TRABALHO PREPARADO PARA APRESENTAÇÃO NO IX Seminário Discente da Pós-Graduação em Ciencia Política da USP, de 6 a 10 de maio de 2019.

**BUSINESS POLITICAL ACTION IN BRAZIL: ATTEMPTS TO INCREASE FORMALIZATION DURING PT GOVERNMENTS** Stefanie Tomé Schmitt<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> PhD Candidate, Department of Political Science, University of Sao Paulo (DCP/USP).

ABSTRACT This paper is part of a PhD Thesis on business-state relations during PT Governments in Brazil. It analyses the effects of inclusiveness on the dependent variable formalization, aiming at answering how choices of institutional design impacted the democratization of business political action in the period. While inclusiveness pertains the type, participation, scope, responsibility, regularity, and authority of the mechanisms of participation known as "collegiate bodies", it is taken as the outcome of the rules and strategies that shaped peak corporatist business associations interest representation within these mechanisms. Between 2003 and 2016, business joined at least 125 permanent collegiate bodies within 22 ministries and the Presidency of Republic. Business was overrepresented in 60% of the mechanisms with accessible data about membership. These collegiate bodies were superior and technical. They dealt with matters within 18 different policy areas, revealing an ubiquitousness of industrial policy in the period. Whereas the wide-range policy coverage of the framework of collegiate bodies suggests PT Governments' consent in including peak corporatist business associations in policy-making, overrepresentation may have impacted attempts to democratize the access to the state. Nevertheless, the use of these mechanisms of participation encouraged business political action formalization, changing patterns of business politics and enhancing transparency in business interest representation.

#### INTRODUCTION

During the Brazilian *Partido do Trabalhadores (PT)* – Workers Party, Governments (2003-2016<sup>2</sup>), political action through mechanisms of participation increased at the federal level. The Executive made use of councils, commissions, committees, chambers, working groups, conferences and other similar instances, the so called *órgãos colegiados* – collegiate bodies, for further democratizing policy-making through the formalization of the access to the state. Whereas the crescent availability of mechanisms of participation encouraged political action, it facilitated interaction among interest groups within the Federal Executive (Pires, 2011; Polis-Inesc, 2011; IPEA, 2013; 2013). Not without any historic precedent (Leopoldi, 2000; Diniz, 2001; 2010; Doctor, 2007; 2017; Boschi, 2010; 2012; Diniz and Boshi, 2002; 2003; 2007), business placed among the main beneficiaries of the growing number of collegiate bodies. Peak corporatist business associations' interest representation within these mechanisms increased significantly since Luiz Inácio Lula da Silva First and Second Terms (2003-2010), what formalized business political action in industrial policy.

This paper analyses how choices of institutional design shaped formalized business political action in the period. It addresses the effects of inclusiveness on formalization, for collecting insights about the extent of business interest representation in collegiate bodies. Besides, it looks at the impacts of membership on business capabilities and preferences, which also shaped PT Governments attempts of formalizing business political action. Whereas, formalization is defined as the democratization of business political action through business engaging in business associations' interest representation within mechanisms of participation, inclusiveness is given by the institutional framework of collegiate bodies. It is the rules and strategies that shaped formalized business political action. Thus, it pertains the type, participation, scope, responsibility, regularity, and authority of the collegiate bodies joined by business between 2003 and 2016. As an independent variable, it matters to formalization because choices related to the form of participation impact outcomes (Fung, 2009) and formalization is one of the outcomes of inclusiveness.

To assess the extent of business interest representation in collegiate bodies, the paper uses data collected with the following peak corporatist business associations:

<sup>&</sup>lt;sup>2</sup> From the start of Luiz Inacio Lula da Silva First Term, 1<sup>st</sup> January 2003, to the end of Dilma Rousseff Second Term, 31 August 2016.

- Confederação Nacional da Agricultura (CNA) National Confederation of Agriculture;
- Confederação Nacional do Comércio de Bens, Serviços e Turismo (CNC) National Confederation of Trade in Goods, Services and Tourism;
- Confederação Nacional da Indústria (CNI) National Confederation of Industry; and
- Confederação Nacional do Sistema Financeiro (CONSIF) National Confederation of the Financial Service<sup>3</sup>.

Not only these business associations embodied all classical economic sectors, being representative of the Brazilian economy, but the *Consolidação das Leis do Trabalho* (CLT) – Brazilian Labour Law (1943), acknowledges them as employer associations of superior level. Among other responsibilities, they shall represent members interests in relation to their business activity in front of federal administrative authorities<sup>4</sup>, including within mechanisms of participation, such as the collegiate bodies.

Throughout the paper, collegiate bodies refer to the councils, committees, commissions, chambers, dialogues, working groups, forums, conferences and other mechanisms of participation used for democratizing, as well as coordinating policy-making within the Brazilian Federal Executive Power. Even though the General Secretariat of the Presidency considered the national councils to be at a superior level for being advisory bodies to the Presidency<sup>5</sup>, a survey in the laws and decrees establishing the permanent mechanisms of participation joined by CNA, CNC, CNI and CONSIF revealed that their names did not denote different roles. This confirmed business actors perception that "they serve for the same thing"<sup>6</sup>, being all advisory bodies used for policy-making at ministerial level. Additionally, as the analysis of their types may reveal, denominations seem to have stemmed from preferences set

<sup>&</sup>lt;sup>3</sup> While CNI reports to have representatives in 175 collegiate bodies within the Federal Executive Power, CNC holds a list of 70 collegiate bodies in its website and CONSIF informs to be represented in 15 Councils, 13 Commissions, 4 Committees, 3 Forums and 8 Working Groups. CNA, in turn, declares to have joined collegiate bodies dealing with policies that targeted agribusiness development. See: CNI (2016) [In Portuguese]; CNC, *Representações, Órgãos Públicos*. [In Portuguese]. [Online]. Available:

http://www.portaldocomercio.org.br/sgr/representacao\_orgao.asp?nroTp=1; CONSIF, Atuação. [In Portuguese]. [Online]. Available: http://www.consif.org.br/atuacao; and Interview, August 2017.

<sup>&</sup>lt;sup>4</sup> See: *Consolidação das Leis do Trabalho (CLT)* – Consolidation of Labour Laws (1943). [In Portuguese]. Available: http://www.planalto.gov.br/ccivil\_03/decreto-lei/Del5452.htm.

 <sup>&</sup>lt;sup>5</sup> See: Presidência da República, Secretaria-Geral da Presidência da República, Conselhos Nacionais -Presidency, General Secretariat of the Presidency, National Councils [In Portuguese] [Online]. Available: <u>http://www.secretariadegoverno.gov.br/participacao-social/conselhos-nacionais</u>
 <sup>6</sup> Interviews: CNI, CONSIF (2017).

by the political context. Party politics, as well as ministerial rules and practices played a role in defining the names of these mechanisms.

The hypothesis of the paper is that while PT Governments foresaw in policy-making through collegiate bodies formalizing business political action, they ended up endorsing business interest overrepresentation. The maintenance of an historical imbalance in relation to labour would be puzzling. Even if Lula (2003-2010), and in a lesser degree Rousseff (2011-2016), saw in expanding business inclusiveness a form of achieving political support, overrepresentation represents a political preference not in line with efforts to democratize the access to the state (Pires, 2011; Polis-Inesc, 2011; IPEA, 2013; 2013). It may be explained by capabilities within the political system (Schneider, 2015), as well as by a shared perception that business engagement is important to improve economic performance (Diniz and Boshi, 2007; Doctor, 2007; Diniz, 2010). Nevertheless, it seems to have not been sufficient for formalizing business political action. Peak corporatist business associations membership in collegiate bodies widened their responsibilities alongside with the thematic coverage of industrial policy. It promoted changes in business organization, but did not ensure engagement in policy-making within these mechanisms of participation.

