GOVERNANCE AND STATE CAPACITY: THE CASE OF THE CIRCUIT OF TOURISM OF THE SPRINGS AND CANASTRA IN MINAS GERAIS, BRAZIL

Natasha Borali
PH.D. candidate in Public Administration and Government at the Fundação Getúlio Vargas (FGV).

Lorenzo Cesário Covas
Degree in Public Administration and Government at the Fundação Getúlio Vargas (FGV).

Disponível em: http://ebap.sbap.org.br/

Resumo: The present study focuses on the structure of the Springs of the Gerais and Canastra Tourism Circuit (NCTC), a public-private arrangement whose objective is to develop tourism in the Serra da Canastra, region of the state of Minas Gerais, Brazil. The aim is to analyze the governance structure of the Springs of the Gerais and Canastra Tourism Circuit, comparing the benefits of municipalities that participate in this governance structure in relation to municipalities in the same region that do not participate. It is a qualitative research with case study, whose object of analysis is the arrangement of Circuit of Tourism of the Springs of the Gerais and Canastra, situated in the State of Minas Gerais. The methodological instruments to achieve this objective are: documentary analysis, interviews and participant observation. It is concluded that the relational state capacities and the governance structure built in this region, through the municipal secretariats of tourism of each municipality, that integrates the circuit, plus the members of the civil society and companies of the region of the Canastra.

Palavras Chave: Stata capacity; Governance; Turism; Brazil
GOVERNANCE AND STATE CAPACITY: THE CASE OF THE CIRCUIT OF TOURISM OF THE SPRINGS AND CANASTRA IN MINAS GERAIS, BRAZIL

Abstract: The present study focuses on the structure of the Springs of the Gerais and Canastra Tourism Circuit (NCTC), a public-private arrangement whose objective is to develop tourism in the Serra da Canastra, region of the state of Minas Gerais, Brazil. The aim is to analyze the governance structure of the Springs of the Gerais and Canastra Tourism Circuit, comparing the benefits of municipalities that participate in this governance structure in relation to municipalities in the same region that do not participate. It is a qualitative research with case study, whose object of analysis is the arrangement of Circuit of Tourism of the Springs of the Gerais and Canastra, situated in the State of Minas Gerais. The methodological instruments to achieve this objective are: documentary analysis, interviews and participant observation. It is concluded that the relational state capacities and the governance structure built in this region, through the municipal secretariats of tourism of each municipality, that integrates the circuit, plus the members of the civil society and companies of the region of the Canastra.

Keywords: Stata capacity; Governance; Turism.

Introduction

The state as the development protagonist implicate on the needy of a bigger comprehension on the intern structure and the form of organization of the bureaucratic apparel. Emerges, then, the idea of state capacities. Capacity would be related with aptitude or ability of the state achieve its goals, that, in the stated case, the objective would be the social-economic development. Thus, the bureaucrat structure should possess characteristics that permits to define collective objects and implement than with the civil society (EVANS, 2010; FUKUYAMA, 2013; GOMIDE, 2016).

The state capacities, in that context, could be specified on two dimensions: the technical-administrative capacity and if referred with abilities or technical competency and state professional bureaucracy body evolving dimensions and the ability of the bureaucracy body on relating with different social groups, of articulation between government levels on the promotion of national politics, the political-relational capacity, evolves the capacity of agenda definition by the elected government, considering the planning and articulation competency with another political-institutional actors (Gomide and Pires, 2014).

In other words, the bureaucratic apparel needs to be capable of constructing not only bounds between state and the private initiative, but on promoting the narrowing of relations between the state and the civil society. It must be, therefore, a synergy between State, market and civil society. This structure also is known as collaborative governance: “the processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished” (EMERSON, NABATCHI, BALOGH, 2012, p.2). Starting from these concepts, the present study tries to analyze the structure of functioning of the Circuit of Tourism of the “Nascentes
das Gerais e Canastra”, an public-private arrangement which the objective is to develop the tourism on the Canatra mountain region and near by the called “minas sea”, a region of lakes formed by the hydroelectric plant of Furnas, on Minas Gerais. This region englobe more than 200,000 hectares distributed in more than 20 cities, in four microregions of southwestern Minas Gerais: Passos, Piumhi, Varginha and Alfenas.

