# CONSTRUCTED GOVERNANCE INFLUENCING FUNCTIONALITY AND OUTCOMES IN PUBLIC PROGRAMS

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**Abstract**

We present a proposal model, based on *constructed governance* concept, to be applied in public programs. Constructed governance is defined as the social process to create mechanisms of collective action, to get the functionality in the group, which contributes to getting results. This is a new approach of governance, normally defined in terms of the content of mechanisms, or informal controls and incentives. To test the proposition, we analyze the touristic region called Angra Doce, between São Paulo and Paraná Estates, through secondary sources and interviews with local consultants and agents. From the data, we built an indicators matrix to compare the situation on the two Estates. The analyses show a clear difference of touristic actions from Paraná and São Paulo. Paraná shows a collective action and managing, and the actors made your mechanisms. São Paulo shows the absence of constructed governance and the touristic actions are just in the beginning, after years of great effort of local consultants. The theoretical benefit of the article is to present a concept that unites categories that are not integrated until now, like governance, group dynamic, group efficiency, and public program results. The methodological benefit is the matrix of indicators that could be used to analyses the level of maturity of the constructed governance in specific public programs. The research shows that indicators are operational and reliable to be used.

**Keywords**: networks, constructed governance, public program, angra doce

## 1. Introduction

In the area of Public Programs, considering a network perspective (SHRESTHA, 2013), there is large production about governance, functionality, and network outcomes, and affirmatives about a possible association between them, but this possible association remain an open trail, without a clear framework (KLIJN; STEIJN; EDELENBOS, 2010). In fact, there is a lot of academic and managerial production about each isolated category - governance, public programs outcome, network functionality, but are rare efforts to join in an integrated model (O'TOOLE; MEIER, 2011). This article presents a proposition model integrating these three categories, based on the concept of constructed governance.

The model was created through the conjunction of two methodological ways:

(a) following the statements about the three categories and concluding that they are important in public programs, and they could be connected, but there was no model, or framework that tries to do that;

(b) organizing the facts of a touristic region in Brazil, named Angra Doce, which is a dam, belongs to Paraná and São Paulo Estates. The municipalities of Paraná work together and tourism is flourishing. The municipalities of São Paulo don't work together and tourism is static.

Trying to find examples and explanations about governance and public programs outcomes, we surveyed the academic production at Scopus database and founded 193 indications that refer to the expression governance, efficiency, network management, and outcomes. The works refer to various themes, like the efforts to understanding the complexity of environmental systems (FRIEDMAN *et al.*, 2020); or the authority inside the group (GOROD; HALLO; NGUYEN, 2018), or the efforts to create the network format, to get collective action (SCHEPMAN *et al.*, 2018). None of them, however, could present a clear connection between the structure and functionality of a group and the outcomes.

We asset that the missing point is the process of group dynamic. According to Newig *et al.* (NEWIG *et al.*, 2018), the effort of collaborative governance to join stakeholders is not enough to get outcomes. The authors added variables like power, stakeholder capacity, specialized knowledge, learning, and deliberation that moderate the outcomes. These are variables that play a role in group dynamics. Deliberation, for example, is about a group construction of mechanisms that make the collective action possible, and "what to deliberated" must be associated with the environmental pressure, and/or group conflicts, and/or objectives to be achieved. Deliberation is a part of the continuum process of relationships, discussion, decision, implementation, and control of behavior and process.

In this article, we present a model that tries to unites governance, functionality, and outcomes in a logic, theoretical and coherent design, through the concept of *constructed governance,* based on group dynamic. The main assertive is that the construction of collective action mechanisms, when carried out by the group itself, is an efficient and competent way to get the functionality in the group and to get outcomes. In other words, the process of constructed governance is the key to get outcomes.

## 2. Theoretical foundations

Considering the previous item, we affirmed that the cited variables could be grouped in a comprehensive framework, using the central point of constructed governance. This is not a new idea. We just organize fragmented production. Literature about collaborative and relational governance has pointed out the advantages to solve complex problems, compared with bureaucratic control and decision (DOBERSTEIN, 2016)

We present the concept of constructed governance as the social process to create mechanisms of collective action, to get the functionality in the group, which contributes to getting results. The concept accepts the assumption that Public Programs need to be implanted through a network concept, with a dominance of trust and commitment relationships, which make it possible to create mechanisms to get functionality and drives the group to focuses on outcomes.

