

**DECENTRALIZATION OF SOCIAL POLICIES, STATE AND CIVIL SOCIETY
RELATIONSHIPS IN BRAZIL: TOWARDS SYNERGY?**

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Abstract

This article seeks to examine certain forms of decentralization of social policies that took place in Brazil and their impacts on relationships between the state and civil society organizations. Here we assess the extent to which the concepts of synergy, that is *complementarity* and *embeddedness*, are related to degrees of centralization/decentralization. Synergy is defined by Evans (1997) as a win-win relationship, which can be achieved by *complementarity* and *embededness*. We are considering synergic relationships as forms of persuasive relationships that will produce mutual positive impacts in both the government and civil society.

The decentralization of public administration in Brazil gave more autonomy to local governments, thus facilitating the development of relationships with civil society organizations. However, when decentralization transfers only tasks and responsibilities and not power to local levels of government, it is more difficult to produce synergic relations. The development of synergic relations may also be at risk due to the increasing power of local elites, which tends to exclude civil society from the process. Other problems related to decentralization at the level of local government are the creation of regional inequalities and horizontal competition within governments.

The basis for establishing a relationship between decentralization and synergy is complex. Various factors may explain their good results in decentralization programs, the level of social capital in society is important, but there are others: leadership, cultural differences, political context, level of economic development, degree of inequality, organizational capacity and mechanisms of coordination between local and central governments.

1. Introduction

Welfare provision in Brazil started to be designed in the authoritarian 'Vargas Era' (1930-45) and was completed during the military regime (1964-84). It was based on a centralized model, marked by the industrialization process and external influences. It appeared with autarchic dimensions, playing a significant role in the regulation process, especially between the new industrialised labour class and the state bureaucracy. This system reflected the aspirations of conservative segments of society, and tried to control labour movement. As the goal was to control the new labour mass, the spread of Brazilian welfare was limited, creating social exclusion.

The following period, the military regime, consolidated the Brazilian welfare system with deep changes in the institutional structure and social policy financing. This period was characterized by relatively universal (assistentialist, compensatory and productive) programs and repressive policies based on the assumption that economic concentration is a condition for growth.

But universalistic programs are yet to assume a redistributive role. The state wasn't able to use the resources impersonally and equitably. This led to inefficiency of the system, replication of functions and goals, high costs, lack of evaluation and instability.

After 1988 a reformist strategy was adopted, based on decentralization, inter-sectorial articulation, participation and a focus on continuity. This reformist strategy represents a deconstruction of the previous model of development which, although imperfect, created a basic system of welfare provision. This new model may not represent an effective tool to deal with the question of poverty due to problems such as a lack of local government capacity, both administrative and economic, to provide welfare services.

It was mainly the fiscal crisis and the democratisation process which conditioned decentralization in Brazil. State-society collaboration has gained space in different action areas. The first is normative, motivated by different aspects of public sector reform and efficiency and the second is political and has been influenced by the creation of public spaces, where governmental and societal actors engage in various forms of participation.

There is an assumption that closer connections between government and society in policy making and implementation result in more participation, improvement of democratic practices, transparency and accountability to produce better results from the policies implemented. Evidence shows that these benefits can only be created when certain conditions are present (see for example Tandler, 1997 and Ostrom, 1996 studies).

These conditions are related to how the dynamics between state and society are developed. Understanding these relationships help us to better clarify actor's roles and to improve the design and implementation of policies, not only between government and civil society, but also at the inter-governmental levels.

Decentralization is central to the changes facing Brazil's public administration. Its impacts, problems and dilemmas are most noticeable, yet not exclusively, in social policies and programmes, producing direct impacts on the state structures and the pattern of relationships within government and between government and civil society organizations. It brings the state closer to society, fostering the development of new relationships. This article seeks to examine how the decentralization of social policies impacts inter-governmental processes and the relationships between state and civil society.

2. Synergy, complementarity, embeddedness and the public-private 'divide'

Public policy decentralization and State reform in developing countries has been motivated by several factors. These include pressures to; increase public administration efficiency, produce broader and more effective impacts of social policies for the reduction of the poverty and inequalities, and to foster community participation. These principals are on the agenda of international development agencies and the object of diverse studies.