Therefore, trying to identify the capacities related and the structure of governance constructed on the region by the cities tourism secretaries that are member of the circuit, more the non-governmental members of the region. This work tries to answer the following question: how the governance structure from the arrangement in question articulates the capacities and potentialize the results? It matters to warn that it’s not about examining the state effectiveness, but the governance structure from the arrangement of the circuit (NCTC), comparing the benefits of the cities that participate of this structure in relation to cities from the same region that are not part.

2. THEORETICAL REFERENCE

On this topic we will approach the theoretical discussion of state capacity, that appoint to the resource needed for the success of public policies, with an focus on political-relational capacities, and a discussion about the concept of governance applied to the Brazilian federalism context.

2.1. State Capacity

Gomide and Pires (2014) and Gomide and Boschi (2016) deal with the Weberian view and the concepts of coordination, management and performance, but the concept of autonomy associated with the governance literature is understood through the concept of relational political capacity. Gomide and Pires (2014, p.20) affirm that the success of a given public policy can be evaluated from two components: the administrative technician and the relational politician. The technical and administrative capacity is evidenced by the presence of:

(i) Organizations with adequate and available human resources to conduct the actions; (ii) adequate and available financial resources to conduct the actions; (iii) Appropriate technology resources available for the conduct of actions; (iv) Coordination mechanisms; and (v) Monitoring strategies (vi) processual-organizational, which contemplates the processes of planning, control and management, and involves the instruments of intragovernmental coordination; and (vii) legal, which refers to the regulatory framework that underpins public policy; (GOMIDE and PIRES, 2014, p.19).

The decomposition of the political dimension refers to the following indicators:

“i) existence and forms of interactions between executive bureaucracies and agents of the representative political system; ii) the existence and effective operation of
The Lindvall and Teorell model (2016) addresses Fukuyama's theory of governance (2013) as it focuses on the means by which states promote results, with resources being the only plausible measure. The theory of governance (EMERSON, NABATCHI, BALOGH, 2012; ANSELL, GASH, 2007) complements this approach as it understands the bureaucracy must articulate with autonomy and with non-governmental actors in order to potentiate its resources, with guidelines and deliberations formulated collectively.

2.2. Governance

As pointed by Martin and Marini (2014) we have a model of public governance that emphasize the strongness of horizontal way of partnership between public and private sector translated on a wide process of decision making that evolve both sector in the same way. On this model, collaboration is the principal mechanism of public value creation.

Therefore, the “public governance is a process of creation of public value as of some institutional capacities and qualities; from collaboration between public and private agents on coproduction of services, policies and public goods and for better performance” (MARTIN, MARINI, 2014, p.44). So, public governance can be defined as a state capacity associated to net-form governability, on a collaborative way, oriented to results of public policies in a sustainable way (MARTIN, MARINI, 2014).

Associates technical administrative capacity, in other words, institutions composed of a qualified bureaucracy with technology and information available (LINDVALL, TEORELL, GOMIDE, PIRES, 2014), associated with the autonomy of this bureaucracy (FUKUYAMA, 2013), will have its performance enhanced. At the same time as this bureaucracy also has a political-relational capacity (GOMIDE, PIRES, 2014) to act in a transversal, intersectoral and coordinated way with private initiative and civil society, generating, finally, greater public value.

Therefore, there must be a synergy between state, market and civil society. This structure is also known as collaborative governance, i.e., “the processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished.” (EMERSON, NABATCHI, BALOGH, 2012, p.2).

In that same logic, Chris Ansell and Alison Gash (2007, p.544), in the paper “Collaborative Governance in theory and practice”, define collaborative governance as follows
“a governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative and that aims to make or implement public policy or manage public programs or assets”.

The model of collaborative governance, as pointed out by Ansell and Gash (2007), presents a series of critical variables and factors that influence its success. Among the variables pointed out by the authors we have: the historical context involved, that is, whether or not there are conflict or cooperation relationships among stakeholders; the capacities involved, such as power and resources; leadership and institutional design. Factors we already have are: the "face-to-face dialogue"; the building of trust and the development of commitment and joint understanding.

