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# Paradiplomacy and the International Competitiveness of Cities: the case of Rio de Janeiro

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## Abstract

This paper aims to evaluate paradiplomacy as regards the city of Rio de Janeiro, by investigating the city's actions, policies and international integration strategies. The method used involved both secondary data analysis and semi-structured interviews with public actors of municipal organizations. The results show that the city's international involvement grew considerably after its announcement as host of the 2016 Olympics.

**Keywords:** Paradiplomacy; Rio de Janeiro; Olympics; Global City.

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“The large city of today has emerged as a strategic site for a whole range of new types of operations—political, economic, ‘cultural,’ subjective. It is one of the nexi where the formation of new claims, by both the powerful and the disadvantaged, materializes and assumes concrete forms.”

Saskia Sassen, *The Global City: Introducing a Concept*, 2005, p. 40.

## Introduction

With the process of globalization intensifying since the 1990s comes a myriad of factors that accentuate and complexify the interaction between actors in the international system. Economic and business development, modernization of transport and telecommunications infrastructure, unfettered movement of goods, services and capital, strong global awareness of strategic and defense issues such as environmental protection and the fight against terrorism, the formation of communities of international partners: all of these are elements that illustrate

these complex dynamics. According to Sassen (1991), the spatial dispersion of economic activities and the reorganization of the financial industry are illustrative of this phenomenon, and are highly influenced by developments in telecommunications and information technology. For Castells (1996, 77), the fundamental features of this process are “global, informational, and networked”, and fundamentally interwoven. However, according to Bigo (2010), in this scenario the discourse of “freedom of movement” is often confused with that of “speed,” because of the various mechanisms that hamper international mobility experienced in many places and regions – particularly borders.

With that, the idea of a “global civil society” has appeared internationally – a multifaceted and not uncontroversial concept. Lage (2012) notes that the term often is understood as “beyond the State,” and proposes two interpretations of this limit. First, the “global civil society” can be understood as a “set of agents and a space for social interaction that coexists with the State, without this meaning the State’s obsolescence”. Second, the term can also be understood as “the formation of a civil society that transcends State borders, that is not confined to them” (Lage, 2012, 154).

Accordingly, terms such as “glocal States” and “global cities”, which can be understood as agents of that global civil society, also appear. Brenner (1998, 1) focuses on the transitional relationship between the global city and the territorial state, according to which most studies suggest that “as the global scale (of the city) expands, the State scale is said to contract.” However, contrary to this view, the author believes that the State scale is not being eroded, but rather reterritorialized in terms of both sub- and supra-state scales, configuring what he calls a “glocal” State. According to the author, this process is an important strategy of accumulation, by which the glocalized States seek to promote the global competitive advantages of their major urban areas. Therefore, “global city formation and State rescaling are dialectically intertwined moments of a single dynamic of global capitalist restructuring” (Brenner 1998, 1).

From this debate, it is concluded that the nation state is no longer the only agent capable of promoting international activism – meaning that the role of non-central governments gains increasing prominence within foreign policy. According to Ivo Duchacek (1990, 13), non-central governments in North America and Western Europe, especially in federal systems, “have been increasingly induced to react to international events and respond to, or initiate, various contacts with foreign centers of economic, cultural and political influence.” Along with Duchacek (1986, 1990), Soldatos (1990) introduced and established the theoretical basis for the term of *paradiplomacy* within the academic debate, which he defined as a fundamental aspect of globalization and regionalization, “under which sub- and non-State actors play an increasingly influential role in world politics” (Joenniemi and Sergunin, 2014).

Paradiplomacy is also a feature in the Brazilian context. Gallo (2011) used the Metropolitan Region of Campinas as a case study to assess the city’s paradiplomacy and international activism, by analyzing aspects such as technology, infrastructure, foreign investment and human resources, in order to defend the claim that the city has enough attractions to qualify it as a relevant

international agent, even though it is not yet considered a global city. Another example was the study of Nunes (2005), who evaluated paradiplomacy in the state of Rio Grande do Sul. The author noted that the democratization that occurred in the 1980s, the integration of the Southern Cone, and the economic opening of the 1990s were key motivators for the internationalization of this state, which developed an extensive paradiplomatic agenda in the period under study, from 1987 to 2002. Other studies have addressed paradiplomacy in the cities of São Paulo (Medeiros, 2010; Onuki and Oliveira, 2013), Porto Alegre (Salomón and Nunes, 2007) and, indirectly, Rio de Janeiro (Castro, 2013).

Given the above-mentioned, the purpose of this article is to evaluate paradiplomacy in Brazil from 2009 to 2016, through a case study of the city of Rio de Janeiro with the backdrop of the announcement of the city to host the 2016 Olympics. The article aims to assess the interests behind the paradiplomatic activism of Rio, as well as the priorities, policies and strategies used in bilateral and multilateral movements. We also assess the city government's structure of International Relations and its positioning with respect to state and national governments. Lastly, we look at the impact of the Olympics on the paradiplomatic activism of the city. In this context, the paper seeks to contribute to the International Relations literature in two respects: first, by exploring paradiplomacy at the municipal level, insofar as few studies have addressed the issue in the city of Rio de Janeiro; second, by linking the study of paradiplomacy with the theme of the Olympics, thereby contributing to the perception of major events as forms of paradiplomatic action.

