debate on the Development Agency institutionalization: executive organ vs. individual;
- Debate on Action: Segment vs. Transversal

Clues for a new stage of Regional Action constituent process

- Make time: territory's job

Overcome the opposition unindustrialization vs. neoindustrialization

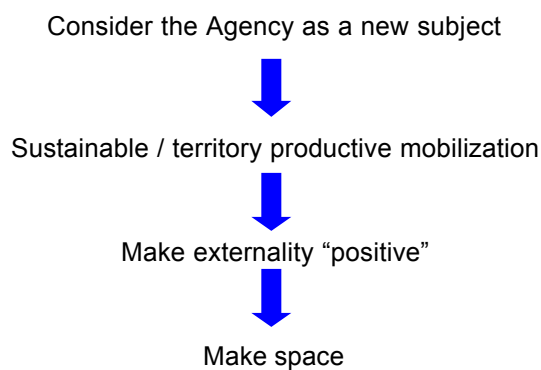


- Make space: territory's productive mobilization

An Action Plan definition for the Agency: its development is one more step within the Agenda and Regional Action process.

One of the greatest challenges is not “holding” industries anymore, but involving industry in the Regional Agenda.

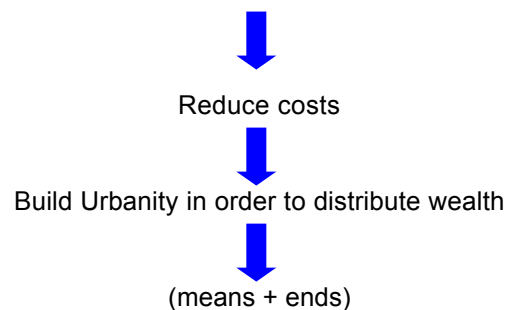
The automobile industry non-participation in a Regional Agenda elaboration is not a de-territorialization indicative; on the contrary, it presents high levels of territorialization (“negative territoriality”).



Regional Action's Space – Time

Essential task to put the Agenda into action: production of "positive externality "

Transversally place the Regional Action, with short-, medium-, and long-term actions, in regional and global extent



"Issues for building a Territorial approach"

Professor Gerardo Silva's presentation summary

This work presents the systematization of 27 interviews regarding stakeholders closely related to the Regional Action. Questions were based on five axles:

The Metropolitan issue

ABC is a different metropolitan region; it is São Paulo's industrial surroundings. There is no ABC without the city of São Paulo. The Metropolitan Issue Secretary is not prepared for dealing with regional problems as such Metropolis is polycentric.

The Economic Profile issue

There is an urgent need for consolidating the Industrial Park (assembler, petrochemical), potentializing emergent productive activities (plastic chain), continuing region characterization as an Advanced Tertiary, and promoting cultural activities and Tourism (alternative circuits).

The Productive Mobilization issue

Good work scope (understructure + markets); dealing with common problems; getting rid of integration difficulties; need for a healthier urbanism; Strategic Planning (revalorization, marketing).

The Identity issue

There is a historical distrustful relationship among cities: tension from first half of the century, dismemberment tension; explosive development over industrial bases; great migration during the 60's; identity after the crisis.

The Social issue

Unemployment; Safety; Housing, Sanitation, and Urbanity.

From Social to Work Issues

- Citizenship as a production condition
- Universalization of service access
- Market democratization
- Right to have rights

- Rethink about the social as a work issue
- Rethink about production as a citizenship condition (contrary to the above-mentioned)

Debate: themes addressed by stakeholders after presentations:

- a) The Agency's necessary framework;
- b) How to legitimate the Agency's actions from mentioned deadlocks;
- c) The role of great companies and great capital;
- d) How to adjust abilities, institutional conflicts, and position indication;
- e) The purpose of the Agency;
- f) Origin of territorial centrality proposal;
- g) Stakeholders' plurality and non-material dimension – key elements;
- h) Environmental and territorial requalification – why not?;
- i) The role of unions and remaining stakeholders;
- j) Complaints about debate's "political" language;
- k) Cities that do not invest in service research detailing for their own benefit;
- l) Common assets constitution process.

Workshop: "Regional Development Agency in greater ABC – between regional agenda and territorial action "

Date: August 3rd, 2001

Location: Santo André

Giuseppe Cocco and Gerardo Silva's presentations on the Regional Action Plan had positive outcomes. Everyone agreed on the quality of their work and high level of knowledge concerning ABC's problems.

It was also observed that most participants had only a partial knowledge of the report content. Such fact originated debates, reviews, and questions on the workshop content that, by the way, aimed at simplifying the approach.

However, the prevailing idea is that the report is on the right track as to regional development measure implementation.

Main issues or comments:

- Why was a smaller chapter dedicated to service and business areas compared to several productive chains on industries?
- How is the Agency's board of directors going to face the seven cities' specific interests?
- The "purchase center", suggested by the Regional Action Plan and to be developed by the Agency, is not feasible as it faces some institutions that already have such role.
- The suggestion for service sharing between public power and companies, such as transportation, health care, and food, is a result of interviews with businessman?
- What is industry culture and culture industry?
- Actions proposals were not based on research, especially in the service segment.
- How is the Agency going to deal with Greater ABC's Regional Council and the Intercity Covenant, which already have well-defined territorial base?
- There was a lack of proposals regarding regional development sustainability.
- Cities that have potential for basin exploitation for water production must have some advantages. The report must have dealt with such issue.
- Consultants must comment on the relationship between report aspects (negotiate, compete, transform, develop, grow), from an economic, political and social point of view, and citizenship, ethics, and political deadlocks, aspects that have compromised regional results.
- The "Action Plan" must indicate a way for integrating systemic issues (safety, unemployment, ABC's cost) and regional development discussion for bringing state and federal governments into the debate.
- The report does not properly indicate how to make a symbolic project real. Most people on such debate know that basin protection regions are a touchy issue for urban development. How do consultants see such idea?
- Which comparative advantages does ABC have in terms of other regions? Should the ABC cost or the idea of public security lack be considered as greater ABC's specific problem?
- One of the problems the Development Agency has is the discussion on its adequate business behavior. Is it a business body that must be concerned with bringing, maintaining, and increasing regional investments or must it be a public body? The Development Agency does not appropriately pay attention to businessmen.