Following this introduction, the first part of the paper reviews the theory applied to analyse the effects of inclusiveness on formalization. The second part outlines the extension of peak corporatist business associations interest representation in collegiate bodies during PT Governments (2003-2016). It evaluates choices of institutional design, for collecting insights about inclusiveness in policy-making. In the third part, the impacts of business access to the state through collegiate bodies is weighted, focusing on CNA, CNC, CNI and CONSIF organization. Finally, the fifth part of the paper summarises main conclusions, highlighting questions to be addressed by further research.

# THEORY

Two theoretical perspectives tackled policy-making through collegiate bodies in Brazil with different implications for current analysis. The political sociology perspective focused on social movements, deliberating on the impacts of the increasing access to the state provided by mechanisms of participation on the democratization of Brazilian politics since 1988 (Pires, 2011). This perspective, however, seems to have overlooked business interest representation, as if it were not a political actor within the Brazilian civil society. Yet, the political economy perspective focused on business-state relations, not given much attention to other interest

groups, except for labour in works that pointed out historical disparities in representation (Doctor, 2007; Araujo, 2015). Contributions under political economy mainly tackled business as a pressure group influencing political decisions related to either development, or industrial policy. Topics of interest were business organization and political action since the first decades of the 20<sup>th</sup> Century (Schmitter, 1971; Bresser Pereira, 1985; Leopoldi, 2000; Diniz and Boschi, 2002; 2003; Bresser Pereira and Diniz, 2009; Diniz, 2001; 2010; Gozetto and Thomas, 2014; Doctor, 2017; Boschi, 2010; 2012; Toni, 2013).

This paper deals with an issue of interest to both perspectives, but analysis follows political economy assumptions. Though the assessment of the impacts on democratization of business interest representation within collegiate bodies adds to findings under the political sociology perspective, in targeting business organization and political action during PT Governments, the paper advances research under the political economy perspective. It takes into account assumptions specified by pluralist (Dahl, 1962; Olson, 1971; Lowery and Gray, 2004; Lowery, 2007) corporatist (Schmitter, 1974, 2010; Molina and Rhodes, 2002), policy-networks (Marsh and Rhodes, 1992; Smith, 1993; Börzel, 1998; Richardson, 2000) and new-developmentalist (Doner and Schneider, 2000; Schneider, 2008; 2010, 2015; Devlin and Moguillansky, 2011) approaches to business-state relations, and reflects on their application for appraising peak corporatist business associations interest representation in collegiate bodies. The research assumes political decisions as the result of bargaining and interaction, accepting that the Brazilian corporatist system pervaded the organization of the policy process that structured business-state relations and advanced the consideration of economic interventions between 2003 and 2016.

The framework of collegiate bodies joined by CNA, CNC, CNI and CONSIF is also comprehended under the political economy perspective, within a definition of industrial policy that describes an experimental process. For Rodrick (2004; 2008), industrial policy means setting up institutions to engage bureaucrats in ongoing conversations with business on issues located within manufacturing, as well as within other non-traditional activities, such as in agriculture and services. In this process, the task of industrial policy is "as much about eliciting information from the private sector on significant externalities and their remedies as it is about implementing appropriate policies" (Rodrick, 2004: 3). In Brazil, peak corporatist business associations interest representation in collegiate bodies signalizes an ubiquitousness of

industrial policy. The represented business interests<sup>7</sup> addressed more than market failures. Business political action targeted a broad range of obstacles to social and economic development, including cultural policies for example. Yet, this research goes further from collegiate bodies thematic extensiveness, as well as industrial policy pervasiveness in Brazil. It delves into the institutional framework used to promote business-state information exchange and joint problem solving following previous research on Latin America industrial policy councils (Devlin and Moguillansky, 2011; Schneider, 2015).

If choices of institutional design impact mechanisms of participation outcomes (Fung, 2009), the challenges to industrial policy cover not only establishing appropriate mechanisms for dialogue on the government side, but also the availability of well-organized interlocutors on the business side (Schneider, 2015). In Brazil, the institutional features of the collegiate bodies joined by CNA, CNC, CNI and CONSIF were key for achieving formalization, as well as these peak corporatist business associations' organisational capacity to represent interests. Additionally, it can be assumed that formalization does not solely depend on the institutional framework of mechanisms of participation. It has to be, as well, preferable among other options within the available portfolio of business political investments. Such options include campaign financing, legislative lobbying, personal networks and corruption, besides business associations and councils (Schneider, 2010). Thus, to move business politics from a more fluid, disperse and centrifugal to a more organized, structured and centripetal pattern was to make formalized channels more suitable for business political action. Besides capable peak corporatist business associations, collegiate bodies had to be effective to be chosen among other tools used for influencing policy-making. They had to "deliberate and make recommendations to government about the direction of new strategies" (Devlin and Moguillansky, 2011: 88), going beyond meaningful information exchange<sup>8</sup>.

That brings the discussion back to choices of institutional design. A mechanism of participation responsible for promoting consultations less likely will achieve joint problem solving than a deliberative collegiate body. Responsibility matters to formalization and the same applies to type, participation, scope, regularity and authority (Fung, 2006, 2009; Schneider, 2009; 2015; Devlin and Moguillansky, 2011). They are all constraints to inclusiveness that combined affected formalization during PT Governments. Thenceforth, the

<sup>&</sup>lt;sup>7</sup> Considering corporatist business associations' responsibilities legally provided in CLT. See: Art 513 of *Consolidação das Leis do Trabalho (CLT)* – Consolidation of Labour Laws (1943). [In Portuguese]. Available: <u>http://www.planalto.gov.br/ccivil\_03/decreto-lei/Del5452.htm</u>.

<sup>&</sup>lt;sup>8</sup> For Schneider (2015), collaboration has to promote three mutually reinforcing functions: meaningful information exchange; authoritative allocation and minimal rent seeking.

institutional framework of collegiate bodies joined by CNA, CNC, CNI and CONSIF serves to outline inclusiveness, which is assessed trough a list of choices of institutional design (Fung; 2009) refined by considerations on the effective operation of business-government collaborations (Schneider, 2009; 2015; Devlin and Moguillansky, 2011). As following described, type, participation, scope, responsibility, regularity and authority define inclusiveness for:

- a. TYPE: while it refers to the name of the collegiate body council, committee, commission, chamber, dialogue, working group, forum or conference, it represents a first consideration that shapes further choices of institutional design. It signalizes what shall be accomplish by the collegiate body (Fung, 2009).
- b. PARTICIPATION: whereas mechanisms of participation can be open or selective, the selection of participants impacts outcomes (Fung, 2006, 2009; Schneider, 2015). Collegiate bodies should also not be overly large to facilitate interpersonal trust and manageable dialogue (Devlin and Moguillansky, 2011). Besides, it is also desirable that they "ensure representation of the civil stakeholders with the market- based and scientific or technical information necessary to build a strategy and of those with political power to legitimize resource allocation" (Devlin and Moguillansky, 2011: 88).
- c. SCOPE: any conversation within a mechanism of participation will have to focus on a topic. The definition of the scope will shape operability (Fung, 2009), being advisable to "make mandates clear, concrete, and realistic given the stage of maturity of the alliance and the state of the economy" (Devlin and Moguillansky, 2011: 88).
- d. RESPONSIBILITY: defines the design and organization of conversations (Fung, 2009). Collegiate bodies may be consultative, mainly serving to the exchange of information, or they may be deliberative, oversight and implementation (monitoring) mechanisms of participation (Schneider, 2015).
- e. REGULARITY: whereas meetings regularity is key to maintain engagement in the work of any mechanism of participation (Devlin and Moguillansky, 2011; Schneider, 2015), regularity derives from the type and scope of the mechanisms

of participation (Fung, 2009). Depending on these choices of institutional design, exceptional meetings shall be sufficient to achieve participation in policy-making. However, the opposite is most likely to be the case (Devlin and Moguillansky, 2011).

f. AUTHORITY: means the power given by the government to the mechanism of participation for influencing public decisions (Fung, 2009; Schneider, 2015). In industrial policy-making, allocative authority is essential, but may lead to rent seeking (Schneider; 2015). Hence, one can assume that not all participatory mechanisms shall be strongly empowered. Nevertheless, this does not make authority unnecessary. Authority is a consequence of purpose, for the fact that any mechanism of participation is a space for influencing in policy-making.

