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LIMITATIONS OF POLITICAL-ADMINISTRATIVE AUTONOMY IN MUNICIPALITIES AND FACTORS OF TERRITORIAL DEVELOPMENT

LIMITAÇÕES DE AUTONOMIA POLÍTICO-ADMINISTRATIVA DE MUNICÍPIOS E OS FATORES DE DESENVOLVIMENTO TERRITORIAL

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Abstract

The lack of maintenance capacity of most Brazilian municipalities does not differ from the reality found in the municipalities in Santa Catarina, especially in the West. In this context, this research has the aim of analyzing the aspects linked to the autonomy of the municipal entities, based on socioeconomical, demographical and municipal public revenue indicators of two microregions of IBGE: Chapecó and São Miguel do Oeste. The study has a quantitative approach, supplemented by qualitative contribution. It is characterized as multiple case, since it is focused on the two microregions, constituted by 59 municipalities. Due to this economic dynamic, the microregions present structural deficiencies for the expansion of the industrial and service activities, considered more "noble", in terms of work and income qualification. The research techniques and instruments were guided by research in a database, predominantly in secondary data, and also primary, through interviews with the municipal public managers. As techniques of data analysis, tables of the independent, dependent, and participant/moderating variables were created, linked to the infrastructure of regional routes, with different typologies. As main results it was observed that the geographic position with secondary access and/or indirect connection has predominance of the agricultural economic activity, with low income of taxes, and presents significant negative populational variation. Differently, the medium-sized cities located at the main thoroughfares have certain economic dynamics focused on the industrial and urban service segment that make them interesting from the point of view of the regional development.

Keywords: Small municipalities. Public revenues. Regional asymmetries. Populational variation. Developmental corridors.

Resumo

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A ausência de capacidade de mantenimento da maioria dos municípios brasileiros não difere da realidade encontrada nos municípios em Santa Catarina, especialmente na região Oeste. Neste contexto, esta pesquisa tem por objetivo analisar os aspectos vinculados à autonomia dos entes municipais, com base em indicadores socioeconômicos, demográficos e de receitas públicas municipais de duas microrregiões do IBGE: Chapecó e São Miguel do Oeste. O estudo possui abordagem predominantemente quantitativa, complementada por aporte qualitativo. Caracteriza-se como estudo multicaso, visto que está centrado nas duas microrregiões, constituídas por 59 municípios. Por sua dinâmica econômica, as microrregiões apresentam deficiências estruturais para a ampliação das atividades industriais e de serviços, consideradas mais "nobres", em termos de qualificação de trabalho e renda. As técnicas e os instrumentos de pesquisa foram norteados em base de dados secundários e também primários, por meio de entrevistas aos gestores públicos municipais. Como técnicas de análise dos dados foram geradas tabelas de análise das variáveis independentes, dependentes e intervenientes/moderadoras, vinculadas à infraestrutura de vias regionais, com diferentes tipologias. Como principais resultados observou-se que o posicionamento geográfico com acesso secundário e/ou conexão indireta possui predomínio da atividade econômica agropecuária, de baixo rendimento de impostos e, apresenta acentuada variação populacional negativa. De forma diferenciada as cidades medianas localizadas no eixo viário principal possuem determinadas dinâmicas econômicas centradas no segmento industrial e de serviços urbanos que os tornam interessante do ponto de vista do desenvolvimento e equilíbrio regional.

Palavras-chave: Pequenos Municípios. Receitas Públicas. Assimetrias Regionais. Variação Populacional. Corredores de Desenvolvimento.

Introduction

When discussing the presence or absence of development of a territory or region, the direct connection is made to the role that should be played by the municipalities as the main source in promoting development conditions. However, due to the high cost of the public structure, especially personnel and lack of budget planning, they end up being dependent on intergovernmental transfers, although part of this income is also generated locally.

A Firjan study on municipal fiscal management showed that 82% of the municipalities did not generate even 20% of their own revenues, and under this condition, they are dependent on funds that come from sources outside their collection (FEDERAÇÃO DAS INDÚSTRIAS DO RIO DE JANEIRO, 2016). In this aspect, the problem of the research is highlighted, which shows that with the inability to generate their own public revenues, municipalities become dependent on intergovernmental transfers, which limits their capacity for development.

Linked to a series of indicators, the characteristics of the local reality demand research. For this reason, this study aims to analyze the aspects related to the autonomy of municipal entities, based on socioeconomic, demographic, and municipal public revenues indicators of two microregions: Chapecó and São Miguel do Oeste, as well as the other development vectors present or not in the region, such as road infrastructure, considered an essential dimension of basic development.

Based on the importance and responsibility that the municipality has regarding the development of its territory and region, this research specifically proposed to (a) typify the municipalities as to their road accessibility to the regional development corridors; (b) examine the representativeness of their own revenues and intergovernmental transfers; (c) analyze the municipal socioeconomic data, relating them to regional road accessibility; (d) relate the socioeconomic data with municipal public revenues. As for the methodological process, it is characterized as a multi-dimensional study, as it contemplates two microregions, which comprise 59 municipalities. It is characterized predominantly by the quantitative approach, complemented by the qualitative approach that served as a subsidy to explore asymmetric characteristics and behaviors of the research environment.

As for the structure, this article is organized in sections in addition to this introduction, which presents a theoretical review that serves as a support to the research. The methodological procedures are also presented, followed by the analysis and discussion of the results and, finally, the final considerations.