To achieve these objectives, an analysis of secondary data was conducted. These included strategic plans, Olympic reports, news reports from major newspapers, books, besides academic articles. This was followed by a stage of semi-structured interviews with public actors of the city, which included officials from Rio-Negócios, an agency which aims to assist companies and entrepreneurs in expanding or opening new businesses in the city. Officials from *Coordenadoria de Relações Internacionais* ("Coordinator of International Relations"), a body responsible for crafting and implementing municipal policies for international cooperation, were also interviewed. Additional interviews were conducted with managers from *Secretaria Especial de Concessões e Parcerias Público-Privadas* (SECPAR), and *Centro de Operações do Rio de Janeiro* (COR), both under the auspices of the municipal government. In the course of the research, we also attended events on the theme "city" in Rio de Janeiro, with various approaches: "resilient cities," "smart cities," "rebel cities," "sustainable cities," "city labs," among others, which consisted of important sources of observations about the different dialogues and narratives that are being debated on the topic.

The article is organized into four sections, besides this introduction. The next section addresses the subject of cities and their emergence as relevant global players. After a discussion of the global city, we proceed to an analysis of the international activity of municipalities through a review of the literature. We then examine paradiplomacy in Brazil through a review of published studies on the subject, as well as an assessment of the Brazilian institutional

structure to support paradiplomatic actions. After that, we look at the case of Rio de Janeiro, by analyzing the interviews, the selected documents and the events focusing on cities, which we attended over the course of the research. Finally, by way of conclusion, the key debates and results of the article are summed up and some proposals are made for further research.

## Glocal Cities: “New” Poles of International Power

To understand the influence of globalization on the dynamics of the city, it is imperative to examine the consequences of this phenomenon for inhabitants, businesses, governments, and other agents operating in the urban environment. In this regard, Saskia Sassen (1991, 2005, 2010) popularized the expression “global city.” According to the author, these cities predominate in terms of headquarters of multinational corporations and agglomeration economies. They are home to a wide range of skilled professionals in various areas of the economy, especially the service sector. Moreover, the author argues that these factors lead to the outsourcing of intermediate functions to peripheral locations as well as concentration of income and socioeconomic inequalities (Sassen, 2005).

Another scholar concerned with the subject was Friedmann (1986), particularly in his article *The World City Hypothesis*. In order to associate urbanization processes with global economic forces, the author developed seven hypotheses characteristic of these cities. This paper raises several important issues. For example, the polarization of global cities in the northern hemisphere, both in the US and in Europe and Asia. Why do so few urban centers in the southern hemisphere represent global powers? In this work, the author also addressed capital flows, the spatial (re)orientation of work, social costs, and contradictions inherent in these urban spaces.

In addition to the seminal works of Sassen (1991) and Friedmann (1986), several other scholars have focused on the topic. According to Castells (1996), for example, the study of these cities implies a dialectical opposition between the “space of flows” and the “space of places,” since, “(...) the global city phenomenon cannot be reduced to a few urban cores at the top of the hierarchy. It is a process that connects advanced services, production centers and markets in a global network” (Castells 1996, 411). Accordingly, the author considers these cities as spaces of flows of people, information, processes, and powers inevitably associated with the phenomenon of globalization.

Taylor (2000) quantified the presence of multinational corporations (MNC) in megacities, identifying 55 global cities. In the results of this research, the author observed a positive relationship between the size of the national economy (State) and the distribution and size of the global cities. Hall (1996), on the other hand, used Schumpeter’s concept of business cycles to study the influence of technological innovation cycles in urban development and growth. Furthermore, writers such as Harvey (1989, 2005, 2008) raised the problem of the uncontrolled accumulation of capital and the increased negative social and environmental outcomes. In this

regard, Bigo (2010) and Graham (2010) made notable contributions on public (in)security and urban surveillance, including sensitive issues such as terrorism, which acquires high visibility in global cities.

Recently, novel contributions have been made to this literature, with connections being made between the classic authors and new perspectives on the role of cities in international politics. Acuto (2011) and Acuto and Rayner (2016) evaluated both the evolution of the global city concept as well as the emergence and importance of city diplomacy, particularly via multilateral networks. Curtis (2011, 2014, 2016) explored the role of cities in international relations and the implications for global governance in depth, suggesting the emergence of a “new order” of actors in international politics. Additionally, Ljungkvist (2014), through a robust empirical evaluation of counter-terrorism and climate change initiatives in New York, argues that the focus on economic aspects of the global city—as emphasized in the classical literature—must give way to considerations involving the broader role of cities in global governance, i.e., going “beyond economism.”

A prominent topic concerns the competition between global cities and smaller urban centers to attract investment, a phenomenon referred to by Arantes (1996) as “the war of places.” Another aspect of the conflict refers to what Charles Tilly interpreted as, “cities as representing capitalism competing with States, which represent coercion” (Tilly 1990 *apud* Taylor 2000, 5). The following excerpt illustrates the thinking of this author well, who notes the changing pattern of the relationship between States and cities within the modern world system.

First, a pattern of antagonistic relations: State formation represented a centralization of power at the expense of other power centers, including cities. Second, a mutuality: cities became essential to the creation of “national economies” and their prosperity depended upon the States in which they were located. Third, return of antagonism: under the conditions of contemporary globalization, the old mutualities seem to be breaking down since the most important opportunities for cities may not lie within the territory of the States (Taylor, 2000, pp. 5-6).

