

STATE RESOURCES AS AN AXIS OF MUNICIPAL DEVELOPMENT IN MISIONES

Garzón Maceda José

Centro de investigación de la Facultad de Ciencias Económicas

Facultad de Ciencias Económicas –Finanzas Públicas

Universidad Nacional de Misiones

Campus Universitario Ruta 12 KM 7½ Miguel Lanús Misiones

e-mail: Jose_maceda@hotmail.com

ABSTRACT

This article aims to present a proposal from which one seeks to promote economic and human development in the municipalities of Misiones by means of the creation of a municipal internet by implementing more efficient application criteria for the resources.

The paper provides a short outline of the theoretical framework where the proposal is set out, which has three pillars: the theory of decentralization, the municipal and the association theory.

Having established this, one examines the legal framework of the municipalities in the National Constitution, the Misiones Constitution and specific laws which regulate the municipal performance, and then move towards the study of the current situation of the municipalities, focusing on financial resources of 17 municipalities in the province of Misiones.

After this brief diagnosis we enter fully into the proposal to be developed in depth: detailing the players involved, their funding sources, their objectives, the executive body through which they will implement the program and the assignation criteria of allocation of resources recommended so that the implementation of the proposal be efficient.

KEY WORDS: Development; Associativism; Budget; Decentralization.

INTRODUCTION

The analysis of the budget structure of the municipalities of Misiones shows a complex reality. Despite increases in their revenue-sharing arrangements, due to co-participation, municipalities have not achieved sustained growth and development. We therefore have designed a proposal for Regional Development, taking as a fundamental axis the concept of municipal associativism and the participation of civil society to apply it to municipalities in the province of Misiones.

The central premise of the paper means that municipalities should not base their development and growth only at higher levels of government. On the contrary, they are the ones that with innovative measures, through allocation and efficient and effective management of resources-should devise means to be oriented towards sustained growth, applying strong solid policies that will endure through time.

In that sense, one proposes the implementation of a program that makes up an Inter-municipal network to promote economic and human development. In both the province and municipal level through joint contributions of resources involved in the growth and strengthening of municipalities as institutions and to promote citizen participation, completion and improvement of life quality of the population.

The project conceives the Province of Misiones in areas made up approximately of 7 to 10 municipalities. For this paper we chose, the municipalities of the departments of Candelaria¹, San Ignacio² and Guaraní³ as representative samples, considering aspects such as demography, influences of migration, economic activities, category, idiosyncrasies and resources.

1 Municipalities: Candelaria, Santa Ana, Mártires, Cerro Corá, Bonpland, Loreto and Profundidad.

2 Municipalities: San Ignacio, Gobernador Roca, Santo Pipó, H. Yrigoyen, General Urquiza, Colonia Polana, Corpus and Jardín América.

3 Municipalities: San Vicente and El Soberbio.

DEVELOPMENT

Theoretical framework, concept and legal status of the Municipality

The municipality is the primary institutional cell of our country for the government and administration of matters having to do with its citizens.

It is the state level closer to the concerns of its members and the governing body more decentralized and therefore we believe it is best to search for the paths that lead to the construction of bottom-up development.

From a conceptual standpoint, two axis are essential for the development of this paper: The sociological concept of the municipality as a settlement of human beings who seek common goals, share their stories, their dreams, hopes, and the inconveniences proper to individuals who live in a community, and secondly to consider the municipal institution as a true tool for development and realization of its citizens.

Thus we take as an axis and primary antecedent the paper done by Eduardo Bruno Paprocki (2005) which shows a profound vision of the municipalities based on the human factor as the cornerstone.

Following this line we took three theories as pillars to conceptualize the municipality and their roles: municipal-theory, decentralization theory and associativism.

