THE ACTION OF SUBNATIONAL GOVERNMENTS IN SOLVING REGIONAL INTEGRATION PROBLEMS

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Abstract: The essay studies the consequences of the emergence of subnational governments in relation to the processes of international insertion and integration, seeking to understand how a subnational government and international cooperation can contribute to solving problems that go beyond the territorial limits of States. However, this strategy still comes up against aspects of sovereignty and federalism, which limit the actions of these new subnational actors.

Keywords: Subnational government – Sovereignty – Regional integration – Federalism – International cooperation.

INTRODUCTORY NOTES

The theme refers to the strategic public administration of subnational governments in the face of international insertion and integration processes, seeking to understand the way in which a subnational government reacts to the effects of the new international reality. We understand that, given the current international scenario, subnational governments have become more relevant in the field of international relations; for example, the European Union and Mercosur. At the same time, the definition of a nation-state cannot be violated, as it still remains a central actor in international relations, maintaining its sovereignty.

This is a current and relevant topic for Brazilian society, since issues related to governance, environmental and social aspects are increasingly discussed, and must be exercised collectively.

Integration in Latin America, with a special focus on the constitution of Mercosur, gains relevance as countries go through a profound process of interdependence, given the globalization of the economy, in which cooperation constitutes the basis for solving problems that go beyond the territorial limits of each State. The process of globalization, arising from this interdependence of States, gives rise to new actors in international relations, including subnational governments. Thus, this integration also opens up space for the action of actors who begin to cooperate in the search for solutions to local problems, or even in the provision of services to society that were previously restricted to the exclusive sphere of competence of central governments and were treated in isolation.

In Brazil, this new subnational actor is faced with the current trend that configures and regulates the autonomy of the Federation's system of entities. We will observe how federalism operates, given the emergence of new instances of public power in the country, are capable of establishing modern standards of intervention, planning, decentralizing guidance, rescuing the social dimensions of development in the State, strengthening its objective of providing services to the population and incorporating tasks that benefit the federative system.

This article aims to analyze the definition of a subnational State as a means for the system as a whole to achieve its purposes, in an efficient, economic and socially viable way. At the same time, we seek to understand how this new subnational actor can oppose a centralizing tendency that restricts the autonomy of the federation's system of entities.


The methodological approach to the research used the deductive method, carrying...
out qualitative research through bibliographic and documentary sources, with data collection in books, periodicals and scientific texts.

**THE SUBNATIONAL STATE**

In International Relations, the definition that we usually find between state actors and non-state actors does not fit perfectly with our objective of characterizing subnational governments and their actions as international actors, since, when we talk about state actors, we are faced with the action of central governments and not of regional and local governments. It is worth noting that it cannot be said that subnational governments are non-state actors.

What associations and networks of local authorities traditionally seek is to be allowed to occupy a space in decision-making in supranational and global forums, with the argument that local and regional governments are also the State (SALOMÓN; SÁNCHEZ-CANO, 2005). Just like the definition of transnational actors, used to describe the activities of Non-Governmental Organizations (NGOs) and multinational companies (MERLE, 1988; RISSE, 2002), it fits well with subnational governments, even in an organization such as the Organization of Nations United States (UN), the treatment they in fact receive is comparable to that given to NGOs (SALOMÓN, 2005, p. 81).

The closest we were able to identify definitions for our objective is in Soldatos (1990), who established a clear boundary between the functional segmentation and the territorial segmentation of foreign policy. This allows us to characterize, at least conceptually, the foreign relations of the different procedures that form the central government in relation to the international activities of subnational governments, responsible for a territory and a population, which are susceptible to receiving the effects of paradiplomatic activities.2

According to what Salomón and Nunes (2007) say, precisely because they govern a territory and a society, subnational governments present important similarities, both in their internal structure and in their external relationship, with central governments. At the same time, they also have differences. When it comes to their international relations, we note that it is clear that subnational governments cannot have a foreign policy in the sense of high politics, which does not mean that they are prevented from carrying out any external action in conjunction with some central government police.