Six pillars are pointed out as essential for the collaborative governance arrangement to have a secession, they are: (1) The forum is initiated by public agencies or institutions; (2). Participants in the forum include nonstate actors; (3). Participants engage directly in decision making and are not merely “consulted” by public agencies; (4). The forum is formally organized and meets collectively; (5). The forum aims to make decisions by consensys (even if consensus is no achieved in practice); (6). The focus of collaboration is on public policy or public management. (ANSELL, GASH, 2007).

3 METHODOLOGY

This is a qualitative research with case study, whose object of analysis is the arrangement of the Circuit of Tourism of the Springs of the Gerais and Canastra (NCTC), situated in the State of Minas Gerais-Brazil. The methodological instruments to achieve this objective are: documentary analysis, interviews and participant observation. The interviews will be conducted through semi-structured questionnaires and applied to NCTC participating municipalities, non-governmental members, two municipalities not participating in the NCTC and members of the municipal council. And the participant observation seeks to identify the dynamics of the NCTC meetings, and communication between public representatives, entrepreneurs and other members of civil society in the meetings of the circuit, in the months of September 2018 and January 2019.

Documents analyzed regarding the NCTC were: Acts of Incorporation, Internal Regulations, Acts of Possession, Actions Report for the period from 2014 to 2017, Minutes of Meeting of August 2018 and January 2019, Strategic Planning from 2017 to 2020. Interviews
conducted with members of the Tourism Secretariat or who coordinate the tourist folder municipalities and members of the Municipal Council of tourism of: Passos, Cássia, Delfinópolis, Capetinga, Itaú de Minas, Capitólio, Carmo de Rio Claro, Fortaleza de Minas, São João Batista do Glória, among those interviewed, only two municipal representatives are not part of the NCTC. In all, fourteen interviews were carried out: nine municipal representatives, three representatives of the municipal council of tourism from different municipalities, all of whom work in the second sector, and two representatives of the NCTC.

### Table 1 - Analytical framework of state capacity and collaborative governance:

<table>
<thead>
<tr>
<th>Theoretical lenses</th>
<th>Dimension</th>
<th>Indicador</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative Governance</td>
<td>The fórum is initiated by public agencies or institutions</td>
<td>Origin, creation and maintenance of the NCTC</td>
<td>Ansell e Gash (2007)</td>
</tr>
<tr>
<td></td>
<td>Participantes in the fórum include nonstate actors</td>
<td>Composition / actors of the NCTC; Composition of NCTC Officers</td>
<td>Ansell e Gash (2007); Emerson, Nabatchi, Baloch (2012)</td>
</tr>
<tr>
<td></td>
<td>Participants engage directly in decision making and are not merely “consulted” by public agencies</td>
<td>Engagement of NCTC Participants</td>
<td>Ansell e Gash (2007); Martin e Marini (2014)</td>
</tr>
<tr>
<td></td>
<td>The fórum is formally organized and meets collectively</td>
<td>Frequency and format of NCTC meetings</td>
<td>Ansell e Gash (2007)</td>
</tr>
<tr>
<td></td>
<td>The fórum aims to make decisions by consensys (even if consensus is no achieved in practice)</td>
<td>Forms of decision-making and implementation of the NCTC decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The focus of collaboration is on public policy or public management</td>
<td>NCTC Collaboration Focus</td>
<td></td>
</tr>
<tr>
<td>State capacity</td>
<td>Financial resources</td>
<td>Budget destined to the development of the tourism of the Municipalities and the NCTC</td>
<td>Lindvall and Teorell, (2016); Gomide and Pires (2014); Fukuyama (2013).</td>
</tr>
<tr>
<td></td>
<td>Human Resources</td>
<td>Technical and relational capacity of the municipal bureaucracy and the NCTC</td>
<td></td>
</tr>
</tbody>
</table>

Source: prepared by the authors.