While the first conceives the Municipality as one more sphere of the state (in addition to the Federal Government and the Provinces) and therefore has broad powers in decentralization, constitutional recognition of autonomy and full power to determine its political destination and taxes, the second relates specifically to "...a political process involving devolution of power and transfer of expertise and resources from central government to local governments within the context of increasing autonomy" [Heredia J. R., 2005, p 247]⁽¹⁾. This includes consideration of municipalities as active institutions, going far beyond their administrative and bureaucratic functions, street lighting, sweeping and cleaning to become a full political authority, determining development strategies, to obtain the necessary resources

and management of them in a much more autonomous way, both the National State and province give jurisdiction, power and resources to the municipality because it believes that the closer it is to its citizens ensures better results.

Third in municipalities in their new functions and services, must conform to inter-relationships which we call associative order to find joint mechanisms and tools that enable local development, understood as the economic and human development.

The creation of micro-regions between municipalities for key issues is the best example of associativism in our country one can mention examples of this mechanism such as the case of the Consortium Center of the Province of Buenos Aires, the Association of Municipalities of Cordoba and the Association of Municipalities for the Regional Development (AMUDER).

We agree with Marchiaro when he says "...The municipality itself is irrelevant to the problems of the world today, if not supported by a strong regional approach to the modernism, so its ideology always takes, as a starting point, the binomial, Region-Municipality" [Marchiaro E. J., 2000, p. 121]⁽²⁾.

The three above-mentioned theoretical concepts, acquire a full sense if taken as complementary to each other: The municipalist theory reassesses the municipal body as part of the State, while the decentralization grants the competences, the power and resources necessary for this new state body, operate in a fundamental way in society of which it is part and finally the associativism, highlights a mechanism that provides for the interdependent reality we live in and when recognition inserts it in the municipalities and uses it to enhance the potential the chances of such state instances state body as the axis of development.

To finish outlining the theoretical framework of the proposal we sustain that municipalities are autonomous entities, in the sense that is expressed in the National Constitution in Article 123 "each province enacts its own constitution, pursuant to the provisions of art. 5, ensuring municipal autonomy and ruling its scope and content in the institutional, political, administrative, economic and financial autonomy" [National Constitution, Article 123]⁽³⁾ that will allow the Misiones' municipalities to carry out agreements, local development policies and the

creation of micro-regions, partnering with other municipalities and social organizations.

Current Status of Misiones' Municipalities⁴

Financial Coordination

Financial coordination among different jurisdictions⁵, we must necessarily develop them when confronted with different levels of government taxation.

The problem is the allocation of powers and responsibilities between different levels, covering both the aspects of the resources and expenditure but because of the objectives we seek in our paper we will concentrate our focus on resources.

The decentralization of responsibilities at municipal level should necessarily lead to planning and an active participation of local governments together with civil society.

It is necessary to clarify the coordination schemes can be viewed from a vertical vision (nation-province-municipal) or a horizontal vision (provinces-provinces; municipalities-municipalities).

We Will focus attention on the vertical coordination where more important coordination is given by the regime Federal Co-participation Tax⁶ marks the coordination between the national government and the provinces, while the Municipal Co-participation of Misiones established in Law XV – N° 10 (Previously Law N° 2535) that rules the financial coordination between the province government and the governments of each municipality whose distribution indices are, in our opinion, outdated and produce distortions that lead to the enactment of legislation providing additional for some municipalities applying only parameters determined by the Ministry of Finance, Finances, Public Works and Services of the Province⁷ generating a financial dependence that can be considered even more than the one had by the province with the nation.

4 This part of the paper refers to a more extensive study of 17 municipalities which I have done and can be seen in the book, *Los Recursos del Estado*, as a development axis of the municipalities, recently published. The group of municipalities analyzed searches in said book, to sustain in a stronger way the feasibility of the proposal which will be detailed in this paper, a fact which does not mean that the project can not be applied in other municipal groups.

5 We refer to national, province and municipal levels.

6 At present Law 23,548 is enforced on 7th January 1988 as a Transitory Regime.

7 Law 3875 (2002) and its modification in 2007 by Law 4376.

Finally we will make a brief mention of Article 35 of the multilateral Convention⁸ that regulates the horizontal financial coordination of Argentina (province - province). On one hand it seeks to avoid double or multiple taxation of gross income tax, while coordinating the exercise of autonomous taxing powers, which exist between the various jurisdictions establishing a control on taxpayers.

