

**PRIVILEGED INTERESTS: CLASS-BASED VARIATION IN GOVERNMENT  
RESPONSIVENESS IN BRAZILIAN STATES**

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A dissertation submitted to the faculty of the University of North Carolina at Chapel Hill in partial fulfillment of the requirements for the degree of Doctor of Philosophy in the Department of Political Science in the College of Arts and Science.

Chapel Hill  
2022

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## ABSTRACT

Claire E. Dunn: Privileged Interests: Class-Based Variation in Government Responsiveness in Brazilian States

(Under the direction of Evelyne Huber)

This dissertation asks under what conditions governments will be more responsive to the interests of lower socioeconomic groups. To answer this question, I take a subnational approach, looking at variation among and within Brazilian states. I argue that governments will be more responsive to the interests of lower socioeconomic groups where left parties are in control, electoral environments are more competitive and civil society is stronger.

To test my theory, I use both a quantitative analysis and qualitative case studies. In the quantitative analysis, I use an original dataset to examine the determinants of state investment in progressive social policies. I find evidence that, all else equal, left parties invest more in such policies than do other parties. I also develop qualitative case studies of Rio Grande do Sul, Goiás and Paraná. Through these case studies, I find additional evidence that the presence of a strong left is important for responsiveness to lower income groups. Civil society organization and competition are less effective on their own, but still have a role to play.

## ACKNOWLEDGEMENTS

Writing a dissertation is not an easy task and without the support and encouragement of many people I am certain I would not have succeeded. First, I'd like to thank my advisor, Evelyne Huber who encouraged me to ask important questions and always believed in my ability to find a way to answer them. She pushed me to apply for that grant or submit my work to that journal even when imposter syndrome told me I had no business doing so. I am grateful to have had such a wonderful mentor. I'd also like to thank Johnathan Hartlyn and Cecilia Martinez-Gallardo for pushing me to be a better academic and always taking the time to check-in on me personally. Finally, I'd like to thank my other committee members, Gary Marks and John Stephens, for believing in this project and providing helpful feedback to make it better.

The project was only possible due to generous financial support from several sources. A summer Foreign Language and Area Studies Fellowship helped me develop the level of Portuguese I needed to do the work I wanted to do. My field research was supported by generous support from an Uhlman Summer Research Award and Fulbright-Hays Doctoral Dissertation Research Abroad Fellowship #P022A180-38-002 from the United States Department of Education. Writing was supported by an Ayers Summer Research Fellowship and a Mellon Dissertation Fellowship from UNC's Institute for the Study of the Americas. Finally, United Nations University World Institute for Development Economics Research gave me the opportunity to be a Visiting Ph.D. Fellow and receive invaluable feedback from an incredible group of scholars including my mentor, Patricia Justino.

I am also thankful to so many people who helped make my work possible in Brazil. I am particularly grateful to Midori and Camila Barros who welcomed me into their home and were incredibly patient with me as I fumbled through my first weeks of Portuguese immersion. I am also thankful to the numerous scholars, civil society leaders and politicians who made time to speak with me and helped shape my dissertation.

A wonderful group of colleagues and friends at UNC were also essential to the completion of this dissertation. For pushing me to be a better scholar, for showing me how to navigate academia and for always being willing to lend an ear or take a much-needed break, I am thankful to Dave Attewell, Bailee Donahue, Chelsea Estancona, Claire Greenstein, Jelle Koedam, Eroll Kuhn, Isabel Laterzo, Kate McKiernan, Bilyana Petrova and Kelsey Shoub.

Finally, I am thankful to my family. Steven Sparks provided constant love and support that helped me get through the difficult times and celebrate the good times. My parents and my sister also encouraged me to pursue this goal in the first place and supported me every step of the way. Thank you for everything.

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## LIST OF ABBREVIATIONS

ACP:	Associação Comercial do Paraná (Commercial Association of Paraná)
ADVB:	Associação dos Dirigentes de Vendas e Marketing do Brasil (Association of Sales and Marketing Managers of Brazil)
APP-Sindicato:	Associação dos Professores do Paraná- Sindicato (Paraná Teacher's Association-Union)
CCT:	Conditional Cash Transfer
CEEE:	Companhia Estadual de Energia Elétrica (State Electrical Energy Company)
CELG-D:	Companhia Energética de Goiás- Distribuição (Energy Company of Goiás- Distribution)
COREDE:	Conselho Regional de Desenvolvimento (Regional Development Council)
CEPMG:	Colégio Estadual da Polícia Militar da Goiás (State School of the Military Police of Goiás)
COPEL-	Companhia Paranaense de Energia (Paraná Energy Company)
CPERS:	Centro dos Professores do Estado do Rio Grande do Sul (Center for Teachers of the State of Rio Grande do Sul)
CRT:	Companhia Riograndense de Telecomunicações (Rio Grande Telecommunications Company)
CUT:	Central Única dos Trabalhadores (Central Worker's Union)
DIESSE:	Departamento Intersindical de Estatística e Estudos Socioeconômicos (Inter-union Department of Statistics and Socioeconomic Studies)
EMATER:	Empresa de Assistência Técnica e Extensão Rural (Technical Assistance and Rural Extension Company)
ENEM:	Exame Nacional do Ensino Médio (National High School Exam)
FACIAP:	Federação das Associações Comercias e Empresarias do Estado do Paraná (Federation of Trade and Business Associations of the State of Paraná)

FAEG:	Federação da Agricultura e Pecuária de Goiás (Federation of Agriculture and Animal Husbandry of Goiás)
FAEP:	Federação da Agricultura do Estado do Paraná (Federation of Agriculture of the State of Paraná)
FARSUL:	Federação da Agricultura do Estado do Rio Grande do Sul (Federation of Agriculture of the State of Rio Grande do Sul)
Fecomercio:	Federação do Comércio de Bens, Serviços e Turismo (Federation of Trade in Goods, Services and Tourism)
FEDERASUL:	Federação de Entidades Empresarias do Rio Grande do Sul (Federation of Business Entities of Rio Grande do Sul)
FETAEP:	Federação dos Trabalhadores Rurais Agricultores Familiares do Estado do Paraná (Federation of Rural Workers and Family Farmers of Paraná)
FETRAF:	Federação dos Trabalhadores na Agricultura Familiar (Federation of Family Agriculture Workers)
FETRANSPAR:	Federação das Empresas de Transporte de Cargas do Estado do Paraná (Federation of Cargo Transport Companies of Paraná)
FIEG:	Federação das Indústrias do Estado de Goiás (Federation of Industries of Goiás)
FIERGS:	Federação das Indústrias do Estado do Rio Grande do Sul (Federation of Industries of Rio Grande do Sul)
FIEP:	Federação das Indústrias do Estado do Paraná (Federation of Industries of Paraná)
G7:	Grupo de Sete (Group of Seven)
GDP:	Gross Domestic Product
IBGE:	Instituto Brasileiro de Geografia e Estatística (Brazilian Institute for Geography and Statistics)
ICMS:	Imposto Sobre Circulação de Mercadorias e Serviços (Tax on Goods and Services)
IDEB:	Índice de Desenvolvimento da Educação Básica (Basic Education Development Index)

LRF:	Lei de Responsabilidade Fiscal (Fiscal Responsibility Law)
MAB:	Movimento dos Atingidos por Barragens (Movement of People Affected by Dams)
MAM:	Movimento pela Soberania Popular na Mineração (Movement for Popular Sovereignty in Mining)
MAS:	Movimento al Socialismo (Movement Towards Socialism)
MpLE:	Movimento pela Liberdade Empresarial (Entrepreneurial Freedom Movement)
MPA:	Movimento dos Pequenos Agricultores (Small Farmers Movement)
MST:	Movimento dos Trabalhadores Rurais Sem Terra (Landless Workers Movement)
MTD:	Movimento dos Trabalhadores Desempregados (Unemployed Workers Movement)
OCEPAR:	Organização das Cooperativas do Estado do Paraná (Organization of Cooperatives of Paraná)
OLS:	Ordinary Least Squares
PAFC:	Programa de Apoio às Famílias Carentes (Support Program for Needy Families)
PCB:	Partido Comunista Brasileiro (Brazilian Communist Party)
PCdoB:	Partido Comunista do Brasil (Communist Party of Brazil)
PDT:	Partido Democrático Trabalhista (Democratic Labor Party)
PFL:	Partido da Frente Liberal (Liberal Front Party)
PL:	Partido Liberal (Liberal Party)
PMDB:	Partido do Movimento Democrático Brasileiro (Brazilian Democratic Movement Party)
PP:	Partido Popular (Popular Party)
PPS:	Partido Popular Socialista (Popular Socialist Party)

PQE:	Projeto Qualidade no Ensino Público do Paraná (Quality in Public Education in Paraná Project)
PROEM:	Programa Expansão Melhoria e Inovação no Ensino Médio do Paraná (Program for Improvement and Innovation in Secondary Education in Paraná)
ProUni:	Programa Universidade para Todos (University for All Program)
PSB:	Partido Socialista Brasileiro (Brazilian Socialist Party)
PSD:	Partido Social Democrático (Social Democratic Party)
PSDB:	Partido da Social Democracia Brasileira (Brazilian Social Democracy Party)
PSOL:	Partido Socialismo e Liberdade (Socialism and Liberty Party)
PSTU:	Partido Socialista dos Trabalhadores Unificado (United Socialist Worker's Party)
PT:	Partido dos Trabalhadores (Workers' Party)
PV:	Partido Verde (Green Party)
SINTEGO:	Sindicato dos Trabalhadores em Educação de Goiás (Goiás Education Worker's Union)
SUS:	Sistema Único de Saúde (Unified Health System)
UDR-RS:	União Democrática Ruralista- Rio Grande do Sul (Democratic Ruralist Union- Rio Grande do Sul)
UEG:	Universidade Estadual de Goiás (State University of Goiás)
UERGS:	Universidade Estadual do Rio Grande do Sul (State University of Rio Grande do Sul)
UFG:	Universidade Federal de Goiás (Federal University of Goiás)



## **CHAPTER ONE: INTRODUCTION**

In 2020, the COVID-19 pandemic struck, bringing devastation across the globe. While not among the first places to be hit by a wave of the virus, Latin America quickly became one of the hardest hit regions of the world. The devastation caused by the virus did not simply reflect bad luck, but also put a spotlight on the regions' inequality. In the early stages of the pandemic in Brazil, patients admitted to public hospitals with COVID-19, disproportionately the poor, were nearly twice as likely to die of the virus as those admitted to private ones (McCoy and Traiano 2020). This outcome is, unfortunately, no surprise. While Brazil has among the largest public health systems in the world, and one of the most comprehensive for a developing country, recent economic troubles in the country have led to cost cutting measures that have weakened its capacity. What's more, the austerity measures of which cuts to the health system were a part, have been shown to protect the interests of the wealthy while imposing costs on the poor (Santos and Vieira 2018). Had the government considered its citizens as political equals, perhaps the public health system would not have been in a weakened state when the pandemic hit and the toll, particularly on the lower classes, would not have been as devastating.

While the COVID-19 pandemic is a particularly drastic example, economic inequality, and the resulting political inequality are common features of Latin America's democracies. Latin America remains the most unequal region in the world and Brazil remains among the most unequal countries in the world with a Gini Index of 53.4. Likewise, according to the 2018 Latinobarómetro surveys, across Latin America, nearly 79 percent of people believe that their country is governed for the benefit of the few rather than the benefit of the many. In

Brazil, this percentage is even higher, with 90 percent of people saying the government works for the benefit of the few. Unsurprisingly, citizens also report dissatisfaction with democracy's performance and while poor economic performance, corruption scandals, and rising crime rates certainly contribute to this disappointment, the overwhelming percentage of citizens who believe that the government works only in the interest of the elites suggests that democracy is not working as it should. Despite promises, democracy does not appear to have fully lived up to the promise of bringing political equality to the region.

In this study, I examine variation in government responsiveness to different socioeconomic groups in the case of Brazil, historically one of the most unequal countries not only in Latin America, but in the world. In the decade following the return to democracy, Weyland (1996) highlighted the failure of democracy to lead to vast improvements in socioeconomic equality in the country. As the previous examples highlight, despite the fact that Brazil has now had more than an additional two decades of democratic rule, there is still much to be done to achieve not only greater socioeconomic equality, but also political equality.

While the current picture in Brazil looks grim, there have been moments where the government did increase its responsiveness to the interests of the lower classes. The creation of the aforementioned public health system in 1989, for example, marked a huge step towards providing greater access to healthcare for the poor. Likewise, over the last two decades the Brazilian government has implemented additional policies aimed at improving the lives of the poor including noncontributory pensions for the extremely poor and disabled and conditional cash transfers for low-income families with children. Under some circumstances, then, it appears that even in one of the most unequal contexts, democratic governments will sometimes respond to the lower classes. In this study, I examine what factors lead governments to respond to the

lower classes by looking at variation in responsiveness among Brazil's intermediate level of government, the states. If we can identify what factors drive governments to improve their responsiveness to the poor, then we can better understand how to improve the well-being of the lower classes, and at the same time improve the quality of democracy.

### **Argument in Brief**

In the following chapters, I develop and test a theory of when governments will improve their responsiveness to lower income groups. I argue that such responsiveness will be driven by three key factors: the presence of a strong political left, competitive elections, and a high degree of civil society organization among low income groups. When none of these variables are present, I would not expect governments to respond to lower income groups; however, since Brazil re-democratized, it is rare to find such a case. As a result, I analyze what combinations of such variables have the greatest effect on responsiveness. Ideally, states will have competitive elections, a strong political left and high levels of civil society organization among low income groups. However, even without all three, there may be hope for some degree of responsiveness or, at the very least, for preventing the government from implementing policies strongly opposed by the poor.

Where left parties are strong, I find evidence that they can influence governments to consider the interests of the lower classes simply by posing an electoral threat. When the left is in power, their ideological commitment to equality creates even greater opportunities for policies that are responsive to lower income groups. However, strong civil society and competitive elections can both help inform left leaders of what exactly lower income groups want as well as put pressure on the government to move beyond rhetoric to taking real policy action.

Where left actors are weak, competition and civil society become even more critical, but their effects may also be somewhat limited. Where left parties are weak even a well-organized civil society may have difficulty finding allies in the government. As a result, they may be forced to focus their attention on preventing harmful policies rather than pursuing beneficial policies.

Similarly, competition alone is likely to be insufficient in the absence of a reasonable threat from the left. If competition remains to the center and right of the political spectrum we may see some symbolic gestures to the lower classes, but larger policy shifts are likely to remain out of reach.

### **Literature and Contribution**

I bring together several literatures to develop a theoretical framework that explains the conditions under which democratic governments increase their responsiveness to lower income groups.

First, I draw from and contribute to the literature on government responsiveness. This literature has predominantly focused on establishing that inequality in responsiveness to different socioeconomic groups in fact exists and on highlighting ways in which the wealthy successfully tilt the tables in their favor (Bartels 2008; Rigby and Wright 2011; Gilens 2012; Flavin 2015). I build on this literature in two ways. First I expand the regional focus of literature on responsiveness. So far, the majority of this literature has focused on the United States with some consideration of other advanced developed democracies. While some work has considered related issues in the Latin American context (Luna and Zechmeister 2005; Corral 2013; Warner and Lupu 2020) it has been more limited, likely due at least in part to data limitations. By looking at Brazil, I consider how our understanding of unequal responsiveness travels to newer,

and less equal contexts. Second, I flip the narrative by examining the conditions under which governments do respond to low income groups in spite of seemingly unfavorable conditions.

To understand when low income groups will be able to push for responsiveness, I draw on the welfare states literature. Social policy expansion tends to be more favored by low income groups so understanding factors that drive welfare state expansion can be useful for understanding when governments respond to the poor. This literature, for example, points to a role for each of my three variables in expanding the welfare state. I particularly draw on literature that has examined the more recent expansion of welfare states in Latin America since the return to democracy and work to understand how the variables that help us understand national policy changes translate to the subnational level.

Relatedly, I contribute to the literature on subnational politics. By focusing on variation within Brazilian states I contribute to our understanding of how the quality of democracy can vary within a single country. In doing so, I build on work by Gervasoni (2010), Gibson (2013), Giraudy (2015), Hiskey and Moseley (2020) and others who show that the return of democracy to the national level has not always meant the return of democracy, or at least of quality democracy, to lower levels of government. The majority of such work has focused on the cases of Argentina and Mexico where subnational authoritarianism has managed to last despite years of national-level democracy. I bring more attention to Brazil where, despite the fact that subnational authoritarianism does not exist, the quality of democracy certainly varies among subnational units.

In addition, I contribute to the more specific literature on subnational politics in Brazil by bringing our attention back to the states. After a major focus on the states in the early years of democracy (Ames 1995; Mainwaring and Perez-Liñán 1997; Abrucio 1998; Samuels and

Abrucio 2000), the literature largely turned its attention to the central government and municipalities following a series of reforms that weakened the states. Though states do face constraints, I argue they can still play an important role and I aim to contribute to our understanding of state politics in the present day.

### **Methodology, Research Design, and Case Selection**

My focus is on Brazil. While Brazil is currently experiencing its longest period of continuous democracy, it is a flawed democracy where both economic and political inequality continue to be major challenges. In addition, Brazil is a federation where important responsibilities are devolved to subnational governments. As a result, Brazil provides a useful case for within-country comparison. By holding national-level factors constant across my cases, I can better pinpoint the factors driving responsiveness without having to disentangle national-level variation.

I test my theory through a combination of quantitative, statistical analysis and qualitative case studies. In the quantitative analysis, I look at a specific way in which states can show their commitment to responding to lower class citizens- investing in progressive social programs.

However, a full understanding of responsiveness requires going beyond statistical analysis to better understand what citizens want and how easy or difficult it is for them to work with the government to achieve their goals. To better understand the relative ease with which different groups are able to get the government to respond to them, I develop three qualitative case studies. I examine the cases of Rio Grande do Sul, Goiás and Paraná. Brazilian states are highly diverse in terms of size and level of economic and democratic development. I selected

three states that are similar on a variety of control variables, but differ on key political variables such as left party strength.

I examine these cases during the time period of 1991 through 2021. Though direct elections for governor returned to the state level in 1982 and rule by a civilian president returned in 1985, it was not until 1989 that the first direct elections for president were held, marking the return to democratic processes at all levels of Brazil's government. Since I am interested in democratic responsiveness, it makes sense to begin my case studies with the first state administrations elected following this full return of democratic procedures.

My case studies build off of nearly fourteen months of fieldwork in Brazil. During this time, I conducted over 80 in-depth interviews with academics, state political leaders, and state civil society leaders spread among my three case study states.

## **Dissertation Overview**

This dissertation is divided into nine chapters. In the next chapter, I lay out the analytical framework, highlighting my contribution to the literature on policy responsiveness, welfare states, and subnational politics. I argue that governments will be compelled to respond to lower class citizens when left parties are strong, electoral environments are more competitive, and civil society among low income groups is strong. In this chapter, I discuss why each of these variables should be expected to influence responsiveness.

In Chapter 3, I lay out my methodological approach to studying responsiveness and provide critical background on the Brazilian case. First I lay out what it means for a government to be responsive and identify what we know about the preferences of low income citizens. Then, I discuss my mixed-method approach and the benefits of using such an approach to study

responsiveness. Finally, I discuss my case selection strategy. In doing so I highlight not only why the cases I have selected are useful comparisons, but also provide critical background information on the role of states in Brazilian politics.

In Chapters 4 through 8, I provide empirical evidence to support my theory. Chapter 4 provides a quantitative test of my theory. Specifically, I conduct a statistical analysis of the determinants of progressive social spending in Brazilian states from 2002-2017. Progressive social spending can be seen as a tangible way in which governments respond to lower class citizens as such spending represents investments in policies that disproportionately benefit lower class citizens. In this analysis, I utilize an original dataset of social spending, partisan alignments, economic and demographic variables covering each of Brazil's 26 states and the Federal District. I analyze this dataset using Prais-Winsten regressions with panel corrected standard errors as well as include a variety of robustness tests.

Chapters 5 through 8 build on my quantitative analysis through qualitative case studies of three states from 1991-2021. Chapter 5 focuses on the case of Rio Grande do Sul, a state which scores highly on all three of the key variables laid out in my theoretical framework; it is a state with highly competitive elections, a strong political left, and a well-organized and influential civil society. This case highlights how this combination of factors has led to a state government that innovates to respond to lower income citizens even in the face of financial constraints. When left governments have been in power, such advances have been most notable, but improvements have been made when non-left parties are in power if the left is seen as a legitimate electoral threat.

Chapter 6 examines the case of Goiás, one which scores low on each of my key variables. In this state, elections are somewhat competitive, but competition tends to be concentrated on the



center and right of the political spectrum. The political left has failed to develop into a viable electoral threat at the state level. Likewise, civil society is underdeveloped compared to other states. As a result, lower income groups struggle to make their voices heard and the government rarely responds to their interests with sustainable policy changes.

Chapter 7 is my third and final case study and looks at Paraná, a sort of intermediate case. Like Rio Grande do Sul, Paraná has a well-developed and influential civil society. Like Goiás, though, the main left party, the Partido dos Trabalhadores (PT), has struggled in the state. Instead, the state has seen leftist leaders emerge from parties that are not traditionally considered left parties, particularly the Partido do Movimento Democrático Brasileiro (PMDB). In this state, there have been moments of progress, but also moments of major clashes between organized civil society and the government when leaders have not been amenable to the causes of these groups. The reliance on left actors emerging from a center party also threatens responsiveness in the long-term. Lastly, Chapter 8 brings all three cases together in comparative perspective.

Finally, I conclude by summarizing my main findings and discussing the implications for state politics and democracy in Brazil as well as for understanding responsiveness more broadly. I likewise address the generalizability of my argument and possible directions for future research. Responsiveness to a wider range of citizens, beyond the economic elite, may be key for rebuilding trust in democracies not only in Latin America, but across the world. My work suggests that competitive elections with the presence of strong left parties committed to greater equality and strong civil society organizations representing lower income groups are key to achieving this goal.

Likewise, my results suggest that subnational governments may play a key role in building more responsive democracies. Where subnational governments have important policy

responsibilities, they can make a difference, even if only at the margins, in how citizens experience democracy. With democracy in an increasingly more fragile state in Brazil, Latin America, and globally, it is critical that we examine not only where democracy is falling short, but when it actually is more successful so we can use those lessons to build stronger democracies. I hope that this dissertation provides at least a small step towards this goal.

## **CHAPTER 2: THEORETICAL FRAMEWORK**

Democratic theorist Robert Dahl (1971) writes that a defining characteristic of democracy is, “the continued responsiveness of the government to the preferences of its citizens, considered as political equals.” Dahl highlights two key points here. First, democratic governments should be responsive to the preferences of the public. Second, all members of the public should be treated as political equals. While perfect equality is an unrealistically high threshold, in a high-quality democracy, we should not see the government consistently privileging the interests of one group in society over another.

Starting with Dahl’s first point, that democratic governments should be responsive, it appears at least some democracies are meeting this goal. In the United States context, Erikson, MacKuen and Stimson (2002) find that the government is responsive to the public in the aggregate. When aggregate public opinion shifts on an issue, the government likewise shifts the direction of policy. Scholars have also found evidence of aggregate responsiveness beyond the United States. For example, looking at a broader sample of 17 Western, industrialized democracies, Kang and Powell (2010) find that social welfare policy is shaped by the views of the median voter. Even in newer democracies in post-communist Eastern Europe, Roberts and Kim (2011) find evidence of responsiveness in an unlikely setting. Though post-communist countries faced little choice in implementing free-market economic reforms, Roberts and Kim find that the pace of economic reform in each country was dependent on the degree of public support for such reforms

While such findings are seemingly good news for democracy, more concerning trends become evident when we consider specific groups in society rather than society as a whole. The second part of Dahl's statement highlights the importance of responding to citizens as political equals, yet there is growing evidence that some groups have more influence than others. Looking specifically at socioeconomic groups, not only is it clear that many public policies will have differential impacts on the wealthy versus the poor, but also that socioeconomic groups are aware of these differential effects and, as a result, express different preferences. Scholars have found that different socioeconomic groups often express different policy positions, particularly on social welfare policy (Soroka and Wlezien 2008; Gilens 2009; Gilens 2012). Such differences in preferences can be found around the world (Andersen and Curtis 2015). As in other contexts, differences in preferences between the wealthy and the poor are evident in Latin America. For example, Corral (2013) finds that in countries across the region the poor express greater support for state-ownership of key industries than the wealthy. Similarly, Carnes and Lupu (2015) find that working-class legislators are more likely to favor state intervention in the economy and increased spending on social policy. As a result, to see if democracy is living up to the standard set by Dahl, we need to not only look at aggregate responsiveness, but also if governments respond equally to the interests of the poor as they do to the wealthy.

Turning back to the United States, despite evidence of aggregate responsiveness, both Bartels (2008) and Gilens (2012) find that, at the national level, the United States' government is more responsive to the wealthy than to the poor. Rigby and Wright (2011) find similar evidence at the state level. Unequal responsiveness to different socioeconomic groups does not appear to be limited to the United States, however. Scholars have found similar trends in the European

context (Peters and Ensink 2015; Rosset, Giger and Bernauer 2013). Though more limited work has considered such issues in Latin America, studies of opinion congruence do suggest that the opinions of Latin America's political elites tend to align more closely with those of economic elites rather than with the masses, particularly when considering economic issues (Corral 2013; Lupu and Warner 2022).

Given that evidence suggests that democracies around the world are more responsive to the wealthy than the poor, the next question is why. What drives inequality in responsiveness and, importantly, what factors may help make governments more responsive to lower income citizens? This is the central question I aim to address throughout this dissertation.

In the following paragraphs, I begin by addressing the first question and outlining some of the key factors that have allowed the wealthy to have an outsized influence on policy. Then, I present a theoretical framework that addresses the question of when governments will increase their responsiveness to lower classes in spite of the fact that the tables appear to be tilted in favor of the wealthy. Specifically, I argue that responsiveness to lower class groups is most likely when left parties are strong, elections are competitive and low income groups form strong civil society organizations. The presence of all three of these variables presents the most likely scenario for responsiveness to lower income groups. Competitive elections force politicians to appeal to more voters, making it more likely they will develop policy proposals that benefit the large population of low-income voters. Competition also allows voters to hold politicians accountable should they fail to follow through with such policies once in office. Yet there are limits to the effect of competition. If competition remains between the center and the right, we may see a battle between maintaining the status quo or shifting policy more in favor of economic elites, rather than shifting policy to be more responsive to lower income citizens. This is where

left parties come in. Left parties are ideologically committed to greater equality and, if they are competitive, should push for greater responsiveness to lower income groups. Finally, civil society organization among low income groups should put pressure on governments of all ideologies to consider the interests of the poor. While civil society strength alone may not result in policies beneficial to lower income groups, it may play an important role in preventing harmful policies.

In the following pages, I bring together literature on responsiveness and social policy to expand on how each of these factors may contribute to responsiveness as well as what limitations they face.

## **Drivers of Unequal Responsiveness**

### ***Economic Inequality and Political Inequality***

To begin, I examine what factors drive governments to be disproportionately responsive to the wealthy compared to the poor. One factor that is likely particularly relevant in the context of Latin America is that it is characterized by very high levels of socioeconomic inequality. As Karl (2003) describes it, “High inequalities bias the political rules of the game and mold polities in favor of the wealthy and the privileged, and they do so (to different degrees) whether regimes are authoritarian or democratic.” Scholars have found evidence that higher levels of socioeconomic inequality tend to lead to higher levels of political inequality. For instance, Houle (2018), in his study of 140 countries from the period of 1961 to 2008 shows that economic inequality tends to increase political inequality, as measured by the degree to which political power is distributed equally across all socioeconomic groups, even when controlling for the level of democracy. This aligns well with work by both Bartels (2008) and Rigby and Wright (2013)

which shows that as economic inequality grows, the problem of unequal responsiveness becomes exacerbated. As socioeconomic inequality grows, the distance between the preferences of the wealthy and the poor also grows and the wealthy are willing to take greater action to protect their interests.

Latin America certainly struggles with persistently high levels of inequality. For example, in 2019, the World Bank estimates that the Gini Index in Brazil, Latin America's most unequal country in that year, was 53.4 and the average for the region was 43.1. For comparison, in the United States, the Gini Index was 41.4. In the European Union, the average Gini Index was 31.23 (World Bank 2019). As such, we may expect unequal responsiveness to be a particularly large problem in Latin America. While socioeconomic inequality appears to drive more unequal responsiveness, we also want to consider exactly how economic elites are able to push the government to pay greater attention to their interests compared to others.

### ***The Instrumental and Structural Power of Economic Elites***

Scholars have shown that economic elites are often able to exercise significant influence over the direction of policies. Fairfield (2015), for example, argues that business elites can have both instrumental and structural power. While instrumental power refers to the deliberate political engagement of business interests, structural power refers to the effects that come from businesses changing their strategies in response to government policies. Rather than having to take direct political action, businesses can influence policy through their economic choices.

The instrumental power of elites, particularly to finance campaigns, has often been one of the central explanations for unequal responsiveness. This explanation has gained particular traction in the United States where money has a particularly large influence in politics (Bartels

2008; Gilens 2012; Flavin 2015). While money may not play quite the same role in cases beyond the US, there is reason to believe elites can still exercise instrumental power in other ways.

Schneider (2013) highlights the ability of economic elites to also easily exert instrumental power in the Brazilian context. He argues that the combination of presidential systems with legislatures elected via proportional representation in a fragmented party system creates more opportunities for business interests to access and influence government. In these contexts, presidents generally will not have a majority and will need to negotiate with smaller parties and individual legislators to get things done. If businesses invest even in individual legislators, they may be able to reap large benefits. In Brazil, opportunity for business to gain sway is likely even greater due to the large electoral districts and open list proportional representation which allow legislators to be elected from highly targeted constituencies. For example, the Partido da República is a small party that has been able to have outsized influence and even gain a cabinet position, the Ministry of Transportation, in 2003. Schneider (2013) notes that by the 2010 elections, the party's main financial backers were all businesses that had contracts with the Ministry of Transportation. The political system makes it quite easy for economic elites to exercise instrumental power.

Elites also often exercise structural power, however. The fear of capital flight or of disinvestment may lead governments to shift policies in favor of economic elites. The ability of business elites to exercise such power may be dependent on a number of factors including the particular sector and the state of the economy. In the context of Brazil, domestic elites face some limits to their structural power. Many private industries were previously state owned and the state continues to exert significant influence, for example (Schneider 2013). While domestic firms face some limitations to their structural power in Brazil, international capital is often quite influential. For example, when leftist candidate Lula da Silva was ahead in the polls in the lead



up to the 2002 elections, markets responded strongly. Inflation surged and the Brazilian currency experienced a large drop in value. As a result, Lula issued a statement saying he would maintain his predecessor's orthodox economic policies and even named conservative figures to lead the central bank and Ministry of Finance. Even once the economy stabilized, Lula largely maintained this more orthodox economic policy (Campello 2015). While the influence of international capital did not necessarily give Brazilian business elites all of the policies they wanted, it certainly limited the extent to which the lower income citizens were able to get the policies they expected when they chose to vote for President Lula.

### ***Media Concentration***

Related to the instrumental and structural power of business is their ability to shape public opinion through media especially where media ownership is highly concentrated. As Corneo (2006) demonstrates, where wealth inequality is higher, there is an increased probability of media capture where the wealthy manipulate the media to shape opinion in their favor. Additionally, where media ownership is highly concentrated, citizens have few options to seek out alternative views.

In much of Latin America, media is highly concentrated with few, large conglomerates dominating the media landscape. Such concentration provides the media with the power to shape the public narrative around key policy issues. In Brazil, four main media groups account for over 70 percent of the national broadcast television. One group, Grupo Globo dominates even among the already limited market. According to the Reporters Without Borders<sup>1</sup>, Grupo Globo's

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<sup>1</sup> Reporters Without Borders Media Ownership Monitor. Accessed February 23, 2022. <https://brazil.mom-rsf.org/en/findings/concentration/>

audience alone is larger than the next four media groups' audiences combined. Such high levels of concentration place immense power in the hands of these few conglomerates and there is evidence that they use such power to promote their views. In the face of the Lava Jato scandals, for example, Daamgard (2018) finds that the Brazilian media overexposed corruption allegations related to the PT while at the same time underreporting allegations against other parties and politicians. As Daamgard writes, "Accountability was hampered by the media, and public opinion seemed not to matter much in this case, because the cascading of information from a subgroup within the political elite through media and into the financial markets accumulated and made it alluringly easy to disregard other information."

I have simply touched on the large literature that highlights how the wealthy are able to disproportionately influence the state and, as a result, get the state to respond to their interests. However, despite the tables being heavily tilted in favor of the wealthy, there are examples of policies being implemented that respond to the lower classes. In a political system appearing to heavily favor the wealthy, under what conditions will the government choose to respond to the poor? This question is the central focus of this study and the one to which I turn next.

## **Drivers of Responsiveness to the Poor**

### ***Competition***

To start, I argue that we need to consider what elections actually look like. Who is competing for political office and to what extent do they actually need to compete? The extent of political competition has often been pointed to as an important driver of government responsiveness. If elections are not truly competitive, politicians face little chance of being held

accountable. If there is no real threat of being ousted from office in the next election, politicians may lose motivation to be as responsive to the interests of the public.

Indeed, scholars have found evidence that competition affects responsiveness to the public as a whole. Looking at the United States, United Kingdom and Denmark, Hobolt and Klemmensen (2007) find that high levels of uncertainty around re-election result in more responsive governments in each context. Relatedly, Canes-Wrone (2006), finds that governments that are eligible for re-election are more responsive than those that are not and Griffin (2006) finds that legislators elected from competitive districts are more responsive to their constituents than those from less competitive districts. Competition may also serve to reduce inequality in responsiveness. Where elections are more competitive, Gilens (2012) suggests, governments are more responsive to the public overall and the variation in responsiveness to different socioeconomic groups is lower.

The role of competition does not appear to be limited to older democracies. In the Latin American context, we saw transitions to (back to) democracy throughout the region starting in the 1980s and there is evidence to suggest that this transition to democracy mattered for responsiveness. Holding meaningful elections meant that governments had to consider the interests of a wider range of citizens. In highly unequal settings, such as those found throughout Latin America, competition should spur governments to pay greater attention to the demands of the lower classes who make up the majority of the population. This is the idea behind the Meltzer-Richard theory, which argues that in unequal democracies, we should expect to see redistribution because the median voter's income will be below the mean (Meltzer and Richard 1981).

Scholars have in fact found some evidence that competition does lead to greater state investment in social policies that disproportionately benefit the lower classes. For example, democratic governments invest more in social policy than do autocratic governments (Brown and Hunter 1999, Huber, Mustillo and Stephens 2008, Avelino, Brown and Hunter 2005, Huber and Stephens 2012). Kaufman and Segura-Ubiergo (2001) do not find that democracies invest more in social policies overall than do autocracies, but they do find evidence that democracies spend more on health and education.

Looking more closely at variation within democracies, scholars have found that the degree of competition in democratic elections also matters. For example, Pribble (2013) argues that where electoral competition is fierce, parties are more likely to pursue universalistic social policy reforms even where leaders were otherwise hesitant to reform. Similarly, Garay (2016) argues that social policy expansions in Latin America have occurred when incumbents faced a credible electoral threat. In the face of intense competition, candidates need to court outsider voters, those employed in the informal labor market, and to do so, they will expand social policy. Relatedly, both Fairfield and Garay (2017) and Niedzwiecki and Pribble (2017) find that even right parties that lack a strong ideological commitment to social policy expansion will avoid cuts and even expand social policies in the face of strong political competition. Finally, Alves (2015) and Borges (2008) find that where competition is strong, there is evidence that policies are more equitable and more in line with programmatic politics as opposed to clientelistic politics.

Yet, the positive effect of competition on responsiveness to lower income groups is not undisputed. In his study of Mexican municipalities, for example, Cleary (2007) finds that electoral competition has no significant effect on public goods provision, pointing to potential institutional hurdles and the lack of re-election as potential explanations. Some scholars have

found that competition can actually hinder social spending. Research on India (Nooruddin and Chhibber 2008) and in Argentina (Gonzalez 2017) find that where resources are more limited, even politicians that have incentives to spend more, lack the resources to do so. As a result, politicians are less able to mobilize voters and more likely to face an electoral challenge.

In Brazil, Boulding and Brown (2007) find that Brazilian municipalities with less competitive elections allocate more resources towards social spending than do municipalities with greater competition. Arvate (2013), on the other hand, finds the opposite to be true. He finds that increased electoral competition in municipal elections actually leads to an increase in the supply of public goods.

The mixed evidence suggests that electoral competition likely cannot fully explain responsiveness. In this dissertation, I argue that competition alone will likely be insufficient in increasing responsiveness to the lower classes, but a lack of competition will likely be problematic for responsiveness. Rather than focusing solely on whether or not competition is present, we also need to consider where such competition is coming from. In particular, is a left party a viable electoral threat?

### ***Left Parties***

Existing literature provides reason to believe that the strength of left parties is particularly important when considering responsiveness to the lower classes. Left parties generally espouse commitments to greater equality and, where parties are programmatic, we would expect such values to drive policy decisions. As a result, we would expect left parties to be interested in responding to the lower classes. Scholarship on advanced developed democracies has found somewhat mixed evidence on whether or not left parties are more responsive to lower class

groups overall, but the evidence is fairly strong when considering economic policy issues. For example, in the United States context, Bartels (2008) finds that when Democrats are in power, minimum wage policy is more likely to keep up with inflation than when Republicans are in power. Similarly, Gilens (2012) finds that when Democrats are in power, policies such as progressive tax reforms are more common. In the European context where parties often have a stronger history of rootedness in class, scholars likewise find that left parties played a key role in policies benefiting the lower classes such as the expansion of welfare states (Stephens 1979, Korpi 1983, Esping-Andersen 1990, Huber and Stephens 2001).

While left parties have been important actors in advanced industrial democracies, there is debate in the literature as to how much of a role they can play in the Latin American context. Left parties certainly faced an uphill challenge in the region. For one, they were often targeted by right-wing military dictatorships in the 1960s and 70s. When countries throughout the region began the transition to democracy in the 1980s, left parties were in many ways starting from scratch. Second, with the return to democracy in Latin America also came the transition to the neoliberal economic model. The reliance on support from the International Monetary Fund in the aftermath of the debt crisis meant that Latin American governments all but had to embrace the neoliberal model. The left's statist model of development was seen as illegitimate, leaving left parties at a disadvantage (Colburn 2002). These challenges specific to the left, combined with the fact that scholars have, to varying degrees, characterized Latin America's party systems as weak, poorly institutionalized, lacking clear ideological consensus and reliant on clientelistic and personalistic rather than programmatic linkages (Mainwaring and Scully 1995; Hagopian 1996; Coppedge 1998; Roberts 2002; Kitschelt et. al 2010; Mainwaring 2018),

perhaps make it unsurprising that statistical analyses have not always found left parties to have a significant effect on things like social spending (Huber and Stephens 2012).