Lack of political-administrative autonomy of municipalities

When dealing with regional development and economy, it is common to attribute responsibility to the state and municipalities, due to the autonomy earned through the Federal Constitution of 1988. Not only political issues have increased the responsibility of municipalities. Economic and population growth has had a strong contribution to this condition, once it has added to this context other problems arising from growth, especially in small and medium-sized municipalities (FIGUEIREDO; LEITE, 2006). For the authors, promoting development conditions and creating competitive differentials is not a macroeconomic phenomenon, influenced by exogenous variables to the regional reality, but it is the result of an internal process of differentiation in management practices and exploration of potentialities.

The process of fiscal decentralization in the federal system, formalized and consecrated in the constitutional reform in 1988, took place through the Federal Constitution (PRADO, 2001) and benefited the local governments with the expansion of federal and state transfers to those entities that assumed their own administration of public management issues, especially concerning taxes within their scope and to the organization of public services (BATISTA, 2015), in addition to assuming the commitment of promoting economic development.

However, the dependence on intergovernmental transfers, the high expenditure of the public structure, especially on personnel, and the lack of budget planning place municipalities in an unpromising scenario. More than 3,000 out of the 5,570 municipalities have revenues coming from constitutional transfers, such as the Municipal Participation Fund (MPF) (BOVO, 2001). Mendes (2004, p. 447) shows that in 2002, 58% of the municipalities had at least 90% of their current revenue from transfers.

The structure of the municipal public revenues that compose the municipal budget emanates from a systemic integration, ranging from economic activities, population density, demand for public services, to intergovernmental transfers such as the MPF. For many municipalities, the MPF is the largest source of revenue, responsible for maintaining the public structure. Besides, good institutional relations with states and the Union can also generate revenues deriving from agreements with ministries or even through the so-called voluntary transfers – parliamentary amendments (ARRAIS, 2014).

The MPF aims to redistribute incomes among the federated entities (FEDERAÇÃO CATARINENSE DE MUNICÍPIOS, [entre 2010 e 2019]), and the amounts it comprises come from two Union taxes: income tax (IT) (Art. 153, III of the Constitution) and tax on industrialized products (IPI) (Art. 153, IV). For its distribution, the population composition of states and municipalities is used as a basis, and the criteria divide the municipalities into three categories: the so-called population groups, with individual coefficient, as provided in Law No. 5,172/1966 – National Tax Code, and Decree-Law No. 1,881/1981 (CONFEDERAÇÃO NACIONAL DE MUNICÍPIOS, 2012; MONASTERIO, 2013).

Monasterio (2013) argues that such criteria were responsible for the intense movement of creation of municipalities after the 1988 Federal Constitution, since the minimum coefficient (0.6 - up to 10,188 inhabitants), if divided in two, would cause the two new municipalities to double their participation in the MPF. From 1991 to 2000, 1,016 municipalities were created, of which only 40 had over 20,000 inhabitants.

In Santa Catarina, 76 out of the 295 municipalities were created between 1991 and 2000, and two more in 2012 (DA SILVA; DE OLIVEIRA ROCHA, 2012). During the 1990s, legal changes reduced incentives and facilities for emancipation (MONASTERIO, 2013). Constitutional Amendment no. 15 of 1996 presented stricter and more specific requirements to be obeyed in the procedures regarding the creation of administrative entities.

Regarding the municipal service tax (ISSQN) and the municipal property tax (IPTU), Abrucio and Couto (1996) emphasize that these have greater collection potential in medium and large municipalities since the economic base of the small ones is eminently agricultural. In these municipalities, the income from enterprises implemented on urban properties is negligible and the service sector is rather inexpressive. The share of ICMS (a state value-added tax on services and circulation of goods) belonging to the municipalities (25% of the total collected by the state) has transfer criteria, such as the influence of the intensity of economic production, that is, "the transferred values are related to the capacity of wealth generation at the municipal level. [...] the prevailing logic of this tax is to reward the most economically successful municipalities." (ABRUCIO; COUTO, 1996, p. 44).

In the meantime, the weakness of municipal revenues is also an indication of the fragility of the economic bases of an administrative entity, so that there is a direct relationship between types of economic activities and the capacity to generate revenues coming from taxes. This situation is worsened by the difficulties faced by the small municipalities to have a structure of economic activities considered "noble", usually centered in the segment of services and located in the urban environment (REIS, 2015).

Territorial development factors

To assume that there is inequality between regions is to recognize that the development is not uniform. Some regions have better economic performance than others, so while certain regions prosper, others suffer from low or even negative rates of development, which forms the regional asymmetries (MORAES, 2006; REIS, 2015). These regional inequalities end up further distancing the development of municipalities, such as the small ones, by generating a population outflow to more developed centers, seeking better job opportunities and income.

The development of a region is the result of different economic, social, and political processes. Boisier (2004) argues that building a region means potentializing its capacity for self-organization, transforming a dormant society in the face of possibilities into an active and organized society, capable of creating and mobilizing itself on behalf of its own development. In this case, based on endogenous forces, since the territory is not only related to physical space, but also to proximity, actors, interactions, but also acts "[...] as a crucial element of the matrix of relations that defines the morphology of power in contemporary societies." (REIS, 2015, p. 109).

