

DOES POLITICS STILL MATTER? NEOLIBERALIZATION PROCESSES, PARTY GOVERNMENT AND NEW PATTERNS OF URBAN POLITICS IN BRAZILIAN LOCAL GOVERNMENTS¹

Nelson Rojas de Carvalho²

Abstract: As the neoliberalization process has unfolded in Latin America in the last two decades, cities and city-regions have become a privileged target of volatile capital flows in search of investment opportunities. Cities, in their turn, severely affected by a huge national fiscal deficit, have put in place new regulatory practices – such as Public Private Partnerships (PPPs) and Urban Consortium Operations (UCOs) – as a means to promote local growth. As this process has unfolded, one question should be tackled: have growth policies been pursued to the detriment of redistributive policies - in line with Peterson's (1981) hypothesis-, no matter voters' and elected mayors' ideological positions? We tested Peterson's hypothesis to 5570 Brazilian municipalities firstly correlating local growth policies with executive officer's ideology and party affiliation. Then, through multivariate and longitudinal analysis we correlated growth policies, on the hand, and redistributive policies, on the other, with both local political data and sociodemographic data, such as city size and human development index (HDI). The preliminary findings of the study showed that growth strategies that rely on new regulatory tools such as PPPs and UCOs have been carried out both in left- and right-leaning municipalities and states; whereas ideology does not seem to impact growth strategies, sociodemographic factors, such as city size and HDI, do affect growth policy directions. Next, we analyzed the variation in welfare policies outcomes among Brazilian municipalities. Again, the ideological factor plays a minor impact on this variation.

Keywords: Urban politics – neoliberalization – political parties – ideology

Recebido em: 12/02/2020

Aceito em: 26/04/2020

¹ This paper had a preliminary version presented at the Observatório das Metrôpoles (Metropolises' Observatory) research group on Urban Regimes. I would like to thank the suggestions made by Luiz Cesar Ribeiro, Orlando Santos Junior, Marcelo Ribeiro, Filipe Correa e Erick Omena. I also express my gratitude to Franklin Soldati for organizing the research dataset

² Associated Professor at PPGCS/ UFRJ and senior researcher at the Observatório das Metrôpoles/IPPUR/UFRJ

A POLÍTICA AINDA FAZ DIFERENÇA? PROCESSOS DE NEOLIBERALIZAÇÃO, GOVERNO PARTIDÁRIO E NOVOS PADRÕES DE POLÍTICA URBANA NOS MUNICÍPIOS BRASILEIROS

Resumo: No transcurso do processo de neoliberalização na América Latina, cidades e regiões vêm-se tornando alvo privilegiado de fluxos de capital em busca de oportunidades de investimento. Municípios e estados, por sua vez, afetados por deficit fiscal crescente, adotam novas práticas regulatórias - como Parcerias Público Privadas (PPPs) e Operações de Urbanas Consorciadas (OUCs) - como forma de estimular o crescimento local. À medida que esse processo se desenvolve, uma questão deve ser investigada: as políticas de crescimento são adotadas em detrimento das políticas redistributivas - de acordo com a hipótese de Peterson (1981) -, e independentemente da orientação ideológica de nossos municípios? Testamos a hipótese de Peterson em 5570 municípios brasileiros, inicialmente correlacionando políticas de crescimento local com a ideologia do chefe do executivo municipal e sua filiação partidária. Em seguida, por meio de análise multivariada e longitudinal, correlacionamos políticas de crescimento, por um lado, e políticas redistributivas, por outro, com variáveis políticas e variáveis sociodemográficas. Os resultados preliminares da pesquisa mostraram que estratégias de crescimento inseridas no novo marco regulatório das PPPs e OUCs, são implementadas em municípios e estados com orientação ideológica tanto à esquerda como à direita do espectro ideológico; se a ideologia não parece afetar as estratégias de crescimento local, o mesmo não se pode dizer dos fatores sociodemográficos, como o tamanho da cidade e o IDH. Por outro lado, ao analisarmos a variação nos resultados das políticas de bem-estar entre os municípios brasileiros, verificamos igualmente ausência de impacto do fator ideológico sobre essa variação.

Palavras-chave: Política urbana; neoliberalização; partidos políticos; ideologia

1. Introduction

In the field of policy output analysis, early studies were overwhelmingly dominated by the disciplines of economics and sociology; political science was a latecomer in the field. Despite the vast literature on party organization, party systems and party legislative behavior, there has been a clear neglect in the research that relates parties and public policy. Not surprisingly those early output studies completely downplayed the role of political factors in the local policy outcomes. There was almost a consensus shared both by American and non-American output studies on the primacy of socioeconomic factors over political variables. The demographic approach preached that there would be a straight relation between local policies and residents' social profile of a given local authority. The more affluent the residents of a locality the more likely it was to spend on education, parks, libraries, police, fire departments and roads. In their turn, poorer communities would be likely to concentrate their efforts on housing, social services, and health services. Hence the demographic composition of localities was assumed to determine or influence local spending patterns in a way or another

Besides the demographical approach, two other approaches either dismiss or downplay the role of political parties, elections and ideology in the variation of policy outcomes: the unitary models of local government tax and expenditure behavior (Tibeout, 1956; Peterson, 1981) and regime analyses (Elkin, 1987; Stone, 1988). As a public choice oriented model, Tibeout's model suggests that cities, acting like firms, offer a bundle of services, taxes and public goods to citizens who, voting with their feet, choose the municipality that offers the mix of services and levels of taxation that best fits their individual preferences. Following, on the one hand, the framework laid out by Tibeout on the unitary model of local taxation and expenditure and, on the other hand, Lowi's policy typology, Peterson (1981) has stated that cities may follow three types of policies: developmental, allocative and redistributive. Whereas developmental policies improve the economic conditions of the city and imply spending items like roads and infrastructure, redistributive policies aim at improving the situation of the lower classes through spending items like subsidized health, public housing and free education. Pursuing their self-interest by maximizing the resident's and the firm's benefit/tax ratio, cities are bound to pursue developmental policies and to avoid redistributive ones.

Even though regime analysis goes against Peterson's unitary city model and stands for the role of political agency as far as output policy is concerned, pluralist political variables like political parties, voters' ideology and elections play, to say the least, a secondary role in regime analysis. In Stone's words (2008, p. 83) "If holding public office were sufficient warrant to govern, then elections would be centrally important... In regime theory, these are not trivial questions, but **they are not the central questions** (emphasis added)". Warning that quite often the winning electoral coalition is not the governing coalition, Stone and regime analysts are mainly concerned with informal processes that bring coalition players together and that, for obvious reasons, bypass parties and other formal institutions.

2. Bringing politics back in: parties, ideology and political outcomes

As Sharpe and Newton (1984) have underlined, it was only in the post-war period when the output studies crossed the Atlantic and landed in Britain that parties and ideology were considered variables capable of having impact on the levels and patterns of public expenditure. From Newton and Sharpe's (1984) inaugural research until now, whereas a larger number of political scientists have made inroads into the research field on the relation between party politics and policy outputs everywhere, there is not yet a clear-cut answer about the strength and direction of this relationship. Following both a cross-section analysis comparing in Britain county and county-borough expenditure levels in three different fiscal years, and a longitudinal perspective, contemplating the parties' length of time in power, Sharpe and Newton (1984) have ratified the so-called "left party effect" thesis. They have concluded that, except for four observations out of 38, Labor-controlled authorities had spent more than the Conservative, on the one hand, and the expenditure pattern clearly favored welfare items, on the other. "All the thirty-four statistics form a perfect pattern of Labor high spending and Conservative low spending... For four redistributive and ameliorative services – children and welfare, social services, public health, and personal health – there is again the direct positive relation between the degree of Left control and per capita expenditure (p. 192-195).