In view of the implications of these choices of institutional design to formalization, the next section evaluates the inclusiveness of the framework of collegiate bodies joined by peak corporatist business associations. Analysis confirms that inclusiveness encompassed more than the numerical comprehensiveness of the sample of mechanisms joined by CNA, CNA, CNI and CONSIF. Similarly, it went beyond the policy coverage of these mechanisms of participation, which, at the end of the day, induced a thematic pervasiveness of industrial policy in the period. The analysis of inclusiveness reveals that combined institutional features shaped formalization.

#### **BUSINESS INCLUSIVENESS**

Considering data collected with CNA, CNC, CNI and CONSIF, which are peak corporatist business associations representing the agricultural, services, industrial and finance sectors<sup>9</sup>, business took part in 125 permanent collegiate bodies operational within the Federal Executive Power during PT Governments (2003-2016)<sup>10</sup>. These mechanisms of participation have been established by laws or decrees and, in general, they:

- i) Assisted in decision-making;
- ii) Secured coordination in policy-making; and

<sup>&</sup>lt;sup>9</sup> Following CLT. [In Portuguese]. Available: <u>http://www.planalto.gov.br/ccivil\_03/decreto-lei/Del5452.htm.</u> <sup>10</sup> Considering subsidiary collegiate bodies, the number increase to 273. Nevertheless, subsidiary collegiate bodies were not considered in the sample for two main reasons. The first one was to avoid duplications. The second one was their temporary character.

## iii) Promoted interest parties' interaction<sup>11</sup>.

Together, the collegiate bodies joined by CNA, CNC, CNI and CONSIF conformed a broad institutional arrangement that targeted shaping business-state conversations. The framework should support formalization and foster a more organized, structured and centripetal pattern of interest representation (Diniz and Boshi, 2001; Doctor, 2007; 2017; Boschi, 2010; 2012), but saw as to be fluid, disperse and centrifugal, characterized by a business preference in using personal networks and lobbying (Mancuso, 2007; Schneider, 2010; Gozetto and Thomas, 2014). Nevertheless, while the great number of collegiate bodies changed business organization, by itself it could have not been sufficient for formalizing business political action. Besides capabilities and preferences, formalization relies on the institutional design of these mechanisms of participation. Thus, one has to evaluate PT Governments institutional choices in relation to type, participation, scope, responsibility, regularity and authority for collecting insights about formalization. These choices depict if the achieved level of inclusiveness affected formalization and lead to a different pattern of business politics.

### TYPE

The TYPE of the mechanism of participation is a first choice of institutional design. It is the definition of the ideal role (Fung, 2009). Even though, in occasions where denominations do not seem to clarify much about roles, such as in Brazil, they somewhat point out further choices of institutional design. Considering the different names given to the 125 collegiate bodies, their types presume the following roles as per the Cambridge Dictionary:

- a *council* shall counsel, so much so that a group gathered in a council shall
  "make decisions or give advice on a particular subject, to represent a particular group of people, or to run a particular organization";
- ii) ia *commission* is "a group of people who have been formally chosen to discover information about a problem or examine the reasons why the problem exists", so commissions may have a more technical role than councils;
- iii) a *committee* is "a small group of people chosen to represent a larger organization and either make decisions or collect information for it", to be a committee

<sup>&</sup>lt;sup>11</sup> The Executive used two kinds of decrees to establish collegiate bodies. The first type was ministerial or interministerial decrees, which are used to regulate laws. The second was administrative acts named *Portarias*. They organize the administration and are issue by ministers or chiefs of agencies.

implies to have a subsidiary role that could be within a selected policy for example;

- iv) a *chamber* is "a group of people who form (part of) a parliament (or an assembly)", the sectoral chambers set in 1991 represented supplementary channels for more intense communication to address short an medium-term policy concerns (Doctor, 2007);
- a *dialogue* is defined as "formal talks between opposing countries, political groups, etc", within the Brazilian Executive they may have promoted high level conversations through lesser institutionalized mechanisms;
- vi) a *working group* is "a small group of people, for example one chosen by a government, that studies a particular problem or situation and then reports on what it has discovered and gives suggestions", it has a subsidiary, technical and temporary nature;
- vii) a *forum* draws "a situation or meeting in which people can talk about a problem or matter especially of public interest", during PT Governments, they served to increase direct participation in policy-making within selected policy areas (Boschi, 2010); and
- viii) a *conference* is "an event, sometimes lasting a few days, at which there is a group of talks on a particular subject, or a meeting in which especially business matters are discussed formally", when permanent, it may be the outcome of a punctual initiative that had a continuity and kept the same name.

During PT Governments, CNA, CNC, CNI and CONSIF joined 52 councils; 33 commissions; 18 committees; 5 chambers; 11 working groups and 6 forums – refer to Figure (1). None of the joined dialogues and conferences were permanent, what confirms the defined temporary nature of these types of collegiate bodies.

# Figure (1)

## COLLEGIATE BODIES TYPES

Туре	<b>Collegiate Bodies</b>
Councils	52
Commissions	33
Committees	18
Working Groups	11
Forums	6
Chambers	5
Conferences	0
Dialogue	0
Total	125

While business members did not inform to perceive differences in roles arising from types, 42% of the joined mechanisms were councils. They were part of 18 different ministries, including the Presidency of the Republic. Such a great number may point to an expected business high-level advisory role during PT Governments. Not only the General Secretariat of the Presidency considered in 2003 national councils to be at a superior level, but also the role of a council, following the Cambridge Dictionary definition, includes to run an organization, what could be an agency, such as the Agência Brasileira de Desenvolvimento Industria (ABDI) – Brazilian Agency for Industrial Development, or a policy, such as immigration policy. Simultaneously, business seems to have been perceived as having a technical role. Peak corporatist business associations took part in 73 collegiate bodies that should address specific matters, what is in line with the definitions of commissions, committees, chambers, working groups and forums. While commissions were most seen within the *Ministério do Trabalho e Emprego (MT)* – Ministry of Labour and Employment, being all tripartite bodies, the other types appeared randomly in the 23 ministries encompassed in the sample of collegiate bodies – refer to Figure (6).

## PARTICIPATION

A second decision impacting collegiate bodies outcomes is PARTICIPATION. Who takes part in meetings impacts outcomes such as democratization (Fung, 2006, 2009) and joint problem solving (Devlin and Moguillansky, 2011; Schneider, 2015). Mechanisms of participation can be open spaces, in which interaction is the result of self-selection, or they can be selective (Fung, 2009), what may restrain access, but could facilitate decision-making (Devlin and Moguillansky, 2011). During PT Governments, despite attempts for democratizing Brazilian politics through increasing political interaction, only 38% of the collegiate bodies within CNA, CNC, CNI and CONSIF sample were open to interested parties to join. They summed 48 – refer to Figure (2). Thus, the majority of the mechanisms of participation that comported business-state collaboration, 77 out 125, were selective. Access to these mechanisms was restricted to organizations listed in laws and decrees<sup>12</sup>. Contemplating only these selective mechanisms, 40 were joined by organizations recognized as interested parties representing different groups within the civil society, such as employers, labour, consumers

<sup>&</sup>lt;sup>12</sup> In exceptional cases, such as the *Conselho de Desenvolvimento Econômico e Social (CDES)* - Economic and Social Development Council, and *Conselho Nacional de Desenvolvimento Industrial (CNDI)* - National Council for Industrial Development, collegiate bodies members were personalities and CNI informs to be part of these collegiate bodies through the person of its president.

and indigenous communities. Yet, another 37 mechanisms were corporatist. They were tripartite bodies equally joined by government, business and labour representatives.