Regarding this sometimes antagonistic, sometimes symbiotic, relationship between State and sub-national governments, Brenner (1998), in his theory of State re-scaling, claims that there has been a reterritorialization of the State, which operates as a locus and driver of globalization, becoming a “glocal” State. The author argues that a “territorial non-coincidence” exists between the current moment of globalization, world-scale circuits of capital, and the territorial organization of the State, which seeks mechanisms such as participation in supranational institutions (UN, WTO, WHO, among others) in order to circumvent this asymmetry, thus creating regulatory instruments at a level above the national level. Thereby, “the scales of State territorial organization have become central mediators of capital’s attempt to maximize its command and control over spaces and territories” (Brenner 1998, 21).



Therefore, according to Brenner (1998), the national territorial State becomes “glocal,” with its power re-scaled by supranational and regional/local institutions. From this, given the internal and external constraints to which the State is subjected – often preventing or hampering more concrete actions – the city diplomacy emerges, as oriented towards the promotion of endogenous strategies of accumulation and development. On the other hand, the phenomenon of global cities has fostered interspatial competition and cooperation between cities and regions on an international scale.

## Optics of Paradiplomacy in Brazil

In the Brazilian context, paradiplomacy has been the subject of scholarly articles, theses and dissertations, concerning the study of the participation of states and cities in Brazil’s foreign agenda. Some examples are the works of Vigevani (2006), Vigevani and Junior (2014), Medeiros (2010), Milani and Ribeiro (2011), and Onuki and Oliveira (2013), who addressed the subject of paradiplomacy via regional integration in the first two cases, and within the realm of cities in the remainder. Also worth mentioning are the theses of Barreto (2001), which examined the international integration of the state of São Paulo between 1991 and 1998; Bogéa (2001), who studied the position of the Brazilian federal government in relation to the paradiplomatic action of the Brazilian states; Lessa (2003), which explored the circumstances under which paradiplomacy can weaken the Nation State; and Gallo (2011), who investigated the case of paradiplomacy and multilevel governance in the Campinas metropolitan region. Additional highlights include the dissertations of Farias (2000) and Rodrigues (2004), who analyzed the advantages and benefits accrued to Brazilian states with their paradiplomatic initiatives; and Nunes (2005), which investigated paradiplomacy in the state of Rio Grande do Sul.

These studies suggest an increase in paradiplomatic activity in Brazil in recent years. Vigevani (2006) states that an important factor related to this was the country’s move to democracy, between 1985 and 1990, since the literature indicates that democratic systems, particularly federal ones, are facilitators of the phenomenon. Another factor is that cities and states are seen as agents of economic development in Brazil. Milani and Ribeiro (2011), corroborating the above points, note that there is no legal mentioning of the international activity of municipalities and states in the Brazilian Constitution. Therefore, in 2005, a bill to pass law 475/2005, known as “PEC of Paradiplomacy,” was presented before the National Congress in order to constitutionally formalize the international activities of municipalities and states. The proposal is currently shelved in the House of Representatives (Fuga 2014; Milani and Ribeiro 2011).

According to Vigevani (2006, 130), Brazilian paradiplomacy is more concerned with, “actions related only to low politics, i.e., movements that do not interfere with the country’s international strategy and that are unrelated to issues of high politics, such as strategic themes or security, or even economic options of a general nature.” This is a possible explanation for

the shelving of the Paradiplomacy PEC bill, both to avoid possible shifts to high politics of non-central governments, and to preserve the dependency relationship regarding the federal government. On the other hand, Medeiros (2010) points out that the degree of international mobilization of sub-national units in Brazil varies a lot. The author uses three variables to explain these differences: “geographic location, economic power and nature of the state organization in which they are immersed” (Medeiros 2010, 170). Thus, states such as São Paulo, Rio de Janeiro, Minas Gerais and Rio Grande do Sul, located in the most economically privileged regions of the country, can more easily (and are more likely to) perform paradiplomatic activities.

As to the presence of institutions or organizations that facilitate or track the phenomenon at the federal level, Assessoria de Relações Federativas do Ministério das Relações Exteriores (“Federative Relations Office of the Ministry of Foreign Affairs”) was formed in 1997. In 2003, this body was transformed into Assessoria Especial de Assuntos Federativos e Parlamentares (AFEPA) (“Special Advisory for Federative and Parliamentary Affairs”), illustrating the stop and go movement of the Brazilian government, either increasing or attenuating the federal government’s strength vis-à-vis controlling/attenuating paradiplomatic actions, Vigevani notes (2006). According to Milani and Ribeiro (2011), certain national associations of municipalities do recognize the international operations of Brazilian cities, among them Confederação Nacional de Municípios (CNM) (“National Confederation of Municipalities”) and Frente Nacional de Prefeitos (FNP) (“National Front of Mayors”). Also worth mentioning is the Fórum Nacional de Secretários e Gestores de Relações Internacionais (“National Forum of Secretaries and Managers of International Relations”), set up to represent the interests and qualify the actions of Brazilian municipalities concerning international articulation.