**The case of the Circuito de Turismo das Springs of the Gerais and Canastra**

In Brazil, Tourist Circuits were recognized with the publication of State Decree 43.321/2003 and Law No. 22.765/2017, which established the State Tourism Policy. The Tourist Circuits are the regional governance body composed of municipalities of the same region with cultural, social and economic affinities that unite to organize, develop and consolidate local and regional tourism activity in a sustainable, regionalized and decentralized manner, with the participation civil society and the private sector (Minas Gerais, 2019).

The Tourist Circuit Springs of the Gerais and Canastra is locating in by the Furnas Lake, Peixoto Lake and Estreito Lake, keeps a variety of ecologic treasures. The "Minas Ocean", as the lake is popularly known, was artificially formed as a consequence of the impoundment of the rivers Grande and Sapucai, among others. The water sports and the natural
beauty are the strengths of the region that comprehends part of the National Park of Serra da Canastra, where the "Velho Chico" comes from. On December 2018, 19 cities are included on the Circuit. This area includes municipalities of three microregions of southwestern Minas Gerais: Passos, Piumhi and Alfenas.

4. ANALYSIS

In this section we present a general outline of the State capacities related to each individual Municipality evaluated in the course of this research, in order to provide the main challenges associated with the development of local tourism in such regions. Then, we provide an overview of the governance framework fostered by the State of Minas Gerais’ Robin Hood Act and the resulting enactment of the Tourism VAT, both elements essential for the creation of the NCTC. Finally, we provide a comparative analysis between the performance of municipalities included in the CNTC and two municipalities that are not, namely Capetinga and Fortaleza de Minas.

4.1 Municipal capaciteis

The territory comprehending Serra da Canastra and Mar de Minas encompasses four micro regions included in the scope of NCTC’ss activities: Passos, Piumhi, Varginha and Alfenas. Considering the proximity of these localities, we have considered for the purposes of this work 21 Municipalities in total, including only three localities that are not part to the NCTC. All these Municipalities are classified as small and medium sized, presenting low demographics, low capacity to generate VAT revenues and, therefore, depend on Federal and State financial transfers to subsidize their investment expenditures. These Municipalities and the respective social, demographic and economic features are described in the table below:

Table 2 – Characteristics of Serra da Canastra and Springs das Gerais’ Municipalities:

<table>
<thead>
<tr>
<th>N.</th>
<th>Micro region</th>
<th>Municipality</th>
<th>NCTC</th>
<th>Inhabitants/ km²</th>
<th>R$ current / inhabitants in 2017</th>
<th>Financial commitment (%) in Turism in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Passos</td>
<td>Alpinópolis</td>
<td>Yes</td>
<td>43,24</td>
<td>R$ 1.800,09</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Bom Jesus da Penha</td>
<td>No</td>
<td>20</td>
<td>R$ 3.942,07</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Capetinga</td>
<td>No</td>
<td>23,84</td>
<td>R$ 2.217,84</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Capitólio</td>
<td>Yes</td>
<td>16,5</td>
<td>R$ 3.518,35</td>
<td>1,61</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Cássia</td>
<td>Yes</td>
<td>26,82</td>
<td>R$ 2.234,56</td>
<td>0,06</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Claraval</td>
<td>Yes</td>
<td>21,22</td>
<td>R$ 3.190,55</td>
<td>0,08</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Delfinópolis</td>
<td>Yes</td>
<td>5,07</td>
<td>R$ 3.936,46</td>
<td>0,21</td>
</tr>
</tbody>
</table>

1 Alpinópolis, Bom Jesus da Penha, Capetinga, Capitólio, Cássia, Claraval, Delfinópolis, Fortaleza de Minas, Ibiraci, Itaú de Minas, Passos, Pratápolis, São João Batista do Glória, São José da Barra, Carmo do Rio Claro, Guapé, Ilicínea, Piumhi, São Roque de Minas, Tapira e Vargem Bonita.
Based in the above table, the Municipalities analyzed presented on average 27 inhabitants per square kilometer, and average current revenues of approximately R$ 2,781 Brazilian Reais (approximately USD 700 per inhabitant, in 2017). As such, these localities are characterized by a low capacity to collect revenues and investments in tourism is limited to 2% of total budget resources, if any.