Participation					
	Operational in 2003-2016				
	Collegiate Bodies	Collegiate Bodies Turnover Foreseein representati		Business overrepresentation	
Open	48	21	23	15	
Selective	77				
Corporatist	37	9	tripartite	tripartite	
Non-corporatist	40	8	37	24	
Total	125	38	60	39	
		Created a	after 2003		
	Collegiate Bodies	Turnover	Foreseeing representation	Business overrepresentation	
Open	29	9	14	9	
Selective	51				
Corporatist	22	1	tripartite	tripartite	
Non-corporatist	29	4	27	17	
Total	80	14	41	26	

### Figure (2)

## PARTICIPATION IN COLLEGIATE BODIES

Among selective mechanisms, business was overrepresented in 24 out of 37 collegiate bodies that were not corporatist and that made publicly available provisions listing the organizations or individuals representing business and labour, as well as other interested parties. The other way around was true for only 2 cases, in which labour was overrepresented. Yet, among the open mechanisms of participation, there were more business representatives in relation to labour in 15 out of 23 collegiate bodies, for which it was possible to official information listing interested parties' representatives. In the case of these open mechanisms, the other way around was true for 3 collegiate bodies.

In light of the total number of mechanisms of participation joined by CNA, CNC, CNI and CONSIF with data about business and labour representation, business was overrepresented in 39. This means that in 60% of these collegiate bodies business was in a better position to represent interests than labour. While this number includes strict government-business collaborations, which account for 10 collegiate bodies mainly within the *Ministério do Desenvolvimento, Indústria e Comércio Exterior (MDIC)* - Ministry of Development, Industry and Foreign Trade, it also comprises mechanisms of participation dealing with environment, science and technology, education, human rights, energy, health, agriculture, services, manufacturing and labour policies.

Interestingly, 66% of all selective collegiate bodies in the sample -51 in total, were created either by Lula, or by Rousseff. This number indicates the maintenance of a certain level of government control over membership. Whereas PT Governments extended the use of collegiate bodies, they decided over membership in 64% of the mechanisms they created -51 out 80. This occurred before interest parties could manifest their interest in joining, for membership being stipulated in establishing laws and decrees.

Additionally, considering all permanent collegiate bodies within the sample, provisions establishing mandates or requiring turnover were find for only 38 mechanisms of participation<sup>13</sup>. And a change in this behaviour was not identified under PT, for only 14 out of the 38 mechanisms with either mandate, or turnover were created after 2003. 82% of the collegiate bodies established during PT Governments do not seem to have clear provisions about changes in membership, despite their permanent nature. Thus, besides disparities in representation, changing proportionalities in representation to make joined collegiate bodies more representative of the broad interests within the civil society does not seem to have been an easy task for interest parties affected by the outcomes of these mechanisms participation, even between 2003 and 2016.

## SCOPE

A third institutional choice impacting collegiate bodies outcomes is SCOPE (Fung, 2009; Devlin and Moguillansky, 2011; Schneider, 2015). Mechanisms of participation add to policymaking when the matters under deliberation are more comprehensively addressed through the interaction with citizens. Members of the civil society shall, for that reason, show comparative advantages in dealing with the matters on the table than the bureaucracy alone. Additionally, the extent of citizens' contributions relies on the extent of their capabilities and this should drive decisions about the scope (Fung, 2009). Thus, if the mandates of collegiate bodies should be in line with members capabilities, it would be reasonable to presume that CNA, CNC, CNI and CONSIF joined collaborations working on matters that impacted their economic sectors. Nevertheless, that does not seem to be the case. These peak corporatist business associations

<sup>&</sup>lt;sup>13</sup> In exceptional cases, such as the *Conselho Nacional de Política Cultural (CNPC)* – National Council for Cultural Policy, there are provisions in the establishing laws or decrees foreseeing mandates and requiring formal consultations to civil society in relation to membership. Nevertheless, while these requirements could affect CNA, CNC, CNI and CONSIF representation, for calling for turnover among peak corporatists business associations, they did not affect their permanence in joined collegiate bodies for turnover occurring among them as representatives of business interests.

worked on a broad range of topics, which include the following policy areas – refer to Figure (3).

# Figure (3)

## COLLEGIATE BODIES SCOPE

Policy Areas	Collegiate Bodies
Labour	37
Environment	18
Manufacturing	14
Science and Technology	10
Health	9
Regional Development	8
Education	5
Culture	4
Social Security	4
Energy	3
Foreign Trade	3
Human rights	3
Transports	2
Agriculture	1
Finance	1
Services	1
Taxation	1
Transparency	1

In light of the thematic extensiveness of CNA, CNC, CNI and CONSIF interest representation in collegiate bodies, it is reasonable to assume that PT Governments demanded from these organizations competence on a bunch of different topics. Even though peak corporatist business associations had broad responsibilities<sup>14</sup>, as well as resources to add to discussions in all these policy fields, in the least, to take part in all these collegiate bodies was a challenging endeavour, if not a non-attainable one. Thus, thematic comprehensiveness may signalize troubles in defining clear mandates, for the fact that the definition of the scope of the deliberations "determines with what, or with how much, citizens will likely contribute in terms of insights, information or resources" (Fung, 2009: 178).

Nevertheless, interest representation in mechanisms dealing with labour policy, which represents 37 of the joined mechanisms, is one of CNA, CNC, CNI and CONSIF *raisons d'être*. Additionally, the *Ministério do Trabalho e Emprego (MT)* – Ministry of Labour and Employment, coordinated all tripartite collegiate bodies responsible for regulating the

<sup>&</sup>lt;sup>14</sup> Besides representing interests, they provide technical training and leisure activities to companies and employees.

standardization of products and activities<sup>15</sup>, what helps in justifying the great number of mechanisms classified under labour. In the case of manufacturing (14), agriculture (1), finance (1) and services (1), peak corporatist business associations interest representation also appears to be more in line with business interests and capabilities, as joined collegiate bodies discussed market failures, as well as the regulation of business activities within these sectors. The same applies to other policy fields such as science and technology (10) and foreign trade (3). Though, the great number of collegiate bodies assisting in the definition of environmental policy (18), for example, may be explained by other reasons, as in health (9) and regional development (8).

### RESPONSIBILITY

A further choice of institutional design is RESPONSIBILITY. It relates to the organization and mode of conversations, being the chosen process of public discussion in which members share their proposals, as well as their grounds for sustaining collective decisions (Fung, 2009). Following Schneider (2015), a first procedure would target building awareness about an issue, project or policy. In this case, which is the most common type of mechanism of participation in the field of industrial policy, the main objective is to promote consultations between state officials and citizens, while the outcome is the reduction of informational costs. A second mode of conversations would target policy oversight and focus at the macro level on the performance of firms, agencies, or ministries for fulfilling policy goals. A third type would be a deliberative council, in which members are expected to engage in problem solving through discussions, negotiations and recommendations (Schneider, 2015). Yet, a fourth mode would target monitoring and tracking progress on the implementation of policy guidelines, functions, programs and operations within a policy at the micro level.