However, with the turn of the century, the left began to gain a foothold in the region leading to what scholars have termed the pink tide. Left parties regrouped and as dissatisfaction with the effects of neoliberalism began to emerge, they began to win elections throughout the region. Recognizing that not all left parties have looked the same, increasing evidence points to the left, at least in some forms, as key to making social and economic policy more responsive to lower classes. While the previously described pattern of non-ideological and clientelistic linkages does characterize many parties in the region, some left parties have demonstrated a programmatic commitment to representing the poor. For example, Pribble (2013) argues that left parties in Brazil, Chile and Uruguay are all sufficiently programmatic to be expected to push for social policy expansion when in office. While left parties in Brazil, Chile and Uruguay are all examples of institutionalized left parties making them perhaps the most likely candidates for implementing programmatic policy, ideological commitments tied with pressure from social movements have also been shown to push more weakly-programmatic left parties to expand social policy. For example, in Bolivia, strong ties to social movements was one of the key factors in pushing the leftist MAS to implement the non-contributory social pension, Renta Dignidad (Anria and Niedzwiecki 2016).

Brazil was previously characterized as having an inchoate party system (Coppedge 1998), but at least until 2018, had bucked regional trends and moved towards greater institutionalization (Mainwaring et. al 2018). Concurrent state and market reforms in the 1990s helped to create clear ideological divides in the party system as well as reduced resources available for parties to rely on traditional patronage politics (Hagopian, Gervasoni and Moraes 2009). In addition,

changes to formal rules increased party discipline (Figueiredo and Limongi 1999). In the face of such changes, surveys of Brazilian legislators have shown that parties have remained fairly consistent in terms of their position along the ideological spectrum. Despite an overall shift to the center, the ordering of the parties on a left to right scale has been largely stable (Power and Zucco 2012). The Brazilian party system of course still leaves much to be desired including its lack of deep societal roots (Zucco 2015; Samuels and Zucco 2018), but we should expect the shift towards more programmatic, disciplined and consistent parties to have consequences for policy outcomes.

As a country with a highly-fragmented party system, Brazil has a number of parties on the left of the ideological spectrum. Power and Zucco (2009) show that legislators affiliated with the Partido dos Trabalhadores (PT), Partido Comunista do Brasil (PCdoB), Partido Socialista dos Trabalhadores Unificado (PTSU), Partido Socialismo e Liberdade (PSOL), Partido Socialista Brasileira (PSB), and the Partido Democrático Trabalhista (PDT) all express left-of-center ideologies. The predominant actor on the left, however, has been the PT. The PT emerged during the dictatorship among trade unionists and left-wing intellectuals. Since its founding, the party has become a key actor in Brazilian politics at all levels and has succeeded at winning the presidency four times. Beyond its sustained electoral success, scholars have often noted that the PT differed from other Brazilian parties. Rather than being a catch-all party that appealed to voters predominately through patronage and personalistic appeals, it appealed to voters primarily with policy proposals. Likewise, rather than simply being a vehicle used by politicians to get into office, the PT has been noted for having a disciplined, and loyal membership (Hunter in Kingstone and Power 2008).



When the PT has held national office, we do in fact see the implementation of policies beneficial to lower income groups. I noted above that Lula expanded and consolidated the Bolsa Familia program, but this was not the only policy implemented under PT governments to benefit low income groups. Programs like Luz Para Todos and Minha Casa, Minha Vida specifically targeted low income groups aiming to increase access to basic necessities like electricity and affordable housing. Likewise, under Lula expansions of the public university system created new opportunities to access free higher education. The tangible benefit for low income citizens of expanding public higher education became even clearer when President Dilma Rousseff (PT) passed an affirmative action law<sup>2</sup> requiring public universities to reserve 50 percent of their spots for students coming from public schools, from low-income families and who are of African or Indigenous descent. These are just a few of the notable pro-poor policy advances that we saw over the course of 13 years of PT governance.

The progress made under the PT gives strong reason to believe that the party, and other ideologically left parties, can play an important role in pushing for responsiveness to lower income citizens. As such, I hypothesize that responsiveness to lower income citizens is most likely when left parties are in power.

However, tying back into the importance of competition, I expect that left parties may also be able to push for responsiveness when they are not in power, but pose a legitimate electoral threat. In order to compete with the left, center or center-right parties may work to appeal to lower income citizens as well. In the cases of Argentina and Chile where center-right parties have maintained or expanded social policies, they did so not simply because they faced

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<sup>2</sup> Lei de Cotas, Lei 12.711/2012, August 29, 2012.  
[http://www.planalto.gov.br/ccivil\\_03/\\_ato2011-2014/2012/lei/112711.htm](http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2012/lei/112711.htm)

competition, but more specifically, because they faced strong competition from the left (Niedzwiecki and Pribble 2017). In Brazil, we did see social policy retrenchment under the center-right despite the history of a strong left, however, this retrenchment occurred when the left was severely weakened in the face of the 2016 impeachment of Dilma Rousseff. In a weakened position, the left was not seen as quite as big of an electoral threat and, as a result, the center-right did not move to the center. Likewise, even if a left party is in power, facing pressure from a challenger may spur them to act on policy promises.

Political pressure, however, does not only come from other political parties. It can also come from societal actors and it is to these actors that I turn next.

### ***Organized Interests***

Another variable that could plausibly explain variation in responsiveness could be the strength of organized interests. The American Political Science Association's Task Force on Inequality and American Democracy suggests the organization may be a key factor driving differential responsiveness in the United States (Jacobs et. al 2004). Empirical evidence provides support for this claim. For example, Gilens finds that the poor's interests may have a better chance of being represented when a strong interest group aligns with them. For example, when the Reagan administration introduced a proposal to cut Medicaid spending in line with the preferences of the wealthy, health care interest groups and the National Governors Association aligned with the poor in opposing the plan and cuts were not implemented (Gilens 2012).

Not only can strong organization help prevent policies that are unfavorable to the poor, but it can help promote the passage of favorable policies. For example, the literature on welfare state formation in developed democracies has found that organized labor played a key role in the

expansion of welfare state policies (Stephens 1979; Korpi 1983; Esping-Andersen 1990; Huber and Stephens 2001).

Looking to Latin America, scholars have often been skeptical as to the role organized interests can play. There is good reason for such skepticism as organizations that may align with the lower classes, such as unions, were badly weakened in the region after years of repression by military governments (Roberts 2002; Weyland 2004; Huber, Mustillo, and Stephens 2008).

While there is reason to be cautious about the role of organized interests, recent work has shown that civil society can play an important role in understanding both the emergence of leftist leaders and the success of policy reforms. In the Latin American context, the 2000s brought renewed attention to organized interests that had been weakened by the economic reforms of the 1980s (Garay 2007). Leftist presidents Evo Morales of Bolivia and Lula da Silva of Brazil rose to power in large part due to the strength of the organized interests supporting them, for example (Hochstetler and Friedman 2008).

Likewise, there is substantial evidence that when the lower classes have been successful at organizing, they have been able to get the government to respond to them. For instance, Garay (2016) finds that where social movements are stronger, social policy expansions have been more universal and generous compared to where social movements have been weaker. Niedzwiecki (2014) similarly finds that organized civil society can be central both to blocking reforms and pushing new reforms, especially if they are aligned with a political party.

Looking specifically at the Brazilian case, there are numerous examples of organized civil society playing a key role in the passage of policies that benefit the lower classes. For example, Brazil's universal public health system, Sistema Único de Saúde (SUS) was created in 1989 and scholars have attributed this important expansion of coverage and access to healthcare

to the work of the sanitaria movement (Faletti 2010). The Movimento dos Trabalhadores Sem Terra, MST, in Brazil provides another example of the key role civil society has played in Brazil. The MST represents a poor segment of Brazilian society, landless rural workers, and has been successful in pushing the government to follow through with a provision of the 1988 Constitution that says the federal government can expropriate and redistribute unproductive lands (Alston, Libecap and Mueller 2010).

Civil society has not only played a role in pushing for national-level reform, but has been key at subnational levels as well. For example, Tandler (1997) notes that the collaboration between civil society and the state led to better policy outcomes, particularly for the lower classes who otherwise had largely experienced clientelistic interactions with the state, in the northeastern Brazilian state of Ceará. Wampler et al (2019), also show a key role for civil society in promoting well-being at the municipal level, especially in the presence of participatory institutions such as participatory budgeting.

Not all of civil society will be expected to push for policies beneficial to the lower classes, however. Where business interests are strong and well-organized, progress towards policies that would benefit lower classes have, in fact, often been precluded or weakened (Fairfield 2015, Fairfield and Garay 2017). Lower income groups will often have to contend with a strong economic elite meaning they will often need to be especially well-organized and unified to have an impact. Not only will the extent of organization matter for lower income groups, but I expect their ability to drive responsiveness will depend to some extent on the ideology of the government in power. I expect that left governments will be the most susceptible to pressure from organized civil society representing low income groups. Non-left governments may be open to lower-income civil society organizations if the policies they demand do not run contrary

to the interests of the economic elites, but may otherwise be less willing to bend to pressure. While the chance to push for desired policies may be limited in the face of non-left governments, I expect civil society may still be able to prevent the government from implementing highly undesirable policies. If lower income groups are well-organized and push back against a particular policy, a government, especially one facing a re-election challenge, may be convinced not to move forward with such a project.

As a result of such existing literature, in this dissertation, I argue that the strength of civil society is key to understanding whether government is responsive solely to the wealthy elite or, instead, becomes responsive to the lower classes as well. Civil society organizations representing the interests of the lower classes face hurdles, though, and the presence of the previous two variables, competitive elections and left party strength, are likely to be necessary for such groups to get the policies they seek.

### **Alternative Explanations:**

#### ***Participation***

I have pointed to three factors, competition, left party strength, and civil society strength, that I expect will drive variation in responsiveness to different socioeconomic groups. Here I address an alternative hypothesis, that unequal levels of political participation among socioeconomic groups drives unequal government responsiveness. Such an argument has figured prominently in discussions of responsiveness in advanced developed democracies. In the following paragraphs, I outline why scholars have pointed to unequal participation as key and discuss why I do not expect it to figure centrally in the Brazilian case.

One of the main reasons why we expect democratic governments to be responsive to citizens is that they are held accountable through regular elections. If the politicians are not pursuing the policies favored by citizens, they are unlikely to be re-elected. Given that politicians are held accountable through elections, it should then matter who participates in elections. For example, if the wealthy vote at higher rates than the poor, politicians may focus on pursuing the policies favored by the upper classes since these are the citizens who will actually hold them accountable come election time.

In the context of long-standing democracies, the argument that governments are responsive to those who participate seems plausible. In such contexts, we see that the poor in fact participate at lower rates than the wealthy (see, for example, Almond and Verba 1963; Verba and Nie 1972; Verba, Schlozman and Brady 1995; Franko et. al 2016). There is likewise evidence that this variation in turnout does have consequences for policy outcomes. As electoral participation becomes more skewed towards the wealthy, government policy becomes more responsive to the wealthy and less responsive to the policy preferences of the population as a whole (Franko et.al 2016).

Support for the role of participation in shaping responsiveness is varied, however. Some research has suggested that uneven participation may be a consequence rather than a cause of unequal responsiveness (Verba, Schlozman and Brady 1995). Additionally, even when controlling for differences in turnout, the preferences of the wealthy appear to have a stronger influence on policy than do the preferences of the poor (Bartels 2008). Likewise, while turnout may be higher among the wealthy and middle classes than the poor, in the United States, evidence suggests that a more important driver of responsiveness may be political donations

(Bartels 2008, Gilens 2012). Given that particularly large role money plays in politics in the United States, however, this explanation may not travel as well to other contexts.

Whether political participation is a cause or consequence of responsiveness, it is likely not as relevant when we consider the Brazilian context. Research has shown that the participation gap in developing democracies either does not exist or is much smaller than in developed democracies (Boulding and Holzner 2021, Krishna 2008). In the Brazilian context, a smaller participation gap is unsurprising given that voting is mandatory and turnout is generally quite high, averaging 82.39%<sup>3</sup> since the first presidential elections following the return to democracy in 1989. While some scholars have argued that compulsory voting has failed to reduce inequalities in participation in Brazil and instead exacerbated them (Cepaluni and Hidalgo 2016), there is reason to be skeptical that the poor are participating at drastically lower rates than the more well-off. Cepaluni and Hidalgo argue that the penalties associated with non-voting are more consequential to middle and upper income voters than low income voters and as a result, compulsory voting has led to disproportionate increase in voting among these groups compared to lower income groups. However, other studies have shown that low income voters are increasingly turning out to vote.

One driver of increased turnout among low income voters could be the creation of new policies that give them a clearer stake in politics. Under President Lula, Brazil consolidated and expanded numerous anti-poverty programs to create Bolsa Familia, a conditional cash transfer program that in recent years has reached over a quarter of the population (Economic Commission on Latin America and the Caribbean 2019). Research has shown that this program effectively

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<sup>3</sup> IDEA International. Voter Turnout Database. Accessed December 12, 2021. Available at: <https://www.idea.int/data-tools/country-view/68/40>

targets the poor and has reduced poverty and inequality. In 2017, de Souza et. al estimate that Bolsa Familia lifted approximately 3.4 million people out of poverty and 3.2 million out of extreme poverty (de Souza et. al 2019). Beyond poverty and inequality reduction, scholars have shown that the program has consequences for the political engagement of beneficiaries. For example, in a cross national study of conditional cash transfer programs in Latin America, Schober (2019) finds that CCT beneficiaries are more likely to engage in a range of political activities including campaign activism and contacting public officials. Similarly, scholars have shown that Bolsa Familia was responsible for increased turnout in presidential elections (Hunter and Power 2007, Zucco 2008). Increased turnout appears to be driven not by clientelistic politics, but rather by the programmatic politics and an increasing sense of efficacy among beneficiaries (Hunter and Sugiyama 2014). While low income voters may be less motivated to vote by the punishment mechanisms associated with non-voting, they do appear to have important programmatic motivations for voting.

The limited research that has considered responsiveness in the context of new democracies, however, suggests that more equal levels of participation have not corrected the problem of unequal government responsiveness. Studies of opinion congruence between political elites and citizens in Latin America suggest that the opinions of elites generally do not closely align with those of the masses (Luna and Zechmeister, 2005). Going a step farther and breaking the masses down by class, Corral (2013) and Lupu and Warner (2022) find that in nearly all Latin American countries, the preferences of legislators are more in line with the wealthy than with the poor. Some evidence suggests that legislators are more likely to align with the wealthy on economic issues and the poor on social or cultural issues, but given the relatively higher importance placed on economic issues, this is little consolation (Lupu and Warner 2022). Public



opinion research suggests that citizens perceive an inequality in responsiveness and, as previously noted, the vast majority of citizens in the region view the government as working for the wealthy few rather than in the interest of the population as a whole (Latinobarómetro 2018). While opinion congruence is not exactly the same as responsiveness, it does give us insight into what we might expect of policy.

Based on what the literature has found so far, I do not expect class-based variation in political participation to be a major driver of varied government responsiveness.

## **Conclusion**

This chapter has focused on laying out a theory of when governments are most likely to respond to the interests of lower income groups. In the context of Latin America, where voting is often mandatory, it is unlikely that greater responsiveness to the wealthy is simply due to the fact that they participate at higher rates. Instead, we need to consider other factors.

I argue that no single factor alone can explain when governments choose to respond to the lower classes. Instead, I point to three key factors: competitive elections, left party strength and civil society organization. Though I argue that the presence of a strong political left is the most important of these three variables, all three can play a key role in protecting the interests of the lower classes.

Where elections are competitive, politicians need to work to attract a broad support base. In order to win, this will likely mean making policy concessions to attract the support of lower income citizens. However, competition alone is likely insufficient. More specifically, competition from a strong political left should be key. Where the left is strong, there is a political actor with an ideological commitment to greater equality. This should increase the likelihood that

there will be a political actor open to listening to lower income citizens. If the left is in power, we are more likely to see the implementation of policies that benefit lower income groups. If the left is not in power, they should push the center and right parties to moderate.

Finally, civil society has a role to play. Though a strong organization among lower classes is likely to be insufficient in the face of an unfriendly government, it may put pressure on the government not to pursue particularly unfavorable policies. Likewise, if a friendly government is in power, well-organized civil society can help communicate exactly what it is that lower income groups want and put pressure on the government to move beyond rhetoric to taking meaningful action.

In the rest of the dissertation I will test this theory in the context of Brazil. In the next chapter, I lay out my research design. Importantly I discuss the benefits of using a multimethod approach to study the question at hand and discuss my subnational research design. In addition to discussing why I have chosen a subnational design and how I selected my cases, I provide critical background on the role subnational units play in Brazilian politics and how that role has changed over time.

## **CHAPTER 3: RESEARCH DESIGN**

In the previous chapter, I outline a theory of the conditions under which governments will be most likely to increase their responsiveness to lower income citizens. I argue that responsiveness to low income groups will increase where 1) elections are more competitive 2) left parties are strong and, especially if they hold office, and 3) civil society organizations aligned with low income groups are well-organized and active. I test this theory using a subnational research design, focused on variation among states within a single country, Brazil. In this chapter I begin by defining the key concept in this dissertation, responsiveness, and discussing how wealthy and poor citizens vary in their policy preferences. Second, I outline my multi-method approach for testing my theory. I use both a quantitative analysis and qualitative case studies to test the effect of my three key variables on responsiveness to the lower classes. Finally, I discuss the subnational design of this project and provide key background on the role of states in Brazilian politics.

### **Defining and Measuring Responsiveness:**

The concept at the center of this dissertation is responsiveness so it is important to begin with defining what this term means. Hobolt and Klemmensen (2008) differentiate between rhetorical responsiveness and effective responsiveness. For them, rhetorical responsiveness reflects how closely a government's spoken priorities align with the policy priorities of the citizenry. Effective responsiveness, on the other hand, is how issue preferences are translated into budgetary priorities. This distinction brings up the question of what actually constitutes

responsiveness. Does simply talking about an issue more mean a government is becoming more responsive to it? In my dissertation, I will focus on a definition of responsiveness more in line with Hobolt and Klemmensen's effective responsiveness. While shifts in rhetoric can signal possible shifts in policy, I am interested in the stage where the government actually begins to take action be it in the form of policy change, budgetary priority shifts or otherwise. As I will highlight in my analysis, there are many instances where governments signal an openness to responding to societal demands and even provide opportunities for groups to share their ideas, but if they do not follow through with policy change, this is not truly responsive government.

### *Citizen's Preferences*

To measure responsiveness, we first need to identify citizen's preferences. While studies have found class differences in opinion on many issues, such differences appear to be most distinct and consistent on economic policy issues including social policy (Soroka and Wlezien 2008, Gilens 2009, Gilens 2012). Likewise, economic issues tend to be particularly important to citizens (Lupu and Warner 2022). As a result, I narrow my focus on these particular policy areas and look to see if such differences in preferences exist in Brazil as they do in advanced developed democracies.

In studies of responsiveness in the United States, scholars have often turned to survey evidence to identify citizen's preferences. Gilens (2012), for instance, creates a dataset of nearly 2000 survey questions covering over 20 years. While such an effort is laudable, it is not feasible in all contexts. Unfortunately, such a wide array of surveys is not available in Brazil. National survey firms only collect data on a very limited set of issues, like support for the president, with frequency. Cross-national surveys, like the AmericasBarometer, however, survey citizens on a

much larger set of political issues. Though there are limitations to relying on a single survey rather than many surveys with many different questions, scholars have used these surveys to understand the different preferences of citizens in their studies of opinion congruence in the Latin American context (Luna and Zechmeister 2005; Corral 2013; Lupu and Warner 2022). Such efforts have shown that opinion differences exist between the wealthiest and the poorest in the region just as they do in advanced developed democracies. For example, Corral (2013) finds that in much of Latin America, including in Brazil, the poorest are more supportive of state ownership of key industries than are the wealthiest. Lupu and Warner (2022) likewise find that the poorest are overall more supportive of state intervention in the economy, including in supporting citizens' well-being and providing jobs and healthcare,<sup>4</sup> than the wealthiest.

Such studies have focused on opinion differences at the national level. In this study, as I will discuss, I take a subnational approach. While there are certainly benefits to looking at the states, it also imposes some challenges. Measuring preferences is one of those challenges. The surveys mentioned above are nationally representative and prove less useful when looking subnationally. Citizens are not surveyed in all states and, even if a state is included, sample sizes are often quite small, making it difficult to disaggregate preferences by social class. In the face of such data challenges, I have made a series of choices that I recognize are imperfect, but reasonably allow me to study this question despite the data restrictions.

To identify the preferences of class groups I rely on two strategies. First, I assume that variation in preferences found at the national level are relatively constant at the state level. As

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<sup>4</sup> State intervention in the economy is an index composed of survey questions probing opinions on state ownership of natural resources, and the state's role in ensuring citizen well-being, creating jobs, and providing healthcare.

noted above, scholars have found that the poorest are more supportive of state intervention in the economy and the provision of social policy than are the wealthiest. I maintain that these differences are likely to exist at the subnational level as well. It is possible that the magnitude of such differences may vary depending on the context of the state, but given that states, like the country as a whole, are characterized by relatively high degrees of income inequality, I expect differences of opinion on economic and social policy issues will remain.

Second, I rely on the policy preferences expressed by local civil society leaders. Looking at the expressed preferences of civil society leaders allows me to not be constrained by the lack of survey questions probing opinions on more specific policies and provides additional insight into variation in preferences between low and high income citizens. Likewise, it allows me to better understand preferences on policy issues that are more specific to each state.

### **Multimethod Strategy for Understanding Responsiveness to the Poor**

Once citizen preferences have been identified, I need to determine whether or not governments are responding to those preferences. To do so, I take a multi-method approach. I combine a medium-N study of all of the states in Brazil to understand general trends, with more in-depth qualitative case studies of three states to better identify causal mechanisms. The case studies also allow me to better explore key variables that are not easily measured quantitatively, namely the role of civil society organization.

#### ***Quantitative Analysis***

First, I conduct a quantitative analysis of state government spending on progressive social policies. I argue that spending on such policies is a sign of responsiveness to lower class groups

as such policies disproportionately benefit these groups. Likewise, investment in social policy reflects greater state intervention to ensure the well-being of citizens, something I previously noted is more heavily favored by the poor than the wealthy. For this analysis, I draw on data from all of Brazil's twenty-six states and the Federal District which has the same competencies and policy responsibilities as the states (Hooghe et. al 2016). I examine state-level spending on social policies, specifically public education, health, social assistance, and housing, for the period of 2002 to 2017. In addition to looking at combined social spending, I conduct analyses of the determinants of each of the two largest social spending areas, education and health, separately.

In this analysis, I am able to test the effect of two of the three main variables that I expect to drive greater responsiveness to the poor, electoral competition and left party strength. Unfortunately, I am not able to quantitatively test the effect of civil society strength. Measuring civil society strength is difficult to begin with as there are serious data limitations. While the national statistics agency publishes a report every few years about the number of foundations and non-profit organizations in the country, this is only so useful. For such information to be useful for my purposes, we need to know not only how many total organizations exist, but also whether they align with the lower classes or upper classes. Likewise, we need to know the extent to which they are active. This becomes even more complicated when looking subnationally as an organization that is active in one state may be much less so in another. Alternative approaches to measuring civil society activity quantitatively such as through survey data are hampered by a lack of consistent survey questions about the types of organizations in which citizens participate and very small, or non-existent, sample sizes at the state level. As a result, I do not include civil

society in my quantitative analysis, instead using my qualitative case studies to better understand the role of this important variable.

In addition to my main models, I include a series of additional tests to disentangle potential alternative explanations. For example, I test the effect of the main left party, the PT, separately from other left parties to understand if it behaves significantly differently. Likewise, given that my sample is limited to a period of almost exclusively PT rule at the national level, I also consider the effect of discretionary transfers from the national government to the states. This test allows me to show that left parties are not only increasing spending because they are receiving extra resources from the national government to do so. Instead, they are making a political choice to prioritize such spending.

### *Qualitative Case Studies*

I build on the findings of my quantitative analysis through comparative case studies of three states. These case studies serve multiple purposes. First, they allow me to bring additional evidence to bear on the importance of the two variables included in my quantitative analysis. Second, they allow me to bring the role of civil society into consideration. Despite lacking data on the strength of civil society across states and over time, I was able to collect qualitative evidence of civil society strength in each of my cases. Thirdly, my case studies allow me to look beyond spending. In my case studies, I am able to consider the process through which a policy was approved and look more clearly at the consequences of such policies.

In my case studies, I look more closely at three key policy areas. First, I look at participatory reforms. Such reforms are worth examination as scholars have shown that, depending on how they are designed, participatory institutions can create opportunities for low



income groups to better communicate their preferences to the government (Wampler and Arvitzer 2004, for example). If a government better understands what it is that citizens want, they may also be better able to take action to respond. Second, I look at policies for economic development. As survey data suggests, wealthier citizens tend to favor less state intervention in the economy while poorer citizens favor more state intervention. In addition to citizens expressing differing opinions in this area, it is also a policy area in which states play a consequential role. Finally, I turn back to social policy with a closer look at education policy. Education is a key area of policy responsibility for states and they play a role beyond simply increasing or decreasing their investment, though this certainly matters. State policies can determine whether or not a quality public education is accessible to all.

I examine these issues in three states over the thirty years from 1991 through 2021. I start with 1991 as this was the start of the term for the first round of governors chosen following the new constitution and return of direct elections at all levels in Brazil. By considering this longer time period, I can examine differences within states over time as well as between the three states.

### ***Case Selection***

I focus my attention on the states of Rio Grande do Sul, Paraná, and Goiás. Brazilian states are exceedingly diverse in many ways. For example, the largest state, São Paulo, has a population of nearly 47 million, more than 100 times that of the smallest state, Roraima with a population of approximately 653,000 (IBGE 2021). Likewise, the level of development varies quite drastically. In the richest of the 27 states, the Federal District, GDP per capita in 2017 was R\$ 80,502.47 whereas in the poorest, Maranhão, it was R\$ 12,788.75. Such variation creates challenges for isolating the effects of my variables of interest. In order to better isolate these

effects, I select three states that are fairly similar in terms of population, level of development and other variables that may otherwise influence responsiveness such as the level of inequality and urbanization. Table 1 provides a comparison of the three states on key economic and demographic variables.

**Table 1: Case Descriptive Statistics** <sup>5</sup>

	<b>Rio Grande do Sul</b>	<b>Paraná</b>	<b>Goiás</b>
Population	11,466,630	11,597,484	7,206,589
GDP per capita	R\$ 37,371.21	R\$ 37,221.00	R\$ 28,308.77
Gini Index	0.482	0.480	0.478
Urbanization	0.851	0.853	0.903
Unemployment (2018)	8.3%	8.2%	9.1%
Formal Sector Employment (2018)	69.6%	68.2%	57.1%
Labor Force Participation (2018)	63.8%	64.9%	65.8%
Average Years of Schooling (2014)	7.9	8.1	7.6
Structure of the Economy	Agriculture: 9.0 Industry: 22.4 Services: 68.6	Agriculture: 9.5 Industry: 24.5 Services: 66.0	Agriculture: 10.4 Industry: 24.5 Services: 65.1

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<sup>5</sup> Sources for all but structure of the economy: Instituto Brasileiro de Geografia e Estatística, Síntese de Indicadores Sociais. Data on the structure of the economy is from each state's statistical agency. These are: Rio Grande do Sul Departamento de Economia e Estatística (<https://dee.rs.gov.br/com-crescimento-do-pib-de-2-0-em-2018-rs-eleva-participacao-na-economia-nacional>), Paraná- Instituto Paranaense de Desenvolvimento Econômico e Social (<http://www.ipardes.pr.gov.br/Pagina/Parana-em-Numeros>), and Goiás- Instituto Mauro Borges de Estatísticas e Estudos Socioeconômicos (<https://www.imb.go.gov.br/files/docs/publicacoes/goias-em-dados/godados2017.pdf>)

Despite the similarities in terms of economic development and demographics, these three states have had distinct politics. Though Brazil does not struggle with subnational undemocratic regimes such as those found in other Latin American federations, the quality of democracy does vary among states. Rio Grande do Sul has tended to exhibit more democratic features than most states. The state is characterized by competitive elections and a strong political left. In fact, since the return to democracy, the state has been characterized by intense competition between the pro-PT and the anti-PT poles (Oliveira 2016). Civil society organization among lower class groups also has a long history in the state. Contrastingly, Goiás has been characterized as having dominant machine politics (Borges 2007) and conservative competition (Montero 2007). From the return of direct elections for governor in 1982 until 1997 the state was dominated by Iris Rezende and the PMDB. From 1998 through 2018, Marconi Perillo and the PSDB dominated state politics. No left party has ever threatened the dominance of these two political groups. Likewise, civil society organization among the lower classes has historically been more limited. Finally, Paraná falls somewhere in between Rio Grande do Sul and Goiás. It has been described as a case of coalescent pluralism (Borges 2007). Centrist parties have been the most successful and left parties have generally struggled. However, the PMDB in the state has tended to be more leftist than in other states. In addition, civil society groups representing the lower classes have tended to be quite strong in the state.

I build these case studies off of extensive secondary research as well as nearly 14 months of field work in Brazil in 2018 and 2019. During this period, I spent at least 4 months in each of the states and conducted 81 interviews with state politicians, civil society leaders, and academics to better understand the states' political processes.

**Table 2: Interviews by State**

<b>State</b>	<b>Civil Society Leaders</b>	<b>Politicians &amp; Civil Servants</b>	<b>Academics</b>	<b>Total Interviews</b>
Rio Grande do Sul	5	10	9	24
Goiás	16	11	3	30
Paraná	14	8	5	27
<b>Total</b>	<b>35</b>	<b>29</b>	<b>17</b>	<b>81</b>

Notably, I aimed to understand how different groups in society interact with the state government. If there is an issue of concern, are groups representing the popular classes able to get meetings with key government officials? Are they able to find allies in the government to support their causes? And, in the end, does the government go beyond simply listening and take concrete action to address the issue at hand?

### **Subnational Design**

In both the quantitative and qualitative sections of this dissertation, I am looking at states within Brazil. Subnational research has long played an important role in the field of comparative politics and for good reason. As Giraudy, Moncada and Snyder (2019) outline, subnational research has substantive, methodological and theoretical benefits. On the substantive front, a subnational design allows us to examine important variation within countries as well as consider subnational actors and institutions that are often overlooked (Giraudy et. al 2019). A consideration of such variation can be especially important when looking at federal countries where subnational actors and institutions have substantial policy responsibilities and flexibility. On the theoretical front, subnational research pushes us not simply to assume theories developed

at the national level apply to the subnational level, but rather to develop and test theories of subnational outcomes (Giraudy et.al 2019). Finally, subnational research has methodological benefits. By looking within a single country, we can hold national level factors constant. This allows us to more easily pinpoint the key factors that drive differences in various outcomes rather than having to disentangle national differences between countries.

As previously noted, in this dissertation, I look at variation among Brazilian states. Brazilian states, or estados, are the intermediate level of government in Brazil, falling between the federal government and the municipal governments. The role that state governments have played in Brazil has varied over time. After undergoing a period of centralization under the military dictatorship, Brazil renewed its commitment to federalism with the 1988 constitution. The 1988 constitution guaranteed that the subnational governments would remain important actors and elevated the municipalities to equal members in the union with the same standing as states. This structure made Brazil among the most decentralized countries in the developing world. While states and municipalities were not granted the same policy freedom as subnational governments in the United States or Switzerland, for example, they were granted key responsibilities in both the areas of revenue collection and policy implementation.

Though Brazil has a municipal level of government as well, the academic literature on the first decade following the return to democratization points to the overwhelming dominance of the states. In his classic piece *Os Barões da Federação*, Abrucio (1998) calls the new politics of Brazil, “federalismo estadualista,” or state-centered federalism. Within states, governors ruled essentially unchecked to the point that Abrucio (1998) characterized states as ultra-presidential systems. The power of governors was not constrained to the boundaries of their state territory, however. Governors were able to act as veto players in debates on national legislation and to

influence elections for national level offices. For example, Ames (1995) finds that strong governors were able to influence the voting behavior of their state's delegation in the national legislature, while Mainwaring and Pérez Liñán (1997) similarly argue that governors could hold sway over members of their state's delegation from their own party or coalition. Additionally, Samuels (2000) finds that elections in Brazil were state-centered, with gubernatorial coattails playing a much more important role than presidential ones.

The power of governors during the first decade after the return to democracy was strong enough that scholars considered states predatory (Abrucio 2005) and a potential threat to governability in the fragile democratic context (Samuels and Abrucio 2000). The power and independence of states, as well as their threat to stability, can be seen through their abilities to borrow money. As of 1997, state governments, led by the large states of São Paulo, Rio de Janeiro, Minas Gerais, and Rio Grande do Sul, had accrued USD 139 billion in debt (Mainwaring and Samuels 1999). States were able to accrue such levels of debt in part because they had such strong influence over national politics. They were often able to convince the national government to take on their debt. Overall, the state of the state in the first decade following re-democratization, was one of great strength within the union. This strength, however, threatened the economic and political stability of the nation and the situation would need to change moving forward.

Fernando Henrique Cardoso began a process of structural reform to bring stability to Brazil's fragile new democracy as Finance Minister under President Itamar Franco and continued the process when he assumed the presidency in 1995. As Minister of Finance, Cardoso was one of the key architects of the Plano Real. The Plano Real's goal was to reign in hyperinflation, however it also had consequences for the balance of power between different levels of

government within the federation. One of the consequences of the Plano Real was an increase in real interest rates which made the level of debt accrued by state governments an even more pressing issue to be addressed. As a result, states were in a weakened position as they approached the central government to help them out of a debt crisis they could no longer ignore.

As states found themselves in increasingly difficult positions, they turned to the central government for assistance. In the past, the federal government had assumed state debts on highly favorable terms and put little pressure on them to repay as the presidents tended to need the support of governors to get sufficient support for their policies in the national legislature (Samuels and Mainwaring 2004). Cardoso, however, was more successful at imposing somewhat stricter terms on the states. While these initial negotiations were only a small step towards reigning in the power of the states, Cardoso would find more success just a couple of years down the road with the passage of Lei de Responsabilidade Fiscal (LRF), the Fiscal Responsibility Law, in 2000. The LRF established strict limits on state spending and indebtedness. Such limits included spending no more than 60 percent of net revenue on personnel and preventing debt from exceeding two times net revenue. A failure to comply with the measures laid out in the fiscal responsibility law would have consequences including the withholding of voluntary transfers from the union and the inability to take on new credit operations. The LRF succeeded in reducing the fiscal autonomy of the states and, until recent economic crises, getting state finances under control (Pereira 2010).

The role of states was also brought under control by elevating the role of the municipalities. Municipalities were elevated to equal status with the states and central government under the 1988 constitution and since then, they have gained significantly. For

example, while the central government and state governments have seen their share of total tax revenues remain stable or decline since the return of democracy, municipalities have seen their share rise (Ter-Minasian 2012). Likewise, municipalities have gained a larger role in service provision. Some social policies have increasingly become the responsibilities of the municipalities. For example, preschool and the first years of primary education have increasingly been transferred from state responsibilities to municipal ones. In addition, some large national programs, such as the conditional cash transfer program, Bolsa Familia, were specifically designed so as to skip over the state level and go directly to the municipalities. As Fenwick argues, by bypassing governors, the central government was able to use municipalities as a “counterweight” to the states (Fenwick 2009).

In the face of growing scrutiny over their finances and the rise of the municipalities, some have characterized the states as hamstrung actors with limited autonomy to implement their own policies (Arretche 2005) and limited resources to implement the policies they do have the autonomy to pursue (Sátyro 2013). Given the changing environment in which states have been considerably weakened, why then are the politics of the states still worthy of in-depth analysis? In spite of the constraints that states face, I argue that they are still essential actors within the Brazilian federation and warrant additional analysis.

First, despite constraints, some evidence suggests that states do vary quite a bit in crucial ways. Central to this study, Rogers (2021) finds that states vary in their redistributive efforts. Goiás is the least redistributive state, reducing market inequality by just 12 percent, while Maranhão is the most redistributive state, reducing market inequality by nearly 22 percent. While subnational redistributive efforts may not drastically reshape the territorial inequality in Brazil, it appears that they are still consequential especially for reducing inequalities within states.



Second, despite the shifting of some responsibilities to municipalities, states maintain some important policy responsibilities. As noted, municipalities are increasingly in charge of pre-school education and the first years of primary education, but states remain the primary providers of the second phase of primary education and of secondary education. The vast majority of states also maintain at least one state university. Beyond education, states are responsible for providing support and coordination to the public health system in their territory and they often implement their own, smaller-scale social assistance and public housing programs.

Third, states are not solely reliant on transfers from the central government, but rather have access to significant sources of their own revenues. Most importantly, the state collects the ICMS tax which is a sort of value added tax, and much smaller motor vehicle and inheritance taxes. On average, the ICMS alone accounts for over 50 percent of state revenues and own revenues combined account for nearly 70 percent of state revenue (Ter-Minassian 2012). Despite the fact that they have significant own revenues, states do face some restrictions as to how they can spend such revenues. For instance, they are required to spend 12 percent on health and 25 percent on public education, but they can and do allocate higher percentages at times (Santos et. al 2017). In addition to constitutionally required spending minimums, as previously noted, some states face very high debt burdens and, as a result, are limited in their abilities to increase investment in policies. Not all states face the same challenge with debt however, and some states face a fairly minimal burden, giving them quite a bit of fiscal space<sup>6</sup> to increase investment.

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<sup>6</sup> See Bastos and Pineda 2013 for a discussion of fiscal space in the states

Finally, as Hiskey and Moseley (2020) argue, citizen's experiences with democracy at the subnational level can influence the way they interact with democracy at the national level as well. Looking at variation in the quality of democracy at the subnational level may be important for understanding why Brazilians are so disappointed in the performance of their democracy overall. As I began to highlight in my case selection discussion, the quality of democracy varies between states in Brazil. Brazil does not have the more extreme cases of subnational authoritarian regimes as institutional constraints limit some of the governor's flexibility in important areas such as electoral rules (Niedzwiecki 2014). However, not all states have developed equally pluralistic systems and, as I will argue throughout this dissertation, not all states are equally responsive to their citizens. Understanding the consequences of this varied democratic quality may be important for better understanding attitudes towards democracy in Brazil overall.

As such, I argue that the literature has paid insufficient attention to state politics in recent years and a deeper understanding of this level of government is critical to more fully understanding government responsiveness in Brazil. I aim to bring our attention back to this often-overlooked level of government through this dissertation.

## **Conclusion:**

This dissertation is interested in the conditions under which governments respond to lower income citizens. Responsiveness should not simply involve changing rhetoric around a particular issue, but taking concrete actions to change policy. As public opinion surveys show, lower income citizens in Brazil are more likely to support a strong role for the state in the economy including state ownership of key industries and taking concrete actions to improve the

well-being of citizens. My interviews with civil society leaders reinforce these views and provide more insight into specific policies that low income citizens want to see their state governments pursue. To study the conditions under which governments are more likely to respond to low income citizens I take a subnational approach, focusing on the states which are the intermediate level of government in Brazil.

I use a multi-method approach to test my theory of when governments will respond to such preferences. In the next chapter, I present a quantitative analysis of state-level social spending in all 27 of Brazil's states from 2002-2017. This analysis provides insight into one way in which states may respond to their low-income citizens' demands to take concrete action to improve the well-being of citizens. After that, the next three chapters provide in-depth case studies of three states. These case studies allow me to bring additional evidence to bear on how and why left party strength and competition affect responsiveness as well as to bring civil society into the discussion.

## CHAPTER 4: THE DETERMINANTS OF STATE SOCIAL SPENDING<sup>7</sup>

In this chapter I investigate which political and economic conditions are associated with state governments' implementation of progressive social policies. As discussed, low income citizens are more supportive of government intervention in the economy including to improve the well-being of citizens. Here, I focus on the conditions under which governments do just that by increasing investment in social policies, particularly those that disproportionately benefit lower class groups such as public health, education, social assistance, and public housing.