In the opposite direction of Sharpe's and Newton's findings, Hoggart (1987), through a longitudinal analysis covering 25 fiscal years, 15 policy categories and 57 county boroughs in Britain, has arrived at the following conclusions: there was no party differential between a significant number of spending items, and in contradiction with the "left party effect" thesis, Labor-controlled cities had worse distributive performance in education and housing than Conservative-controlled cities. Those unexpected results brought to surface by Hoggart's research, of course, clashed severely against the pluralist expectation according to which party ideology would be translated into alternative policy agendas and commitments and led the author to downplay the impact of the party's role on government outcomes: "[...] the conclusion obtained was more in line with Richard Rose's observations on Britain's national government; namely, that party control imposes only a slight ideological overtone on policy directions" (p. 369).

In a more recent study³ (1993), Blais, Blake and Dion have compared 15 countries over a period of 28 years and have tested the hypothesis according to which left-party governments will spend more than their right-wing counterparts. Using both time series and cross-section models, and pooling the data to increase the statistical reliability of the conclusions, they first have singled out a precondition for party impact that had been raised in previous studies, that is, that a party should stay a reasonable time in power until this impact is felt. Even though Blais, Blake and Dion (1993) have found a party effect on the level of public spending in the 15 countries they have analyzed, the impact was less spectacular than the pluralists would have expected. As the authors

³ Since for the author the left policies are oriented towards controlling/ reducing the space of market in the economy and society, they will logically imply bigger government.

have stated in their conclusion, “[...] the findings show that governments of the left spend a little more than those of the right. Parties do make a difference, but a small one” (p. 57).

If the result of this sample of the literature that relates party ideology and government performance is anything but conclusive, the studies that correlate party and ideological affiliation with *attitudes* towards spending priorities repeat the same pattern of contradicting results. In “Ideology and Local Public Expenditure Priorities” (2016), Connolly and Mason have carried out a research in California municipalities on the independent effect voter’s and local official’s ideology has on the propensity of elected representatives to cut welfare spending to the benefit of other spending areas. Denying both the demographic and the Tieboutian approaches to public spending, Connolly and Mason (2016) have found that both voter’s and representatives’ ideology affects the propensity of elected officials to change the welfare budget. The research findings support their two main hypotheses according to which a) the more liberal a municipality’s voters is, the more likely its elected representatives are to oppose cuts to welfare spending over an increase in other services and b) the more liberal the representative is, the more likely he or she is to oppose cutting welfare spending over other services increase.

Longoria (1994) and Saiz (1999), also resorting to attitudinal data, have explored representative’s attitudes toward spending patterns and have arrived at conclusions that go against Connolly and Mason’s research results. Testing the empirical validity of Peterson’s *City Limits* theses, Longoria has correctly highlighted that Peterson’s models relies on two basic assumptions: a) political actors should be able to locate policies in three different categories (developmental, allocational and redistributive); b) decision-makers should prioritize developmental, over allocational and, mainly, redistributive policies. Using survey data from the Fiscal Austerity and Urban Innovation (FAUI) project of US mayors’ spending, Longoria has verified that US mayors do not only categorize spending items according to Peterson’s policy typology (developmental, allocational and redistributive), but also they prioritize developmental over redistributive policies. Aiming also at testing empirically Peterson’s theses, Saiz has carried out a comparative study of eight countries – United States, Canada, France, Finland, Japan, Norway, Australia and Israel - and has verified the extent to which mayors in those countries order their spending items in accordance with Peterson’s typology, on the one hand, and prioritize developmental over redistributive policies, on the other. Despite the considerable cultural, political and institutional differences between municipalities in the countries analyzed by Saiz (1999), he has identified a surprising homogeneity among mayor’s attitudes towards spending priorities: “Mayors in the United States prefer to spend public dollars for developmental policies over allocative policies and for allocative policies over redistributive policies, as hypothesized by Peterson. When extending the analysis to the spending preferences of mayors in other Western industrial societies, I find a similar pattern....” (p. 839).

From this quick review of the research literature on the relation between party and ideology and spending patterns and priorities, oriented both from behavioral and attitudinal perspectives, one must conclude that the findings are far from being conclusive. Actually, so far, some of the results play out in opposing directions. In this paper, we take another step further in this line of research measuring the weight both of demographic and political variables in urban

policy outputs in Brazilian municipalities within the context of the neoliberal practices that Brazilian cities have been resorting to in the last few years.

As it is widely known (Brenner, Peck and Theodore (2012); Peck and Theodore (2015), neoliberal regulatory practices have been spreading in Latin American countries at different paths, in an uneven and context-sensitive process. At city level, neoliberalism has been translated into importing the growth machine creed and into the adoption of new regulations such as Public Private Partnerships (PPPs) and Urban Consortium Operations (UCOs) alongside with outsourcing public services to private contractors. If the dissemination of market-oriented regulations in Brazilian cities is an ongoing process, such a process has been accelerated or hindered by institutional, economic, cultural, or political variables. In this paper, we try to assess to what extent “do politics matter” as regards the pro-market regulation that has been enacted in Brazilian cities in the last two decades. More specifically, we will measure to what extent the neoliberalization process has been, if not completely reversed, hindered in left-oriented municipalities. Underlying this question, there is an implicit conceptualization of left-right axis that is in tune with Huber and Inglehart’s (1995) definition: “The term ‘right’ is associated with the pursuit of rapid and widespread privatization deregulation, while ‘left’ is associated with a desire to slow change down or stop it altogether.” (p. 85).

This paper is divided into three sections. In the first section, we provide an ideological map of 5570 Brazilian municipalities considering the mayor’s party affiliation and the location of his or her party in the left-right axis. We then correlate the municipalities’ ideological variation with both sociodemographic and political variables. In the second section, we correlate local policy measures, such as growth incentives through tax abatements and flexibilization of land-use regulations, with both political and sociodemographic variables; we test the hypothesis according to which in left-oriented municipalities growth politics through deregulation, when not completely avoided, will be less prioritized than in right-oriented localities. In the last section, we analyze the evolution of welfare indexes over a period of 11 years, testing the hypothesis that left-oriented municipalities perform better in welfare policies than right-oriented localities.

3. Left and right in Brazilian municipalities

The purpose of this section is to build up a map of Brazilian municipalities’ ideological orientation, assuming that the ideological leaning of localities, more or less to the right or to the left, is bound to have an independent effect on the local policy outputs, more specifically, on the policy direction, more or less market-oriented, of the local urban outputs. We built this map from the results of the local elections held in 2000, 2004, 2008, 2012 and 2016, and from the ideological location of the elected mayors’ parties. As it is widely known, in the Brazilian case, there is a huge academic literature discussing the best methodological path to locate the country’s political parties in the left-right axis. It is worth stressing that this literature has been focusing on the behavior of political parties mainly at the national level and inside congress (Zucco and Power, 2009, Tarouco and Madeira, 2013). Despite having treaded different methodological paths, these

authors have converged on a same conclusion: at the national level, parties are organized in accordance with an ideological continuum that makes their policy decisions extremely predictable. Such a conclusion, it is worth highlighting, goes against the perspective (Mainwaring and Torcal, 2005) that in third wave democracies, like the one in Brazil, parties are poorly institutionalized and devoid of any ideological content for that reason.

If at the national level Brazilian ideological position of political parties translates into predictable policy outcomes, one cannot assume that necessarily the same applies to sub-national governments. On the one hand, as many authors have stressed (Putnam,1993; Peterson,1981; Oliver, 2012) party color would tend to fade away and ideological divisions would tend to blur the more one moves downwards and the smaller the political authorities are. Besides, as far as Brazilian sub-national government is concerned, output analyses are few and far between. So, to a large extent our research explores an uncharted territory. In a first approximation, making use of well-established ideological classification of Brazilian political parties along the left-right axis, we examine how the municipalities have been positioned in this axis in the last five municipal elections. Next, we correlate the municipalities' ideological position with both sociodemographic and political variables, trying to assess the distinct impact of each variable on the ideological orientation of Brazilian municipalities⁴.

