

Public-Public Partnerships and Intermunicipal Cooperation for Public Services Delivery in Brazilian Local Governments

Summary

Are public-public partnerships and/or inter-municipal cooperation alternative arrangements, to private sector involvement, to decreasing costs for public services delivery?

Efficiency gains and cost reduction from private sector organizations involvement in public services delivery, seems to be mixed (BEL; FAGEDA; WARNER, 2010) or scarce (HOSSAIN; AHMED, 2015). Recently, there has been a movement towards cooperation between public organizations, as an alternative to private sector participation in order to improve service delivery (MILWARD; PROVAN, 2003). Such synergies may result in public-public partnerships (the PuPs) (the organizational arrangement of various levels of government, ex. between the town-hall and the State or Federal Government) and inter-municipal cooperation (CI) (the arrangement between organizations at the same level of government, ex., between local governments) (SILVESTRE; MARQUES; GOMES, 2018). These arrangements are believed to be associated with higher levels of operational efficiency, cost savings, and concurrently with greater equity for citizens (BOVAIRD, 2014). Under such an agreement, *economies of scale* represent a primary inter-organizational goal. "Economies of scale exist when average cost decreases as production increases" and thus become the crucial motivator for cooperation (BÈL; WARNER, 2015, p. 55). This strategy is important for smaller municipalities, which are more prone to decrease their organizational and operational costs if they engage in such alliances and in order to save money (WARNER, 2011). In addition, transaction costs tend to decrease when public-sector organizations become involved because the opportunistic behaviour that occurs when services are contracted out to private organizations is

avoided (CITRONI; LIPPI; PROFETI, 2013). However, and for Keast and Brown (2006), differences between the rhetoric of collaboration do not necessary lead to 'new ways of working' but they can bring innovation for public services delivery. In that sense, it is important to stimulate collaboration between involved partners for effective policy implementation (KEAST, 2011).

This research focus can be justified for several reasons. Firstly, we still need to improve our knowledge around public cooperation effects on cost reduction for public services delivery (WARNER, 2011). Secondly, it is possible to analyse this phenomenon beyond Anglo-Saxon experiences, due to the widespread use of these arrangements in other European countries as well as in Asia, Africa and South America (SABBIONI, 2008; KURKI; PIETILÄ; KATKO, 2016). For its importance in Latin-America, the cooperation among Brazilian local-governments and state and federal government is crucial to better understand this social phenomenon. Thirdly, the majority of previous studies have focused the waste management services (BLAKA, 2017), while in this study, several services are going to be study: social assistance, education, health, sanitation, housing, urbanism, environmental services, tourism, among others. In the fourth place, the research team includes international recognized researchers who can help to improve our knowledge for Brazilian public sector organizations under cooperation. Lastly, on theoretical grounds and as mentioned by Edelenbos and Teisman (2011), few social scientists have been interested in this industry from the administrative sciences perspective. Therefore, this study represents an innovative interdisciplinary line that uses the public administration approach to analyse services delivery.



Project Reference

426771/2018-4

Leading Institution

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Funding

CNPq – The National Council for Scientific and Technological Development

Period

2018-2021

Total

14 000.00R\$

CERIS

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Project Website

proppg.unilab.edu.br/index.php/projetos-de-pesquisa