Barquero (2014) highlights the importance of business strategies for development. Among the characteristics of this process is the interaction between companies and other local actors in order to develop the economy and society. According to the author, companies influence the increase of competition in markets and the search for returns on investments, which lead them to adopt new technologies that make better use of the resources (including the intangible ones) and the attractions (specific resources) of cities and regions.

Thinking of the development from an endogenous perspective places the region as a space for negotiation and a preponderant factor in the process (FEGER; ETGES; ROSSETO, 2010). Filippim et al. (2014, p. 5) state that "[...] the local territory is an important arena for the debate and consolidation of creative solutions and decentralization to common problems, both for the management of public policies and development [...]"

Thus, it is understood that each region needs to establish its own development mechanisms and parameters, under penalty of searching (almost always) for what other regions have already achieved. It is important to point out that the regions are part of a whole, which means that even with strong endogenous potential, exogenous forces are necessary for the promotion of their development, like the financial transfers made by the Union to states and municipalities.

Small municipalities, especially when located far from larger urban centers, have greater difficulties of visibility in their initiatives, since they lack industrial and service activities, with the predominance of subsistence activities and strong dependence on agriculture (SANTOS, 2003), which causes population and capital displacement. However, the socioeconomic characteristics of the surroundings of small municipalities also need to be considered within the microregional socioeconomic context, since these factors influence their development. Bernardy (2013, p. 6) reports that "[...] the socio-spatial aspects of the citizens are strongly influenced by the capacity of local actors to create pacts between the different representative segments." Thus, the articulation between society, representative entities, and municipal public power can be a promising instrument for development.

Furthermore, Denardi et al. (2000) state that the transportation infrastructure is vital for the development of municipalities, especially the small ones, since the socio-economic context is a reflection of the structural conditions for the outflow of their production and also of the microregional socioeconomic context, once the presence of transportation axes and road junctions, hub cities, diversification of production, and the presence of agroindustries and markets are determining factors that affect the local development.

In Brazil, the most expressive mode of transport is the road (PEREIRA, 2006). This high-class infrastructure of transport, according to Sánchez Hernández (1998), provides conditions that favor the economic dynamics of the municipalities located near these axes. However, the author

points out that the national road network has deteriorated significantly and has long stretches requiring expressive and systematic resources for their recovery.

In addition, Pontes (1974) states that development is obtained by the propagation of its development centers. The hubs exert economic and political influence on small peripheral regions (territorial proximity according to the concept of Reis (2015)). There must be connections between one hub and another. For Colling and Piffer (2016), these routes can be characterized as corridors or axes of development, since economic, geographic, and political aspects must be considered. Thus, cities located along these roads can benefit precisely by their location next to these road axes.

For this reason, each municipality needs to act in accordance with its local reality, in order to develop policies aimed at boosting the development based on the diversification of economic activities, improvement of the quality of life, employment and income generation, implementation of adequate infrastructure, among other features that enable the promotion of development.

Methodological Procedures

This work is classified as a multicase study because it comprises two microregions, located in the western region of Santa Catarina: Chapecó, comprising 38 municipalities, and São Miguel do Oeste, comprising 21 municipalities. In the research, the microregions assume the denomination of microregion 01 and microregion 02, respectively. It presents a quantitative approach complemented by qualitative aspects, since its development took place through survey and treatment of secondary and, later, primary data.

Dependent, independent, and intervening/moderating variables are applied. The role of independent variables is assumed by the Sectoral Gross Added Value (GAV) Indicators and local population variation: (i) Agricultural GAV 2012 to 2016; (ii) Industry GAV 2012 to 2016; (iii) Services GAV 2012 to 2016; (iv) Variation rate of total population 2012 to 2018.

The set of public revenues plays the role of dependent variable and comprises the following data from 2012 to 2018: (i) Total Revenue; (ii) Tax Revenue; (iii) Contributions Revenue; (iv) Asset Revenue; (v) Services Revenue; (vi) Current Transfers; (vii) Capital Transfers; (viii) MPF.

Road access has been defined as the moderating variable, since the access capacity for local production flow is carried out by this means. There is a main road flow axis that is the federal highway BR 282, interconnected by secondary accesses (connecting roads – federal and state) and also municipalities with indirect connections that depend on other means to access the main road.

The survey of secondary data took place through official databases in July and August 2019. The Brazilian Institute of Geography and Statistics (IBGE) served as a source for demographic data and sectoral GAV of microregions. The Audit Court of Santa Catarina State (TCE/SC) and the Santa Catarina Federation of Municipalities (Fecam) were the sources of financial and economic data (public revenue – public budget) of the municipalities.

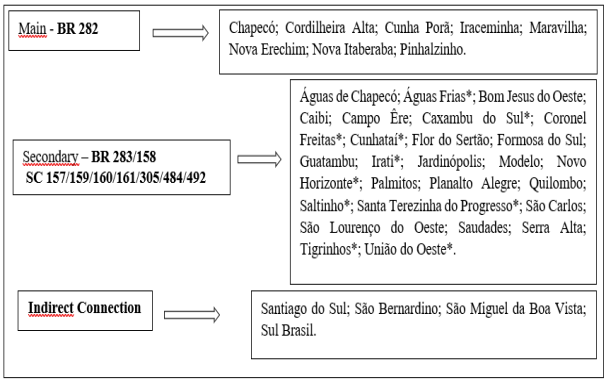

Figure 1: Microregion 01 – Classification of the municipalities by road accessibility

Source: Elaborated by the author, 2019.
*Presence of BR or SC, however the access to the main axis (BR-282) is through other municipalities.