In my analysis, I test the effect of left parties and political competition. I likewise consider a wide range of variables that may constrain states even if they have the political will to increase investment, most importantly high levels of debt. Previous work has suggested that states are highly constrained by their debt and, as a result, there is little difference in social spending no matter who is in power (Sátyro 2013). However, qualitative evidence suggests states are still finding ways to expand social spending. For example, the governor of Brazil's poorest state, Maranhão, has made waves since coming to office in 2014 for raising teacher salaries to the highest in the country (Gazeta do Povo 2019). In addition, Maranhão has invested in other areas of education such as opening new schools. Likewise, in interviews I conducted in three Brazilian states in 2019, politicians, including former governors, noted that despite tight budgets,

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<sup>7</sup> A version of this chapter previously appeared as an article in *Publius: The Journal of Federalism*. The original citation is as follows: Dunn, Claire. 2022. "Subnational Politics and Redistribution in a Federal System: Determinants of Social Spending in Brazilian States." *Publius: The Journal of Federalism*. 52(2):283-309.

they were able to find ways to invest in policies they viewed as important. For example, when asked about social policies during his tenure, a former governor pointed to a new early childhood program his government implemented and noted, “Investments that we made in education and health principally, were investments that, despite the fiscal difficulty of the state, were important<sup>8</sup>.”

While there is reason to be hesitant about the ability of Brazil’s subnational governments to bring about major social policy change, it is worthwhile to understand what role they may play, even if incremental, in changing the direction of social policy in their territories. I do not expect that states will be able to drastically increase or decrease their social spending, yet it strikes me as unlikely that there is no difference between states with drastically different socioeconomic and political climates. States vary quite substantially on variables the literature suggests should matter for social spending. Importantly, they vary in terms of left party strength and the extent of political competition.

In the next section, I present the operationalization of each of my variables. Then, I discuss the statistical methods I employ, and discuss the results of my statistical analyses.

## **Data and Methods**

To examine under what conditions Brazilian state governments may increase investment in progressive social policies, I have compiled a dataset of state-level spending as well as a variety of political and economic variables that I expect should influence spending. The dependent variables in my analysis are levels of social spending as a percent of state GDP. This allows me to measure the commitments of governments to social policy within the fiscal

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<sup>8</sup> Interview conducted April 17, 2019

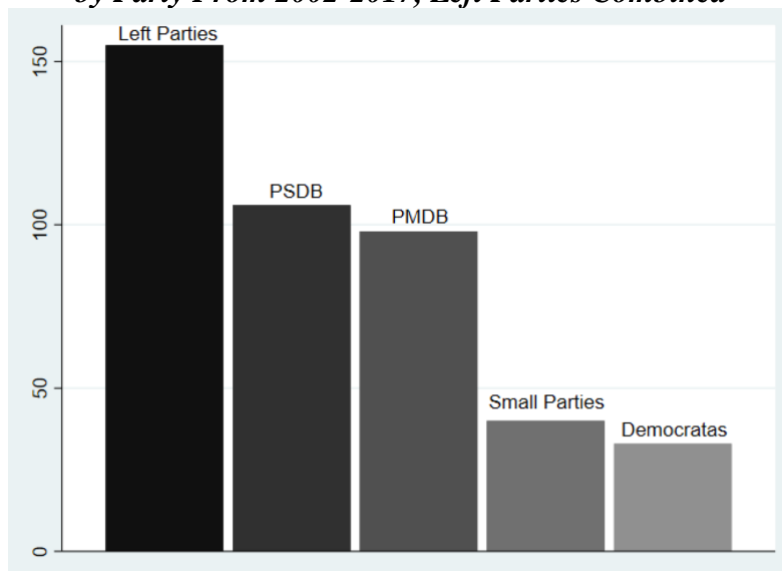
constraints that states are under. In the first model, I consider social spending as a whole. I restrict my analysis to the categories of spending that are redistributive in nature, that is, spending that disproportionately benefits the lower classes. As such, I exclude spending on social security. In the Latin American context, social security spending is more regressive than progressive (DeFeranti et. al 2004; Lindert, Skoufias, and Shapiro 2006). While the 1988 Constitution created a non-contributory pension aimed at providing support for the disabled or the elderly who lack another pension, this program is run and funded by the central government. State spending on social security is for the payment of civil servant pensions. As such, this spending benefits a disproportionately privileged class and cannot be seen as social spending aimed at responding to the interests of the lower classes. I do include spending on education, health, social assistance, and public housing.

Following my analysis of overall social spending, I also analyze health and education spending separately. Health and education spending jointly make up the vast majority of state-level social spending when social security is excluded. For these models the dependent variables are health spending or education spending as a percent of GDP. All spending variables are drawn directly from state budget information as reported by the National Treasury's System for Public Sector Accounting and Fiscal Information.

To test the importance of the left, I focus on the party of the governor. To capture this in my statistical models, I include a series of dummy variables. Since Brazil's party system is known to be very fragmented, I have created dummies for the larger parties and grouped some smaller parties together based on similar ideological leanings. This results in five dummies: Partido da Social Democracia Brasileira (PSDB), PMDB, left parties including the PT, other small parties, and the Democratas. As Figure 1 shows, in my dataset the combined left parties are

in power for the most cumulative years followed by the PSDB and PMDB, both centrist parties. Finally, smaller parties, generally leaning right of center, and the Democratas have held governorships for the fewest cumulative years. In Appendix A, I also include models using a dichotomous variable that simply considers whether the governor is from a left party or not. I focus my attention on the governor given that Brazilian state governments are characterized by executive dominance (Abrucio 1998). Legislatures are generally highly fragmented and in no case in my sample does the governor’s party hold more than fifty percent of the legislative seats. Likewise, state legislatures are generally dominated by the governor in Brazil so even if a governor does not hold a majority of seats, they tend to be able to pursue their legislative agenda (Abrucio 1998). As I have argued, I expect that left parties will be more inclined to increase social spending that disproportionately benefits lower classes compared to any other group of parties.

**Figure 1: Cumulative Years Holding a Governorship by Party From 2002-2017, Left Parties Combined**



Second, I am interested in the role of political competition. While some states, such as Minas Gerais and Rio Grande do Sul, have exhibited high levels of political competition since

electoral politics returned to the states, others continue to exhibit more limited competition (Borges 2007). In still other cases, competition has increased over time. For example, in some states, particularly in Brazil's poor northeast, dominant parties or actors maintained a strong grip on state power long after the return to democracy, but that grip has begun to decay in more recent years (Borges 2007). To capture the level of political competition I use three variables: continuity, first round vote share, and share of seats held by the governor's party. Continuity takes on a value of one when the elected governor is either the same person or from the same party as the previous governor. First round vote share reflects the percentage of the vote won by the governor in the first round of elections. Finally, seat share accounts for the number of seats the governor's party won in the legislative assembly. As discussed previously, the literature provides some mixed evidence as to how competition may affect social spending. While I expect competition to play a role in responsiveness overall, I recognize that its role may be somewhat more limited when it comes to this particular way of responding to citizens' demands.

All models in my analysis also include a variety of controls. To account for the argument that high levels of debt may prevent states from having sufficient budgetary flexibility to increase investment in social policies, I include the ratio of consolidated liquid debt to consolidated liquid revenue as reported by the National Treasury. I expect that a higher debt burden will lead to a reduction in social spending.

In addition, I include state GDP per capita and the Gini index. Brazil has been characterized as BelIndia due to the disparities in development among different regions of the country; while some have living conditions on par with European nations like Belgium, many face living conditions much more on par with developing countries like India. The well-off are more concentrated in the more developed states of the South and Southeast, while the poor are



more heavily concentrated in the less-developed states of the North and Northeast. Taking into account these vast wealth differences is necessary. While there is likely to be a greater need for increased spending in states where the GDP per capita is lower, I expect that states with higher GDP per capita will spend more on social policies because they will have more resources available to invest.

While the wealth of a state is of course necessary to consider, it is also important to consider how this wealth is distributed. Brazil is a notoriously unequal country and this inequality is worse in some areas of the country than in others. I expect that the more unequal a state is, the less it will spend on social policies. The Meltzer-Richard theory suggests that more unequal societies should see more redistribution as the median voter's income will be below mean income making them more likely to benefit from redistribution (Meltzer and Richard 1981). However, this theory fails to account for the fact that political power is not equally distributed. Power resources theory, on the other hand, incorporates the balance of class power, suggesting that we should expect political power to be concentrated in the hands of the upper classes in the absence of strong organizations representing the lower classes (Stephens 1979; Korpi 1983). In Brazil, concentrated wealth has largely coincided with concentrated political power so the Meltzer-Richard theory is unlikely to apply. As a result, I expect these states to be less responsive to the poor and therefore unlikely to increase investment in policies that primarily benefit them, despite the fact that the need for such policies would be stronger.

Likewise, I take into consideration the importance of the private sector for both education and health. A larger private sector is expected to reduce public social spending for two reasons. First, the private sector may be absorbing some of the demand on the public sector creating less need for public spending. Second, where a larger portion of the population uses

private services, there may also be less political support for public spending since people are already paying privately and thus may not want to pay taxes to fund public health and education. To measure the size of the private education sector, I measure the percent of total enrollments in each state that are in the private sector. To capture the importance of the private health sector, I include a control for the percentage of the population in each state that has a private health plan.

In addition to the economic and political variables, I also include demographic controls. First, I include the level of urbanization of each state and the level of diversity as measured by the percent of the population that identifies as Black or Indigenous. In the education and health models, I also include a variable to capture the size of relevant age categories. In the education spending models, I include a measure of the percent of the population between the ages of ten and nineteen. I select this age group because states are largely not responsible for the first phase of primary education, but rather the second phase of primary education and secondary education. A state with a larger school-aged population would be expected to invest more in education. In the health spending models, I include a measure of the percent of the population age sixty-five or older as the elderly are expected to make heavier use of the health system. I expect states with larger aged populations to spend more on health than others to account for the likely higher demand.

My dataset is composed of 432 observations from twenty-seven states across sixteen years. Table 3 shows the mean values of the dependent variables for each of the states.

**Table 3: Social Spending as a Percent of GDP in Brazilian States**

State	Social Spending	Edu Spending	Health Spending
Acre	14.2	7.7	5.6
Alagoas	4.9	2.5	2.2
Amapá	12.2	7.1	4.3
Amazonas	5.5	2.3	2.8
Bahia	4.7	2.1	2.4
Ceará	5.6	3.3	2.0
Distrito Federal	3.7	1.8	1.6
Espirito Santo	2.9	1.3	1.5
Goiás	3.9	2.1	1.6
Maranhão	5.2	3.1	1.8
Mato Grosso	3.5	2.0	1.4
Mato Grosso do Sul	3.6	2.0	1.2
Minas Gerais	3.0	1.7	1.1
Pará	4.5	2.1	1.8
Paraíba	5.9	3.2	2.3
Paraná	3.3	2.2	1.0
Pernambuco	4.8	1.9	2.7
Piauí	7.3	3.9	3.2
Rio de Janeiro	2.2	1.4	0.8
Rio Grande do Norte	5.9	2.9	2.5
Rio Grande do Sul	2.8	1.6	1.2
Rondônia	5.5	3.1	2.3
Roraima	11.8	6.6	4.3
Santa Catarina	2.6	1.4	1.1
São Paulo	3.1	1.9	1.1
Sergipe	5.5	2.7	2.5
Tocantins	9.0	4.5	4.2
Overall	5.4	2.9	2.2

Time series cross-sectional data poses a number of challenges to ordinary least squares regression. According to Hicks (1994) when OLS is used for pooled data five problems are likely to arise; estimates will be temporally autoregressive, cross-sectionally heteroskedastic, cross-sectionally correlated, will conceal unit and period effects, and will reflect causal heterogeneity across space and time. Scholars have debated the best way to address these problems when using pooled data and disagreement remains. Some argue that fixed effects are the best approach as they address omitted variable bias due to the fact that units had different historical trajectories

prior to the period of analysis. However, Plümer, Troeger and Manow (2005) warn that fixed effects do not simply account for omitted variable bias, but also, among other concerns, eliminate variation due to variables that are time invariant and reduce coefficients on variables that differ mainly between units. Rather than fixed effects, I use Prais-Winsten estimation with panel corrected standard errors in line with the recommendations of Beck and Katz (1995). Fixed effects models are included in Table A9 of the appendix as robustness tests and provide similar results regarding the party of the governor though they prove less useful for understanding many other variables which vary more across states rather than within states over time.

## **Results**

Table 4 shows the results for the total state social spending. Model 1 includes just my main independent variables of interest while Model 2 adds in economic controls and Model 3 adds demographic controls and the commodity boom dummy. Finally, Model 4 adds in controls for the size of the private health and education sectors for the fully specified model.

**Table 4: Determinants of State Social Spending**

	Model 1	Model 2	Model 3	Model 4
PSDB	-0.003*	-0.004*	-0.003*	-0.004*
	(0.002)	(0.002)	(0.002)	(0.002)
PMDB	-0.004**	-0.003*	-0.003*	-0.005**
	(0.001)	(0.001)	(0.001)	(0.002)
Democratas	-0.001	-0.003	-0.003	-0.004+
	(0.002)	(0.002)	(0.002)	(0.002)
Other Small Parties	-0.002	-0.002	-0.002	-0.005*
	(0.003)	(0.002)	(0.002)	(0.003)
Continuity	0.001	0.002+	0.002+	0.003*
	(0.001)	(0.001)	(0.001)	(0.001)
Governor's Party's Seat Share	0.007	-0.003	-0.002	0.000
	(0.010)	(0.009)	(0.008)	(0.009)
Governor's 1 <sup>st</sup> Round Vote Share	-0.002	-0.003	-0.004	-0.000
	(0.007)	(0.007)	(0.007)	(0.007)
Debt to Revenue Ratio		-0.014***	-0.014***	-0.011***
		(0.002)	(0.002)	(0.002)
GDP per capita (logged)		-0.018***	-0.021***	-0.010*
		(0.002)	(0.004)	(0.004)
Gini Index		-0.011	-0.014	0.005
		(0.023)	(0.023)	(0.025)
Urban Population			0.015	0.098***
			(0.025)	(0.028)
Diversity			0.161**	0.099*
			(0.055)	(0.047)
Commodity Boom			-0.001	-0.003
			(0.002)	(0.002)
Private Enrollments				-0.125***
				(0.030)
Private Health Coverage				-0.127***
				(0.021)
Constant	0.055***	0.249***	0.254***	0.108*
	(0.004)	(0.030)	(0.033)	(0.042)
<i>N</i>	432	430	430	430
Number of Groups	27	27	27	27
Avg. Number of Observations per Group	16	15.9	15.9	15.9
<i>R</i> <sup>2</sup>	0.322	0.439	0.458	0.530

Standard errors in parentheses <sup>+</sup>  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

First, looking at partisan politics, compared to when a left party enters the governorship, all other parties are expected to spend less on social policy when they come to power. The coefficient is not only negative, but significant at least at the 0.1 level for all party groupings in the fully specified model.

Looking at the control variables, neither the governor's first round vote share nor the governor's party's seat share have significant effects on social spending. Continuity, however, is

positive and significant. An additional term in office, then, may provide added time and flexibility for a party to pursue such changes.

Turning to the other variables in my model, we see that both GDP per capita and the debt to revenue ratio have consistent, statistically significant and negative effects on social spending. While I expected a higher GDP per capita to lead to higher spending, the decline in the size of the coefficient when controls for private health and education are included suggests that this negative effect is at least partly explained by the fact that where citizens are wealthier, they are choosing to use private rather than public services. As a result, they may not pressure the government to increase investment in public health and education. The percent of school enrollments that are in the private sector and the percent of the population with a private health plan both have significant, negative effects on public social spending.

Lastly, looking at the demographic controls, having a larger urban population and having a larger Black and Indigenous population both have positive and significant effects on total social spending.

In addition to total spending, I also analyze education and health spending separately. In all states, these two categories account for the vast majority of spending so it is worth examining them each more in depth. First, I look at education spending as a percent of total spending. The only previous piece that I know of that examines determinants of state level spending (Sátyro 2013) combines education and culture spending because prior to 2002, these categories were not separated in the budget data. However, disaggregated spending is now available allowing me to examine just education. While culture spending appears to have generally been just a small portion of the combined total, it is important to be able to examine education spending alone as the determinants of public education spending and culture spending are potentially different.

**Table 5: Determinants of State Education Spending**

	Model 5	Model 6	Model 7	Model 8
PSDB	-0.002* (0.001)	-0.002+ (0.001)	-0.003* (0.001)	-0.003** (0.001)
PMDB	-0.003* (0.001)	-0.002* (0.001)	-0.003** (0.001)	-0.003** (0.001)
Democrat	-0.000 (0.001)	-0.001 (0.001)	-0.002 (0.001)	-0.003* (0.001)
Other Small Parties	-0.002 (0.001)	-0.002+ (0.001)	-0.003* (0.001)	-0.004** (0.001)
Continuity	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)
Governor's Party's Seat Share	0.008 (0.006)	0.001 (0.006)	0.004 (0.005)	0.005 (0.006)
Governor's 1 <sup>st</sup> Round Vote Share	-0.002 (0.004)	-0.002 (0.005)	-0.001 (0.004)	-0.001 (0.004)
Debt to Revenue Ratio		-0.006*** (0.001)	-0.003** (0.001)	-0.004** (0.001)
GDP per capita (logged)		-0.012*** (0.001)	-0.001 (0.003)	-0.001 (0.003)
Gini Index		-0.014 (0.014)	-0.025* (0.012)	-0.021 (0.013)
Urban			0.027* (0.013)	0.039** (0.014)
Diversity			0.037 (0.028)	0.038 (0.025)
School Aged Population			0.548*** (0.073)	0.506*** (0.067)
Private Enrollments				-0.041* (0.017)
Commodity Boom			-0.001 (0.001)	-0.001 (0.001)
Constant	0.030*** (0.003)	0.156*** (0.018)	-0.075* (0.038)	-0.070* (0.035)
<i>N</i>	432	430	430	430
Number of Groups	27	27	27	27
Avg. Number of Observations per Group	16	15.9	15.9	15.9
<i>R</i> <sup>2</sup>	0.321	0.429	0.538	0.557

Standard errors in parentheses <sup>+</sup>  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

As with overall spending, I find support for my left party hypothesis. The coefficients on each of the party variables are negative as with overall spending. In the fully specified model, the PMDB, PSDB, Democrat, and other small parties are all significant at the 0.05 level. The debt to revenue ratio is statistically significant and negative as in the total spending models. GDP per capita has a negative effect in Model 6, but the effect nears zero and is no longer significant once the school-aged population and private education variables are added in Models 7 and 8.

Finally, looking at demographic controls, a larger urban population has a positive and significant effect on education spending. The school aged population is likewise positive and significant as expected.

Lastly, I turn to health spending. While health spending generally accounts for a smaller portion of state-level social spending than education, it still accounts for the second largest portion of social spending at the state level, making it an important consideration.

**Table 6: Determinants of State Health Spending**

	Model 9	Model 10	Model 11	Model 12
PSDB	-0.002** (0.001)	-0.002** (0.001)	-0.002** (0.001)	-0.002** (0.001)
PMDB	-0.001* (0.001)	-0.001+ (0.001)	-0.002* (0.001)	-0.002* (0.001)
Democratas	-0.001 (0.001)	-0.002 (0.001)	-0.003* (0.001)	-0.002* (0.001)
Other Small Parties	-0.000 (0.001)	0.000 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Continuity	0.001 (0.001)	0.001* (0.001)	0.001+ (0.001)	0.001+ (0.001)
Governor's Party's Seat Share	-0.004 (0.004)	-0.007+ (0.004)	-0.003 (0.004)	-0.003 (0.004)
Governor's 1 <sup>st</sup> Round Vote Share	0.001 (0.003)	-0.001 (0.003)	0.000 (0.003)	0.001 (0.003)
Debt to Revenue Ratio		-0.007*** (0.001)	-0.005*** (0.001)	-0.004*** (0.001)
GDP per capita (logged)		-0.005*** (0.001)	-0.001 (0.002)	0.001 (0.002)
Gini Index		0.008 (0.011)	0.008 (0.010)	0.010 (0.011)
Urban Population			-0.017 (0.013)	-0.001 (0.014)
Diversity			0.050* (0.020)	0.035+ (0.020)
Aged Population (65+)			-0.231*** (0.036)	-0.168*** (0.039)
Private Health Coverage				-0.043*** (0.012)
Commodity Boom			-0.001 (0.001)	-0.001 (0.001)
Constant	0.023*** (0.002)	0.073*** (0.015)	0.059*** (0.016)	0.027 (0.019)
<i>N</i>	432	430	430	430
Number of Groups	27	27	27	27
Avg. Number of Observations per Group	16	15.9	15.9	15.9
<i>R</i> <sup>2</sup>	0.143	0.278	0.366	0.377

Standard errors in parentheses +  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$



Some similar trends again emerge when we look at health spending. All non-left parties continue to take on negative coefficients and these coefficients are statistically significant for the PSDB, PMDB, and the Democratas.

Competition variables again appear to tell us little about social spending. Looking at the economic variables, debt to revenue again has a significant, negative effect on social spending. GDP per capita is significant and negative in Model 10, but once demographic controls and the controls for private health coverage are included in Models 11 and 12, the effect is no longer significant.

Finally, the percent of the population living in urban areas does not have a significant effect on health spending in the fully specified model, while the percent of the population that identifies as Indigenous or Black has a positive effect. The population aged sixty-five or above surprisingly has a significant and negative effect on social spending.

### **Robustness Tests**

To test the robustness of my findings, I also run all of my models using social spending, education spending and health spending as a percent of total spending rather than GDP. These results provide additional support for my hypotheses, though are somewhat weaker. The differences between these results are likely due to the fact that using spending as a percent of GDP captures how much a state is willing to engage in spending whereas using total spending does not account for this potentially important variation. Full results from this analysis are available in Table A3 of the appendix.

It is important to note that my sample, except for the year 2017, considers a time period where the left was in power at the national level. While own-revenues account for a large portion

of state budgets, they also receive mandatory and discretionary transfers from the national government. Research has shown that the president's co-partisans disproportionately benefit from discretionary transfers (Soares and Neiva 2011) suggesting that PT governors likely benefited more than others under national PT governments and this may have given them some additional flexibility to increase spending compared to other parties. To test the possibility that co-partisanship may be driving my results I run two additional analyses. First, I use discretionary transfers as a control variable to test the possibility that co-partisan governors may receive a disproportionate share of discretionary transfers from the national government, allowing them greater flexibility to invest in social policies. At the time of this writing, data on discretionary transfers to the states was only available beginning in 2011 so these are much smaller samples. However, the results, using both discretionary transfers per capita and as a percent of GDP, are consistent with my previous findings. Most notably, PMDB and PSDB are negative and significant at at least the 0.1 level in all models. Second, to consider the full sample, I separate out the PT from other left parties to see if the PT drives my results. These results show that non-left parties do spend significantly less than the PT, but other left parties do not. Full results from these analyses are available in Tables A4-6 of the appendix.

## **Discussion**

The results presented in the previous section provide interesting insight into the determinants of social spending at the state-level. These results contradict some of what the state-level literature has argued in the past, most notably that the governor's party is not a significant determinant of social spending at the state-level. Instead I find that the determinants of state-level social spending are more similar to those of national-level social spending than

previously argued. In particular, I find that while debt does constrain spending, it does not appear to prevent political considerations from having an effect on social spending.

In terms of partisan politics, I find evidence to support my hypothesis that left parties will spend more on progressive social policies than will other parties. My analysis likewise suggests that these differences in spending cannot simply be attributed to alignment between leftist presidents and governors. In nearly all of my models, the two main centrist parties, the PSDB and PMDB, and the right-of-center Democratas have statistically significant and negative effects on social spending compared to when a left party is in power. Other small parties have a significant, negative effect on total social spending and education spending. When the PMDB is in power, for example, my model predicts .005 percent of GDP less to be spent on social policies than when left parties are in power. While 0.005 percent may seem small, this is actually a quite large substantive change. During the period included in my sample, the average state had a GDP of approximately R\$143 billion. A decrease of 0.005 percent of GDP spent on social policies would be a decrease of almost R\$ 715 million. In any context, this would be an important decrease in spending, but it is all the more noticeable in systems where public services are so underfunded as is the case throughout much of Brazil.

## **Conclusion**

In this chapter, I find evidence that politics matters when it comes to the ways in which states allocate their resources. In particular, I find support for my argument that the left is more likely to respond to low income citizens. Especially in comparison to the two large, catch-all parties, left parties spend significantly more on progressive social policies, all else equal. States may face financial constraints that limit how large an impact any given state politician can have

on social spending, but even in the face of such constraints, partisan politics may inspire incremental changes in social spending.

I do not find evidence of a significant effect of competition on social spending, however. I suspect that this may in part because not all competition is created equal when considering responsiveness to the lower classes. Competition between the right and center, for instance, is unlikely to have the same effect as competition between the left and center or even the left and the right. As such, I do not believe that the results of this analysis should cause us to disregard the potential importance of political competition, but rather to focus on a more precise vision of competition involving a strong political left.

The next chapters build on the findings in this analysis through the development of three case studies. These three cases not only vary on left party strength and the extent of political competition, but also on civil society strength. In these cases, I broaden my focus, looking beyond social spending. I examine economic policy decisions as well as dig into one particular social policy area, education policy, in greater detail. The next chapter, Chapter 5, focuses on the case of Rio Grande do Sul where the left is strong, political competition is robust, and lower class groups are well-organized.

## **CHAPTER 5: CASE STUDY OF RIO GRANDE DO SUL**

In this chapter I take a closer look at Brazil's southernmost state, Rio Grande do Sul. With a long history of leading the way in progressive policies at the state level, Rio Grande do Sul provides an interesting case for examining the conditions under which governments choose to pursue policies that benefit the lower classes. As a large and old state, Rio Grande do Sul also reflects the challenges faced under Brazil's federal pact. States are constrained actors and few are more constrained than Rio Grande do Sul. As a result, large injections of resources into specific policy areas are unlikely. Rather, responsiveness is seen through reforms at the margins. In the following paragraphs, I will provide a brief historical overview of Rio Grande do Sul and lay out its political landscape since the return to democracy. I will then discuss what this political landscape has meant for responsiveness to lower class voices in the state. Using evidence from secondary sources as well as interviews conducted in 2018 and 2019, I demonstrate that the presence of a strong left and a well-organized civil society has put pressure on the government to increase responsiveness, even if only at the margins.

### **Historical Background**

Rio Grande do Sul has played a unique role in Brazilian politics from the beginning. By nature of its position on the borders with Uruguay and Argentina, Rio Grande do Sul was the site of numerous wars to determine where Spanish territory ended and Portuguese territory began. Along with playing a pivotal role in international conflicts, the state was also the site of multiple domestic conflicts. For example, the Farroupilha Revolution from 1835 to 1845 aimed at

winning the territory's independence from the Brazilian Empire. Before the end of the century, from 1893 to 1895, the state also fought a violent civil war pitting supporters of Republican Governor Júlio Castilhos against supporters of his primary opponent and noted Federalist, Gaspar Silveira Martins. While this conflict spread beyond Rio Grande do Sul, reflecting a fight over the direction of Brazil as a whole, its consequences for the state were particularly strong. This civil war played a key role in defining the politics of Rio Grande do Sul and setting the state on a different political path from other states. The civil war created political polarization in the state around which politicians began to form clearly defined political parties. Politics then quite early became about competition between relatively ideological parties rather than personalistic politics as found in most other states (Love 1971).

Along with the development of parties, Rio Grande do Sul built a capable state. During the early years of the Old Republic, Rio Grande do Sul looked inward rather than seeking a key role in national politics. For example, in 1904 the state replaced export taxes with property taxes, which it became quite effective at collecting. Revenues were heavily invested in public education and the state became known for its more progressive fiscal policies early on (Love 1971). Rio Grande do Sul's early development helped set the stage for understanding its more recent trajectory.

Rio Grande do Sul is a most likely case of government responsiveness. It has a highly competitive electoral system, strong political left, and a densely organized and active civil society. In this chapter I will first provide an overview of the Rio Grande do Sul case with a focus on each of my key variables. Then, using secondary research and interview data, I will analyze how the presence of each has helped create a government that is more responsive to the lower classes in this state. Finally, I will discuss challenges to maintaining and building on past

progress towards more responsive government in Rio Grande do Sul. While Rio Grande do Sul has been a more responsive state, continued responsiveness is not guaranteed and recent challenges threaten the ability of the state to maintain and build upon its past efforts to better incorporate the lower classes into political decision-making. Responsiveness in the past does not guarantee responsiveness in the future and consistent efforts at building a strong, programmatic left and an active civil society are needed to help prevent reversals of past gains.

### **The Party System in Rio Grande do Sul**

The party system in Rio Grande do Sul is highly competitive and polarized, resulting in conflictual politics (Schneider 2001, Borges 2007). As previously noted, the party system in Rio Grande do Sul has long stood out from the rest of Brazil in that it developed organized and defined political parties early on, solidified by a civil war from 1893-1895 (Love 1971). Not only were parties well-organized, but they were ideologically oriented and centrally controlled. As a result, *coroneis* were not the dominant political figures found in other states (such as Goiás).

Such characteristics continue to be evident nearly a century later with the return to democracy; politics in the state continue to be polarized and parties more ideological than in other Brazilian states. Since the return of direct elections for the governorship in 1982, no governor, or party, has successfully won two terms in a row. Likewise, since the majority run-off electoral system began to be used in the 1990 elections, only one governor has succeeded in being elected in the first round. While Rio Grande do Sul has a multi-party system as found in the rest of Brazil, it has been dominated by two main party groupings, the pro-PT pole and the anti-PT pole (Oliviera 2016). On the pro-PT side, the two main parties are the PT and the PCdoB. The anti-PT pole has been led by the PMDB, but also includes the smaller PSDB,

Democratas, PPS, and PSD as well as the PP. In between the two poles are the group of parties that has at times sided with the pro-PT pole and at other times with the anti-PT pole. The most important party in this grouping is the center-left PDT which has often played a deciding role in gubernatorial elections as well as in whether or not elected governors are able to govern with ease once in office (Oliveira 2016).

While parties in Brazil have at times been known to look different on the state-level compared to the national level, in Rio Grande do Sul parties have tended to reflect a similar ideology to their national counterparts. Through an analysis of bills submitted in the legislature, Dias, Menezes and Ferreira (2012) find that the PT, PSB, PDT and PCdoB are to the left of center in the state, the PL, PMDB, PTB and PSDB are all approximately centrists and the Democratas and PPS are on the center-right. Oliveira (2016) adds that the PP is situated the farthest to the right while the PV joins the center-left grouping and the PSTU, PSOL, and PCB join the left.

When it comes to the legislature, the Assembleia Legislativa do Rio Grande do Sul, neither the pro- nor the anti-PT poles have generally obtained a majority without the support of the interpolar group. As a result, unlike many other states, the governor is not in a strongly dominant position compared to the legislature. Instead, as Schneider (2001, 2006) notes, governor's often face a cohesive opposition that requires them to negotiate. For example, Governor Olivio Dutra, the first governor elected from the PT, did not have majority support in the legislative assembly at any point during his term in office, complicating his ability to pursue his campaign promises. Dutra is not the only governor to have faced such challenges. Even governors who have built majority coalitions in the legislature have faced challenges in passing their projects. While governors often have high rates of approval for their legislation, this is



because they limit the projects that they send to the legislature rather than because they are in a dominant position.<sup>9</sup>

**Table 7: Recent Political History of Rio Grande do Sul**

<b>Years</b>	<b>Governor</b>	<b>Party</b>	<b>1<sup>st</sup> Round Vote Share</b>	<b>Governor's Party's Seat Share (55 Seats)</b>
1991-1994	Alceu Collares	PDT	56.4%	13 seats (24%)
1995-1998	Antônio Britto	PMDB	42.5%	10 seats (18%)
1999-2002	Olívio Dutra	PT	48.6%	12 seats (22%)
2003-2006	Germano Rigotto	PMDB	51.2%	9 seats (16%)
2007-2010	Yeda Crusius	PSDB	48.2%	5 seats (9%)
2011-2014	Tarso Genro	PT	46.33%	14 seats (25%)
2015-2018	José Ivo Sartori	PMDB	45.86%	8 seats (15%)
2019-2022	Eduardo Leite	PSDB	59.73%	4 seats (7%)

### **Left Party Strength**

Though Brazil's South region has been considered a bastion of anti-PT sentiment in recent years (see national election results from 2006-2018), Rio Grande do Sul was one of the leading states for the development of the PT. The state was the site of early victories for the PT, namely the election of Olívio Dutra as mayor of the state's capital, Porto Alegre, in 1988. The PT would go on to win four consecutive terms in Porto Alegre where they established their internationally-recognized participatory budgeting program. This program stands out as a clear example of the state party's commitment to increasing citizen participation in government and to giving more of a voice to citizens that had traditionally exerted little influence on politics.

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<sup>9</sup> Interview conducted August 7, 2018.

The party was also able to translate its success at the municipal level to success at the state level with Dutra's election as governor in 1998 and the election of Tarso Genro in 2010. Though the PT has not consistently held the state-level executive office, they have tended to be a viable electoral option since the return of democracy. Since their first victory in 1998, the PT's candidate for governor has performed well enough to make the second round of elections in all except for the 2018 election where their candidate finished third. This likely reflects the nationwide backlash against the PT in the 2018 elections in the face of the impeachment of President Rousseff and the corruption charges against President Lula.

In addition to executive positions, there has been a strong contingent of PT deputies in the legislative assembly. The PT held its largest share of seats, approximately 25 percent, in the 53<sup>rd</sup> legislature, elected in 2010 (Memorial do Legislativo do Rio Grande do Sul). Even in the difficult 2018 elections, the PT managed to elect eight legislators and remain tied with the PMDB for the largest party in the legislature (Memorial do Legislativo do Rio Grande do Sul) indicating their continued relevance even in challenging circumstances. In addition to the PT, the PDT has played an important role in the state succeeding in electing a governor and, often, a large bench in the legislative assembly. Though the PDT has not always aligned with the PT, they have tended to promote a center-left agenda.

Though the left has traditionally been a relevant actor in the state, it has struggled with unity at times. For example, while Olivio Dutra was the first PT governor, internal disputes in the party led the PT not to support his candidacy for re-election, but rather, to choose Tarso Genro as their candidate.<sup>10</sup> Similar tensions within the PT arose during Genro's government, particularly around the ways in which societal participation should be incorporated into the

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<sup>10</sup> Interview conducted March 8, 2019

government.<sup>11</sup> Such tensions are increasingly common among the PT as the party determines how to move forward from recent challenges, but can be seen as a potential threat to the party's ability to compete and govern effectively.

## **Civil Society**

In addition to the continuous presence of a strong left, most importantly in the form of the PT, Rio Grande do Sul is characterized by a high degree of civil society organization. Rio Grande do Sul has a civil society density of 0.57<sup>12</sup>, the fourth highest among Brazilian states. This is not a new characteristic of the state and many organizations, such as the Movimento dos Trabalhadores Rurais Sem Terra (MST) and various worker's unions, have decades of history in the state. The MST, for example, though formally founded in the state of Paraná, first took shape towards the end of the dictatorship with land occupations in Rio Grande do Sul, including the establishment of an encampment on unproductive estates at Encruzilhada Natalino. The MST remains a large, well-organized movement. As a leader of the state directorate describes it, "We influence politics in the state a lot by being a movement with a lot of people. We have 312 settlements in Rio Grande do Sul, more or less 15,000 families settled plus 1,000 families in encampments and all of this is very organized. It makes a difference to have a block of 15,000

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<sup>11</sup> Interview conducted March 18, 2019.

<sup>12</sup> I use the count of civil society organizations in each state as reported by the Instituto de Pesquisa Econômica Aplicada's 2018 report, "Perfil das Organizações da Sociedade Civil No Brasil." One notable group excluded from this measure of civil society is worker's unions. To include unions, I turn to the IBGE's 2001 Pesquisa Sindical. Because I expect employers may have different objectives than workers, I only use the number of workers' unions. I add the total number of workers' unions to the total number of other civil society organizations and then divide this total by the population of each state, per the 2010 census, to create a per capita measure of civil society.

families organized within the state. It changes politics. They're obliged to receive us, have a dialogue with us, try to meet us halfway."<sup>13</sup> In addition to being well-organized, the MST in Rio Grande do Sul is economically influential. For example, in 1997, the MST in the state formed an organic seed collective, BioNatura, and within the decade, this collective had become the largest organic seed producer in Latin America (Carter 2010).

Not only is the MST strong on its own, but it allies with other rural organizations including the Movement of People Affected by Dams (MAB), Movement for Popular Sovereignty in Mining (MAM), Small Agriculture Workers Movement (MPA), and the quilombola movement through the Via Campesina.<sup>14</sup>

Similarly, the state teacher's union, and other workers' unions, have long histories of strength in the state. The teachers' union, the Centro dos Professores do Estado do Rio Grande do Sul (CPERS), was founded in 1945 in Porto Alegre (originally named Centro dos Professores Primários Estaduais) and would become, for a time, one of the largest unions in Latin America.<sup>15</sup> This union would remain active even during the military dictatorship and took a lead in pushing back against the dictatorship by striking in 1979. The teacher's union continues to be a strong actor in the state, though it has weakened somewhat in recent years.<sup>16</sup> Other working class groups are also well-organized in the state. As of 2018, Rio Grande do Sul had the third highest

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<sup>13</sup> Interview conducted April 30, 2019

<sup>14</sup> Interview conducted April 30, 2019

<sup>15</sup> Interview conducted March 18, 2019

<sup>16</sup> Interview conducted August 7, 2018

percent of its population unionized, at nearly 16 percent which put it more than three percentage points above the national average (Instituto Brasileiro de Geografia Estatística 2018).

It is not only the popular classes that have successfully mobilized, however. The business classes have also historically been well-organized and politically engaged in the state. A prime example of the capacity of this sector of society to mobilize can be seen in the Movimento pela Liberdade Empresarial (MpLE), which was led by the Federation of Industries of Rio Grande do Sul (FIERGS) and brought together business organizations from each the other major economic sectors including the Agricultural Federation of the State of Rio Grande do Sul (FARSUL), The Federation of Commercial Associations of Rio Grande do Sul (FECOMERCIO), the Democratic Ruralists Union of Rio Grande do Sul (UDR-RS), and the Association of Sales Managers of Brazil (ADV-B). The MpLE led major demonstrations in opposition to the inclusion of social and workers' rights in the new constitution, met with politicians and drafted and proposed alternatives to aspects of the constitution to which the sector was particularly opposed (Cadoná 2009). The MpLE shows that the economic elite were willing and able to collectively mobilize and put forth a strong front in the face of policies it saw as threatening to its interests.

The business sector did not demobilize with the return of democracy. Instead, such organizations continued to work to influence politics in the state. These organizations present proposals to candidates for governor for the development of the state, throw their support behind candidates they view as friendly to their interests, and organize movements in opposition to those they viewed as hostile, notably the PT. For example, leading up to the 2002 elections, FIERGS, FARSUL and FEDERASUL organized events throughout the state to encourage citizens to vote against the PT in both the state and national elections. The president of FEDERASUL said at one such event, "The PT hates business" (Feijó 2002).