Based on the similarities and differences between subnational governments and central governments and what each represents in terms of international relations, Salomón and Nunes (2007) highlight the convergence of some authors who consider such governments as “mixed actors”, conditioned and, at the same time, free from the limits of the sovereignty of the central government. Salomón and Nunes also highlight the distinction that the limitations and responsibilities of sovereignty can represent for the external action of international actors. Thus, actors conditioned by the sovereignty of central governments are obliged by their responsibilities to pay attention to multiple issues on the global agenda, for example, environmental issues, foreign policy actions and the distribution of their resources, while actors free of sovereignty, with less dispersed responsibilities, they have the freedom to pursue more limited and concrete objectives in the search for solutions to local problems, or even to provide services to society, which were previously restricted to central governments that dealt with them in isolation. We can therefore consider local and regional governments as complex actors.

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2 To delve deeper into the topic of Brazilian paradiplomacy, we recommend reading volume 21, number 62 of the Revista Brasileira de Ciências Sociais (2006).
that play roles that, in certain circumstances, are free and, in others, are conditioned by sovereignty restrictions, sharing actions and policies with the other levels of government to which they belong and combine unique objectives.

Through the analysis of the referenced material we were able to understand subnational states as a formal organization with territorial limits, population, culture, problems and defined functions. Therefore, as a set of interdependent elements, which integrate and allocate values in a given society.

**LEGAL LIMITATIONS**

In Brazil, we observed a conceptual difficulty that arises for those who discuss the topic of the participation of subnational governments in international politics, referring to the way of interpreting legal regulations without violating constitutional limits, taking into consideration, that the Federal Constitution of 1988 establishes Federalism as a form of State, included among the immutable clauses. Let’s see:

**Article 1** The Federative Republic of Brazil, formed by the indissoluble union of States and Municipalities and the Federal District, constitutes a Democratic State of Law and has as its foundations:

I – sovereignty;

II – citizenship;

III – the dignity of the human person;

IV – the social values of work and free enterprise;

V – political pluralism.

[...]

**CHAPTER III FEDERATE STATES**

Article 25. States organize themselves and are governed by the Constitutions and laws they adopt, observing the principles of this Constitution.

§ 1 – The powers that are not prohibited by this Constitution are reserved to the States.

[...]

Article 60. The Constitution may be amended upon proposal:

[...]

§ 4 – The proposed amendment to abolish:

I – the federative form of State. (BRAZIL, 2016)

Regarding article 1, it is important to note that Brazil adopts federalism as its form of State, having as its main pillar the political-administrative autonomy of the entities that make up the Federation through the decentralization of competences to entities that now enjoy legislative autonomy, executive and judiciary.

When checking the Federal Constitution of 1988, we observed in Article 22nd, we observe, once again, the configuration of the centralization of power in the aspect of the regulation of foreign trade. Let’s see:

**Article 22.** The Union is exclusively responsible for legislating on:

I – civil, commercial, criminal, procedural, electoral, agrarian, maritime, aeronautical, space and labor law;

[...]

VI – monetary and measurement system, titles and guarantees for metals;

VII – credit, exchange, insurance and value transfer policy;

VIII – foreign and interstate trade;

[...]

Article 52. The Federal Senate is exclusively
responsible for:

[...]

VII – provide for global limits and conditions for external and internal credit operations of the Union, the States, the Federal District and the Municipalities, their autarchies and other entities controlled by the federal Public Power;

VIII – provide for limits and conditions for granting Union guarantees in external and internal credit operations. (BRAZIL, 2016)

More specifically, the Fiscal Responsibility Law (LRF) establishes, in its conditions contained in Article 32, the Ministry of Finance’s authority to verify compliance with the minimum limits and requirements for carrying out credit operations by each entity of the federation. In the case of international credit operations, which is our focus, the LRF also establishes the requirement for specific authorization from the Federal Senate:

Article 32. The Ministry of Finance will verify compliance with the limits and conditions relating to the carrying out of credit operations by each entity of the Federation, including companies controlled by them, directly or indirectly.

§ 1 The interested entity will formalize its claim, basing it on the opinion of its technical and legal bodies, demonstrating the cost-benefit relationship, the economic and social interest of the operation and compliance with the following conditions:

I – existence of prior and express authorization for contracting, in the text of the budget law, in additional credits or specific law;

II – inclusion in the budget or in additional credits of resources arising from the operation, except in the case of operations involving advance revenue;

III – compliance with the limits and conditions established by the Federal Senate;

IV – specific authorization from the Federal Senate, when dealing with external credit operations. (BRASIL, 2000, §1º, IV, emphasis added)

It is worth highlighting here that this is not a breach of the federative pact, but rather the search for mechanisms to legalize the actions and external policies of subnational governments, which are, increasingly, a Brazilian concern, as much as in other countries, proving to be as a trend in the face of the globalization of the economy.