The constructed governance, in summary, begins with the construction of an relationship environment, with dominance of trust and commitment; which allows the group to discuss, solve problems, and created mechanisms for collective actions. These mechanisms shape the structure of rules and modes of production, which improve the functionality of the group. It is
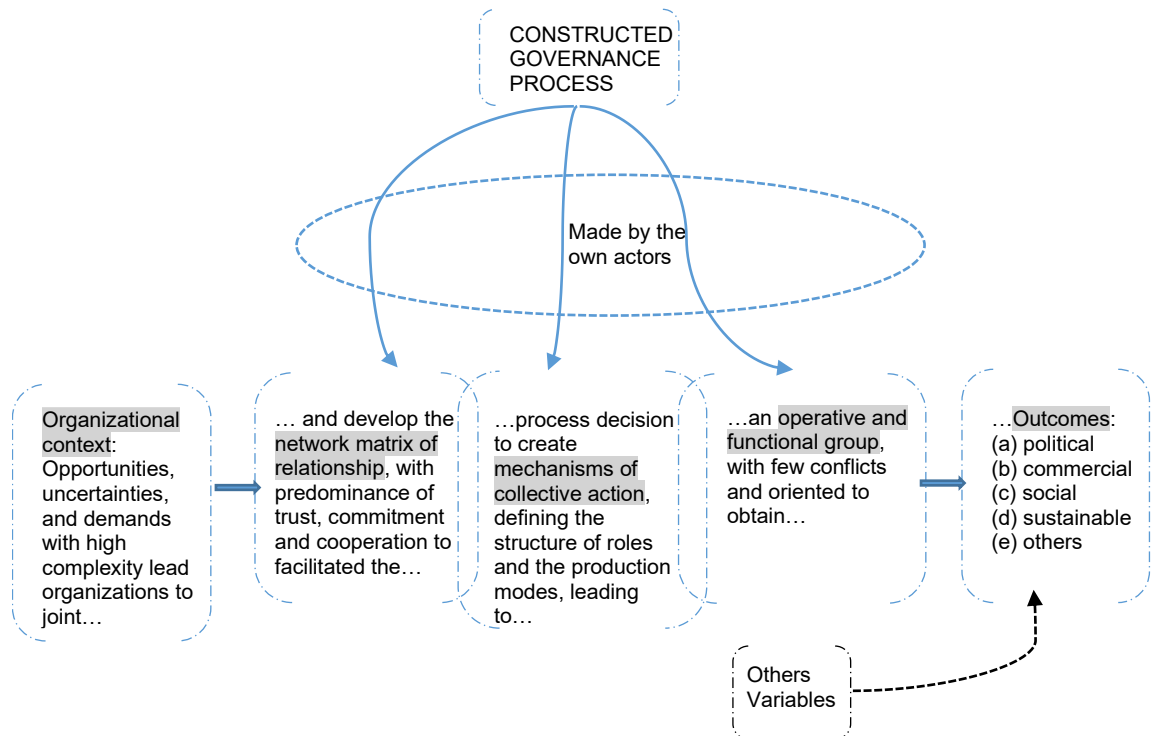
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assumed that all this process moderates the positive outcomes, i.e., to get the objectives decided by the own actors.

Figure 1 show the proposition.

Figure 1. Constructed Governance Process



## 3. Methodology

To test the proposition, we selected the Angra Doce Region, the area surrounding the Chavantes dam, on the Paranapanema river, in Brazil. Secondary resources of data are documents of the govern, Development Strategic Plans of the municipalities, academic and managerial production about the region, and material of media, like interviews, marketing about local tourism, and news about the sports and nautical tourism, since the principal resource is the water.

Primary resources of data came through the discourses of two government agents, three managers of nautical tourism, and one local academic research; which talk about the central question of success and failure of the development plan and outcomes.

The case has a specific characteristic that is good to our objective: The area includes two States of Brazil, Paraná, and São Paulo, with 5 municipalities in Paraná and 10 in São Paulo. Previously signals collected, like touristic infrastructure, results from reports, and testimonials in social media shows, especially in electronic sites of each municipality, show the fact

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that, in terms of network organization and outcomes, Paraná State is more developed than São Paulo State.

## 4. Results

The Angra Doce Region has many touristic resources, like the lake, waterfalls, trails and caves, and historical architecture. Local managers are mapping the resources of each municipality, with an especial focus on nautical tourism. According to technical data (FERREIRA; LOPES; ARAÚJO, 2012), the tourism of freshwater in Brazil has much more potential than coastal tourism, but the government and the entrepreneurs don't see this opportunity.