## **Economic Context**

While Rio Grande do Sul has all of the variables present to create a political environment responsive to the needs and interests of a broad range of citizens, it faces a major hurdle in the form of a lack of resources. Rio Grande do Sul is a wealthy state with a diversified economy. As of 2018, the state had the fifth highest GDP per capita in the country (Instituto Brasileiro de Geografia e Estatística 2020) and was one of the largest contributors to the national economy, accounting for an average of 6.2 percent of the national GDP between 2007 and 2017 (Atlas Socioeconômico Rio Grande do Sul 2017). The agriculture, industrial and service sectors all play important roles in the state (Atlas Socioeconômico Rio Grande do Sul 2017). Along with its level of economic development, Rio Grande do Sul has a fairly high level of human development, tied for the sixth highest human development index score as of 2010 (Instituto Brasileiro de Geografia e Estatística 2010).

While Rio Grande do Sul is in many ways a prosperous state, it faces a number of major economic challenges. Most notably, it faces very high debt levels which became particularly politically relevant following the reforms implemented under Fernando Henrique Cardoso. In 1994, debt accounted for thirteen percent of Rio Grande do Sul's state GDP and just four years later it had more than doubled, accounting for over 27 percent of state GDP (Caldas et. al 2015). As debt rose, Rio Grande do Sul, like other states, entered into negotiations with the national government to restructure its debt. However, renegotiation did little to alleviate the state's problem. In real terms, the state's debt level remained more or less stable between 1999 and 2014 (Caldas et. al 2015). Additional reforms such as the Lei Kandir, which exempted primary and semi-finished products and services from the state ICMS tax, made for an even more challenging situation. The Lei Kandir was considered harmful to exporting states such as Rio

Grande do Sul as it reduced their revenue flows. The federal government was supposed to compensate states for the lost revenue, however, this compensation did not come through as promised. As one former governor stated, “I faced head on the decline in revenue collection due to the Lei Kandir that I approved and defended in the National Congress. But, I defended and approved it believing that the state would get back 50 percent of what it lost. Up to today this hasn’t happened. So, the union’s debt to the states, that the union doesn’t totally recognize, is very large.”<sup>17</sup>

While the challenges facing Rio Grande do Sul are not unique, it is among the states in the worst financial positions in Brazil. According to the Capacity to Pay analysis conducted by the National Treasury to determine the creditworthiness of states wanting to contract new debt with the guarantee of the union, Rio Grande do Sul finds itself alongside Rio de Janeiro and Minas Gerais with a grade of D (Tesoro Nacional 2021). This indicates that the state has a high debt to revenue ratio, a high expenditure to revenue ratio and low liquidity. As I will discuss in the following paragraphs, the ability of the state government to respond to public demands with large, publicly financed policies is limited. The state has limited flexibility in its budget and the LRF prevents states from taking on new debt when they already have high levels of debt. As a result, state’s leaders lack the ability to search for alternative mechanisms to finance key projects. Rather, moves towards responsiveness to lower class groups are seen through smaller, but important investments in key areas, policy changes that can be accomplished with a reshuffling of priorities rather than large new investments and through reforms aimed at increasing the ability of low income groups to have a voice in politics.

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<sup>17</sup> Interview conducted April 17, 2019

As a result of having such a high debt burden, governors have had limited room to implement their own priorities when elected to office. Their budgets are largely consumed by debt service, salaries and mandatory expenditures. While budgets may be tight, there are still differences evident in how the state's governors have led. As the below analysis will show, governors have been able to prioritize areas of importance and make a difference through means other than increasing spending. It would be an oversimplification to simply say that it does not matter at all who governs the state.

So, what has been the result of having a competitive political environment, a strong political left and an active civil society in Rio Grande do Sul? In the following sections, I examine different policy areas to show how the presence of all three of these factors has increased the state government's responsiveness to a wider swath of the state's population, though such responsiveness has often been limited in its extent due to the state's economic constraints.

## **Policy Outcomes:**

### ***Participatory Institutions and Reforms***

To start, I analyze reforms aimed at increasing the participation of more groups of citizens in the state's decision-making processes. Literature on Porto Alegre's municipal participatory budgeting, for instance, has shown that the implementation of participatory budgeting increased the involvement of lower-income citizens in politics and did so in such a way that eschewed past clientelistic mechanisms in favor of formal institutions (Wampler and Arvitzter 2004). Beyond increasing involvement in politics, Arvitzter (2010) shows that Porto Alegre's participatory budgeting process led to meaningful improvements in the lives of the



poor. Likewise, participatory budgeting has led to a redistribution of state resources to lower income areas (Santos 1998). As such, efforts at expanding participatory institutions at the state level may be seen as important means of making the government more responsive to lower classes beyond the capital.

A study of Rio Grande do Sul would be incomplete without a discussion of participatory reforms as the state has led the way in this area. Not only does the state maintain active participatory councils as required by national law, but it has gone beyond the required councils in search of new mechanisms for increasing citizen participation in politics. Municipal-level participatory reforms, particularly participatory budgeting, in Rio Grande do Sul are well-known, but state-level efforts have also been made to increase citizen participation. While substantial work has provided in-depth analysis of the development of participatory institutions in Rio Grande do Sul (see for example Nuñez 2016; Goldfrank and Schneider 2006; Faria 2006), this section seeks simply to provide an overview of the efforts that have been made, the actors involved in such efforts, and the consequences of such reforms for responsiveness to the lower classes.

An early effort at implementing participatory reforms at the state level came under Governor Alceu Collares, of the PDT. Collares created regional development councils, or COREDEs, to allow the state's regions to have more of a say in the budget and, in particular, to reduce regional inequalities in the state. The COREDEs aimed to bring together elected officials, academics, and civil society organizations representing various segments of society to discuss the interests of the region and what their budgetary priorities were, in some ways a sort of regional participatory budgeting (Bandeira 1999). The COREDEs, while in theory an important participatory expansion, fell short in that few of their proposals were ever actually implemented

(Bandeira 1999) and they were often dominated by relative elites, largely local universities and municipal officials (Côrtes 2003).

The next governor, Antônio Britto, a bitter opponent of the PT, maintained the COREDEs system and aimed to make them more effective. In his final year in office, in a move that was seen by many as an electoral strategy to better compete with the PT in the upcoming elections, Britto added an additional participatory mechanism to the COREDEs, the Consulta Popular (Goldfrank and Schneider 2006; Fonseca 2019). Under the Consulta Popular system, proposals from the COREDEs would be presented to the voters who could then select which five should be included in the state budget. Unfortunately for Britto and the PMDB, this move did not prevent the PT from winning the next elections. Olívio Dutra took office seeking to implant his campaign promise of expanding participatory budgeting to the state level, adding to the state's pre-existing participatory institutions.

The process of scaling participatory budgeting up to the state level was fraught. In a reflection of the highly polarized political environment in the state, the opposition to Dutra's government was strong and worked to prevent the governor from fulfilling his political promises. In particular, those who saw their interests well-represented in the COREDEs opposed the creation of a new system that might weaken their influence (Côrtes 2003). As a result, when participatory budgeting was first put in place at the state level, Collares, former governor and actually a member of a party that made up Dutra's base in the legislature, sued the state for improperly using funds to support the project. While this case did initially prevent the government from funding participatory budgeting meetings, strong civil society movements aligned with the PT stepped in to provide support. The Central Única dos Trabalhadores (CUT), MST, and others helped organize and finance the participatory budgeting meetings in the

absence of government funds. While the state-level participatory budgeting process faced challenges, and had to be modified in response, it was implemented. There are of course critiques to be made of the state-level participatory budgeting process (see Nuñez 2016, for example), however, it is important to note that this process was successful at increasing the involvement of lower class citizens. Legard and Goldfrank show, for instance, that in 2002, nearly 50% of the participatory budgeting delegates had no more than a primary level of education (Legard and Goldfrank 2021).

When the PT lost the following election, however, state-level participatory budgeting was abandoned until the PT was able to win again in 2010. In between, Governor Germano Rigotto (PMDB) expanded the participatory public policy councils to cover new areas and returned to the use of Consulta Popular and the COREDEs. Rigotto considered this approach to be, “Participatory budgeting with small modifications.”<sup>18</sup> The following governor, Yeda Crusius (PSDB), did not engage in any expansions of participatory institutions and had a tense relationship with some of the pre-existing institutions in the state (Nuñez 2016). With the election of Tarso Genro (PT) in 2010, however, a new wave of participatory institutions was again seen in the state.

Under Genro, participatory budgeting returned to the state, but in a somewhat different form from that used by his PT predecessor, Dutra. Under Genro, a network of participatory institutions was created called the *Sistema Estadual de Participação Popular e Cidadã* (referred to from here on out as the *Sistema*). The *Sistema* included multiple avenues for popular participation. Participatory budgeting returned with new digital avenues for citizens to share their opinions. The portion of the budget over which participatory budgeting had influence was

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<sup>18</sup> Interview conducted April 17, 2019

significantly reduced, from just over four percent to 0.4 percent, but the added digital means of participation led to an increase in the number of citizens voting on budgetary priorities. While overall participation increased, there was a reduction in participation by social movement actors and, consequently, a reduction in participation among the lower classes. While nearly 50 percent of budget delegates had a primary education or less under Dutra's participatory budgeting system, only 18 percent did under Genro's (Legard and Goldfrank 2021). Instead, Genro's version saw an increase in participation by relatively privileged sectors, particularly public servants who came to represent nearly 65 percent of budget delegates.

While representation of lower class voices may have declined in participatory budgeting, this does not necessarily mean they lost all ground. With the growth of a variety of participatory institutions, social movements that represented lower class interests often simply turned to avenues other than participatory budgeting to achieve their goals. As an interview in Legard and Goldfrank (2021) notes, "We won't participate [in participatory budgeting] because we already manage to resolve these issues by other means."

One such additional mechanism that could be used was the newly created Conselho de Desenvolvimento Econômico e Social, also known as the Conselhão. The Conselhão brought together civil society leaders and government officials to discuss key problems facing different sectors of society and propose solutions. An example from one of the leaders of the Conselhão illustrates how it aimed to increase dialogue among groups that were often at odds, agribusiness and small farmers associated with the MST:

We discussed the question of land reform, but in the council, it wasn't possible to establish common ground on how to organize it, how to do land reform, other than to establish that both sides agreed something needed to be done. But the council worked with these two important political forces in society on points that interested them both. For example, support for family agriculture...how to better build capacity, train in technology, guarantee

financing so they have access to machinery and technology. It interested both and so we were able to work on this.<sup>19</sup>

While these renewed efforts at expanding participatory institutions under Genro had some mixed consequences, the elections of 2014, coming in the face of a growing economic and political crisis in both Rio Grande do Sul and Brazil as a whole, led to a loss for the PT and the election of a new PMDB government, led by Governor Sartori. Sartori focused on addressing the immediate financial crisis concerns rather than increasing participation. The Conselhão did not continue and state-level participatory budgeting again ended. The current government, led by Eduardo Leite (PSDB), has similarly been preoccupied with concurrent economic and health crises and has not placed much focus on participatory reforms.

In examining state level efforts at expanding participation, the importance of left party strength and civil society development become clear. With the popularity of participatory budgeting at the municipal level leading to multiple successful re-election bids for the PT, other parties began implementing participatory reforms at the state level to effectively compete with the PT. Such reforms were generally deepened when the PT won state-level office. However, even where participatory institutions were in place, there is evidence that they were most effective at increasing the voice of the lower classes when organized civil society was highly engaged with them. Where organized civil society was less engaged, as in the second attempt at state-level participatory budgeting, participatory institutions simply became another means for relatively elite groups to exert influence. The presence of participatory institutions alone, then, does not guarantee that lower income citizens will gain influence in state politics, though they

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<sup>19</sup> Interview conducted March 18, 2019

can create opportunities if organizations that represent the interests of low income citizens buy into them.

While participatory reforms are certainly important in examining how governments have aimed to increase responsiveness in Rio Grande do Sul, they have tended to have influence on only a small portion of the budget, representing only a fraction of the state's broader economic development policy to which I turn next.

### ***Economic Development Policy***

Looking more broadly at economic development policies in the state it becomes clear that some administrations have had a broader commitment to protecting the interests of the lower classes than have others.

While Rio Grande do Sul, like Goiás, is distant from the economic center of Brazil, it was successful in becoming well-integrated into the national economy quite early. Likewise, rather than playing catch-up to other states, Rio Grande do Sul has long had one of the largest state economies. Thus, on the verge of entering the 21<sup>st</sup> century, Rio Grande do Sul was faced less with the challenge of catching up to other, more developed parts of the country and more with maintaining its position as an economic leader. Given the fraught finances of the state, however, debates have been fierce as to how to best maintain the state's position among the most developed states. In this section I examine the economic development policies pursued under different administrations in the state, considering which groups in society actively pushed for or against such policies.

Unsurprisingly, business elites have had strong opinions on the state's economic policies. This sector is well-organized and has made a strong effort to make its views known. For

example, in both 1994 and 1998, FIERGS drafted documents outlining their positions in favor of a neoliberal economic model, making a point to share these positions with leading candidates for governor (Cadoná 2009). Even when its chosen candidate has not been elected, the business sector has been able to maintain a degree of influence. For instance, a member of the board of FEDERASUL noted that their president had a good relationship with the governor and that it has always been that way.<sup>20</sup> Reflective of the influence of this sector, even when the state was governed by the PT, members of the government reported frequently consulting business organizations. For example, when determining who to send to represent the state at international fairs, the business sector was always consulted, but no one thought to ask the unions or universities.<sup>21</sup>

While the business sector has often found access to the state, unlike in Goiás, it has not always found a receptive government. Instead, a more competitive electoral system with a strong left party presence has meant that the business sector cannot always count on getting its way. As a general rule, federations representing the industrial, commercial, and agricultural business sectors have promoted two main policies: fiscal incentives to attract new businesses and keep existing ones in the state, and reducing the size of the state to promote greater fiscal stability. Not only are these policies favored by the business sector, but they are also policies that generally are not favored, in the case of privatizations, or not beneficial, in the case of incentives, to lower income groups. In the following paragraphs, I look at the various administrations since the

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<sup>20</sup> Interview conducted April 25, 2019

<sup>21</sup> Interview conducted February 2, 2019

1990s, highlighting when the business sector has gotten progress on its two priority policies and when it has faced more difficulties.

Under Governor Alceu Collares, the state did pursue fiscal incentives, but they were relatively moderate in size (Secretaria de Estado da Fazenda do Rio Grande do Sul 2020). In line with his center-left profile, Collares tried to pursue a more equitable strategy to development with a particular focus on regional inequalities in the state. He combined his tax incentives policies with the aforementioned COREDEs, promoting spreading economic development more evenly throughout the state with larger tax incentives for less developed regions. Despite this goal, Collares was not particularly successful in reducing the concentration of industrial development in the state (Secretaria de Estado da Fazenda do Rio Grande do Sul 2020). Following Collares administration, the debate over the state's strategy for economic development would become much more fraught.

In the 1994 elections, Antônio Britto (PMDB) and Olivio Dutra (PT) faced off in a tense campaign with Britto coming out on top. This election ushered in an 8-year period of particularly divisive debates over the direction of economic policy in the state. Britto quickly showed his openness to the business community and interest in pursuing both the extensive use of fiscal incentives and privatizations of state-owned industries. When it came to fiscal incentives, Britto worked closely with a unit created by the major business organizations, Pólo RS, to use fiscal incentives to attract foreign companies, such as Dell Computers, to relocate to Rio Grande do Sul (Nelson 2003). In addition to Dell, Britto signed deals to bring factories from General Motors and Ford. Despite attracting seemingly major investments, not everyone was happy with Britto's actions. Public discontent emerged with the fact that the government was giving up so much with



uncertain economic returns. The MST, for example, showed its discontent by occupying the land Britto promised to General Motors for their new plant (Carter 2012).

Britto also aimed to reduce the size of the state. He privatized state-owned companies including the Riogrande Telecommunications Company (CRT) and a large portion of the state electric company, State Electrical Energy Company (CEEE). Britto appeared on track to continue these privatizations should he be re-elected, garnering strong support for his re-election from the business sector (Cadoná 2009). However, given the highly competitive nature of politics in Rio Grande do Sul and the strong organization among groups outside of the business classes, Britto was not able to pursue such policies without opposition. The PT would be able to capitalize on dissatisfaction with such processes to win the next election.

In 1998, Olivio Dutra of the PT was elected on a platform promising to drastically change the direction of economic policy in the state. While the business sector found a governor open to its ideas in Britto, they just as quickly saw their influence deteriorate under Dutra. Dutra notably reversed course from his predecessor on incentives to bring large international corporations to the state. While Dutra was able to renegotiate deals with some of the multinationals with whom Britto signed agreements, Ford chose to relocate its operations to Bahia rather than take a worse deal. In discussing his renegotiations with Ford, Dutra said, “We understood that we did not have to pass along that mountain of resources to a multinational whose revenue is higher than the entirety of Rio Grande.”<sup>22</sup> Business organizations had been heavily involved in bringing such agreements to fruition under Britto so Dutra’s reversal certainly showed that there were limitations to their influence.

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<sup>22</sup> Interview conducted March 18, 2019.

In addition to changing directions on fiscal incentives, Dutra also halted the process of privatizations and erected hurdles for future governors who may want to pursue them. In a move very much aligned with the PT's strategy of participatory governance, Dutra approved amendments to the state constitution requiring a plebiscite to be held before any further action could be taken to privatize the state bank, and electric, mining, gas, and silos and warehousing companies.<sup>23</sup> These protections were passed not only because a government less favorable to privatizations was in office, but because unions associated with each of these sectors heavily mobilized in favor of these amendments (Dias 2014). Indeed, given that Dutra lacked a majority in the Legislative Assembly, he likely could not have gotten the amendment approved without such strong civil society mobilization. In this case, both a left government and a strong civil society were needed.

The tensions that arose during the Britto and Dutra administrations created deep polarization and frustration in the state. Citizens appeared dissatisfied with these major swings in policy and elected a governor who ran on a platform of reconciliation, Germano Rigotto. While Rigotto was from the PMDB like Britto, he rejected his predecessor's more radical approach.<sup>24</sup> When it came to fiscal incentives, Rigotto argued, "I think there have to be limits to fiscal incentives. I'm of the opinion that the fiscal war is terrible today. It creates many problems, but if the system permits a fiscal war and giving incentives to attract businesses, you can't lose investments to other states. You have to enter the war."<sup>25</sup> The general acceptance of the need to

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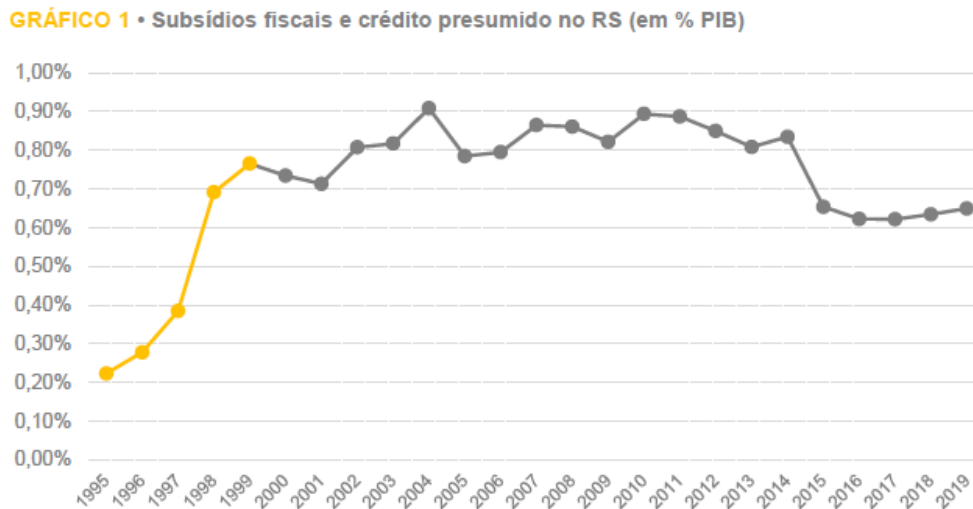
<sup>23</sup> Emenda Constitucional N° 31, July 1, 2002 and Emenda Constitucional N° 33, November 21, 2002.

<sup>24</sup> Interview conducted April 17, 2019

<sup>25</sup> Interview conducted April 17, 2019

pursue such policies seems to have been embraced by all future governors. Other than a steep increase in incentives under Britto, fiscal incentives as a percent of GDP have remained much more stable since. Even under Dutra, a major decrease in incentives was not seen as many deals were agreed to prior to his administration (Secretaria de Estado da Fazenda do Rio Grande do Sul 2020). Under the current administration, one which has positioned itself as center-right, the state published an in-depth report examining the consequences of the state’s incentive program, finding that, “In the case of the ICMS, we estimate that around 40% of the reduction in tax burden benefits the wealthiest 20%.” Similarly, the report finds that the fiscal incentives have not had a significant effect on job creation in the state (Secretaria de Estado da Fazenda do Rio Grande do Sul 2020). Such findings coming out of a center-right government may raise even greater skepticism towards such programs moving forward.

**Figure 2: Fiscal Incentives and Credits as a Percent of GDP, Rio Grande do Sul**



Fonte: Elaborado a partir de dados da DEE/Sefaz e estimativas próprias para 1995-1998 (vide Apêndice A2)

Source: Secretaria de Estado da Fazenda do Rio Grande do Sul. 2020. “Benefícios Fiscais no Rio Grande do Sul: Uma Análise Econômica dos Incentivos ICMS

While the debate over tax incentives has become less virulent, privatizations have returned as an important issue in recent administrations, notably those faced with even more challenging circumstances due to the national economic downturn. The debate over the

privatization of state-owned industries once again became central during the administrations of José Ivo Sartori (PMDB) from 2015 to 2018 and Eduardo Leite (PSDB) from 2019 to present. In both administrations, fiscal adjustment was seen as a central priority.<sup>26</sup> In order to achieve this goal, both focused on cutting the size of the state and, in line with the policy prescriptions of the business sector, turned to privatization as a way to achieve this goal. As privatizations are not overwhelmingly popular among gaúchos, however, rather than moving forward with a plebiscite, both aimed to overturn the constitutional amendment requiring one. Sartori was unsuccessful in pursuing this change. As an official in his government described it, “We couldn’t approve it. With the plebiscite, the current government was able to because they had two thirds support in the legislature. During our term, the PT had a larger bench, the PDT had a much larger bench and the PTB wasn’t part of our base.”<sup>27</sup> In this case, a strong left, even though not holding executive office, was able to prevent actions viewed unfavorably by the popular sectors.

However, the 2018 elections resulted in a weakened left in the state. As a result, Governor Eduardo Leite (PSDB) was able to form an unprecedented base of 41 legislators and proceed with eliminating the plebiscite.<sup>28</sup> He has begun the process of privatizing the state electric company and state gas company. The governor has also announced plans to privatize the state water and sewer company. While groups representing the popular classes, including the CUT, MST, and Movement of Unemployed Workers (MTD), have organized in opposition to privatizations (CUT-RS and Stumpf 2021), Leite has been able to move forward with the project.

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<sup>26</sup> Interviews conducted April 26, 2019 and April 16, 2019

<sup>27</sup> Interview conducted April 26, 2019

<sup>28</sup> Interview conducted April 16, 2019

This example shows that civil society alone is insufficient in the absence of a strong base of political allies. Even though Rio Grande do Sul has often seen the legislature serve as more of a check on the governor, a smaller left party presence this term prevented such a check. Likewise, the PT's ability to shape the direction of policy simply by being a viable electoral threat was minimized in the midst of the party's weakest performance in the state since the return to democracy.

The previous paragraphs examine two central policy debates in the state over the last three decades. These policies, tax incentives and privatizations, have been favored by a strong and organized business sector. This strength has shown as business elites were at times able to exert their influence in spite of pushback from lower income groups. This sector has, however, also seen its influence limited at times. When the left has held a strong presence in government and posed an electoral threat, the influence of the business sector has been more limited. However, with the left in a weaker position as of late, the state government has again pursued the policies favored by this sector, especially privatizations. While the presence of the left is significant for seeing when the influence of economic elites may be tempered, has it also meant that the influence of the popular sectors has increased? In general, how have lower class groups fared in influencing the direction of economic policy in Rio Grande do Sul?

In addition to pushing back against some of the policies promoted by the business elite, lower income groups have also pushed for other policies. While sometimes low income groups communicated their demands through these participatory institutions, they also used other means to communicate their interests including direct communication with government agencies and protests. No matter the strategy they used, lower socioeconomic groups have seen some governments be more responsive than others. Different from Goiás, though, low income groups

were able to point to at least some moments where the government was both open to dialogue and moved forward with real policy change.

Looking at policies for rural development helps illustrate how and when low income groups have found a more responsive government. One such policy is land reform. For the majority of the 1990s, the state was not heavily involved in the process of land reform. According to the national constitution, this is an area in which the national government is the dominant actor. Though states can play a complementary role, both Collares and Britto only pursued land reform in order to put an end to particularly bad conflicts (Da Ros 2007). However, the election of Olívio Dutra (PT) changed this situation and saw the state take a more active role. Not only was Dutra ideologically inclined to pursue such policies, but his success in office was in large part reliant on his support from social movements and working class organizations. A sign of the influence of the MST on Dutra's government can be seen by his decision to appoint MST ally, Frei Sérgio Górgen, as the head of the newly created state Department of Rural Development and Land Reform. During his campaign, Dutra promised to settle 10,000 landless families in the state and, upon taking office he took concrete actions to meet this promise. Notably, upon taking office, he took the unprecedented step of making land reform a part of its rural development policy. To pursue this goal, Dutra focused on obtaining lands for new settlements. He did so largely through purchasing lands, drastically increasing the resources available in the state land fund (Funterra). Compared to his predecessor, Britto, Dutra increased the amount of resources available for such purchases by more than 75 percent (Da Ros 2006). While purchasing land was not the preferred strategy of the MST, it was in line with the preferences of other rural workers' organizations such as FETRAF and allowed Dutra to pursue the land redistribution even in the face of opposition. The Federation of Agriculture of the State

of Rio Grande do Sul, or FARSUL, represents large landholders and generally opposes the creation of settlements. FARSUL argued that such a process would not help with development and would instead reduce the value of rural landholdings (Da Ros 2007). Though not supportive of the government creating new settlements, FARSUL and opposition parties in the legislature were much more willing to let the government purchase land from willing sellers than to allow for land expropriations, the strategy preferred by the MST.

As Dutra approached the latter part of his term, he began to feel pressure to make quicker progress towards his promise. As a result, he looked for new strategies to obtain land quicker. Notably, he turned to the justice system to get permission for the state government to pursue land expropriations. Such steps had largely been considered only within the purview of the national government, but after consulting with various experts, the state determined it was able to pursue limited expropriations in the social interest. The use of expropriation rather than negotiations evoked a stronger response from FARSUL and they appealed to the judiciary to stop the state government. As a result, 10 of the 35 attempted expropriations were halted (Da Ros 2006).

While not quite reaching his promised number of settlements and not pursuing land reform in exactly the way desired by the MST, Dutra's administration made major strides towards increasing access to land among the rural poor. He did not just make a plan, but he followed through with it. In discussing the progress under Dutra, an MST leader said, "We call those who were settled during this period the children of Olívio and there are a lot of them. The number of settlements almost doubled in the state as a result of these four years."<sup>29</sup> Indeed, under Dutra more families were settled than under all of his predecessors combined from 1979-1998 (Da Ros 2007). While state-driven initiatives were still relatively minor compared to national

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<sup>29</sup> Interview conducted April 30, 2019

ones, Dutra showed that the state could take meaningful actions to address the needs of lower income groups.

The Dutra government represented a period of large successes for lower income groups, but Dutra was not re-elected, putting an end to a more active role for the state in this area. Dutra's successor, Rigotto, was not hostile to rural development initiatives focused on the family farmers, but was less aggressive in having the state take a central role. Rather, he signed an agreement with the national government to pursue joint actions to acquire new lands for settlements as well as to provide resources for infrastructure and training (Estado do Rio Grande do Sul 2003). Rigotto was not unfriendly to lower income groups, but they did not have nearly the same influence as they had under Dutra. In line with his desire to bring reconciliation to the state, Rigotto aimed to strike more of a balance than had Britto or Dutra. Rigotto's successor, Yeda Crusius, however, did not take the same conciliatory approach. Yeda viewed the MST with hostility and aimed to limit their influence. She went so far as to try to criminalize the MST in the state (Carter 2012). Unsurprisingly, groups aligned with the MST saw limited progress during her term.

With the return of the PT to office in 2011, a clear political ally of working and lower class groups was back in office. However, Tarso Genro was from a somewhat different strain of the PT. While the MST, for example, noted a return to more open dialogue under Genro, they also said, "He was much more bureaucratic, much more difficult. So, we had support, but he didn't do even 10 percent of what Olívio did."<sup>30</sup> Despite accomplishing less than Dutra, Genro did pursue some notable policies to improve rural development. For example, in 2013, Genro approved the Lei de Aters, which created a fund for technical assistance and rural extension

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<sup>30</sup> Interview conducted April 30, 2019



targeting family agriculture workers and quilombolas (Estado do Rio Grande do Sul 2013).

Despite the technical assistance agency existing in the state for decades, this law was the first to clearly lay out a process for the state to contract services for rural and social extension (Florencio 2019). This law also laid the groundwork for future programs to aid the rural poor. For example, Governor Sartori built on this progress with the Sustainable Management of Family Agriculture program in 2016 which dedicated continued resources and services for family agriculture workers.

With strong civil society organization and sympathetic governors in office, lower income groups have made strides not only in halting policies they dislike, but also in getting policies that they want.

### ***Education Policy:***

The second major area of debate and responsibility with the state government is education policy. Over time, again, the debate has largely focused on how to maintain the state's position as a top performer. Despite being a major area of focus, there have not been drastic shifts in education policy. Instead, frequent changes in government have meant that even when new policies have been implemented, they have often not lasted.

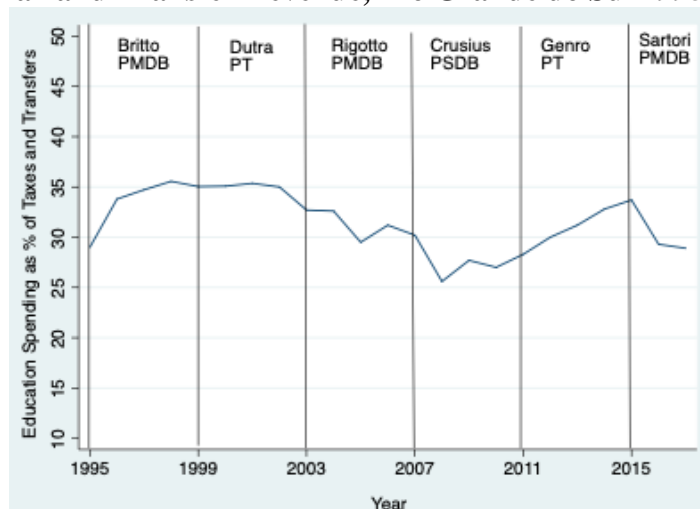
As I noted at the start of the chapter, Rio Grande do Sul began investing in public education quite early in its history. The state's commitment to public education continued to be evident as Brazil transitioned back to democracy. While states are required to spend 25 percent of their tax and transfer revenue on public education to meet national requirements, in the state constitution, Rio Grande do Sul sets its standard higher, at 35 percent.<sup>31</sup> While this percentage is

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<sup>31</sup> Constitution of Rio Grande do Sul, Article 202.

in writing, rarely has the state actually met this goal. Looking at the administrations under consideration in this dissertation we can see in Figure 3 that, for the years available, the only governor that, on average, met this spending level over the course of their term was Olívio Dutra. Other than Britto and Dutra, no governor met the 35 percent threshold in even a single year. Interestingly, Britto was known for cutting costs, but actually increased the percent of tax and transfer income dedicated to education over his term. Beyond the general failure to meet the constitutional spending requirement, additional trends are visible. Most notably, between 2002 and 2011 there is a general decline in spending. The drop off is particularly notable during Yeda Crusius’s term which aligns with her administration’s focus on cutting the size of the state. Education spending gradually recovers under Tarso Genro before dropping off again under Sartori.

**Figure 3: Education Spending as a Percent of Tax and Transfer Revenue, Rio Grande do Sul 1995-2017**



Sources: Britto and Dutra: Camini 2010 (originally from Secretaria da Fazenda)  
 Rigotto, Crusius and Genro: [ZeroHora](#) (originally from Secretaria da Fazenda)  
 Sartori: [DIESSE](#) 2018 (originally from Secretaria da Fazenda)

Despite investing above the nationally required amount in each of these government’s, few governors have pushed for major expansions to the educational system to increase access and improve quality. Instead, fiscal challenges in the state have put pressure on the public

education system in recent decades. There have been moments of expansions of educational opportunities and restructuring of educational programs to better serve the state's citizens, however, they have often been short-lived as new administrations come to power with new priorities, namely reducing costs. As the state's finances have worsened, the education sector has been hit hard. In particular, educators have faced particularly challenging conditions. As one leader in the teacher's union described the situation, "Our salaries have been delayed for four years. We haven't had a salary adjustment since 2014. Our salaries are paid in installments. We are a struggling group...But we're told that we need to be more dedicated, better at what we do."<sup>32</sup> This is an area in which civil society has been historically strong and as a result of civil society pressure, and national requirements, cuts to the system have not been as severe as they may otherwise have been in the face of unfriendly governments. At the same time, however, the teacher's union has weakened as it has had to focus its fight on making sure its members get paid in full and on time.<sup>33</sup> In the following paragraphs, I review efforts that have been made to expand access to public education in the state, highlighting how such efforts have tended to be short lived and more limited in their impact than desired.

One such minor change was the creation of the itinerant school program. This program was implemented as a trial program under Antônio Britto. The itinerant school program is a project promoted by the MST in order to provide more suitable access to education for rural students, particularly those from landless families who were frequently dislocated due to their landless status and who would often have to travel long distances to access the nearest public

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<sup>32</sup> Interview conducted April 1, 2019

<sup>33</sup> Interview conducted February 1, 2019

school. Itinerant schools would travel with MST encampments to guarantee access to education to these students. That Britto implemented such programs despite an overall tense relationship with the MST<sup>34</sup> is somewhat surprising, but suggests that a strong social movement can at times get policy victories even with a less sympathetic government. This program was expanded under Dutra, a much friendlier government, but progress slowed after his term and the schools were shut down by Yeda Crusius in 2009 (Carter 2012).

Under Dutra, not only were itinerant schools consolidated, but, in an attempt to increase access to education more broadly, Dutra's administration created the State University of Rio Grande do Sul (UERGS). While there may be criticisms of investing in higher education rather than increasing investment in basic education, UERGS can even more easily be seen as responsive to the demands of citizens in that it came out of participatory budgeting discussions.<sup>35</sup> Likewise, the UERGS project aimed to promote regional development and expand access to public universities where the federal universities were not present.<sup>36</sup> While the university's main campus is in the capital, Porto Alegre, it has 24 total campuses spread throughout the state. The creation of the university, however, was not an easy process. Some sectors of society strongly pushed back against the university, especially private universities who wanted the government to provide scholarships for low income students to attend existing private universities rather than create a new, public university.<sup>37</sup> When Dutra left office, the university was only in its infancy

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<sup>34</sup> Interview conducted April 30, 2019

<sup>35</sup> Interviews conducted April 1, 2019 and February 27, 2019

<sup>36</sup> Lei N° 11.646. July 10, 2001.

<sup>37</sup> Interview conducted February 27, 2019

and would take years to consolidate as the following governments, those of Rigotto and Crusius, limited the resources provided to fund UERGS (Guske and Pedroso 2015). The university saw signs of new life with the election of Tarso Genro, but again, an increase in investment was short-lived and UERGS remains less developed than state universities in other states. This is an example where the degree of competition in the state may represent a negative consequence for low income groups. Competition has resulted in an unstable policy. Low income students are left with a precarious state university while also lacking access to state scholarships to fund access to private higher education instead.

As the state continues to struggle with an economic crisis exacerbated by the concurrent national crisis, the debates on education have often revolved around maintaining services rather than on expanding them. Under Governor Sartori, the state closed dozens of schools. The trend has continued under Leite. While the state has seen declining enrollment in recent years (Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira 2021), making a potential case for reducing the number of schools, such closures have also raised concerns about access, especially among vulnerable groups. The results of a school closure in Porto Alegre highlight the reason for such a concern. When the state closed the Alberto Bins school, students were transferred to other schools that were both farther away and required students crossing into territory controlled by opposing gangs. As a result, the neighborhood commission noted an increase in students dropping out (Britto 2019).

While Rio Grande do Sul has historically been a top performer in public education, it has faced major difficulties in maintaining its position in recent years. The budgetary challenges facing the state are key for understanding this situation. It is evident the left governments invested more in education than non-left governments, but in the face of budgetary constraints,

few major policy changes have been proposed to improve quality and access. Even when state administrations have implemented such policies, they have often been overturned or weakened by subsequent administrations in the name of fiscal stability. Even though education is an area where civil society has tended to be quite strong, the pressures on the state budget have limited the ability of civil society organizations to push for much change. On the other hand, while few major inclusionary reforms are passed in the state, we also do not see the same types of exclusionary reforms being made as in other states where left parties are weaker.

**Conclusion:**

Rio Grande do Sul has the conditions that I expect would make the state more responsive to lower income groups. The political left is strong, often playing a significant role in the government whether through holding executive office or maintaining a strong bench in the legislature. Likewise, the state has a very competitive electoral environment with no party successfully winning re-election. Similarly, civil society is strongly organized. The economic elites are organized and influential, but so are lower income groups. And the confluence of these factors has meant that lower income groups have had some notable wins in the state. The expansion of participatory institutions at the state level has been one key way in which lower income groups have been able to not only express their interests to the state, but also get the state to respond through investment in projects to support these interests. Such institutions have been implemented under governments of all ideological leanings, driven in part by the electoral threat from the PT which was first associated with participatory budgeting in the state capital. Civil society organizations have been key to the success of these institutions and when they are engaged, the lower classes tend to be better represented.

The presence of a strong left has likewise played an important role in ensuring larger state policies do not consistently benefit the economic elites over the lower classes. The state has shifted back and forth between different strategies for economic development. When non-left parties have been in power, we have generally seen a shift towards policies more in line with the demands of the business elites. However, such periods have been interspersed with left governments giving lower class groups an opportunity to have more influence.

Though lower income groups have found more opportunities to influence policy in Rio Grande do Sul, the state still has limitations. The policy area of education is illustrative here. While there have been some attempts, particularly under left governments, to expand access to a quality public education, such efforts have been limited by the state's difficult financial situation. Even when such policies are put in place, the very competitive and polarized electoral environment has meant they are often quickly overturned.

Even in the face of difficult conditions, a strong left and organized civil society have meant the lower income groups have experienced periods of responsiveness in the state. The state's financial situation is unlikely to drastically improve in the near future and the PT has recently struggled in the state, with its worst performance in nearly 30 years coming in the 2018 elections. The ability of lower income groups to continue to find some degree of responsiveness under difficult circumstances likely depends on the PT successfully rebuilding.

## CHAPTER 5: CASE STUDY OF GOIÁS

### Historical Background

Unlike the other two cases considered in this study, Goiás belongs to Brazil's Center West region rather than the South. The state of Goiás has experienced substantial growth since the establishment of Brasília, the national capital, within its territory, however, historically, Goiás belonged to the periphery of Brazil. As an entirely landlocked territory, it lacked easy access to the large population centers of the country. As a result, the economy of the state remained underdeveloped and focused on agricultural production, especially raising cattle, and was largely ignored by the political center for much of its history. Its political system was marked by the rule of dominant, land-holding families, or *coroneis*, such as the Bulhões and Caiado families. Coronelismo in the state was characterized by conservatism, the personalization of politics, and a lack of public investment in the state; the *coroneis* aimed to maintain their power by keeping the state's economy backwards (Paixão and Costa e Silva 2013). The influence of this style of politics is still evident today in the state, making Goiás my least likely case of responsive politics.