Considering provisions within accessed laws and decrees, the collegiate bodies joined by peak corporatist business associations were responsible for – refer to Figure (4):

Responsibilities	Collegiate Bodies		
Deliberation	53		
Consultation	47		
Monistoring	21		
Oversight	4		
Total	125		

Figure (4) Collegiate Bodies Responsibilities

<sup>&</sup>lt;sup>15</sup> Within the sample, they were 13 commissions holding conversations on different Normas Regulamentadoras (NR) - Regulatory Norms.

Although 38% of the mechanisms of participation within peak corporatist business associations' sample aimed at promoting consultations, a total of 78 collegiate bodies dealt with the challenge of building a common ground on the matters under consideration. For being responsible for deliberating about the likeability of a measure or policy; or for monitoring the implementation of a policy, identifying bottlenecks for better performance; or for, even, oversight policy outcomes, these mechanisms of participation had to promote social choices. Their members not only sustained their grounds, but also worked for achieving consensus or solving problems of common interest (Fung, 2009). Hence, although the outcomes of the conversations within these mechanisms of participation have not been accessed, envisaged responsibilities confirm PT Governments intentions of including interest parties in policy-making through collegiate bodies (Pires, 2011; Polis-Inesc, 2011; IPEA, 2013; 2013).

# REGULARITY

A fifth choice of institutional design is REGULARITY (Fung, 2009). The number of meetings shall not only suit other choices, such as type and scope, but also ensure the necessary interaction to achieve the previously established aims (Devlin and Moguillansky, 2011; Schneider, 2015). Thus, it is a sub-variable that is better assessed when combined with other choices, ideally throughout case-analysis. However, the longevity of permanent mechanisms can offer some insights about regularity. This is because the framework of collegiate bodies joined by peak corporatist business associations reflects CNA, CNC, CNI and CONSIF interaction in what was taken as operational mechanisms of participation. CNI figures, for example, comprise information organized in a single database since 2011<sup>16</sup>. Yet, CNC makes publicly available official reports about *representações* – "representatives", since 2009<sup>17</sup>. While CNA and CONSIF data is less comprehensive and was further complemented during the research, CNI and CNC data not only disregards non-operational collegiate bodies, but also comprises mechanisms in which delegates regularly represented interests since, at least, Lula Second Term (2007-2010). Despite inaccuracies, there are reasons to presume that the sample encompasses permanent collegiate bodies that held meetings between 2003 and 2016<sup>18</sup>. If the

<sup>&</sup>lt;sup>16</sup> Interview (2017).

<sup>&</sup>lt;sup>17</sup> See: *Representações CNC* [In Portuguese] [Online]. Available:

http://www.portaldocomercio.org.br/media/representacoescnc.pdf.

<sup>&</sup>lt;sup>18</sup> The President Jair Bolsonaro Chief of Staff, Minister Onyx Lorenzoni sustained in April 2019 that 700 collegiate bodies were operational under Rousseff. Probably, CNA, CNC, CNI and CONSIF were part of more permanent mechanisms of participation, which were taken as not operational by the same for not holding meetings in the period of analysis. Also, the 700 figure may comprise temporary mechanisms, which were not considered in the sample. See: O Globo, Governo Bolsonaro quer extinção de conselhos sociais criados por

mechanisms were operational, there was regularity in meeting. Even though, without considering other sub-variables, one cannot know if their regularity was sufficient for achieving the aimed goals.

The collegiate bodies operational between 2003 and 2016, following CNA, CNC, CNI and CONSIF, were created during the presidencies of – refer to Figure (5):

President	Period	<b>Collegiate Bodies</b>
Before		- 3
Dictatorship	1964-1985	5
José Sarney	1985-1990	2
Fernando Collor	1990-1992	5
Itamar Franco	1993-1995	3
Fenando Henrique Cardoso	1995-2002	26
Luiz Inácio Lula da Silva	2003-2010	52
Dilma Rousseff	2011-2016	29
Total		- 125

# Figure (5) OPERATIONAL COLLEGIATE BODIES

Longevity confirms that among the operational collegiate bodies joined by CNA, CNC, CNI and CONSIF during PT Governments, at least 44 mechanisms were holding meetings since before 2003. It also shows that other 52 mechanisms, that were created under Lula (2003-2010), were kept operational until the end of Rousseff Second Term (2016). Thus, one can assume that at least 77% of the mechanisms of participation within peak corporatist business associations sample held more meetings than the inaugural first one. They seem to have addressed the duties specified in their establishing laws and decrees. Findings also confirm a surge in the establishment of collegiate bodies during Lula (Pires, 2011), as well as that the use of these mechanisms for coordinating policy-making with business collaboration is a long-standing practice in Brazilian politics (Leopoldi, 2000; Diniz, 2001; 2010; Doctor, 2007; 2017; Boschi, 2010; 2012; Diniz and Boshi, 2002; 2003; 2007). In parallel to personal networks (Schneider, 2011), corporatism pervaded business political action during PT Governments, and even in part of the *neo-liberalism* period (Bresser and Diniz, 2009; Doctor, 2007, 2017). Fernando Henrique Cardoso Presidencies (1995-2002) created 26 mechanisms of participation that were kept operational under Lula and Rousseff.

# AUTHORITY

Dilma [In Portuguese] [Online]. Available: <u>https://oglobo.globo.com/brasil/governo-bolsonaro-quer-extincao-</u> <u>de-conselhos-sociais-criados-por-dilma-23591925</u>.

Allocative AUTHORITY within industrial policy (Schneider, 2015) or empowerment under a more comprehensive approach to the outcomes of institutional design in mini-publics (Fung, 2009) is a sixth choice that impacts inclusiveness. It refers to collegiate bodies' power to influence political decisions and, as regularity, it is connected with other sub-variables such as type and responsibilities. Nonetheless, authority is also key by itself. It impacts members investments in representing interests through mechanisms of participation, so much so that there are occasions in which less power could be better for best public decisions. Authority can lead to private capture or illegitimate delegation of power. In deciding about the employment of industrial policy instruments (Rodrik, 2004, 2008), for example, it can lead to rent seeking (Schneider, 2015). However, as long as members invest in policy-making through mechanisms of participation, they will self-monitor what avoids capture. At the end of the day, authority is ultimately a consequence of purpose and members interact with the expectation of influencing political decisions<sup>19</sup>. Thus, in spite of the fact that empowerment correlates to other choices of institutional design, its assessment can add to research for offering clues about not only the power of the mechanisms within the peak corporatist business associations' sample, but also about parties' expectations in relation to outcomes.

Following Fung (2009), members will invest more in empowered mechanisms that are consequential, this meaning that influence political decisions. Hence, by reasoning on the other way around, one can assume that the mechanisms within the sample joined by high-profile members, such as ministers and presidents of business associations, were more empowered to decide about the topics on the table than the ones joined by the state bureaucracy and confederations technical bodies. Whereas the authority of a mechanism of participation can be approached through members' decision-making power, the collegiate bodies joined by CNA, CNC, CNI and CONSIF were classified based on the rank of their membership, based on information about membership, as well as on provisions that restrict participation within establishing laws and decrees<sup>20</sup>. They could be: i) superior, meaning that they were joined by ministries, also by President of the Republic in special cases, and by presidents of peak corporatist business associations; or ii) technical, meaning that their members came from the state bureaucracy and, considering business representatives, from CNA, CNC, CNI and CONSIF technical bodies. As for this classification, the power to decide of the first is greater in comparison to the second, because the latter reports to the first. Nevertheless, that does not

<sup>&</sup>lt;sup>19</sup> Within Fung's catalogue of choices of institutional design (2009), which is used in here for outlining the subvariables that define inclusiveness, investments, as well as monitoring are independent choices, but for their correlation, they are treated within the sub-variables responsibility and authority in here.