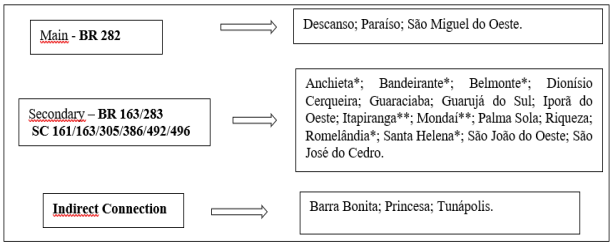

Figure 2: Microregion 02 – Classification of the municipalities by road accessibility

Source: Elaborated by the author, 2019.
*Presence of BR or SC, however the access to the main axis (BR-282) is through other municipalities.
** Presence of interstate connection ferry (Rio Grande do Sul and Santa Catarina).

The primary data were obtained through semi-structured interviews; six municipalities were visited, three from each microregion. The visits were previously scheduled and took place on October 31st and November 1st, 2019. The following criteria were used to define the municipalities visited: (a) dislocated road accessibility of the main axis – BR 282; (b) interest and availability of the municipalities contacted to contribute to the research; (c) small municipalities; (d) presence of border environment.

Public managers with the following positions/functions were interviewed: Secretary of Finance and Administration; Secretary of Economic Development; Secretary of Agriculture; Secretary of Finance; and Mayor. In the survey, the following names were used: Manager A (Dionísio Cerqueira); Manager B (São José do Cedro); Manager C (Bandeirante); Manager D (Quilombo); Manager E (Formosa do Sul); and Manager F (Santiago do Sul). Despite the low number of municipalities visited, the information began to be repeated, so it is inferred to have reached the theoretical/empirical saturation (NASCIMENTO et al., 2018).

For the elaboration of the material of analysis, dynamic formulas of the software were applied, so the averages of population variation, revenues, and sectoral gross added value (GAV) were found. With the quantitative data organized we opted to build analyses from the classification in panels divided into quadrants. The logic of the technique applied for this classification was exactly the same for all the quadrants produced so that only one process was detailed, since the only variation for the others happens in the change of the typology of the revenue and not in the applied technique.

For the calculation of the classification per quadrant of the current transfers in relation to the total revenue, the average of the period 2012 to 2018 was used, since, when calculated individually (annually), it was observed that there were no significant oscillations. Thus, the calculation of the average dependency percentage (Adp) was carried out as follows: the revenues from the current transfers of all years were added, divided by the total revenues also of all years and multiplied by one hundred, that is, Adp = (CT 2012 to 2018) / (TR 2012 to 2018) x 100. With this calculation, the representative average of the current transfers in relation to the total revenue was found. In Excel, using the filter tool, the municipalities were ordered from the one with the lowest percentage of dependency on the one with the highest percentage. For greater classification accuracy, the highest percentage of current transfer was deducted by the lowest percentage, and the result was divided by 4, originating the classification cutout in the quadrant.

Discussion and analysis of the results

The research environment, consisting of microregions 01 and 02, with a predominant characteristic of small municipalities, has one development center (Chapecó – medium city) and three microcenters (Pinhalzinho, Maravilha, and São Miguel do Oeste – median cities). The road accessibility classification serves as an element to analyze the behavior of the groups of analysis – population variation and total revenue variation – and of the subgroups – tax revenues, current transfers, and revenues from the Municipal Participation Fund (MPF).

Table 1: Classification by road accessibility

Road Accessibility	Description of Municipalities	
Main	Micro 01	Chapecó; Cordilheira Alta; Cunha Porã; Iraceminha; Maravilha; Nova Erechim; Nova Itaberaba; Pinhalzinho.
	Micro 02	Descanso; Paraíso; São Miguel do Oeste.
Secondary	Micro 01	Águas de Chapecó; Águas Frias; Bom Jesus do Oeste; Caibi; Campo Êre; Caxambu do Sul; Coronel Freitas; Cunhataí; Flor do Sertão; Formosa do Sul; Guatambu, Irati; Jardinópolis; Modelo; Novo Horizonte; Palmitos; Planalto Alegre; Quilombo; Saltinho; Santa Terezinha do Progresso; São Carlos; São Lourenço do Oeste; Saudades; Serra Alta; Tigrinhos; União do Oeste.
	Micro 02	Anchieta; Bandeirante; Belmonte; Dionísio Cerqueira; Guaraciaba; Guarujá do Sul; Iporã do Oeste; Itapiranga; Mondaí; Palma Sola; Riqueza; Romelândia; Santa Helena; São João do Oeste; São José do Cedro;
Indirect Connection	Micro 01	Santiago do Sul; São Bernardino; São Miguel da Boa Vista; Sul Brasil.
	Micro 02	Barra Bonita; Princesa; Tunápolis.

Source: Elaborated by the author, 2019.

Analysis of the population variation

The analysis of the population distribution of a territory allows drawing scenarios of its demographic dynamism. From a behavioral perspective, in both microregions, the same patterns are found, i.e., population gain in municipalities with primary and secondary accessibility and population loss in municipalities with indirect connections.