On the aforementioned article, we consider that the Agreement violates the autonomy of municipalities with regard to the determination of the tax bases of taxes or fees that local jurisdictions want to implement according to their taxing power so it should not be applied without having the adhesion of the municipality concerned.

The Public Budget as a political tool

After a brief study of the theories that base our paper and its legal frame, we will analyze the budgets of the last four financial years of the province of Misiones, to understand how the resources are made up to face its expenses.

With this look, we can see what we consider as a primary source of project financing, and find the source, of some of the resources we use to implement the municipal development.

Table 1: Summary of resources, expenditures and financing

Concepts	Year 2005	Year 2006	Year 2007	Year 2008
Resources	1,159,058.00	1,159,058.00	1,896,932.70	2,428,897.80
Expenditures	1,623,021.40	2,071,326.40	2,551,565.10	3,281,897.80
Need of net Financing	463,963.40	606,791.80	654,932.40	852,974.10
Debt Amortization during Excercise	190,132.90	287,778.00	302,540.40	304,118.60
Province Financiatiion	654,096.30	894,669.80	957,172.80	1,157,092.70
Non-repayable Contributions	332,450.00	588,226.90	625,359.20	828,898.20
Credit use	213,678.90	303,852.90	331,813.60	328,194.50

Source: Own elaboration based on Misiones' 2004-2008 Budget

In the second chart one analyzes the composition of income in those budgets mainly to

8 It was signed in the City of Salta on 18th August 1977.

understand their origin and determine which come from the fiscal effort of the jurisdiction and which enter the province according to the Federal Co-participation scheme, among others.

Table 2: Source of funds – Participation on the total (2004 - 2008)
(In thousands of pesos)

RESOURCES	YEAR 2005	% s/ total	YEAR 2006	% s/ total	YEAR 2007	% s/ total	YEAR 2008	% s/ total
Province jurisdiction	210,458.00	18.15%	282,970.80	19.32%	439,445.70	23.16%	563,226.90	23.18%
Federal Co participation	707,733.80	61.06%	888,301.90	60.66%	1,087,655.8	57.33%	1,401,749.70	57.72%
Road co-participation	7,895.00	0.69%	8,450.00	0.57%	12,753.50	0.67%	14,674.50	0.61%
Yacretá Royalties	10,790.00	0.94%	11,286.00	0.78%	12,749.50	0.67%	17,420.00	0.72%
Salto Royalties	3,320.00	0.28%	4,320.00	0.29%	8,848.00	0.48%	8,848.00	0.36%
Other Nation	195,670.80	16.88%	239,185.50	16.34%	294,694.80	15.53%	379,983.30	15.64%
Capital Resources	23,190.40	2.00%	30,020.40	2.04%	40,785.40	2.16%	42,995.40	1.77%
Total Resources	1,159,058.8	100%	1,464,534.6	100%	1,896,932.7	100%	2,428,897.80	100%

Source: Authors based Misiones Budget Law. 4142, 4244, 4342, 4397

Following the structure presented to us by Horacio Rosatti⁽⁴⁾ we have the resources of the jurisdiction itself and other jurisdictions.

The following table shows the percentage of own resources and the influence of the co-participation over the total revenue in the period 2004-2008, in this case for the municipalities which we studied in this paper.

Table 3: Origin municipal resources - own resources of total income (Budget years 2004 – 2008)