Table 1 – Ideological position of Brazilian municipalities

	2000	2004	2008	2012	2016
Left	798 (14.3%)	1,315 (23.6%)	1,528 (27.4%)	1,727 (31%)	1,372 (24.6%)
Center	2,240 (40.2%)	1,966 (35.3%)	1,999 (35.9%)	1,716 (30.8%)	1,876 (33.7%)
Right	2,464 (44.3%)	2,287 (41.1%)	2,041 (36.7%)	2,123 (38.1%)	2,320 (41.7%)
Total	5,502	5,568	5,568	5,566	5,568

Source: TSE

In Table 1, we verify the distribution of Brazilian municipalities according to the mayors' ideological position in four elections. Even though the number of left-controlled municipalities steadily increased from 2000 to 2008, we verify from the frequency distribution that there has been a clear hegemony of center-right parties at the local level: those parties have been in control of approximately 70% of Brazilian local governments since the year 2000. Such a conclusion converges on Power and Rodrigues-Silveira's (2019) findings on the ideological variation of Brazilian municipalities from 1994 to 2018: "[...] the vast majority of municipalities tended to the right even during the period of PT national government. During the late Dilma Rousseff years there was a return to a more conservative vote-revealed ideology at the local level, with a sharp

⁴ The ordering of Brazilian political parties along the left-right continuum followed a shared consensus among local experts, as stated in Miguel and Machado (2010).

veer to the right in the 2016 municipal and 2018 federal elections under Michel Temer (p. 11)". It is worth stressing here even though we measure the ideological leanings of Brazilian municipalities through the mayors' party affiliation and Power and Rodrigues-Silveira choose another path to measure it through the votes given to city council members, we arrive at the same conclusion: as regards local governments in Brazil, there has been a clear prevalence of a center-right ideological orientation.

As we are aware from previous research conducted by Sharpe and Newton (1984) and Hoggart (1987), if we are to have an ideological map of Brazilian municipalities with a view to correlating party and ideology with policy outputs, it is necessary that we assume a longitudinal perspective as far as ideological orientation is concerned. Since policymaking and policy implementation amount to an incremental and cumulative process, a party may change a policy direction provided it stays in government for some time. Following this intuition, we have introduced the time dimension, classifying municipalities as left-, center- or right-oriented whenever parties located in those ideological positions stayed in the executive local office for three terms in a row. When municipalities had two left- and one center-oriented mayors or two right- and one center-oriented mayors, we labelled the ideological leaning of those municipalities as predominantly left-wing and predominantly right-wing, respectively. We use the same criterion to classify center- or predominantly center- wing oriented municipalities. Whenever a municipality does not fit into one of those categories, we have considered it as devoid of any consistent ideological orientation.

In Table 2 we show the distribution of Brazilian municipalities according to this classification. It is worth noting, initially, that at the moment we introduce the time dimension the municipalities endowed with a clear cut ideological orientation lag far behind the others: from 2004 to 2016, only 25.9 municipalities were the stage of three consecutive governments belonging to the same ideological orientation. The vast majority of the municipalities lie in the category where there is no clear ideological definition, which may result from a weak degree of party institutionalization at the local level. Anyway, also in this classification, the right-oriented municipalities outnumber those located in the left.

Table 2 – Brazilian Municipalities’s ideological orientation (2004-2016)

Ideological orientation	Number of municipalities	%
Leftward	339	6.1
Predominantly leftward	444	8.0
Predominantly Center	1,172	21.1
Center	514	9.2
Predominantly rightward	809	14.5
Rightward	591	10.6
No ideological consistency	1,697	30.5
Total	5,568	100.0

Source: TSE.

Given that distribution of municipalities along the left-right axis, we now tried to assess the relative impact of sociodemographic factors, on the one hand, and political factors, on the other hand, on such a distribution. Firstly, it is worth reminding that as elsewhere, in Brazil, political research was heavily influenced by the modernization theorists’ tenets (Lipset, 1960; Dahl, 1989; Vanhanen, 1997), according to which a polyarchy would only survive in societies endowed with certain traits of *modernization*. According to the modernization perspective, sociodemographic variables were expected to play a leading role in determining the political process dynamics; it was believed, for instance, that the more developed and larger cities would be the stage of a more ideological and left-oriented party competition (Soares, 1973). The data displayed in Table 3, in line with the modernization expectations, shows indeed that the city population size - a sociodemographic variable that stands as a proxy for modernization-, is strongly correlated with the variation in the ideological orientations of local governments. Whereas in municipalities with population size above 500,000 left parties are in charge of around 40% of the local governments, in the smaller municipalities this figure drops to 11%. The pattern is the opposite as far as right-wing parties are concerned: whereas they are in control of almost 30% of the smaller municipalities, this number drops to 6.7% in the biggest cities.

Table 3 - Ideological orientation of Brazilian municipalities according to population size

Ideology \ Population	Population						Total
	< 10000	10000 to 20000	20000 to 50000	50000 to 100000	100000 to 500000	> 500000	
Left	123 4.7%	75 5.4%	71 7.4%	24 8.0%	33 17.2%	10 33.3%	336 6.1%
Predominantly Left	186 7.1%	113 8.2%	75 7.8%	32 10.6%	31 16.1%	2 6.7%	439 8.0%
Predominantly Center	563 21.4%	307 22.2%	179 18.6%	64 21.3%	37 19.3%	7 23.3%	1,157 21.0%
Center	291 11.0%	88 6.4%	73 7.6%	38 12.6%	16 8.3%	1 3.3%	507 9.2%
Predominantly Right	401 15.2%	205 14.9%	135 14.0%	45 15.0%	13 6.8%	2 6.7%	801 14.6%
Right	334 12.7%	123 8.9%	95 9.9%	15 5.0%	14 7.3%	0 0.0%	581 10.6%
Indefinite	738 28.0%	469 34.0%	336 34.9%	83 27.6%	48 25.0%	8 26.7%	1,682 30.6%
Total	2,636 100.0%	1,380 100.0%	964 100.0%	301 100.0%	192 100.0%	30 100.0%	5,503 100.0%

Sources: IBGE and TSE.

Since we intend to evaluate the reach of the demographic dimension vis-à-vis the political variables, next we tested a multivariate model, through a logistic regression, assessing the impact of two systemic political variables – party fragmentation and party polarization⁵ – along with three sociodemographic variables - population, human development index and urbanization – on the likelihood that a municipality will have a leftward-oriented government. As for the two political variables, both fragmentation and polarization measure the competitiveness degree of a political system; we tested the hypothesis that the more competitive a political system is, the more space is opened to the left. As for the three sociodemographic variables, they all fall under the rubric of the modernization theory; in this case, we tested the hypothesis that the larger a city's population is, the higher its HDI (human development index) and its urbanization level are, and the more plural the political system is going to be and the progressive forces will have more space to compete for.