The Angra Doce Region is one of this potential freshwater touristic resource. However, Paraná and São Paulo Estates are in distinct situations to develop this opportunity. In Paraná, the five municipalities could develop the capabilities to work together, for example, making tourism packages that evolve two, or more municipalities. Another example is the tourist guide of Angra Doce, made by a consortium of representants of the five municipalities. In São Paulo, on the other hand, the ten municipalities didn't get the minimal relationship conditions to work together, it means, to constitute teamwork. Just now, in 2020, appears some signals to join together, especially because of the efforts of local consulting.

According to our proposition, the factor that explains the difference between the two groups is the presence/absence of constructed governance.

The following schedule presents the data of the two cases:

(a) the social structure of connections: analysis of the strongest and weak ties; the presence of leaders and the dominance of ties (if commercial, or political, or social, or another kind)

(b) the signals of constructed governance, it means, the mechanisms created by the group itself: description and analysis of constructed governance examples, showing the antecedent problem, the nature of the mechanism, and its consequences.

(c) the functionality, it means, the signals of actions to get outcomes: (a) collective practices actions; (b) control mechanisms of opportunistic behavior; (c) modes of sharing information; (d) actions to increase actors' trust and commitment; (d) solutions of asymmetry to get cohesion; (e) focus on outcomes.

**Case 1. The success of Paraná municipalities to develop the Angra Doce Network.**

The interest and discussions about the Angra Doce Region exist since 2014. The government of Paraná State didn't wait for the hard bureaucracy between the two Estates, to establish a common plan, and decided to create its owner plan. The most important document was the Plan Work to the Region, edited in 2017, with a partner- Paraná Projects (http://www.paranaprojetos.pr.gov.br/Pagina/Plano-de-Trabalho), which was responsible for the technical management, like the actions of infrastructure, traffic, and touristic signalization, aligned with the sustainability demands and well-being of the people living in the region.

The document of this work is a detailed map of the particular resources of each five municipalities. This map was showed in two meetings with civil society, local organizations, and the public sector. According to the managers, the actors understanding the necessity to find a way to join the interests and capabilities of each municipality with the general plan for the

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region. The main document edited in 2017, about the actions to develop the region, assert that many problems, like the population aging and the economics basis founded in agribusiness, needed to be tackling to change the conditions of a touristic region. The objective was to create the conditions to offer tourism services, like nautical tourism, fishing, rural, adventure, cultural, religious, and business tourism.

According to the dynamic group theory (PICHON-RIVIÈRE, 1998; ROJAS-BERMÚDEZ, 1969), these first meetings were very important to create an attitude of participation and commitment. This relational environment created the conditions and the trust to people talk, and agree, and decided about plans and actions. That was what happened in Parana and not in São Paulo. According to the designated researcher that represented the local university at São Paulo Estate, in the pool of organizations, she tries two times to join the mayors and the meeting didn't occur.

The documentation of the Parana network reveals that some initiatives of nautical tourism were created in the five municipalities since 2008, with infrastructure to receive boats to tours and to fish. These initiatives were developed with the partnership with Sebrae, a Brazilian ONG devoted to developing entrepreneurs in the country. At the same time, investors built a good infrastructure of hotels, some of them classified with 5 stars.

In 2017, a meeting with the five municipalities demarks the collective action. After this meeting, the Paraná Projects edited a document with the steps to develop the region. The document asserts that after specific technical actions, like the analysis and control of water pollution; will be necessary a cooperative work, based on principles of communion, to develop a touristic region identity, with integrated actions. The document suggested that distinct touristic activities, like parties, and sports competitions, and religious events not competing among them, but follow a strategy to the whole region.

This is, as we defined, the constructed governance in action: All these meetings, with compromise; decisions to consider the whole region; the rules to protect the ambient; the synergy between government and investors; the training to developed the hospitality conscious made possible to get growing outcomes.

**Case 2. The low speed of São Paulo municipalities to develop the Angra Docre Network.**

After the edition of the Agreement Document, signed in 2017, to develop the region, the municipalities of São Paulo had a meeting to trace the strategy and the plan. According to the discourses of two managers and the designated researcher, it was clear that there was no agreement about priorities for each mayor. It is a normal situation in the first meeting and the effort of the coordinators is to engage the actors, creating consciousness about the necessity of collective action.

