



ASSET MANAGEMENT BUILT STATE PROPERTY MAINTENANCE OPERATIONS / REHABILITATION MILD, ETHICS AND MARKET LAW

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Abstract

The rule of law is one that has to do with the general will, with one that serves only the common interest (Rosseau, n. d.) and not the private interest which is the sum of private wills (Rosseau, n. d), where the asset management buildings owned by the state should follow the management guidelines that promote the common interest. This article discusses several options facing the asset management buildings owned by the state in trying to identify those that best promote the common good.

Keywords: Built Heritage, Maintenance, Asset Management, Rehabilitation.

1. Introduction

Asset management is associated with the existence of an organized power of the territory and its form varies with regards to effectiveness over time due to several organizational ways of society and technological development, the progress of which changes the built heritage or the shape of the handle. In recent years, they have been managing the assets of financializing. It began by obtaining financing for large projects, first with the Vasco da Gama bridge - which was designated as public-private partnerships (PPP) - and diversified in a mixture of smaller or larger projects, for example, the lease, still under construction - which enabled investment - for 15 years the campus of justice in Lisbon at the end of which the state will not be the property owner.

Currently, Portugal already has infrastructure at the level of European average and even some items above this reference, such as km of highway per capita. By these facts, we have been witnessing the discussion about the ways of possible public-private partnerships to do the maintenance and rehabilitation in lack of new work projects. Quoting as an example of this approach, the paper " Manutenção de edifícios em Instituições com orçamento anual – contexto Português (Cortiços, n. d.) which argues that the management of maintenance should be done via outsourcing.

Therefore, a technical approach is important to grasp the advantages and limitations of each option that the State can has in managing their assets.

2. Built heritage

The state, which is composed of several legal entities, parishes, municipalities, autonomous regions, the Republic government, public companies, etc., is the largest Portuguese owner.

The affection asset management to the common good is performed in a decentralized way, aggregated according to the legal person that the will is affected, along with the specificity of the state function associated with the buildings.

Over time, the way and type of management has been varied, the specificity of buildings, in some cases, is recognized that only the state has the capacity to safeguard the common interest.

For example, asset management, which requires a specific approach as evidenced by the charter of King João V, in 1721 remained until the XIX century "aware of all antique monuments, to provide, a more accurate judge on the best conservation of those who deserved more special care" (Silva, 2012) that responsibility was attributed to the Royal Academy of History. Over time there have been various public organizations responsible for this area, having been extinguished the General Directorate for National Buildings and Monuments by Decree Law 223/2007 of 30 May, but the part that concerns the intervention in unclassified building and the development placed at the Institute for Rehabilitation and Urban Housing, IRHU, except for assignments related to heritage listed which should be the responsibility of heritage Management Institute architectural and Archaeological IGESPAR (https://pt.wikipedia.org/wiki/Dire%C3%A7%C3%A3o_geral_dos_Edif%C3%ADcios_e_Monumentos_Nacionais). This law makes it clear that the remaining part of the building has become generic.

Another specific area, the buildings associated with the state's core functions, such as the monopoly on the use of force or deprivation of liberty, including barracks and prisons and the state has maintained the specific knowledge to the management of this institution within the state itself in the face of society information limitations of listed buildings for security reasons.

This should still refer the buildings associated with the sovereignty organs, at least the symbolic ones, there is a tendency to keep their possession.

But, this situation has also been changing. With reference to the example above of the Justice Campus of Lisbon is paradigmatic. He was hired on lease for 15 years, including maintenance, so, the courts are a sovereign body whose function is the heart of the state function, with the guarantee of the need to use the building until the end of its life.

However, it is symptomatic of a neoliberal vision - which stands for the inability of the state to manage properly – that which has been recently privatized the main border Portugal - airports - and the public sphere totally losses the capacity for strategic decision of an equipment that is vital in the functioning of the country.

As an example of common interest should be noted, the water supply to Lisbon is made from the Castelo de Bode dam, over 100 km from Lisbon, for reasons of national security strategies. Now, if there were only economic / financial decision component of profit maximization, the water supply would be made entirely on the River Tagus.

Thus, the common interest may cover sometimes intangible values that are not reducible to a simple cost / benefit analysis usually limited to profit.

3. The market functioning

For some years now, it has been to settle the idea - without having been exercised the necessary contradictory - that the market allows best management "solutions" than the state.

The market is idealized as a result of rational activity - and ethics - of people and companies that allow to get the best solutions at lower cost, being the booster for innovation by the prospect of profit.