MUNICIPALITIES	RESOURCES 2005	RESOURCES 2006	RESOURCES 2007	RESOURCES 2008	RESOURCES 2005 / 2008
CANDELARIA	1,147,000	1,645,000	1,995,000	2,395,000	2005 - 19%; 2006 - 21%; 2007 - 17%; 2008 - 20%
SANTA ANA	950,000	1,054,589.21	1,429,101.18	1,854,531.20	2005 - 16%; 2006 - 22%; 2007 - 16%; 2008 - 21%
MARTIRES	444,500	573,000	680,010	1,092,500	2005 - 24%; 2006 - 18%; 2007 - 21%; 2008 - 9%
CERRO CORÁ	420,000	515,000	688,500	1,540,000	2005 - 6%; 2006 - 6%; 2007 - 5%; 2008 - 3%
BONPLAND	670,100	725,100	955,100	1,316,150	2005 - 8%; 2006 - 8%; 2007 - 7%; 2008 - 5%
LORETO	435,500	543,650	685,000	876,000	2005 - 18%; 2006 - 16%; 2007 - 13%; 2008 - 10%
PROFUNDIDAD	336,910	542,060	680,010	882,000	2005 - 15%; 2006 - 17%; 2007 - 21%; 2008 - 9%
SAN IGNACIO	1,501,000	1,896,600	2,479,000	3,309,064	2005 - 22%; 2006 - 19%; 2007 - 15%; 2008 - 17%
SANTO PIPÓ	1,113,000	1,424,000	1,680,000	2,106,000	2005 - 17%; 2006 - 16%; 2007 - 13%; 2008 - 11%
GOB. ROCA	1,873,305.04	2,371,632.60	2,308,000	2,988,800	2005 - 13%; 2006 - 10%; 2007 - 12%; 2008 - 10%
H. IRIGOYEN	890,050	1,038,200	776,000	880,856.26	2005 - 21%; 2006 - 10%; 2007 - 13%; 2008 - 17%
G. URQUIZA	No data	No data	No data	876,648	2005 n/d; 2006 n/d; 2007 n/d; 2008 - 8%
C. POLANA	No data	No data	732,814	623,500	2005 n/d; 2006 n/d; 2007 - 7%; 2008 - 8%
CORPUS	1,364,500	1,680,200	1,479,200	2,360,000	2005 - 11%; 2006 - 11%; 2007 - 11%; 2008 - 10%
J. AMÉRICA	4,100,000	4,417,300	5,854,873	9,349,600	2005 - 38%; 2006 - 33%; 2007 - 32%; 2008 - 22%
SAN VICENTE	5,561,992	6,500,000	7,100,000	8,400,000	2005 - 23%; 2006 - 32%; 2007 - 30%; 2008 - 27%
EL SOBERBIO	1,968,100	2,364,000	2,600,000	3,350,000	2005 - 28%; 2006 - 23%; 2007 - 21%; 2008 - 16%

Source: Own elaboration based on municipal decrees

From the analysis of the data presented in the table one can notice that in 2008, the share of the resources of its own jurisdiction, as for total revenues of the municipalities analyzed, reach an average of 13%, while 87% of municipal resources, relate to income from other jurisdictions, thus showing as a constant decline in the period analyzed, the share of own resources, as to total which confirms the financial and political vulnerability of the municipalities in the province of Misiones.

Municipal financial resources and their application

Municipal Budget 2005-2008

Now, we proceed to study the composition and evolution of the municipal budgets of the 17 municipalities covered in this paper, in a period of 4 years.

As a first step, it is interesting to study how much these public budgets have grown in the

17 municipalities in the period under study.

**Table 4: Municipal Budget Variation
(BUDGETS YEARS 2005 - 2008)**

MUNICIPALITIES	2005	2006	2007	2008	VARIATIONS 2005 / 2008
CANDELARIA	1,147,000	1,645,000	1,995,000	2,395,000	100%
SANTA ANA	950,000	1,054,589.21	1,429,101.18	1,854,531.20	95%
MARTIRES	444,500	573,000	681,700	1,092,500	146%
CERRO CORÁ	420,000	515,000	688,500	1.540,000	266%
BONPLAND	670,100	725,100	955,150	1,316,150	96%
LORETO	435,500	543,650	685,000	876,000	101%
PROFUNDIDAD	336,910	542,060	680,010	882,000	162%
SAN IGNACIO	1,501,000	1,896,600	2,479,000	3,309,064	120,00%
SANTO PIPÓ	1,113,000	1,424,000	1,680,000	2,106,000	89,00%
GOB. ROCA	1,263,000	1,562,000	2,308,000	2,988,800	136%
H. YRIGOYEN	890,050	1,038,200	776,000	880,856.26	- 1%
G. URQUIZA	No data	No data	No data	876,648	-
C. POLANA	No data	No data	732,814	623,500	-
CORPUS	1,364,500	1,680,200	1,479,200	2,360,000	73%
J. AMERICA	4,100,000	4,417,300	5,854,873	9,349,600	128%
SAN VICENTE	5,561,992	6,500,000	7,100,000	8,400,000	51,00%
EL SOBERBIO	1,968,100	2,364,000	2,600,000	3,350,000	70,00%