- It is necessary to deal with issues regarding the Agency's role and institutional identity.

2. Evaluations

2.1 Research Questionnaire Design Process Follow-up

Let's consider every field research discussion aspect concerning CDS was designed by IMÉS and the Agency.

The greatest research specificity seems to be a concept discussion – especially regarding the Informal Segment. The lack of parameters and precedents has brought a high level discussion on theory and practice. It is obvious that concept difficulties originated different points of views, which accelerated the debate on such usually close research stage.

There were some operationalization difficulties, for example:

- a) The Department of Labor's activity classification, whose information has subsidized research, may not be a source as it clearly presents a profile that is not longer ABC's true one. Such fact demanded redefinitions and extra work. Another difficulty was respondents' resistance as the questionnaire included long questions and demanded a long period of time. Most respondents did not meet deadlines, they took three times longer to return questionnaires, and about 30% had incomplete answers. The solution was modifying the work system, designing two forms – a complete and a short one.
- b) As to the informal segment research, there have been problems identifying the irregular informal workers. Building an entirely new base was a great challenge, as there were no records or studies. Such issue was not so complex because criteria were designed in order to use subside incorporated to previous IME's work. After data was dismembered, it was possible to identity irregular informal workers and get in touch with them.

The most difficult issues were billing and freight. Regional development was generically dealt, there was no means of communication aiming at showing those people how they can get into and benefit from such process.

Under ideal conditions, it is recommended to evaluate the need for counting on media resources as to stimulate participants. In the CDS-ABC's case, there was only a letter (attached to the questionnaire) explaining the research importance and validity; however, it was not a strong argument for convincing the target public.

There were moments of similar and different points of view among stakeholders as to the best ways for overcoming deadlocks.

2.2 Process Evaluation by Research Team

As to communication tools used by stakeholders, communication flow and quality have reflected work commitment among research teams.

The technical relationship was atypical as it was sometimes considered one team alone. IMES was really committed to every process stage, even when it concerned data analysis – the Agency's responsibility; however, it had no staff for dealing with such issue at that time. The process has made a relationship among the Development Agency, IMES, and SEADE's technicians possible, as it was a new challenge.

As the research aimed at getting economic support, the theme's heterogeneity, complexity, and immersion need have resulted in a long questionnaire for the respondent to reflect on service dynamics or field.

Filling the questionnaire was a long task and field researchers had a lot of trouble convincing respondents. However, both research tools had high-level quality and the objective of collecting safe and quality information has been entirely met.

CDS-ABC process major contributions:

- a) Original research;
- b) Both questionnaires peculiarities had already interested institutions prior to publishing. SEADE has stated that it is going to use such questionnaire as a reference for its next research;
- c) It deals with subjective aspects, presenting some extra-economic hypothesis as an enterprise success or failure determiner, and it goes beyond business, credit, and management competency aspects.

CDS's community-based format has brought a positive institutional image. From stakeholders' point of view, IMES' know-how has brought competitive advantages over other Research Institutes, originating new opportunities from a technical-methodological aspect as well as business aspect.

It was first observed on service activity research participants. It was clear that the research process had turned into a true reflexive and evaluative pedagogical process on the "business" framework, its dynamics and subsistence chances.

The fact that such work was accomplished by a well-known research institution is a positive aspect.

2.3 Process Evaluation by Consultant Team

As to the relationship with local partners, the less related stakeholders were to the Regional Action, the more they have contributed with a regional critical view. At the same time, there was a formal the relationship with the executive organ.

There were no concept work difficulties; however, there were operationalization difficulties, for example, the consultant team had to come from Rio de Janeiro to several locations in greater ABC, much further than expected. It is worth observing that they have been surprised on how different the taxi regional fare is.

Some factors have caused delay as to Reference Terms:

- a) Process adjustments and research result deadlines have modified expected time period, essential for Diagnosis;
- b) As there was no knowledge of what idea stakeholders had about the agency and the CDS-ABC was not made public, there was an unbalance between expected and possible pace upon interview appointments;
- c) Stakeholders had no knowledge on Diagnosis and Action Plan objectives;
- d) As Informal Segment and Service researches were top secret, internal negotiation was necessary to make the process available. Such negotiation with the executive organ was slow and indefinite has brought new deadline modification;
- e) 2000 elections have negatively altered the work timetable.

Thus, consultants state that an 8-week period would allow them to read researches and gather a larger number of interviews, bringing more data into the analysis.

Financial resources were not sufficient, mostly due to transportation expenses to and within the region (transportation fees were higher than the team reference location ones). A basic estimate, considering the same team and dynamics, shows the need for a 50% minimum increase.

There were meetings of local teams and external participants, that is, the Development Agency, Programa de Gestão Urbana das Nações Unidas para a América Latina e Caribe (United Nations' Urban Management Program for Latin America and the Caribbean), Habitat, Instituto de Governo e Cidadania do ABC (ABC's Citizenship and Government Institution), LabTec, and IMES, with no conflict regarding adopted strategies. It also was observed that local stakeholders had deeper knowledge on regional dynamics.

The external consultancy team believes it has improved its approach method during interviews. The process has allowed them to interact with local and national institutions. In addition, professor Giuseppe Cocco has given lectures for local partners in Santo André and São Caetano. Workshop outcomes, personal interviews with qualified opinion formers, and the media have made it possible for consultants to evaluate if there had been a good image dissemination as to the Development Agency.

During research, the consultancy team used no new technological resource. The softwares used are the ones available on the market. It has rarely been necessary to have version compatibilization among research teams.

2.4 Action Plan Process Evaluation by Local Partners

Questionnaires were part of the workshop dynamics, checking qualified stakeholders evaluation (Agency's associates and opinion formers) as to the presented plan, the involved process, as well as the way they are found into the plan feasibility dynamics.