Goiás's politics since the return to democracy continue to be marked by limited competition and domination by a small set of political elites (Paiva and Araujo 2020). The political left is underdeveloped at the state level, despite an important presence in some of the state's major cities. Finally, in part due to the lack of strong political left, civil society in the state is historically less developed and has been described as libertarian and anti-institutional



compared to civil society in other states.<sup>38</sup> Combined, this has led to a situation where progressive reforms have been limited and non-elite groups often struggle to influence the direction of policy in the state.

### **The Party System in Goiás**

Goiás is among the least competitive states in Brazil and has been classified as having dominant machine politics (Borges 2007). State politics have been dominated by the large, centrist PMDB and PSDB, each leading the state for extended periods at a time. For the first sixteen years following the return to direct elections for governor, the PMDB dominated state politics, led by two-term governor, Iris Rezende. Not only did Rezende dominate the executive branch in the state, but his party dominated the legislature, holding a majority of the seats through 1991 and still nearly 40% of seats through 1995 (Tribunal Superior Eleitoral). This was a notably large percentage given the usual fragmentation found in Brazilian legislatures.

While Rezende's PMDB finally lost the 1998 elections to the PSDB's Marconi Perillo, Goiás did not experience a major shift in its politics. Rather, political power switched from one dominant leader to another. Perillo would go on to govern the state through 2006 at which point he briefly vacated the position to hold national-level office. From 2007 until 2010, Perillo's former vice-governor, Alcides Rodrigues (PP) took over, initially with Perillo's backing, though the two would later have a falling out (Paiva and Araujo 2020). Perillo returned to state-level office in 2011, winning two more terms as governor. The PMDB remained the PSDB's main opposition, and though they failed to unseat the PSDB, they often presented a competitive candidate.

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<sup>38</sup> Interview conducted August 22, 2019

The PSDB finally lost the governor’s race in 2018 in the face of major corruption charges against Perillo, but, again, a transition of power from one party to another has not necessarily represented a major change in the trajectory of politics in the state. In 2018, Ronaldo Caiado of the Democratas was elected in the first round of elections. Though bringing a new party into the office, Caiado hails from one of the traditional powerbroker families of the state so it would be a mistake to interpret his election as a major shift. Rather, in the face of corruption charges against the state’s standard bearer, the citizens turned to a different, but also established political figure.

**Table 8: Recent Political History of Goiás**

<b>Term</b>	<b>Governor</b>	<b>Party</b>	<b>1<sup>st</sup> Round Vote Share</b>	<b>Governor’s Party’s Seat Share (41 seats)</b>
1991-1994	Iris Rezende	PMDB	56.4%	16 seats (39%)
1995-1998	Maguito Vilela	PMDB	42.5%	11 seats (26.8%)
1999-2002	Marconi Perillo	PSDB	48.6%	1 seat (2.4%)
2003-2006	Marconi Perillo	PSDB	51.2%	12 seats (29.3%)
2007-2010	Alcides Rodrigues	PP	48.22%	2 seats (4.9%)
2011-2014	Marconi Perillo	PSDB	46.33%	8 seats (19.5%)
2015-2018	Marconi Perillo	PSDB	51.00%	7 seats (17.1%)
2019-2022	Ronaldo Caiado	Democratas	59.73%	4 seats (9.8%)

As noted previously, the legislature has also often been dominated by a greater degree of control by the governor’s party than is often the case in state legislatures. The PMDB was the dominant party in the legislature through 2003, holding on average nearly 50 percent of seats. Over time, the PSDB gained strength and it replaced the PMDB as the largest party in the legislature by 2003. By 2011 greater fragmentation began to appear in the legislature and both the PMDB and PSDB lost some of their ground, a trend that has continued through the most

recent elections in 2018. Currently, the legislature has 19 parties represented with the largest, the PSDB, holding just under 15 percent of total seats (Assembleia Legislativa do Estado de Goiás 2020).

While the governor's party has failed to hold a majority of legislative seats in recent years, the legislature has still struggled to serve as a counterweight to the governor. Legislators from various parties described this challenge. One noted, "Unfortunately, the legislature wasn't independent from the executive. It still isn't."<sup>39</sup> Another noted, "...There is a lot of pressure from the executive to make certain decisions, disrespecting the idea of maintaining the three separate branches, executive, legislative and judiciary."<sup>40</sup> Governors have generally been able to ensure a support base strong enough to pass even unpopular legislation through providing favors to legislators. "The governor has a policy of trying to secure the support of a deputy with positions that, many times, the legislator wants. Resources for their office, an amendment so that some projects can be completed or sometimes positions in the deputy's region."<sup>41</sup> Despite these continued challenges, some progress towards more independence was noted in the last couple of years. "During this current term [2019], we succeeded in electing an independent president of the legislature and this is important for our power. We also approved the orçamento impositivo from this year on, which shows that the Assembly wants to have more independence to be part of the opposition or part of the government's base."<sup>42</sup> This reform, orçamento impositivo, was

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<sup>39</sup> Interview conducted August 26, 2019

<sup>40</sup> Interview conducted August 1, 2019

<sup>41</sup> Interview conducted June 12, 2019

<sup>42</sup> Interview conducted August 12, 2019

mentioned by multiple legislators as a sign of the push for greater legislative independence as it would give the legislature the ability to approve some budgetary amendments without the support of the governor. Despite such steps, the general perception among legislators was that the state had a long way to go to put the legislature on equal footing with the executive.

### **Left Party Strength**

Given that state politics has been dominated largely by the PMDB and PSDB since re-democratization, it is no surprise that left parties are weaker actors in Goiás. The PT has successfully won mayoral races in the capital, Goiânia, and the third largest city, Anápolis, three times each. However, the PT has never won an election for governor and has at times not even run a candidate (for example, in 2010 and 2006). When the PT has fielded a candidate, they have never made the second round of elections and their best finish has been in 3<sup>rd</sup> place, far behind the top two candidates in terms of vote share. The party has not fared much better in legislative elections. It has successfully elected at least one state legislator since the 1990 elections, but it has never elected more than four legislators at a time, meaning the party always holds less than 10 percent of the seats in the legislative assembly (Tribunal Superior Eleitoral). In describing the challenges of the party in the state, a state legislator and former candidate for governor noted, “We live in an agricultural state. As an agricultural state, we have very traditional politics, a politics of *coroneis*. So much so that the current governor is a *coronel*. The governor is a farmer from a traditional family. So, there is a difficulty in this sense, yes.”<sup>43</sup>

Despite facing an uphill battle in the state, the PT has had opportunities to make a bigger splash. As noted, the party has won mayoral races in major cities in the state. One former PT

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<sup>43</sup> Interview conducted June 12, 2019

state legislator noted that such victories should have set the party up for greater successes, but divisions within the party at key moments prevented them from capitalizing on these opportunities. For example, in 1994 the PT was in control of the state's capital city. The PT mayor, Darci Accorsi, decided to support the PMDB candidate in the 1994 state elections despite a lack of consensus within the party to do so. This decision led to a split in the party and eventually to Accorsi leaving the party three years later. The fallout from this decision left the party divided and weakened going into the 1998 elections, preventing the PT from taking advantage of an opportunity to win state office in the face of a weakened PMDB.<sup>44</sup>

Despite the PT failing to gain a major foothold at the state-level, no other left party has filled the gap on the left. The PDT, PSB and PCdoB are all fairly minor parties in the state, occasionally electing a legislator or two. Likewise, unlike in Paraná, neither of the centrist parties has shifted left to fill the gap. Both the PMDB and PSDB remain to the center in the state (Paiva and Araujo 2020). While there was a period where it appeared the PSDB would fill the gap on the center-left, the party's leader, Marconi Perillo, moved to the right, bringing the party with him. In describing Perillo, another state PSDB leader said, "He had a very strong profile of the center-left....He had a very public fight with Lula and this rupture with Lula pushed Marconi quite a bit to the right."<sup>45</sup>

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<sup>44</sup> Interview conducted June 6, 2019

<sup>45</sup> Interview conducted May 2, 2019

## Civil Society

Goiás also lacks a particularly strong civil society. While there are of course active civil society organizations working to represent the interests of their constituencies, there are many fewer per capita than found in the other two cases. In fact, Goiás has a civil society density of 0.42, ranking 17<sup>th</sup> among all Brazilian states for civil society density. Civil society organization is also uneven among different segments of society, with the wealthy better organized than the poor and working classes.

The business sector is generally well-organized and able to assert its influence over politics. Each of the major segments of the economy have strong state federations including the Federation of Industries (FIEG), Federation of Agriculture and Animal Husbandry (FAEG), and the Federation of Commerce (Fecomércio-GO). FAEG, for example, states that it represents 60,000 members. In addition, the major business federations have further strengthened their influence by coming together to form the Fórum Empresarial to discuss common concerns and present a united front when dealing with the state government.

Workers and smaller business organizations often face greater challenges in organizing. For example, a technical supervisor for the Intersindical Department of Statistics and Socioeconomic Studies (DIEESE), a research organization supported by unions across various sectors, noted that unions in the state are weak compared to other states and often less organized. Whereas Rio Grande do Sul, she estimated, had approximately 100 unions affiliated with DIEESE, Goiás has fewer than 30.<sup>46</sup> Challenges to organization were brought up in interviews with multiple civil society leaders. A leader of the family agriculture federation, FETAEG, said, “In some ways, the small producer in Goiás has a certain difficulty, a certain resistance to

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<sup>46</sup> Interview conducted June 28, 2019

organization.”<sup>47</sup> Even among those who join family agriculture unions, approximately 35,000 families as of 2019, “Not all union members participate in the life of the union, participate in these fights for some victory, some policy. Sometimes, they’re members but don’t get involved politically and sometimes, they get involved in the union at the municipal level, but the moment that you talk about the state or federal government, they’re more distant.”<sup>48</sup> A similar point was made by another family agriculture organization. “As much as we try, this relationship of cooperation and solidarity is difficult. It works when people are living in the encampments, but later, when they get land, it’s as if they return to another culture. They think they don’t need their neighbor to survive anymore. This ends up creating difficulties in the process especially when we elect a government that is maybe an enemy or not favorable to our society.”<sup>49</sup>

An often-violent response from the state has also prevented citizens from the lower classes from taking action. A leader of the Central Única dos Trabalhadores noted two challenges to organizing workers in the state. The first challenge results from the process of development in the state. “People were expelled from the countryside to the big cities, but the state didn’t industrialize to absorb this labor. As a result, the working class has a more limited ability to respond.”<sup>50</sup> The second challenge comes from the state’s response when the lower classes have tried to act. “Part of the difficulty that we have here in this state in terms of organization is the relationship with the police and the militias that really run the state...Every

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<sup>47</sup> Interview conducted June 24, 2019

<sup>48</sup> Interview conducted June 24, 2019

<sup>49</sup> Interview conducted May 31, 2019

<sup>50</sup> Interview conducted June 6, 2019

strike, fight for land, fight for housing, any type of fight is met with a process of very strong repression.”<sup>51</sup> This aligns with experiences of rural groups as well leading an MST leader to say, “There is no public policy for small agriculture and conflicts are always treated with repression, always cases for the police and never for public policy.”<sup>52</sup> With such challenges to organization, it is perhaps unsurprising that lower class citizens struggle to get the state to address their needs.

### **Economic Context**

As noted, Goiás has experienced significant growth since re-democratization. In 2002, the state accounted for 2.2 percent of national GDP, a percentage which grew to 2.7 percent by 2017, making it the ninth largest state economy in Brazil (Instituto Brasileiro de Geografia e Estatística 2019). The state, which was historically largely agricultural, has since developed a diversified economy. In 2015 agriculture contributed 10.4 percent to the state’s GDP while industry contributed 24.5 percent and services contributed 65.1 percent (Instituto Mauro Borges 2015).

While the state has seen relatively strong economic performance, generally performing above the national average, it still faces significant challenges. The state operated with a slight surplus from 2006 to 2013, but began to operate with a deficit starting in 2014 (Instituto Mauro Borges 2017). In 2019, the newly elected governor declared a financial calamity indicating that serious measures would need to be taken to get the state’s finances back on track. By 2021, the state got approval to sign a fiscal recuperation plan (Regime de Recuperação Fiscal) with the national government which would give the state additional flexibility by suspending debt

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<sup>51</sup> Interview conducted June 6, 2019

<sup>52</sup> Interview conducted May 30, 2019



payments to the national government. Goiás became one of only two states, along with Rio de Janeiro, to sign such an agreement. Debt is not the state's primary challenge; while Goiás started the 2000s off with a very high debt to revenue ratio (313 percent), the state successfully reduced this ratio over the following years such that by 2017 it was down to 92 percent. However, the ability to avoid debt payments should give the state more flexibility.

The above discussion demonstrates that Goiás has had moments where its public finances looked strong, but, particularly more recently, has found itself in challenging times where it is likely to have less flexibility to invest in public policies beneficial to the lower classes even if the political will were to exist (which I'll argue it does not).

## **Policy Outcomes:**

### ***Participatory Institutions & Reforms***

Even if less organized, lower income citizens may be able to find avenues to communicate their interests to the government if strong participatory institutions existed. Unlike in Rio Grande do Sul, however, there have not been major efforts to expand participation in Goiás. Participatory budgeting has not been tried at the state level, though PT administrations did implement the practice at the municipal level in the state capital from 1993-1996 and 2001-2004. The lack of effort at the state level is likely due to the fact that the PT was not able to translate its success at the municipal level into a state-level victory and that it was not truly considered a viable threat by the dominant PMDB and later, PSDB so neither party felt pressure to implement its own version of participatory reforms as we saw with the COREDES in Rio Grande do Sul.

Though the state has not expanded opportunities for participation, it does maintain the required participatory councils such as the state education council and health council. More

recently, there have been some concerns as to political interference in determining who is permitted to participate in such institutions, though. In 2019, the legislative assembly vetoed the State Education Forum of Goiás' nominee to the state education council, the leader of SINTEGO, the state public school teacher's union. Those who opposed the nominations specifically pointed to ideological positions when discussing their decision. In particular, the nominee, Bia de Lima, was seen as unsupportive of legislation known as *Escola Sem Partido*, or School Without Party. This legislation, proposed by conservative deputies, would prevent teaching subjects viewed by the right as leftist indoctrination. One legislator who is a part of the evangelical bench said of his decision not to support her nomination, "One detail that is important to make clear is that I have nothing personal against Bia, her qualifications are indisputable, but it's clear, as Deputy Paulo Trabalho affirmed, that she is against the School Without Party Project...Because of this, my vote is against the indication of Bia de Lima to the State Education Council (Teofilo 2019)." While her nomination was initially blocked, the decision was eventually overturned, providing hope that such ideological interference in determining who is allowed to sit on participatory councils may have been an anomaly.

While participatory councils do provide an opportunity for a wider range of citizens to have a say in the state's policies, they often face limitations. For instance, in Goiás, similar to Brazil as a whole, racial inequality persists. Goiás, is home to a large quilombola, the Kalunga territory. The quilombola, or community formed by escaped slaves, in northeastern Goiás is one of the poorest regions of the state and many Kalunga live below the poverty and extreme poverty lines (Tibúrcio and Valente 2007). Yet, a civil society leader who works at the intersection of women's rights and racial equality noted, "We had a council meeting, I'm talking about the Women's Council, at the Superintendency of Women and Racial Equality, and we had the

meeting outside because there wasn't any power in the building. The superintendent, the executive secretary, tried to explain why this was happening, why this was happening, why the building had no power, but the fact is that the state government let this happen."<sup>53</sup> Even though councils exist, the ability to truly affect policy depends on the government's willingness to provide resources to those areas. As this example demonstrates, the state government has not always provided adequate support to councils that should provide a voice to historically excluded segments of the population.

Providing participatory institutions is one way the state may give a larger voice to low income groups, but as noted above, we also want to consider not just if more opportunities exist for dialogue, but whether or not policy decisions are actually responsive to these groups. In this section, I examine what policies the state of Goiás has and has not pursued with a focus on two policy areas of particular interest to actors in the state, economic development and education. I am interested here in what groups in society are able to get the state to pursue the policies they prioritize as well as what the consequences of major state policies are for different socioeconomic groups in the state.

### ***Economic Development Policy***

To start, I examine how the state's economic development policies reflect, or fail to reflect, the interests of lower class groups. This is an area in which states maintain important responsibilities and in which different groups in society prioritize different strategies despite all wanting to see the state's economy continue to grow.

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<sup>53</sup> Interview conducted June 14, 2019

As noted previously, Goiás has grown rapidly in recent decades. Unsurprisingly, civil society organizations have strong opinions as to what types of economic development policies the state should prioritize. As noted, economic elites in the state are well-organized and they tend to exert influence on state policy. When it comes to economic policy, some of the main civil society actors are organizations focused on the development of specific sectors of the economy including FIEG and FAEG. Not only do these groups have strong interests in the state's economic policies, but they are generally quite influential in developing those policies. As a leader of FIEG described it, "[the Federation] always has a position, a strong respect from the government, independent of who is in office at any given time."<sup>54</sup> This respect translates into easy access to the state government. The same leader said, for instance, that he had requested meetings with the Secretary of the Environment and the Secretary of Agriculture and had those requests granted within the week.<sup>55</sup> Groups representing less privileged sectors of the economy noted difficulties in getting on the schedules of any of the state's leadership.<sup>56</sup>

Such positive relationships have translated into policies that the business sector supports, namely the provision of tax incentives to attract new industries to the state. Multiple industry groups highlighted tax incentives as one of their main priorities when it came to working with the state. One leader said, "We started to see more industries here and the policy of fiscal incentives is what attracted them. We always work with the government to attract businesses

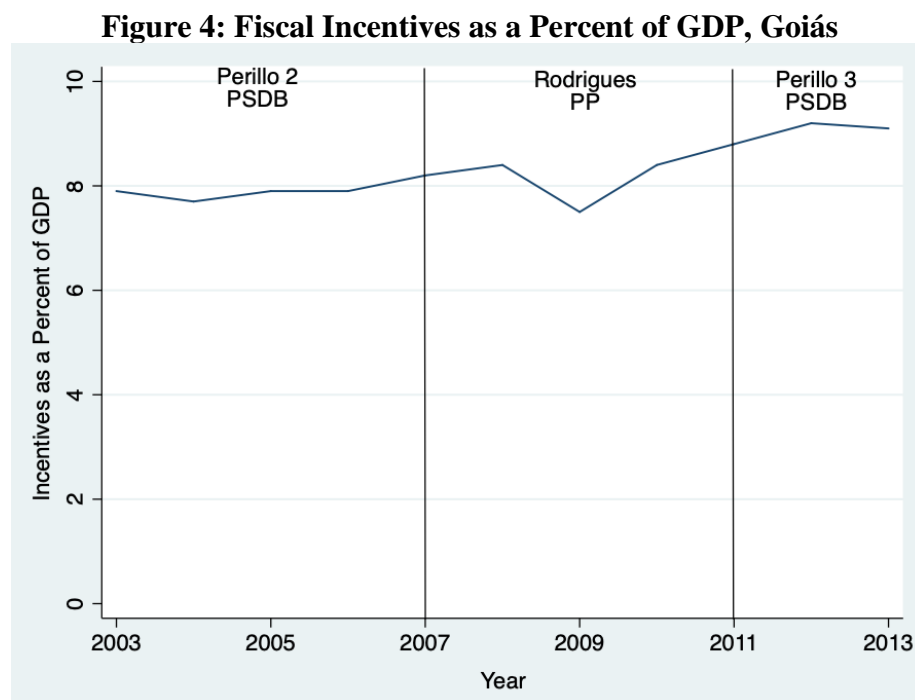
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<sup>54</sup> Interview conducted August 27, 2019

<sup>55</sup> Interview conducted August 27, 2019

<sup>56</sup> Interview conducted May 31, 2019

here and make the process of obtaining incentives less bureaucratic.”<sup>57</sup> Another leader expressed a similar stance. “This policy of incentives is important. We have to follow it and we have to defend it.”<sup>58</sup> Over time, these groups have been quite successful in encouraging and defending this policy. Likewise, while business elites strongly promote this policy, working class groups, though not pointing to such policies as a priority, have not united against them as the promise of job creation is appealing.



Source: Araújo, Eduardo Santos. 2016. “Avaliação dos Programas de Incentivos Fiscais do Estado de Goiás entre 2000 e 2013.” *Economia-Ensaio*. 30(2): 65-87.

With the rise of the *guerra fiscal*, or fiscal war, between states, all states have embraced such policies to varying degrees, but Goiás has often led the pack. In 2012, for example, Goiás gave away incentives valued at over 50 percent of its potential ICMS tax revenue (Afonso et. al 2014), second only to Amazonas which is home to the Free Trade Zone of Manaus, a special

<sup>57</sup> Interview conducted August 19, 2019

<sup>58</sup> Interview conducted August 27, 2019

arrangement with the national government. After Goiás, the next closest state, Santa Catarina, renounced approximately 38 percent of its ICMS revenue. It is no accident that Goiás leads the way in tax incentives as this has been a central policy of the state government for decades. From 1984 through 1999, during the years of PMDB dominance, this policy was known as The Fund for the Participation and Promotion of Industrialization in the State of Goiás, or Fomentar for short. When the PSDB took over at the state level, the program was changed somewhat and renamed Program for the Industrial Development of Goiás, or Produzir, which remained in effect until 2020. Only recently, with the state in a more precarious fiscal state and a new governor coming into office, have these incentives even been up for much discussion. Governor Caiado has shifted the state's policy somewhat by cutting back the size of incentives provided, but certainly has not turned his back on this policy. As a result of Caiado's cuts, the relationship between the state and the business sector has changed somewhat. A leader of a smaller industrial organization noted, "The relationship was in past periods, a more transparent and easy one, but given that the current government is starting during a difficult moment for the country, a difficult economy, this relationship changed."<sup>59</sup> Despite this somewhat greater difficulty, this leader noted that his organization was given a seat at the table for discussions about the reduction of state fiscal incentives. The relationship between the industrial sector may be somewhat more difficult than in the past, but it is clear that the sector still has a voice.

The example of tax incentives makes it clear that the business elite are able to work with the state to achieve their main priorities. These policies do not necessarily run contrary to the interests of lower class groups provided they do in fact achieve promised results such as creating new employment opportunities. However, analyses suggest that the fiscal incentive policies

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<sup>59</sup> Interview conducted August 19, 2019

failed to achieve many of the promised results. Importantly, the incentives tended to primarily benefit already developed regions of the state, rather than creating opportunities for citizens in less developed regions (Neves and Silva 2020; Matos 2017). Likewise, Neves and Silva (2021) found that between 2000 and 2017, Produzir largely failed to have a statistically significant effect on employment, income, or social inequality.

Additional policies supported by economic elites include the privatization of state owned industries, though such policies have not been as central to political debate in Goiás as in Rio Grande do Sul or Paraná. The one major case of privatization in the state was that of the state electric company, CELG-D. Initially, the state transferred a majority stake in the company to the national electric company, Eletrobras, but when Eletrobras moved forward with selling its shares to a private company in 2017, Goiás went along and sold its shares as well. The governor, Marconi Perillo, had the support of the business classes (Governo de Goiás 2016) and moved forward with the process despite protests from the popular sectors including the occupation of state offices (G1 2016).

In addition to not reaping the benefits of state fiscal incentive policies or being able to halt privatization, lower income groups have struggled to get the state to invest in policies explicitly aimed at improving their economic opportunities. An important example of this can be seen by looking at small-scale and family agriculture. Goiás has historically relied on agriculture to fuel its economy. Even as the economy has diversified, agriculture and industrial agriculture have remained central. Indeed, in its initial years, the Fomentar program was primarily focused on developing the agroindustry in the state (Paschoal 2001). While the state has placed great focus on building up large-scale farming and the agroindustry, researchers have pointed to the essential role small-scale and family agriculture play in the state's economy. For instance,

though accounting for less than 20 percent of the total agricultural land, small and micro farms employ more than 68 percent of rural workers in the state (Teixeira et. al 2011). As a result, researchers have argued that directing public policies to small-scale and family farming has the potential to play a very important role in reducing socioeconomic inequalities in the state (Texiera et. al 2011). However, small-scale and family farmers have faced difficulties in getting the state to respond to their needs.

In discussing their interactions with the state government, small-scale and family farming groups highlighted a history of difficulty. A leader of a federation of small agriculture workers noted, “Unfortunately, in Goiás we face a big challenge with all governors, practically for the last 30 years, I can say, there hasn’t been an opening for family agriculture.”<sup>60</sup> A leader of another related federation noted, “If we ask for a meeting with the Secretary (of Agriculture), he meets with us, but doesn’t attend to the requests that we bring.”<sup>61</sup> A leader of the Comissão Pastoral de Terra, an organization associated with the progressive wing of the Catholic church, in the state similarly said, “The state government in general is like this. They receive you well, they form a working group, but nothing gets done.”<sup>62</sup> When asked if there were any parties in the legislature whom they could count on for support, parties of the left were the most frequently mentioned, especially the PT and PDT, but as one leader stated, “We’ve struggled in that we

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<sup>60</sup> Interview conducted May 31, 2019

<sup>61</sup> Interview conducted June 24, 2019

<sup>62</sup> Interview conducted June 17, 2019



haven't been able to elect these people or these parties that at a minimum we can approach and have this space for dialogue.”<sup>63</sup>

The trajectory of a family agriculture law can help illustrate the difficulties this group has faced in getting the state to attend to their interests. The original proposal aimed to get the state to recognize the importance of small-scale agriculture to the state and provide resources to support the further development of the sector. After years of negotiations and discussions that included key civil society actors, the bill finally made progress in 2017, winning approval in the legislature. When it was sent to the governor's desk, however, he vetoed a central aspect of the bill which was a fund to support family agriculture. As a result, “...we're left with a law that talks generally about family agriculture, but that is ineffective because what would have made it effective was the creation of this development fund.”<sup>64</sup>

Other key policy areas of interest to this group included access to technical assistance. While the state has an agency to provide technical assistance, Goiano Agency for Technical Assistance, Rural Extension, and Farming Research, known as EMATER, it is quite weak. As one family farming organization described it, “We have a state technical assistance agency, but it's practically dead since the last governor and this current governor also doesn't show any interest in making sure technical assistance reaches family farmers.”<sup>65</sup> Even leaders of similar

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<sup>63</sup> Interview conducted May 31, 2019

<sup>64</sup> Interview conducted June 17, 2019

<sup>65</sup> Interview conducted June 24, 2019

agencies in other states pointed to Goiás as having a particularly ineffective technical assistance agency.<sup>66</sup>

In addition to not providing the public policies desired by this segment of society, the state government has at times pursued policies harmful to family farmers. For example, in 2015, the state passed a land regularization law.<sup>67</sup> This law outlined a process to transfer formal ownership of lands not owned by any private person or having a public function to those occupying the territory, generally family farmers. While this policy could be viewed as responsive to the rural poor, many of whom lack land and, as a result, access to key public policies such as rural credit programs, the policy was designed in a way that prevented many in that category from taking advantage of the policy. While land regularization processes in other states and through the federal government often exempt occupants from paying for the land, that was not the case in Goiás. The majority of these lands were located in the poor north and northeastern regions of the state, making this lack of exemption a significant problem. As one civil society leader described it, “Even though the price was below market value, for example in a city like Cavalcante, you have one of the lowest human development indicators in the state. You have to pay an average of 30,000 reais for 4 fiscal modules...It would be nearly impossible for these families to pay.”<sup>68</sup>

In sum, economic policy in the state has had a similar focus across all administrations in recent decades. The state’s main policy has been the provision of extensive tax incentives to

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<sup>66</sup> Interview conducted October 22, 2019

<sup>67</sup> Lei Estadual nº 18.826/2015, May 19, 2015. Estado de Goiás.

<sup>68</sup> Interview conducted June 17, 2019

attract new businesses. While these policies are responsive to the interests of the business class, research suggests that these policies have not helped bring more equitable development to the state. The state has failed to invest sufficiently in areas that research suggests would likely help reduce inequalities in the state, namely small-scale and family farming, by providing more economic opportunities to the rural poor. A lack of very strong organization among this sector as combined with a weak political left has made it hard for this sector to extract policies from the state as other sectors of the economy, such as agroindustry, have been able to do.

***Education Policy:***

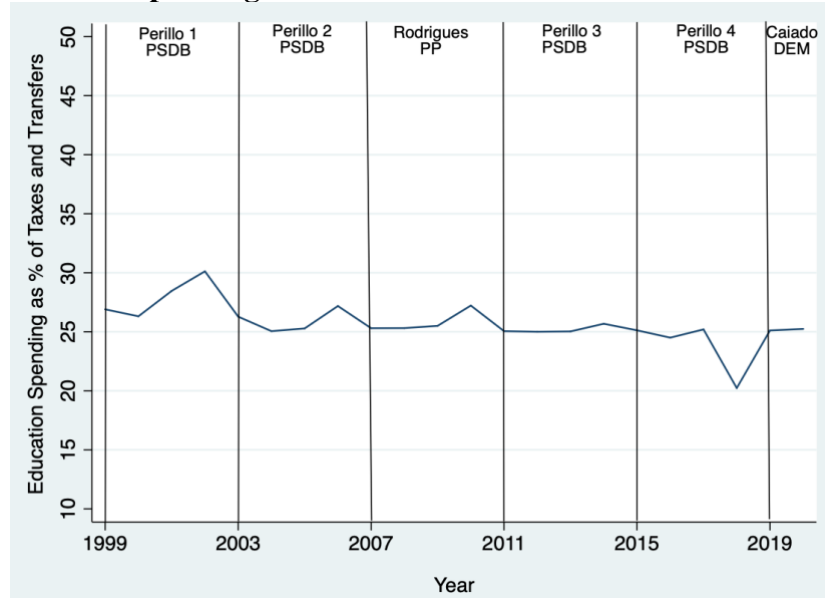
While lower income groups often pointed to specific economic policies as central priorities when interacting with the state government, education was rarely far behind. Public education is the most important area of social policy responsibility for state governments. Likewise, it is a policy area that large segments of the population care deeply about and one which disproportionately benefits the lower classes who cannot afford to seek alternatives outside of the public sector. Public education in Goiás has experienced some notable improvements over recent years such as moving up on the main national indicator of education quality, the Index of the Development of Basic Education (IDEB), from 17<sup>th</sup> to 1<sup>st</sup> (Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira) and increasing the qualifications of teachers through state-provided higher education opportunities such that nearly 100 percent now have college degrees.<sup>69</sup> However, the trajectory of public education has not only been one of improvement. The state has taken some actions that raise serious concerns about the quality of and access to public education for all students, regardless of their family income. The most

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<sup>69</sup> Interview conducted May 21, 2019

notable policies aiming to expand access to public education for all came under the same governor as those that most threaten such access highlighting that relying on leaders that promote themselves as center-left but are not associated with left parties can prove problematic.

**Figure 5: Education Spending as a Percent of Tax and Transfer Revenue, 1999-2020**



Source: Tribunal de Contas do Estado do Goiás, “Contas do Governador”, 2000-2020

Looking at state spending on education, we see a fairly consistent trend in terms of the percent of tax and transfer revenue spent on this policy area, generally quite close to the 25 percent required. This is unsurprising as the data available largely covers the administrations of a single governor. When the state of Goiás approved its Basic Education Law in 1998, it originally guaranteed that the state would spend 30 percent of its tax and transfer revenue on education.<sup>70</sup> Over time, though, the state approved amendments slowly reducing the required spending. For example, in 2003, the state decreased required spending from 30 percent to 28 percent, with 25 percent guaranteed for basic education and 3 percent for science, technology, and higher education (Souza 2018). In 2005, an additional 0.25 percent of tax and transfer income was guaranteed to education, but the increased resources were to be allocated to science, technology

<sup>70</sup> Lei Complementar nº 26, December 28, 1998. Estado de Goiás.

and higher education while the state's level of investment in basic education remained unchanged (Souza 2018). In 2009, an additional amendment clarified that the state would spend 2 percent of revenue on the state university, resulting in a minimum of 27 percent of the budget going to education.<sup>71</sup> In line with national requirements, any reductions in spending protected the 25 percent guarantee for basic education, instead changing the state's obligation to invest in science, technology and higher education. However, in 2019, the Legislative Assembly approved a constitutional amendment that challenged this guarantee. Rather than requiring a total of 27 percent of liquid revenue to be spent on education, the new amendment requires only 25 percent to be spent on education. The notable difference with this change is that within this 25 percent, the state still guarantees two percent for higher education.<sup>72</sup> As a result, funding for basic education has effectively been reduced to 23 percent of liquid revenue, raising concerns both about the state's compliance with national requirements as well as its commitment to continuing to build and strengthen its basic education system. This change comes as the state's finances are in worse shape than in the past, the governor declared a state of fiscal calamity as one of his first actions in office, but also as the state elected a particularly right-leaning legislature.

While what is in writing is of course important, it is also important to consider whether or not the state complies with its own spending requirements. Evidence suggests that governors have not always complied with the laws and have often failed to invest the minimum required by law. For example, in 2018 the Public Ministry of Goiás found that ex-governor Marconi Perillo failed to apply the required 25 percent in basic education during his third and fourth terms,

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<sup>71</sup> Emenda Constitucional nº 43, May 12, 2009. Estado de Goiás.

<sup>72</sup> Emenda Constitucional nº 64, December 5, 2019. Estado de Goiás.

between 2011-2017 (Ministério Público do Estado de Goiás, 2018). Rather, the state government used “creative accounting” to make it appear as though it was meeting the constitutional requirements. Research by Souza (2018) finds that such trends were not limited to the period of 2011-2017, but rather, that the state has engaged in such practices since to make it appear as though it was investing more in education than it was since at least the year 2000 and Davies (2000;2010) finds evidence of such practices throughout the 1990s as well. Rather than any governor truly focusing on increasing investment in education policies, it seems, governors did their best to skirt the rules and underinvest in education.

Spending is of course an important consideration, but how those resources are used also matters. In what sorts of education policies is the state investing? All governors have emphasized education as a priority, but some policies have done more to expand access and quality than others. Iris Rezende, the governor during the first administration under consideration here, outlined a series of goals for his term from 1991-1994. Specifically, he highlights the need to rehabilitate the physical school structures and improve classroom equipment, as well as improve training and support for teachers (Rezende 1990). Rezende’s focus on the physical structures of schools aligns with his overall focus on infrastructure (Vieira 2005).

Vilela, for his part, focused on increasing enrollment, particularly of low income students. He tied education policy into his social assistance policy. In an early precursor to conditional cash transfer programs, Vilela implemented the Programa de Apoio às Famílias Carentes (PAFC) which targeted families making a combined total of less than one minimum wage per month. Eligible families would receive a monthly basket of basic food items such as rice, beans, pasta and cooking oil, and exemptions from taxes on electricity and water below specified levels of usage (50 kw/h per month for electricity and 5000 liters per month for water).

Starting in 1995, in addition to conditioning benefits on income, the program also began to condition on children ages 7-14 being enrolled in and attending school and children under age 7 having up-to-date vaccine cards. This program was limited in its reach as it targeted only those in extreme poverty and limited the period of eligibility to 12 months, but it showed a recognition of the need to take additional steps to keep low income students in school. In addition to encouraging enrollment in this way, Vilela's Secretary of Education worked with the education council and municipalities to monitor enrollment and progress of low income students. Evidence suggests that these policies were successful in increasing enrollment (Vieira 2005).

There were no drastic changes in education policy in these early administrations, but bigger transformations would begin to be implemented when Marconi Perillo entered office. Perillo's policies in his first term can actually be seen as responsive to the interests of lower income citizens and reflective of his more center-left profile earlier in his career. Such policies expanded opportunities for low income citizens to continue their education.

First, Perillo continued in the footsteps of his predecessor by tying social assistance policy to education conditionalities. The first of Perillo's policies that aimed to keep low income students in school was really a rebranding of Vilela's PAFC. Perillo renamed the program Renda Cidadã and made some adjustments. The biggest difference between the two programs was that Renda Cidadã provided a cash benefit to families to purchase the goods that PAFC had previously provided in-kind. This was helpful to beneficiaries who previously had to travel to established locations to pick up their food baskets and could now instead purchase such items in their local stores (Faria 2005). The requirement that children of beneficiaries attend school remained. Just as the details of the program were not drastically different from those of the PAFC, the size of the government's investment in its central social assistance program did not

change much. In fact, despite a growing economy and rising tax revenues, Perillo's government spent on average slightly less than Vilela on the program (Vieira 2005). There was, however, a notable increase in the number of beneficiaries of nearly 100,000 from 2001 to 2002, an election year (Vieira 2005). A similar trend emerged at the end of Perillo's second term as there was a notable increase in spending on the program in the election year of 2006 (Morais 2021). While Perillo was not running for re-election, he was seeking a different elected office. While the program does appear to have benefited some, such election year increases suggest that Perillo also used the program for political means.

Building on Renda Cidadã, Perillo also created Salário Escola. This program provided an additional, supplemental benefit aimed at keeping low income students aged seven to seventeen enrolled in school rather than working. This benefit, worth half a minimum wage, required students to have an attendance rate of at least 90 percent. This policy importantly recognized that even if families wanted their children to attend school, they often could not afford to let them do so. By providing a cash benefit, this program allowed families to send their children to school and potentially improve their future career opportunities. An evaluation of the program finds that Salário Escola was beneficial to lower income citizens. It had a positive impact on the monthly income of beneficiaries and effectively targeted low-income citizens, struggling more with excluding potential beneficiaries than providing benefits to those who should not have qualified (Teixiera and Heinrich 2003).

The second key policy area of note during Perillo's first term was the expansion of access to higher education. Two main policies stand out in this area, the formal establishment of the State University of Goiás (UEG) and the creation of the program Bolsa Universitaria, or University Grant. UEG was formally created in 1999. UEG's creation was not the state's first



entrance into the field of higher education; the state had universities previously including the State University of Anápolis and the State of Goiás Higher School of Physical Education. The creation of UEG, however, represented a consolidation and expansion of the state's role in public higher education. With the creation of UEG came a commitment to expanding the regional reach of the university and, as a result, the establishment of campuses in 42 cities throughout the state. Students would not have to travel to the capital to attend the Federal University or Anápolis to attend the state university, but likely could find a campus much closer to home. As noted before, some have argued that investment in higher education is more beneficial to higher income students than lower income ones, however, there is reason to argue that the creation of UEG had positive effects for lower income citizens.

First, UEG was used by the state as a means through which they could improve the quality of basic education. In collaboration with the state Secretary of Education, UEG offered a program called Licenciatura Plena Parcelada. This program was created to provide a college degree to all of the teacher's in the state's education network, free of charge to them, through courses designed to work around teacher schedules. According to the Secretary of Education who played a key role in implementing the program, "The teacher had to put in this extra effort to study on holidays, vacations, weekends, but with this, today practically 100 percent of teachers have a college education and this makes a big difference, of course."<sup>73</sup> Even as this program wound down with most teachers having earned their additional qualifications, the university continues to play an important role in training the state's education workforce. A leader of UEG noted, "We have data that where you have a UEG, a campus of the university, bachelor's degree programs, the entire educational system in that city and region stands out in a

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<sup>73</sup> Interview conducted May 21, 2019

positive way on the IDEB tests (Interview 8/13/19). Beyond being used at the service of initiatives to improve basic education, the university itself has provided more opportunities for low income students to access higher education free of charge. In fact, 82 percent of students come from families making an income of three minimum wages or less and 83 percent come from public schools (Interview 8/13/19).

