

Does politics still matter? neoliberalization processes, party government and new patterns of urban politics in Brazilian local governments.

NELSON ROJAS DE CARVALHO

Abstract:

As the neoliberalisation 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 PPPs and Urban Consortium Operations (UOCS) – as a means to promote local growth. As this process has unfolded, one question should be tackled: have growth policies in Brazil and elsewhere in Latin America been pursued to the detriment of redistributive policies - in line with Peterson's (1981) hypothesis-, no matter voters' and elected mayors' ideological positions? We test Peterson's hypothesis to Brazilian 5570 municipalities correlating first local growth policies with both voter's ideology and executive officer's party affiliation. We then through multivariate and longitudinal analysis correlate growth policies, on the hand, and redistributive policies, on the other, with both local political data and sociodemographic data, such as city size, HDI (Human development index), municipal GDP and local state capacity. The study preliminary findings show that growth strategies that rely on new regulatory tools such as PPPs and UOCS have been carried out both in left-leaning and right-leaning municipalities and states; whereas ideology does not seem to impact growth strategies, sociodemographic factors, such as city size and GDP, do affect growth policy directions. We then analyze the variation in the result of welfare policies among Brazilian municipalities. Again the ideological factor plays a minor impact on this variation. If the left-right dimension bears little relation with policy outcomes, we found that systemic variables, such as political fragmentation and polarization do have a role in the direction of welfare policies.

Introduction

In the field of policy output analysis, early studies were overwhelmingly dominated by the disciplines of economics and sociology; political science was a later comer in the field. Despite the vast literature on party organization, party systems and party legislative behavior, there has been clear neglect in the research that relates parties and public policy. As Heclo has remarked,

“the effects of parties on policy-making is probably the most poorly investigated topic in the vast literature of political parties’ (p.12) 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 socio-economic 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 and roads. Poorer communities by their turn 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. Fried summarized the findings of almost four dozen such studies covering twelve countries in the following terms:

“Political variables have relatively less direct independent impact than socioeconomic variables. In many, perhaps most cases some socio-economic variable has been more useful in explaining the variance in outputs than any political variable. Somehow the nature of these findings is that most forms of political activity are either futile or marginal, whether it be organizing to occupy office or organizing those who occupy office. The socio-economic constraints are such, it would appear, that it makes no difference for urban policy who controls local urban government, what their values are, how many people turn out to vote, what policies the community at large or activists prefer or how the community is organized for government purposes” (p.11)

In the same vein, Blais, Blake and Dion (1993) stress the marginal role played by political variables in output analysis: “A quarter of a century ago, Dye (1966) concluded that policy variations in the United States ought to be attributed essentially to economic factors, political variables proving to be largely uninfluential....ten years later Wilenski’s (1975) in a study of the welfare state came to a similar conclusion: the root cause of the level of welfare expenditure in a country is economic growth and the mechanism that translates economic change into public policy is demographic rather than political. (p. 40) As Sharpe and Newton (1984) points out, despite its influence, the demographic approach lacks any theory of linkages which explicates

the relationships between policy outputs and characteristics of the environment ...in general it seems fair to say that the demographic-approach studies have been prone to the sins of barefoot empiricism” (p. 69)

Besides the demographical approach, one should single out two other approaches that 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 (Tiebout, 1956; Peterson 1981) and regime analyses (Elkin, 1987; Stone, 1988). As a public-choice oriented model, Tiebout’s model suggests that cities, acting like firms, offer a bundle of services, taxes and public goods to citizens who, voting with their feet, will pick up the municipality that offers the mix of services and levels of taxation that best fits their individual’s preferences. Following, on the one hand, the framework laid out by Tiebout on the unitary model of local taxation and expenditure and, on the other hand, Lowi’s policy typology, Peterson (1981) states that cities face 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 firm’s benefit/tax ratio, cities are bound to pursue developmental policies and to avoid redistributive ones. It is worth noting that the city’s unitary model shared both by the Tiebout and Peterson not only put aside city’s politics but also its demographic traits: no matter the localities political and demographic orientation they are prey of a single policy orientation, that is, to pursue growth strategies in order to strengthen their fiscal base.