There were a total of 48 participants in the workshop, as follows: members of seven city halls that constitute greater ABC, Intercity Covenant representatives, Pólo Petroquímico de Capuava (Capuava's Petrochemical Polo), CIESP, SEADE, Associação Comercial e Industrial de Santo André (Santo André's Commercial and Industrial Association), Associação Comercial e Industrial de São Bernardo do Campo (São Bernardo's Commercial and Industrial Association), Sindicato dos Metalúrgicos do ABC (ABC's Metal Workers Union), SEHAL (Food Company and Hotel Union), Revista Livre Mercado (magazine), Universities: UNIABC, UMESP, IMES.

Main stakeholders' indications, as seen in questionnaire answers:

- Economic issues as well as environmental protection guidelines and alternatives were not considered;
- The Action Plan must be "more related" to the process research analysis;
- Some presented proposals seem unfeasible with no viability study;
- The Action Plan must be more solution and action related;
- As part of a process, the Action Plan should not present fixed but ongoing objectives;
- the role of each stakeholders had not been detailed, but aggregated in simple categories such as public and private ones, not providing a better understanding of stakeholders articulation for proposal referring;
- It is necessary to redefine each stakeholder role, as they have to act according to their respective roles;
- The Economic Development Agency's actions must be better detailed, especially concerning "agency" and "company" aspects, indicating WHO and HOW to do it.

IV. Report Summary

Consultant: Wolfgang Potratz

Institute for Work and Technology-Science Center – Northrhine-Westphalia/October 2000

Report: Regional Self-organization Strategies in reaction to Regional Differentiation

Recommendations come from Northrhine-Westphalia's regionalization process, as it is an important reference for strategy and outcome analysis in regional development policy.

Not taking into account the type of coordination chosen for regional development plan – decentralized self-coordination or hierarchic coordination – it is paramount for the regional development within globalization to establish a trustful relationship among stakeholders, that, even having no intrinsic value (it would be wrongly considered as such), would allow rule acceptance and consensus leading to general steady cooperation.

For such cooperation to take place it is essential that everyone can reach an overall interpretation, individual efforts must be surely rewarded, and procedures must assure a clear understanding of social gains.

It is not possible to say that there are right and wrong coordination modes as to regional development policies, as such choice depends on stakeholders' dynamics. Both hierarchic coordination and self-coordination face ordinary problems related to motivation for guiding individual and institutional behavior as to a group.

The Ruhr Valley has experienced both models. In the early 60's, the regional economy, based on coal and steel, started going through structural modifications, demanding recovery actions and economic revitalization by the public segment; thus, the first planning experience of economic development came "from the top to the bottom". However, even with a number of activities and service segment investments, mining industry losses were still significant, making, in 1979, the state government create local stakeholders relationship mechanisms, searching for "dialogue strategy, information exchange, improved negotiation and bartering, and industrial, political, and structural activity decentralization and coordination among stakeholders". It tried to bring a debate on development relevant issues, and launch the Ruhr Program, dealing with several-segment stakeholders' ability through qualification and requalification up to the promotion of new technologies, cultural projects, city development, local understructure, and public real estate funds for industrial damaged area recovery.

Furthermore, as the State started sharing modification responsibilities with economic stakeholders, it started coordinating and monitoring such actions.

In the late 80's, the development model adopted by Germany in the 70's started presenting clear outcomes on "old industrial regions", where there was emphasis on agricultural region industrialization through investment redistribution and redirecting as well as industry relocation. Therefore, it was necessary to have economic rebuilding and social reorganization in the Northrhine-Westphalia region through a guided process that would take local and regional stakeholders to take part in the process and measure implementation from the very beginning.

The program called "An initiative for coal and steel regions " came from the following expectations: summarize local and regional specific potential for reaching common benefits; mobilize specialized knowledge; encourage regional responsibilities through structural economic development; favor co-operation attitudes among public and private stakeholders and launch nets, comprehending the largest possible number of regional stakeholders; intensify intra and inter-regional communication and the government in order to structurally integrate relevant activity measures, guiding them towards specific regional development needs, according to Regional Conferences (meant to be a central consultant body for project development, priority establishment, and "Regional Development Concept" formulation").

Five regional policy criteria were designed based on such objectives:

- Technological development and innovation promotion;
- Training, re-training, and qualification;
- Measures for job maintenance and creation;
- Understructure modernization (traffic, communication, and technology);
- Environmental improvement and energy consumption rationing.

Even considering all such efforts, structural problems remained as procedures reflected regional difference and specificities, and stakeholders' demands, rather than a concept with representative bodies in charge of common interests.

Recommendations:

An hierarchic coordination cannot meet diverse regional situation needs; on the other hand, a self-coordination through regional conferences, as seen in the Ruhr Valley, personify a regional consensus and does not overcome conventional solutions within well-established governmental programs, limiting innovative approaches " as well as fairly risky and promising ones, getting potential benefits and aiming at regional peculiarities".

Such considerations bring structural modification needs for the development of a decentralized regional policy, considering competition a feasible mechanism that favors "stakeholders' positive conspiracy or a stakeholders' alliance". It implies:

- recognizing that regional policy classical concept through redistribution does not contribute to the solution of problems such as growth, employment, and structural modification needs;
- considering different growth strategies, even with irregular development possibility;
- presenting a competitive component in order to make regions politically responsible for their development (not only program development alone), having competition as a means for efficient institutional solution and implementation strategy discovery.

Consultant: Allen J. Scott

Department of Policy Studies and Department of Geography – University of California, Los Angeles.

December/1999

Report: Industrial Revitalization in the ABC Municipalities, São Paulo

After a detailed analysis on the history of the ABC region and current situation proceedings, Allen Scott makes the following considerations:

ABC has gone through a process similar to the one seen in fordist centers located in North America and West Europe, which have been endangered by a combination of factors, such as high salaries, militant unions, land increasing value, urban congestion, among others. Specifically regarding ABC, it is worth focusing on peripheral and dependent fordism peculiarities that made crisis more acute than the one provoked by classic fordism breakdown. Consequently, regional industry investments have ceased, there was a massive decentralization process regarding production capacity and jobs to other places in the state of São Paulo, making industries close down and bringing high regional unemployment rate, in addition to specialized manpower shortage and low business and research capacitance.