Source: Own elaboration based on municipal decrees

It is Important, to highlight that taking all the budgets of the municipalities under study, they have increased by 100%, and being the Department of Candelaria, are those which had the most significant increase (126%) and the Department of Guarani, the ones with the least increase (56%).

Moreover, the change we've shown over the resources from the municipalities' own efforts, through the collection of taxes, shows similar behavior among them, with differences between small and medium-sized ones, but with a strong dependence on funds from other jurisdictions, particularly the Revenue Co-participation.

Thus we see that globally 80% of budgeted resources by the municipalities come from other jurisdictions as noted above and only 20% come from their estimated taxes. (2008).

We consider it important to highlight as to where resources were allocated in the

municipal budgets.

In considering the totality of the budget study we found that 73% of resources used to finance current expenditure and 23% to capital expenditure.

This global relationship, allows us to say, that there is an urgent need to devise joint policies between the province government, municipalities and civil society, to allocate more massive resources to capital goods, investments, and projects which generate more work sources and resources.

Tax structure

By Decree 3187/80 of the Misiones Province, there is established the Municipal Tax Code for all municipalities in the province, with the exception of Posadas.

As from there, municipalities sanction yearly their tax ordinance, determining the amounts and tax rates which for various concepts will enter the Treasury by the taxpayers.

Although the ordinances are in the majority of activities with their aliquots established, it is observed that due to low activity, lack of pressure and lack of fiscal control, year after year, municipality revenues have been declining proportionally due to these concepts, deepening is situation in the smaller municipalities.

For all the expressed above, we understand that we must address fiscal policies that will give more revenue to the municipalities, with programs, activities, training and support for the various province agencies.

This will allow us to supplement the financial resources to local development projects, with more activity, more jobs, more taxpayers and hence higher revenues and efficiency in the management of local development resources.

The proposal: the state's resources as an axis for municipal development

The previous analysis raises the proposal presented here. It is a project to implement a program through the allocation and efficient management, effective and criteria of economy in the management of resources, promote economic and human development municipalities.

We believe that municipalities must necessarily stop thinking as individual entities and

search the inter-municipal associations and governments at higher levels, the formation of micro-regions for the generation of projects that have targeted the growth and development of its individual citizens and collectively.

As a complex project, involving a multiplicity of actors: The Executive and House of Representatives of the Province of Misiones, Municipalities of the Province of Misiones, social organizations and companies participating municipalities, neighborhood associations from Misiones, the general public, the Court of Accounts of the Province of Misiones, the Accountant General of the Province.

Sources of funding:

1. The primary source will come from a 4% increase in the percentage of Co-participation destined for the municipalities and it forms part of the co-participation mass of the Province of Misiones, according to the Law XV - No. 10 (Previously N°. 2535).

2. The Additional of Municipal Co-participation, Transitory and of Emergency, whose distribution is currently carried out based on the terms established by Law No. XV N° 12 (previously Law 3875) of 30th August 2002, which was amended by Law 4376 (2007), within the framework of the economy emergency. The validity of Law XV N° 12 (Previously Law 3875) is established until a new Co-participation and the Additional created by it, is financed by the Gross Income Tax, to the sum of \$ 100,000. Law 4376 granted extraordinary powers to the Executive Power, to determine discretionally, which will be the beneficiary municipalities and to allocate additional amounts, without setting any kind of limit. We consider it necessary that the allocation criteria of distribution of the norm should be established from the same law, to establish distribution rates that include all the municipalities, using criteria of equity and efficiency, subject to a sustainable municipal development plan.