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, the pluralist political cherished political variables like political parties, voters’ ideology and elections play, to say the least, a secondary role in regime analysis. In the words of Stone (2008, p.83) “If holding public office were sufficient warrant to govern, then elections would be centrally important. The important question would be how voters are influenced and elections won. In regime theory, these are not trivial questions, but **they are not the central questions** (emphasis added)”. Warning that quite often winning

electoral coalition is not the governing coalition, Stone and regime analysts are mainly concerned with those informal processes that bring coalition players together and that, for obvious reasons, bypass parties and other formal institutions.

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

As Sharpe and Newton (1984) underline, in the post-war period only when the output studies crossed the Atlantic and landed in Britain parties and ideology were taken into account as variables capable of having impact on the levels and patterns of public expenditure: "In Britain there have been a dozen or so such studies of local government outputs and in terms of how far they reveal a party effect, results have been mixed. But there has been a clear majority of studies suggesting that party color does have an effect"(p. 10) In their pioneer research, Sharpe and Newton (1984) make two important methodological caveats regarding the impact of parties on policy outputs: a) the size of the majority party is a lesser important variable than the length of time a party stays in office (since some policies are implemented only the medium or long run, the longer the party remains in power, the more likely it is to implement its policy agenda); b) while analyzing the party impact on the size and pattern of expenditures, in order not to fall into the trap of incrementalism, it is necessary to disaggregate the whole service expenditures (the ideological and party effect is going to be more pronounced in the smaller expenditure items, since those items are less subject to inertia and are, thus, more easily changeable).

From Newton and Sharpe's (1984) inaugural research until now, whereas a larger number of political scientists everywhere have made inroads into the research field on the relation between party politics and policy outputs, there is not yet a clear-cut answer about the strength and direction of this relationship. Following both a cross-section analysis, comparing 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) ratified the so-called "left party effect" thesis: except for four observations out thirty-eight, 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 (pp. 192-195).

In the opposite direction of Sharpe’s and Newton’s findings, Hoggart (1987), through a longitudinal analysis covering twenty-five fiscal years, fifteen policy categories and fifty-seven county boroughs in Britain, 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. In Hoggart’s words, “...when Labor and conservative authorities were compared across all fifteen outputs, no significant “b” coefficient differences were obtained for 40 percent of categories. For a further 40 percent, Conservative cities recorded the faster growth rates. This meant that labor control was associated with higher growth rates for only 20 percent of the categories (p. 366)”. 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 role party impact 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). It is worth recalling here that, if it is true that Sharpe and Newton and Hoggart’s findings stand in opposed positions as regards the degree of party impact on policy outputs, they both converge on the conclusion that a systemic variable - the degree of party competition - do have an effect on the variation of social expenditure: the more competitive a party system is, the more parties will be bound to spend in the same direction, in a Downsian competition for the median voter.

In a more recent study¹ (1993), Blais, Blake and Dion compare 15 countries over a period of 28 years and test 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 single out a precondition for party impact that was raised in previous studies, that is, that a party should stay a reasonable time in power until this impact is felt: “All this suggests that we pay attention to how much time a government of a given ideological orientation has been in power. We should expect party differences to emerge only for those governments that stay in power for a certain period of time ... as predicted, parties matter only for unchanging (majority) government whose party composition has remained basically the same over the previous five years ...a majority government entirely controlled by the left over a period of six years spends 1.4 (.72 x 2) more percentage points than its counterpart from the right, a relative difference of 4% (p. 57). If Blais, Blake and Dion (1993) find a party effect on the level of public spending in the 15 countries they analyzed, the impact is less spectacular than the pluralists would have expected. As the authors state 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 or ideological affiliation and *attitudes* towards policy and spending priorities repeat the same pattern of contradicting results. In “Ideology and Local Public Expenditure Priorities” (2016), Connolly and Mason carry out a research in California municipalities on the independent effect voter’s and local official’s ideology² have on the propensity 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) find that both voter’s and representatives’ ideology affect the propensity elected officials have to change welfare budget. The research findings support

¹ 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.