Such picture was made worse by decentralization of direct new foreign investments in Brazil to locations with lower manpower costs, developing union activity, lower land price, and fairly inexistent urban congestion. Such picture also presents a fiscal war waged by local and state governments competing for new foreign investments.

From the 90's on, ABC seeks for consolidating its institutional base through representative instances of several local stakeholders (such as the creation of greater ABC Intercity Covenant, Citizenship Forum, ABC Regional Council, Economic Development Agency) aiming at developing solutions to economic, environmental, educational, urban planning, and social development problems.

It then starts searching solutions that will only be possible through the formation of collaborative industrial nets and base elaboration for high levels of regional endogenous enterprises and innovation as a transformation mechanism from fordist hierarchic and market economical model to a collaborative net model with innovation and learning endogenous dynamics.

Firms' space concentration, their manpower, and political and institutional agreements make up the base for a new economy and new regionalism building. Nets involve several sociability dimensions, such as productive activity, the associated job market, and cultural and political production – features that can give the location a chance of valuable articulation for the new global economy.

Regional complexes represent competitive real advantage reserve that must be collectively appropriated. Thus, the local public structure must present institutional and administrative competency for adequately getting competitive advantages, producing public goods involving initiation/maintenance

services and multifaceted net strategic scheduling, along with investments on social and physical understructure, which have been projected in order to support flexible-learning economy.

Public actions must start an industrial net dynamics with its own governance searching for collective interests. A certain degree of general governance is essential in order to maintain cooperative relationships, make firm relationships more efficient and simple, and direct efforts to marketing or product promotion.

Well-designed and carefully managed coordination services are essential in order to promote courses on regional economic growth and help prevent, handle and avoid crisis on the local system. One of such institutional structures must consist of a regional forum where possible problems are discussed and adequate remedial lines are elaborated.

Active institution building is paramount in order to search for a new economic order. As Brazil is open to international markets, the region must change to another level of industrial competency, where it can directly face industrial competition global patterns.

Recommendations:

It's necessary to generate conditions for the emergence of a flexible economy with several dynamic competitive advantages, characterized by salaries and constantly growing abilities, able to attain global patterns in product quality. Such economies have endogenous development logic as any money investment or public effort brings immediate growth. However, regional economy significant transformations will only be obtained in a broader social reconstruction process, through a combination of educational program and local political mobilization, focusing on small companies predominant in industrial nets.

Great companies, however, for their relevance within regional economy, must be placed on local industrial nets, trying to intensify efforts for technology base modernization and restructuring. Thus, the local industrial policy must be sustainable according to its needs, although many producers hesitate in assuming a regional identity as they have strong relationship with foreign multinational companies.

The regional economic future may be developed from current resources and capacitance within machinery, metallurgic, and plastic local industries, taking into account the furniture industry recovery with significant potential.

Programmatic Approaches to the ABC Region Economic Development:

Consolidation and democratization of already-existing institutional agreements: expansion and strengthening process of regional agencies; greater public involvement on work, and opinions from several groups with different interests within the region.

Local image and identity promotion: public relation investment in order to promote a local stronger identity for presenting ABC regional changes outside.

Reconstruction of industrial net exploring a combination of actions possibility. The first steps of such activity must be based on a small number of projects-models with tasks:

- Complete inventory of productive abilities, interconnections, know-how, current markets, etc, by net participants;
- Common objectives for the net as a whole, corresponding to both criteria: promoting behavior form based on reciprocity, cooperation and economic growth;
- Interaction among net participant members in order to facilitate common exploitation of resources;
- Company abilities for any shift modification in order to promote new companies.

Economic development tasks must include behavior options such as "free riders" (individuals who get advantages from something with no effort or investment), greater flexibility regarding a better relationship between work conception and execution with union participation.

Manpower training activities: give proper attention to training issues regarding the flexible economy in search for conception and execution integration at the work location.

Technological research and innovative services for industries: public incentive for applied research as in several virtuous industrial centers, and local technological research generation involving universities.

Other industry services: true services as softwares development, data analysis, marketing, export promotion, etc.

Firm financial support: the criteria to be adopted must be agglomeration economies in systemic level and list of private firms, and establishment of a bank or development fund for ABC community.

Land for industrial usage and urban planning: there are lots of old industrial land in ABC municipalities and the possibility for recycling such land in order to accommodate economic development.

Search for a metropolitan context: Economic modifications in the ABC region must happen in coordination with modifications in the remaining metropolitan area.

The above-mentioned aspects represent real options for facing financing and implementing problems. The ideal is establishing one or two pilot projects as a way to get political experience, aiming at shaping the ABC industrial system in order for it to develop towards a high salary and expert workers profile focusing on high quality products.

Consultant: Francisco Albuquerque

Scientific Investigation Council of Economy and Geography Institute in Madrid – Spain

February/2001

Report: The initiative of regional development in greater ABC, São Paulo (Brazil)

It analyses the ABC history focusing on features related to the industrial crisis, presenting relevant factors such as land cost, lack of land for industrial expansion, accessibility problems from traffic and road systems, road poor conditions, railway network and Santos port progressive deterioration, telecommunication understructure deficiency, high cost of manpower, and lack of housing in urban centers, among others.

It also focus in ABC losses regarding Brazil's industrial production due to industries moving to other regions, what has brought a lack of employment within bigger companies while micro and smaller companies have been generating jobs since the 90's. The consultant countersigns such information stating that there has been an increase in business and service activities, from 49% formal jobs in 1990 to 65%, in 1998.

Then, Francisco Albuquerque's analysis points out a regional development problem: micro and small companies are predominant in ABC, and, for their configuration, they do not have access to production support services. Furthermore, resources, which are firstly dedicated to science and technology project financing, do not promote an interface between such companies needs and the ones who have technological knowledge, what makes such science and technology projects have a lower impact on the introduction of innovations on such productive and business chain that nowadays represent 95% of total establishments within the region.

Another crisis aggravating factor within such region is the fact that Capuava's Petrochemical Complex has decreased its participation in the national petrochemical production. It has not strongly affected its billing due to its privileged location as the Brazilian southeast region is the main petrochemical consumer in the country; however, it represented a decrease in the number of direct and indirect jobs.