Table 2: Population Variation (2012-2018)

Microregion	Road accessibility	Average per category
Micro 01	Main – BR 282	13.26%
	Secondary	0.66%
	Indirect Connection	(-8.07)
Micro 02	Main – BR 282	0.86%
	Secondary	1.71%
	Indirect Connection	(-0.75)

Source: adapted from IBGE, 2012 – 2018.

In microregion 01, it is observed that the main road accessibility – BR 282 has a strong influence regarding population attractiveness, since, for the period 2012-2018, its population grew by 13.26%, which is an indicator of development, although of moderate variation. However, in microregion 02, the element of road access (main – BR 282) does not have the same influence: it is explained by the fact that the road access is not the only factor considered for territorial development.

Sánchez Hernández (1998), Sposito and Matushima (2002), and Bordo (2006) state that the presence of transport and quality infrastructure and industrialization are characteristics of development axes. In microregion 01 is located Chapecó, which has a strong influence as a regional hub. Pinhalzinho and Maravilha, two microcenters, have a strong industrial presence, which in the vision of Bordo (2006) provides more favorable conditions for the economic dynamics and development of the territory. These factors indicate a possible justification for the migratory concentration to microregion 01 and not to 02.

In the municipalities that have indirect road access, there is a loss of population in both microregions. Ferreira (2006) states that the lack of infrastructure and logistics favorable to the development of economic activities have a strong negative impact on the territories. In addition, Pereira and Lessa (2011) argue that the lack of planning in the transportation sector can bring losses to territories and reinforce regional imbalances.

Spatial analysis of the total revenue variation

Table 3 presents the classification of the municipalities in microregions 01 and 02, by their variation percentage of the total revenue in the period of the study (2012 - 2018), categorized in quadrants in relation to their road accessibility. It is observed that the municipalities with main road access – BR 282 (moderating variable) have presented a better perform7ance in relation to the other accesses, since the lowest of this group was 31.74% (quadrant 2) and the highest was 48.28% (quadrant 4). The concentration of municipalities in this category is in quadrants 3 and 4 and none in quadrant 1. In this group are the Chapecó hub and the microcenters Pinhalzinho, Maravilha, and São Miguel do Oeste. Massardi and Abrantes (2014) and Reis (2015) state that the most developed regions have greater dynamism and economic attractiveness, mobility and fluidity of people, as a consequence, greater generation of public revenues.

Table 3: Percentage of total revenue growth by accessibility

Quadrant	% Growth TR	Main – BR 282	Secondary	Indirect connection
1	20.37% to 27.34%		Dionísio Cerqueira; Serra Alta.	Sul Brasil.
2	27.35% to 34.32%	Nova Itaberaba.	Águas de Chapecó; Águas Frias*; Belmonte *; Campo Êre; Caxambu do Sul*; Coronel Freitas*; Cunhataí*; Jardinópolis; Novo Horizonte*; Palma Sola; Palmitos; Planalto Alegre; Quilombo; Riqueza; Saltinho*; Santa Terezinha do Progresso*; São Lourenço do Oeste; Tigrinhos*; União do Oeste*.	Barra Bonita; Princesa; Santiago do Sul; São Bernardino; São Miguel da Boa Vista.
3	34.33% to 41.30%	Cunha Porã; Chapecó; Iraceminha; Descanso; São Miguel do Oeste.	Anchieta*; Bandeirante*; Bom Jesus do Oeste; Caibi; Flor do Sertão; Formosa do Sul; Guarujá do Sul; Iporã do Oeste; Itapiranga**; Modelo; Mondai**; Romelândia*; Santa Helena*; São Carlos; São João do Oeste; São José do Cedro;	Tunápolis.
4	41.31% to 48.28%	Paraíso; Pinhalzinho; Nova Erechim; Cordilheira Alta; Maravilha.	Guaraciaba; Guatambu*; Irati*; Saudades.	

Source: elaborated by the author, 2019.

The municipalities with secondary road access (moderating variable) had their total revenue growth concentrated in quadrants 2 and 3, i.e., intermediate, and those with indirect connection have no entity in quadrant 4. These findings corroborate Ferreira (2006), who mentions the interactions between hub territories, flow centralizers, and peripheral territories, that is, belonging to the same microregion or region.

The author argues that these interactions are usually unequal, for they are favorable to the hubs since they receive flows of greater intensity than those they send to territories under their influence. Moreover, road accessibility exerts an influence of attractiveness and economic dynamism, considering that the production flow of the environment is carried out exclusively by the thoroughfares.

It should be noted that there has been no loss of revenue, but growth in all the municipalities of both microregions. This behavior is justified by the increase in the revenue derived from taxes of the municipalities' own competence (asymmetric in microregions) and due to the increase in intergovernmental transfers passed on to the municipalities, also accompanied by the increase of the responsibility in the execution of public policies (MASSARDI; ABRANTES, 2014).

Analysis of tax revenues and current transfers

For the construction of the board, the logic of the classification of tax revenue and revenue from current transfers was reversed. In the tax revenue, the quadrants were classified in ascending order of representativity in relation to the total revenue. In the current transfers revenue, the quadrants are from the highest to the lowest percentage of representativity in relation to the total revenue, since the purpose was to put side by side to verify if the municipalities in the group with the lowest tax revenue are the same municipalities that have a greater dependence on current transfers.