These studies have examined many issues: the process of change and its impacts, democracy, democratization and participation, politics and economy, political institutions and public spaces, globalization and regional integration. Other authors focused on understanding the forms of interaction between State and society and its impact on public policies.

Among them, Peter Evans (1997) has developed the concept of synergy to describe the positive engagement between state and society in his study about how these interactions help to promote economic development. He identifies the protagonist state in these relationships and suggests that to promote development, it is necessary to 'bring the state back in'.

Evans identifies this engagement in two different ways:

- Complementarity: mutually supportive relations, suggesting a clear division of labor, based on the contrasting properties of public and private institutions. It fits with paradigms of institutional economics and public administration.
- Embeddedness: connections between citizens and public officials across the public private divide. In his definition of embeddedness, the concept of social capital is expanded to include not only relations of trust in the civil society, but also across public private boundaries.

For Evans, both complementarity and embeddedness are required to produce synergy. "Even the most obvious division of labour must be sustained by shared orientations and concrete interactions among the actors involved". He then comes to a definition of what can be understood as synergy:

Synergy and a win-win relation are achieved by complementarity and embeddedness. The former creates a basis for productive interaction, and the former latter increases the chances of mutual gains. (Evans, 1997, pp 1124)

A virtuous cycle is created through the mutual collaboration and gains in which civil society nurtures good government and good government in turn fosters civic engagement. (Harris, 2001)

How is synergy formed, and what factors influence it? Social capital is an important ingredient providing an initial framework of trust and ties. But a wide socio-political context and its many interactions will strongly influence the synergy. The dynamics generated between state and society in different levels will also produce new organizational forms and relationships

Evans (1997) debates that social capital inheres not just in civil society, but in an enduring set of relationships that spans the public-private divide. He shows that the capacity and commitment of public institutions are important factors in promoting synergy, arguing that governments have a great scope of influence in acting as counter-parts in the creation of efficient public organizations, pushing the limits of synergy into the government, instead of society.

The establishment of synergic relationships will be dependent on the degree of embeddedness of public officials in the social networks, crossing the public-private divide. Ostrom (1996) argues that the division of society in segments such as government, civil society and market is useful as an analytical tool, but it is an artificial separation.

She talks about *coproduction* as ‘*the process to which inputs used to produce a good or service are contributed by individuals who are not in the same organization*’. This definition incorporates the citizens as active agents in producing public goods. For her, *synergy* cannot be achieved if public officials and citizens continue to see a great divide between them.

Write and Robinson (1998) also find that the concept of synergy can incorporate such ideological divide. First, it forces the defence of the zero-sum approach and might put back tensions and hostilities, which have characterized the relationship between government and civil society organizations.

However, they recognize that Evans’ concept of synergy goes beyond, when it includes *embeddedness* considering it an ‘*interconnection and intermingling among public and private actors (which) is combined with a well defined complementary division of labour between the bureaucracy and local citizens (...)*’. (Idem, pp 96)

The concepts of synergy and *complementarity* imply some degree of inter-institutional collaboration between public and civic organizations to achieve some common set of social objectives, but it can also be seen as a political process, which does not imply institutional collaboration.

In these cases, synergy happens when civic organizations exert influence to stimulate government provision of social services or to improve accountability. Thus, synergy is dependent not only on institutional factors, but also political factors. This is an important point to highlight, since synergetic relationships are expected to produce

benefits for both parts, and these might not be reached by harmonious means alone, a certain degree of conflict and argument will be inevitable.

Furthermore, it is necessary to consider specific dynamics in each level of government to determine and evaluate the results of policies. Harris (2001) debates that conditions to promote synergy are linked to people's perceptions in identifying and solving problems and the capacity for collective action. These are political processes '*influenced by the nature of underlying social conflicts and the nature and extent of inequality*'. (Harris, 2001: 74)

In this point Migdal (1997) has showed other speculations about the limits of the state and its constant transformation through embedded dynamics with social groups. Formulation and implementation of public policies are in great degree result of these dynamics. These relationships are dependent on complex interactions between different levels of government and the pressure suffered by each of them.