The diagnosis for the industrial crisis in the ABC region, according to Albuquerque's evaluation, has the following features:

- Crisis of an old industrial region that has lost its competitive advantages;
- Lack of flexibility within fordist production format;
- Low innovative capacity, hierarchic relationships imposed by the fordist model;
- Limited level of local research and development, with lots of foreign technology;
- Low tradition concerning business cooperation;
- Low level at educational establishments;

- Lack of abilities, management view, and entrepreneur spirit;
- Higher salaries compared to São Paulo's, and very low salaries on small companies.

Within such scenario, the consultant states that the regional development initiative of Greater ABC Council is positive, as it is a defensive answer from different stakeholders facing the challenge of regional restructuring and limitations or lack of State appropriate policies. Stakeholders mobilization through heavy institutional representation have generate institutional agreements that strengthen the commitment for coordinated actions and strategic regional view from main problems identification and analysis to a precise survey of solution possibilities and the elaboration of a Strategic Regional Planning, with structured axes on Education and Technology, Basin Areas Sustainability, Accessibility and Understructure, Diversification and Strengthening of Productive Chains, Urban Environment Quality, Regional Identity and Institutional Structures, and Social Inclusion.

Albuquerque understands such planning as an integrated proposal for social and economic restructuring, resulting from collective efforts on citizen participation in order to generate important local and social capital – one of the most important actions for regional development. He also focus on the maturity degree of social stakeholders in the region, who, searching for an agreement concerning regional development, have overcome political and ideological differences – greater companies and worker unions as well as governors from different municipalities have been present making efforts for territorial agreements.

The report focus on the relevance of the Greater ABC Intercity Covenant, Regional Council, Citizenship Forum, and the Economic Development Agency, recognizing their action legitimacy up to the moment as they are backed up by most significant stakeholders participation: city halls, entrepreneurs, businessmen, unions, civil society, and the Government of the State of São Paulo. He also makes the following recommendations:

- It's the Intercity Covenant duty to overcome differences and unilateral perspectives from different municipalities in favor of an integrated perspective in order to adopt resources for basic understructure, such as the environment;
- The Greater ABC Regional Council must valorize worker union and great company participation as a way to facilitate the construction of territorial nets for company under-contract;
- The focus based on productive chains and economic support strategies adopted by the Regional Council and the Economic Development Agency must go beyond traditional segment policies, privileging economic support for micro, small, and medium-sized companies through a selective and strategic segment policy based on strengthening and diversification of regional clusters. It is essential to have a Regional System of Business Information, with detailed knowledge on micro economy and territorial level regarding regional business and economic framework in order to promote new productive

activities or improve existing ones as well as guide territorial capacitance offer regarding existing human resources.

- The economic support policies regarding micro, small, and medium-sized companies must incorporate an appropriate territorial offer of services giving support to production. They must be financial as well as true and intangible, such as business information, technological innovation and diffusion, quality control and design, technology and business management capacitance, human resource formation, marketing, and exportation economic support, business cooperation impulse, etc.

- There is an urgent need for environmental and territorial planning that goes beyond understructure aspects, constituting an integrated set of programs and actions as to the construction of a high quality urban and territorial location. The environment must be incorporated as a development territorial asset, taking into account the reformulation of water supply projects as well as improvement and actions as to legal and standard procedures – such effort demands an inter-institutional coordination and integrated point of view among several municipalities, state and federal levels.

- The Greater ABC Economic Development Agency must incorporate activities that stimulate the articulation of several stakeholders for the construction of a product and strategic service market for business development and human resources qualification. The Agency's actions must analyze the construction of a Business Information System and stimulate the creation of Segment Technological Institutes that focus on main regional productive chains, as well as form a local development agent net with action coordinated with SEBRAE-SP available services, through Social and Economic Development Secretaries in municipalities and other economic support bodies for productive and business development in the region;

- The incubating company net, coming up in ABC municipalities, must incorporate a strategy and set priorities for the promotion of new technology-based companies according to Regional Strategic Planning criteria. In municipalities with most territory set as environmental protection area, such incubating companies may include a range on ventures related to environmental services and goods industry, several types of sustainable tourism, craft activities, restoration, local material usage for constructions, etc., as the local generation of jobs may constitute a relevant criteria.

BID (Inter-American Development Bank) indications:

- The strengthening of technical work in greater ABC's Economic Development Agency requires more than ordinary tools and methodologies; it requires the best international practices from an organization of such type.

- The Agency's technical team must be strengthened in order for it to intermediate small business segment and territorial offering of jobs as to business development and human resource qualification, for an efficient system within territorial competitive context.
- Such action could reproduce FOMIN's pilot projects in Ecuador (Cuenca and Ambato) and in Argentina (Rafaela), where a technical mission previously presented workshops with strategic participation of local stakeholders, who have made common commitments regarding territorial systemic competitiveness and outlined project priority lines.
- The need for incorporating a territorial focus on water supply projects, local government strengthening projects, and improvement of local management and science and technology support systems, assuring the interface among micro, small, and medium-sized companies and the technical knowledge offer.

V. Monitoring Proposal

CITY DEVELOPMENT STRATEGY

GREATER ABC – SÃO PAULO

EVALUATION AND MONITORING PROPOSAL

January 2001

1. CDS Context

1.1 Referential Landmark

"Cities Alliance", a partnership between the World Bank and Habitat UNCHS's system, elaborated in 1999 the so-called *City Development Strategy* (CDS), whose main objective is to elaborate community-based strategies for social-economical development for municipalities. The cities of Colombo (Sri Lanka), Johannesburg (South Africa) and greater ABC region (greater São Paulo) were the first ones to be chosen for the implementation of such proposal within a scenario where most technical cooperation and finance agencies recognize the new role cities had to play, from the 80's on, having greater interest on programs and projects in direct partnership with several local power institutions.

In its turn, an increasing number of cities have been acting for economic development modification on world society relationships, creating local alliances with private and public stakeholders who get together for the elaboration and implementation of strategies for improving social, economic, and environmental situation. After some time, such trend has been consolidated with concrete partnerships among cities and the international community.