As for the classification based on the tax revenues, 65.79% of the 38 municipalities of microregion 01 and 61.90% of the 21 municipalities of microregion 02 are in quadrant 1. This verification demonstrates that the weakness in generating their own revenue is not a peculiarity of one or the other microregion. After all, as Abrucio and Couto (1996) say, it is a characteristic of small municipalities to have an eminently agricultural economic base, therefore, the taxable incomes are not representative.

It was found that the municipalities that presented the best performance did not exceed 23% of their own revenue generation in relation to their total revenue. The best performance was found in the Chapecó regional hub, with 22.94%, followed by the microcenters of São Miguel do Oeste, with 20.02%, Pinhalzinho, with 17.07%, and Maravilha, with 16.44%. Although insufficient to maintain the public structure, the superior performance in relation to other municipalities results from the dynamism of economic activities, propagation of the development centers, and socioeconomic influence that they exert on peripheral territories. In addition to the elements of analysis, in these municipalities, the classification inference of the quadrants is validated, since the hub and the microcenters fit into quadrants 3 and 4, both for tax revenues and revenues from current transfers.

In contrast, 66.10% of the municipalities generated less than 8% of their own revenues, evidencing the chronic dependence on intergovernmental revenues, since 74.35% of the members of quadrant 1 of tax revenue have their total revenue constituted of approximately 90% of current transfers (for this scenario the inference was also confirmed). These are small municipalities that mostly go through the process of population retraction and whose road accessibility is over 70% secondary, followed by approximately 18% with an indirect connection.

Santos (2003) evaluates that the small municipalities, especially when displaced from corridors of development flows (COLLING; PIFFER, 2016), have less visibility regarding their initiatives because the lack of industrial activities, the predominance of subsistence activities, and the strong dependence on primary activities result in population displacement to more developed territories, which have their most favorable economic bases for the generation of job and income opportunities.

The autonomy of the municipalities provided for in the Constitution is not confirmed in the environment, since 49.15% of them are in quadrant 1 of the current transfers: they have practically 90% of their total revenue derived from intergovernmental transfers. The MPF is the main transfer from the Union, followed by quadrant 2 of approximately 82% with 35.60% of the municipalities in this quadrant. Together, quadrants 1 and 2 represent 84.75% of the municipalities in the survey. In this scenario of dependence on resources for the public budget, it is evident that there is an indication of the fragility of the economic bases of an administrative entity, so that there is a direct relationship between the economic activities capable of generating revenues, followed by taxes (Table 4).

Analysis of the Municipal Participation Fund (MPF) revenues

The process of isolating the dependent variable from other dependent variables was designed to measure the impact of the MPF, its significance for the municipal public budget, since the municipalities are responsible for providing public services, in addition to promoting policies aimed at better conditions, quality of life and socioeconomic development in their territories (SANTOS; SANTOS, 2014).

As for current transfers, the MPF represents from 15.84% to 69.02% of the total intergovernmental transfers, and as for the total revenue, this transfer represents from 9.66% to 59.79%. This scenario means that in microregions, as in most Brazilian municipalities, in 81% the MPF is the main source of resources, and its form of per capita sharing delivers more resources to municipalities with smaller populations (TRISTÃO, 2003).

Table 4: Representativeness of tax revenue and current transfer revenue in relation to the total revenue and road accessibility

Tax Revenue (%)	Municipalities	Accessibility	Current Transfer Revenue (%)	Municipalities	Accessibility
2.66 to 7.72	Santa Helena; São Bernardino; Santa Terezinha do Progresso; Bandeirante; Irati; Sul Brasil; Santiago do Sul; Barra Bonita; Princesa; Cunhataí; Belmonte; São Miguel da Boa Vista; Jardinópolis; Tigrinhos; Planalto Alegre; Águas Frias; União do Oeste; Bom Jesus do Oeste; Flor do Sertão; Saltinho; Paraíso; Tunápolis; Iraceminha; Nova Itaberaba; Águas de Chapecó; Caxambu do Sul; Formosa do Sul; Riqueza Romelândia Serra Alta; Modelo; Anchieta; Nova Erechim; Palma Sola; Guarujá do Sul; Caibi; Guatambu; Mondai. (66,10%).	Main – BR 282: 10.26%. Secondary: 71.79%. Indirect connection: 17.95%.	81.90 to 88.90	Caibi; Saltinho; Planalto Alegre; Romelândia; Jardinópolis; Formosa do Sul; Princesa; Mondai; Águas de Chapecó; União do Oeste; Belmonte; Iraceminha; Nova Itaberaba; Tigrinhos; Cunhataí; Guatambu; Irati; Barra Bonita; São Bernardino; Bom Jesus do Oeste; Caxambu do Sul; Santiago do Sul; Santa Terezinha do Progresso; São Miguel da Boa Vista; Águas Frias; Paraíso; Santa Helena; Bandeirante; Flor do Sertão. (49,15%).	Main – BR 282: 10.34% Secondary: 72.42% Indirect connection: 17.24%
7.73 to 12.79	Quilombo; Saudades; Guaraciaba; Campo Êre; Cordilheira Alta; Descanso; Dionísio Cerqueira; São Carlos; São José do Cedro; Coronel Freitas; São João do Oeste; Palmitos; Iporã do Oeste; Cunha Porã; Itapiranga; São Lourenço do Oeste. (27.12%)	Main – BR 282: 18.75%. Secondary: 81.25%. Indirect connection: (0%).	74.93 to 81.89	São Lourenço do Oeste; Palmitos; Campo Êre; Saudades; Modelo; São Carlos; Palma Sola; Guaraciaba; Iporã do Oeste; Cordilheira Alta; Serra Alta; Nova Erechim; Cunha Porã; Sul Brasil; Quilombo; Descanso; São João do Oeste; Tunápolis; Guarujá do Sul; Anchieta; Riqueza. (35.60%).	Main – BR 282: 19.05% Secondary: 71.43% Indirect connection: 9.52%
12.80 to 17.86	Maravilha; Pinhalzinho. (3.39%).	Main – BR 282: 100%. Secondary: 0%. Indirect connection: 0%.	67.96 to 74.92	Maravilha; Coronel Freitas; São José do Cedro; Pinhalzinho; Itapiranga; Novo Horizonte. (10.17%).	Main – BR 282: 33.33% Secondary: 66.67% Indirect connection: 0%
17.87 to 22.94	São Miguel do Oeste; Chapecó. (3.39%).	Main – BR 282: 100%. Secondary: 0%. Indirect connection: 0%.	60.99 to 67.95	Chapecó; Dionísio Cerqueira; São Miguel do Oeste. (5,08%).	Main – BR 282: 66.67% Secondary: 33.33% Indirect connection: 0%