Migdal's explanations allow us in some extent to confront Evans' speculations when he argues that social forces shape the state as much as they are shaped by it. Explanations constructed by both frameworks can help us analyse the dynamics between state and society in Brazil.

3. Decentralization and Synergy

The range of literature on decentralization and institutional collaboration is wide. Various studies have addressed the impacts of decentralization on the delivery of social services (education, health, rural development) and, the co-relationship between decentralization and participation and its economic impacts.

Guimarães (2002) reviews different dimensions involving concepts, typologies and theoretical approaches found in the decentralization literature, especially on the Brazilian literature. The variety of frameworks used and the lack of agreement among them about the processes that influence decentralization end up pointing to the need to continue research on the topic, seeking to integrate different analysis in order to better understand the political, social and institutional processes involved and to improve management practices.

In general terms it is possible to identify two different forms of decentralization in Brazil. The first one impacts different levels of government. We may find it especially in basic social services in education and health that have been transferred to State and Municipal governments. The other form of decentralization occurs through privatization and other mechanisms, where the responsibility for service provision and decisions about resource allocations are transferred to the private sector or to civil society.

So far diverse institutional arrangements and cooperation mechanisms have been created, such as cooperative programmes, specialized funds, regulation agencies and, among other forms of representation, sectoral councils at state and municipal levels. They have helped in the definition of public policies, in resource allocation and in the implementation of programmes and projects. However, this is a complex and uneasy

interaction, especially when it involves organizations from different sectors, and when they do not have a previous history of cooperation, demanding learning and building of new capacities.

Decentralization, and its effects on government and society dynamics in Brazil, can be found in diverse arenas, especially social policy delivery. Interdependence among sectors and actors represent an important incentive to study different forms of relationships between state and society. Practice demonstrates, through several studies, that good and sustainable results are difficult to be achieved without considering the state/society relationships in their specific form and context.

There are some assumptions linked with the concept of decentralization programmes. These are linked with the empowerment of national units of government, which are supposedly capable of being more responsive. Local governments are closer to citizens; this can facilitate society's involvement and produce a number of positive impacts:

1. Increase state accountability and equity in the allocation of resources, making state spending more cost effective;
2. Increase the flexibility and innovation process, due to greater contact and exchange of information;
3. Promote the development of administrative and organizational capabilities among local government and civil society organizations.

At the same time, the expected outcomes of decentralization seem to be a condition for the establishment of synergic relations.

However, without building adequate institutional/organizational structures, the decentralization process can run the risk of reproducing problems at lower levels of the system that are less prepared to cope with them; increase inequalities in the allocation of resources; and give more power to local leaders that are not committed to participation.

The socio-economic and political environment will shape the substance of policies and the patterns of inter-organizational relationships between state and society. Under decentralized forms, the policy process involves a large number of organizations at different levels, performing complementary, and sometimes conflicting, actions. When this occurs the systems tend to be less homogeneous, roles of state and civil society organizations become less clearly defined. Collaboration between them involves a range of contingent elements, structural difficulties and contradictions making interaction and coordination mechanisms more complex. (Cheema and Rondinelli, 1983)

During the process of the state reform towards decentralization new skills and roles are demanded by public organizations and adjusting bureaucratic structures to fulfil these requirements is never an easy task. Many of the problems of redesign and change in organizational structures are related to issues such as lack of staff capacity and cultural barriers to change. That is, issues concerning authority and power and political interference in the process, these tend to result in problems of difficult access to information and legitimacy.

Potential and problems to ensure forms of inter-institutional collaboration are influenced by the creation of mutually reinforcing relationships between governments and local citizens in the form of 'synergy'. (Write, 1998)

State and civil society synergy can be a catalyst for development; however, they operate in different ways and are influenced by different political forces, values and interests. (Evans, 1997).

Great difficulties have been encountered in bringing together civil society and governmental organizations at different levels. On the one hand, local government structures have long experienced great dependency on central government; while on the other, civil society has had a past of conflicting relations with the state, which in many cases has underpinned their organizational evolution.