1.2 General Characteristics

CDS's most important characteristic is being community-based for consolidation of first planning parameters – objectives, responsibilities, and financial resources – in each stakeholder's agenda (urban local agents). Such cooperation and search for consensus among stakeholders is stimulated for it to really make the strategy implementation possible in short and long-terms with a unique definition by local stakeholders.

For it is a fairly recent partnership and operation mode, there is no knowledge for a safe evaluation of limits and potentials, wrong and rights points of view concerning the implementation of such community-based approach by municipalities.

2. General Context

2.1 Global Impact over Local

During the last decades, we have seen the creation of new processes for social exclusion in central countries as well as a deepening of traditional processes in surrounding countries. Such scenario is linked to finance and culture globalization, productive restructuring, and a combination of such processes with generalization of conservative politics from an economic point of view in most countries around the world, including Latin America.

2.2 National Situation

In Brazil, the economic reasoning, observed in the last years, is extremely perverse, bringing social exclusion through a conservative speech on ideas regarding social, labor, civil, and political rights as development barriers, for example "Custo Brasil" ("Brazil Cost").

Such economic modifications have given city government the task of working on local economic development, improving its freedom and responsibility beyond its city territory. As an answer to the need

for supra-city actions in order to meet metropolitan and regional economy needs, debate and discussions have been generated.

2.3 Local Situation Aspects

Problems involving the economic modification in the ABC region, one of the biggest region in the country, have required the creation of regional management, above the city and below the state, in order to implement the greater ABC's economic and urban development plan. In 1990, the greater ABC Intercity Covenant was created by seven regional city halls; in 1994, it was the greater ABC Citizenship Forum, comprised of 108 civil society bodies, as well as the negotiation and articulation model for the Car Segment Council.

In 1997, the greater ABC Regional Council was founded with the objective of elaborating strategic guidelines for a regional sustainable development. Such guidelines were shared among regional decision makers: regional government, city government, political leaderships, companies, unions, and civil society bodies. Such different stakeholders, with their specific interests and points of view, get together to discuss, elaborate and implement actions from a cooperation standpoint.

The greater ABC Regional Council is a public and non-pertaining to the state democratic body, aiming at horizontal collective actions with flexible institutional arrangement in comparison with the strictness of most well known state bodies. Among agreements, there are economic activity development actions with direct or indirect impact on the population quality of life. The greater ABC Economic Development Agency is an outcome of such arrangement. Its main objective is to produce and make social-economic information known, driving regional marketing actions and coordinating technical-financing support actions to companies for regional sustainable economic development.

The concept of "governance" must be legally and formally consolidated as well as within the predominant political culture. It is the articulation among stakeholders aiming at transition and creation of a metropolitan "new centrality". Regional management does not exclude or replace the municipality, it does not even demand the creation of a federative body between state and municipality; on the other hand, it works towards strengthening local and municipal identities.

It's worth saying that regional management does not modify the municipality central role as to regional development. An important part of development projects presented here, even the ones of regional impact, is the municipality responsibility alone.

The wished for sustained economic development – that is dynamic, non-excluding, innovative, compatible with environmental respect – is the main focus of a strategy aiming at modifying ABC region scenario as a simple metropolitan periphery to a national reference in terms of human development in great urban centers.

3. CDS-ABC Characteristic

3.1 General Objective

Elaboration of an Action Plan for Regional Economic Development with Priority Projects;

3.2 Specific Objective

3.2.1 Research on service and informal sectors;

3.2.2 Elaboration of a Participative Diagnosis on strong and weak aspects of regional economy;

3.2.3 Elaboration of a Regional Economic Development Plan with Priority Projects;

3.2.4 Restitution of the Development Plan back to cities;

3.2.5 Elaboration of an evaluation and monitoring methodology.

3.3 Institutional Partners

The Cities Alliance project in the ABC region will be carried out by the Regional Development Agency, under the coordination of the Habitat local office – Rio de Janeiro.

The CDS's innovative characteristic has created a fairly immediate demand for accumulated experiences on community-based execution and elaboration of urban strategies. The technical support from the Urban Management Program (PGU) has been sought as it has been accumulating experience since the 90's on territorial development projects through a methodology called *urban consultation*.

The urban consultation strategy aims at strengthening contributions developing cities and countries must give for human development. It comprehends community-based governability, economic efficiency, social equity, poverty eradication, social inclusion promotion in different dimensions, and environmental improvement.

Such contribution consists of monitoring supervision with special attention to *evaluation and methodology issues*, for the positive and negative aspects of the process to be incorporated into a *CDS program enlargement* to new locations, according to financing bodies' proposal.

The ABC Citizenship and Government Institute, a local non-governmental organization, with prior experience on community-based process systematization, has been chosen to elaborate and execute the monitoring methodological proposal.

3.4 Urban Stakeholders Characterization

3.4.1 The work strategy of the Regional Development Agency, CDS-ABC's executive organ, is to harbor the several social forces within a regional context in a consensus and cooperation atmosphere, searching solutions for facing regional problems through conflicts and interest presentation (in-stable balance among stakeholders).

The complexity involving such concertation may be observed upon verification of the huge social net in synergy with the process, representing institutional plurality and decision-making environment. Such dynamics enlarges the power game so frequent in public environment, that is, relationships between local government vs. private stakeholders, formal segment vs. informal segment, service segment vs. production, local government vs. supra municipality, and capital vs. labor at last.

The Agency with dynamic and flexible arrangement has the following setting:

3.4.2 The seven associated municipalities, through Intercity Covenant of Alto Tamanduateí and Billings Basins, with a total of 490 votes.

3.4.3 Commercial Associations: Commercial and Industrial Association of Santo André; Commercial and Industrial Association of São Bernardo do Campo; Commercial and Industrial Association of São Caetano do Sul; Commercial and Industrial Association of Diadema; Comercial, Industrial and Agricultural Association of Mauá, Commercial and Industrial Association of Ribeirão Pires; Commercial and Industrial Association of Rio Grande da Serra, with a total of 102 votes (equally divided among them).

