

Managers without borders

Entrepreneurs use their private sector experience to improve public management.

If you have never heard of a 'collective', know that that's how the groups that get together with a common goal are called. There is no hierarchy, much less posts, and in many cases their members are volunteers who donate their time without remuneration. The purposes are the most varied ones: from starting a community vegetable garden, and making movies or spreading poetry to encouraging bicycle use. However, regardless of the goal, what prevails is the presence of an alternative aura, that of those who are swimming against the current. It's the "we're together" attitude with a social nature and applied to a broader context.

The fact that the members of Juntos pelo Desenvolvimento Sustentável ('Together for Sustainable Development'), or simply 'Juntos', behave as a collective is what makes it so unique. The principles and the work organization without titles or formalities dictate the program tone, which is not different from that of any other group. Its idiosyncrasy, however, lies in its members. At Juntos there are men and women who run some of the largest companies in Brazil and are now using this experience to improve public management.

It's hard to highlight any single name on such a stellar list, but just to hint at the weight of the corporate representation in this collective, it includes Pedro Diniz, from the clan that founded Grupo Pão de Açúcar; Ricardo Villela Marino, from Itaú Unibanco, and his wife, Patricia; Jorge Gerda, owner of the country's largest steel mill, and Rubens Ometto, from Cosan, the Brazilian sugar and ethanol giant. These are people who are all used to making decisions that draw public attention to their personality, but that remains in the background when the subject on the table is the collective.

The work done by Juntos concentrates on municipalities. Why? Because a municipality is the government sphere that is closest to the people and, therefore, the one that can provide benefits to citizens more rapidly and with easily measurable results, explains Regina Esteves, president of Comunitas, the social organization that created and developed Juntos.

The first thing to do is to help the municipality achieve fiscal balance. There is no magic recipe. On the contrary, the formula is well known: to

increase revenues and cut down on spending. But the way this is done is what makes all the difference. Often simple ideas yield unexpected results. Campinas (SP), the first city to form a partnership with Juntos in 2013 managed to get out of the red for the first time in 20 years. That year the city's fiscal result reached R\$ 617 million and in 2014 it exceeded R\$ 640 million.

One of the measures adopted in Campinas was to simplify the release of permits for houses of up to 500 square meters and institutions or business establishments of up to 1,000 square meters, which make up 80% of the cases. Anyone who has tried to renovate their house knows the headache it can be. In Campinas, the home owner either uses the Internet or goes to a municipal administrative division to check the rules. Then, he or she signs a statement of liability under which he or she undertakes to do everything according to the technical norms. After taxes are paid, the execution permit is released within 48 hours. "In the past it would take up to two months and that because we had already reduced the term. There are municipalities where the delay reaches six months," says the mayor of Campinas, Jonas Donizette (from PSB, Brazilian Socialist Party).

In Paraty (RJ), the host city for the famous international literary festival Flip, one of the steps was to renew the registration of houses and business establishments to adjust them for municipal property tax ('IPTU') collection. Juntos found out that 30 per cent of the 15,000 registered properties had irregularities, that no such tax had ever been paid for 3,000 of them, and that many inns were registered as dwellings. After the changes, the number of inns increased from 60 to 400 and the number of legal vessels rose from 3 to 80. Without raising taxes, the city managed to get some extra income and thus offset the fall in oil royalties, which strongly affected the city.

For entrepreneurs, to participate in Juntos is also a learning experience. In most large private companies, delegating functions and consulting with other directors are increasingly common practices. Whether decisions are made individually or in group, these businessmen are used to having their instructions followed promptly, but that doesn't happen in the public sector. Some laws, designed to protect taxpayers' money, end up backfiring since they generate even more expenses under the banner of savings at any cost. That's when cheap becomes expensive, not to

mention bureaucracy, which disrupts projects that are under way and is not always easy to identify.

“The entrepreneur has to understand the complexity of the public sector. Otherwise, he or she gets impatient and can’t move on with the project,” says José Roberto Marinho, vice-president of Grupo Globo and president of Fundação Roberto Marinho.

Reaching a goal requires political skills from the mayor and in some cases even changes in legislation, which takes time. That's what happened in Campinas, where the law had to be changed in order for the granting of property permits to be expedited.

In Juiz de Fora (MG), a city which has participated in Juntos since last year, an amnesty law was passed to reduce taxpayers’ overdue debt to the municipality. In force since July, the new law eases the payment of interest and penalties on debts, and not the debt itself. Proportional discounts are provided for according to the payment term. This may seem like a contradiction, considering that the goal is to increase revenues, but the logic here is the same as that used by banks and credit card companies to renegotiate their clients’ debt: they’d rather reduce the amount owed but receive part of the debt than keep the original sum and not see the color of money.

Juntos pelo Desenvolvimento Sustentável is a practical solution that resulted from an annual business leaders’ panel, now in its eight edition, held by Comunitas. At the end of 2012, as they assessed their companies’ and foundations’ social efforts, entrepreneurs realized that their results in this area could be enhanced if they joined forces. Juntos’ DNA is thus the coming together of the private and public sectors and civil society around a common agenda that emphasizes dialogue among all engaged.

“Solutions cannot be created inside an administration cabinet”, says Regina from Comunitas. Graduated in Business Administration with a master's degree in University Management, she entered this area after meeting anthropologist Ruth Cardoso (1930-2008), who was married to former Brazilian president Fernando Henrique Cardoso and founded the organization, while still in the Comunidade Solidária (‘Helping Community’) program. “It was supposed to be a three-month job, but it’s been 20 years now,” she says.

In addition to Campinas, Juiz de Fora, and Paraty, Juntos operates in 12 municipalities of six states, including Curitiba (PR), Pelotas (RS), Santos (SP), Teresina (PI), and Itirapina (SP), and it also works in consortium with Brotas, Corumbataí, Limeira, and São Carlos, all in the countryside of the state of São Paulo.