As shown by Table 4, even in a multivariate model, the demographic variable related to city size remains a relevant predictor of the probability of a given municipality being controlled

⁵ As regards the party fragmentation and polarization indexes, we used Power's and Rodriguez-Silveira (2019) dataset for estimating the average polarization and fragmentation indexes of the 2004, 2008 and 2012 municipal elections.

by a left party for a minimum of two terms. Indeed, cities that have a population greater than 500,000 or between 100,000 and 500,000 inhabitants are respectively 5.06 and 3.56 times more likely to have a left-oriented mayor than cities with population smaller than 10,000 inhabitants. It is worth noting that two demographic variables held in high value by the sociodemographic approach, urbanization and human development index, have coefficients that are not statistically significant. Besides, the pluralist expectation that progressive forces and minority groups would have more sway in a fragmented party system does not hold true for Brazilian municipalities. However, localities where the pattern of political competition is polarized have the odds ratio of having a left-oriented administration 87% greater than localities where political polarization is below the average. Summing up the model results, we can say that whereas a sociodemographic variable - the population size - does indeed stand as powerful predictor of the local political orientation, a political variable – the degree of political polarization – also has a say in the local political results. Since polarization worked better than fractionalization as our political variable, it is reasonable to highlight, with Dalton’s (2008) words, the policy consequences of this variable: “[...] polarized system presumably produces clearer party choices, stimulates participation, affects representation and has more intense partisan competition. Thus, the ideological gap between the winners and the losers is greater and the policy implications of government control are more substantial” (p. 909).

Table 4 – Logistic regression: Left-oriented municipalities explained by political and sociodemographic variables.

	B	SE	Sig.	Exp(B)
Party Fragmentation	0.049	0.093	.595	1,051
Party Polarization	0.629	0.082	.000	1,875
Urbanization	-0.002	0.002	.328	0.998
HDI (Human Development Index)	0.088	0.055	.112	1,092
Population 1 (10 to 20 thousand)	0.174	0.104	.095	1,190
Population 2 (20 to 50 thousand)	0.312	0.117	.008	1,365
Population3 (50 to 100 thousand)	0.525	0.176	.003	1,691
Population 4 (100 to 500 thousand)	1.27	0.191	.000	3,560
Population 5 (>500 thousand)	1,621	0.397	.000	5,060
Constant	-2,434	.137	.000	.088

Sources: IBGE, TSE and UNDP

4. Neoliberalization process, Urban Policy outputs and Political orientation

As we have stated previously, in Brazil neoliberal regulations were imported and put into practice in the nineties mainly at the national level. Then, municipalities were not targeted by this new regulatory framework and kept their place inside the Brazilian federal structure in which central government's grants accounted for a huge, when not the biggest, slice of local government's budget (in Brazil, the smaller and poorer the city, the more it relies on federal grants). Municipalities by their turn have been in charge of carrying out redistributive policies, such as education and health, designed at the national level⁶.

It is not unfair to state that, even if at a slow and uneven pace, Brazilian federalism has been moving from a redistributive orientation to what Harding (1994) has called a productive orientation. This change for sure has happened in the last two decades side by side with the expansion of neoliberal regulations towards local governments, when concepts such as "urban entrepreneurialism" (Harvey, 1989) and "growth machine" (Molotch, 1976) were used for the first time by research groups to grasp the new rationale of urban process in Brazil. Alongside with the new academic concepts and concerns, at the local level there has been a steady growth of regulatory tools, such as PPPs, aimed at attracting volatile capital flows in order to promote local growth. It is worth recalling here, in Harvey's words, that PPPs and urban entrepreneurship are closely intertwined: "[...] the new entrepreneurialism has as its centerpiece the notion of a 'public-private partnership' in which a traditional local boosterism is integrated with the use of local government powers to try and attract external sources of funding, new direct investments or new employment sources" (p. 71).

In Brazil, local governments have been resorting to two regulatory tools to lure private actors and pursue growth policies: PPPs and UCOs. As it is defined in law, an urban operation consortium amounts to a "set of interventions and measures coordinated by local authorities, with the participation of land owners, residents, permanent users and economic actors, with the purpose of bringing forward social, urban and environmental improvements to a limited area" (Statute of City, Section X, Article 32, § 1). It is a public-private partnership where the public sector provides incentives to the private sector in exchange for physical investments or revenues. The main incentive provided by the local government is to make the zoning law flexible, allowing for surface and underground constructions that are at odds with the regular zoning standards. Whereas in theory, the consortium could be advantageous to the public sector, since the latter could raise revenues in advance, in practice real estate, public works companies and the financial sector have been the main beneficiaries of the land use flexibilization (Vale de Paula, 2017).

As for the Public Private Partnerships, they were regulated by the federal law n. 11.079 enacted in December 30th, 2004. According to the law, differently from public services concessions

⁶ Federal grants are earmarked to social spending items: municipalities in Brazil are required by law to spend at least 50% of their budget in health and education.

in which fees are payed off exclusively by the user, PPPs foresee either a contract model, whereby only the public sector pays for the service provided by the private actor or a mixed model, whereby both the public sector and the individual consumers pay for the service received. In the former model, called “administrative” PPP, the public sector is the main direct or indirect beneficiary of the service provided by private agents, as it happens for instance in the prison system. In the latter, called “sponsored” PPP, individual and final consumers are the direct beneficiaries. In both models, however, the Brazilian regulation demands two basic requirements for a PPP contract to be set: a) the object of the contract must have a value greater than \$5 million dollars, b) the contract implies service provision for a period of time no less than 5 years and no more than 35 years. By means of these two provisions, the regulators seem to have designed PPP contracts to actions endowed with a status of high priority and demanding big investments. As for the number of ongoing PPPs in the country, there is not any official or reliable database with country-wide scope. Private consultancy agencies estimate⁷, however, that besides 1400 traditional concessions, there are nowadays 700 PPPs⁸ being pushed forward at the sub-national level in Brazil. Still, it is worth stressing that according to those sources the number of both concessions and PPPs is increasing at a steady pace: municipalities and states launched 541 new projects in 2019.

Besides PPPs and UCOs, municipalities in Brazil have been resorting to a well-known resource in growth politics strategies at the sub-national level: tax abatements and tax exemptions. According to the 2015 census on Brazilian municipalities (MUNIC), in that year 18% and 24% cities had exempted business actors from paying, respectively, property taxes and taxes over services⁹. As it is widely known, whereas the effects of tax abatements on local economic growth remain open to dispute, their regressive consequences are certain. In his study on the growth regime in Cleveland, Swanstrom (1985) has spotted this overlooked effect of increased inequality produced by tax reductions or abatements: “[...] the essence of tax abatement is the classic trade-off between equality and growth: proponents call for a more regressive tax system, more inequality, to attract new investment. Taxes, they say, must be lowered on mobile wealth to promote growth. In the end, everyone is going to be better off” (p. 139). Swanstrom makes the point that, as regards US cities, the latter consequence does not stand up: firms locational decisions rely less on taxes and more on other factors such as market traits, labor force costs and raw materials availability. Taxes would only play a minor role in the firm locational decision.

Thus, we can single out that the neoliberal wave that has reached sub-national governments in Brazil and that has been turning municipalities more and more into growth machines, comes to surface in new pro-market regulatory tools such as PPPs and UCOs or in tax abatements and exemptions. Since those practices change the relative weight of state and market

⁷ The following estimates come from the Radar PPP consultancy agency and from a private communication with Fernando Vergalha.

⁸ According to the same sources, if those PPPs find themselves at different stages, the ones that have reached the final phase, that is, those that have been implemented, are in the minority.

⁹ Property tax (IPTU) and Tax over Services (ISS) are the two main municipalities’ taxes in Brazilian cities. Tax over services is levied on revenues received from the provision of certain services and intellectual property rights. It applies to almost all services provided by business or individuals. It is worth noting that in 86% of Brazilian municipalities revenues received from tax on services is greater than revenues that come from property tax (Afonso & Castro 2014).

forces, it is reasonable to test the hypothesis according to which left-oriented governments will, if not avoid it at all, at least slow down the pace of the regulatory pro-market urban tools.