3.4.4 CIESP's: CIESP – Regional Board of Directors of Santo André, Mauá, and Ribeirão Pires; CIESP – Regional Board of Directors of São Bernardo do Campo; CIESP – City Board of Directors of São Caetano do Sul; and CIESP – Regional Board of Directors of Diadema, with a total of 102 votes (equally divided among them).

3.4.5 Unions: ABC Metal Worker Union; ABC Chemical Industry Labor Union; Bank Worker Union of Santo André; Seamstress, Tailor, and Textile Industry Worker Union of Santo André, São Bernardo do Campo, São Caetano do Sul, Diadema, Mauá, and Ribeirão Pires; Furniture and Civil Construction Industry Worker Union of São Bernardo do Campo, with a total of 102 votes (equally divided among them).

3.4.6 SEBRAE – SP – Support Service to Micro- and Small-Sized Enterprises of São Paulo, with a total of 102 votes.

3.4.7 Petrochemical Complex Companies: PQU – Petroquímica União S.A; OPP – Polietilenos S.A; SOLVAY do Brasil S.A; CABOT Brasil Indústria e Comércio Ltda; OXITENO S/A – Indústria e Comércio; CHEVRON do Brasil Ltda; UNIPAR – União de Indústrias Petroquímicas Ltda; e White Martins Gases Industriais S.A, with a total of 102 votes (equally divided among them).

VI. Monitoring

In case of social policy implemented by the public power, we have adopted a very satisfactory system – process operation and execution continuous monitoring, for recording failure and successful aspects as a final summary for a manual of learned lessons.

The above-mentioned evaluation must allow much clearer adjustments and shifts. From a more formal point of view, goals, deadlines and timetables can be more fairly met, as they usually do not mirror institutional reality. It's worth noting how valuable the opportunity for making observations as to the role of several stakeholders is within the process, and the possibility of incorporating human subjectivity components to the process analysis.

1. Monitoring Methodological Landmark

1.1 Emphasis on Subjective Dimensions of Stakeholders Relationship

Systematization of local experience, taking hold of the process *continuous monitoring*, tries to overcome a descriptive trend, making it possible to apprehend dimensions and particularities, not possible afterwards, contributing for lesson learning and strategy reproduction.

Feasibility studies regarding investment plans are frequently dedicated to external consultants, who, for usually having little reference on local social-economic particularities, ignore key historical components for the understanding of the process and reference terms elaboration as to the financed program. Thus, it is not possible to incorporate subjective and non-material dimensions to the analysis as well as interaction conflicts concerning the elaboration and implementation of policies, programs, and urban projects. The above-mentioned CDS-ABC deficiency may be overcome by *stimulating local stakeholders to actively participate* in several stages of development and implementation. It may also be an important factor for legitimating before the local society, favoring the Regional Development Plan, and bringing financial, technical, and political support from urban stakeholders – key point for feasibility and implementation of maintenance and investment plans.

1.2 Monitoring Outcomes

The establishment of variables must allow observation of a possible greater aggregated value concerning traditional programs and projects. It may be indicated if CDS-ABC has:

- a) met requirements of being an innovative process that is more efficient and relevant than the traditional approach. We intend to present clues for verifying if CDS-ABC represents *a new paradigm for the elaboration and implementation of programs and projects with cities*.
- b) brought about the articulation and negotiation experience among stakeholders through reconstitution of Regional Action's track, continuities and discontinuities and more relevant moments as a process, up to the CDS introduction (**TABLE 1**).
- c) stimulated the elaboration of a tangible and concrete product, for example, the Action Plan with Priority Investments, as well as a dynamic and endogenous process of *learning among stakeholders* and other institutions, bringing indirect long-term benefits for the CDS region (**TABLE 2**).

First, according to most traditional analysis approaches, we see CDS's own management ("the project") from the point of view of combined objectives, products, costs, responsible people, sequences, and deadlines (**TABELAS 3 e 3A**).

The most important monitoring tools were IB, Reference Terms regarding stakeholders involved with CDS implementation (Regional Development Agency, consultants and contractant institutions, HABITAT/RJ office, etc.), and interviews and material that were produced in meetings during the course of CDS activities. Such level has dealt with the **tangible or material dimension of the project**. A positive evaluation is essential and desirable; however, it is not conclusive enough to qualify the true CDS-ABC impact.

Second, it is necessary to verify **CDS result and process ideas as to local stakeholders agenda**. It demands such monitoring that considers the **elaboration process** of studies, diagnosis and Action Plan a conflict relationship among stakeholders, looks over participation, etc. and **CDS's relevance** from stakeholders' situational and subjective point of view. The monitoring activity must see if stakeholders have a positive opinion on previously established regional articulation by regional leaderships (that is, a set of strategic planning studies, consultancy, and processes that are also a base for CDS-ABC).

Finally, monitoring will point out if positive and negative aspects during CDS implementation have resulted in a learning process. Such second level of evaluation approaches **the intangible and non-material dimension** of the project. A positive evaluation represents clear evidence that the CDS process has started an endogenous learning trend among stakeholders, bringing true perspectives for the implementation of an Economic Action Plan, with positive impact over CDS region municipalities (**TABLE 4**).

Monitoring allows evaluation of urban strategy's key variables – efficacy and relevance – which area generally used for the understanding of material or tangible dimension regarding any implementation process of applied public policy; for example, analysis of delivery compliance concerning agreed products, due date and costs (**TABLE 2**).

However, previously mentioned concerns regarding the complexity of plural and community-based Regional Action, as the one that characterized CDS-ABC, justifies the special attention paid to the incorporation of *subjective dimension* within the process, and points out *tensions and conflicts among main local stakeholders*, who are responsible for the elaboration and implementation of the Action Plan.