The meeting didn't work and a second was marked, a few months after. This second meeting didn't work, because of the mayors' absence and disagree about the way to do the task. Discourses of the participants show that the mayors were occupied with local problems, without vision that local and global (the whole Angra Doce Region) are not dissociated. This condition puts a resistance barrier to make collective decisions.

Facing this situation, the legal committee tried to solve the problem by placing the rotation rule of the president of the Angra Doce Project, changing every year. The rule did not work, because the elected presidents (2017, 2018, 2019) were not able to be a leader and were not able to unite the group.

The São Paulo State Department of Development, the part of the government responsible for the Angra Doce Project, tried other alternatives, such as hiring local consultants (the managers who were interviewed). According to the report of these managers, in the first two years they managed to obtain the confidence of the mayors, assisting in local actions, that is, specific to each municipality, especially the annual development plans, which many did not have.

During the discussions on these plans, the consultants added integration plans with neighboring municipalities (in actions such as tourism in indigenous villages, which span two, or three municipalities). Thus, step by step, the consultants managed to reduce the resistance to collective actions, until in this year of 2020, when they obtained the adhesion of the mayors to formalize the São Paulo Association of Angra Doce.

In terms of our proposal, only now there is a level of commitment to discuss and decide the collective actions and a legitimated representation created by the mayors themselves that offer the minimum conditions for the discussion and decision of the Angra Doce project. We can say that now the created governance will be set in motion.

This case is an example of how the networks' principles, like the complexity, interdependence, and the necessity of collaborative governance are necessary to do the task of a public program. Just formal documents and individual actions are not enough to get outcomes.

The case sustains our proposition that a constructed governance put the network in action, defining roles and actions. Currently, São Paulo municipalities are beginning to do tourist and investment guides, and packages, and media, and partnership with federal institutions of tourism, and others actions to put Angra Doce on the radar of consumers. One action that the authors are evolved is the touristic guide, with a partnership with Fórum Náutico Paulista, a forum of politicians and investors that open opportunities to develop nautical tourism.

Through the discourses and secondary data, we constructed an indicators matrix to compare the two situations. Table 1shows the differences between Paraná and São Paulo.

Table 1. Comparative between Parana and São Paulo efforts to develop Angra Doce.

| Variable | Paraná | São Paulo |
|---|---|---|
| 1. Coordination and cooperation among municipalities | There is conjunction of government, enterprises, NGOs and society, focuses on local development. | There are efforts to join the stakeholders, especially by the government, but until now there is no results. |
| 2. Symmetry | The programs about tourism and development of the Estate and the municipalities have synergy. | There is asynchrony between the Estate government programs and municipalities plans regards tourism and development. |

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|---|---|---|
| 3. Mayors plans | The mayors are trying to create the annual plan with synergy with the main plain of the region. | The mayors are trying to create the annual plan putting the Angra Doce Program as some of the goals, but not in first line. |
| 4. Support Organizations | There are two important support organizations. One is the Paraná Projects, an NGO that leads with government plans and implementation. The other is the local university, with active research about tourism, regional development and infrastructure. | There was an important university, whose representative tried to join the mayors in meetings, but was not well succeed. From now, other institution, The Forum Náutico Paulista, try to do the task, with support from local consulting. |
| 5. Capacity to see each resource integrated in the collective resource | The municipalities act with synchrony to improve infrastructure, tourism education, sustainability, and social development. The resources of each municipality were analyzed and integrated to the general region plan. | There is no information about collective resource. Each municipality try to solve your challenges. The Angra Doce Project is seeming as something isolated, like just a touristic package. |
| 6. Capacity to create a group to plan and implement the program | There is a leading organization that organize all the collective actions, be the governance, be the implementation. | There is no leading organization to develop the governance and the implementation. Some efforts of the Public Development Secretary didn't work. Now there is a local consulting that is achieving positive integration results. |
| 7. Capacity to bring other organizations, to do specialized actions | The leading group invited other organizations, with specialized knowledge, to do actions like data base; to training the local population in hospitality; to developed local festivals; to get environmental licenses; to make reports to ONU, because the region is part of the UN Global Compact Cities Programme, a global program, associated with the 2030 Agenda. | The absence of a leading group leads each municipality to hold its own events. Just in 2020 some results are arising, especially because the efforts to local consulting. |
| 8. Bottom to top | Despite the leading of a group and the strong presence of the government, the ideas and implementation usually followed the bottom to up way, specially the entrepreneur's initiatives. | There are efforts from entrepreneurs to implement create initiatives, but the absence of a collective action and a matrix of orientation (the governance) determines the microlocal consequences, like the service to the local consumer, rather than the touristic consumer. |
| 9. Flexibility according to the reality | The leading group can make adaptations of the plans, because of money, or entry and exit of organizations, changes in the political framework, and others unpredictable events. | There is a consultancy that is still getting some flexibility of the municipalities, regard development plans, but each one act in an isolated form. |