² Voter’s ideology variable is measured subtraction 1 from the proportion of the electorate that voted for Obama in 2008. Elected officials variable, by its turn, was built from a survey answered by mayors, city-council members in California municipalities in 2011.

their two main hypothesis, according to which a) the more liberal a municipality's voters, the more likely their elected representative are to oppose cutting welfare spending over other services increase; b) the more liberal the representative's ideology is, the more likely he or she is to oppose cutting welfare spending over other services increase. Connonly and Mason research deserves the credit for proving that the representatives' ideology affects his attitude towards welfare spending regardless both the municipality's demographic variables and voter's ideology. As the authors state, the latter finding is the main novelty brought about by the research: "the results of our analysis suggest a local elected official's own ideology is associated with his or her attitude toward expenditure reductions, even when controlling for citizen ideology and the economic conditions of the city. Although citizen ideology is also a significant factor in expected ways, the important finding of this study is that local elected officials' own ideological leanings are independent factors in their attitudes toward resource allocation to various public services categories (p. 69)".

Also resorting to attitudinal data, Longoria (1994) and Saiz (1999) explores representative's attitudes toward spending patterns and arrive at conclusions that go against Connonly and Mason's research results. Testing the empirical validity of Peterson's *City Limits* theses, Langoria correctly stress that Peterson's models lays in two basic assumptions: a) political actors should be able locate policies in three different categories (developmental, allocational and redistributive); b) decision-makers should prioritize developmental, over allocational and, mainly, redistributive policies. In Langoria's word, "The validity of Peterson's argument is dependent on the assumptions that local government decision makers can categorize public policies and that these categorizations are influenced by selection pressures that force policy makers to prefer developmental rather than redistributive policies (p. 103). Using survey data from the FAUI project of US mayors' spending preferences and resorting to factor analysis, Langoria verify that in US mayors not only categorize spending items according to Peterson policy typology (developmental, allocational and redistributive), but also that they prioritize developmental over redistributive policies. Aiming also at testing empirically Peterson's theses, Saiz carry out a comparative study of 8 countries – United States, Canada, France, Finland, Japan Norway, Australia and Israel - and verify to what extent mayors in those countries order spending

items according with Peterson's typology, on the one hand, and prioritize developmental over redistributive policies. Despite the considerable cultural, political and institutional differences between municipalities in the countries analyzed by Saiz (1999), he identifies a surprising homogeneity among mayor's attitudes towards spending priorities: "With regard to the United States, this article's empirical findings are straightforward. I confirm Londoria's (1994) finding that U. S. mayors categorize and order their spending preferences according to Peterson's (1981) developmental, allocative and redistributive types. 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.... with reference to the structure of policy preferences, the mayors in six of eight countries preferred to spend more on developmental than redistributive policy" (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 behavioural 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 give a step further on this line of research measuring the weigh both of demographic and political variables in Brazilian municipalities' urban policy outputs 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. Whereas in the 1990s Brazil had many of those practices put into place mainly at national level, in the last two decades the neoliberal process has moved downwards, in the direction of cities and city-regions. Following this shift downwards, the academic research has started to resort to concepts and theoretical frameworks born in American urban soil – such as urban entrepreneurialism, growth machines and urban regimes – to interpret Brazilian new urbanism. 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 and deregulation, while “left” is associated with a desire to slow change down or stop it altogether: thus, from being an advocate of change in this domain, the left has become, to a large extent, the champion of the status quo. The traditional terminology persists throughout most of the world, but beneath it there has been a profound change in what is at stake”(p. 85).

The paper is divided into three sections. In the first section, we provide an ideological map of Brazilian 5570 municipalities taking into account 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 eleven years, testing the hypothesis that left-oriented municipalities perform better in welfare policies than right-oriented localities.

LEFT AND RIGHT IN BRAZILIAN MUNICIPALITIES

The purpose of this section is to build up a map of the Brazilian municipalities' ideological orientation, assuming that the localities ideological leaning, more or less to 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 build this map from the results of 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 political parties' behaviour mainly at national level and inside congress (Zucco e Power, 2009, Tarouco e Madeira, 2013). Despite treading different methodological paths, these authors converge on a same conclusion: at national level, parties organize according to an ideological continuum that makes their policy decisions extremely predictable. Such a conclusion, it is worth stressing, goes against the perspective (Mainwaring and Torcal, 2005) that in third wave democracies, like Brazil's, parties are poorly institutionalized and for that reason devoid of any ideological content.