3. The Budget of the Province of Misiones within which classification is intended allocation for Economy Development.

4. The resources of the Nation: Given that the Province of Misiones is relegated to the distribution of national funds, we should look for resources that are ours in our own right.

5. The contribution of own funds from the municipalities that integrate the net.

6. By means of Credit and National and international financing programs: Assessing the national and international financial context and provided that market conditions are favorable.

All these funding sources would integrate the Project Fund to be administered and enforced by an organism established for the purpose of carrying out the program's actions tending to the achievement of their essential missions.

Legal Framework

The Agreement Framework

The Convention Framework will establish the general guidelines of the project, namely: General and specific objectives, scope and purposes, start date, type of renovation, financing, creation and generic regulation, of the operative organisms, its functions and composition, address, registered office, jurisdiction, monitoring systems and forms of civil society participation. The agreement will also stipulate the percentage of resources that the Municipalities should allocate to the project, establishing which will be the other sources of program funding.

For municipalities that do not have an Organic Charter and act according to Law VX Nº.5 (previously Law 257) by law it shall be established the mandatory application of the program, request the incorporation of the municipality through the enactment of an exclusive ordinance on behalf of the City Council, so that in this way they be uniform among all municipalities in the various zones the province is divided into.

The first class municipalities that at the date of the enactment have an organic charter must adhere to the project through its executive department and approved by ordinance of the city council. The membership should include all terms to the program to be carried forward and be approved by a province law.

Operative Organism

Management, implementation, monitoring and evaluation will be undertaken by an executive body to be known as Regional Development Implementation Unit (UEDR). This will

be an inter-agency body, serving in turn as support and advice information to the network to be implemented. Their patterns of operation will be provided in the Convention referred to above, which shall be provided in addition to the initial formation of a Joint Participative Commission, which shall include the UEDR, having to compile the statute governing the same, and also the specific control and monitoring of the project. This Committee would include one representative of the participating municipalities, two delegates from the province government (with special academic governance in public management), a representative of the entrepreneur sector, one from a nonprofit civil organizations involved, and at least one external specialist evaluator in public management or administration (from the area of Economic Sciences) contracted through their CV background.

The representatives of the province would have the power to veto, decisions made by the Joint Committee, in relation to financial matters and appointment of UEDR directors.

It is proposed that UEDR be headed by a Director and an Assistant Director appointed by the Joint Commission, prior to a contest history, and its renewal would be every four years, and may be removed in case of breach of duties of a public official. The forms of appointment and removal will be provided in the statute.

UEDR functions

1. The management of program resources, the continuous analysis of its the strengths and weaknesses, identification of opportunities and threats in the environment and the formulation and implementation of promotional activities and monitoring of the project.

2. Resolve conflicts and promote agreements between civil, entrepreneurial, or different sectors or other sectors of the community interested in an issue or area of economic development in particular.

3. The analysis of the internal capacities of the municipalities participating in the project, in order to propose ways more efficient and effective utilization of human and financial resources from them, towards the goal of development of a community economy network member.

4. The implementation of survey data necessary to implement the program in order to know variables and indices, related to its population, economy, geographical size, geographic density, institutional structure, budgets and method of application of resources. All this for the purpose of having objective parameters for the participation of municipalities in the program, for the purpose of recommending any measures routed to correct guidelines or criteria to improve their management regarding the objectives of the project.

Formation and Training

For the development of this project it will be essential to work on formation of training courses for permanent administrative people in province and municipal Civil Service, in all matters relating to the scope of the project, as well as on governance prior to implementation, in a permanently way.

You should consider setting up a system or network and / or an UEDR institutional website, for the purposes of a more efficient and transparent handling of information related to the implementation of the program.