<sup>&</sup>lt;sup>20</sup> In many cases, the legal description of the mechanism defines it as "superior".

mean that technical collegiate bodies were not empowered, as previously mentioned the correlation among choices plays an important role and deserves further attention through case-studies.

Considering the collegiate bodies within the sample, the majority, 82%, worked on the technical level – refer to Figure (6). They mainly assisted in policy-making, while members should either recommend changes to rules, or monitoring implementation. In high level mechanisms -23 in total, members assisted in defining policy priorities, as well as about in the deployment of policy tools, such as tax exemptions - 61% of these mechanisms of participation. While membership in technical collegiate bodies at least facilitated information and access to the state within 21 ministries and the Presidency of the Republic, membership in superior collegiate bodies enable business to influence policy outcomes in 12 ministries and the Presidency of the Republic, in the fields of: i) agricultural policy - 1 superior collegiate body; ii) local policy/cities - 1 superior collegiate body; ii) cultural policy - 2 superior collegiate bodies; iii) industrial and trade policy - 6 superior collegiate bodies; iv) educational policy - 2 superior collegiate bodies; v) environment policy - 2 superior collegiate bodies; vi) economic policy - 1 superior collegiate body; vii) national integration - 2 superior collegiate bodies; viii) science and technology policy - 2 superior collegiate bodies; ix) transport policy - 1 superior collegiate body; x) labour policy - 1 superior collegiate body; xi) national development - 1 superior collegiate body; and xii) human rights - 1 superior collegiate body. All these superior collegiate bodies were councils. Lula created 10, Cardoso 6, Franco 2, Collor 3 and the Military Dictatorship 1.

For keeping CNA, CNC, CNI and CONSIF in 125 operational collegiate bodies, within 22 different ministries and the Presidency of Republic, PT Governments facilitated to business access to information, as well as to the state bureaucracy with decision-making power. Between 2003 and 2016, these governments shared responsibilities with business while policy-making not only for the thematic comprehensiveness of joined collegiate bodies, but also for fact that 52 were councils – being 23 superior mechanisms; and 53 were deliberative collegiate bodies. While councils "make decisions or give advice on a particular subject, to represent a particular group of people, or to run a particular organization", deliberative mechanisms of participation engage members in problem solving through discussions, negotiations and recommendations (Schneider, 2015). Additionally, business was overrepresented in relation to labour in 60% of the collegiate bodies with accessible information about membership that were not tripartite mechanisms. They were part of the structure of 12 different ministries and the Presidency of the Republic.

	Ministry / Presidency of the Republic	Total	Superior	Technical
1	Ministry of Agriculture, Livestock and Supply	1	1	
2	Ministry of Cities	4	1	3
3	Ministry of Communications	1		1
4	Ministry of Culture	3	2	1
5	Ministry of Development, Industry and Foreign Trade	13	6	7
6	Ministry of Education	5	2	3
7	Ministry of Energy	4		4
	Ministry of Environment	18	2	16
	Ministry of External Relations	1		1
	Ministry of Finance	3	1	2
_	Ministry of Health	9		9
	Ministry of Justice	1		1
	Ministry of National Integration	3	2	1
	Ministry of Science and Technology	9	2	7
17	Ministry of Social Development	1		1
18	Ministry of Social Security	2		2
19	Ministry of Tourism	1		1
20	Ministry of Transparency Office of the Contoller General	1		1
21	Ministry of Transports	2	1	1
22	Minstry of Labour	34	1	33
23	Presidency of the Republic	9	2	7
Tot	al	125	23	102

# Figure (6) Collegiate Bodies Authority

CNA, CNC, CNI and CONSIF represented their economic sectors interests within all joined collegiate bodies either for conforming with CLT provisions, or for comprehending that the topics on the table could impact their members' business activities. Thus, despite the effects of inclusiveness on formalization, which deserve further research, membership points out a perceived ubiquitousness of industrial policy-making which shaped to a certain extent business-state relations during the period. The thematic comprehensiveness of joined collegiate bodies not only reaffirms that the interaction with business was seen as key for improving social and economic policy-making, as well as for securing support to government decisions (Doctor, 2007; 2017; Bresser Pereira and Diniz, 2009; Schneider, 2010; Diniz, 2010; Boschi, 2010; 2012; Toni, 2013; Araujo, 2015), but also arises questions about competences and significations. Who should join the *Conselho Superior da Coordenação do Aperfeiçoamento do Pessoal do Ensino Superior (CAPES)* – Superior Council of the Coordination of Staff Development in Higher Education<sup>21</sup>, for example? What is the scope of industrial policy? While corporatism permeated the rise in political interaction that aimed at democratizing the

<sup>&</sup>lt;sup>21</sup> Superior collegiate body within the *Ministério da Educação (MEC)* – Ministry of Education, joined by CNI.

access to the state (Pires, 2011; Polis-Inesc, 2011; IPEA, 2013; 2013), it assisted in preserving imbalances in representation and impacted political and policies outcomes.

#### **BUSINESS ORGANIZATION**

To represent business interests in 125 mechanisms of participation dealing with matters within 18 different policy areas was a demanding task that promoted organizational changes on the business side. Political interaction called for coordination and CNA, CNC, CNI and CONSIF established specialized units for coordinating positions, interest representation and monitoring in relation to the development of the work within the framework of joined councils, chambers, commissions, committees and other similar mechanisms<sup>22</sup>. Reforms increased the transparency and accountability of formalized business-state relations, democratizing policy-making. If the political and economic reforms of the 1990s lead, among other changes in business interest representation within peak corporatist business associations, to a broad reorganization of legislative lobbying (Mancuso and Oliveira, 2006; Mancuso, 2007; Doctor. 2017), increasing political interaction within collegiate bodies during PT Governments made urgent improving coordination for interest representation in front of the Executive Power.

CNI, CNC and CONSIF started to keep public information about the collegiate bodies in which they represent their economic sectors' interests. In these publications, CNI and CNC not only nominated representatives, but also described the role of the collegiate body, the policies, plans, programmes and projects under discussion, and, in the case of CNC, the recommendations presented to politicians and the state bureaucracy<sup>23</sup>. Although, it was not possible to access similar information in relation to CNA, an interview with a member of its technical body confirmed that the association takes part in meetings within MAPA Sectoral and Thematic Chambers, making available systematized information to its members<sup>24</sup>.

<sup>22</sup> CNI operates through the *Gerência Executiva de Relacionamento com o Executivo (COEX)* – Executive Management for the Relation with the Executive Power [In Portuguese][Online], available:

http://www.portaldaindustria.com.br/cni/institucional/diretoria-de-relacoes-institucionais/; CNC through the Assessoria de Gestão de Representações – Management Advice on Representations [In Portuguese][Online], available: http://cnc.org.br/cnc/sobre-cnc/comercio/estrutura; CONSIF through the Gerência de Relações Institucionais – Institutional Relations General Manejement; and CNA through the Superintendência de Relações Institucionais – Institutional Relations Superintendence [In Portuguese][Online], available: http://cnabrasil.org.br/sobre-cna/comissoes-nacionais/relacoes-institucionais.

 <sup>&</sup>lt;sup>23</sup> See: CNI (2016), Caderno de Representantes [In Portuguese]; CNC, Representações, Órgãos Públicos. [In Portuguese]. [Online]. Available: <u>http://www.portaldocomercio.org.br/sgr/representacao\_orgao.asp?nroTp=1</u>; and CONSIF, Atuação [In Portuguese]. [Online]. Available: <u>http://www.consif.org.br/atuacao</u>.
 <sup>24</sup> Interview, July 2017.