If at national level Brazilian political parties ideological position translates into predictable policy outcomes, one cannot assume that necessarily the same applies to subnational governments. On the one hand, as stressed by many authors (Putnam,1993; Peterson,1981; Oliver, 2012) party color would tend to fade way and ideological divisions would tend to blur the more one moves downwards and the smaller the political authorities. Besides, as far as Brazilian subnational 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 socio-demographic and political variables, trying to assess the distinct impact of each variable on the ideological orientation of Brazilian municipalities.

Table 1 – Ideological position of Brazilian municipalities

	2000	2004	2008	2012	2016
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Left	798 (14,3%)	1315 (23,6%)	1528 (27,4%)	1727 (31%)	1372 (24,6%)
Center	2240 (40,2%)	1966 (35,3%)	1999 (35,9%)	1716 (30,8%)	1876 (33,7%)
Right	2464 (44,3%)	2287 (41,1%)	2041 (36,7%)	2123 (38,1%)	2320 (41,7%)
total	55688	55688	55688	55688	55688

source: author

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 at local level there has been a clear hegemony of center-right parties: those parties have been in control of approximately 70% of Brazilian local governments since the year 2000. Such a conclusion converges with 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 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, 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 policy-making and policy implementation amount to an incremental and cumulative process, a party may change a policy direction provided it stays some time in government. While analyzing the relation between parties and patterns of public spending in UK, Hoggart (1987) operationalizes the party variable and the longitudinal perspective in the following way: "Labour councils were those in which the labour party held 50 percent or more of council positions for at

least twenty of the twenty-five study years. Conservative authorities had conservative councilors in at least 50 percent of council seats for twenty years or more...the twenty-year cut-off was used because five years was believed to be too short a time period for major revisions in policy direction when another party had controlled policy orientations for twenty years” (p. 364)

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 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 label 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 the moment we introduce the temporal 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 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	1172	21,1
Center	514	9,2
Predominantly rightward	809	14,5
Rightward	591	10,6

No ideological consistency	1697	30,5
total	5568	100,0

Source: by author.

Given that distribution of municipalities along the left-right axis, we now try 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 a societies endowed with certain traits of *modernization*. According to the modernization perspective, socio-demographic variables were expected to play a leading role in determining the political process dynamic; it was believed, for instance, that the more developed and larger cities would feature as 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 city size population - a socio-demographic variable that stands as a proxy for modernization-, is strongly correlated with the variation in local governments ideological orientations. Whereas in municipalities with population size above 500.000 left parties are in charge of around 40% local governments, in the smaller municipalities this figure drops to 11%. The pattern is the opposite as far as right-wing parties is concerned: whereas they are in control of almost 30% of the smaller municipalities this number drops do 6,7% in the biggest cities.

Table 03 - Brazilian municipalities ideological orientation according to population size

Population \ Ideological orientation	< 10000	10000 to 20000	20000 to 50000	50000 to 100000	100000 to 500000	> 500000	Total
Left	123 4,7 %	75 5,4 %	71 7,4 %	24 8,0 %	33 17,2 %	10 33,3 %	336 6,1 %
Predominant. Left	186 7,1 %	113 8,2 %	75 7,8 %	32 10,6 %	31 16,1 %	2 6,7 %	439 8,0 %
Predominant. Center	563 21,4 %	307 22,2 %	179 18,6 %	64 21,3 %	37 19,3 %	7 23,3 %	1157 21,0 %
Center	291 11,0 %	88 6,4 %	73 7,6 %	38 12,6 %	16 8,3 %	1 3,3 %	507 9,2 %
Predominant. 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 %	1682 30,6 %
Total	2636 100,0 %	1380 100,0 %	964 100,0 %	301 100,0 %	192 100,0 %	30 100,0 %	5503 100,0 %

Source: by author

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

As the table 4 shows, even in a multivariate model, the demographic variable related do city size remains a relevant predictor of the likelihood a given municipality is going to be controlled 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 are respectively 5,06 and 3,56 times more likely to have a left-

oriented mayor than cities with population smaller than 10.000 people. 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. Also, 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 socio-demographic 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

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 national level. Then, municipalities were not targeted by this new regulatory framework and kept their place inside the Brazilian federal structure, where 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 national level³.

