State Capacity and Social Participation in Infrastructure Projects

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Introduction

➢ Infrastructure sector is considered to be strategic for both social and economic development
   ➢ Increase in investment on this sector
   ➢ Brazil: Growth Acceleration Plan (2007-2010; 2011-2014)

➢ Low state capacity to deliver infrastructure projects
   ➢ Delays, budget overruns, lack of social and local benefits, risks and vulnerability in affected communities

➢ Poor state performance to implement large hydroelectric dams in the Brazilian Amazon
   ➢ Features of the Amazon: ”beyond the reach of the state”; traditional and vulnerable communities; complex biodiversity
   ➢ Despite that the region has been the target of a massive planning of hydroelectric plants since the 1970’s: Amazon as the priority region to implement large hydroelectric plants due to its greatest unexploited hydroelectric potential
   ➢ Results: increase in the production of hydroelectric energy; social and environmental impacts
Research question and goals

➢ Has the capacity of the Brazilian State to implement hydroelectric plants in the Amazon increased?

➢ Goal:
➢ To investigate the evolution of the capacity of the Brazilian State to implement these projects in terms of reconciling the demand of the vulnerable groups affected
## Methodology

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Year of project completion</th>
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</thead>
<tbody>
<tr>
<td>Tucurui I</td>
<td>Tocantins River</td>
<td>1984</td>
</tr>
<tr>
<td>Teles Pires</td>
<td>Tapajós River</td>
<td>2015</td>
</tr>
<tr>
<td>Belo Monte</td>
<td>Xingu River</td>
<td>2016</td>
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</tbody>
</table>
Analytical Model

➢ To compare these three cases in terms of the state’s political capacity, we investigated three factors:
  ➢ The demands of the groups affected by the plants;
  ➢ The instruments used by the bureaucracies involved in the decision making and implementation processes to learn their demands and process them;
  ➢ Comparison of the demands that were actually incorporated to those which were neglected.
### Theoretical Framework

#### THE BROADENING OF THE CONCEPT OF STATE CAPACITY

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Features</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>Administrative Capacity</td>
<td>- &quot;weberianism&quot;</td>
<td>- Deliver of policies: time, budget and targets</td>
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<td></td>
<td>- Quality of bureaucracy</td>
<td></td>
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<tr>
<td>Political Capacity</td>
<td>- Interaction between bureaucracies and social groups</td>
<td>- Legitimacy</td>
</tr>
<tr>
<td></td>
<td>- Instruments do process conflicts and demands</td>
<td>- Innovations</td>
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<td>- Coherent policies</td>
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**CONCEPT**

- Political capacity is the ability of the state to process and reconcile multiple interests in formulating and implementing a specific policy.

- This ability is based on structures of formal and informal interactions between State and society, which permit:
  - 1- the knowledge, by the state bureaucracies, of the demands of social actors in relation to a specific policy;
  - 2-the incorporation of the interests of marginal and vulnerable groups in the decision-making process
  - 3- the improvement of a policy to adapt it to the local reality of the affected groups
The Tucurui I Hydroelectric Plant

- Located on the Tocantins River (state of Pará)
- Importance: it provides roughly 70% of the total energy produced in the Northern region of Brazil
- High levels of state capacity to deliver the plant
  - Construction began in 1975 and it began operating commercially in 1984
  - Budgetary overrun less than 40%
  - Three years delay
  - Reasons: centralization of the decision making process in few actors, especially in the electrical agencies; marginal role of the environmental sector
The demands of the groups affected by Tucuruí I

- Fishing conditions
- Programs to halt malaria contamination
- Programs to indigenous communities
- Adequate relocation of riparian communities
  - Poor civil society mobilization

Instruments for political capacity
- No formal or informal instrument was used

Incorporated Demands
- Parakanã Program
- Reallocation policy for the region upstream from the Tucuruí I
- Demands of the actors located in the region downstream from the Tucuruí plant were not considered
The Teles Pires Hydroelectric Plant

- Located on the Tapajós River (state of Pará and Mato Grosso)
- Importance: in 2011, the plant was considered as a priority on the Growth Acceleration Program (PAC)
- High levels of state capacity to deliver the plant
  - No delays
  - Budgetary overrun of 5%
The demands of the groups affected by Teles Pires

- Development projects in terms of employment and infrastructure
- Compensations programs to indigenous communities
- Environmental compensations
- Poor civil society mobilization

Instruments for political capacity

- The use of instruments were concentrated on the environmental license process
- 4 public hearings

Incorporated Demands

- Territorial Development Plan
The Belo Monte Hydroelectric Plant

- Located on the Xingu River (state of Pará)
- Importance: priority project on the Growth Acceleration Program (PAC); second largest power plant in Brazil in terms of electrical capacity
- Low levels of state capacity to deliver the plant
  - Delay of 16 years
  - Budgetary overrun of 87%
The demands of the groups affected by Belo Monte
- Development projects related to local infrastructure
- Programs to compensate the reduction of fishing activities
- Programs to compensate the reduction of agriculture activities
- Better understanding of the consequences of the Reduced Flow Segment
- Compensation programs for indigenous communities
- Indigenous public hearings
- Preparation of the region for the arrival of a large influx of migrants
  - Intense civil society mobilization

Instruments for political capacity
- Instruments used during the decision making process: 4 public hearings; informal meetings between Ibama and affected groups
- Instruments used during the implementation process: the Government Office; committee of the Xingu Development Plan

Incorporated Demands
- Xingu Development Plan
- ”Anticipatory Action”:
  - Group of conditions established in the environmental process to prepare the region
  - A large portion of these actions had not been implemented by the time the installation license was granted
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<tr>
<th>Project</th>
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<th>Political Capacity</th>
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<tr>
<td></td>
<td>Delays</td>
<td>Budgetary</td>
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<tr>
<td></td>
<td>overruns</td>
<td>demands</td>
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<tr>
<td>Tucuruí I</td>
<td>3 years</td>
<td>40%</td>
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Conclusions

1. Asymmetric levels of state capacity within the implementation of the same project:
   • High levels of state capacity to deliver the venture (Tucuruí and TP); low level of State capacity to process and incorporate demands
   • Each dimension of State capacity is responsible for specific results (Pires and Gomide, 2016)
     • Administrative versus political

2. In terms of political capacity, the study of the 3 plants reveals a significant strengthening of the capacity to map and process demands

3. But the evolution of political capacity has been partial: political capacity is concentrated on the environmental agency, and is activated mainly during the final phase of the decision-making process and implementation phase
Thank you!