5. PPPs, UCOs, Tax Abatements and Party Politics in Brazil

Since, as we have mentioned above, there is no aggregate data on the PPPs implemented at the state or municipal level in Brazil, we try to test that hypothesis, first, by means of a qualitative approach, selecting two states that were governed by a left party: Bahia and Piauí. It is worth reminding that the two states have truly been strongholds of the left, in particular of the labor party, for almost two decades: since 2002 until now the labor party has won in those states the five presidential elections that have been held in the country (2002, 2006, 2010, 2014 and 2018), with 2/3 of votes on average. Besides, whereas in Bahia the labor party leaders have been elected for four terms in a row, in Piauí two left-wing parties – Brazilian Socialist Party (*Partido Socialista Brasileiro* / PSB) and Labor Party (*Partido dos Trabalhadores* / PT) have been switching the state government control since 2002. Wellington Dias, a labor party leader and Piauí's current governor, is governing the state for the fourth time.

In the case of the State of Bahia, the "left effect" is clearly absent as regards a policy regulation – PPPs - that has been considered as a neoliberal governance tool *par excellence*. Quite the contrary, far from going against the new neoliberal regulation, Labor governments have been resorting to PPPs in areas (see Table 5) so diversified as health, infrastructure and sports facilities. It is worth stressing that in 2010 the labor government in Bahia set up the first hospital in the country that was the outcome of a PPP and that since then it has been working under this regulatory framework¹⁰.

Far from being an awkward or disguised policy orientation, the labor government in Bahia vaunts itself for being in the forefront of implementing the PPPs in the country, as the government website states: "Bahia became a national reference in PPPs after successful experiences such as the Salvador/Lauro de Freitas subway, Arena Fonte Nova stadium, two large hospitals (Subúrbio and Couto Maia) and diagnostic imaging tests centers. Other projects to be executed as PPPs are the Suburb LRV, Salvador-Itaparica Bridge and the expansion of Metro Line 1 in Salvador". It should be noted, finally, that besides carrying out those projects, the commitment of the Labor Party government with this new regulation seems to be far from ephemeral; in 2004 it has turned the establishment of PPPs into a permanent government policy orientation with the creation of an Executive Secretariat of Public-Private Partnerships.

¹⁰ As elsewhere, state control over health service has been a historical commitment of left-wing parties in Brazil.

Table 5: PPPs projects launched by Labor Party governors in the State of Bahia

PPP	Phase	Government authority	Party and governor responsible for the project	Year
Fonte Nova Stadium	In execution	State of Bahia Government	Labor Party (PT) Gov. Jacques Wagner	2010
Subúrbio Hospital	In execution	State of Bahia Government	Labor Party (PT) Gov. Jacques Wagner	2010
Salvador-Lauro de Freitas Metro	In execution	State of Bahia Government	Labor Party (PT) Gov. Jacques Wagner	2013
Couto Maia Hospital	In execution	State of Bahia Government	Labor Party (PT) Gov. Jacques Wagner	2013
Diagnostic imaging tests center	In execution	State of Bahia Government	Labor Party (PT) Rui Costa	2015
Suburb Ligth Rail Vehicle (LRV)	In execution	State of Bahia Government	Labor Party (PT) Rui Costa	2018/2019
Itaparica-Salvador Bridge	In execution	State of Bahia Government	Labor Party (PT) Rui Costa	2019
Urban Solid Waste Management	Under study	State of Bahia Government	Labor Party (PT) Rui Costa	2014

Source: Carvalho et al. (2019) and Bahia's government website.

A similar approach to PPPs is observed in the State of Piauí, which has been governed by left-wing parties, as we have noticed above, for almost two decades. The current governor, Wellington Dias, a labor party leader who is at his fourth term in control of the state executive, has openly been luring private investors to be partners, either through traditional concessions or through PPPs, in areas so diverse such as infrastructure, transport, education, renewable energy, tourism, sanitation and culture. As in Bahia, the PPP state legislation was enacted under a labor party administration, in 2005, and later on, in 2016, it was emboldened by a piece of legislation that set up a permanent bureaucratic body, the superintendence of partnerships and concessions (SUPAR) to be in charge of both concessions and PPPs in the state. The centrality of PPPs as a public policy can be measured by the fact that, according to a law enacted in 2016, the governor is due to head the bureaucratic agency in charge of concessions and private partnerships.

SUPAR and Piauí's governor boast of currently having a portfolio with more than 40 PPPs projects to be implemented. If all those projects were signed, that would mean \$2.2 billion of private investment in the state. As Table 6 shows, until now, however, only five concessions and

PPP projects are in execution. Regardless of this shy number, for our purpose it is worth highlighting that Piauí and Bahia share a common trait: despite being strongholds of a left-wing party and being governed locally by left-oriented parties, they both have openly been championing pro-market policies through PPPs and concessions in areas that included not only infrastructure projects, but also social services, such as health and education. Summing up, there is no “left effect” in those two states as far as PPPs are concerned – a conclusion that possibly applies to other Brazilian states and municipal governments.

Table 6: PPPs and Private concessions launched by Labor Party in the State of Piauí

Project	Phase	Government authority	Party and governor responsible for the project	Year
Bus terminals	In execution	State of Piauí Government	Labor Party (PT) Gov. Wellington Dias	2015
Food Supply Center	In execution	State of Piauí Government	Labor Party (PT) Gov. Wellington Dias	2017
Sanitation Network	In execution	State of Piauí Government	Labor Party (PT) Gov. Wellington Dias	2017
Multi-sport gym	In execution	State of Piauí Government	Labor Party (PT) Gov. Wellington Dias	2019

Source: Developed by the author from the government website.

Although we cannot fully evaluate the relation between party orientation and local governments’ commitment with PPPs as result of incomplete information on the aggregate number of PPPs being executed at municipal level, we are able to evaluate the correlation between political and sociodemographic variables with growth strategies that rely on the flexibilization of the land use legislation, through the establishment of urban consortium operations. According to the census on basic information about Brazilian municipalities (MUNIC), until that year there were, on the one hand, 1058 localities that had incorporated the UCO into their master plans and, on the other hand, 255 municipalities that had enacted a consortium by means of a specific piece of legislation. We tested next the hypothesis according to which left-oriented municipalities will be less leaned to flexibilize the land use legislation than center- or right-oriented municipalities. We also measured to what extent land use flexibilization is affected both by systemic political

variables, such as party fragmentation and polarization, and by sociodemographic variables, such as city size and municipal human development index.

As shown in Table 7, there is not a left effect on whether or not a municipality flexibilizes its land legislation. Furthermore, if systemic political variables as party polarization and fragmentation have no impact on this policy output, the same is not true as regards sociodemographic variables: the likelihood that most populated cities (those with more than 500 thousand inhabitants or having around 100 and 500 thousand inhabitants) will have an UCO is respectively 5.4 and 3.4 times greater than small cities, with population size below 10 thousand inhabitants. In the same vein, the odds ratio of localities with a high human development index that will flexibilize land use parameters is 1.4 greater than small municipalities.

Table 7 – Logistic regression: UCOs explained by political and sociodemographic variables.

	B	SE	Sig.	Exp(B)
Left	.028	.179	.873	1,029
Party Fragmentation	.169	.160	.288	1,185
Party Polarization	.052	.130	.691	1,053
HDI (Human Development Index)	.385	.311	.217	1,469
Population 1 (10 to 20 thousand)	.141	.191	.460	1,152
Population 2 (20 to 50 thousand)	.644	.185	.000	1,904
Population3 (50 to 100 thousand)	.737	.256	.004	2,090
Population 4 (100 to 500 thousand)	1,263	.255	.000	3,535
Population 5 (>500 thousand)	1,693	.477	.000	5,434
Constant	-3,773	.679	.000	.23

Sources: IBGE (2015) and TSE.