It is not unfair to state that, even if at slow and uneven pace, Brazilian federalism has been moving from a redistributive to what Harding (1994) calls 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 for the first-time concepts such as "urban entrepreneurialism" (Harvey, 1989) and "growth machine" (Molotch, 1976) were used by research groups to grasp the new rationale of urban process in Brazil. Alongside with the new academic concepts and concerns, there has been at local level 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 the words of Harvey, 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

³ Federal grants are earmarked to social spending items: municipalities in Brazil by law must spend at least 50% of their budget in health and education.

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: Public Private Partnerships (PPPs) and Urban Operation Consortia (UOC). As it is defined in law, a 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 it flexible the zoning law, 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. In the words of Vale de Paula (2017): “the public sector ends up by playing a secondary role by only changing the land use parameters; private actors by their turn control the whole operation and have profits well superior the compensatory measures they are expected do provide”. According to the census on basic information about Brazilian municipalities (MUNIC) carried out in 2015, until that year whereas 1058 cities had that juridical tool embedded in their master plans, only 342 cities had enacted specific a specific law to deploy a concrete consortium.

As for the Public Private Partnerships (PPPs), they were regulated by the federal law n. 11.079 promulgated in December the 30th 2004. According to the law, differently from public services concessions, in which fees are payed off exclusively by the user, PPPs foresee either a contract model whereby only public sector pay for the service provided by the private actor or a mixed model, whereby both public sector and individual consumers pays for the service received. Whereas 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 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 demand 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 estimate⁴, however, that besides 1400 traditional concessions, there are nowadays 700 PPPs⁵ being pushed forward at subnational level in Brazil. Still, it is worth stressing that according to those sources the number of both concessions and PPPs is increasing at steady pace: in 2019 municipalities and states kicked off 541 new projects.

Besides PPPs and UOCs, municipalities in Brazil have been resorting to a well-known resource in growth politics strategies at 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 service⁶. As it is widely known, whereas the effects of tax abatements on local economic growth remains open to dispute, their regressive consequences are certain. In his study on the growth regime in Cleveland, Swanstrom (1985) spots 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

⁴ The following estimates come from the consultancy agency Radar PPP e from a private communication with Fernando Vergalha.

⁵ 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 minority.

⁶ 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 comes from property tax (Afonso & Castro 2014).

cities, the latter consequence does not stand up: firms locational decisions rely less on taxes and more other factors such as market traits, labor force costs and raw materials availability. Taxes would play only a minor role on the firm locational decision: “for tax abatement to be effective, local property taxes must not be simply a factor, they must be decisive in the decision to locate. The evidence strongly suggests this only rarely is the case (p. 144)”.

Thus, we can single out that the neoliberal wave that has reached subnational 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 UOCs or in tax abatements and exemptions. Since those practices change the relative weight of state and market forces, it is reasonable to test the hypothesis according to which left-oriented governments will, if not avoid at all, at least slow down the pace of the regulatory pro-market urban tools. In other words, if the previous literature on policy outputs found relationship between ideological orientation and spending patterns, it is reasonable to expect a left effect as well in urban policies.

PPPs, OUCs, Tax Abatements and Party Politics in Brazil

To the extent that Public-Private Partnerships amount to a regulation that opens up a wider space to market actors in local economies, one should expect left governments to be less leaned to resort to this regulatory tool than center or right oriented governments. Since, as we have mentioned above, there is no aggregate data on the PPPs implemented at state or municipal level in Brazil, we try to analyze this correlation by means of a qualitative approach, picking up four states that were governed by a left party: Bahia, Piauí, Maranhão and Minas Gerais. It is worth reminding that the two first states has been truly 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 the has been held in the country (2002, 2006, 2010, 2014 and 2018), with 2/3 of votes on average. Besides, whereas in Bahia labor party leaders have been elected for four terms in a row, in Piauí two leftwing parties – Brazilian Socialist Party (PSB) and Labor Party (PT) have been switching the state government control since 2002. Wellington Dias, a labor party leader and Piauí’s current government, 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 regarded as a neoliberal governance toll *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 country that was the outcome of a PPP and that since then has been working under this regulatory framework⁷.

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. 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 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.