TABLE 1 – General Monitoring Activities

Monitoring Stages	Variables	Tools
Monitoring methodology establishment		IB and reference term
Continuous follow-up regarding informal and service sectors research	Relationship among research coordination, executive organ and other stakeholders, agreement accomplishment	IB and reference term and observation
Continuous follow-up regarding executive organ with stakeholders and other bodies	Communication, facilitator, and process leadership	Observation and stakeholders perception
Follow-up and systematization of diagnosis regarding strong and weak aspects of regional economy	Relationship among other stakeholders, agreement accomplishment	IB and reference term + observation, stakeholders perception
Documentation and systematization of	Agreement accomplishment	IB and reference term, obser-

negotiating stage of Action Plan with priority projects and Capitalization/Restitution to Cities		vation and process record, stakeholders perception
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TABLE 2 – Diagnosis and Action Plan with Priority Projects: External Consultant

Material Dimension Variables	Source	Tools
Formulation quality	Action Plan	observation
Project profile	Action Plan	observation
Priority justification	Action Plan	community-based observation
Segment demand already observed	Different stakeholders perception	interview
Proposal coherence	Workshop and city restitution	observation and interviews with stakeholders
Relationship with local stakeholders	Research coordination and executive organ perception	Interview with stakeholders
Relationship with executive organ (formalization degree)	Research coordination and executive organ perception	Interview with stakeholders
Relationship with local stakeholders (formalization degree)	Research coordination and executive organ perception	Interview with stakeholders
Concept difficulties	Research coordination and executive organ perception	Interview with stakeholders
Operationalization difficulties	Research coordination and executive organ perception	Interview with stakeholders
Initial timetable observance	Reference term and deadline follow-up	Reference term and observation
If financial resources were enough	Research coordination and executive organ perception	Interview with stakeholders
Strategy consensus degree	Stakeholders perception	Interview with stakeholders and observation
Impact on cultural capital	Media, academic research, publications	Data collection during monitoring
If there was technical capacity strengthening	Research coordination perception	Interview
If institutional image was advertised	Media, Stakeholders perception	Data collection during monitoring and interview with stakeholders
New learning consolidation	Stakeholders perception	Interview with stakeholders or questionnaire
Is there was transformation of institutional and interpersonal relationships	Stakeholders perception	Interview with stakeholders or questionnaire
If there were results not previously forecasted	Stakeholders perception	Interview with stakeholders or questionnaire
If there was appropriation of new technologies	Stakeholders perception and observation	Interview with stakeholders or questionnaire and observation during monitoring
Quality of formulation / final product	Stakeholders perception and observation	Interview with stakeholders or questionnaire and observation

TABLE 3 – Service Segment Research.

Monitoring Variables	Source	Tools
Relationship with executive organ (formalization degree)	Research coordination and executive organ perception	Interview with stakeholders
Relationship with local stakeholders (formalization degree)	Research coordination and executive organ perception	Interview with stakeholders
Concept difficulties	Research coordination and executive organ perception	Interview with stakeholders
Operationalization difficulties	Research coordination and executive organ perception	Interview with stakeholders
Initial timetable observance	Reference term and deadline follow-up	Reference term and observation
If financial resources were enough	Research coordination and executive organ perception	Interview with stakeholders
Strategy consensus degree	Stakeholders perception	Interview with stakeholders and observation
Impact on cultural capital	Media, academic research, publications	Data collection during monitoring
If there was technical capacity strengthening	Research coordination perception	Interview
If institutional image was advertised	Media, Stakeholders perception	Data collection during monitoring and interview with stakeholders
New learning consolidation	Stakeholders perception	Interview with stakeholders or questionnaire
Is there was transformation of institutional and interpersonal relationships	Stakeholders perception	Interview with stakeholders or questionnaire
If there were results not previously forecasted	Stakeholders perception	Interview with stakeholders or questionnaire
If there was appropriation of new technologies	Stakeholders perception and observation	Interview with stakeholders or questionnaire and observation during monitoring
Quality of formulation / final product	Stakeholders perception and observation	Interview with stakeholders or questionnaire and observation

TABLE 3A – Informal Segment Research

Monitoring Variables	Source	Tools
Relationship with executive organ (formalization degree)	Research coordination and executive organ perception	Interview with stakeholders
Relationship with local stakeholders (formalization degree)	Research coordination and executive organ perception	Interview with stakeholders
Concept difficulties	Research coordination and executive organ perception	Interview with stakeholders
Operationalization difficulties	Research coordination and executive organ perception	Interview with stakeholders
Initial timetable observance	Reference term and deadline follow-up	Reference term and observation
If financial resources were enough	Research coordination and executive organ perception	Interview with stakeholders
Strategy consensus degree	Stakeholders perception	Interview with stakeholders and observation
Impact on cultural capital	Media, academic research, publications	Data collection during monitoring
If there was technical capacity strengthening	Research coordination perception	Interview
If institutional image was advertised	Media, Stakeholders perception	Data collection during monitoring and interview with stakeholders
New learning consolidation	Stakeholders perception	Interview with stakeholders or questionnaire
Is there was transformation of institutional and interpersonal relationships	Stakeholders perception	Interview with stakeholders or questionnaire
If there were results not previously forecasted	Stakeholders perception	Interview with stakeholders or questionnaire
If there was appropriation of new technologies	Stakeholders perception and observation	Interview with stakeholders or questionnaire and monitoring observation
Quality of formulation / final product	Stakeholders perception and observation	Interview with stakeholders or questionnaire and observation

TABLE 4 – Look over CDS-ABC elaboration of a community-based process in relation to the ones involved

Monitoring Variables	Source	Tools
Relationship among stakeholders	Stakeholders mutual perception	Interviews and community-based observation
Participation degree	Workshops, collective meetings and city reconstitution	Participative observation
Process tension degree	Workshops, collective meetings	Participative observation and interview
Process synergy degree	Workshops, collective meetings	Participative observation and interview
Participation profile (active, passive or neutral)	Workshops, collective meetings	Participative observation
Stakeholders representativity	Stakeholders mutual perception	Interviews and community-based observation
New learning consolidation	Stakeholders perception	Interview with stakeholders or questionnaire
Transformation of institutional and inter-personal relationships	Stakeholders perception	Interview with stakeholders or questionnaire
Commitment degree of stakeholders as to the Action Plan and investment	Stakeholders perception	Interview with stakeholders or questionnaire