In the 2015 municipal census, local officers in the 5057 municipalities in Brazil were asked to what extent their localities had enacted laws either to promote economic activities or to curb those activities. In the former case, local officials were further asked whether their municipalities provided tax incentives to attract industries and other economic activities. According to the census results, in that year a total of 3436 (61.7%) municipalities in the country declared to have set in place some mechanism to lure investors to settle in their territories. A total of 1358 (24%) and 966

(17%) cities reported they had carried out, respectively, property tax exemption and property tax abatement to foster economic activity. Aiming at the same purpose, 996 (17.3%) cities declared to have carried out decreases in sales taxes (ISS). On the other hand, 1406 (25.2%) local officials reported their localities to have legal mechanisms to restrict growth. Given those data, we next tested the following hypothesis, contemplating both sociodemographic and political variables: in general, municipalities governed by left-wing parties will be less inclined to have in place growth incentives and, in particular, mechanisms like tax abatements and exemptions, independently from the sociodemographic traits of their localities. On the other hand, the next step was to also test the hypothesis according to which those municipalities would be more prone to have in place restrictive clauses against business.

As Table 8 shows, there is indeed a “left effect”, even though a weak one, on the probability that a municipality has in place a regulatory practice that hinders economic actors’ activities. According to the model, the odds of left-oriented municipality having some restriction on business activity is 30% greater than the odds of a center- and right-oriented locality having it. If in this case a political variable does affect policy output, it is worth pointing out that sociodemographic factors, such as population size and human development index, seem to have a greater stake on whether or not a municipality restricts economic activities. Indeed, the likelihood that most populated cities (those with more than 500 thousand inhabitants or having around 100 and 500 thousand inhabitants) will have any restrictive regulation against business is respectively 7 and 5 times greater than small cities, with population size below 10 thousand inhabitants. In the same vein, the odds ratio of localities with high human development index to restrict some business activities is 1.7 greater than small municipalities. If sociodemographic variables seem to account mainly for anti-growth clauses, with little room left to political variables, the same applies to local incentives to grow. In this case, as Table 8 shows, the coefficient related to the “left effect” not only has a positive signal that goes against our hypothesis, but also is not statistically significant. In addition, with the coefficient in the wrong direction, municipalities whose political system is fragmented are 15% less likely to pursue growth policies than those with less competitive political system. If political variables play a null or weak role as far as local growth policies are concerned, the same is not the case as regards sociodemographic variables: big cities are 3 times more likely to have put in place growth regulations than small cities. The odds ratio of municipalities with high human development index to resort to this sort of regulation is 2 times greater than smaller municipalities.

Table 8 – Logistic regression: Growth restrictions and incentives explained by political and sociodemographic variables

	Growth restrictions				Growth incentives			
	B	SE	Sig.	Exp(B)	B	SE	Sig.	Exp(B)
Left	.264	.090	.003	1,302	.162	.087	.062	1,176
Party Fragmentation	-.075	.075	.322	.928	-.186	.064	.004	.830
Party Polarization	-.077	.065	.241	.926	-.026	.058	.661	.975
HDI (human development Index)	.570	.068	.000	1,768	.870	.066	.000	2,386
Population 1 (10 to 20 thousand)	.399	.089	.000	1,491	.146	.072	.044	1,157
Population 2 (20 to 50 thousand)	.949	.091	.000	2,583	.639	.084	.000	1,894
Population3 (50 to 100 thousand)	1,214	.130	.000	3,367	1,363	.156	.000	3,907
Population 4 (100 to 500 thousand)	1,649	.149	.000	5,200	1,377	.195	.000	3,962
Population 5 (>500 thousand)	1,947	.362	.000	7,007	1,111	.487	.023	3,039
Constant	-1,760	.075	.000	.172	.021	.061	.724	1,022

Sources: IBGE (2015), TSE and UNDP.

As we stated above, Brazilian municipalities, in order to entice business actors to settle in their territories, can lower the two main local taxes, that is, municipal property tax and municipal sales tax. Since the decrease of those taxes has a regressive impact on the population, we can expect that left-wing oriented municipalities will be less prone to resort to tax abatements as way to foster economic growth, that is, we can expect to observe a “left effect” as regards this policy outcome. As Table 9 shows us, that is not the case: political variables have no effect on the likelihood a city has to carry out tax abatements in order to foster the local economy. This policy outcome is related to sociodemographic variables such as city size and the level of the human development index. As far as property tax abatement is concerned, whereas the odds ratio of the largest cities cutting down this tax as a way to boost economic activity is 3 times bigger than a small city doing the same, municipalities endowed with high human development index are 2 times more likely to reduce property tax than municipalities with low HDI. The same pattern is observed as far as sales abatement is concerned. As Table 9 shows, bigger cities are more likely to cut sales taxes in order to boost local economic activity than smaller cities: the odds ratio of a municipality with more than 500 thousand inhabitants reducing its sale tax is 4 times greater than a municipality with a population lesser than 10 thousand people. Again, the odds ratio of localities with high human development indexes cutting sales is 33% greater than localities with low human development index.

Table 9 – Logistic regression: Property and Sales tax abatement explained by political and sociodemographic variables.

	Property tax abatement				Sales tax abatement			
	B	SE	Sig.	Exp(B)	B	SE	Sig.	Exp(B)
Left	-.003	.103	.975	.997	-.026	.108	.813	.975
Party Fragmentation	.133	.086	.123	1,142	-.036	.092	.696	.965
Party Polarization	.126	.074	.089	1,134	.081	.078	.303	1,084
HDI (Human Development Index)	.732	.076	.000	2,079	.285	.080	.000	1,330
Population 1 (10 to 20 thousand)	.368	.102	.000	1,445	.226	.111	.042	1,253
Population 2 (20 to 50 thousand)	.520	.104	.000	1,682	.578	.111	.000	1,782
Population3 (50 to 100 thousand)	1,112	.145	.000	3,040	.845	.148	.000	2,328
Population 4 (100 to 500 thousand)	1,211	.168	.000	3,356	1,353	.166	.000	3,869
Population 5 (>500 thousand)	1,027	.385	.008	2,792	1,397	.372	.000	4,044
Constant	-1,287	.087	.000	.276	-1,414	.092	.000	.243

Sources: IBGE (2015), TSE and UNDP.

Summing up all those tests above, we may conclude that the new regulatory tools associated with what has been named the neoliberal city, such as PPPs, UCOs and tax abatements seem to have no party or ideological imprint at the local level. As regards the spread of this new regulatory framework, there is no sign of a “left effect” at work, slowing down the new entrepreneurial drive of municipalities in Brazil. If city size may be interpreted as a proxy of modernization, we may state that the pathway towards modernization has been pursued, in Brazil, at the local level, in line with Peterson’s (1981) predication about the fate of the American cities: localities must grow or die. And in order to grow, they must be set free of any political noise and lure private economic actors through regressive policies and flexible regulations as regards the land use.

6. Local Welfare and Party Politics

Even though Brazilian municipalities seem to be resorting to market flexibilization tools, irrespective of the chief’s executive partisan and ideological orientation, it is worth investigating to what extent ideology still matters as regards welfare outputs. It is reasonable to expect that,

despite friendly attitude towards growth strategies and the private sector, left-winged governments would display greater attention and have a better performance in social areas like health and education. In order to measure the partisan effect over social policy results at the municipal level, we should be attentive, however, to the fact that within the centralized framework of Brazilian federalism, municipalities are constitutionally obliged to earmark 25% and 15% of their income to education and health, respectively. Indeed, as municipalities in Brazil rely heavily on federal transfers and have their budgets committed to mandatory spending, for some analysts there would be scarce political room for variation between municipalities regarding spending priorities (Arretche, 2012).