It is evident that in Federalism, external representation is the responsibility of the central government, which does not represent the possibility of changing the 1988 Federal Constitution as a path to decentralizing international politics, much less segmenting the power of the national State. In these cases, the hypothesis of a constitutional amendment with the objective of decentralizing exclusive powers of the central government would go against the pillars on which the Brazilian State is established. On the other hand, we also cannot ignore the fact that the increase in the international activity of subnational governments could eventually lead to changes in legislation being considered.

Thus, according to Vigevani (2006), this restriction on the actions of federated units in foreign trade mainly affects those contracts that are effectively diplomatic: actions between States. Vigevani defends the hypothesis that there are currently flexible possibilities for international cooperation by subnational governments, for example, relations in the cultural, scientific, educational, technological, tourist and economic fields.

We can observe that external agreements depend directly on the State’s representation...

3. To read more about the limits and conditions for contracting credit operations provided for in the LRF, we recommend reading Piscitelli (2012).
at the international level, where subnational governments do not enjoy such autonomy, however, these factors do not invalidate this possibility. What we noticed is that currently the Brazilian State establishes a kind of ad hoc policy, since each situation or agreement is analyzed in detail and always seeking to establish an intermediation role.

This way, according to what was raised by Vigevani (2006, p. 23)

The Ministry of Foreign Affairs has been acting as an intermediary in agreements that state and municipal governments want to stipulate, looking for ways of framing them through complementary adjustments to the framework of an existing agreement between national States. This way, the constitutional principle of State competence is preserved, with subnational action resulting from a delegation of responsibility. An old example of this form of action is that of the Foundation for Administrative Development - FUNDAP, of the government of the State of São Paulo. This institution has been developing technical cooperation activities since the 1980s with the governments of Nicaragua, Mozambique, Angola, Guinea Bissau, Cape Verde and others. The Ministry's Brazilian Cooperation Agency is formally responsible for them, delegating powers to FUNDAP for their execution.

Although they are not the focus of this work, some alternatives may represent a viable path for the subnational interests of some states to be envisioned. In the literature, we find cases such as Argentina, which, after a constitutional reform, allowed its provinces to negotiate international agreements as long as they do not violate the commitments assumed by the national State.

We also have other examples, such as the cases of the Canadian subnational governments of Ottawa and Quebec, which have acted as international actors due to their economic, commercial and technological importance for the country, with several cooperation offices abroad, including in the state of São Paulo. Paulo (QUEBEC OFFICE IN SÃO PAULO, 2015).

As we can see, there is no longer any way to turn a blind eye to this trend. Therefore, we must observe the cases of success and failure, note the lessons learned so that the alternatives for subnational interests become relevant to the point of starting a process for the creation of more robust and autonomous supranational institutions, without harming the legal and sovereign aspects of the central government.

CONCRETE CASES

About thirty years ago, at the beginning of the 1980s, with the aim of solving the problems of an increasingly complex world interconnected by relationships that go beyond the capacity of the State, there was a growing change in the way relationships international markets began to undergo significant changes. As a result, some actors in economic activity began to act together around the world, in cities, states, governments and departments, seeking to assume a strategic role in international relations and seeking a way to complement the role of the State in order to guarantee foreign investment and take the initiative in solving problems within the subnational scenario involving culture, science, education, technology, tourism and economy.

In Latin America, from 1995 onwards, an experience of participation by subnational governments in an organized manner began to...
be discussed, which resulted in Mercosur and the creation of a network of cities in member countries as a means of participation of these subnational units in the bloc’s decision-making process.

However, later that year, as a result of the Seminar “Mercosul: options and challenges for cities”, the Declaration of Asunción, signed by the mayors of the Paraguayan capital and Montevideo, as well as by representatives of Brasilia, Rio de Janeiro, Buenos Aires and Santiago, culminated in the creation of the Mercocidades Network, in which the minutes of foundation was signed by eleven cities in the economic bloc: Asunción; Montevideo; Rosary; Cordoba; La Plata; Porto Alegre; Florianópolis; Curitiba; Brasilia; Savior; and Rio de Janeiro. Furthermore, he referred to the participation of subnational units in the integration process, with the founding of the permanent Technical/Administrative Secretariat, along the lines of the Mercosul Administrative Secretariat.