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	Annual state transfer – 2018 (\$)
Fonte Nova Stadium	In execution	Bahia State Government	Labor Party (PT) Gov. Jacques Wagner	2010	39.236.310
Subúrbio Hospital	In execution	Bahia State Government	Labor Party (PT)	2010	49.770.594

⁷ As elsewhere, in Brazil state control over health service has been a historical commitment of left-wing parties.

			Gov. Jacques Wagner		
Salvador-Lauro de Freitas Metro	In execution	Bahia State Government	Labor Party (PT) Gov. Jacques Wagner	2013	49.496.113
Couto Maia hospital	In execution	Bahia State Government	Labor Party (PT) Gov. Jacques Wagner	2013	6.147.624*
Diagnostic imaging tests center	in execution	Bahia State Government	Labour Party (PT) Rui Costa	2015	26.328.538
Suburb Ligth Rail Vehicle (LRV)	In execution	Bahia State Government	Labour Party (PT) Rui Costa	2018/ 2019	-
Itaparica-Salvador Bridge	In execution	Bahia State Government	Labour Party (PT) Rui Costa	2019	14,000,000
Urban Solid Waste Management	Under study	Bahia State Government	Labour Party (PT) Rui Costa	2014	-

Source: Carvalho et all (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 that is his fourth term in control of the state executive, has been openly luring private investors to be partners, either through traditional concessions or through public-private partnerships, 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 public private partnership in the state. The centrality of PPPs as a public policy can be measured by the fact that according to the 2016 law the governor is due to head the bureaucratic agency in charge of concessions and private partnerships.

SUPAR and Piauí’s governor boasts 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 concession 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 been openly 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 is 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	Piauí State Government	Labor Party (PT) Gov. Wellington Dias	2015
Food Supply Center	In execution	Piauí State Government	Labor Party (PT) Gov. Wellington Dias	2017
Sanitation Network	In execution	Piauí State Government	Labor Party (PT)	2017

			Gov. Wellington Dias	
Multi-sporty gym	In execution	Piauí State Government	Labor Party (PT) Gov. Wellington Dias	2019

Source: by the author from government website.

Whereas 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 socio-demographic with growth strategies that rely on the flexibilization of the land use legislation, through the establishment of urban consortium operations. According to the 2015 municipal census, until that year there were, on the one hand, 1058 localities that had incorporated the OUC inside their master plans and, on the other hand, 255 municipalities that had enacted a consortium by means of a specific piece of legislation. We test 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 measure also to what extent land use flexibilization is affected both from systemic political variables, such as party fragmentation and polarization, and from sociodemographic variables, such as city size and municipal human development index.

As shown in table 7, there is not left-effect on whether a municipality flexibilizes its land legislation or not. Also, If systemic political variables like 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 OUC 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 high human development index flexibilize land use parameters is 1,4 greater than small municipalities.

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

	B	SE	Sig.	Exp(B)
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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	,023

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 asked further whether their municipalities provided tax incentives to attract industries and other economic activities. According to the census results, in that year 3436 (61,7%) municipalities in the country declared to have set in place any mechanism to lure investors to settle in their territories. 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 test next the following hypothesis, contemplating both socio-demographic and political variables: municipalities governed by left-wing parties will be less inclined to have in place growth incentives in general and, in particular, mechanisms like tax abatements and exemptions, no matter the social-demographic traits of their localities. On the other hand, we will test the hypothesis according to which those municipalities would be more prone to have in place restrictive clauses against business.

As table 7 show us there is indeed a “left-effect”, even though a weak one, on the likelihood a municipality is to have 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 stressing that sociodemographic factors, such as population size and human development index, seem to have a greater stake on whether a municipality restricts economic activities or not. 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.

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

	B	SE	Sig.	Exp(B)
Left	,264	,090	,003	1,302
Party fragmentation	-,075	,075	,322	,928
Party Polarization	-,077	,065	,241	,926
HDI (human development Index)	,570	,068	,000	1,768
Population 1 (10 to 20 thousand)	,399	,089	,000	1,491
Population 2 (20 to 50 thousand)	,949	,091	,000	2,583
Population3 (50 to 100 thousand)	1,214	,130	,000	3,367
Population 4 (100 to 500 thousand)	1,649	,149	,000	5,200
Population 5 (>500 thousand)	1,947	,362	,000	7,007
Constant	-1,760	,075	,000	,172

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 9 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. Also, 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 null or weak role as far as local growth policies is 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 9 – Logistic regression: Growth Incentives explained by political and sociodemographic variables.