Control Organisms

Internal Control: Monitoring or process control and evaluation of the project will be implemented through the introduction of participatory mechanisms, which operate primarily through Participatory Joint Commission, which will be integrated with representatives of nonprofit organizations and business sectors involved in the network, and at least one external evaluator. Internal control will be carried out periodically by a team comprising members of the UEDR, specifically designated to present a quarterly or four monthly reports to the Joint Commission. Participatory evaluation will be undertaken by the Joint Commission, proposed to be conducted twice a year, the external evaluator or evaluators hired to present their reports with recommendations on it. Some pointers to be taken into account when measuring the success of the project are: the level of employment growth, rate of growth of economy activities (opening of Small and Medium Enterprises, increase in agricultural production, livestock and forestry as well as expansion of the services sector), level of employment

insertion of those who have been trained through the program, degree of participation of different sectors involved, degree of participation of citizens in general, satisfaction of network users and local citizens (for the purpose of measuring the variables quality of program management and quality of life of the population).

As part of the control, you must ensure easy access to information and records of the program, on behalf of the municipalities or delegates sent by them.

It is considered extremely important to communicate the results of the evaluation or monitoring activities, with the objective of greater social control and the eventual correction of actions, based on proposals or suggestions by the enterprises, NGOs, neighborhood associations or interested citizens.

As internal administrative control, they should give participation to the Province Accounts Department, in the UEDR, who will fulfill their duties in accordance with current regulations.

External Control: One of the mechanisms to be used will be holding periodic Public Hearings which should be mandatory. There should be previous motivation and awareness campaigns on the exercise of citizen's rights and duties.

In terms of auditing the accounts, and when having public funds, it is necessary the intervention of the Court of Auditors, because according to Article 133 of the Province Constitution, that body has the powers to:

- 1 .- To examine the perception and investment accounts of public revenues, province, municipal and autarkic departments.
2. - Check province and municipal offices that administer public funds.
3. - To control the accounts of private entities that receive grants from the Province Government.

This intervention will allow us to have external control of legality for the use of public funds used for the purposes of the project, mechanisms and procedures established in the organic law of the Court of Auditors of the Province of Misiones.

Municipal Association in Misiones, basic parameters:

In principle, we consider that associations between municipalities should not be more than 7, associated municipalities, what we will be forming is about 10 to 13 nuclei or areas throughout the province as a first division the north, south, central, east and west zones.

One considers: Population densities, population, idiosyncrasy, economy activities and major services of the different municipalities and their related or complementary activities, the infrastructure of municipalities and province in the zones, socio-economic indicators of each one, budgetary and fiscal aspects of the municipalities, existing types of social organizations, level of training of its cadres, among other entrepreneur entities.

CONCLUSIONS

Associativism and the generation of viable micro-regions from all points of view: political, social, and legal.

The reality experienced by municipalities day by day show that they can not exercise their full freedom, full autonomy, by having financial dependence, by being in force current resources distribution systems, above all those of co-participation, which have as subsidized institutions and municipalities, and not active subjects that can decide their destiny.

Over 80% of the resources administered by the municipalities are of extra-jurisdictional origin, which generates a political vulnerability when making decisions and generating their own initiatives.

Budget capacity exists to carry out a different way of management as the one proposed in this paper.

The current situation of the municipalities studied, is alarming: on average 75% is allocated to current expenditure and 25 to capital spending and public investment. But most of the municipalities, especially the second category, with low quantity, and population density and limited activities generating jobs, spend between 80% to 92% of their resources to cover

functioning costs, that allows us to assert that if no administration policy change and direction of resources is done, they will not be able to contribute to the reduction of high indexes of poverty that its population has, and the development of micro regions.

The joint action of the province government, municipal and participation of the civil society and social organizations is one way that will allow to generate the necessary development centers for the creation of genuine new jobs, to retain our youth in their municipality.

This new scheme of financial activity of state which we present must begin to be implemented on an urgent basis in the most committed municipalities that show social, economic and budgetary indicators and that, in a complex scenario are the first to suffer the consequences.

One should work in the training of cadres of political leadership, and career staff of the municipalities, to provide them with sufficient knowledge of new public management tools homogenize the strategies and mechanisms to be implemented.

Our proposal seeks to establish an administration framework fair and efficient of public resources, involving municipalities in an associative way, the government of the province, civil society, searching for a tool that allows us to contribute to the development of the municipalities in the province of Misiones.

BIBLIOGRAPHICAL APPOINTMENTS

Please refer to articles Spanish bibliography.