In terms of municipal structure to foster international relations, in a 2007/2008 survey of 72 Brazilian municipalities<sup>1</sup>, Milani and Ribeiro (2011, 28) found the following pattern:

Of the 72 surveyed cities: (a) 22 conducted paradiplomatic activities, but did not establish formal structures of international relations; (b) 29 had a formal organizational area of international relations; (c) 21 had not implemented paradiplomatic activities. Focusing on the first group, many informal and unknown projects can be seen, the majority of which are located in the states of Northeast Brazil.

Compared to the three variables mentioned by Medeiros (2010), one can say that the study of Milani and Ribeiro (2011) corroborates the influence of geographical location and economic power in paradiplomatic actions, which is intense in the capitals of the border states (regional paradiplomacy), such as Belém, Boa Vista, Rio Branco, Porto Alegre, Curitiba and Florianópolis, as well as in the capitals of Brazil’s three richest states, i.e., São Paulo, Rio de

1 The criteria used to select these municipalities: 1) state capital; 2) population greater than or equal to 500,000 inhabitants; 3) political, economic or cultural relevance in the metropolitan region; 4) nationally recognized research centers or University; 5) historic heritage or recognition by the tourism sector; 6) strategic municipalities at the borders with other countries; and 7) participation in seminars or events relating to municipal actions concerning international relations.



Janeiro and Belo Horizonte. However, the nature of state organization was not a major factor inhibiting paradiplomacy according to the study of Milani and Ribeiro (2011), given the high incidence of cities without any formal structure of international relations to perform a paradiplomatic role, particularly in northeastern Brazil.

Another important factor for Brazilian paradiplomacy concerns the country's hegemonic position vis-à-vis South America. Vigevani (2006) suggests that this circumstance is reflected in the 1985 Argentina-Brazil process of integration, and in Mercosur, particularly with respect to Uruguay and Paraguay. Foro Consultivo de Municípios, Estados Federados, Províncias e Departamentos do Mercosul (FCCR) ("Constitutive Forum of Municipalities, Federal States, Provinces and Departments of Mercosur") is an institutional mechanism for discussion and debate within the block, set up in 2004 and having three lines of action: cross-border integration, productive integration, and regional citizenship. Other regional integration initiatives in South America, that contribute to foster paradiplomacy in the region, are: Conselho de Desenvolvimento e Integração Sul (CODESUL) ("Southern Council for Development and Integration"), Comissão Regional de Comércio Exterior do Nordeste Argentino (CRECENEA) ("Northeast Argentina Regional Commission on Foreign Trade"), and Zona de Integração do Centro-Oeste Sul-americano (ZICOSUR) ("Central West South American Integration Zone"). The Mercociudades network and the Federação Latino-americana de Cidades, Municípios e Associações (FLACMA) ("Latin American Federation of Municipalities and Local Government Associations") are additional important associations for the paradiplomatic action of subnational governments in the country (Gallo, 2011).

## The Olympics and the International Competitiveness of Rio de Janeiro

In October 2009 the city of Rio de Janeiro was chosen to host the thirty-third Summer Olympic Games, held in August 2016. Since the confirmation of the event, the city has embarked on a paradiplomatic preparatory marathon for the occasion. In addition to contacts with delegations and governments of countries that took part in the games, and bodies such as the International Olympic Committee (IOC), the city was engaged in a search for international partners on many other levels. Consultancies with previous Olympic cities, bilateral cooperation for developing already successful projects at the international level, multilateral cooperation via international networks of cities, actions to attract foreign investment and public-private partnerships with multinational companies: all of these are examples of the international involvement of the city.

Given this context, important structures of the municipal administration had to be created or restructured. Rio's Coordenadoria de Relações Internacionais ("Management Office of International Relations"), for example, established in 1987 and one of the oldest in Brazil, had to be completely revamped because of the event. The Rio-Negócios agency was created in

2010 (just after the announcement of Rio as the Olympic venue) and was tasked with attracting business and investment to the city. This agency's work was based on three pillars: promoting trade, information and business intelligence, and facilitation for international investors. In addition to these structures, the Secretaria Especial de Concessões e Parcerias Público-Privadas (SECPAR) ("Special Secretariat for Concessions and Public-Private Partnerships") was set up in 2012. This occurred after a series of changes in laws and agencies at the municipal level in order to foster, incentivize, and expand the strategic role of public-private partnerships, and this strongly influenced the myriad of projects that the city embarked on from 2009 and onwards.

As a result, the secondary data reviewed and the field research undertaken suggests that the city's business environment, as well as its international competitiveness, got a significant boost thanks to the Olympic event. This is evidenced from a detailed analysis of four axes considered relevant to the research, within the context of the Rio de Janeiro, namely: 1) bilateral and multilateral cooperation; 2) public administration and large projects; 3) business environment; and 4) construction of a smart city.