CNA, CNC, CNI and CONSIF, through their press offices, released articles about their interaction in collegiate bodies and about changes in representation. CNC went further and made public since at least 2013, monthly brief reports of its participation in collegiate bodies meetings<sup>25</sup>. In these reports, CNC discloses information about the topics that were under consideration, the positions sustained by each part and the agenda of each collegiate body<sup>26</sup>. CNC representatives and members have at their disposal even more detailed information about representation, which can be online accessed on a restrict area of CNC website<sup>27</sup>. Additionally, it provided guidance to representatives through courses and publications<sup>28</sup>, as peak corporatist business association representatives could be a president of a confederation, in the case of superior collegiate bodies, a designated business member or, even, a member of the technical staff. CNC, for example, has 174 representatives listed on its website<sup>29</sup>

The reforms implemented by CNI, CNC, CONSIF and CNA between 2003 and 2016 increased transparency and accountability. CNI is systematically collecting information about its participation in collegiate bodies and coordinating positions and representation within the Federal Executive Power through the *Gerência-Executiva de Relacionamento com o Poder Executivo* – Executive Management for the Relation with the Executive Power, since 2011<sup>30</sup>. CNC does the same through the *Assessoria de Gestão de Representações* – Management Advice on Representations, which occurs in addition to the publication of the brief reports, monthly available on CNC website since June 2012. CONSIF, due to its lean structure, targeted information sharing for the coordination of interests of member sectoral and state associations, what has been kept under the direct supervision of its *Presidência e Vice-Presidência Executiva* - Executive Presidency and Vice-presidency<sup>31</sup>. CNA concentrated Legislative and Executive lobbying at the *Superintendência de Relações Institucionais* – Institutional Relations Superintendence. Among other responsibilities, the department developed reports, providing

<sup>30</sup> See: Portal da Indústria, Institucional, Diretoria de Relações Institucionais, Gerência-Executiva de Relacionamento com o Poder Executivo [In Portuguese]. [Online]. Available: http://www.portaldaindustria.com.br/cni/institucional/diretoria-de-relacoes-institucionais/.

<sup>&</sup>lt;sup>25</sup> See: CNC, Rede Nacional de Representações do Sistema Confederativo do Comércio [In Portuguese]. [Online]. Available: <u>http://cnc.org.br/servicos/servicos-para-sindicatos-e-federacoes/sgr-sistema-gerenciador-de-representacoes</u>.

<sup>&</sup>lt;sup>26</sup> See: CNC, *Central do Conhecimento, Representações* [In Portuguese]. [Online]. Available: <u>http://cnc.org.br/central-do-conhecimento/todas?editoria%5B%5D=50</u>.

<sup>&</sup>lt;sup>27</sup> See: CNC, *Central do Conhecimento, Relatórios* [In Portuguese]. [Online]. Available: <u>http://www.portaldocomercio.org.br/sgr/relatorios.asp</u>.

<sup>&</sup>lt;sup>28</sup> See: CNC (2017), Atuação do Sistema CNC-Sesc-Senac: orientações aos representantes [In Portuguese]. [Online]. Available: <u>http://cnc.org.br/central-do-conhecimento/livros/representacoes/atuacao-do-sistema-cnc-sesc-senac-orientacoes-aos-repr</u>.

<sup>&</sup>lt;sup>29</sup> See: CNC, *Central do Conhecimento, Representantes* [In Portuguese]. [Online]. Available: http://www.portaldocomercio.org.br/sgr/representantes.asp?pagina=1.

<sup>&</sup>lt;sup>31</sup> Interview, August 2017.

information about outcomes within collegiate bodies to other *Coordenadorias* – Coordination Bodies and member federations and companies.

Transparency increased in both policy-making and business politics during PT Governments. The participation of CNA, CNC, CNI and CONSIF in collegiate bodies within the Executive moved business politics from a more fluid, disperse and centrifugal pattern to a more organized, structured and centripetal pattern considering Schneider (2010) framework that places Chile and Brazil in two extremes. In the scheme, whereas business politics is more organized in the first, the second is saw as characterized by the prevalence of personal networks, with an increasing use of legislative lobbying since the 1990s. Such evaluation may have overlooked the role of collegiate bodies since Cardoso (1995-2002). Peak corporatist business associations interest representation within mechanisms of participation is increasing since then. It rose under Lula (2003-2010), diminishing pace under Rousseff (2011-2016), but changing business politics to a more centripetal pattern. In the least, in increasing the number of the available formalized channels to the Executive, PT Governments influenced business actors to consider interest representation through peak corporatist business associations, as these organizations ensured access to information and to decision-makers. They did not, however, avoided the employment of other tools such as legislative lobbying, campaign financing and corruption (Schneider, 2010). The revelations of the Operação Lava Jato -Operation Car Wash, confirm that the use of personal networks remains a feature of business politics in Brazil, in spite of efforts to increase transparency and accountability.

## CONCLUSION

This paper specified an investigation on business-state relations in Brazil. It focused on the business political action shaped by the framework of permanent collegiate bodies operational between 2003 and 2016 within the Federal Executive. It tested the hypothesis that, in increasing policy-making through mechanisms of participation, PT Governments foresaw formalizing business political action, but ended up endorsing overrepresentation. This representing the maintenance of a long-term pattern in Brazilian politics.

The paper started reviewing theoretical contributions under the political sociology, political economy and public policy perspectives, for directing the assessment of the consequences of choices of institutional design on the formalization of business political action. Then, it analysed PT Governments choices in relation to type, participation, scope, responsibilities, regularity and authority and collected insights about business inclusiveness in policy-making between 2003 and 2016. In the last part, it pondered about changes in business organization stemming from the increasing number of formalized channels available for influencing political decisions. Whereas corporatism pervaded formalized political interaction through collegiate bodies and business associations, mounting the number of mechanisms of participation represented an incentive to business to influence policy-making through formalized channels. Formalization not only facilitated the access to information, but also to the state bureaucracy with decision-making power.

Councils, committees, commissions, chambers, dialogues, working groups and forums, were not an innovation of PT Governments. They have shaped business-state relations since before the 1988 Constitution, though they became broader in terms of competencies and policy coverage after political and economic liberalization. Under Lula, the number of operational collegiate bodies increased substantially and by the end of Rousseff Second Term (2016), peak corporatist business associations were part of 125 permanent mechanisms of participation, which were part of 22 ministries and the Presidency of the Republic. These collegiate bodies assumed varied institutional forms, but the analysis of type, scope, participation, responsibility, regularity and authority allows sustaining that PT Governments aimed at sharing responsibilities with business while policy-making through these formalized mechanisms. On the business side, the operability of collegiate bodies led to reorganization, what increased transparency and accountability in the work of CNA, CNC, CNI and CONSIF.

Nevertheless, inequality as an outcome impacted both politics and policy-making in the period. The access to the state was facilitated to peak corporatist business associations, whereas political inclusiveness prolonged the reach of industrial policy with impacts to its own outcomes. Yet, attempts to formalize business political action changed business organization and influenced interest representation to the extent that the combinations of choices of institutional design boosted business inclusiveness. The analyses of the different choices of institutional of collegiate bodies within the framework of collegiate bodies joined by CNA, CNC, CNI and CONSIF signalizes that the political role handed down to business was not negligible and differentiated from labour. However, outcomes of inclusiveness on formalization still demand further research.

REFERENCES

Araujo, M.P. (2015) Novos Espaços de Negociação na Política Industrial nos Governos Fernando Henrique Cardoso e Lula. Rio de Janeiro.

Börzel, T. (1998) Organizing Babylon. On the different conceptions of policy networks. Public Administration, 76, 253-273.