Source: Elaborated by the author, 2019.

The analysis allows us to confirm that, in relation to the related quadrants (CT revenue and total revenue), the municipalities that compose each one are mostly the same, that is, the ones that occupy quadrant 1 of current transfer also occupy quadrant 1 of total revenue and so on, with few exceptions. The municipality of Chapecó, the center of microregion 01, has the lowest percentage of MPF in relation to its total revenue budget (9.66%), followed by São Lourenço do Oeste (20.30%), São Miguel do Oeste – microcenter (20.54%), and Itapiranga (21.22%).

Quadrant 4 presents alarming findings, since the MPF represents from 47.25% to 59.79% of the total revenue of 17 municipalities (out of a total of 59), that is, 28.81% are part of this block, of which 15 are municipalities of microregion 01. This quadrant is constituted of "young small municipalities", since all of them were constituted after the 1988 Federal Constitution.

For 54.24% of the municipalities of this environment, the MPF represents more than 40% of their total revenue, followed by more than 50% for 28.81% of the municipalities. Among the most dependent municipalities on the MPF (over 50%) are: São Miguel da Boa Vista (59.79%), followed by Santiago do Sul (municipality that suffered the greatest loss of population in the state of Santa Catarina, according to the IBGE 2019 estimate), Barra Bonita, Irati, Cunhataí, Tigrinhos, Flor do Sertão, Santa Terezinha do Progresso, Jardinópolis, Santa Helena, and Bom Jesus do Oeste.

Analysis of the gross added value (GAV)

Table 5 presents the performance of the GAV in agriculture, industry, private and public services of the group of municipalities in accordance with the road accessibility. The purpose of this Table is to analyze if, in fact, the geographic positioning, access roads, flow and productive flow, proximity, and infrastructure, according to the conceptions of Romanatto et al. (2015), are factors that influence the dynamics of the economic activities in microregions 01 and 02. Table 1 (Classification by road accessibility) serves as a reference for identifying the type of access of each municipality.

Table 5: Sectoral GAV by road accessibility

Road accessibility	Agro_GAV	Industry_GAV	Services_GAV	Public services_GAV
Main – BR 282	5.28%	29.40%	53.51%	11.81%
Secondary	23.70%	23.13%	37.20%	15.97%
Indirect Connection	39.27%	12.50%	24.23%	24.00%

Source: Elaborated by the author, 2019.

It is evident that the economic activities with higher added value, more "noble", are located in the main road access axis – BR 282, once private services and industry exert strong representativeness. In the group, private services and industry performed better development, 53.51% and 29.40%, respectively.

The presence of agroindustrial complexes of significant relevance in municipalities of this group fosters growth and development of the economic activity in services, since they are complementary activities, in addition to influencing the population attractiveness through job opportunities and income. Through these percentages, it is also concluded that for the industrial activity, the locational factor is determinant, so that flowing the production to consumer markets requires road transport infrastructure; it is the spatial selectivity considered by the firms today.

For the municipalities with accessibility through indirect connection, the agricultural GAV is representative. This group is constituted of small and "young municipalities" that present population retraction, chronic dependence on intergovernmental transfers, and, therefore, very low tax revenue: variation of 2% to 5% in relation to the total revenue.

For the municipalities categorized in the secondary road access, there is a greater balance between the sectoral GAVs present in this group, with emphasis on private services GAV, 37.20%. This condition reflects the proximity to hubs and microcenters that promote the attractiveness of complementary activities to those located in these urban centers. Besides, because small municipalities with similar characteristics to the indirect connection access have been integrated with this group, the agricultural GAV presents expressive performance.

In a natural analysis, partly focused on common sense, there is the perspective of understanding that the territories have egalitarian conditions of development, a not crystallized situation in the different production levels of the space. Many small municipalities have a "conditioned" development situation confined to natural and human elements that are difficult to reverse, either from the physical landscape, such as slopes or unsuited areas for the production and development of economic matrices, or by limited infrastructural, economic, and financial resources. These municipalities, when spread throughout the territory, constitute areas of devitalization and economic depression, with expressive social reflexes, sometimes increased by geographical isolation, and are part of the territorial exclusion of the development, which is selective.