## Bilateral and multilateral cooperation

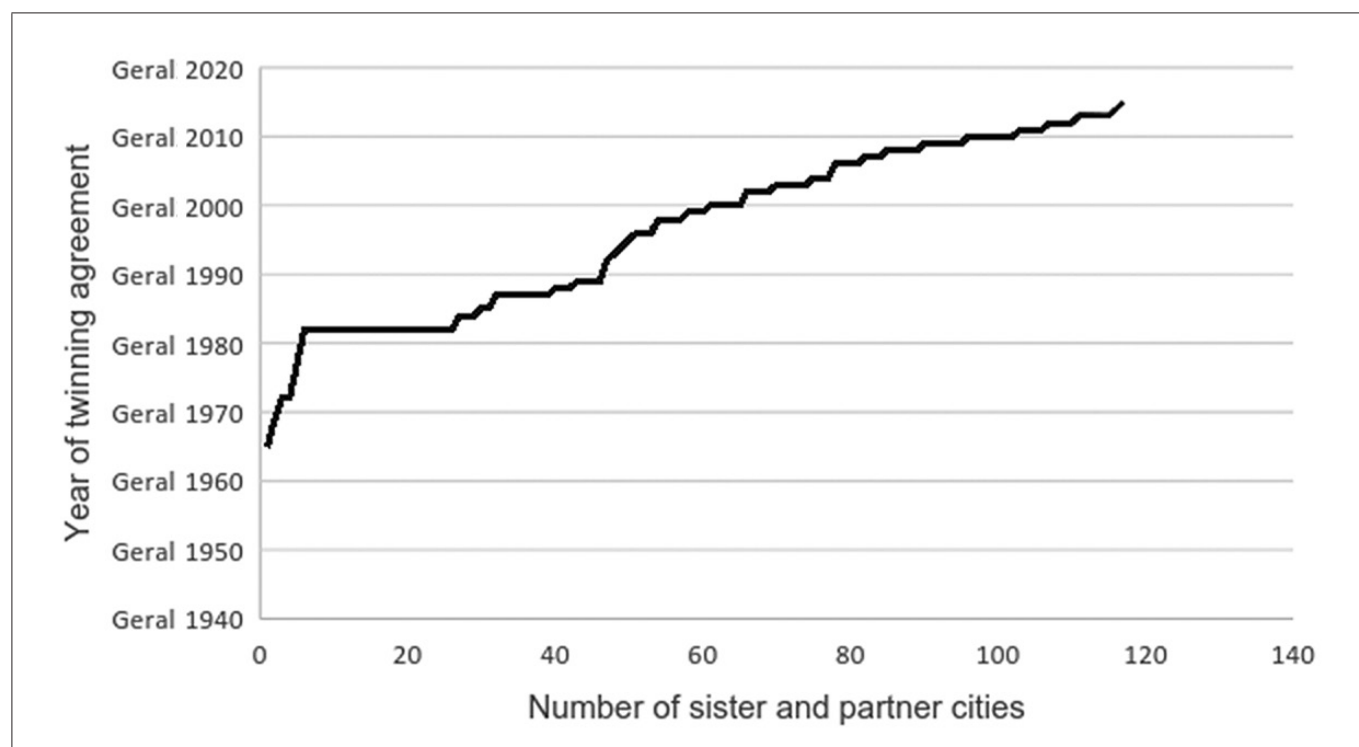
A practice observed in the city was to establish contacts with other Olympic venues to learn about good practices. Barcelona, sister city of Rio de Janeiro, and a famous case of a successful Olympic city, was a source of influence in the revitalization of Porto Maravilha, for example. London was the target of several Olympic missions by the organizers of the event, including the mayor, Eduardo Paes. Moreover, there was cooperation with Transport for London, to carry out a technical project in urban mobility; London also contributed with regard to setting up Rio-Negócios, whose business model was based on the agency Think London (now called London & Partners). Los Angeles, Athens and Beijing were also visited in order to learn from their experiences (Chief Advisor of Institutional Relations and Bilateral Cooperation, Rio de Janeiro City Hall<sup>2</sup>).

In addition to the above missions, bilateral cooperation has also enabled projects in other areas of interest to Rio. Paris, for example, provided know-how in the areas of heritage conservation of public buildings and urban mobility, highlighting the *Vélib'* project, which inspired the *Bike Rio* project. In this regard, London and Amsterdam were also visited and made contributions. The Porto Maravilha project was influenced by Paris, which has the *Paris Rive Gauche* project in its metropolitan area, and also by Buenos Aires, for its revitalization project in *Puerto Madero*, and by Barcelona. The Carro Elétrico Carioca project is being implemented with contributions from Paris's *Autolib'* project. In addition to these, Rio's 1746 emergency phone number and app were based on New York's 311 equivalent (Chief Advisor of Institutional

2 Interviewed on June 14, 2016.

Relations and Bilateral Cooperation, Rio de Janeiro City Hall).<sup>3</sup> To illustrate the importance of bilateral cooperation, chart 1 displays the constant longitudinal evolution of the number of twin and partner cities of Rio. From 2009 to 2016, for example, this number grew from 89 to 117 cities; an increase of 31,5%.