| | | |
|---|---|---|
| In addition to these variables, based in facts occurred in the last five years, we add the general variables that characterizes a network format (GIGLIO; RYNGELBLUM; LOPES DE SOUSA JABBOUR, 2020) | | |
| 10. Consciousness and situation of interdependence | The evidences show the strong presence of consciousness about the interdependence to develop the region and the necessity to work together, even considering the geographic and political division of the municipalities. | The discourses show the presence of intention to work together, but this attitude didn't lead the municipalities to real collective actions. There is a lack of strong ties, compromise and the lead organization to management the governance. |
| 11. Previous conditions to join the actors | The evidences show the presence of trust and commitment, variables that are important to enable the conditions to people to talk, to agreement, to plan and to do actions. Secondary, these previous conditions enable the identity and the synergy of the group, to continue the work. | There are no clear signals about the presence of trust and commitment. The efforts to join the actors of the municipalities didn't work. Without this initial cohesion and synergy, the ideas, plans, directions, initiatives don't grow up. |
| 12. Constructed governance | The presence of consciousness to work together, the lead organization, the bottom to up collaboration, the commitment and strong ties created the ideal relationship environmental to develop the constructed governance, the mechanisms that are originated in the own group, by the own actors. | The absence of some conditions, like the lead organization, the commitment, the disposition to work together created resistance to the process of constructed governance. In this situation, the isolated efforts of the university, or the secretary, didn't work. |

The matrix is clear to shows the difference between the two States. One important point to consider, using the proposition illustrated in Figure 1, is that the "other conditions", i.e., the intervenient variables, are the same for the two States, be natural resources, government plan, the interest of investors, attractiveness to tourism, the economic basis on agribusiness, mobility infrastructure. This equality allows us to affirm that the difference would be explained by the capacity (or not) to join together, make decisions and put actions in motion. The difference would be the *constructed governance*.

## 5. Conclusions

Reflecting on the various classifications and analyzing governance cases in public policy programs, a governance proposal is presented that unites the items of relationship, origin, and adaptation of the rules, the capacity to work together, network organization, and results. Instead of classifying isolated phenomena, such as content, or the ability to work together, a model is presented in the form of a process, and we call it *constructed governance*.

An important differential of the model is the condition that the actors who are directly involved in the task are the ones who must carry out the process, otherwise, the necessary embeddedness may not occur. Another difference is the use of theories of group dynamics, until

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then rarely used in network governance, but capable of providing support about what it is and how to obtain group functionality. These differentials are the theoretical benefit of the work.

The proposal has an innovative and impactful aspect, which is to indicate the path of operation, or functionality of a group, one item that is rare in academic production. The proposal presents the theoretical basis, research design, and indicators, which is a complete schedule for conducting research and to use in public policy management plans.

This article is part of a major project that is focused on governance and public policy in countries, especially in cases of local development. The analyzes cases made it possible to affirm that constructed governance, defined as the social process to create and implement collective action mechanisms, could be important to get results. In the São Paulo State case, the tentative to work with classical models of management, following the top-down decisions, with a non-structured group, without trust and commitment, have no results at all.

Compared with São Paulo, the case of Paraná shows that the presence of certain variables, like conjoint efforts, the capacity to add the civil society, facilities to investors, conscious about sustainability, and the support of government and the local university, show a context that made possible to decide the mechanisms and, as a consequence, the results of better development.

The article also offers a methodological benefit presenting a matrix of indicators that could be used to analyses the level of maturity of the constructed governance in specific public programs. The research shows that indicators are operational and reliable to be used.

Finally, the article offers an alternative way for managers and government representatives, especially in the case of São Paulo, to follow the steps of group dynamic, to modify the present situation of certain stagnation. The consultant that is working at Angra Doce Project, even without the academic knowledge about group dynamic, is being able to get results of mayors' compromise, one of the first steps to get group functionality.

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