Polycentric governance for policy change: application of the advocacy coalition framework to Brazilian solidarity finance

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Community development banks are growing organizations of solidarity finance in Brazil (Melo & Braz, 2013). Present in 104 communities, CDBs are autonomous grassroots organizations created and managed by community associations for providing financial services to excluded and marginalized populations. Inspired by the Banco Palmas experience, CDBs have been gradually spreading nationwide and structured into a polycentric national network. Five organizations participate in articulating and consolidating the network: two nonprofit organizations, two universities and one non-governmental organization. These five organizations and the CDBs are well-structured into national and regional coalitions for influencing the manner in which governments define financial exclusion and access to credit as a political problem. Over the last fifteen years, CDBs have been gradually recognized by governments and public institutions, and are nowadays included into several public policies at local, regional and federal levels.

In this article, we analyze how CDBs became policy agenda by focusing on the progressive structuration of these grassroots organizations into advocacy coalitions and their articulation with governments for policy change. Our two research questions are: how did CDBs structured into polycentric advocacy coalitions? How do the coalitions and their members participate in the construction of public policies?

The concept of polycentric governance provides an analytical structure for the study of complex social phenomena (Aligica & Tarko, 2012). According to Vincent Ostrom (1999: 53), “a polycentric order is defined as one where many elements are capable of making mutual adjustments for ordering relationships with one another within a general system of rules where each element acts with independence of other elements”. A polycentric approach results in coordinating action of several actors at multiple levels of government. This perspective permits to compare the strategies and results obtained in each territorial context (local, regional, national). These polycentric social systems are generally elaborated for responding to the provision of public goods, such as city policing (V. Ostrom et al., 1961), or the preservation of natural resources (E. Ostrom, 2009). In the case of CDBs, the polycentric governance includes public authorities for providing access to credit, what revives the debate of characterizing access to credit as a right (Hudon, 2009).

To understand the construction of a CDBs policy agenda, we propose to confront the concept of polycentric governance to the advocacy coalition framework (ACF) created by Sabatier and Jenkins-Smith (1993) for explaining public policy change. The ACF presents several elements for understanding the role of coalitions in policy change and learning in a time perspective of 10 years or more. Policy change occurs at several subsystems that contain multiple actors and levels of government. For changing government positions, actors aggregate into coalitions and elaborate strategies according to their values and beliefs. They mobilize resources, such as financial resources and technical expertise, for influencing governmental authorities, which are also affected by external elements (change in socio-economic conditions or in governing coalition). The ACF has been applied for more than 20 years to various topics in many geographical areas (Weible et al., 2009). Despite its wide application, the ACF has rarely been directly applied to policy process in solidarity economy.

Based on field research, this article proposes an in-depth case study of CDBs networks and policy subsystems at both regional and federal level. The author is currently collecting qualitative data in Brazil from November 2014 to March 2015. He conducted 24 interviews in two national coordinators of the CDBs network (the Solidarity economy incubator of Federal University of Bahia, and the Palmas Institute) and two CDBs (Banco Ilhamar and Banco Palmas). In a near future, the author will conduct 30 interviews in: 1) the three others coordinating organizations (the Solidarity economy incubator of University of Sao Paulo, Ateliê de Ideias, and Amazonas Social Capital Institute), 2) three CDBs actively participating in the network (Banco Uniao Sampaio, Banco Bem, and Banco Tupinamba), and 3) governmental and public organizations, such as national and regional public banks, the Central bank, and federal and regional governments. These organizations have been chosen for enabling to have a broad overview of the federal public policy and to focus on three regional policies, in the states of Bahia, Ceara and Espirito Santo. These three states have developed or are developing different public policies involving CDBs.

Adapting the ACF, this article analyzes what are the structures of CDBs advocacy coalitions (the construction of these grassroots organizations into a well-structured polycentric network) and their effects on policy change (by participating in the public policy construction). Then, we propose to analyze the data by determining the gradual structuration of a polycentric coalition through the progressive aggregation of actors of different positions. Over the last ten years, CDBs structured their own network by articulating scattered CDBs and universities working in spreading the CDB methodology. After the national coordination, the network is nowadays structuring itself at regional levels, through the creation of state networks (in Bahia, Ceara, and Espirito Santo). At the same time, the national CDBs network is coordinating its actions with other solidarity finance organizations, namely solidarity rotating funds and credit cooperatives.

These structured coalitions participate in policy change at federal and regional levels. Since 2003 and the beginning of the first Lula presidency, social movements and solidarity economy organizations actively participate in elaborating the orientations and strategies of the Solidarity Economy National Secretariat (SENAES), integrated into the Ministry of Labor and Employment. They collectively define public policy orientations at the Brazilian Forum of Solidarity Economy. The CDBs network participates in this national forum. Resulting from these interactions, SENAES launched two calls for tender for helping the creation and consolidation of CDBs nationwide. Simultaneously, CDBs are nowadays also constructing regional networks and dealing with regional governments. For example, the CDBs networks of Bahia and Espirito Santo have been influencing public governments and public banks for supporting CDBs through financial donations and access to credit. The Palmas Institute in Ceara is articulating its actions with the municipality of Fortaleza for spreading CDBs in several suburbs of the city. Then, these public policies are deeply embedded into territorial characteristics.

Thus, this article proposes an in-depth analysis of the polycentric governance of Brazilian CDBs organizations and their interactions with federal and regional governments for policy change.

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