**Chart 1: Evolution of sister and partner cities of Rio de Janeiro**



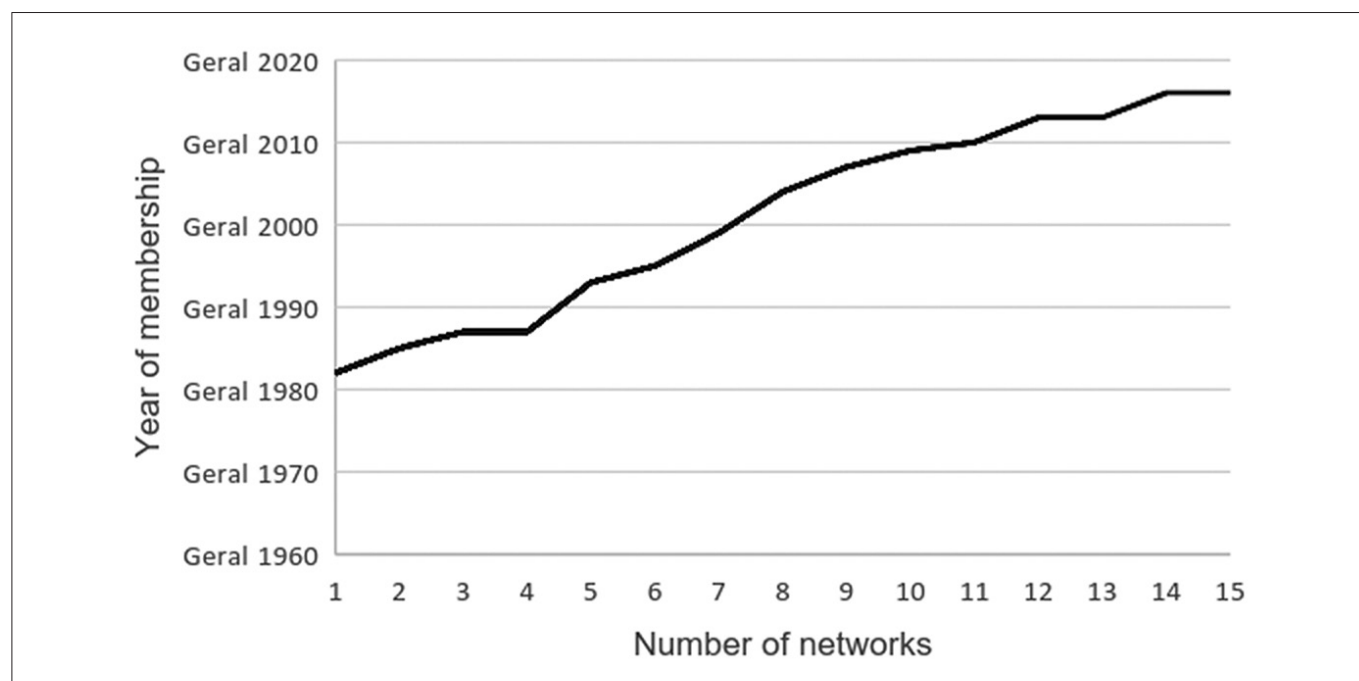
Source: Prepared by the authors, based on data provided by the RJ City Hall

Furthermore, multilateral cooperation is also well evidenced in the municipal context, both via contacts with international organizations and with international city networks. According to the website of the Rio de Janeiro's city hall, the main interactions are currently with the following networks:

C40 Cities Climate Leadership Group (in partnership with the Clinton Initiative); ICLEI (Local Governments for Sustainability); UCCLA (Union of Capital Cities with Portuguese Language); UCLG (United Cities and Local Governments); Metropolis (World Association of the Major Metropolises); UCCI (Union of Ibero-American Capital Cities); foreign foundations, such as Rockefeller and Konrad Adenauer, and UN organizations, such as ONU-Habitat, PNUD, UNESCO, UNISDR and UNICEF (Prefeitura Rio de Janeiro, 2016).

Chart 2 highlights the importance of the participation in international city networks for Rio, given the growth in participation from 9 to 15 networks (66,7% increase) from 2009 to 2016.

<sup>3</sup> Interviewed on June 14, 2016.

**Chart 2: Evolution of the participation of Rio de Janeiro on city networks**

Source: Prepared by the authors, based on data provided by the RJ City Hall

Such networks have led to a series of initiatives in Rio. For example, Rio's cooperation in the preparations for the UN-Habitat 2016 forum, strongly influenced by UCLG. C40 has also been relevant, especially as its current Chair is the mayor of Rio. The Leading Cities network, for its part, motivated and helped to implement *Smart City Lab*, a project conducted by Rio City Hall, involving actors from the city, private companies, universities and NGOs, to discuss urban challenges and smart solutions<sup>4</sup> for Rio. Other successful examples include the interaction of COR in conjunction with the Inter-American Development Bank (IDB) for the optimization of the metrics and indicators of the former, and the partnership with the National Aeronautics and Space Administration (NASA), aimed at the exchange of information and technology (COR Special Advisor)<sup>5</sup>.

Another significant point for the city internationalization relates to the major events on Rio's agenda (happening constantly since 2010), as a strategy of the municipal administration. The main events were: World Economic Forum, in 2010; 5th CISM Military World Games, in 2011; Rio+20, in 2012; World Youth Day, in 2013; World Cup, in 2014; 450th anniversary of Rio, in 2015, culminating in the 2016 Olympics. Besides the above-mentioned events, participation in international conferences also points to Rio's strong international presence. The COP21, held in 2015 in Paris, is a case in point, particularly by the agreement signed on climate change, negotiated under the auspices of C-40 (Chief Advisor of Multilateral Cooperation, Municipality of Rio de Janeiro).<sup>6</sup>

<sup>4</sup> Interviewed on May 23, 2016.

<sup>5</sup> Interviewed on May 31, 2016.

<sup>6</sup> Interviewed on May 23, 2016.