As Teixeira et al (2000) point out in their study about Brazil's civil society: the country has experienced various *'stages and initiatives of social participation in public management and contributed significantly to strengthen the idea that it was possible to democratise relations between State and civil society, expanding the spectrum of actors who decide over collective questions, thus making public actions more transparent and more easily controlled by citizens. They were the source of inspiration for the multiple experiences that took place in the country throughout the 90's, unveiling new potential for the building of democracy and, at the same time, showing the degree of complexity involved in the creation and operation of institutional channels of social participation in public management.'*

4. Levels of Decentralization of State/society relationships

Although the three government levels in Brazil (federal, state, municipal) enjoy great autonomy, their institutionalisation is determined by the federal government.

It is important to keep in mind that decentralization affects state/society relationships at different levels. It also affects relations with civil society indirectly through changes in intra-governmental patterns.

Decentralization in Brazil gives important responsibilities to the municipalities. Sectorial policies at federal level have been decentralized towards states and municipalities. This generates new possibilities for the consolidation of democracy and society's participation in, and control over, public actions.

Here we examine examples from two social areas, health and education, to show, in general terms, the nature of decentralization reforms and the opportunities they create for cooperation between government and society.

Education reform

Educational reform in Brazil has been carried out since the 1990's and is a clear example of the fragile institutional capacity to intermediate the relationships between varying levels of government.

In Brazil, the education system is divided into three levels: Primary secondary and higher education. In all of them the central government plays an important role in terms of defining contents and other regulations. In some cases, central government is still responsible for delivering education services, especially higher education.

With regard to basic education central government is in charge of legislating on educational guidelines nationally, coordinating and developing national education plans and, providing technical and financial assistance to the States, the Federal District and the Municipalities for the development of their educational systems, prioritising compulsory schooling.

Intermediate government bodies (states) are responsible in their own sphere of action, to legislate concurrently and complementarily on matters related to their own educational systems, provided that the federal legislation is respected. At the provisional level, state schools deliver mainly secondary education. Local governments (municipalities) are ultimately the main providers of primary education, especially in rural areas.

Output is ultimately produced in schools where there are many points of contacts. That is, with teachers, students, parents, community and different levels of government (depending on the school).

Before the decentralization process in Brazil many functions like planning, allocation of resources and maintenance, were concentrated in central bureaucracies. Now these functions have been transferred directly to schools and new institutions were created or encouraged to play a more active role in improving the quality of education.

The central government's education authority, the Ministry of Education, has had little involvement in programme execution and has instead assumed the role of coordinating national policy and some tailor-made programs focused on minimizing regional inequalities.

One can point to the Municipal Council of Education and the school boards as important channels for participation. Schools are also encouraged to produce and implement improvement plans, usually using community participation.

The degree to which functions are decentralized and improved, vary according to the state and the level of commitment of central and local government to goals of decentralization and school capacity building.

Functions like teacher's recruitment, personnel and non-personnel budget allocation and school performance evaluation are still concentrated at federal or state level. The financing of basic education still continues to be heavily dependent on the federal government.

However, there is considerable room for school and community engagement in the definition of teaching methods and textbooks, school management and extra curricular activities.

The state of Minas Gerais can be used as an example of decentralization that achieved high levels of participation at schools. An innovation in this state was the introduction of elections for school principal, involving school boards (members of the community, parents and students) and teachers. School boards and teachers also have strong involvement in the definition of teaching methods and textbooks and the implementation of school plans.

In this sense, one can say that the decentralization of basic education in Brazil is partial, having many specific functions still centralized (budget allocation, recruitment and school evaluation) and others decentralized (school management, implementation of specific complementary programs, like Bolsa Escola and fast track classes).

The kind of decisions made at the school level can substantially improve the quality of education, since the definition of content and school management affect outcomes (completion rates and repetition). It can make school more attractive to students by adjusting the curriculum to local needs and using more motivating teaching methods, and changing their perception about the importance of education and child support in school by involving parents and families in the school activities and management.

The reform itself has been characterized by a greater transfer of responsibilities, in particular that of primary education, to intermediaries and local government structures (states and municipalities).