The financial capabilities of these Municipalities strongly correlate to their dependency of financial transfers from other Federative entities. Therefore, the interviewed localities state that one of the challenges of developing local tourism is the lack of financial resources, especially in view of the fact that upfront investments with the Municipalities’ own resources is a prerequisite for the sector’s evolvement. Only after these initial investments local governments will be able to collect Tourism VAT and, therefore, would have additional resources to renew the investment cycle.

One form to tackle budgetary restrictions consists in the collection of the Tourism VAT (Tax on Operations related to the Circulation of Goods and Provision of Interstate and Intermunicipal Transportation and Communication Services (ICMS) of Tourism), as we will detail in the following topic. However, the collection of the Tourism VAT depends on the prior creation of a Municipal Tourism Board (COMTUR) and the constitution of a Municipal Fund (FUMTUR), as well as the effective participation of local authorities in the Touristic Circuit. This form of linkage constitutes a form of federative induction: access to financial resources is
conditioned to the participation of the benefitting entity in the pursuit of certain policy measures, which in this case is partaking in policy governance via participative boards.

Despite this, the resources arising out of the collection of Tourism VAT were perceived as insufficient by the interviewed Municipalities to effectively develop local tourism and, therefore, a second challenge we have identified is the lack of political interest in pursuing the relevant policies. Consequently, in times of economic downturn such as the one the State of Minas Gerais currently undergoes, investments in tourism become even lower, as resources are directed away from non-priority matters.

The lack of political commitment to the development of tourism initiatives revert in the lack of administrative measures such as the creation of a specific executive secretariat and, consequently, the absence of further exclusive allocation of bureaucrats employed in tourism fostering activities. Absence of skilled professionals, either form a qualitative or quantitative perspective, is a key impediment to any given Municipality to compete for projects and agreements with the Federal Ministry of Tourism, as such competitive proceedings require the creation of specific projects, submission of information and adjustment of local policy and administrative procedures to a number of criteria set up by the Federal Government.

Lastly, still in relation to the challenges arising in connection with the administration of human resources, the Serra da Canastra and Nascente das Gerais region in an area of intense intervention of all Federal, State and Municipal authorities when it comes to topics such as the extraction and management of natural resources and river navigation, which by its turn require local authorities to the present a considerable know-how on communication and interaction with different levels of government and the respective structures. To the extent Municipalities do not have sufficient resources to hire more professionals, the development of local tourism becomes a growing challenge.

4.2 Governance Framework – Tourism VAT

Under the Federal Constitution of 1988, the Brazilian State was conceived as a federation, with the distribution of competences and resources at the Federal, State and Municipal levels. In this context, the implementation of public policies in the country has gradually evolved into articulated, decentralized initiatives, especially through financial transfers between different federative entities (ABRUCIO, 2005; ARRETCHE, 2006).

Regarding the fiscal situation of Brazilian Municipalities, studies show their lack of expressive collection of tax revenues as a source of financial funds (FILHO, 2012; MACEDO,
CORBARI, 2009), while highlight the relevance of intergovernmental transfers, particularly from State and Federal governments. In this sense, intergovernmental transfers are widely adopted and consist in a key element of the interaction between the federative units, as well as an essential source of funds for the majority of Municipalities (MENDES ET AL, 2008).

Among the main sources of resources of the Municipalities of the State of Minas Gerais are the Municipal Participation Fund and transfers of 25% of State VAT collections (FJP, 2010). With the enactment of the Robin Hood Act, in Minas Gerais, and its further amendments, specific transfer minimum criteria were created, associated in particular with Municipal promotion of sports and tourism as a condition for receipt of the respective VAT revenues (MINAS GERIAS, 2009), as provided in Section 9 of the law:

The amounts arising out of the application of the percentages referred in the category “tourism”, as set out under Section 1, item XVI, shall be destined to the Municipalities based on the percentage rate resulting from division of the tourism investment performance of the individual Municipality and the sum of the tourism investment performances of all Municipalities within the State, as assessed by the State Tourism Department – SETUR, considering the provisions of Annex VI of this Act. First Paragraph – In order to become eligible under the “tourism” category, the Municipality must: I – Participate in SETUR’s Tourism Regionalization Program; II – elaborate a specific municipal tourism policy program; III – incorporate and maintain in regular operation the Municipal Tourism Board and the Municipal Tourism Fund.