## Public administration and large projects

Within the realm of municipal administration, evidence was investigated of application of the New Public Management (NPM) principles (Bresser Pereira 1998, 2001), in order to observe the employment of these principles and their association with increasing city competitiveness. Evidence of the implementation of NPM in Rio included (i) heavy utilization of temporary, non-permanently appointed staff (managerialism, downsizing); (ii) use of a meritocracy and bonuses in the remuneration system of public servants (assimilation of the private sector policies); (iii) continuing education as a tool to stimulate productivity, via, for example, the Líderes Cariocas project (use of metrics and indicators, feedback on results); (iv) reducing bureaucracy by fostering flexible and agile processes in the city management, as evidenced by encouraging the use of public-private partnerships (PPP) (flexibility, efficiency).

The very creation of COR and SECPAR can be understood as increasing Rio's international competitiveness. Established in 2010, COR is an autonomous structure for supporting and monitoring the city in the areas of civil defense, urban mobility, and accident prevention, supported by all departments at the municipal level. Its goal is to make the city more resilient and safe by applying preventive measures and coordination of operations to combat heavy rains, landslides and fires, among other accidents within the city. SECPAR was created to encourage, coordinate and monitor the use of PPP at the municipal level. SECPAR's actions were key for the development of the PPP for Porto Maravilha, the Parque Olímpico and the Veículo Leve sobre Trilhos (VLT, light railway), developed within the realm of Olympic projects. The three projects were financed by significant portions of private investment (100%, 50% and 60%, respectively). As such, the Porto Maravilha project ranks as the largest PPP in the history of Brazil, again highlighting aspects of the NPM in Rio's public management (SECPAR's Project Structuring Coordinator, Rio de Janeiro City Hall)<sup>7</sup>.

Also in this context, the report *Estudo dos impactos e do legado dos Jogos Rio 2016* ("Study of the impact and legacy of the Rio 2016 Games"), produced by COPPE/UFRJ in 2014 for submission to the IOC, and *Planejamento Estratégico 2014-2017* ("2014-2017 Strategic Plan"), produced by the Autoridade Pública Olímpica ("Olympic Public Authority") are illustrative of the city's preparations to host the Games and execute the projects conceived in the Olympic scenario. The first document had three objectives:

To measure and understand the local, regional and national impacts of the Olympic games; to support future host cities and Games organizers in identifying potential legacies to maximize the benefits of the Games; to help build a knowledge base on the impacts and legacy of the Games (COPPE/UFRJ, 2014).

Based on a thorough evaluation, the document assessed the city's level of preparedness and the possible environmental, socio-cultural and economic impacts of the Games in terms of 36

<sup>7</sup> Interviewed on May 31, 2016.

focus areas and 22 thematic topics. The second report was prepared by APO, an independent authority set up in 2011 by the federal state and Rio de Janeiro city governments to track the games. The report includes an overview of the development of the strategic planning authority for the period 2014-2017, including the functions of the body, its *modus operandi*, indicators, and performance metrics.

## Business environment

As regards the effect of the games in terms of attracting investment and business to the city, the Rio-Negócios agency has had a pivotal role ever since Rio won the Olympic bid. This agency was set up in 2010 through a mission by the mayor of the city of Rio de Janeiro to London. Nowadays it has a president; a Business Intelligence (BI) area, responsible for providing operational knowledge of interest to investors; a commercial area, divided into strategic business sectors with three executives; and an Institutional Relations executive. The organization provides free consulting services to potential investors in the city and responds to questions about municipal business law, location of clusters, and operation procedures for starting a business, among others (Officer of Institutional Relations, Rio-Negócios agency).<sup>8</sup>

A recent example of an agency initiative is the ambitious Casa Rio project, which includes 11 strategic events to be held throughout 2016, bringing together business leaders, investors, lenders, suppliers, C-levels, and entrepreneurs in order to foster productive investments in the city. The meetings are organized in six strategic sectors for the Rio economy: Energy (especially oil and gas), Infrastructure and Real Estate, Health and Health Care, Technology (Telecom and High Tech Startups), Creative Industry (especially media and fashion), and Finance (focusing on insurance and reinsurance). The idea arose from a benchmarking of the 2012 London Olympics, which promoted similar activities, culminating in 14 investment projects for the city (Officer of Institutional Relations, Rio-Negócios agency).<sup>9</sup>

In this regard, the reports Data Rio (Rio-Negócios 2015) and Doing Business in Rio (Ernest & Young and Rio-Negócios 2014) are both instruments produced in order to assist potential investors in the city. The first report deals with statistical data and information in specific areas, i.e., demographics, infrastructure, economy, human capital, quality of life, tourism, urban internationalization, and the oil and gas industry in relation to Rio de Janeiro. The second presents a holistic view of the *modus operandi* of business practice in the city, including information on temporal patterns of Foreign Direct Investment (FDI), corporate structure, tax systems, workforce profiles, and other types of information relevant to entrepreneurs, especially international investors.

A legitimate concern is the city's post-Olympics business environment, an issue that was raised in most of the interviews. Hotel capacity was increased to accommodate not only the

<sup>8</sup> Interviewed May 25, 2016.

<sup>9</sup> Interviewed May 25, 2016.



Olympic Games, but also the plethora of events which have occurred in the city since 2010. Based on the interviews, the number of bars and restaurants and other activities that capitalize on tourism also increased. One challenge for the city is to develop strategies for maintaining the flow of activities in these locations after 2016.