However, at the same time, this policy has been subordinating states and municipalities to central government decisions without much societal participation, making the co-ordination of education policies more difficult.

Healthcare reform and the creation of the Single Health System (SUS)

Healthcare reform policies are embedded in a broader discussion of sanitary reform and the creation of **SUS – Single Health System**. The SUS is based on principles of universalism and equity and on the assumptions of complementarity of actions among different governmental levels, and in more specific cases with civil society organizations (Guimarães, 1999).

The political environment created after the democratisation process has supported a fertile environment for the emergence of several organized groups, such as popular grassroots movements, popular education movements, intellectual movements and NGOs, and indeed a new category in the Brazilian society; think-tanks. That is, entities dedicated to analysing and influencing public policies. The IBASE – Brazilian Institute of Social and Economics Analysis – created in 1981, was one of the pioneers in this area.

As Brazil had just emerged from dictatorship, it was possible to see a clear dichotomy between society and state. Many organized groups in society appeared with a clear *anti-governmental* discourse. Later they turned into *non-governmental* organizations, and began working together with the government in many partnerships and alliances.

Thus, the birth of society/government engagement in the health sector in Brazil was one based on confrontation. The debate around the creation of SUS was focused on the guarantee of rights such as free and universal access to health services. It took until 1988, occasion of the creation of the text of the new Brazilian Constitution, to include the assertion that “health is a universal right and an obligation of the State”.

This movement for health reform had its roots inside the government, where many intellectuals and activists were working. They started to systematically criticize government attitudes towards health provision and propose alternatives for its restructuring. As democracy expanded, other actors joined them (trade unions, popular movements). The first parliamentary elections, in 1988, also produced victories for the health movement, with the election of many opposition politicians.

As Cohn (quoted in Guimarães, 1999) points out, the discussion on health reform and the creation of SUS was a political and social process supported by articulated interventions with the final objective being the development of new proposals for health service provision.

Legal mechanisms were developed to guide the actions of all institutions involved (governmental health authorities located at all levels). These mechanisms are referred to as the NOB- *Normas Operacionais Básicas* (Basic Operation Norms), and attempt to better define the role of each level of government in the system, establishing criteria and resource transfer mechanisms from central government to states and municipalities. The drawing up of these norms was marked by intense debate and negotiation, incorporating state and municipal managers as active actors in the definition of health policies. Thus, it shows improvements in the creation of inter-governmental institutional mechanisms

One specific example of synergy and complementarity inside the health system is the AIDS programme, which achieved relative success and high degrees of government-society interaction. The actions and pressures for the creation of the National Programme on STD/AIDS (created in 1987) occurred due to the strong influence of organized social movements.

The mobilization of HIV/AIDS activists, with the support of many intellectuals, artists and the gay movement, occurred in parallel with the health reform. It ended up being a radical configuration of the SUS, incorporating its principles and assumptions (universalism, integration, decentralisation and social control) faster and in a more effective way than the rest of the system.

The DST Coordination (a specific programme inside the Ministry of Health) and its partnership with community based organizations and NGOs is an example of *complementarity*. Government focuses its actions on treatment, while civil society organizations carry out disease prevention campaigns, human rights promotion, advocacy and SUS social control. More recently the Ministry of Health has also promised more civil society involvement in the planning, monitoring and evaluation of HIV/AIDS Programmes. The increase in complementary activities will make organizations more interdependent and can help to foster more synergic relationships.

Decentralization and spaces of interaction at local level

At local levels a considerably larger number of civil society organizations have effect government decisions. However, these kinds of relationships seem to be more a product of the degree of democratisation and more the professionalization of civil society organizations than decentralization (especially NGOs, professional associations, labour unions and social movements).

Some programmes have been specifically designed by central government to improve local government capacity, such as the fiscal adjustment programme; the '*Lei de Responsabilidade Fiscal*', a law that regulates municipal spending and a program to improve the taxation system and municipal revenues with the introduction of information technology facilities to monitor this work.

However, the quality of change in municipal administration and its impacts on society will depend on a set of variables, one of which is civil society's engagement in the planning and delivery of social programmes to increase accountability and the quality of services.