In Brazil, according to Neves (2010), we observed that the first paradiplomatic activities were established by the states of Rio Grande do Sul and Rio de Janeiro, followed by São Paulo, Santa Catarina, Paraná, Bahia and Ceará, in addition to states involved in paradiplomacy with neighboring countries, such as Amazonas, Amapá, Acre and Roraima. The cases of Rio Grande do Sul and the municipality of Porto Alegre appear as one of the initiatives that established a government structure focused on external action. Some partisan political aspects led the issue to very different interpretations and executions, since the municipality of Porto Alegre managed to put into practice more consistent external action. In the state of Rio Grande do Sul, the policy led to more difficult and slower paths, but with significant advances.

In Rio Grande do Sul, we observed that two very distinct moments occurred in the institutional establishment of the paradiplomatic structure, starting with the period between 1987 and 1994, in which the objective of guiding external action through the Special Secretariat for the International Affairs (SEAI), which was replaced, in 1995, by the Secretariat for Development and International Affairs (Sedai), operating as a paradiplomatic actor for the government and as an effective coordinator of part of its international activities.

During the 1990s, Porto Alegre established a body for coordinating the international relations of local government bodies through the Extraordinary Office for Fundraising and, later, through the Extraordinary Secretariat for Fundraising (Secar), which, from 1996 onwards, it was renamed the Extraordinary Secretariat for Fundraising and International Cooperation, carrying out actions that included coordinating the city hall’s growing international relations agenda.

In view of this, considering only external action, we highlight the coordination of governments around economic promotion and technical cooperation, combined with regional integration, the latter being marked as a case of discontinuity motivated by political factors, which had its golden point highlighted with the signing of 24 cooperation protocols between Brazil and Argentina.

With the creation of SEAI in Porto Alegre, the development of the regional economy was one of the main pillars in actions and projects in the international area, with great efforts to put into practice more consistent external action.
to promote trade in the Southern Cone and the creation of binational companies. With this, the Porto Alegre government managed to attract transnational companies that announced investments in the State of RS.

The municipality of Porto Alegre, since the creation of international cooperation bodies in 1994, has established a visible, well-articulated strategy that seeks greater coherence in its international dimension. Despite suffering the political effects of a change of government, it managed to highlight Porto Alegre's external image, enhancing cooperation with other municipal governments, developing solid bilateral relations within Mercosur, as well as globally.9

Over the last few years, Paraná has been adding several actions to its international relations portfolio, both with developed and developing countries. Among developed countries, the various agreements and exchanges carried out with the European Union stand out, in this case, the relationship in the area of agriculture, health and the environment established with France stands out. With the United States, the partnerships take place in the context of the consumption of water resources and technical research in organic agriculture.

In turn, Curitiba is nationally recognized for its positive image regarding urban management and the development of environmental programs – for example, ‘’Lixo Que Não É Lixo e Compra do Lixo’’ –, making the city considered a model for all the country (MENEZES, 1996).

As a result of international cooperation actions, Curitiba became internationally recognized by the labels “Ecological Capital”, “Model City” and “First World Capital”. Besides, in the field of developing environmental programs, the municipality gained international prominence, receiving awards such as the Habitat Award, offered by the United Nations Center for Human Settlements, and the Tree of Life, offered by the International Union for Conservation of Nature. We also highlight the excellence in public transport, which received awards from the International Institute of Energy Conservation, among others.10

When we talk about the State of São Paulo, it is possible to report that it has maintained international cooperation relations practically since its foundation. However, it is observed that only from the 19th century onwards, with the opening of the private sector to the outside world, through the remarkable process of immigration, the distribution of electrical energy, the development of public transport, the chemical and pharmaceutical industries, large volumes of foreign private investments, which then led the State of São Paulo to effectively consolidate its international relations.

The municipality of São Paulo, in turn, also has a specific Municipal Secretariat to deal with international matters. Created in 2001, the Municipal Secretariat for International Relations (SMRI) structured the city’s international agenda, giving great relevance to international relations at the municipal level, managing activities that encompass participation in city networks, projects for multilateral organizations, relations with communities of foreign companies, participation in international and national events, prospecting for internal and external resources, seeking cooperation agreements between it and other cities and, finally,

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8. Southern Cone is a region made up of the southern zones of South America, south of Tropic of Capricorn, forming a kind of large peninsula that defines the south of the subcontinent. Geographically, the Southern Cone of America is the southern portion of the American continent, whose shape resembles that of an isosceles triangle.