In order to circumvent this analytical obstacle, we can either pursue Newton and Sharpe's (1984) path of desegregating expenditure items and analyzing their variation according to party lines or to evaluate policy outcomes according to local ideological orientation. Following the latter option, we singled out two redistributive areas – health and education –, evaluating how the 5057 Brazilian municipalities performed in those areas over a 10-year period, more exactly, from 2005 to 2015. We tested the hypothesis according to which in the municipalities where left-wing parties governed for a minimum of two terms or eight years, the relative improvement in health and education indicators over that period will be higher than that observed in center- or right-oriented municipalities.

As Table 10 shows us, sociodemographic variables seem to account for most of the improvement observed in Brazilian municipalities in the education and health indexes¹¹. It is worth noting that in both policy areas there is no presence of the left-wing effect mentioned in the literature addressed to policy outcomes: Brazilian municipalities controlled by the left-wing parties did not perform better in health and education than those municipalities controlled by center- and or right-wing parties during the period of time from 2005 to 2015. Except for the positive effect party fractionalization had on health performance, political systemic variables had also no impact on the evolution pattern of those two policy areas.

¹¹ We have used Firjan's indexes of health and education development.

Table 10 – Logistic regression: education and health performance explained by political and sociodemographic variables.

	Education Performance				Health Performance			
	B	SE	Sig.	Exp(B)	B	SE	Sig.	Exp(B)
Left	-.116	.099	.239	.890	.038	.098	.693	1,039
Party Fragmentation	-.133	.073	.068	.875	-.438	.073	.000	.645
Party Polarization	.032	.067	.638	1,032	-.065	.067	.326	.937
HDI (Human Development Index)	-3,132	.128	.000	.044	-2,805	.113	.000	.061
Gini Index	.698	.071	.000	2,010	.807	.070	.000	2,242
Population 1 (10 to 20 thousand)	-1,148	.504	.023	.317	.401	.083	.000	1,494
Population 2 (20 to 50 thousand)	-.900	.503	.074	.407	.702	.097	.000	2,019
Population3 (50 to 100 thousand)	-.746	.502	.138	.474	.539	.155	.001	1,715
Population 4 (100 to 500 thousand)	-.822	.514	.110	.439	.022	.223	.922	1,022
Population 5 (>500 thousand)	-1,441	.539	.007	.237	-18,273	6562,925	.998	.000
Constant	.824	.511	.107	2,281	-.371	.073	.000	.690

Sources: FIRJAN, TSE and UNDP.

Broadly speaking and in tune with the sociodemographic approach of the early studies on policy outcomes, the improvement in the health and education indexes in Brazilian municipalities were more felt in those localities where the socioeconomic conditions had more room for improvement: the smaller, poorer and more unequal localities. In fact, the odds of municipalities with a low HDI having reached a development index above the national average in health and education in 2015 were respectively 94% and 96% greater than municipalities endowed with a high HDI. By the same token, the odds ratio of more socially unequal cities having surpassed the national average index of health and education development in 2015 was 2 times greater than that of more equal cities. Finally, this time, big cities have no effect or negative impact on the likelihood of a municipality performing better in health and education. On the one hand, as regards municipal development in education, the odds ratio of the biggest cities in Brazil (those with population above the threshold of 500 thousand inhabitants) scoring an education development index above the national average in 2015 is 76% lesser than the small cities, with population below 10 thousand inhabitants. The same pattern of a negative relationship between city size and education performance applies to all population ranges, except for the reference range, that is, to those cities that have population no greater than 10 thousand inhabitants. In a word, the size factor plays out here in the opposite direction forecasted by modernization theorists: education performance indicators have mostly improved in smaller cities. As Table 10 shows, the same pattern applies to health performance in Brazilian municipalities. Big cities, those

with population size above 100 thousand inhabitants, are not less likely to have undergone more progress in the health sector than small cities. Quite the contrary: small cities that range from 10 thousand to 50 thousand inhabitants have performed better than the reference category, that is, cities with population lower than 10 thousand people. The odds ratio of those municipalities with population size between 20 and 50 thousand inhabitants having outperformed the national average index of health development in 2015 is 2 times greater the one of cities with population lesser than 10 thousand people.

7. Conclusion

Building upon the research on party (Figueiredo and Limongi, 1999; Krause, Dantas and Miguel, 2010) and voter's behavior (Singer, 2000) that has identified in Brazil the presence of a clear left-right dimension framing the voting patterns of national political parties and electoral coalitions, on the one hand, and voter's party choice, on the other hand, we mapped the ideological orientation of Brazilian municipalities over a 16-year time period (2000-2016), taking into account the mayors' party and ideological affiliation. Despite having followed a different methodological path from the one used by Power and Rodrigues-Silveira (2019), who have also built an ideological map of Brazilian localities, though, from the voter's perspective, we arrived at a similar conclusion: Brazilian municipalities, even during Lula's and Dilma Rousseff's tenures as presidents, have clearly leaned towards the right.

Whereas in Power and Rodrigues-Silveira (2019), party ideology variation at the municipal level stands as the dependent variable to be explained, both by political and socioeconomic factors, in our research it is the main independent variable to explain local policy outcomes. More precisely, we have tried to measure to what extent local party orientation amounted to a factor that could either speed up or slow down, in the field of urban politics, the neoliberalization process that has reached Brazilian municipalities in the last two decades. As we know from Brenner, neoliberalization is far distant from being a linear process; it is a context sensitive process, impacted by variables as political institutions and market conditions. As Kantor and Savitch (2002) have also pointed out, cities are embedded in different bargaining contexts that can lead urban development either towards a social-centered developmental model or towards a market-centered growth path.

Following this intuition and treading the path of traditional output analysis, we verified whether political variables, especially local political and ideological orientation, did affect the extent to which municipalities have been resorting to the new regulatory tools that underpin the new urban entrepreneurialism, such as PPPs, UCOs and tax abatements. In line with those output studies that dismissed any major impact of political parties' ideological orientation on patterns of public spending, the current research did not find any relation between the ideological orientation of Brazilian municipalities and market flexibilization. In a word, there was neither a left nor a right effect on the extent localities resort to new regulatory framework attributed to the neoliberal city. Whereas political variables did not play any role on the content of urban decisions we analyzed,

sociodemographic variables did play: in Brazil, the larger the cities the more likely they are to resort to market flexibilization tools like PPPs and UCOs and to tax abatements. If city size works as a proxy for modernization, we may assume that Brazilian cities, no matter their political orientation, have been following a growth or modernization path by enticing the private sector through market flexibilization in line with Peterson's (1981) perspective.

If politics does not matter regarding urban regulatory outcomes embodied in PPPs, UCOs and in tax abatements, that is, in growth-oriented policies by means of market flexibilization, we tested the hypothesis according to which locally politics could still matter in classical redistributive areas like health and education. We expected that left-leaning municipalities would outperform center and right-oriented municipalities in these two redistributive policies. Analyzing the performance indicators of Brazilian municipalities in health and education over a 15-year period, from 2000 to 2015, we did not find, again, any political variable affecting that performance; there was not a "left-wing" effect behind the municipalities that showed the best relative performance either in health or in education. Again, sociodemographic factors played a major impact on the variation: the best performance in health and education occurred precisely in those municipalities where there was more room for improvement: the poorer, smaller and more socially unequal municipalities.

Even if we must concede that both as regards urban and social policy outcomes, sociodemographic variables outperform by far political variables as explanatory factors, some remarks must be made on this general result. First, as the early output studies realized that political effect over spending was marginal and could only be grasped through spending disaggregation, we can guess that, while not refining PPPs and UCOs clauses, we may be missing the political effect over these regulatory tools. Since both PPPs and UCOs can imply concessions to private agents at various degrees, it is reasonable to expect that political effects will be felt only at the extremes. Second, it is worth stressing that, although neoliberalization process was already under way at the municipal level in the time period between 2000 and 2015, it has steeped in the last few years. It is not unreasonable to expect that further research, with the dissemination of PPPs and UCOs at the local level, may be able to identify a political-ideological dimension related to those regulations. Finally, even if as a result of the neoliberalization process the framework of Brazilian federalism is bound to change in the near future towards a more competitive dynamic between municipalities and more productive drive on the part of sub-national entities, nowadays our federalism is still redistributive, where the municipalities' main attribution is to deliver social services like education and health. That could explain why could not find any political or ideological dimension behind the municipalities' different performance in health and education.