The objective of these criteria is to “foster the application of Municipal funds in social welfare; induce the Municipal governments into elevating the respective revenues and commit resources for efficiently, as well as [...] to enhance the living standards of the population in these regions” (FJP, 2010). As such, this was a mechanism specifically crafted to induce the Municipal State capabilities by the creation of boards and other administrative apparatus directed to discussing tourism, as well as to ensure the commitment of funds in local development.

Therefore, in order to access the Tourism VAT, the Municipal government must participate in the State’s Tourism Regionalization Program, in other words, to integrate in the Tourism Circuit, and elaborate a local tourism policy, which by its turn requires at least one civil servant to be fully engaged in the matter or the creation of a local tourism executive secretariat. Finally, the Municipality is obliged to incorporate and maintain a Municipal Tourism Board, thus integrating representatives of the Legislative and Executive branches and of local commercial trade associations, among others, as well as to set up the Municipal Tourism Fund necessary for the receipt of such resources.

In this context, only the upon the effective operation of these associations and compliance with accountability regarding the respective results Municipalities may access the
financial funds of the Tourism VAT. As such, this will become one of the mandatory indexes necessary to ensure the successful implementation of the collaborative governance framework provided under the NCTC. This is because the longevity of an associative arrangement depends essentially on the existence of a common goal shared among all stakeholders, either State or non-State agents (Ansell and Gash, 2007), their creation and maintenance being a product of a normative public demand, which by its turn permits the definition of a clear objective to such associations. Therefore, while the NCTC was created on October 15, 2001, its effective operation was only verified in 2011 with the enactment of the Minas Gerais’ Robing Hood Act.

4.3 The governance of the Springs of the Gerais and Canastra Tourism Circuit
4.3.1 Composition/stakeholders of the NCTC
As explained above, the NCTC is composed by Municipal governments and legal or natural persons who have the right to request association freely. According to its bylaws, each associate makes the respective financial contributions in order to meet the Circuits’ maintenance costs, in the following proportion: Municipalities – R$ 600; corporations with 1 to 10 members – R$ 20; corporations with 11 to 50 members – R$ 30; natural persons – R$ 10.

The integration of State and non-State stakeholders is also key to ensure the development of tourism initiatives in the country, as: “The community must be aware of the Municipality’s need of developing tourism. Each Municipality accounts for a different reality and that is the reason why there is room for innovation, invention and creation. When we speak of innovation we are addressing specifically complementary initiatives and partnerships, all aiming at local development [...]. In order to create this perspective we have to maintain a good relationship with the Municipal government, with the community and will all involved parties. Without becoming part to the Circuit [NCTC] it would be very difficult for anyone to achieve these results. The Circuit [NCTC] enables the local government to see the reality of things and gathers the local tourism secretariats. The State is responsible to kick things off, fosters activity, while the private initiative complements it. The business community is responsible, while the Municipal government is a partner.” [interviewee -4]

In the case of Municipalities, in addition to local State representatives (usually from the municipal Tourism department), the indication of a replacement is mandatory. Usually this role is expected to be filled by a non-State representative. As we have identified in the course of this study, all the replacements are local businessmen, members of trade regional trade boards or members of local tourism boards, thus ensuring non-State participation in the NCTC.

4.3.2 Composition of the NCTC’s governing body
As provided in its statutes, the NCTC’s governing body is composed of a Chairman with a renewable 2-year mandate and a Deputy Chairman, subject to the same mandate term.
These agents are elected among NCTC’s members by a simple majority vote, and any member may run for office.

In addition, a Manager may be hired to perform delegated activities, thus amounting to the role within the NCTC with the most responsibilities and demands. In practice, the Manager is a central role in the NCTC’s governing body and require previous qualification in Tourism. This requisite was enacted by decision of the NCTC’s first governing body, as indicated below:

Many Municipalities used to indicate political allies to act as coordinators; managers of the Circuit, but the first question I made was: ‘Is this person a Tourism professional?’ and the response was always ‘No, but she is very knowledgeable in Tourism.’ So I answered back: ‘Then this person will be the Manager.’ The Manager of the Circuit must be a Tourism professional because we are dealing with Tourism.’ [interviewee 3].