The state university, however, can only accommodate so many students. In order to provide additional options to students, Perillo also created the Bolsa Universitária program. Bolsa Universitária provides scholarships to low and middle income students, with family incomes up to six minimum wages, to help offset the cost of attending private universities. Bolsa Universitária preceded the national program, ProUni, that similarly provides public scholarships to help students attend private universities. While there do not appear to have been many evaluations of the program, a 2013 report produced by the state government shows that the program has succeeded at primarily reaching low income students (Macedo and Chaves 2013). Likewise, the program was seen as influential in the creation of the national program, ProUni, implemented by president Lula in 2004.

Perillo's second term was in most ways a continuation of his first, though his split with President Lula began to be evident during this term including in his refusal to restructure Renda Cidadã as a complementary program to Bolsa Família as many other states were doing with their similar programs (Lício et. al 2018). Overall, the policies implemented by Perillo in his first two terms reflected his more center-left profile at the time. He invested in policies that aimed to make education more accessible with a particular focus on getting lower income students to remain in school and have opportunities to pursue higher education. These programs were imperfect; as one interviewee noted of the Bolsa Universitaria program, "It was the major program for us

starting in 99, but since 2011 it has also taken evaluation much more seriously.”<sup>74</sup> Likewise, it appears that Perillo used such programs to boost his electoral campaigns. However, the programs also appear to have benefitted the state’s lower classes and played an important role in inspiring larger, national level programs to do that same.

Between Perillo’s third and fourth terms, Alcides Rodrigues followed an education policy that was largely one of continuity. According to the state Secretary of Education during this period, “I want to make it perfectly clear that something I take very seriously as a manager is not coming into a place and undoing everything that is being done. No way. We ensured continuity for the important projects that the Secretary was already undertaking.”<sup>75</sup> In highlighting the priorities of the administration, this continuity was clear. A focus on increasing teacher qualifications remained with an expansion to encourage teachers to also pursue graduate degrees, for instance.

This brief change in power at the state level quickly came to an end as Perillo returned to the governor’s office again in 2011. When he returned, however, his priorities had changed. After a public fight with President Lula starting in 2005, in the midst of the mensalão scandal (Pulcineli 2012), Perillo shifted rightward. While previous programs remained in place, new education policies shifted focus and began to raise concerns about the access to quality public education for citizens regardless of their income. Civil society showed that when it could present a strong united front, it could halt certain reforms, but when divisions emerged in civil society, such reforms did move forward. To illustrate this shift in education policy, I focus on one major

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<sup>74</sup> Interview conducted June 11, 2019

<sup>75</sup> Interview conducted July 17, 2019

reform, the shift to the militarization of public school, that began in Perillo's first term but was drastically expanded in his later terms. First, I'll discuss what this reform entailed and the consequences of this change on access to quality public education for all, and then I will examine why there has not been a successful movement in opposition to the reform.

Goiás stands out among Brazilian states for the outsized presence of military schools. In the state, numerous public schools have been transformed into public military schools, known as Colégios Estaduais da Polícia Militar de Goiás (CEPMGs). While the curriculum is still controlled by the state's Secretary of Education and the majority of teachers remain civilians, the administration of the schools and discipline in these schools have been handed over to the state military police. The militarization of public schools began as a very small-scale project during Perillo's first term, in 1999. The military police were already running a school for their children and made an agreement with the state to open up some seats to students from the general public. The project quickly expanded and today the state accounts for the vast majority of military schools in the country with over 60 CEPMGs.

Those who support this project are quick to point to the higher than average performance of CEPMGs and to frame them as responsive to the demands of the public. A former Secretary of Education noted of CEPMGs, "The population, the parents, liked them. The military schools, up to a certain point, had good academic outcomes. This became political currency. The mayors told the population that they were going to get a military school in the city. Parents wanted it so the state legislators approved military schools for cities A, B, C and D."<sup>76</sup> State legislators who were proponents of expanding CEPMGs also highlighted public demand for these schools. For example, one legislator who defended limited militarization of schools said, "If you go to a

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<sup>76</sup> Interview conducted July 29, 2019

neighborhood and say, do you want this school turned into a military school? The majority of the neighborhood wants it. There is a very strong sense that people want these (Interview 8/1/19).” A similar point was raised by another legislator who discussed the role citizens played in determining what schools would and wouldn’t be militarized. “It is the school itself that determines whether a military school will or won’t be established. The school holds a public meeting and you have to have a majority want it or not want it together with the students, parents and teachers (Interview 8/12/19). While legislators often framed militarization as a successful program that created high performing schools in response to citizen demand, there is also evidence that the public has not always accepted militarization and that the benefits of this higher quality education have often excluded those at the lower ends of the income distribution.

Indeed, there are numerous cases of neighborhoods pushing back against the militarization of their local school.<sup>77</sup> In fact, one notable example suggests some militarizations were imposed by the governor as a means of punishing teachers who were on strike in opposition to the government rather than because there was a strong demand for militarization in those schools. Perillo was recorded as saying, “I went to an event and there was a group of radical teachers from the extreme left cursing me. I said: I have a solution for you. Military schools and charter schools. I identified the eight schools these teachers were from. I prepared a bill and I militarized these eight schools (Perillo cited in Santos 2016). Additionally, when asked if there was any researching showing widespread support for CEPMGs, a researcher at the Federal University of Goiás (UFG) said, “I don’t believe a study exists on what the public thinks about

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<sup>77</sup> Interview conducted August 15, 2019

military schools...The government says CEPMGs are desired, that they have lots of requests for CEPMGs, but at the same time we see resistance, popular protests against them.”<sup>78</sup>

In addition to the possibility that militarization has indeed not always been responsive to the wants of citizens, there is evidence that the militarization of public schools reduces access to public education for the lower classes. Attendance at a CEPMGs, unlike other public schools, comes with costs. The first such cost is the mandatory uniform. The cost of the entire uniform is approximately R\$ 701.50 for the 17-piece set (Alves and Ferreira 2020), the equivalent of more than 55 percent of the average per capita monthly income for the state (Instituto Brasileiro de Geografia e Estatística 2020). The CEPMGs have taken some steps to prevent uniforms from standing in the way of lower class students from having access to public education such as providing financial support to low-income students from voluntary contributions made to the parent-teacher association (Termo de Cooperação Técnico Pedagógico no. 14, 4/25/17). Data on whether this covers all students and the full cost of the uniform, however, is unavailable.

In addition to the cost of the uniform, CEPMGs have come under fire for charging “voluntary” monthly fees of as much as R\$150 for enrollment. While officially voluntary, multiple cases have been brought to the Public Ministry claiming these fees were in fact mandatory and that parents and students who did not pay the fees were threatened with the inability to remain enrolled (Dias 2017). This fact has even been recognized by state officials. One former Secretary of Education noted, “They talk about a voluntary contribution, but it isn’t.”<sup>79</sup> With another public school not always available nearby, such expenses threaten the

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<sup>78</sup> Interview conducted August 22, 2019

<sup>79</sup> Interview conducted July 29, 2019

ability of students to continue their education. As one researcher who has studied CEPMGs noted, “Students who don’t adjust to the discipline or the cost of the school, because there is a process of elitization, expulsion of the poorest, these students are excluded from the school. We don’t know where these students go. This student, in many places, has difficulty enrolling in another school. For example, in this region here, the school that was militarized was the only public secondary school. So, when the school militarized, students that lived here, in order to go to a different school would have to catch a bus, pay for transportation and it’s already difficult for these students to study.”<sup>80</sup> Indeed, the data seem to bear out this situation. Using data on the aggregate socioeconomic level of the school, collected as part of the national secondary school exam, ENEM, a UFG researcher found that the socioeconomic level of schools increases when they become militarized. “If you look at Goiás, in the last study I did using the ENEM data, 6 public schools had a high socioeconomic level and five of these were military schools.... You can compare the ENEM index. They weren’t [at a high socioeconomic level] when they were militarized. They became this way.”<sup>81</sup> This aligns with stories shared by a Secretary of Education during the expansion of CEPMGs, that “these schools started to function almost like private schools... Today, especially the schools in Anápolis and Goiania, the three best, enroll children of businessmen, of very rich people.”<sup>82</sup>

While there are distributive arguments against the continued militarization of public schools, civil society has seen little success in preventing the expansion of the CPENMG network.

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<sup>80</sup> Interview conducted August 22, 2019

<sup>81</sup> Interview conducted August 22, 2019

<sup>82</sup> Interview conducted August 29, 2019

This is not due to the inability of civil society to organize and exert pressure in the area of education policy, though. In fact, education is arguably one of the areas in which civil society is most organized in the state. In fact, civil society was quite successful in mobilizing and halting another reform proposed by Perillo, the transition of state public schools into charter schools. Student organizations in particular led the charge against what they viewed as the privatization of public education.<sup>83</sup> As a leader of the teacher's union described the movement, "In the state basic education system we succeeded at preventing this. We succeeded through lots of mobilizations, lots of strikes, occupation of schools. The students occupied schools and public opinion was with us so we won this war."<sup>84</sup>

When it came to the militarization of schools, though, civil society and public opinion were more divided. The same teacher's union leader said of the CEPMGs, "This is a problem for us and I've said the following. We're losing this war. Why? Because the population, the parents want military schools. The students not so much, but the parents want it and, as unbelievable as it sounds, a large part of my category [teachers] want it too."<sup>85</sup> In addition to civil society struggling to unite against CEPMGs, the political left has also faced difficulties in pushing back. A researcher from UFG described the situation as follows, "Representation of the left in Goiás is weak, but they're against this project. But, the fear of public opinion is so big, the impression that the population supports CEPMGs, that the stances of these elected officials are very timid. For example, the critiques are normally like this: 'We're not against CEPMGs. We are against

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<sup>83</sup> Interview conducted August 15, 2019

<sup>84</sup> Interview conducted July 2, 2019

<sup>85</sup> Interview conducted July 2, 2019



them without proper dialogue with the community, dialogue with society.’ Very timid.”<sup>86</sup> Both the weakness of left parties and the lack of a united civil society appear to be at work in Perillo’s success in expanding this more exclusive form of public education in the state.

During Perillo’s second two terms, the number of CEPMGs grew at a much more rapid pace than they had in their early days. The election of Governor Caiado has slowed down the process of militarization, though he has overseen the militarization of at least one school during his term (Mendes 2021). Caiado appears to have a more measured approach to the expansion of CEPMGs, having been quoted as saying, “Military schools are important, but you can’t turn every school in Goiás into a military school (Caiado qtd. In Germano 2019).” Under Caiado there has been a shift in focus to programs more similar to those seen under Rodrigues and the first terms of Marconi Perillo. Like Rodrigues, Caiado has focused more on increasing the number of schools offering longer school days with the goal of obtaining better educational outcomes. Caiado expanded the number of schools offering longer days by 15 in 2021 and has pledged to further expand the number by 105 in 2022 (Governo de Goiás 2021). While studies show that extending the school day can help with educational outcomes, research also shows that such programs primarily benefit wealthier students. Poor students who also need to work to support their families are unlikely to enroll in and benefit from these schools (Oshima 2016). Perhaps this investment in longer school days can begin to benefit poorer students when combined with other initiatives. In a new bill sent to the legislature in November 2021, Caiado proposed creating a new program, Programa Bolsa Estudo, that will provide payments of R\$ 100 per month during the academic year to students enrolled in state public secondary schools,

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<sup>86</sup> Interview conducted August 22, 2019

regardless of income, provided they maintain good attendance records (Governo de Goiás 2021). With financial support, fewer students may be faced with the choice of improving their education and supporting their families, allowing them to enroll in these higher quality schools with longer school days.

Education policy in Goiás since the 1990s has seen some progress towards creating more opportunities for low income students to pursue education, but the most drastic change in the system can be seen as having the opposite effect. Rather than increasing access to high quality schooling for all students, the militarization of public schools appears to have benefited wealthy students at the expense of lower class students. As Governor Marconi Perillo shifted to the right in his second two terms, a weak political left and a divided civil society were unable to halt the expansion of CEPMGs and, with it, the expansion of differentiation within the public-school system (Alves, Toschi, and Ferreira 2018). Combined with evidence that the state has failed to invest the required minimums in public education and approved changes to the state constitution to further reduce the state's obligation to invest in education, access to quality public schooling for all students, regardless of socioeconomic status, has been at risk in the state. The current administration appears to be backing away somewhat from the policies of the past and implementing some promising new policies, but at the same time has reduced the amount the state is required to invest in education which raises concerns for the future. As the political left remains weak and divided, and civil society struggles to pressure the government, quality public education for all is not guaranteed in Goiás.

## Conclusion

Goiás is a state closely identified with *coronelismo*, or the concentration of power in the hands of a small number of landed elites. While the state has grown rapidly in recent years both in terms of its economy and its population, power still remains concentrated. Since the return to democracy, the state government has largely been dominated by two main figures, Iris Rezende and Marconi Perillo, of the PMDB and PSDB respectively. Despite some successes at the local level, left parties have been unable to find success at the state-level. In part, due to this lack of a clear ally in the state government, lower class groups face challenges in getting access to the state to share their concerns. Such organizations have found success at halting policies they view as damaging, when they are united, but they have often struggled to maintain unity. Even when they are able to communicate their policy preferences, lower class groups rarely find that the government follows through with the desired reforms. In many cases, rather than public policy, citizens pushing for change are met with repression rather than policy solutions. Additionally, rather than seeing an expansion of access to public services, the state has implemented policies that threaten the access of lower class citizens to key public services, public education.

## CHAPTER 7: PARANÁ

### Historical Background

Paraná, like Rio Grande do Sul, is located in the South region of Brazil. Paraná is a comparatively newer state, separating from São Paulo in 1853. Many of the major cities in the state have only emerged within the last century. For example, Londrina and Maringá, the second and third largest cities in the state, were founded in 1930 and 1947 respectively. Starting early in its history, Paraná benefitted from waves of European immigration to the state. Germans were among the earliest group to arrive, starting in 1829, followed by Ukrainians in 1850. Waves of Italian, Dutch, Polish, and Spanish immigrants would later follow. The state has also drawn immigrants from other regions of the world including Japan, Syria and Lebanon, making it an ethnically diverse population.

In terms of politics, the state shares similarities with Goiás in that it has a history of continuity in politics with dominant families from the colonial period continuing to maintain influence today. As political sociologist Ricardo Costa de Oliviera puts it, “When we analyze the politics of Paraná, the paranaense institutions, the Legislative Assembly, there has been some renovation, but always within continuity. Always within the preservation of old families, old alliances.”<sup>87</sup> In comparison to Rio Grande do Sul, the state has had less dynamism and renovation in the political sphere.<sup>88</sup> However, since the return to democracy, no single party or politician has succeeded in dominating state politics. Paraná serves as an intermediate case in my analysis. While it has some of the factors I expect to drive a more responsive government, including competitive elections and a strong civil society, it lacks others including a consistently

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<sup>87</sup> Interview conducted September 17, 2019

<sup>88</sup> Interview conducted September 17, 2019

strong left presence. As will be outlined in the following pages, there have been times where the government has been more responsive to the lower classes suggesting that where civil society is strong, they can push for greater responsiveness even without a strong political left. However, where the political left is weak, backlash against civil society pressure may also occur.

## **Party System**

In the period leading up to the transition back to democracy and the early years after re-democratization, Ames (2002) said of Paraná, “Extreme localism gives Paraná’s politics an almost apolitical quality.” While this may have been the case, over time, scholars have argued that the situation has changed. Paraná’s electoral system is fairly competitive. Borges (2007) describes the state as a case of coalescent pluralism. Elections are moderately competitive; since the majority run-off system began to be used in the 1990 elections, three elections have been decided in the second-round while five have been decided in the first round. Governors have succeeded at being re-elected; Jaime Lerner (PDT, PFL), Roberto Requião (PMDB), and Beto Richa (PSDB) each served two consecutive terms. Roberto Requião actually served three terms though his first term was non-consecutive with his second and third.

Unlike Rio Grande do Sul, the parties have not tended to be highly polarized. Rather, center parties are strongest (Borges 2007). The state has however, seen a degree of consistency emerge in alignment with similar trends at the national level. In general, a divide has emerged between the center-left led by the PMDB in alignment with the PT and the PSDB in alignment with the PFL/Democratas (Costa and Bolognesi 2014). Larger parties in the state have tended to maintain fairly consistent positions either to the right or left of center with small parties acting more opportunistically and aligning with whatever party is in power at the time (Costa and

Bolognesi 2014). The one exception among larger parties is the PDT which has remained inconsistent, jumping back and forth between supporting the PMDB-led block and the PSDB and PFL/Dem block (Costa and Bolognesi 2014).

The PMDB has found particular success in the state, winning the governorship six out of a possible eleven terms since the return of direct elections for governor. When it comes to the legislature, the PMDB has also been among the most successful parties. In the eight elections between 1990 and 2018, the PMDB succeeded in electing the largest bench four times and the second largest bench twice. The party struggled in the 2018 elections, electing only two deputies, but in general, no other party has consistently had as much of an influence in the legislative assembly over time as the PMDB.

While the PMDB has had the most success, a variety of parties have been able to gain representation and, in fact, the legislature has tended to be quite fragmented. In the 2018 elections, for example, 20 parties won seats. The largest party, the PSL, won eight seats, of a possible 54, in its best ever performance in the state, in line with a nationwide trend of PSL success on the coattails of Jair Bolsonaro's presidential run under the party's label. While 2018 reflected the most extensive degree of fragmentation in the state, more than ten parties have succeeded at electing at least one member to the legislative assembly each cycle since 2002.

Despite growing fragmentation, governors in the state have tended to find success at building majority coalitions in the Legislative Assembly. Over time, governors have very high rates of success at getting their projects approved by the legislature (Melo and Tomio 2017). The dominance of the governor also aligns with experiences shared by legislators. One legislator described the relationship between the legislature and the executive as, "absolute subservience of the assembly to the governor. Really, the Legislative Assembly has no independence. It never

has.”<sup>89</sup> In a similar vein, another legislator said, “We don’t have an autonomous, independent Assembly.... The government does this kind of blackmailing, conditioning support on voting a certain way.”<sup>90</sup> This executive dominance is common among Brazilian legislatures making the situation in Paraná the norm rather than the exception.

**Table 9: Recent Political History of Paraná**

<b>Years</b>	<b>Governor</b>	<b>Party</b>	<b>1<sup>st</sup> Round Vote Share</b>	<b>Governor’s Party’s Seat Share (54 Total Seats)</b>
1991-1994	Roberto Requião	PMDB	56.4%	16 seats (30%)
1995-1998	Jaime Lerner	PDT/PFL	42.5%	9 seats (17%)
1999-2002	Jaime Lerner	PFL	48.6%	12 seats (22%)
2003-2006	Roberto Requião	PMDB	51.2%	8 seats (15%)
2007-2010	Roberto Requião	PMDB	48.2%	17 seats (31%)
2011-2014	Carlos Alberto Richa	PSDB	46.33%	9 seats (17%)
2015-2018	Carlos Alberto Richa	PSDB	45.86%	7 seats (13%)
2019-2022	Carlos Roberto Massa Júnior	PSD	59.73%	6 seats (11%)

### **Left Party Strength**

Paraná is often described as a very conservative state and, in line with this description, nationally the state has tended to vote for center or right-wing candidates. However, the left has played a relevant role in state politics in Paraná, certainly more of a role than in Goiás. The left, however, is not dominated by the PT, as seen in Rio Grande do Sul. While the PT has succeeded

<sup>89</sup> Interview conducted October 21, 2019

<sup>90</sup> Interview conducted October 24, 2019

at electing candidates to national office from the state, including former president of the PT, Gleisi Hoffmann, it has not been as successful when it comes to state-level offices. The party has never won an election for governor and has never performed well enough for its candidate to make the second round of elections. The party's best finish in a governor's race has been a distant third place (in 1994, 2006, and 2014).

The PT is a relevant, but not dominant, actor in the state Legislative Assembly. The party's best performance came in 2002 when it managed to elect nine state legislators, making it the largest party with approximately 17 percent of the seats (Tribunal Superior Eleitoral). However, in most other elections the party has managed to elect somewhere between three and six legislators, often making it somewhere between the third and sixth largest bench in the legislature.

While the PT has not been a leading actor in the state, other parties have sometimes filled the gap on the left. The most important party of the center-left to consider in the case of Paraná is the PMDB. The PMDB has succeeded in electing governors and has frequently run competitive candidates for this position. Importantly, in Paraná, the PMDB has often skewed more leftward than is often the case in other states and nationally. The strength and ideological tilt of the PMDB in the state may contribute to the underdevelopment of the PT. The ideological space on the left already had a strong actor prior to the emergence of the PT as a more competitive and organized political party. One leader of the PMDB stated as much; "I would say, the political presence of [former governor] Requião, the positions he takes up, the fights he leads, capitalize on leftist thought, the leftist elector. This hinders the growth of the PT. The PT hasn't grown in



Paraná like it has grown in other places.”<sup>91</sup> While this has become less true in more recent years, until 2010, Roberto Requião was the dominant figure in the PMDB of Paraná and kept the party left-of-center. Requião considers himself to be from the original PMDB that promoted Keynesian economic principles and was “the party of the popular classes disconnected from the decisions of big capital. The party of women, of workers, of civil servants, of ethnic minorities.”<sup>92</sup> Not only did Requião identify as a leftist, but the policies he pursued during his three terms as governor were also generally in line with a more leftist approach (Laibida 2019). Though the PT tried unsuccessfully to compete with Requião, it has tended to throw its support behind him in the second round of elections and found more influence at the state level by participating in Requião’s governments.

It is important to consider in this case that the main actor on the left, the PMDB, is not traditionally considered a left party, but rather a catch-all, centrist party. This is notable as party leadership has shifted away from Requião and the national party has moved rightward. The PMDB in Paraná has also shifted away from the left as Requião has become less central and is now more in line with a center, catch-all party (Costa and Bolognesi 2014). As a result, the left in Paraná is facing a moment of re-building, following national trends, but to an even greater degree.<sup>93</sup> How successful the left is at rebuilding and unifying will likely have important consequences for responsiveness in the state moving forward.

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<sup>91</sup> Interview conducted October 3, 2019

<sup>92</sup> Interview conducted October 28, 2019

<sup>93</sup> Interview conducted September 26, 2019

## Civil Society

Civil society is well-developed in Paraná. It has a similar, though slightly lower, civil society density than Rio Grande do Sul with 0.51 organizations per capita. The economic elite are well-organized and form a fairly cohesive group. The seven largest business federations in the state often join forces, with the leaders of each coming together to form what they call the G7. The G7 includes representatives from the Federation of Commerce in Goods, Services, and Tourism (Fecomércio-PR), Federation of Agriculture (FAEP), Federation of Industries (FIEP), Organization of Cooperatives (OCEPAR), Federation of Commercial and Business Associations (Faciap), Federation of Cargo Transport Businesses (Fetranspar) and the Commercial Association (ACP). The G7 comes together to discuss key issues of importance to their respective sectors and following these discussions, “[the G7] goes all seven together, knocks on the door and talks to the governor about what Paraná needs.... The G7 constantly meets with the governor.”<sup>94</sup> Beyond the G7, these organizations also bring their own more specific issues to the state government. A leader of the agribusiness organization, FAEP, for example, noted, “When people decide to run for office, independent of what party they are, we present proposals from our sector for the government, but it’s not just presenting and proposing. We also, later, want to help get it done, because whoever proposes something needs to collaborate.”<sup>95</sup> The close relationship between the business sector and the state government has been fairly consistent, though the sector noted a somewhat tenuous relationship during Requião’s terms.<sup>96</sup>

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<sup>94</sup> Interview conducted December 6, 2019

<sup>95</sup> Interview conducted November 27, 2019

<sup>96</sup> Interviews conducted December 6, 2019, December 2, 2019, and November 27, 2019

Not only is the group influential, but it brings a particular perspective to the table. One study found that the leaders of Paraná's business organizations are relative socioeconomic elites and that they are more likely to claim a center or right-of-center ideology than a left-of-center ideology (Costa and Engler 2008).

The popular classes also have a strong history of organization in the state, though have been somewhat weakened in recent years. A PT leader in the state noted, "Paraná was the birthplace of the MST which was started here in the interior. We have historically had strong peasant leagues. We had a process of organizing important strikes; even during the dictatorship we had intense organization. Bankers and other categories mobilized, so we have this history of organization in Paraná. We had big confrontations and these are some of the cases that mark Paraná as the birthplace of the peasant movement and a strong union movement."<sup>97</sup> The MST, which was officially founded in Paraná in 1985, is still quite active in the state. As a state leader of the movement noted, "Today in Paraná, in this province here, we have around 390 settlement projects in which approximately 23,000 families are settled. In terms of area, in total we have about 430 thousand hectares of land."<sup>98</sup> The state likewise has active organizations pushing for the rights of the urban poor including the Movimento dos Trabalhadores Sem Teto and others working in the area of popular housing in the state such as the National Union for Popular Housing and the National Movement in the Fight for Housing. Such organizations are involved in fighting for increased state investment in housing and other social services for poor urban areas as well as defending irregular settlements against evictions carried out by the state police.

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<sup>97</sup> Interview conducted September 26, 2019

<sup>98</sup> Interview conducted September 30, 2019

Unions such as the public education workers' union, APP-Sindicato, also have historically been strong actors that frequently engage with state politics. This union alone has approximately 70,000 members, accounting for almost 40 percent of all potential affiliates.<sup>99</sup> This organizational capacity has helped the union gain influence. As one leader described it, though the government often consulted with the union on issues, victories that the sector achieved were often due less to successful dialogue and more to the mobilization of the sector through actions like strikes.<sup>100</sup> An education professor at the Federal University of Paraná said of the union, "Some political analysts in Paraná will say that the union, APP, doesn't elect the governor, but is a mobilizing force that can impede the election of someone."<sup>101</sup>

While the teachers' union remains quite strong, other organizations have faced challenges in maintaining their strength. For example, a leader of the Federation of Rural Family Agriculture Workers of Paraná (FETAEP), pointed to rural exodus as a threat to family agriculture unions. "We have a strong performance, but we have places where the population is leaving the rural areas. Over the past thirty years the number of families living in rural areas has dropped 80%...This is making the existence of a union almost nonviable. Some will close or already have closed because there are too few people."<sup>102</sup> Despite this threat, the federation, which aggregates all of the smaller unions, continues to play an important role in bringing attention to the needs of family agriculture communities. "Today I'd say any project that has to

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<sup>99</sup> Interview conducted November 14, 2019

<sup>100</sup> Interview conducted September 10, 2019

<sup>101</sup> Interview conducted October 30, 2019

<sup>102</sup> Interview conducted November 12, 2019

do with agriculture, we're heard. We are consulted. We can make suggestions.... The government has opened its doors to hear us.”<sup>103</sup> Such a relationship was seen as persisting whether the government was to the right, left or center.

The more positive experiences of groups like FETAEP can likely be explained similarly to how the MST explained their influence in Rio Grande do Sul: Small agriculture is important to the state's economy. Additionally, compared to the case of Goiás in particular, among rural sectors of society, there has been a greater degree of cooperation among agribusiness sectors and smaller, family agriculture. Such cooperation may in part be due to the different nature of agriculture in Paraná compared to the Center-West region more generally. As leaders of the FAEP noted, the majority of farms in the state are comparatively small; “85 percent of the properties in Paraná are less than 50 hectares. It's all small properties.”<sup>104</sup> As a result, cooperatives are common and there is a friendlier relationship among the agribusiness organization, organization of cooperatives, and family agriculture organizations. For example, “FETAEP has a good relationship with the employer's sector. We have many projects in common.... Cases of negative interactions are very rare.”<sup>105</sup> The relative importance of smaller producers in the state appears to give them more weight compared to such smaller producers in states where agribusiness is more dominant. This is not to say that there are no points of divergence between agribusiness and family agriculture in the state and, indeed, as noted, the MST continues to operate with some force. Even the MST, though, pointed to some progress in

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<sup>103</sup> Interview conducted November 12, 2019

<sup>104</sup> Interview conducted November 27, 2019

<sup>105</sup> Interview conducted November 12, 2019

the state: “I’d say that our experience here in Paraná has always been a little of these two components: Conflict in the area of land reform, but in development, a certain degree of support. There has always been some support for development.”<sup>106</sup>

### **Economic Context**

As with the other states in the southern region, Paraná is more developed than the average Brazilian state with the fifth highest GDP as of 2018. In 2002 Paraná’s economy accounted for 5.9 percent of Brazil’s total GDP, growing to 6.4 percent by 2017 (Alvarenga 2019). The state also has the fifth highest score on the human development index (Instituto Brasileiro de Geografia e Estatística 2010). Parana has a highly-diversified economy with the industrial, services and agricultural sectors all contributing significantly. In 2019, agriculture accounted for approximately 8.5 percent of the state’s GDP, industry accounted for 26.1 percent and commerce and services accounted for 51.9 percent (Instituto Paranaense de Desenvolvimento Econômico e Social 2019).

Paraná has faced a comparatively better situation with its public finances than either Rio Grande do Sul or Goiás. Unlike Rio Grande do Sul and Goiás, at no point has the state of Paraná declared a state of financial calamity. Likewise, in recent years it has received a grade of a B in the National Treasury’s Capacity to Pay classification, indicating that that state is in good fiscal health and can take on new debt with the guarantee of the union. In only two years since such scores were given, 2014 and 2015, did Paraná score below a B. Neither Rio Grande do Sul nor Goiás has ever received higher than a C indicating they are in poor fiscal health (Tesouro Nacional 2021). This is not to say that the state has not faced restrictions on its ability to invest in

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<sup>106</sup> Interview conducted September 30, 2019

public services, but that those restrictions have tended to not be as severe as many other states, and especially as in the two other states under close consideration in this dissertation.

As described in detail above, Paraná has some of the factors I expect would help lead to a more responsive government. Have these variables in fact helped create an environment in which lower income groups are able to influence the direction of policy and where the government takes into account the consequences of policy decisions for lower income groups? I turn to this question in the following sections.

## **Policy Outcomes**

### ***Participatory Institutions and Reforms***

Again, I begin by looking at efforts to create new avenues for low income groups to have a greater voice in political decision making. As with Goiás, though, there have not been any major efforts to increase participation at the state level in Paraná. Reforms such as participatory budgeting have been implemented in some municipalities, but have never been attempted at the state level. A proposal to create state-level participatory budgeting was introduced by PT legislator, Tadeu Veneri, in 2005, but never moved forward (Prazeres 2005). A similar project was again presented in 2011, this time by Democratas legislator, Osmar Bertoldi, but again, did not successfully make it through the legislature (Pohl 2011). The push for the expansion of participatory institutions has largely been associated with the PT so perhaps it is unsurprising that there have been no major reforms in Paraná; however, certain segments of the PMDB have also promoted participatory reforms. Given the more progressive position of the PMDB in the state, we may have expected to see a push for such changes particularly during Requião's terms. In fact, during his time as mayor of the state's capital, Curitiba, Requião did push for greater citizen participation through the creation of sub-mayoralities which worked with populations in

their segment of the city to help define the municipal budget (Resende 2007). However, Requião did not extend such policies to the state level.

More recently a right-of-center governor, Carlos Roberto Massa Jr. (known as Ratinho Jr.), created the Superintendency of Dialogue and Social Interaction because, according to the preliminary superintendent, “Public policy does not exist behind closed doors, divorced from reality. We need to hear the community. We are the point of entry for civil society in the state government (Rockembach 2019 qtd in Agência Estadual de Notícias, 2019).” While this superintendency seems positive at surface level, some civil society leaders expressed concerns. For example, a councilor on the State Council on Cities noted, “In my opinion it’s a form of simple cooptation. Of pacification.”<sup>107</sup> A leader in the housing movement similarly noted, “The movements had a big fight with [Governor Beto Richa]. This governor, even though he represents the same interests [as Richa], he’s using a different strategy. He created the superintendency to manage the movements.”<sup>108</sup> Such views are indicative of the fact that the presence of formal institutional channels for participation does not automatically translate into responsiveness. The skepticism expressed by movement leaders regarding the council suggests that even if well-intentioned, such a superintendency will need to prove it can generate results before gaining the full buy-in of civil society, something examples from Rio Grande do Sul suggest is necessary in order to truly generate results for the lower classes.

While the state has not experimented much with new participatory reforms, required participatory councils, such as the state health council, do function and a series of non-mandatory

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<sup>107</sup> Interview conducted December 12, 2019

<sup>108</sup> Interview conducted December 12, 2019



councils have been put in place including a council on social housing and council on the rights of the disabled.

***Economic Policy:***

Though the state has not created an extensive system of participatory institutions to give lower income citizens a say in the direction of policy, some governments have taken lower income groups interests into consideration when developing their policies more than others. Looking at the area of policies for economic development can help illustrate the varied influence of lower income groups under different administrations.

Looking at each of the administrations since the 1990s, we can see that some governors placed a greater focus on inclusive development strategies. Leaders of groups representing the interest of economic elites, as noted above, pointed to a somewhat tense relationship with Requião than other governors. While Requião did pursue some policies that tended to be favored by business elites, this tense relationship may be due to his greater interest in policies targeted at lower income groups. Requião did pursue a policy of fiscal incentives to attract new industries to Paraná through the program Bom Emprego Fiscal. This program, however, aimed to address regional inequality in the state by offering much larger benefits to companies investing in less developed parts of the state as opposed to more developed cities like the capital. While there is little research to show how effective the program was at attracting investment to less developed regions, the goal itself reflects a greater focus on spreading the benefits of development. Fiscal incentives, though, were not the only aspect of Requião's economic development policy during his first term. In just four short years, he created a series of policies targeted particularly at low income rural workers. Two such programs include Programa Panela Cheia and Força Rural. Panel Cheia provided lines of credit to small agricultural workers at below market interest rates

and, that demand for this credit went beyond the capacity of the program, shows that such policies were in fact sought out among rural workers. While imperfect, this program appeared to have positive effects (Roesler 1997). Along with providing rural credit, Requião also used the state electric company, COPEL, to expand rural access to electricity in the state (Resende 2007).

Under the next governor, Jaime Lerner, we see a shift in the state's policies for economic development. As Lima (2007) describes it, "So, the end of Requião's government put an end to the idea of regional development based on agriculture, small property, programs for family agriculture (Panela Cheia), with the remnants of Keynesian ideas and a shift to the ideas in vogue in the 90s of free markets, privatization and attraction of multinationals, making the state a facilitator of capitalist accumulation." The lack of focus on regional development and family agriculture can be seen not just through the discontinuation of policies like Panel Cheia, but also through a more aggressive way of interacting with low income groups. The MST, for example, described Lerner's government as, "the most difficult period of violence for the MST."<sup>109</sup>

Lerner's government can be seen as less responsive to low income groups and somewhat more responsive to economic elites, though at times he faced pushback even from these groups and instead appeared most responsive to international capital. One way in which Lerner showed his alignment with economic elites was through his expansion of fiscal incentives. Under previous governments, leaders of the major economic federations in Paraná believed the state was behind in the use of such incentives (Lima 2007). Lerner especially focused on attracting large, multinational corporations to the state including Renault and Chrysler, prioritizing these companies over providing incentives to local industries (Lima 2007). In order to pay for these incentives, however, the state reduced its investment in key areas for lower income citizens

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<sup>109</sup> Interview conducted September 30, 2019

including education and health as well as bringing in revenue from privatizing state-owned industries (Lourenço 2002).

In moving to privatize state-owned industries, especially the state electric company, COPEL, Lerner faced significant backlash from the community. Lerner and the Legislative Assembly approved the privatization of COPEL in December 1998. Despite approval in the legislature, large portions of the population were dissatisfied with the plan as COPEL was viewed as a company that provided quality service, had national and international reach, was lucrative, and provided important technical know-how among other benefits (Fagaro 2006). As such, society began to organize a movement against the process, the *Forúm Popular Contra a Venda da COPEL*, or the Popular Forum Against the Sale of COPEL. This movement succeeded at bringing together vast swaths of society, counting over 400 organizations among its supporters (Fagaro 2006). Even groups that tended to favor privatization, such as the Federation of Industries, joined in. The movement was strong enough that it was able to force the government to consider overturning the law through the process of popular initiative in August 2001. The hurdle for popular initiative is high, requiring support from a minimum of one percent of the state's voters, spread in at least 50 municipalities with at least one percent support in each of those<sup>110</sup>. Due to this hurdle, the COPEL case was the first time that popular initiative has successfully been used. Despite this broad support, the legislature did not overturn the law allowing privatization. The day of the vote was marked by large-scale protests and the use of violence against the protestors (Fagaro 2006). In the face of this defeat, the movement turned to the justice system where they did find success halting the privatization process. Even extensive civil society pressure uniting both popular sectors and economic elites was insufficient to force

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<sup>110</sup> Article 67, Constitution of the State of Paraná.

the government's hand. However, the presence of competitive elections in 2002 did allow for citizens to express their discontent. Requião, an opponent of privatization, was elected to a second term and many of the legislators who rejected the popular initiative were not re-elected (Fagaro 2002).

With Requião's return to office, we see a return to an economic development policy focused on an active role for the state and on creating greater economic opportunities for low income citizens. Early into his new term, Requião halted the privatization of COPEL as well as of the state water and sanitation company, Sanepar. He would later use these state companies to aid with his agenda which focused on promoting economic development through "Cheap energy, low taxes and high salaries."<sup>111</sup> Though Paraná had the potential to provide cheap electricity since its energy was largely produced through power plants that the state had already fully paid off, Requião was unable to capitalize on this as President Lula created a nationalized system that pooled energy from all states to redistribute among each. However, throughout his two terms, Requião froze the rate charged for water. Requião's reasoning for doing this was, "The company has to make a profit so it can reinvest, do maintenance, but the rates had gotten so high under the privatization scheme that it didn't make sense so I froze them."<sup>112</sup> In terms of low taxes, Requião focused on reducing the ICMS tax for low income citizens and small businesses as opposed to focusing on exempting multinational companies from this tax as his predecessor had done. This shift in policy garnered support among a wide range of societal actors including the Federation of Industries and the Commercial Association (Redação do Estado do Paraná 2005). Along with

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<sup>111</sup> Interview conducted October 28, 2019

<sup>112</sup> Interview conducted October 28, 2019

shifting the focus of incentives from large multinationals to smaller, local businesses, during his third term, a law was passed allowing the state to renegotiate incentive deals with companies that reduced the number of employees<sup>113</sup>. Such a move suggested a greater focus on ensuring that companies benefiting from state resources also provided a benefit to the state. Finally, Requião aimed to achieve his goal of high salaries through the establishment of a regional minimum wage. This policy was approved unanimously in the Legislative Assembly and strongly supported by worker's unions (Moraes 2006).

In addition to these broader policies, programs targeted at the rural population were a particular focus of Requião's second two terms because, as a former Secretary of Agriculture noted, "Requião loved agriculture."<sup>114</sup> One program targeted at the low income rural population was the night irrigation program. This program provided a steep discount on electricity to farmers if they pursued irrigation projects at night when demand was lower. A second noteworthy program is the Solidarity Tractor program. This program, which is ongoing in the state today, provides financing for the purchase of tractors and other farm equipment to small producers in the state. Increased access to credit programs is a priority among family agriculture groups who view increased access to credit as key to keeping people from leaving rural areas for greater opportunities in cities.<sup>115</sup> The program has been considered quite successful and inspired similar programs both at the national level with Mais Alimentos, and in other states, as with São Paulo's Programa Pro-Trator (Melo, Nagaoka, and Vieira 2012). Overall, it is clear that Requião

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<sup>113</sup> Lei nº 15.426/2007. Approved January 15, 2007. Estado do Paraná.