It seems that the development of state capacity, especially at local level, is strongly linked to civil society development. It has been said that '*the better state agencies function the better the local association is likely to function and vice versa.*' (Harriss, 2001, pp 64). Synergy is thus a multidimensional process, involving intra-government interactions and between different levels of government and civil society.

Central government has created formal instruments to promote this link between local government and civil society, the '*Conselhos Municipais*' (municipal councils). Municipal councils are spaces for consultation at the municipal level, which must involve balanced representation of community and public administration. The councils are formed according to sectors (housing, education, health, children and young people) and, with few variations, their role is to ensure the enforcement of legislation and verify the allocation of resources and government expenditure.

Although the councils have not existed for long (less than ten years), an analysis of the literature based on a comparative perspectives shows that, despite the councils being an important victory in the struggle for democratisation, it has been very difficult to change the centralism and the lead position of the state when defining policies and social priorities in the councils. (Tatagiba, 2000)

Some states and municipalities have gone further on the concept of participation in public administration by introducing participatory mechanisms for the definition of government spending, that is, the participatory budget.

The participatory budget was introduced by the Worker's Party administration in the city of Porto Alegre in Southern Brazil in 1989. Other municipalities, in small, medium and large towns, such as Belo Horizonte, then adopted it. (Avritzer, 2000)

The process consisted of holding several regional and thematic assemblies involving community based organizations (usually neighbourhood associations), labour unions and other members of the community, and local government officials to define the priorities of the budget.

The participatory budget built a different form of participatory consultation and deliberation between civil society and local state administration. (Avritzer, 2000). The consultative character of this sort of initiative depends on each case and in general it is defined in decrees or acts. Some experiences have demonstrated that they can, in fact, be decision-making forums, even if not formally regarded as such¹.

5. Comparing the Sectors

The following table shows some assumptions about decentralization and how they are observed in both sectors:

<i>Assumptions about Decentralization</i>	Education	Health
Accountability and transparency	More information	More Information
Equity in the Allocation of Resources	No	? There are some disagreements
Flexibility and Innovation	Yes	Yes
Development of Administrative and Organizational Capabilities	Depends on: the capacity for adjustment of bureaucratic structures, cultural barriers, authority, power and political interference, generation of formal/non-formal communication and learning	

Two different dynamics of decentralization show us how complex these processes are and that it is not enough to simply follow a set of policies to obtain certain results. The decentralization of social policies in Brazil ended up being a heterogeneous and fragmented process.

In some way it is true that decentralization can contribute to the consolidation of democracy. However, in Brazil, democracy came before decentralization and contributed for a whole debate on the subject, followed by public sector reforms. This role was played by the National Congress Arena, when discussing the new Brazilian Constitution, in 1998. At this moment we see strong synergy among different political forces and social movements.

This is particularly true and visible in the Health Care Reform, where groups of activist health professionals, embedded in the government staff together with other groups, became decisive in the outcomes of the reform. Thus, the very beginning of the process involved a plurality of actors, different from the education reform, which still remains quite centralized in the Ministry of Education, transferring responsibilities to state and municipal instances without much autonomy or participation.

In terms of participation, transparency and accountability there is in fact more information available, most criteria for resource allocation and transfer between different government instances for both sectors are well known. Sector councils at

¹ Observation from a personal interview with Armando Simoes, who has been working as municipal secretary of Education and applied Participatory Budget in Angra dos Reis, Rio de Janeiro

local level are the instances responsible for monitoring it. The problem remains with society's capacity to participate effectively in these spaces.

With relation to the flexibility, innovation and development of organizational capabilities, we find that political interference is a key factor in promoting or creating barriers for their improvement, especially in the education sector. School autonomy and management are key factors for the success of these measures and central to the improvement of the quality of education, currently the sector's *Achilles Heel*.

In the health sector the problem lies with the excessive bureaucratization promoted by the *NOBs*. On the one hand it helps to better designate functions and responsibilities, and on the other, it makes further advances and improvements through innovation more difficult. Precarious inter-governmental relations also make it difficult for states to monitor local institutions and help them fulfil their vital functions.