The Manager of the Circuit is responsible to a number of activities, including addressing matters raised by members, organizing periodic meetings, adapting of the Circuit to the legal requirements set forth by Federal and State authorities, representing the Circuit in fairs and events, putting forth regional demands to other federative entities, among others. As such, this player’s technical and relational credentials is stressed by interviewees as a key element to the NCTC’s success.

4.3.3 Frequency and formatting of NCTC’s meetings

As set out in the NCTC’s statues, the “Governing Body shall gather for ordinary meetings once a month in a previously agreed location.” Thus, meetings occur monthly in different locations among the member Municipalities. The aim of such meetings is, among others, “diminish the barriers of competition. To make member Municipalities to work as partners” [interviewee-1], as well as to allow Municipalities to understand the reality of other Circuit localities: “This is the moment to gather regional secretariats to exchange experiences and enable them to help each other. Sometimes, a certain Tourism department has success in a given initiative and intends to share this experience with others. We are looking to do just that, have the Municipalities of the area developing together, without envy, without a ‘someone else has made it and I have not’ mentality. We want them all to be at the same level, and whenever we can help that is a good thing. I have already learned so much [initiatives and information] from other cities to bring to my own Municipality” [interviewee-1].

Besides the exchange of information among civil servants, there is a relevant exchange of experiences among representatives of Municipal boards, members of the civil society businessmen, craftsmen, trade union representatives, and local association members, all of which exercise the role of Municipal replacement.

4.3.4 Formatting of NCTC’s decision-making and implementation
The agenda is generally conceived in accordance with local demands, in other words, anyone may propose a topic for general discussion and deliberation in monthly meetings. Common-interest demands are analyzed as the main topic of discussions, however, any specific matter may become subject of deliberation. In this sense, we can conclude this to be a non-horizontal decision-making structure in which votes of any members account for the same value.

This collective decision-making process is key for the formation of public policy and the definition of the agents responsible for the respective implementation, as this is the moment stakeholders will position themselves in an aligned, active manner. As such, these mechanisms and are essential factors for the relevant for stakeholders’ commitment: the strengthening of inter-sector confidence and efficacy of policy measures comes into play here.

4.3.5 Focus on collaboration within the NCTC

The collaboration of NCTC members takes place via of constant exchange of information and the actions of the Chairman, Deputy Chairman and Manager. Members and representatives of the Municipal and civil society sectors share experiences in developing local tourism in each meeting and, as a consequence, end up learning collectively. In addition, the group assists members in relation to technical matters such as meetings accountability standards and accessing Tourism VAT resources, as well as in the proceedings for bidding for Federal and State government projects and programs. In our view, this form of collaboration ensures individual and collective gains to members.

The activities developed by the NCTC’s governing body seem to allow for the collaboration of different associations, as it is the case, for instance, for the collaboration of the State government or other bodies and the participating Municipalities. This is because via the NCTC one may: ‘understand the success path’, as we use to say. We can reach out to State tourism, we can speak freely with the State of Minas Gerais’ Tourism Department in Belo Horizonte [State Government] about Minas’ tourism, you know? And, as a result, we participate in fairs. Before we had nothing and now we are going to our third tourism fair. This is very important.” [interviewee-2].

Therefore, we can point out that the technical and relational capabilities of a given bureaucracy, which are directly connected with available of adequate, specialized human resources engaged in promoting tourism, is potentialized to the extent there is exchange of information between NCTC members and other inter-federative associations.

4.3.6 Results of NCTC’s initiatives
In this section, we present a general outline of the impacts of NCTC’s actions upon its members, either public or private agents, based on its initiatives’ report and strategic planning. As such, in 2016 a meeting took place with the Military Police in order to promote the integration for a future patrolling project in all State touristic rural areas. Thus, the meeting was held with participation of Hospitality Mineira for the promotion before the Circuit and associate Municipalities.