<sup>114</sup> Interview conducted October 22, 2019

<sup>115</sup> Interview conducted November 12, 2019

shifted the state's focus back to a strategy of developing the economy by focusing on lowering costs and improving opportunities for low income groups.

After Requião's third term, he returned to the national senate and Beto Richa (PSDB) was elected governor. While Richa in general had a center-right profile he appeared to try to find a middle ground between Lerner and Requião. Richa was supported by many of the groups that had supported Lerner and even included some individuals who had served under Lerner in his government (Santos Filho 2016). However, Richa did not eliminate many of the policies that were created under Requião such as the Solidarity Tractor program and other incentives for family agriculture. While he placed greater focus on expanding incentives to promote industrialization, he maintained a focus on providing incentives to micro and small businesses. Finally, while he discussed moving forward with privatizing state-owned industries, he didn't proceed with the processes (Felix 2017). Richa's two terms, however, are marked by major corruption scandals. By the end of his second term, Richa or his close associates had been implicated in at least six major corruption investigations including Lava Jato. Rather than focusing on responding to any particular group of the public, it seems that Richa was most focused on attending to the interests of his family and allies.

Following Richa, Ratinho Jr. (PSD) took office promising a similar approach as Richa in that he would be less statist than Requião, but also less neoliberal than Lerner. Ratinho Jr's plans were of course interrupted by the COVID-19 pandemic, limiting possible analysis, but some evidence supports this intermediate approach. For example, Richa has maintained a focus on supporting small-scale agriculture in the state. One policy pointed out by the MST as favorable was the decision to increase the percentage of school lunches that must be composed of agro-ecological foods from 30 percent to 100 percent. "It's a beautiful policy. Why? Because it was a

proposal from all of the rural organizations that produce in an agro-ecological way. It was a proposal of the urban organizations that receive agro-ecological foods.... It is the first government in Brazil to have this measure.”<sup>116</sup> The government has also maintained other policies to incentivize family agriculture including guaranteeing over half of the school meal budget be used to purchase from family farms (Agência Estadual de Notícias, 2020). On the other hand, Ratinho Jr. also renewed incentives for Renault (Agência Estadual de Notícias 2021) in the state despite recent large-scale layoffs by the company which generated workers’ strikes and protests and an eventual judicial decision (Ritz 2020). Such examples show how Ratinho Jr. has at times responded to low income groups, but at others been hesitant to take actions that might be viewed unfavorably by economic elites.

The state of Paraná has seen varied approaches to economic development depending on who is in power at any given time. The governor who made the most efforts to include lower income groups in the state’s economic development was Roberto Requião. However, nearly all governors have provided policies to promote development among some portions of the lower income population, most notably family agriculture. This responsiveness to family agriculture workers is likely attributable both to the economic importance of the sector to the state and their high level of organization which is bolstered by their relatively cooperative relationship with the agribusiness sector.

### ***Education Policy***

Beyond economic policies, education is another key area in which states can show their commitment to lower income citizens. Paraná has often been among the top performing states

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<sup>116</sup> Interview conducted September 30, 2019

when it comes to public education, even finishing with the highest scores in the country on the national secondary education exams in both 2007 and 2009. Despite this comparatively strong performance, the public schools, which enroll more than 80 percent of the state's secondary school students, still lag far behind private schools (Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira). Likewise, despite comparatively high performance among those in school, the state struggles to ensure that more students complete secondary education. In 2018, the state had the highest drop-out rate of any state, with 14.8 percent of students ages 15 to 17 not in school (Secretaria Estadual da Educação e do Esporte 2019).

Paraná's education system also stands out for its particularly large and long-standing network of state universities. There are seven state universities spread throughout Paraná and two of them, Universidade Estadual de Londrina and Universidade Estadual de Maringá, are considered among the top universities in the country, ranking 23<sup>rd</sup> and 24<sup>th</sup> respectively (Folha de São Paulo 2019). The formation of a strong network of state universities is generally attributed to a lack of sufficient presence of the federal university system in the state. "For a long time, we just had the Federal University of Paraná here in Curitiba...In the 2000s we had an expansion of the presence of the federal university system, but this absence made it so you had a demand for state universities."<sup>117</sup> Unlike the other two states I consider here, the creation of state universities is not new. Three of the most important state universities were founded in 1970, while two others were created right after the return to democracy in 1988 and 1990 respectively. The most recent state universities, the Universidade Estadual do Paraná and the Universidade do Norte do Paraná were consolidated in 2001 and 2008 respectively, but represented the combining of smaller public colleges rather than the creation of completely new institutions. In this section, I examine

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<sup>117</sup> Interview conducted October 30, 2019



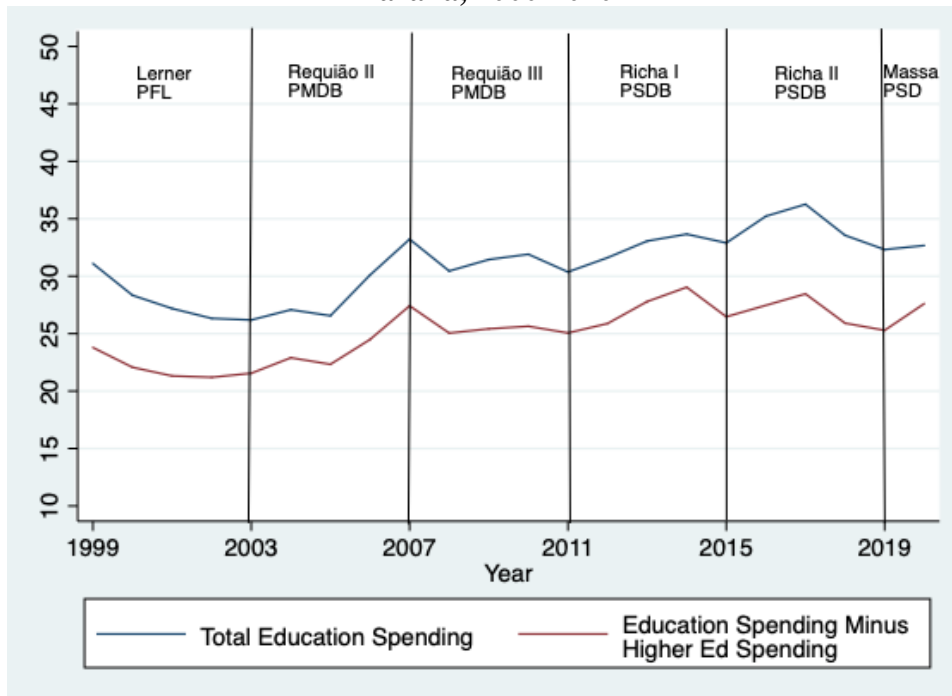
how different governors have handled education policy, considering who has influenced their policy decisions and what the consequences of such decisions have been for different socioeconomic groups.

Though spending data is not available for this term, I begin with Roberto Requião's first term in office from 1991-1994. This term is important as it laid the groundwork for policies that would come in his successor's term and it stands out to some extent from Requião's later terms. One of the main focuses of this first term was the pursuit of external resources for education. During his term, Requião negotiated with the World Bank and the Inter-American Development Bank to pursue the Program for Quality in Public Education in Paraná (PQE) and the Program for Expansion, Improvement and Innovation in Secondary Education in Paraná (PROEM) programs. Both of these agreements were negotiated and signed by Requião, but not implemented until his successor took office. While the pursuit of external resources is understandable in the face of tight state budgets, turning to such actors also requires aligning with their policy goals and during the 1990s, such organizations embraced neoliberal policy prescriptions seeking to reduce the role of the state. Such an approach differs from Requião's actions in his later two terms where he embraced a more active role for the state.

Requião did not seek a second term immediately and the noted mayor of Curitiba, Jaime Lerner, was elected in 1994. Lerner embraced neoliberalism and under his leadership, access to a quality public education became much more precarious in spite of increased access to resources. When Jaime Lerner took office, he had access to the two large international financing agreements signed by his predecessor. The PROEM agreement with the Inter-American Development Bank promised to "increase efficiency, efficacy and equity in the state secondary education system, specifically with regards to general training (Paraná 1996)." To do so, the

Inter-American Development Bank would provide financing worth USD 100 million while requiring the state to provide an additional USD 122 million (Sapelli 2004). At the same time, the PQE agreement with the World Bank aimed to improve primary education with Bank financing of USD 96 million and USD 102.4 million from the state. Despite such an influx of resources, as Figure 6 shows, over the course of Lerner’s term, education spending actually trended downward. During this period, the state only met the constitutional minimum for education spending when higher education was included and even just barely crossed this threshold by the end of Lerner’s term.

**Figure 6: Education Spending as a Percent of Total Tax and Transfer Revenue, Paraná, 2000-2020**



Source: Tribunal das Contas do Estado do Paraná, “Contas do Governador”, 2000-2020

In terms of results, I focus my attention on PROEM as the state was in the process of devolving responsibility for primary education to municipalities, but would maintain responsibility for secondary education. The commitment to improve equity and efficacy in secondary education as well as the large injection of resources into the state’s public education

system seem promising for creating a higher quality educational experience particularly for low income students. However, the outcomes of this project suggest a much stronger focus on efficiency and cost cutting than on equity and efficacy. Despite having the resources to invest in secondary education, the state did not use them. In the years 2001 and 2002, for example, the government left approximately USD 96 million of the funds for PROEM unused (Bruel 2007). Such cuts do not reflect a reduction in spending in line with reduced enrollments. Instead, we see that enrollments grew in the state secondary education with 302,017 students enrolled in 1996 and 407,751 enrolled in 2002 (Bruel 2007). In the face of growing enrollments and shrinking overall investment, the spending per student dropped precipitously during this period.

Beyond declining spending, additional trends warrant mention as well. First, under PROEM, the state separated vocational education from secondary education. Rather than students being able to choose to pursue a vocational education track within the secondary education system, it became a form of post-secondary education. However, this shift did not simply separate the regular secondary education from technical secondary education, it also reduced access to technical education. Instead of being offered in all schools, public technical education began to only be offered at a limited number of regional training centers throughout the state. With this shift, the enrollment capacity was only 13,000 students. To put this in perspective, prior to the reform, 187,718 students, the majority of those enrolled in state secondary education, were enrolled in such courses (Bruel 2007). This shift likewise made it such that students could no longer pursue secondary education and technical education at the same time in the public system. This option only became available within the private sector. As a result, students had the option to pay for this education or to add additional years of schooling at a regional training center that they would often have to travel to, reducing their ability to work

while pursuing additional schooling (Silva 1999). Neither option is particularly feasible for low income students who lack resources to pay for a private education and need to work while in school. By the end of Lerner's term, it is clear that the state had focused more on cutting costs than improving access to a quality education for all students regardless of their socioeconomic status.

After Lerner's two terms Requião returned to office promising a change in direction. Requião's center-left ideology becomes much clearer in his approach to education during these second two terms than it was during his first. Requião's second and third terms are characterized by a, "process of reconstruction of the public education model"<sup>118</sup> which included a return to greater investment in the area, and the development of policies aimed at increasing access to quality public education for all.

To start, Requião reversed course from his predecessor and began increasing investment in education rather than reducing it. During the first year of his new term, Requião pushed for greater state investment in education over the long-term. Until 2007, the constitution of Paraná maintained the same spending requirements as the national constitution, 25 percent of tax and transfer revenue. Given the state's large role in higher education in comparison to other states, part of the state's education expenditure went to support state universities, resulting in the state often investing less than other states in basic education. Like his predecessor, Requião too fails to spend the constitutional minimum when excluding higher education in his initial years, but by the end of the term has hit this mark. In addition to reversing the trend under Lerner of cuts to spending, Requião worked to ensure higher levels of investment would be guaranteed in the future as well. To do so, he pushed an amendment to the state constitution to increase the state's

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<sup>118</sup> Interview conducted October 3, 2019

required spending level from 25 percent of tax and transfer revenues to 30 percent. This amendment<sup>119</sup> was approved and added to the state constitution on August 2, 2007. The debate over the amendment, however, began the year before, in an election year and came in the face of pressure from civil society actors like the APP-Sindicato. Both civil society pressure and electoral competition played a role in passing this amendment. The leader of APP-Sindicato at the time described the process as follows. “How did we succeed at getting it approved? Because the elections are in two rounds...In the middle we were able to convince the governor because he was running for re-election and in the polls, he was losing to his opponent...The election was very close so the governor had to attend to us and this was our biggest demand.”<sup>120</sup> The passage of the amendment was consequential for the state as it vastly increased the resources for public education. It is really only after the state constitution is changed that we start to see the state consistently investing over 25 percent in basic education.

As part of this increase in spending, we see Requião rebuilding previous public education programs and expanding the system in ways to target oft-forgotten groups. First, while Lerner reduced access to vocational education, Requião reasserted the state’s role in this area. Under Lerner, as noted, vocational education was made into post-secondary training and the number of available spots in these programs was drastically reduced. Under Requião, the state again began offering combined programs where students could jointly enroll in secondary education and vocational training as well as expanded post-secondary vocational training programs. While the state ended Lerner’s term with just over 13,000 available spots in public vocational education

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<sup>119</sup> Emenda N° 21 à Constituição do Estado do Paraná, August 7, 2007

<sup>120</sup> Interview conducted October 28, 2019

programs, by 2005 that number had nearly doubled (Greibeler and Figueiredo 2018). While the number of integrated secondary and vocational programs implemented under Requião may not have been sufficient to meet full demand, it did create new opportunities.

Beyond creating new opportunities for public vocational training, Requião's team also worked to expand access to public education among hard to reach groups. A former Superintendent of Education and later Secretary of Education under Requião described her goal during this period: "We had a lot of students in school, almost 99% were enrolled, but even 1 percent is a lot of children out of school, let's say around 2,000 students that you don't know where they are and so you have to find them. It is the public sector's responsibility to find these students and this is what we tried to do."<sup>121</sup> Reforms undertaken by the state during this period reflect this priority. For example, the state approved the creation of itinerant schools for students living in MST encampments. Not only did this project represent an expansion of public education to an often-excluded group, but it was implemented in response to a demand from the MST.<sup>122</sup> Such schools have continued in the state and now, "The community organizes the structure needed and the state pays the teachers and monitors. Today we have 11 of these itinerant schools and 2000 children study at these schools."<sup>123</sup> While 2000 students represent only a small percentage of the total school-aged population in the state, such efforts show a recognition of the need to provide public education even to those that are hardest to reach.

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<sup>121</sup> Interview conducted October 31, 2019

<sup>122</sup> Interview conducted October 31, 2019

<sup>123</sup> Interview conducted September 30, 2019

Similarly, the state worked to create greater access to other communities such as quilombolas and small island communities on the coast that had difficulty getting to public schools.<sup>124</sup>

Finally, Requião invested in the public education workforce. Under Lerner, the public education workforce was in a precarious state. Requião's government worked to re-establish a positive relationship with public education workers. The government maintained a positive relationship with the union and made a point of creating a dialogue with them. One leader in the Secretary of Education said, "I think much of our political agenda, maybe the majority of it came from the union."<sup>125</sup> This close relationship is reflected in the policies pursued by the state including a return to hiring teacher's through the civil service process, the development of a clear career plan for educators and the establishment of teacher training programs that provided teachers with stipends to pursue mentored education research in partnership with the state's public universities. This attention to the education workforce can be seen as an investment in improving the quality of education by making public school teaching careers more appealing. Likewise, a cordial relationship with the union helped prevent disruptions to education as this period was characterized by a lack of strikes. While Requião's two terms did not completely transform the public education system in Paraná, they do show a renewed commitment to providing quality public education that is accessible to all.

After Requião's third term, the state shifted directions, electing Beto Richa and his center-right project. Initially, Richa gradually increased education spending in the state. However, there is reason to question the significance of this increase. Following his second term in office Richa was arrested on corruption charges. Though charges were brought against Richa

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<sup>124</sup> Interview conducted October 31, 2019

<sup>125</sup> Interview conducted October 31, 2019

as part of multiple investigations, one operation is particularly relevant here. As part of Operation Blackboard, Richa was accused of leading a scheme to embezzle at least R\$ 20 million intended for the construction and reforms of public schools between 2012 and 2014. The case is still ongoing, but such charges are quite serious and certainly do not reflect a politician who was seeking to use his position to improve the state's quality of education. However, Richa initially played his part well and he had a relatively positive relationship with the education sector during this first term. As a leader of the teacher's union described it, "In the first Beto Richa government he worked with us on various agendas. He was very respectful, so much so that for his re-election he had the support of many of us public servants (Interview 11/14/19)." Key to this positive relationship in this first term was the inclusion of Flávio Arns, a strong proponent of public education and former member of the PT, as Vice-governor and Secretary of Education.<sup>126</sup>

Into his second term, education spending peaked and began to trend downwards. This downward spending trend also came with concerning proposals by the state to reduce costs. For example, Richa proposed closing over 100 state schools. In the face of large mobilizations from the teachers' union, students and even members of his own support base in the legislature, Richa backed off on this proposal (Carta Capital 2015). While Richa did back down on these closures, the proposal shows Richa's focus on cutting costs rather than ensuring access for all. Likewise, during this period, the previously friendly relationship between Richa and actors in the public education sector took a sharp turn. Instead, "The Secretary wouldn't meet with the union because he believed that the government was elected so had the right to govern and needed to fix the

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<sup>126</sup> Interview conducted November 14, 2019



state's finances."<sup>127</sup> In response to this lack of openness and cuts to programs the union had previously won, public education workers went on strike. On April 29, 2015, the situation boiled over as Richa responded not by re-opening dialogue, but by sending the military police who violently dispersed protestors, injuring over 200 in the process (Justi 2015).

Cuts at the state level coincided with national level policy changes including the imposition of a spending ceiling and a secondary education reform. These national changes also had consequences at the state level. In opposition to the reforms, secondary students in Paraná began to occupy state schools. While the protests were against national policies, the state government responded. A leader of the student movement at the time said of the state's response, "The government used a lot of repression during the protests.... But I think that in our view the worst repression from the government came in the form of legal action....For us this was the worst repression because pain passes, the gas goes away, pain from being hit by a baton passes, but to have a history of a government process against you is very painful for a leader."<sup>128</sup>

Overall, the election of Richa meant a return to a focus on efficiency over equity in the public education system. Beyond this, the corruption allegations against Richa reflect a prioritization of enriching himself and his inner circle rather than benefiting the population at large. Though civil society mobilization was successful in halting some policies, the state showed it was willing to use extreme measures to silence those standing in their way.

In 2018, a new leader came into office. The election of Ratinho Jr. did not represent a change in ideology in the state government, and though data from his first two years show an

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<sup>127</sup> Interview conducted November 14, 2019

<sup>128</sup> Interview conducted November 22, 2019

uptick in funding, he has pursued similar policies to his predecessor. In particular, he has pushed proposals to close schools and terms again (Luc 2020). Likewise, Ratinho Jr. has begun militarizing public schools (Konchinski 2021). As the case of Goiás demonstrates, such a process can pose risks for equal access to public education in the state. Though the process has begun, opponents of militarization, including legislators from the PT and the teacher's union, have brought a case against the state, claiming the model is unconstitutional. The state Public Ministry backed the opponents of the system, agreeing that the system is unconstitutional (Maros 2021). The case now awaits a decision from the Supreme Court. Given the administration's actions, it is perhaps no surprise that civil society leaders indicated a continued lack of dialogue under Ratinho Jr.<sup>129</sup>

Over the course of the last thirty years, the only administrations that have shown a strong commitment to increasing access to quality public education have been those of Roberto Requião. Under Requião the state not only guaranteed greater investment in public education, but also focused on providing access to those hardest to reach. Other administrations have instead focused on cutting costs even if it means not all students will have easy access to public schools. Civil society has at times succeeded at halting reforms through large mobilizations, but they have been unable to stop all reforms and have even faced violent responses from the government when they have tried.

## **Conclusion**

Paraná has presented a somewhat mixed picture in terms of responsiveness. Unlike in Rio Grande do Sul, greater responsiveness to the lower classes cannot be attributed to the presence of

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<sup>129</sup> Interviews conducted November 14, 2019 and November 22, 2019

a strong left party. Instead we see the most evidence of such responsiveness when a leftist leader, in the form of Roberto Requião, emerged from a traditionally centrist party. While the presence of a leftist leader, even if from a non-left party, has proven beneficial for the state's low income citizens, it also presents some challenges. Most notably, it has contributed to the underdevelopment of a strong left party in the state. As the PMDB has shifted rightward, something evidenced by Requião's recent decision to leave the party, a lack of a clear leftist alternative could prove problematic. Requião recently announced that he would again run for governor in 2022 as a member of a yet to be determined party, but the reliance on a single individual, especially one who is 80 years old, is certainly problematic in the long run. Competition can still play an important role in preventing a particularly unresponsive leader from staying in power, but the lack of a strong left, may mean that the focus in Paraná will be less about the implementation of policies that are responsive to the lower classes and more about preventing policies that are harmful.

Despite the weakness of the political left, the strength of civil society provides some hope for at least some degree of responsiveness. When considering policies for rural development, for example, we see that all governors have provided policies to benefit family agriculture and the rural poor. The presence of well-organized rural organizations and the ability for communication and collaboration among agribusiness and family agriculture in a state has helped maintain such policies. However, in Paraná, we have seen that civil society organization is not always sufficient. Non-left governors in particular have proven their willingness to ignore widespread pressure from civil society, even when popular classes and elites have come together, as in the case of the COPEL privatization. Likewise, governors including Lerner and Richa showed their willingness to respond to civil society with violent repression rather than through policy

mechanisms. Without an ally in the governor's office, the ability of civil society to demand responsive policies is uncertain. However, organized civil society has managed to find ways to push back, especially by working through the justice system. Some groups have already begun to focus predominantly on strategies. A land rights organization which supports both urban and rural communities facing eviction from irregular settlements noted that getting access to the government was very difficult and as a result, they had turned much of their attention to the state Public Ministry, working through the judiciary to get results (Interview 12/6/19). Such strategies may become more common and necessary depending on whether or not the left is successful at rebuilding.

## Chapter 8: Rio Grande do Sul, Goiás and Paraná in Comparative Perspective

In this chapter I bring all three of my cases together in a comparative perspective. To begin I review how each case ranked on my key variables of interest, left strength, competition, and civil society organization among the lower classes. Then, I review the policy outcomes we saw in each state and what role, if any, my variables of interest played. Overall, my case studies suggest that having a strong left is most important for a government that is responsive to low income citizens. Civil society and competition can also play a role, but are less effective if there is not a strong left actor.

### Case Comparison

To begin, I review how each case fares on each of the three variables I expect to influence responsiveness to the lower classes.

**Table 10: Case Comparison on Variables of Interest**

State	Left Strength	Competition	Civil Society Strength
Rio Grande do Sul	High	High	High
Goiás	Low	Low	Medium-low
Paraná	Medium (weak left parties, but one strong left actor)	Medium	High

As Table 10 shows, Rio Grande do Sul exhibits high degrees of all three variables. The left has historically been quite strong. The PT has either won the governor's office or finished second in all elections since 1994 with the exception of the 2018 election. The PT has also often mounted a strong opposition in the legislative assembly when it has not held the governorship.

The state also has highly competitive elections. No governor has succeeded in winning re-election in the state and, since the two-round electoral system was implemented for gubernatorial elections, only one election has been decided in the first round. Finally, the state has historically had a strongly organized lower class. The state was one of the early centers of activity for the MST and this group remains strong. The MST is not alone in acting in more rural areas of the state and successfully allies with other organizations through the Via Campesina. Other organizations such as labor unions are also relatively strong in the state compared to other states. The teachers' union, for example, has a long history of activism.

Goiás represents the other end of the spectrum, with weaknesses on all three variables. The left has never won state-level executive office and has never been particularly competitive in these races. Likewise, left parties have tended to hold only a few seats at any given time in the legislative assembly. The state also is less competitive than most other states. Politics have been dominated by two main groups, the PMDB led by Iris Rezende, and the PSDB led by Marconi Perillo. In 2018, neither group was in power for the first time since the return to elected governors, but Ronaldo Caiado (DEM), has not represented a drastic change as a member of an old powerful family in the state. Finally, civil society is comparatively weak in the state. Leaders of civil society organizations pointed to difficulties in getting citizens involved. That both rural and urban organizations have faced violent repression by the state adds to the difficulties of getting citizens engaged. This is not to say that there is no civil society organization among the lower classes in the state, but rather that they face challenges to organizing that make it more difficult for such groups to defend their interests.

Finally, Paraná is an intermediate case. Left parties in the state are not particularly strong, however, the gap on the left has been filled by a more left leaning PMDB. In particular, one

PMDB leader, Roberto Requião, has been essential to pulling the party leftward. If Requião has not been a competitor for governor, there has not necessarily been a competitive candidate on the left. Elections in Paraná are more competitive than those in Goiás, but less competitive than those in Rio Grande do Sul. Finally, Paraná does have strong civil society organization among the lower classes. Organizations such as the teacher's union are quite influential. In addition, the MST was founded in Paraná and continues to be quite active. Other rural organizations are also strong and even are able to cooperate with rural elites in some areas, unlike in Goiás, where relationships are much tenser.

In the next section, I compare the policy outcomes in each of these states, highlighting how the combination of these three variables influenced such outcomes. To begin, I look at participatory reforms.

### **Participatory Reforms**

Large-scale participatory reforms were only noted in one of my three cases. These reforms, which created new avenues for citizens to influence government policy, were found in Rio Grande do Sul.

**Table 11: Participatory Reforms in Rio Grande do Sul**

<b>Reform</b>	<b>Governor</b>	<b>Party</b>	<b>Role of the Left</b>	<b>Role of Civil Society</b>
COREDEs	Alceu Collares	PDT	Led by a left party	Civil society involved, but buy-in strongest among more elite groups, like universities
Consulta Popular	Antônio Britto	PMDB	Implemented in response to the PT's success with participatory budgeting in the state capital	Run by the COREDEs so led by more elite civil society groups
State Participatory Budgeting	Olívio Dutra	PT	Led by a left party	Funded & ran initial meetings in the face of opposition blocking state funding  Civil society participation key for including low income voices
State Participatory Budgeting II	Tarso Genro	PT	Led by a left party	More limited role reduced the voice of low income groups
Conselhão	Tarso Genro	PT	Led by left party	Brought leaders together to negotiate on key policy areas

Table 11 lists key participatory reforms and highlights the role my key variables played in each. Notably, all of the main participatory reforms were either put in place by a left party or in response to the threat of a strong electoral threat from the left. Civil society likewise played a role in determining the success of such reforms, and particularly in determining whether or not reforms actually led to a larger voice for the poor.

As I noted, neither of my other two states have experimented with large, state-level participatory reforms. While we may have expected a possibility of such reforms in Paraná due to the presence of a more leftist leader, it appears that the presence of a strong branch of the PT may be particularly important for this variety of reform. The PT has tended to promote a participatory model of democracy that creates meaningful opportunities for citizen participation, particularly among the lower classes and is the only party that has “systematically embraced the participatory democratic model” (Nylen 2002). Though not all reforms in Rio Grande do Sul



were put in place by the PT, the PT played a role in all but the implementation of the COREDEs. The COREDEs, though, were hardly used until the PT came to power at the state level and the opposition began presenting the COREDEs as their alternative to participatory budgeting (Schneider and Goldfrank 2002). The lack of a strong PT in either of my other cases, then, has likely prevented such reforms from being implemented.

### **Economic Development**

The second policy area I examined was economic development. Economic development is a broad policy area, but I focused on three policy areas on which different classes had different stances: tax incentives, privatization (or not) of state owned industries, and policies for rural development. Two areas, tax incentives, and privatizations were largely pushed by economic elites, but the extent to which these policies were in fact pursued varied both within and across my cases.

#### ***Privatization***

The privatization of state owned industries has also been considered in each of the states I examined, with non-left leaders generally leading the charge.

In Rio Grande do Sul, we see privatization pushed by governors from the PMDB, Britto, and PSDB, Leite. Britto was able to pursue such programs due to the strong backing of economic elites. However, the PT was able to rally opposition forces to prevent Britto's re-election and stop further privatizations. Once in office, with strong pressure from civil society organizations, the PT-led government approved an amendment requiring a plebiscite before any other state industries could be privatized. Here, a combination of a strong left and organized popular classes are able to prevent the state from moving forward with policies they oppose. Until 2015,

privatizations were no longer central to state debates. The Sartori administration came to power in 2015 in the face of a declining economy. To improve the state's finances, Sartori wanted to move forward with privatization. In a sign that the administration knew such a move would be unpopular, rather than holding a plebiscite, the governor aimed to eliminate the need for one. A strong left presence in the legislature, however, prevented the amendment from being overturned. It is only when the left experiences its worst electoral performance in 2018 that the state was able to move forward with privatizations again. In the face of a diminished left, the center and right were emboldened and civil society mobilization alone was insufficient to prevent the state from eliminating the plebiscite and privatizing more state companies.

In Paraná, at the same time as Rio Grande do Sul was turning its back on privatizations with the election of the PT, the right-wing government of Jaime Lerner began pushing forward with the privatization of the state. In this case, Lerner faced pushback from a wide range of civil society actors including some representing economic elites. Still, it is only when Lerner loses re-election to Requião that we see the process brought to a halt. Again, civil society alone is insufficient in changing the direction of policy, but competitive elections with a strong left candidate allow citizens to halt the unwanted policy nonetheless.

Finally, in Goiás privatizations have not been major priorities of the state. Under Marconi Perillo, the state did transfer a majority stake, 51%, in CELG-D, the state electric company, to Eletrobras, the national electric company in the face of poor performance and growing economic challenges. Not long after, the state sold its remaining shares to an Italian company, Enel, but the process of privatization was driven primarily by the national government. The state government went along with the process and also sold its shares despite civil society opposition. The state is now beginning to pursue privatization more seriously and seems to be facing few

hurdles as it moves forward. Left parties are unlikely to stand in the way and the governor has a firm support base in the legislature. Likewise, civil society protests are unlikely to be strong enough to prevent such moves.

In all three cases, privatizations have been driven by non-left governments. Civil society pushback, even when exceptionally strong as in the case of Paraná, was insufficient to stop such projects. Only when competitive elections allowed a leftist candidate to challenge the incumbent did we see such projects halted in line with the will of the popular classes, and sometimes even a much broader swath of society. Table 12 outlines key changes in approaches to privatization in each of the states.

**Table 12: Privatization Policies in Rio Grande do Sul, Goiás, and Paraná**

Privatization Policies	State	Governor	Party	Left Parties	Competition	Civil Society
Privatization of parts of the state telecom and electric companies	RS	Britto	PMDB	Opposed and campaigned against privatizations	PT campaigned against privatizations to win '98 elections	Business sector supported privatizations, popular sectors opposed
Passage of constitutional amendments to require a plebiscite for privatization	RS	Dutra	PT	Implemented by PT		Pressure from civil society helped convince legislators to pass the amendment
Attempt to eliminate the amendment requiring a plebiscite	RS	Sartori	PMDB	Strong left bench in the legislature prevented approval		Popular sectors opposed overturning the plebiscite and protested against this measure
Elimination of constitutional amendment requiring a plebiscite	RS	Leite	PSDB	Weakened left bench in the legislature was unable to block the measure	Weakened PT not viewed as the primary electoral threat for the governor	Popular sectors and public sector unions mobilized against the measure, but were unsuccessful
Privatizations of state electric, gas, and water and sewer companies	RS	Leite	PSDB	Weakened left bench in the legislature was unable to block the measure	Weakened PT not viewed as the primary electoral threat for the governor	
Attempted privatization of state electric company and water and sanitation company	PR	Lerner	PFL	Opposed by the left		
Halted privatizations of state companies	PR	Requião	PMDB	Led by a leftist leader	Many legislators who opposed popular initiative not re-elected.	Broad civil society opposition to privatization, especially of the electric company, including pushing for popular initiative
Privatization of branch of state electric company, CELG-D	GO	Perillo	PSDB	No strong left parties to oppose	Limited competition	Popular sector protests, including occupation of state offices by CUT and MST, did not halt the process

### *Fiscal Incentives*

A second state policy largely supported by economic elites is the provision of fiscal incentives to businesses. Such incentives have been used by nearly all states and administrations of all ideologies across Brazil in part out of necessity. If one state offers incentives, all others feel compelled to in order to prevent businesses from fleeing to the highest bidder. The fiscal war is decried by many, but also embraced by some more whole heartedly than others. It does not appear that low income groups necessarily have strong opinions on these policies, willing to give them a chance for the promise of jobs, whereas economic elites strongly support these policies. I include them as they reduce state tax revenue, sometimes quite significantly, which limits the amount already constrained states can then invest in areas such as health and education. Likewise, growing research suggests these policies do not produce the benefits for the working classes that they promise. Overall, we see that governments of the left, right, and center embrace these policies, but where the left is present, there is more debate about how incentives can be best used to support the state's development. In particular, left governments have been more skeptical of transferring resources to large, multinational corporations. Table 13 outlines the determinants of shifts in fiscal incentive policies in each state.

**Table 13: Fiscal Incentive Policies in Rio Grande do Sul, Goiás, and Paraná**

Fiscal Incentives	State	Governor	Party	Left Parties	Competition	Civil Society
Extensive incentives targeted at multinational corporations	RS	Britto	PMDB	Strong opposition by the PT		Economic elites strongly supported a policy of incentives, and proposed to all leading candidates in the 1994 elections as part of the Projeto FIERGS/Novo Governo RGS
Renegotiation of incentive deals to limit benefit given to multinational companies	RS	Dutra	PT	Implemented by left governor	Helped bring the PT to power, but also would lead to backlash allowing competitors to win in 2002	Mobilization of popular classes, including occupation of land given to GM in their incentive package, helped Dutra win  Generated strong backlash among economic elites
Extensive incentives to multinational corporations such as Renault	PR	Lerner	PFL	Opposed by key left leader Requião		Implemented in face of demand from business community who felt the state was behind other states in incentives
Law approved allowing the state to renegotiate incentive deals with companies that cut employees without cause	PR	Requião	PMDB	Approved under a left governor		
Programa Fomentar & Programa Produzir used to provide extensive fiscal incentives	GO	All Governors	PMDB, PP, PSDB	No left party strong enough to influence policy direction	Limited competition has led to policy continuity	Key policy priority of business elites  Mixed opinions among popular class groups prevents large scale mobilization

I start here with Goiás as it is a national leader in embracing tax incentives, generally second only to Amazonas which has a special free trade zone, the Zona Franca de Manaus. All of Goiás's governors have made extensive use of such incentives with little change in trajectory over time. Pushback against continuing the policy has been limited. Though the current governor suggested he would reduce the amount of tax incentives provided by the state, provoking some pushback from a well-organized business sector, he has largely continued on the same path as his predecessors (Pulcinelli 2020).

While incentives have been embraced by leaders in the other two states as well, they have generated more debate and leaders of different ideological tilts have at times shifted strategies. In Rio Grande do Sul, Antônio Britto (PMDB) wholeheartedly embraced tax incentives, drastically increasing their use over his term to attract large multinational corporations. He received praise from business organizations in the state for doing so, however, his policies also generated pushback from some more popular sectors of society and such pushback helped Olívio Dutra (PT) defeat Britto in the next election (Nelson 2003; Carter 2012). The new left government pushed back against incentives arguing that the state did not need to give away its limited resources to large multinational corporations. The shift to a left government in power brought a view that state resources should be directed to local micro, small, and medium businesses.<sup>130</sup> Dutra, like his predecessor, received pushback from society, though this time from economic elite groups in particular, for his approach. Since Dutra, the state's leaders have neither drastically increased nor decreased its fiscal incentive program, hesitating to drastically shift course, likely in part due to the backlash faced by both Britto and Dutra.

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<sup>130</sup> Interview conducted March 18, 2019

In Paraná, we see a similar situation to Rio Grande do Sul. Tax incentives have been used by all governors, but used somewhat differently by governors of different ideological leanings. For example, Jaime Lerner (PFL), focused on bringing large, multinational corporations to the state, with a notable success being the French automaker Renault. While Lerner was ideologically open to such policies, the state also received pressure from industry groups to pursue such a strategy (Lima 2007). Following Lerner's term leftist leader Roberto Requião, instead turned his focus to providing incentives to local companies and smaller businesses and likewise approved a law allowing the state to re-evaluate incentives if the beneficiary did things like reduce the number of employees.

All three states have made use of tax incentives, but Goiás has embraced this policy far more than the other two states despite the fact that there is mixed evidence that giving away such large benefits brings the economic advantages they propose to bring. Both Rio Grande do Sul and Paraná have had governors that more fully embraced tax incentives, but at the same time they have had left governors who have been more skeptical of the policies. Though skeptics did not tend to completely back away from the policy, they often redirected their focus to benefitted smaller companies rather than focusing on attracting large multinational corporations. As more evidence emerges as to the shortcomings of incentive policies, it will be interesting to see if and how states begin to adjust their strategies.

### ***Policies for Family Agriculture***

Finally, I examined policies for family agriculture in each of the states. In Brazil, family agriculture employs 67 percent of people employed in agriculture in the country, accounting for 77 percent of rural establishments and 23 percent of the value of agricultural production



(Instituto Brasileiro de Geografia e Estatística 2017). In each of the three states I consider, agriculture plays an important role in the economy. Likewise, in all states, civil society organization was relatively strong among family agriculture workers. The MST is active in each of the three states and other family agriculture associations likewise exist and tend to collaborate. However, the extent to which state governments have invested in policies desired by family agriculture workers has varied. Where left leaders have been in power and where competition has been strong, leaders have been more attentive to family agriculture. Where competition is limited and the left is weak, family agriculture has made little progress despite civil society pressure.

In Rio Grande do Sul, family agriculture workers are very well-organized. They have been able to pressure the state government to provide some services even when the government has not necessarily been aligned with the civil society organizations representing family agriculture workers. For example, the state has a strong technical assistance agency in the form of EMATER-RS. Though EMATER-RS has experienced cuts to its budget under some governors, the state has continued to provide services to family agriculture workers. Still, larger improvements were seen under left governments. For example, under Dutra, the state became much more involved in one of the main priorities of family agriculture groups which was the fight for access to land. While the second PT governor, Tarso Genro, did not play as large a role in this particular area, his government did expand state-funded technical assistance to family agriculture. This expansion was a welcome change after cuts under his predecessor, Yeda Crusius. Since Genro, though technical assistance policies continue to exist, governors have tried to cut budgets for technical assistance, but often faced pushback from legislators and from civil society organizations representing rural groups (Romano 2017).

The picture looks similar in Paraná. Not only is civil society well-organized here, but there is actually generally a more cooperative relationship between family agriculture and larger scale agribusiness in the state compared to many other states. Since family agriculture is well organized and elections are competitive in the state, no governor can ignore this segment of society. Civil society leaders noted that they had always been able to work with the government to some extent on issues of technical assistance. The technical assistance agency in Paraná, like in Rio Grande do Sul, has historically been strong. When left governments were in power, there was some additional space for new policies targeted at family agriculture such as loans to purchase farm equipment. Such policies, one implemented, have tended to remain in place even as the left leaves office. Though there has always been room for cooperation on areas related to improving production, there have been clashes between the MST and some governors when it comes to the fight for access to land, particularly during the administrations of Jaime Lerner (PFL) when numerous violent confrontations occurred.