6. Conclusions

The main difficulties generated by the decentralization process are, at the intra-governmental level, the overcoming of inequalities in resource distribution and the generation of non-formal communication and learning. While located in the intra-governmental sphere, regional and economic inequalities and communication problems within the government have implications and represent barriers to the synergy process, since government capacity is linked to civil society capacity and vice versa, as mentioned before.

Resource allocation for federal programmes is usually defined using criteria such as population size or tax revenue rates, which in most cases benefit states and municipalities that are more developed. The inequalities created by this system are a barrier to institutional development and local capacity building.

Decentralization in Brazil increases the autonomy of regional offices, but the central government still holds political authority. It happened to be a principal characteristic of education and health reform (in the case of health reform relying on a better degree of inter-governmental participation, but still strictly regulated by the Ministry of Health through the *NOBs*).

The mechanisms created by central government have not been able, by themselves, to generate conditions for synergy. It should be noted that there is an evident imbalance between the advancement of democratising experiences at the level of local government (municipalities and states) and the opportunities for participation by communities in debates and decisions that concern the federal government. (Teixeira et al, 2000)

Unless the organizations form networks and solid advocacy groups policies developed by central government are less likely to be influenced by societal pressures. These organizations usually encompass the biggest national and international NGOs and are the locus of debate on several issues with the potential to improve their members' persuasive power.

The achievement of synergy in state/society relationships in Brazil depends on the creation of technical, managerial and strategic competences, the creation of new instruments of participation, as well as the improvement of existing ones, such as *Conselhos municipais* and participatory budgeting.

In general we find that when the states and municipalities demonstrate a certain level of administrative and organizational capacity, it is more likely that they will promote innovation and collaboration with civil society, pathways for the creation of synergy. However, the creation of instruments and, administrative structures and mechanisms for this, are dependent on political will.

Synergy will also demand greater coordination between central and local government activities, sometimes increasing the degree of centralization in order to foster the development of local government and civil society interactions, as showed in Tandler's study.

The creation of synergy at a local level is more dependent on the level of *embeddedness* since it is highly dependent on the individual agency or leader's ability to do so. The success of a programme or project's funding and outside donor interference also influences the building of synergic relations.

It is perhaps at local levels of government in particular, that the cultural barriers present the biggest obstacle to synergy. It is difficult for government officials and professionals to take the initiative to build collaborative relationships, or any kind of relationships at all, because they have little or no incentive to do so.

In some areas of Brazil, the existence of patrimonial and clientelistic states make local municipalities appear to be major structures, responsible for providing services and their leaders are expected to make the decisions. However, at a local level, especially in small municipalities, civil society is usually weak and its organizations are barely formalized. It is therefore difficult to initiate actions that may lead to synergy.

When problems related to incentives and motivation to collaborate are overwhelming, there is still the organizational problems of difficult coordination and diverging organizational cultures.

Organizational capacities can only be built if people are prepared to take this on board. Thus, another important challenge to promote synergy is staff training and the creation of reward systems. Public servants and civil society leaders, through their social networks, have to cross the public/private divide. (Harris, 2001)

Finally, civil society organizations that establish relations with government, especially contractual relationships or partnerships involving funds, run the risk of co-optation, financial dependence and the loss of legitimacy. Although some of these relationships might look harmonious, synergy is unlikely to occur under these circumstances.

Synergy can help to optimise resources, produce more positive results in social programmes and promote learning and incentives for the development of democracy. If decentralization transfers only tasks and responsibilities and not power to local levels of government, it will be more difficult to produce synergic relations.

Some time after the first experiences in decentralization the limits between centralization and decentralization began to be discussed. As development is not a linear process, countries must be prepared to move in both directions, centralizing certain functions and decentralizing others.

The fact that in the Brazilian context decentralization has had an effect on state-society relationships does not mean they are synergic. Perhaps at a federal level, where the number and spaces for interaction are fewer, we may see more synergy occurring due to the fact that the types of organizations that interact with government at this level (better structured) are able to mobilize more and better quality sources of social capital.

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