Analysis of primary data

Because Dionísio Cerqueira (Santa Catarina, Brazil) and Bernardo de Irigoyen (Misiones, Argentina) are located in a border region, it became evident that customs infrastructure alone does not represent a catalyst for development, since it only serves as a point of transit and flow of users and does not have a decisive impact on the economic development of the municipality.

The presence of road infrastructure, in the conception of Barquero (2014), is a basic vector for development. This element is found in the municipality of Bandeirante (microregion 02), where the decentralization of industrial economic activity in the median city of the microcenters – São

Miguel do Oeste was only possible because of the road access infrastructure (asphalt paving) and the proximity of both centers (COLLING; PIFFER, 2016).

In addition, there is the "false" conception that in order to promote development, industrial activities need to be physically present in the territory, especially in small municipalities. In the specific case of the microregions, there is a deterritorialization of workers, both urban and rural, since they move without considering the territorial limits of their municipality, a common situation for employability in agribusinesses. An example of a large agroindustry is the one located in the municipality of Quilombo, whose base of employees comes also from the surrounding municipalities, including Formosa do Sul and Santiago do Sul.

The municipality of São José do Cedro has a peculiar characteristic, for its industrial base is constituted of small and medium-sized local companies, many of them complementary to rural activities. This characteristic provides public managers with the security of being independent on large companies, whose withdrawal, in times of adversity, could reflect a huge negative impact on the municipality, including public revenues.

As for the relationship between the small municipalities and the hub city, there is the false idea of an imminent symmetrical convergence in the countryside of the state, that is, that all municipalities relate to the city of Chapecó. According to Managers A and C, this affinity is not fully perceived, since certain municipalities create links in services with hub cities of other states: municipalities of the extreme west of Santa Catarina that have health care links with the city of Cascavel, Paraná, also through an institutionalized relationship by agreement. This territorial relationship is also driven by the ease of access and road flows.

As for the limited capacity of municipal entities to collect their own taxes, the precarious collection of taxes related to the use of urban land stands out, in this case, the IPTU. It was observed to be unanimous among the managers the outdated plan of generic values and the deficiency in the effectiveness of the systematic collection of this tax, which constitutes tax evasion.

This interpretation of the scenario also dealt with issues of population variation that were identified from the analysis of the secondary data. Although the managers contest the official IBGE population estimate data, they unanimously recognized that the variation, stagnation and population retraction in the municipalities is due to the outflows of young people searching for an opportunity to continue studies and to integrate the labor market in larger centers, such as Chapecó and reference median cities.

Finally, it was identified that one of the factors for this scenario, according to the interviewees, is the difficulty in family succession that ends up discouraging the young people from remaining on the rural property and giving continuity to the activity developed by the family. For this situation, it became evident the opportunity that the municipalities have to act in this field, since the monitoring by professionals from specific areas could reduce this negative impact and make this process of family succession natural, in addition to strengthening family ties; it would also allow the appreciation of the family economic segment.

Research Conclusion

The relevance of this research is anchored in the contribution to regional development, equalization of public resources, besides producing elements that can contribute with municipal managers, since the local research is similar to the reality found in other regions of Brazil, even in a systematic and pulverized way in the territory.

In the analysis of the quadrants, in panels, regarding the revenues: total, tax, and current transfers in relation to the road access, it was observed better performance for the municipalities with main access – BR 282, both in the generation of their own revenues and in the lower dependence on intergovernmental transfers (the terminology "lower" does not cancel out their still considerable percentage of dependence, only shows that, in relation to others, their dependence is reduced).

It was noted that small municipalities with secondary road access and indirect connection have the greatest dependence on current transfers, reaching up to 88.90% of their total revenue. For 28.81% of the municipalities, the MPF represented more than 50% of their total revenues, which triggers restrictions regarding the progress and effectiveness of the economic development of the municipalities, based on their economic matrices.

The tax revenue that would provide the municipalities with political-administrative autonomy does not exceed 23% in the entire environment, and in the municipalities with indirect connection and secondary access, it varies from 2.66% to 12.80% only. Therefore, it is practically

insignificant in the set of revenues and also has a relationship with the main economic typologies installed.

When it comes to the socio-economic dynamism of the municipalities, the road structure is a factor of strong influence for regional development, considered an essential and primary element, since its economic dynamism becomes a vector of population attraction in search of quality of life. The strong segmentation of industry and services – private and public – in the main road access group – BR 282 demonstrates the creation of economic niches according to the axis for productive outflow and by the development network itself created as a result of the presence of this type of infrastructure.

Small municipalities have great difficulty in boosting the development of their territory. For the geographic location, with secondary access and/or indirect connection, the economic activity of agriculture predominates, with low added value and tax-generating capacity. They present an accentuated population retraction, which occurs naturally and continuously. The economic homogenization, crystallized in different temporalities, makes these municipalities remain on the sidelines of the most consolidated development processes that happen in a punctual and linear way in microregions, therefore, they are imprisoned to the processes of regional development.

Finally, the lack of synergy and the fragility of the economic activities in small municipalities is evident, since their own revenues result from the economic typologies developed in the territory. Complementary to the absence and/or lack of synergy of the mentioned factors, the survey identified that the search for development alternatives is controversial, since not every economic activity can be replicated in different territories.

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