Violent confrontations were more common in Goiás where, despite organization among family agriculture workers, little progress towards desired policies was noted during the 30-year period under consideration. Instead, in this state which is characterized by high land concentration and an important agribusiness sector, family agriculture workers have more often found their demands met with police repression rather than policy. The technical assistance agency in the state is very weak, making it very hard for family agriculture workers to get the training and support they seek. Though family agriculture workers have occasionally been able to discuss their policy ideas, such as a family agriculture law, with the government, they have not seen these projects actually come to fruition. With no strong left parties in the state government

and a tendency for single party groups to dominate the state government for extended periods, there have been few openings for family agriculture in this state.

In all three states, family agriculture is important to the state's economy and has built strong organizations to push for policies that they want. However, such groups have found much more success in Rio Grande do Sul and Paraná. Progress in these two states was often greatest under left leaders, but tended to last even under non-left leaders arguably because this segment of society is well-organized to push for their interests and because elections are competitive. If non-left governments were to backtrack, this well-organized segment of society would likely mobilize against them in the following election. In Goiás progress has been limited despite organization as there are few political allies. An additional factor that likely comes into play in Goiás is that it has a much higher concentration of land in the state and, relatedly, the more hostile relations between agribusiness and family agriculture. Where agribusiness and family agriculture have more interests in common, there are stronger incentives for the state to pursue policies favored by family agriculture.

### **Education Policy**

Finally, I examined education policy. State governments are generally responsible for the final years of primary education and for secondary education. The vast majority of students are enrolled in public education, accounting for more than 86 percent of enrollments in each of my cases, making this an important policy area for all but the most elite. In each of the three cases I considered, the state also has at least one public university. While each of my states has seen moments of progress and setbacks on the education front, some important trends emerged. When left governments were in power, the focus on broad access to public education increased.

Reforms focused less on efficiency and more on ensuring that all students have access. When non-left governments were in office, we tended to see a greater focus on cost-cutting and, in the case of Goiás, the elitization of public education.

In Rio Grande do Sul, we see a strong commitment to public education, an area in which the state has historically excelled, from the early years following the return to democracy. The state pledged that it would invest 35 percent of its tax and transfer income in education rather than the 25 percent required by the national constitution. However, not all state leaders have lived up to this pledge. Britto (PMDB) gradually increased spending to hit 35 percent over his term and though he was certainly not a left leader, he faced the specter of the rise of the PT in the state throughout his term which may have contributed to his higher spending. After Britto, Dutra (PT) met this minimum in all but his last year, all other administrations have fallen short. In fact, only the second PT administration showed a consistent increase in education spending over the course of their term rather than a trend of decreasing spending. In this state, we also see responding to public demands for greater access to public education through the programs such as the approval of itinerant schools in MST encampments, created as a trial under the PMDB and expanded under the PT, and the creation of a state university, led by the PT. However, progress has often been halted in the name of cutting costs. For example, though the state university was created under the PT, university leaders struggled to consolidate the university due to a lack of sufficient funding under subsequent governors. More recently, under the PMDB and PSDB governors, governors have struggled to pay the education workforce on time and begun closing schools in order to cut costs. While the state's financial difficulties certainly contribute to such policy decisions, they also reflect politicians more focused on efficiency than ensuring access for all.

In Paraná, governments have met their constitutional spending obligations on average. Education spending in the state recovered from a period of decline when leftist Roberto Requião came to power and, under pressure from the teachers' union and facing a tight re-election campaign, approved an amendment to the state's constitution to increase the minimum investment from 25 percent to 30 percent. After the implementation of the new amendment, we see governors consistently meeting this obligation. When looking at the details of policy, it is under Requião that we see the most concerted effort to respond to often-excluded groups with education policies to improve access, such as itinerant schools for MST encampments, and special educational arrangements for island communities among others. More recently, as Requião has been out of office and an alternative left competitor has failed to emerge, we have seen education policy in the state shift. While spending has remained high, the use of education funds has changed. Under Richa (PSDB) we see the use of education funds to enrich himself and his inner circle whereas under Ratinho Jr. (PSD) we have seen proposals to close schools and the embrace of the public military school model. As the next case, Goiás shows, such a model raises many concerns.

In Goiás the lack of a strong left and even a particularly competitive political system has meant that rather than seeing growing investments in education, we instead see governments working to meet the constitutional minimum through creative accounting. Though the state has argued it has spent at least the constitutional minimum on education every year, the state auditors have said this is only true if unallowable expenses, like pensions for inactive employees are included. Likewise, one of the main features of public education in Goiás over the last 20 years has been the expansion of public military schools. Supporters of these schools argue that they produce better results than traditional schools, but research suggests that they create serious

concerns for access to public education for poorer students through actions such as charging illegal fees. Civil society has struggled to push back strongly against this process as powerful civil society organizations like the teachers' union find their members divided over militarization.

When it comes to education access, in Rio Grande do Sul and Paraná we see left governors taking seriously the guarantee of access to public education for all. In both states, for instance, we see left governors respond to the MST by approving the creation of itinerant schools to guarantee access to children of landless workers who often find themselves on the move. When non-left governors have been in office, a different story has tended to play out with cuts to spending, and a focus on efficiency over equity. In both cases, such trends have been particularly strong in recent years as left actors have been weakened. In Goiás, education spending has tended to be lower than the other two states. Though the state has seen some positive advances such as the consolidation of the state university and improvements in teacher training, it appears state officials have artificially inflated education spending numbers to meet the constitutional minimum and the major policy changes have made broad access to public education more precarious.

## **Conclusion**

In my case studies, I looked at Rio Grande do Sul, Paraná and Goiás. Overall, these case studies provided support for my hypotheses. The presence of left actors proved particularly important in driving responsiveness. Responsiveness to low income groups was most evident under PT governments in Rio Grande do Sul and Roberto Requião's governments in Paraná. The absence of a strong left also appeared to be significant in preventing responsiveness to lower

class groups in Goiás. Lower income groups reported difficulty in finding allies in a party system dominated by center and right parties with no strong left presence.

Competition also played an important role in these cases. Though with an important caveat that it appeared to work best when competition involved the left. The lack of competition in Goiás certainly proved problematic for responsiveness. In the other two cases, though, competition appeared to help with responsiveness to lower class groups when the left was involved but less so when it wasn't. In Rio Grande do Sul, for example, we saw non-left governments implementing participatory reforms in order to compete with the PT. Competition also sometimes spurred left politicians to take action as with Requião and the amendment to increase education funding. In the face of disillusionment with the PT in Rio Grande do Sul, and a lack of a clear successor to Requião on the left in Paraná, competition has shifted to being largely between center and right-of-center actors more recently. Such a shift is still relatively new, but raises concerns for responsiveness in the future if the left does not rebuild in each state.

Civil society likewise played an important, but limited role. If the government in power was not open to the demands of low income groups, even if they were well-organized we often saw their demands go unmet. This was the case in Goiás where even well-organized civil society groups struggled to make inroads and were at times met with repression rather than policy. A similar outcome was seen at times in Paraná as in the case of widespread mobilization against the privatization of COPEL. It was only when an election allowed for a new leader to come to power that privatization was stopped. Such cases do not mean that civil society organization has never helped promote responsiveness, though. In Rio Grande do Sul, we saw that participatory institutions best represented lower income groups when civil society organizations were highly engaged. Likewise, in both Rio Grande do Sul and Paraná strong organization among family

agriculture workers appears to have helped maintain policies such as technical assistance even in the face of governments searching for anywhere to cut costs.

In the next and final chapter, I summarize the findings of this study and discuss potential avenues for future research



## CHAPTER 9: CONCLUSION

In theory, democracy should produce a government that is responsive to its citizens who are treated as political equals (Dahl 1971). However, a growing literature suggests that democracies across the world are failing to live up to this goal and are instead more responsive to the wealthy than to the poor (Bartels 2008; Gilens 2012; Peters and Ensink 2015; Rosset, Giger and Bernauer 2013). Though limited work has considered this unequal responsiveness in Latin America, public opinion surveys suggest that citizens strongly perceive that their governments work for the benefit of elites rather than the population as a whole. In Brazil, the case considered in this study, 90 percent of citizens felt this was the case (Látinobarometro 2018). Yet, we can point to moments when the Brazilian state has implemented pro-poor policies such as the universal public health system. We may ask then, under what conditions do governments respond to the poor? This is the question I have aimed to address in this study.

In the previous chapters, I have argued that responsiveness to the lower classes should be most evident when left parties are strong, elections are competitive and low income groups are well-organized into civil society organizations. I tested this theory by looking at variation among Brazilian states using both a quantitative analysis and three qualitative case studies.

In my quantitative analysis, I looked at the determinants of state social spending in all of Brazil's 27 states from 2002 through 2017. In this analysis, I test the importance of two of my three key variables, left parties and competition. I find that states invest significantly more in progressive social policies when a left party is in power than when non-left governors are in power. This effect stands even when controlling for debt, something scholars have previously

argued prevents states from increasing investment even if they have the political will to do so. The effect likewise lasts when controlling for the amount of discretionary transfers the state receives, suggesting that states led by left governors are not only increasing spending because they have more budgetary flexibility than others, but rather are making a choice to prioritize social spending in their constrained budgets.

In my qualitative case studies, I take a closer look at the cases of Rio Grande do Sul, Goiás and Paraná. Among the diverse universe of Brazilian states, these three states are similar in terms of their size, their level of economic development, structure of their economies and their level of inequality. Rio Grande do Sul is my most likely case of responsiveness with a history of competitive elections, a strong left presence led by the PT, and a history of a large, active civil society aligned with low income groups. Though business elites are also well-organized, low income groups often work collaboratively to likewise form a strong front. Goiás, on the other hand, lacks each of these traits. Instead, it has seen limited political competition and what competition there is has remained on the center and right of the political spectrum. The left is relatively weak, generally winning a small number of seats in the legislature, but never posing a true threat for the governorship. Finally, civil society organizations among low income groups do exist, but they are generally weaker than in either of the other states and face major challenges to action. Such groups struggle to get access to the government to share their positions and often face repression if they push for their goals through other means. Business elites, on the other hand, are strongly organized and often at odds with low income groups. Finally, Paraná is an intermediate case. The state's politics are moderately competitive. Though there are no strong left parties, a leftist leader did emerge from the PMDB. Finally, civil society is strong in Paraná, with a long history of strong organization among lower income groups. The business classes are

also well-organized, but have collaborative relationships with lower class groups in at least some areas.

Through an analysis of state economic and education policies, I found that the presence of the left is particularly important for responsiveness. Having a left actor not only in office, but also as a legitimate electoral threat led to progress on policies that low income groups wanted. While I originally argued that programmatic left parties would be key for responsiveness to low income groups, the case of Paraná shows that left actors who win executive office sometimes emerge from non-left parties and make an impact. In the end Paraná looked more similar to Rio Grande do Sul than expected because of Roberto Requião. However, in the long term, relying on a single left actor is less sustainable than relying on a strong party.

My analyses suggested that my other two variables were less effective on their own, but still had a role to play. Competition, for example, was not significant in my quantitative analysis, but my case studies suggest that it does have a role to play. When left governments are in office, competition may push them to move beyond rhetoric to policy as we saw with the constitutional amendment to require more state investment in education in Paraná. Even if the left is not in power, if they pose a legitimate electoral threat, non-left governments may take action to respond to low income groups as seen with participatory reforms in Rio Grande do Sul. Notably, where competition is low and constrained to the center and right, we do not see much in the way of responsiveness to the lower classes.

Civil society likewise is insufficient on its own. In Goiás, even well-organized segments of civil society have struggled to gain traction in the face of governments uninterested in addressing their concerns. However, civil society groups have played a role in pushing for action when left governments are in power and in protecting existing policies even when they are not. If

favorable policies are not in place for low income groups, though, and the left is not in power, civil society groups will likely be relegated to working to maintain the status quo. In particular, the role of civil society will be to prevent policy that go against their interests from being implemented rather than working to get the government to actually implement policies that promote their interests.

I did not originally take the fiscal situation of the states into consideration when selecting cases. As a result, I did choose cases that vary in this sense. Rio Grande do Sul is among the states with the highest debt burdens in Brazil and has exceptionally tight finances. Goiás is also somewhat constrained, though its fiscal imbalances have emerged more recently rather than being a long-term problem as seen in Rio Grande do Sul. Finally, Paraná is in a comparatively good situation. It is among the few states whose finances are in a good enough state to be considered eligible to take on new debt with the backing of the national government. While this variation could be considered problematic for my analysis, I actually find that the fiscal situation of the states does not prevent them from responding to their citizens. My quantitative analysis suggests that political actors can make a difference in spite of the debt burden faced by their state. My case studies likewise support this case. Though Goiás has faced fewer constraints than Rio Grande do Sul, I identified more moments of responsiveness to the lower classes in Rio Grande do Sul than in Goiás.

### **Contributions to the Literature**

This study is informed by the literature on responsiveness and particularly variation in responsiveness to different class groups. The literature on responsiveness is most developed in the United States with a growing literature focused on Europe. As I discussed, limited work has

considered responsiveness in newer democracies. Yet, there is reason to believe that the problem of unequal responsiveness to different class groups identified in contexts like the United States and Europe may be worse in newer democracies, especially those in highly unequal states given that scholars have shown economic inequality tends to worsen political inequality (Houle 2018). Indeed, existing literature on congruence in Latin America shows that, as in the United States and Europe, there are class differences in opinion (Corral 2013; Lupu and Warner 2022). Likewise, scholars have shown how economic elites have been able to push the government to act in their favor (Schneider 2013; Fairfield 2015; Campello 2015; Daamgard 2018). This study builds on this literature by examining the conditions under which governments do respond to the interests of low income groups despite the tables seemingly being tilted so heavily in favor of the wealthy.

In addition, this study brings subnational units into the discussion on policy responsiveness in Latin America. We know that responsiveness varies among states in the United States (Rigby and Wright 2011). I show that we see similar variation in the Brazilian case suggesting that future work should be sure to consider subnational units in studies of responsiveness. As the literature on subnational politics has shown, citizen's experience with democracy at the local level can impact the way they interact with democracy more broadly (Hiskey and Moseley 2020). While Brazil lacks subnational authoritarian regimes like those found in Argentina and Mexico (Giraudy 2015; Gibson 2013), this study builds on the work of Montero (2007) and Borges (2007) in highlighting that there is still important variation among states. Though focus of the subnational politics literature in Brazil has shifted to the municipalities in recent years, this study reminds us that we should not underestimate the states. Despite constraints, they have an important role to play in responding to citizens. In 2018, the

states in Brazil scored a 19.5 on the Regional Authority Index (Hooghe et. al 2021). This score notes high levels of both policy and fiscal autonomy as states hold key responsibilities for things such as health, education and taxes. Brazil is just one of Latin America's large federations, however. Subnational units in other federations in Latin America have even greater authority. Provinces and states in Argentina and Mexico receive scores of 25 and 20.5 respectively on the Regional Authority Index (Hooghe et. al 2021). We may then expect subnational governments to play an even more critical role in these cases than we see in Brazil. Overall, improvements in responsiveness, and consequently the quality of democracy, at the state level may be important for strengthening national-level democracy in Brazil and in other federal countries.

### **Practical Implications**

Beyond contributing to the academic literature, these findings also have important practical consequences for citizens. As I noted, recent academic literature has tended to treat Brazilian states as helpless actors that are unable to make major policy decisions and are instead relegated simply to finding ways to cut spending in order to manage their massive debts. Such ideas have translated into public opinion as well. A survey conducted by Arretche, Schlegel, and Ferrari (2015) finds that citizens view states as the least important of Brazil's three levels of government. If citizens are directing their attentions towards the municipal and central governments while overlooking the state government they may be missing opportunities to push for more responsive government. As the central government has shown itself increasingly willing to pursue policies out of line with the interests of the lower classes, such as cuts to social policy spending, lower classes may need to rely more heavily on subnational governments to help make up for at least a small portion of national level cuts. While responsiveness to their

interests may decline at one level of government, the lower classes may still be able to find government responsive to their interests at other levels.

Likewise, this study suggests that civil society organizations would do well to work to strengthen left parties and form close alliances with them. While civil society does at times succeed at pressuring the government when non-left governments are in power, success is much greater when civil society can connect with strong allies in the government who will push the state to take action. Such outcomes can be seen through the case studies presented here, particularly the case of Rio Grande do Sul where alliances between civil society organizations and the PT have produced important policy changes to benefit low income groups. Contrastingly, the case of Goiás highlights the difficulties that civil society organizations representing low income groups face when the left is never in power. Close alignments with a strong left may not result in every policy civil society organizations want being put in place in exactly the way they want, but it should result in greater responsiveness to low income citizens. This lesson should not be limited to the Brazilian case, but rather should apply quite broadly.

### **Issues for Future Research**

The findings in this study likewise raise several potential directions for future research. First, I find that left parties are particularly important for generating responsiveness. However, competition and civil society strength often helped push left parties to take action. Future research should consider if left parties continue responding to the lower classes when they are in a dominant position. Such a situation was largely unimaginable in Brazil fifteen years ago, but there have since been cases where the left has emerged as a dominant actor. For example, Bahia was dominated by a conservative political machine until 2006 when the PT finally broke the

machine's stranglehold on the state. The PT has since won four elections in a row, each time winning in the first round and generally by very large margins, over 50 percentage points in 2018. It would be worth examining what the consequences of this shift have been for responsiveness to the lower classes. Without stiff competition, has the PT behaved differently? Likewise, has civil society been able to shape policy and have the relationships between civil society and the left changed as the left has strengthened its position in the state?

Second, it will be important to understand under what conditions governments choose to respond to citizens with repression rather than dialogue and policy. Experiences with violent repression at the hands of the state military policy arose in interviews with civil society organizations particularly in the cases of Goiás and Paraná. What is it that causes governments to choose this option? In the case of Paraná, for example, violent repression against the teacher's union, a large organization that scholars have identified as able to sway the direction of elections, seems like an irrational action so what drives a governor to take such action? Likewise, what are the consequences of such violent interactions for civil society organization? Does a violent interaction galvanize civil society or does it depress it?

Overall, continued research into responsiveness is needed, particularly in the context of newer, less-stable democracies. Democracy is on the decline around the world. While we may be tempted to blame this on a few bad actors, it is clear that many citizens are frustrated with how democracy has been working. To prevent further backsliding, it is important to understand how democracies can do better. A wide range of work has shown that around the world, democracies are not living up to the idea of responding to all citizens as political equals. Rather, the wealthy are more likely to get their way than others. Understanding the conditions under which low



income groups have succeeded at getting the government to respond to their interests is essential for understanding how we might make democracy work for all rather than just for the few.

## Appendix A: Summary Information & Robustness Tests for Quantitative Analysis

### A1: Variable Descriptions

Variable	Variable Source	Notes
Party Dummies	Tribunal Superior Eleitoral	
Continuity	Author created	Dummy variable takes on a value of 1 if the governor is the same person or of the same party as the previous governor
Governor's 1 <sup>st</sup> Round Vote Share	Tribunal Superior Eleitoral	
Governor's Party's Seat Share	Tribunal Superior Eleitoral	
Debt to Revenue Ratio	Tesouro Nacional	
GDP per capita	Data from IBGE compiled by the Secretaria da Administração do Estado da Bahia	Data is logged in models
Gini Index	Pesquisa Nacional por Amostras de Domicílios	Data for 2002-2014 are compiled by IPEA, while data for 2014-2017 were compiled by IBGE
Urban Population	IBGE	Data from 2002-2009 are based on the 2000 census, while data from 2010-2017 are based on the 2010 census
Diversity	IBGE	Data from 2002-2009 are based on the 2000 census, while data from 2010-2017 are based on the 2010 census
Aged Population	IBGE	Population Projections Updated 3/26/2014
School-Aged Population	IBGE	Population Projections Updated 3/26/2014
Private Enrollments	Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira, Censo Escolar	Private enrollments as a percent of total enrollments through secondary education including Educação de Jovens e Adultos
Private Health Coverage	Agência Nacional de Saúde Suplementar, Taxa de Cobertura	
Commodity Boom	Author created	This variable takes on a value of 1 for the years 2002-2012 and a 0 for 2014-2017
Social Spending	Tesouro Nacional, Sistema de Informações Contábeis e Fiscais do Sector Público Brasileiro	Total social spending is the sum of education, health, housing and social assistance spending

**A2: Continuous Variable Summary Statistics**

<b>Variable</b>	<b>Minimum</b>	<b>Mean</b>	<b>Maximum</b>	<b>Standard Deviation</b>
1 <sup>st</sup> Round Vote Share	0.07	0.51	0.83	0.11
Debt to Revenue Ratio	-0.13	0.86	3.10	0.72
GDP per capita	2440.70	16731.92	80502.47	11851.43
Gini Index	0.41	0.53	0.63	0.04
Urbanization	0.60	0.78	0.97	0.09
Diversity	0.03	0.08	0.18	0.03
Private Enrollments	0.04	0.13	0.31	0.06
Private Health Coverage	0.03	0.15	0.44	0.09
School Aged Population	0.14	0.19	0.24	0.02
Aged Population	0.02	0.06	0.12	0.02

**A3: Prais-Winsten Models Using Social Spending as a Percent of Total Spending**

	Total Spending	Edu Spending	Health Spending
PSDB	-0.008 (0.005)	-0.005 (0.004)	-0.007* (0.003)
PMDB	-0.015** (0.006)	-0.011* (0.005)	-0.003 (0.004)
Democratas	-0.004 (0.008)	-0.002 (0.006)	-0.004 (0.005)
Other Small Parties	-0.008 (0.008)	-0.011* (0.005)	0.000 (0.005)
Continuity	0.009* (0.004)	0.003 (0.003)	0.004 (0.002)
Governor's Party's Seat Share	0.013 (0.030)	0.026 (0.023)	-0.020 (0.016)
Governor's 1 <sup>st</sup> Round Vote Share	-0.051* (0.022)	-0.025+ (0.014)	-0.008 (0.012)
Debt to Revenue Ratio	-0.035*** (0.006)	-0.005 (0.005)	-0.019*** (0.003)
GDP per capita (logged)	-0.001 (0.011)	0.007 (0.009)	0.015* (0.006)
Gini Index	0.143+ (0.074)	-0.011 (0.046)	0.068 (0.043)
Urban Population	0.229*** (0.055)	0.144*** (0.044)	-0.036 (0.043)
Diversity	-0.058 (0.124)	-0.132 (0.089)	0.029 (0.074)
Commodity Boom	-0.001 (0.006)	0.002 (0.004)	-0.001 (0.003)
Private Enrollments	-0.142* (0.062)	-0.017 (0.060)	
Private Health Coverage	-0.174*** (0.048)		-0.025 (0.040)
School Aged Population		1.107*** (0.229)	
Aged Population (65+)			-0.202 (0.188)
Constant	0.157 (0.111)	-0.195 (0.122)	0.011 (0.070)
<i>N</i>	430	430	430
Number of Groups	27	27	27
Avg. Number of Observations per Group	15.9	15.9	15.9
<i>R</i> <sup>2</sup>	0.593	0.534	0.280

Standard errors in parentheses

+  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**A4: Models Including Discretionary Transfers per capita**

	Total Spending	Edu Spending	Health Spending
PSDB	-0.009** (0.003)	-0.007*** (0.002)	-0.003** (0.001)
PMDB	-0.013*** (0.003)	-0.008*** (0.002)	-0.004+ (0.002)
Democratas	-0.006 (0.005)	-0.004 (0.003)	-0.001 (0.002)
Other Small Parties	-0.008 (0.005)	-0.008* (0.003)	0.000 (0.002)
Continuity	0.005* (0.002)	0.003* (0.001)	0.001 (0.001)
Governor's Party's Seat Share	-0.029 (0.028)	-0.007 (0.013)	-0.015 (0.015)
Governor's 1 <sup>st</sup> Round Vote Share	-0.037** (0.012)	-0.029*** (0.007)	-0.003 (0.004)
Debt to Revenue Ratio	-0.003 (0.002)	-0.001 (0.001)	0.002+ (0.001)
GDP per capita (logged)	-0.016* (0.006)	-0.006 (0.004)	-0.004 (0.003)
Gini Index	0.085* (0.041)	-0.001 (0.017)	0.027+ (0.015)
Urban Population	0.156*** (0.026)	0.064*** (0.016)	0.026** (0.009)
Diversity	0.042 (0.045)	-0.006 (0.018)	0.025 (0.017)
Commodity Boom	-0.006** (0.002)	-0.002** (0.001)	-0.003** (0.001)
Discretionary Transfers per capita	0.000** (0.000)	0.000* (0.000)	0.000*** (0.000)
Private Enrollments	-0.176*** (0.022)	-0.062*** (0.013)	
Private Health Coverage	-0.099*** (0.023)		-0.044*** (0.012)
School Aged Population		0.397*** (0.057)	
Aged Population (65+)			-0.197*** (0.038)
Constant	0.104+ (0.059)	-0.012 (0.035)	0.051+ (0.028)
<i>N</i>	187	187	187
Number of Groups	27	27	27
Avg. Number of Observations per Group	6.93	6.93	6.93
<i>R</i> <sup>2</sup>	0.741	0.752	0.674

Standard errors in parentheses

+  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**A5: Models Using Discretionary Transfers as a Percent of GDP**

	Total Spending	Edu Spending	Health Spending
PSDB	-0.009** (0.003)	-0.007*** (0.002)	-0.003** (0.001)
PMDB	-0.012*** (0.003)	-0.008*** (0.002)	-0.003+ (0.002)
Democratas	-0.004 (0.005)	-0.004 (0.003)	-0.001 (0.002)
Other Small Parties	-0.006 (0.005)	-0.007* (0.003)	0.001 (0.002)
Continuity	0.005* (0.002)	0.003* (0.001)	0.001 (0.001)
Governor's Party's Seat Share	-0.030 (0.028)	-0.007 (0.014)	-0.015 (0.015)
Governor's 1 <sup>st</sup> Round Vote Share	-0.033** (0.012)	-0.029*** (0.007)	-0.002 (0.004)
Debt to Revenue Ratio	-0.003 (0.002)	-0.001 (0.001)	0.002+ (0.001)
GDP per capita (logged)	-0.011+ (0.006)	-0.004 (0.004)	-0.002 (0.003)
Gini Index	0.083* (0.042)	-0.002 (0.017)	0.027+ (0.015)
Urban Population	0.158*** (0.027)	0.064*** (0.017)	0.027** (0.009)
Diversity	0.054 (0.044)	-0.001 (0.017)	0.029+ (0.017)
Private Enrollments	-0.174*** (0.021)	-0.062*** (0.013)	
Private Health Coverage	-0.111*** (0.022)		-0.049*** (0.012)
Discretionary Transfers (% of GDP)	1.164** (0.428)	0.434* (0.197)	0.515** (0.160)
Commodity Boom	-0.007** (0.003)	-0.002** (0.001)	-0.003** (0.001)
School Aged Population		0.403*** (0.057)	
Aged Population (65+)			-0.195*** (0.040)
Constant	0.057 (0.059)	-0.028 (0.034)	0.030 (0.026)
<i>N</i>	187	187	187
Number of Groups	27	27	27
Avg. Observations per Group	6.93	6.93	6.93
<i>R</i> <sup>2</sup>	0.745	0.754	0.679

Standard errors in parentheses

+  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**A6: Prais-Winsten Models Separating PT from Other Left Parties**

	Total Spending	Edu Spending	Health Spending
PSDB	-0.005* (0.002)	-0.004* (0.002)	-0.003* (0.001)
PMDB	-0.006* (0.002)	-0.004* (0.002)	-0.002+ (0.001)
Democratas	-0.005+ (0.003)	-0.003+ (0.002)	-0.003* (0.001)
Other Small Parties	-0.006* (0.003)	-0.005* (0.002)	-0.002 (0.002)
Non-PT Left	-0.002 (0.002)	-0.001 (0.002)	-0.001 (0.001)
Continuity	0.003* (0.001)	0.001 (0.001)	0.001+ (0.001)
Governor's Party's Seat Share	0.000 (0.009)	0.005 (0.006)	-0.004 (0.004)
Governor's 1 <sup>st</sup> Round Vote Share	-0.001 (0.007)	-0.001 (0.004)	0.001 (0.003)
Debt to Revenue Ratio	-0.011*** (0.002)	-0.004** (0.001)	-0.004*** (0.001)
GDP per capita (logged)	-0.010* (0.004)	-0.001 (0.003)	0.001 (0.002)
Gini Index	0.004 (0.025)	-0.022 (0.013)	0.009 (0.010)
Urban Population	0.099*** (0.028)	0.040** (0.014)	0.000 (0.014)
Diversity	0.098* (0.047)	0.037 (0.025)	0.034+ (0.020)
Private Enrollments	-0.123*** (0.030)	-0.039* (0.017)	
Private Health Coverage	-0.127*** (0.021)		-0.042*** (0.012)
Commodity Boom	-0.003 (0.002)	-0.001 (0.001)	-0.001 (0.001)
School Aged Population		0.509*** (0.068)	
Aged Population (65+)			-0.168*** (0.040)
Constant	0.111** (0.043)	-0.069* (0.035)	0.029 (0.019)
<i>N</i>	430	430	430
Number of Groups	27	27	27
Avg. Observations per Group	15.93	15.93	15.93
<i>R</i> <sup>2</sup>	0.530	0.558	0.375

Standard errors in parentheses

+  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**A7: Main Models with Standardized Variables**

	Total Spending	Edu Spending	Health Spending
PSDB	-0.070* (0.029)	-0.092** (0.034)	-0.082** (0.031)
PMDB	-0.078** (0.026)	-0.097** (0.030)	-0.063* (0.031)
Democratas	-0.063+ (0.037)	-0.072* (0.036)	-0.091* (0.042)
Other Small Parties	-0.079* (0.040)	-0.114** (0.042)	-0.050 (0.046)
Continuity	0.045* (0.023)	0.028 (0.025)	0.043+ (0.024)
Governor's Party's Seat Share	0.001 (0.023)	0.022 (0.024)	-0.021 (0.024)
Governor's 1 <sup>st</sup> Round Vote Share	-0.002 (0.024)	-0.007 (0.023)	0.010 (0.025)
Debt to Revenue Ratio	-0.254*** (0.051)	-0.148** (0.046)	-0.242*** (0.055)
GDP per capita (logged)	-0.206* (0.087)	-0.034 (0.095)	0.051 (0.104)
Gini Index	0.007 (0.034)	-0.049 (0.031)	0.032 (0.035)
Urban Population	0.301*** (0.085)	0.212** (0.075)	-0.006 (0.107)
Diversity	0.099* (0.047)	0.066 (0.044)	0.087+ (0.049)
Commodity Boom	-0.047 (0.038)	-0.039 (0.034)	-0.041 (0.041)
Private Health Coverage	-0.391*** (0.065)		-0.328*** (0.087)
Private Enrollments	-0.228*** (0.055)	-0.130* (0.055)	
School Aged Population		0.630*** (0.083)	
Aged Population (65+)			-0.238*** (0.055)
Constant	1.753* (0.687)	-2.005* (0.984)	1.084 (0.754)
<i>N</i>	430	430	430
Number of Groups	27	27	27
Avg, Observations per Group	15.93	15.93	15.93
<i>R</i> <sup>2</sup>	0.530	0.557	0.377

Standard errors in parentheses

+  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Variables are standardized following Gelman's (2008) suggestions. Binary variables remain unchanged and all others are divided by two times the standard deviation. This allows for greater comparability between binary and continuous variables.



**A8: Prais-Winsten Models Using Dichotomous Measure of Governor's Ideology**

	Total Spending	Edu Spending	Health Spending
Non-Left Party	-0.004** (0.001)	-0.003** (0.001)	-0.002** (0.001)
Continuity	0.003* (0.001)	0.001 (0.001)	0.001+ (0.001)
Governor's Party's Seat Share	-0.000 (0.009)	0.005 (0.005)	-0.004 (0.004)
Governor's 1 <sup>st</sup> Round Vote Share	-0.000 (0.007)	-0.001 (0.004)	0.001 (0.003)
Debt to Revenue Ratio	-0.011*** (0.002)	-0.003** (0.001)	-0.004*** (0.001)
GDP per capita (logged)	-0.010* (0.004)	-0.001 (0.003)	0.001 (0.002)
Gini Index	0.004 (0.025)	-0.022+ (0.013)	0.009 (0.010)
Urban Population	0.098*** (0.028)	0.036* (0.015)	-0.003 (0.014)
Diversity	0.099* (0.047)	0.037 (0.027)	0.033 (0.021)
Commodity Boom	-0.003 (0.002)	-0.001 (0.001)	-0.001 (0.001)
Private Enrollments	-0.124*** (0.030)	-0.036* (0.017)	
Private Health Coverage	-0.126*** (0.021)		-0.043*** (0.012)
School Aged Population		0.504*** (0.071)	
Aged Population (65+)			-0.171*** (0.041)
Constant	0.110** (0.041)	-0.067+ (0.036)	0.026 (0.019)
<i>N</i>	430	430	430
Number of Groups	27	27	27
Avg. Observations per Group	15.93	15.93	15.93
<i>R</i> <sup>2</sup>	0.530	0.547	0.364

Standard errors in parentheses <sup>+</sup>  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**A9: Fixed Effects Models (Year and State Fixed Effects)**

	Total Spending	Edu Spending	Health Spending
PSDB	-0.002 (0.001)	-0.002 <sup>+</sup> (0.001)	0.000 (0.001)
PMDB	-0.004 <sup>***</sup> (0.001)	-0.003 <sup>***</sup> (0.001)	-0.001 (0.001)
Democrat	-0.006 <sup>***</sup> (0.001)	-0.001 (0.001)	-0.003 <sup>***</sup> (0.001)
Other Small Parties	-0.004 <sup>**</sup> (0.002)	-0.003 <sup>**</sup> (0.001)	-0.001 (0.001)
Continuity	0.001 (0.001)	-0.001 (0.001)	0.001 <sup>*</sup> (0.000)
Governor's Party's Seat Share	0.010 <sup>+</sup> (0.006)	0.012 <sup>**</sup> (0.004)	-0.004 (0.003)
Governor's 1 <sup>st</sup> Round Vote Share	0.005 (0.004)	0.006 <sup>*</sup> (0.003)	-0.001 (0.002)
GDP per capita (logged)	-0.024 <sup>***</sup> (0.005)	-0.021 <sup>***</sup> (0.004)	-0.004 (0.003)
Gini Index	-0.020 (0.017)	-0.025 <sup>+</sup> (0.013)	-0.001 (0.010)
Debt to Revenue Ratio	0.001 (0.001)	-0.001 (0.001)	0.001 (0.001)
Urban Population	0.027 (0.033)	0.014 (0.026)	0.003 (0.018)
Diversity	-0.162 <sup>*</sup> (0.066)	-0.076 (0.048)	-0.082 <sup>*</sup> (0.038)
Private Enrollments	0.008 (0.022)	0.020 (0.017)	
Private Health Coverage	0.013 (0.024)		-0.018 (0.014)
School Aged Population		0.052 (0.070)	
Aged Population (65+)			-0.058 (0.073)
Constant	0.347 <sup>***</sup> (0.056)	0.254 <sup>***</sup> (0.047)	0.095 <sup>**</sup> (0.032)
<i>N</i>	430	430	430
Number of Groups	27	27	27
Avg. Observations per Group	15.93	15.93	15.93
<i>R</i> <sup>2</sup>	0.967	0.944	0.938

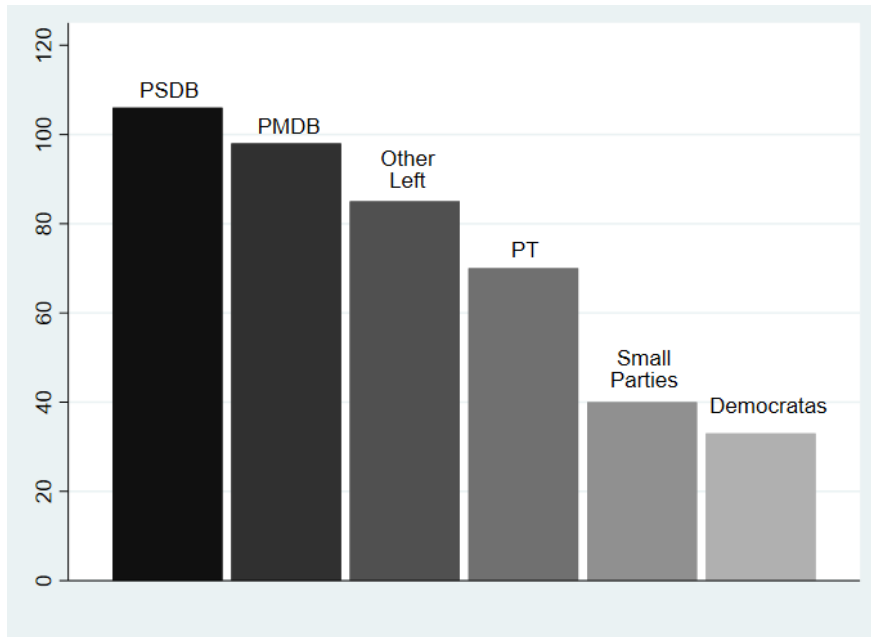
Standard errors in parentheses <sup>+</sup>  $p < 0.10$ , <sup>\*</sup>  $p < 0.05$ , <sup>\*\*</sup>  $p < 0.01$ , <sup>\*\*\*</sup>  $p < 0.001$

**A10: OLS with PCSE and Lagged Dependent Variable**

	Total Spending	Edu Spending	Health Spending
Lagged Social Spending	0.940*** (0.023)		
Lagged Education Spending		0.922*** (0.024)	
Lagged Health Spending			0.909*** (0.034)
PSDB	-0.001 (0.001)	-0.001 (0.001)	-0.000 (0.000)
PMDB	-0.002* (0.001)	-0.001* (0.001)	-0.001 (0.000)
Democratas	-0.001 (0.001)	-0.001 (0.001)	-0.000 (0.001)
Other Small Parties	-0.000 (0.002)	-0.001 (0.001)	0.000 (0.001)
Continuity	0.001 (0.001)	0.000 (0.000)	0.000 (0.000)
Governor's Party's Seat Share	0.001 (0.005)	-0.000 (0.004)	-0.000 (0.002)
Governor's 1 <sup>st</sup> Round Vote Share	-0.003 (0.003)	-0.002 (0.002)	-0.001 (0.002)
Debt to Revenue Ratio	-0.001* (0.001)	-0.001* (0.000)	-0.000 (0.000)
GDP per capita (logged)	-0.001 (0.002)	-0.000 (0.001)	-0.001 (0.001)
Gini Index	0.006 (0.012)	0.000 (0.006)	0.003 (0.006)
Urban Population	0.008 (0.009)	0.006 (0.006)	0.002 (0.005)
Diversity	0.001 (0.019)	-0.002 (0.009)	0.006 (0.006)
Commodity Boom	-0.000 (0.001)	-0.000 (0.001)	-0.001 (0.001)
Private Enrollments	-0.019+ (0.010)	-0.013+ (0.008)	
Private Health Coverage	0.001 (0.006)		0.000 (0.004)
School Aged Population		0.008 (0.024)	
Aged Population (65+)			-0.024+ (0.015)
Constant	0.008 (0.015)	-0.001 (0.011)	0.014 (0.009)
<i>N</i>	403	403	403
Number of Groups	27	27	27
Avg. observations per Group	14.93	14.93	14.93
<i>R</i> <sup>2</sup>	0.961	0.949	0.926

Standard errors in parentheses +  $p < 0.10$ , \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

**A11: Cumulative Years Holding a Governorship  
by Party From 2002-2017, PT Separated from Other Left Parties**



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