As psychologists have taught for more than a century - in style and content from Sigmund Freud to Daniel Kahneman - people often make decisions that are not always in their best interest (Akerlof & Shiller, 2016) and market functioning is affected by information asymmetry, practices monopolists and also by *Phishing* concept based on human weakness. It is based on this latter concept that is socially acceptable gaming, tobacco or alcohol.

In other words, whenever it is possible to maximize profit even at the expense of the common interest, economic agents sought naturally make it happen. For this reason, it has been emerging at this stage of society development regulators entities (Lei, 2013) to combat malfunction of the market.

The ethics of the agents naturally arises as a guide to avoid the deification of the profit over the common interest, but the reality is that efficiency is measured quantitatively on the profit.

4. The options for management of maintenance/light rehabilitation of state assets

Early in the third Portuguese republic was current situation each state institution has human resources dedicated to maintenance.

It is understood as maintenance / light rehabilitation set of basic operations necessary for the correct functioning of the building and even minor technical corrections.

The team dedicated to the maintenance / slight rehabilitation covered the cases arising from the assets of the current management that had affection and staff had a stable employment relationship. On the other hand, this team was informed of the needs resulting from performing a particular work or special / rehabilitation maintenance.

A synthetic way that the institutions had the means for current maintenance and minimum know-how to support a more complex intervention.

In situations requiring the application of specific technical knowledge required the intervention agencies, for example in the case of schools or hospitals, the General Direction of School Buildings or the Direction of Hospital Buildings.

So, the state had a pyramid of employees dedicated to this task, distributed by the several entities and the route to the top based on the technical knowledge and expertise of the institutions. The top of the pyramid was provided by the extinct Superior Council of Public Works who was the technical economic evaluation of the most significant public works.

With the opening of Portugal to Europe through the accession to the European Economic Community came a restructuring of the construction sector, the main rule in the maintenance / conservation of the building, on one hand by technological evolution and on the other by the appearance of new materials and increased demand of European directives transposed laws. Access to European funds to minimize the lack of country essential infrastructure has allowed unbridled growth of the construction sector with the maintenance / rehabilitation to be seen as a less interesting area and lower profitability and rehabilitation to be disregarded when compared with new construction.

The state, from the second half of the 80's of the XX century. will promote the replacement of the teams dedicated to the maintenance for contracted companies, emerging small companies dedicated to this area in view of the atomization of the market. However, there still remained some expertise in the state.

Successive restructuring programs of public administration extinguished in the institutions whom was deposited technical know-how, passing the state to stay almost dependence of the market.

Thus, the state has fluctuated between having the means for survey, conceptualization, contracting, monitoring and supervision of the necessary maintenance and rehabilitation work in outsourced operation.

We should discuss the advantages and disadvantages of these two lines of action.

However, regardless, the state needs to have teams with technical capacity in the area of heritage and building management about the access to information them should be restricted.

5. The management of maintenance/light rehabilitation as a public thing

In relation to state buildings that are not assets or restricted for security reasons, there is the option to keep within institutions depositories of personal technical knowledge.

This option has the advantage of supplies for the state - works, projects, inspections - be assessed in the light of technical competence, prevent the market distortion by asymmetric information allowing to obtain final results of better quality, therefore, with this option the common interest is best served.

6. Outsourcing management regime maintenance/light maintenance

In the case of possible external contracting of maintenance management / rehabilitation loss the critical and technique skills which allows skew the information and consequently the operation of the market in favor of maximizing profit and a corresponding reduction in quality.

This option - which implies the technical incapacity assessment - leads to the next step which is the state seeks the construction entity must maintain in the early years of the project life.

But, we should not forget that the initial period is one that will require less investment maintenance, but whose lack of investment in maintenance will incur additional costs when an intervention and also a decrease in the life of the building.

7. Conclusions

In this paper, we present a summary of the factors that influence the state assets management options, including the type of buildings owned by the state depending on their classification as either monument or for national security reasons, the tendency to resort private management of maintenance functions / light rehabilitation of public assets and discussed the advantages and disadvantages of this option.

Thus, it appears naturally that the common interest is best served with the State to maintain within the company the control of management of maintenance / light rehabilitation.

By these facts, we have been witnessing the discussion about the ways of possible public-private partnerships to do the maintenance and rehabilitation in lack of new work projects.

Quoting as an example of this approach, the paper «Manutenção de edifícios em Instituições com orçamento anual – contexto Português »which argues that the management of maintenance should be done via outsourcing.

Therefore, a technical approach is important to grasp the advantages and limitations of each options that the State can have in managing their assets.

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