	B	SE	Sig.	Exp(B)
Left	,162	,087	,062	1,176
Party fragmentation	-,186	,064	,004	,830
Party Polarization	-,026	,058	,661	,975
HDI (human development Index)	,870	,066	,000	2,386
Population 1 (10 to 20 thousand)	,146	,072	,044	1,157
Population 2 (20 to 50 thousand)	,639	,084	,000	1,894
Population3 (50 to 100 thousand)	1,363	,156	,000	3,907
Population 4 (100 to 500 thousand)	1,377	,195	,000	3,962

Population 5 (>500 thousand)	1,111	,487	,023	3,039
Constant	,021	,061	,724	1,022

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 tables 8 and 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 twice more likely to reduce property tax than municipalities with low HDI. The same pattern is observed as far as sales abatement is concerned

Table 10 – Logistic regression: Property tax abatement explained by political and sociodemographic variables.

	B	SE	Sig.	Exp(B)
Left	-,003	,103	,975	,997
Party fragmentation	,133	,086	,123	1,142
Party Polarization	,126	,074	,089	1,134
HDI (human development Index)	,732	,076	,000	2,079
Population 1 (10 to 20 thousand)	,368	,102	,000	1,445

Population 2 (20 to 50 thousand)	,520	,104	,000	1,682
Population3 (50 to 100 thousand)	1,112	,145	,000	3,040
Population 4 (100 to 500 thousand)	1,211	,168	,000	3,356
Population 5 (>500 thousand)	1,027	,385	,008	2,792
Constant	-1,287	,087	,000	,276

As the table 10 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 11 – Logistic regression: Sales tax abatement explained by political and sociodemographic variables.

	B	SE	Sig.	Exp(B)
Left	-,026	,108	,813	,975
Party fragmentation	-,036	,092	,696	,965
Party Polarization	,081	,078	,303	1,084
HDI (human development Index)	,285	,080	,000	1,330
Population 1 (10 to 20 thousand)	,226	,111	,042	1,253
Population 2 (20 to 50 thousand)	,578	,111	,000	1,782
Population3 (50 to 100 thousand)	,845	,148	,000	2,328
Population 4 (100 to 500 thousand)	1,353	,166	,000	3,869
Population 5 (>500 thousand)	1,397	,372	,000	4,044

Constant	-1,414	,092	,000	,243
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Summing up all those tests above, we may conclude that the new regulatory tools associated to what has been baptized as the neoliberal city, such as Public Private Partnerships (PPPs), Urban Consortium Operations (OUCs) and tax abatements seem to have no party or ideological imprint at 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 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.

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, leftwing 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 municipal level, we should be attentive, however, to the fact that within the centralized framework of Brazilian federalism (Arretche 2012), 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. As states Arretche (2012), “The federal regulation is one of the reasons why there is no relationship between subnational governments’ spending patterns and the party affiliation of their chief executives. This fact is due less to the programmatic fragility of the Brazilian party system and more to the fact the decision about spending thresholds is largely affected by factors that are exogenous to the municipalities” (p. 200).

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 results 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 test 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 tables 12 and 13 show us, sociodemographic variables seem to account for most of the improvement observed in Brazilian municipalities in the education and health indexes. It is worth noting that in both policy areas there is no presence of the left-wing effect mentioned in the policy outcomes literature: 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 time span from 2005 to 2015. Except for the positive effect party fractionalization on health performance, political systemic variables had also no impact on evolution pattern of those two policy areas.

Broadly speaking and in tune with the sociodemographic approach of the early studies on policy outcomes, the improvement in the indexes of health and education 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. Indeed, the odds of municipalities which had low index of human development of having reached in 2015 an index of development above the national average in health and education were respectively 94% and

96% greater than municipalities endowed with a high index of human development. By the same token, the odds ratio of more social 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 either no effect or negative impact on the likelihood a municipality is to perform 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 people) scoring an index of education development above the national average in 2015 is 76% lesser than the small cities, with population below 10 thousand people. 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 people. In a word, the size factor plays out here in the opposite direction forecast by modernization theorists: education performance indicators have improved most in smaller cities.