## Construction of a smart city

The smart city is a fluid concept that has been under development in the social and political sciences in recent years. In Rio de Janeiro, particularly driven by the Olympic scenario and the urban restructuring projects developed to host the event, the theme became prominent in recent years. Just in the first half of 2016, for example, there were five events that directly or indirectly addressed the issue of the “smart city carioca.” The first, called *Fórum Coppead em Smart Cities* (“Coppead Forum on Smart Cities”) took place at the Coppead Graduate School of Business of UFRJ. The meeting was attended by representatives from government, academia and the private sector to discuss six concepts selected within the theme, in relation to the “city”: sustainability, resilience, digitalization, globalization, agility and health. At the end, proposals were made for actions to be studied and projects to be developed in each area.

Another important event was held in March 2016, with the participation of the English geographer David Harvey of the City University of New York. The seminar was titled *Cidades Rebeldes e Espaços de Esperança* (“Rebel Cities and Spaces of Hope”), and adopted a critical perspective about the Olympic projects. The topics included urban violence (especially against women and LGBTs) and other security issues, socio-spatial segregation of the Olympic projects through prioritization of affluent areas of the city, besides marginalization of housing and public transport. These themes are in synergy with the report *Megaeventos e Violação dos Direitos Humanos no Rio de Janeiro* (Comitê, 2015) (“Megaevents and Violation of Human Rights in Rio de Janeiro”), produced in order to discuss the effective benefits of the 2014 World Cup and 2016 Olympics for Rio’s population. These issues are also discussed in the works of Castells (1996), Sassen (2010) and Harvey (2005, 2008), which address the problem of inequality and urban segregation in global cities.

A third case was the international seminar *Resilient Cities, Smart Citizens*, held in June 2016, jointly organized by the Dutch consulate in Rio de Janeiro and the Waag Society. Important actors from the public and private sectors (especially startups) and academia participated in the event, aiming to discuss smart city initiatives in Europe, Switzerland, Holland, Italy, and in Brazil. The event was structured in four areas of debate: policies, resilient cities, smart citizens and visionaries.

Also noteworthy is the Rio city government’s initiative, in conjunction with the Leading Cities network, promoting *Rio Smart City Lab*, which has held two workshops to date, in May and July 2016. The workshops brought together city officials, private companies, universities and NGOs to discuss smart solutions for the city. The approach adopted was to present projects

existing within each participating institution and, from there, to foster cooperation and joint development of additional projects. The initiative corroborates the public speech of Rio's Secretary of Science and Technology City, Franklin Coelho, in order to take advantage of the mega-events to rebuild the image of Rio de Janeiro as a smart city.

At the moment in which we are chosen to host the World Cup and the Olympics, it is vital that we invest in recuperating the identity of Rio, not only for its potential for tourism and as a Brazilian historical and cultural reference, but also for the possibilities offered by Rio's immense scientific and technological park to consolidate the strategic vision of the city as the Capital of Knowledge and Innovation. This new strategic agenda of the city will have to integrate pathways for a city that is digital, intelligent, creative and sustainable. These are immense challenges (Prefeitura de Rio de Janeiro, 2010).

In this context, supporting the actions in the above sense, the city recently won two prominent awards related to smart cities: the 2013 World Smart City Award, for the COR project, and the 2015 InovaCidade Award, for the PPP of Porto Maravilha.

## Concluding Remarks

Revisiting the theory of the global city, the article sought to give visibility to the development and application of this concept, initially through the perspective of its seminal authors, followed by a review of the contributions of contemporary authors. We then emphasized the theory of state rescaling, whence the acronym "glocal city" derives, referring to the dual role of the city vis-à-vis the simultaneous effort of global integration and local action. We also discussed part of an extremely recent literature on the topic, focusing on the works of Acuto and Rayner (2016) and Curtis (2014, 2016), which examine the breadth of the subject within international relations by demonstrating its growing relevance, intensified by the phenomenon of globalization.

Having outlined the framework of the concept, we embarked on an analysis of paradiplomacy. In this case, we opened the discussion about paradiplomacy in Brazil, through a brief review of the main authors and studies in the area, besides the institutional framework of the country in support of these activities. The goal was to provide a basis for the debate about the international activism of Rio de Janeiro.

It was found that the paradiplomatic activism of the city was influenced by both its global city status, as outlined by Friedmann (1986), as well as by the myriad of events it has hosted since 2009, culminating in the 2016 Olympics. This article has portrayed in detail the various bilateral and multilateral movements of Rio, either in cooperation with other cities or with networks and international organizations. The article also confirmed the implementation of mechanisms to enhance the efficiency of municipal government, heavily influenced by the

precepts of the NPM. Our analysis shows that one of the goals of this dynamic was to convert Rio into a smart city, with the subsequent increase in its international competitiveness.

Finally, we note that this study is more exploratory than evaluative, and therefore this can serve as a first recommendation for future studies. Assessments of the impact of Rio's paradiplomatic activism in urban public policy and its legacy for the city can be made either by conducting studies in specific sectors or through a multisector analysis. Another possibility would be to evaluate the evolution of Rio's post-Olympic international activism, the change (or maintenance) of the city's international profile with a different mayor or with distinct political parties in control. Furthermore, studies assessing the city's priorities in the search for international cooperation are recommended, given the multiplicity of topics and projects that motivated the international operations of Rio identified in this study, preventing the detection of priority interests.

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