In 2017, the NCTC announced and promoted the actions of its members to more than 5,000 travel agents from all over Brazil at the AVIRRP - Association of Travel Agencies of Ribeirão Preto and Region. He also participated in meetings with the Assistant Secretary of State for Tourism to propose projects of the NCTC that impact all the municipalities. And, among other activities, we highlight the participation in World Travel Market Latin America - WTM 2017, biggest event of tourism promotion in Latin America.

In 2018, the NCTC mobilized regional and political entrepreneurs in favor of the continuation of the activities in the unique airport of the region to continue operating, maintaining, thus, an operant commercial air way. And, currently, they are in the process of developing a website and application in Android and iPhone that will present by municipality, accommodation, food services, handicraft shops, pharmacies, tourist attractions, tourist assistance points and other guidelines for locomotion.

4.4. Comparison between the municipalities circuited NTCT and municipalities not circuited

Based on the interviews realized on the the cities Fortaleza de Minas and Capetinga, we identified that those cities do not develop all the potential of their tourism secretaries and, consequently, they aren’t associated to the circuit, don’t have a counsel working and, thus, they don’t receive Tourism VAT resources.

Among the factors we identified as the main causes to the non-association we want to highlight that the historical identity construction of the city Fortaleza de Minas always been associated with mining activities, as the main source of employment and revenue for the population, employing, directly and indirectly, 80% of the population. With this scenario, the government never massively invested on the city hotel infrastructure, historical asset and cultural preservation and on the rural zone development to foment the tourism access to the mountains that surround the city. With the exit of the mining company from the city, the tourism started to be a development possibility to be explored: There is absence of faith [on tourism policies]. People do not belive, because the government never develop the touristic infrastructure in the city. We
have waterfalls, rock walls and beautiful views [...] We have traditional festivals that lasts 10 days, but we don’t have the structure to keep the tourist for 10 days, we don’t have beds. [interviewed 5]

The financial question, payment of the NCTC monthly fee was pointed as a challenge factor to association, because all the governments face fiscals’ issues of collection from the own Minas Gerais government. Even so, both identify the benefit of association: “If the city is on the NCTC, so it will be announced on big fairs and events. By them, we have a big exposure. We could do it alone, but it wouldn’t be effective in the way it is” [interviewed 5]

Both cities, Fortaleza de Minas and Capetinga, are in process of development of their tourism agenda, focused on elaborating a city tourism policy, construct and maintain on regular functioning the COMTUR and the FUMTUR, however, to do that, they need to get support from other institutions, like the AMEG – “Association of Cities from the Microregion of the Middle Big River” ir private consulting companies.

CONCLUSION

This job tried to identify the relational capacities and the structure of governance constructed on the Minas Gerais region by using their city secretaries of tourism, civil society and companies from the NCTC, thus, the research seek to answer the following question: How the structure of governance from the arrangement “Circuit of Tourism from Springs of Gerais and Canastra (NCTC)” articulates the state capacities from the participant cities and potentialize their state results? Concluding that through the NCTC the cities have access to the resources from the Tourism VAT, essential to the development of public policies of tourism, making the sector less dependent of own resources.

With regard to the relational capacity of the city bureaucracy, the NCTC, with its mobile meetings, allows the exchange of information, experiences of innovation and good practices of the public and private sector, providing the technical need, making that not only the secretaries to use that space to extract something, but all the interest parts on it.

Finally, we identify that the NCTC is the biggest responsible for the propaganda and divulgation of the region, by the apps or in fairs and touristic events, reducing the public and private sector on the capitation of tourists. The governance permits a flatness of capacities from public bureaucracy and the actions of civil society by using the spirit of partnership and commitment with the local development.

BIBLIOGRAFIA:


FILHO, J. G. M. *Transferências intergovernamentais e esforço tributário [manuscrito]: o caso dos municípios de Goiás, 2000-2009*. Monografia (especialização) – Curso de Orçamento Público, Câmara dos Deputados, Centro de Formação, Treinamento e Aperfeiçoamento (Cefor); Senado Federal, Universidade do legislativo (Unilegis); Tribunal de Contas da União, Instituto Serzedello Corrêa (ISC), 115 f. 2012.


Tradução para português por Beni Trojbicz.


MINAS GERAIS. (Estado). Lei n° 18.030, de 12 de janeiro de 2009.