9. To learn more about Rio Grande do Sul and Porto Alegre, we recommend reading Salomón and Nunes (2007).

10. To delve deeper into the subnational paradiplomatic process in Paraná and Curitiba, we recommend reading Reis (2012).
partnerships with multinational companies.\textsuperscript{11}

We can also talk about international cooperation within the Amazon between international and regulatory organizations, the World Bank, the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Program (UNDP), with special emphasis on programs and projects environmental issues, whose main focus is reducing poverty and preserving the environment.

From the 1990s onwards, issues related to the Amazon were no longer limited to border issues, security and national sovereignty, becoming a multidimensional space shaped by the powers and actions of transnational actors.

With the implementation of the Pilot Program for the Protection of Tropical Forests in Brazil (1995-2009), the Amazon became the target of shared actions of international technical and scientific cooperation, highlighting the interests of the G7 countries\textsuperscript{12} based on diplomatic agreements and support from federal and regional Brazilian institutions. From this perspective, there are several other actors with different interests in the energy, transport, mining, agriculture and livestock sectors.

In this environmental field are the actions of the G7, represented by their bilateral international development agencies. The main ones are: Germany (GTZ), United States (USAID), Great Britain (DFDI) and France (IRD). Compared to the other G7 and European Union countries, Germany was the one that contributed most to the Piotto Program, in addition to maintaining the promotion of socio-environmental projects and events to promote biodiversity through several national organizations that work in the Amazon in cooperation international technical-scientific.\textsuperscript{13}

In the Canadian case, the province of Quebec exercises a form of sharing sovereignty over its territory with the central government, which guarantees it access to international diplomatic networks and independent government decision-making channels, allowing it to also have a direct presence in Canadian delegations abroad. However, the subnational government enjoys prerogatives typical of free sovereign actors, allowing it, for example, to defend its disputes in foreign courts or to self-represent itself in international events, as was the case with participation in the World Social Forum.\textsuperscript{14}

**FINAL CONSIDERATIONS**

As demonstrated, it was possible to verify that subnational governments began to have greater relevance in the field of international relations, as can be seen in the cases of Mercosur, in Latin America, some Brazilian municipalities and states, Canada and the European Union. It was also possible to verify that significant advances in the interpretation of the concepts of sovereignty, federalism and legal norms applicable to the matter are necessary, so that subnational governments do not represent a drastic rupture in the constitution of the Brazilian State.

In this legal aspect, we understand that the model of federalism currently interpreted still restricts the emergence of new instances of public power in the country, capable of establishing modern standards of intervention, planning, decentralizing guidance and that rescue the social dimensions of the State's

\textsuperscript{11} To delve deeper into São Paulo, we recommend Marcovitch (2014).

\textsuperscript{12} The G7 (Group of Seven) brings together the seven most industrialized and economically developed countries in the world. All founding countries are democratic nations: U.S, Germany, Canada, France, Italy, Japan and UK.

\textsuperscript{13} To delve deeper into the topic of international cooperation in the Amazon, we recommend reading Pressler and Teixeira (2014), as well as Pressler (2010).

\textsuperscript{14} To learn more about Quebec, we recommend reading Marcovitch (2014).
development, strengthening its objective of providing services to the population, incorporating tasks that benefit the federal system.

In addition to the restrictions observed, we also note that much is lost when the discontinuity of actions is enhanced by political decisions and trends, as in the case of Porto Alegre and Rio Grande do Sul.

It is also evident that international cooperation has a lot to contribute to solving local problems or providing services to society, which, until then, were restricted to the exclusive sphere of competence of central governments, which treated them in isolation. Health, education, science, culture and economy figure as the main objects of international cooperation agreements, becoming a current and relevant topic for Brazilian society.

With a special focus on the Amazon, with its continental dimensions and latent difficulties, the regional integration process gains relevance as cooperation forms the basis for solving problems that go beyond the territorial limits of each State. There is great space for international cooperation actions in the Amazon that cover themes related not only to border issues, security and national sovereignty, becoming a multidimensional environment shaped by the powers and actions of transnational actors, with a focus on providing services to society local, which today depend on individual and isolated initiatives of each State.

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