References

- Afonso, José Roberto and Castro, Kleber P. 2014. A dificuldade para financiamento municipal via imposto sobre propriedade urbana no Brasil. In: *Jornadas Ibero-Americanas de financiamento local*, III. São Paulo: Fundação Instituto Fernando Henrique Cardoso: p.1-20.
- Arretche, Marta. 2012. *Democracia, Federalismo e Centralização no Brasil*. Rio de Janeiro. Editora FGV/ Editora Fiocruz.
- Blais, Andre, Blake, Donald and Dion, Stephan. 1993. Do Parties Make a Difference? Parties and the Size of Government in Liberal Democracies. *American Journal of Political Science* 37: p. 40-62.
- Brenner, Neil, Peck, Jamie and Theodore, Nik. 2012. Após a neoliberalização? *Cadernos Metrópole*. São Paulo, v. 14, n.º. 27: p.15-39.
- Carvalho, Ináia et al. 2019. Relatório preliminar TR Regimes Urbanos. Observatório das Metrópoles. Salvador. Mimeo.
- Connolly, Jennifer M. and Mason, Dyana P. 2016. Ideology and Local Public Expenditure Priorities. *Political Research Quarterly*, Vol. 69, N.º. 4: p. 830-841.
- Dalton, Russel J. 2008. The Quantity and the Quality of Party Systems: Party System Polarization, Its Measurement, and Its Consequences. *Comparative Politics Studies*, Volume 41 Issue 7: p. 899-920.
- Elkin, Steven L. 1987. *City and Regime in the American Republic*. Chicago: Chicago University Press.
- Dahl, Robert. 1989. *Democracy and its Critics*. New Haven: Yale University Press.
- Downs, Anthony. 1957. *An Economic Theory of Democracy*. New York: Harper& Row.
- Figueiredo, Argelina and Limongi, Fernando.1999. *Executivo e Legislativo na Nova Ordem Constitucional*. Rio de Janeiro: Fundação Getúlio Vargas Editora.
- Firjan. 2018. Índice Firjan de Desenvolvimento Municipal. Rio de Janeiro: Firjan.
- Harding, Alan. 1994. Urban regimes and growth machines toward a cross-national research agenda. *Urban Affairs Quarterly* 29 (3): p. 356-382.
- Hoggart, Keith.1987. Does Politics Matter? Redistributive Policies in English Cities 1949-74. *British Journal of Political Science*, Vol. 17, N. 3: p. 359-371.
- Harvey, David.1989. From Managerialism to Entrepreneurialism: The Transformation in Urban Governance in Late Capitalism. *Geografiska Annaler. Series B, Human Geography* Vol. 71, No. 1.
- Huber, John and Inglehart, Ronald.1995. Expert interpretations of Party Space and Party Locations in 42 societies. *Party Politics*, Volume: 1, issue: 1: p. 73-111.
- IBGE. 2015. Munic. *Perfil de Informações Básicas Municipais*.

- Krause, Silvana, Dantas, Humberto, Miguel, Luis Felipe. 2010. *Coligações Partidárias na Nova Democracia Brasileira*, São Paulo: Editora Unesp.
- Lipset, Seymour Martin. 1960. *Political Man: The Social Basis of Politics*. New York: Doubleday.
- Logan, John R. and Molotch, Harvey L. 1987. *Urban fortunes: The political economy of place*. Berkeley: University of California Press.
- Longoria Jr., Thomas. 1994. "Empirical Analysis of the City Limits typology", *Urban Affairs Quarterly*, Volume: 30 issue: 1, page(s): p. 102-113.
- Madeira, Rafael and Tarouco, Gabriela. 2011. Esquerda e direita no Brasil: uma análise conceitual. *Repocs*, v. 8, n. 15: p. 171-186.
- Mainwaring, Scott and Torcal, Mariano. 2005. Teoria e institucionalização dos sistemas partidários após a terceira onda de democratização. *Opinião Pública*, 11 (2): p. 249-286.
- Miguel, Luis Felipe and Machado, Carlos. 2010. De partido de esquerda a partido de governo. O PT e suas coligações para prefeito (2000 a 2008). In S. Krause, H. Dantas and L. F. Miguel (Eds.), *Coligações Partidárias na Nova Democracia Brasileira*, São Paulo: Editora Unesp.
- Molotch, Harvey. 1976. The City as a Growth Machine: Toward a Political Economy of Place. *American Journal of Sociology* Vol. 82, No. 2: p. 309-332.
- Oliver, J. Eric. 2012. *Local Elections and the Politics of Small-Scale Democracy*, Princeton: Princeton University Press.
- De Paula, Paula. 2017. O Instrumento Operação Urbana Consorciada como agente de desurbanidade: o caso da Lagoa do Papicu. São Paulo, XVII ENANPUR.
- Peck, Jamie and Theodore, Nik. 2015. *Fast Policy – Experimental Statecraft at the Thresholds of Neoliberalism*. Minneapolis, University of Minnesota Press.
- Peterson, Paul E. 1981. *City Limits*. Chicago: University of Chicago Press.
- Power, Timothy J. and Rodrigues-Silveira, Rodrigo. 2019. Mapping Ideological Preferences in Brazilian Elections, 1994-2018: A Municipal-Level Study. *Brazilian Political Science Review*. [online]., vol.13, n.1, e0001.
- Power, Timothy J.; Rodrigues-Silveira, Rodrigo. 2019. Municipal Ideological Score, <https://doi.org/10.7910/DVN/8USPML>, Harvard Dataverse, V2.
- Putnam, Robert. 1993. *Making Democracy Work*. Princeton: Princeton University Press.
- Power, Timothy J. and Zucco, Cesar. 2009. Estimating ideology of Brazilian Legislative parties, 1990 - 2005: a research communication. *Latin American Research Review*, vol. 44, nº 1: p. 218-246.
- Saiz, Martin. 1999. Mayoral Perceptions of Developmental and Redistributive Policies: a cross-national perspective. *Urban Affairs Review*, Volume: 34 issue: 6: p. 820-842

Sharpe, Laurence J., and Kenneth Newton. 1984. *Does Politics Matter: The Determinants of Public Policy*. Oxford: Clarendon Press.

Singer, André. 2000. *Esquerda e direita no eleitorado brasileiro: a identificação ideológica nas disputas presidenciais de 1989 e 1994*. São Paulo: Editora Edusp.

Soares, Gláucio Ary Dillon. 1973. *Sociedade e Política no Brasil*. São Paulo: Editora Difel.

Stone, Clarence N. 2008. Urban Regimes and the Capacity to Govern: a political economy approach. In M. Orr and V.C. Johnson (eds.), *Power in the City: Clarence Stone and the politics of inequality*. Kansas: University of Press of Kansas, p. 77-107.

Stone, Clarence N. (1989) *Regime Politics: Governing Atlanta 1946-1988*. Lawrence: University Press of Kansas.

Swanstrom, Todd. 1985. *The Crisis of Growth Politics: Cleveland, Kucinich, and the Challenge of Urban Populism*. Philadelphia: Temple University Press.

Tiebout, Charles. 1956. A Pure Theory of Local Expenditures. *Journal of Political Economy*, 64:416-24.

Vanhanem, Tatu. 1997. *Prospects of Democracy: a study of 172 countries*. London: Routledge