Joining the program is not an easy task for a municipality. Comunitas assessed 126 municipalities and selected six finalists before deciding that Campinas would be its pilot city. The mayor has to be in his or her first term. The appointment of the secretariat must follow technical, and not political, criteria, i.e. the members' party or political affiliation is not taken into account. In fact, a composition based on purely political referrals will be vetoed. "The program's biggest success is to know how to choose the cities", says José Ermírio de Moraes Neto, from Grupo Votorantim, one of the largest industrial conglomerates in the country. "Management is a very important criterion, as much as encouraging young personnel, who are able to speed up at work."

After joining the club, the municipal administration can rely on the services of consulting firm Falconi, hired to help it draw up work plans, and the direct participation of entrepreneurs, who meet with the mayor and the secretariat regularly. Most cities have a 'godfather' that follows actions more closely. By contrast, the municipality must undertake to keep fiscal balance, which includes allowing consultants to access public accounts.

Keeping finances in balance, however, is not an end in itself. "There has to be a purpose, which is to use this tax efficiency for the joint creation of innovative solutions," says Wilson Ferreira Jr., president of CPFL Energia. "The municipal administration needs to improve the services they provide to citizens."

The work in Pelotas (RS) resulted in a program to renovate, expand, and qualify basic health units. The first of these, in the Bom Jesus neighborhood, reopened its doors in January. Since then, the number of patients seen in a month has increased 30%, reaching 1.8 thousand people. Patients, who would wait all morning or afternoon long to be seen by a doctor, now stay in the waiting room for less than an hour on average, according to the unit's administration. By the end of 2016, another three units will be modernized, says mayor Eduardo Leite (from

PSDB, the Brazilian Social Democracy Party), being the two nearest expected for this November and May of next year. The renovation cost R\$ 700,000 and was funded by Juntos. For the next unit the program will provide R\$ 200,000 and the municipality, R\$ 227,000. From the third on, estimated in R\$ 1 million, only the municipality will invest. Juntos' total budget for the 12 municipalities is R\$ 43 million and comes entirely from the private sector.

In Paraty, the improved financial situation allowed the administration to invest in basic sanitation. "The city has millionaire houses but it did not have treated water," says mayor Carlos José Gama Miranda, or 'Casé' (from PT, the Brazilian Workers' Party). With the construction of a treatment plant, 100% of the urban network is now provided with drinking water. "Cases of diarrhea, vomiting and viral diseases have fallen from 1,000 to less than a hundred." The next step is to improve sewer treatment.

Another rule of Juntos is that experiences can be replicated in different places. There's no good in building a school of very high level in a needy neighborhood, for example, if the neighborhood next to it cannot rely on something similar, be it for lack of financial or professional resources. The order is to propose solutions that are easy to copy. "There are 5.5 thousand municipalities in the country and we cannot work in all of them; hence the importance of replication. You can't keep reinventing the wheel," observes Ferreira Jr., of CPFL.

In Pelotas, which has almost 50 health units, replicating the model across the network will be easier because the system is already in operation and the administration has acquired the knowledge to perform the required biddings more rapidly, says 'godfather' Carlos Jereissati Filho, president of Iguatemi, a shopping center group. "The most difficult thing is to go through the trial-and-error phase."

It is exactly this phase that Teresina (PI) wants to shorten by learning from the experience of other cities. Its administration, which joined Juntos a little over a year ago, has already completed the phase of revenue recovery, during which municipal collection increased by around R\$ 20 million, and is now going through spending review, says mayor Firmino Filho (from PSDB). One of the measures was to send technicians to Juiz de Fora, where their work with the payroll was successful.

In Juiz de Fora (MG), the forecast is to save R\$ 7.4 million by July of next year as the result only of this more accurate assessment of what is being paid to whom and the correction of any likely distortions. “What’s important is that it allows a clearer vision not only for present actions but also for future ones,” says mayor Bruno Siqueira (PMDB).

The Internet, a very common tool among collectives, is also an essential part of Juntos’ work, especially at this moment, when many projects are getting to a more mature phase of community engagement. Having local businessmen and the population actively participate in public management is another fundamental point.

One of the instruments to do so is Colab, a social network on which people can post pictures of such urban problems as holes on the street and garbage on the sidewalk and demand action from the administration via an application. This Brazilian software was not created by Juntos, but several municipalities that make up the program either started to use it or created others. According to Campinas mayor Donizette, a group of 70 public servants in various secretariats of the city was assigned to receive and forward complaints as well as giving a response to the requests made in the social network. “About 50% of the cases were solved and the goal is to reach 60% in a year’s time.”

One of the tests lying ahead for Juntos is the municipal elections next year. Since the work agreement is made with a specific administration, there is no guarantee that the actions will be kept in the following one should the mayor not be re-elected. “This is one of the main problems in the country: continuity of projects that work”, says José Roberto Marinho, from Grupo Globo. Sadly, much too often opposition candidates abandon the initiatives of their predecessors when they take office. The only way, says the entrepreneur, is to talk to the political parties and educate the population in this kind of work that Juntos does so that they know that these are state, and not party, projects.

As projects advance, entrepreneurs and public administrators are getting more comfortable at Juntos. Some of the leaders noted a few formalities in the first meetings but they say that any such distance quickly gave place to informality. “In order for these meetings to work, everyone should feel equally important,” says José Ermírio de Moraes Neto, from Votorantim. Years of business experience leading influential groups and

famous surnames can be intimidating. However, the entrepreneur has a tongue-twister but reassuring sentence: “Everyone who is well-intentioned knows that they don’t know everything. In fact, the more they know, the more they know that they don’t know.”