Table 12 – Logistic regression: education performance explained by political and sociodemographic variables.

	B	SE	Sig.	Exp(B)
Left	-,116	,099	,239	,890
Party fragmentation	-,133	,073	,068	,875
Party Polarization	,032	,067	,638	1,032
HDI (human development Index)	-3,132	,128	,000	,044
Gini Index	,698	,071	,000	2,010
Population 1 (10 to 20 thousand)	-1,148	,504	,023	,317
Population 2 (20 to 50 thousand)	-,900	,503	,074	,407

Population3 (50 to 100 thousand)	-,746	,502	,138	,474
Population 4 (100 to 500 thousand)	-,822	,514	,110	,439
Population 5 (>500 thousand)	-1,441	,539	,007	,237
Constant	,824	,511	,107	2,281

As tables 13 shows, the same pattern applies to health performance in Brazilian municipalities. Big cities, those with population size above 100 thousand people, 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.

Table 13 – Logistic regression: health performance explained by political and sociodemographic variables.

	B	SE	Sig.	Exp(B)
Left	,038	,098	,693	1,039
Party fragmentation	-,438	,073	,000	,645
Party Polarization	-,065	,067	,326	,937
HDI (human development Index)	-2,805	,113	,000	,061

Gini Index	,807	,070	,000	2,242
Population 1 (10 to 20 thousand)	,401	,083	,000	1,494
Population 2 (20 to 50 thousand)	,702	,097	,000	2,019
Population3 (50 to 100 thousand)	,539	,155	,001	1,715
Population 4 (100 to 500 thousand)	,022	,223	,922	1,022
Population 5 (>500 thousand)	-18,273	6562,925	,998	,000
Constant	-,371	,073	,000	,690

Conclusion

Building upon the research on party (Figueiredo e Limongi, 1999; Krause, Dantas e Miguel, 2010) and voter's behavior (Singer, 2000) that has identified in Brazil the presence of a clear left-right dimension framing national political parties voting patterns and electoral coalitions, on the one hand, and voter's party choice, on the other hand, we have 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 also built an ideological map of Brazilian localities, though, from the voter's perspective, we have arrived at a similar conclusion: Brazilian municipalities even during Lula's and Dilma Rouseff tenures as presidents have leaned clearly towards the right. Indeed, over the time period that ranges from 2000 to 2016, the local performance of left-wing parties clearly trailed behind center and right-wing parties: on average, whereas left-wing have controlled 23,8% of the local executives, center and right-wing parties have elected, respectively, 26% and 40.2% of the chief executives during that period.

Whereas in Power and Rodrigues-Silveira (2019), party ideology variation at municipal level stands as the dependent variable to be explained, both by political and socioeconomic

factors, in our research it features as 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 a linear process; it is a context sensitive process, impacted by variables like political institutions and market conditions. As Kantor and Savitch (2002) also point 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. Cities endowed with favorable market conditions, backed by a strong intergovernmental support, moved by a post-materialist culture and a participatory political life, with ideological parties at the forefront, would be more likely, according to Kantor and Savitch (2002) to pursue social-centered development policies. Briefly, those policies would amount to more market regulation to the benefit of collective goods: “social-development mean that cities will make demands upon business and pursue “linkage policies” (defined as compensation to support a collective benefit in exchange for the right to develop). These include charging environmental impact fees, requiring contributions for moderate-income housing or mass transit, exacting public amenities and imposing stringent architectural standards” (p.46).

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, OUCs and tax abatements. In line with those outputs 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 Brazilian municipalities ideological orientation and market flexibilization. In a word, there was neither a left nor a right effect on the extension 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, socio-demographic variables did play: in Brazil, the larger the cities the more likely they are to resort to market flexibilization tolls like PPPs and UOCs 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 private sector through market flexibilization in line with Peterson's (1981) perspective.

If politics does not matter regarding urban regulatory outcomes embodied in PPPs, OUCs 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 "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 happened 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 OUCs clauses, we may be missing the political effect over these regulatory tools. Since both PPPs and OUCs 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 in the time-period between 2000 and 2015 neoliberalization process was already under way at municipal level, it has steeped in the last few years. It is not unreasonable to expect that further research, with the dissemination of PPPs and OUCs at 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 subnational 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.

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