Boschi, R. (2010, March) Corporativismo Societal, Democratização do Estado e as Bases Social-Democratas do Capitalismo Brasileiro. Inteligência, 48, 84-103.

Boschi, R. (2012, September) Desenvolvimento, Pactos Políticos e Re-industrialização: desafios para o Brasil. 9° Fórum de Economia. O Acordo Social Necessário. Pode o Brasil ter uma estratégia nacional de desenvolvimento? [Online]. Available: http://bibliotecadigital.fgv.br/dspace/bitstream/handle/10438/16865/Painel 4 - Renato Boschi.pdf?sequence=1.

Boschi, R.; Diniz, E.; Santos, F. (2000) *Elites Políticas e Econômicas no Brasil Contemporâneo*. Fundação Konrad Adenauer.

Bresser-Pereira, L.C. (1985) *Pactos Políticos: do populismo à redemocratização*. São Paulo: Editora Brasiliense

Bresser-Pereira, L.C.; Diniz, E. (2009, July) *Empresariado Industrial, Democracia e Poder Político*. Novos Estudos, 84, 83-99.

CNI - Confederação Nacional da Indústria (2016) Caderno de Representantes. Brasília.

Devlin, R.; Moguillansky, G. (2011) *Breeding Latin American Tigers*. *Operational Principles* for Rehabilitating Industrial Policies. Santiago: ECLAC.

Diniz, E. (2001, August) *Empresariado e Estratégias de Desenvolvimento*. Jornada Nacional sobre Desenvolvimento. Rio de Janeiro. [Online]. Available: <u>http://www.scielo.br/pdf/ln/n55-56/a11n5556.pdf</u>.

Diniz, E.; Boschi, R. (2001) Reconfiguração do Mundo Empresarial: associações de representação de interesses, lideranças e ação política. XXV Encontro Anual da ANPOCS, Caxambu.

Diniz, E.; Boschi, R. (2002) *Empresariado e Estratégias de Desenvolvimento: Balanço e Perspectivas*. XXVI Encontro Anual da ANPOCS, Caxambu.

Diniz, E.; Boschi, R. (2003, June) *Empresariado e Estratégias de Desenvolvimento*. Revista Brasileira de Ciências Sociais, 18(52).

Diniz, E.; Boschi, R. (2007) *A difícil rota do desenvolvimento: empresários e a agenda pósneoliberal*. Belo Horizonte: Editora UFMG.

Diniz, E. (2010, October) Empresariado industrial, representação de interesses e ação política: trajetória histórica e novas configurações. Política e Sociedade, 9(17).

Doctor, M. (2007, March) Boosting Investment and Growth: The Role of Social Pacts in the Brazilian Automotive Industry. Oxford Development Studies, 35 (1), 105-130.

Doctor, M. (2007, November) Lula's Development Council: Neo-Corporatism and Policy Reform in Brazil. Latin American Perspectives, 34, 131-148.

Doctor, M. (2017). Business-State Relations in Brazil. New York: Routledge.

Döner, R.F.; Schneider, B.R. (2000, November) Business Associations and Development: Why Some Associations Contribute More than Others. *Business and Politics*, 2(3), pp. 261-288.

FGV CPDOC - Centro de Pesquisa e Documentação de História Contemporânea do Brasil. *Conselho de Desenvolvimento Industrial (CDI)*. [Online]. Available:

http://www.fgv.br/cpdoc/acervo/dicionarios/verbete-tematico/conselho-de-desenvolvimento-industrial-cdi.

FGV CPDOC - Centro de Pesquisa e Documentação de História Contemporânea do Brasil. Conselho Nacional do Trabalho (CNT). [Online]. Available:

http://www.fgv.br/cpdoc/acervo/dicionarios/verbete-tematico/conselho-nacional-do-trabalhocnt.

Fung, A. (2003) Associations and Democracy: Between Theories, Hopes, and Realities. In Annual Review of Sociology, 29, 515 – 539.

Fung, A. (2006, December) Varieties of Participation in Complex Governance. In: Public Administration Review, 66, p. 66-75.

Fung, A. (2007, August) Democratic Theory and Political Science: A Pragmatic Method of Constructive Engagement. American Political Science Review, vol. 101, n° 3, agosto de 2007.

Fung, A. (2009) Receitas para esferas públicas: oito desenhos institucionais e suas consequências. In: Avritzer, L. (Org) Experiências Nacionais de Participação Social. São Paulo: Cortez, 2009.

Fung, A. (2013) The Principle of Affected Interests and Inclusion in Democratic Governance. In: (Ed.) Nagel, J. & Smith, R. Representation: Elections and Beyond. Philadelphia: University of Pennsylvania Press, 2013.

Gozetto, A.; Thomas, C. (2014) Interest groups in Brazil: a new era and its challenges. Journal of Public Affairs, 14(3), 212–239.

IPEA - Instituto de Pesquisa Econômica Aplicada (2013) *Conselhos Nacionais. Perfil e Atuação dos Conselheiros.* [Online]. Available: http://www.ipea.gov.br/participacao/images/pdfs/relatoriofinal perfil conselhosnacionais.pdf

IPEA - Instituto de Pesquisa Econômica Aplicada (2013) *Guia dos Conselhos Nacionais*. [Online]. Available:

http://www.ipea.gov.br/participacao/images/pdfs/participacao/guiaconselhosnacionais2013\_a bril\_web.pdf.

Pires, R.R. (Org.) (2001) Efetividade das Instituições Participativas no Brasil: Estratégias de Avaliação. IPEA, 7. [Online]. Available:

http://www.ipea.gov.br/portal/images/stories/PDFs/livros/livro\_dialogosdesenvol07.pdf.

Polis-Inesc (2011) *Arquitetura da Participação no Brasil: avanços e desafios*. [Online]. Available: <u>http://www.polis.org.br/uploads/1262/1262.pdf</u>

Lavalle, A.G.; Bulow, M. (2014, September) Sociedade civil e institucionalização da intermediacao: Brokers diferentes, dilemas semelhantes. Política & Sociedade, 13(28).

Leopoldi, M.A. (2000) *Política e interesses: as associações industriais, a política econômica e o Estado na industrialização brasileira*. São Paulo: Paz e Terra.

Lowery, D. (2007) Why do organize interests lobby? A multi-goal, multi-context theory of lobbying. Polity, 39:1, 29-54.

Lowery, D.; Gray, V. (2004) A neo-pluralist perspective on research on organized interests. Political Research Quarterly, 57: 1, 163-175.

Mancuso, W.P. (2007, June) *O Empresariado como Ator Político no Brasil: balanço da literatura e agenda de pesquisa*. Revista de Sociologia Política, 28, 131-146.

Mancuso, W.P. (2007) O Lobby da Indústria no Congresso Nacional: Empresariado e política no Brasil contemporâneo. São Paulo: Humanitas Editora.

Mancuso, W.P.; Oliveira, A. J. (2006) Abertura Econômica, Empresariado e Política: os planos doméstico e internacional. Lua Nova, 69, 147-172.

Marsh, D.; Rhodes, R. (1992) *Policy Networks in British Government*. New York: Claredon Press.

Molina; Rhodes (2002, June) *Corporatism: The Past, Present, and Future of a Concept.* In: Annual Review of Political Science, 5, 305 – 331.

Olson, M. (1965) *The Logic of Collective Action: Economic Goods and the Theory of Groups*. Cambridge: Harvard University Press.

Kalil, R.B. (2012) As entidades sindicais no ordenamento jurídico brasileiro. [Online]. Available: <u>http://www.conteudojuridico.com.br/artigo,as-entidades-sindicais-no-ordenamento-juridico-brasileiro,39873.html</u>.

Kasahara, Y. (2013) A Regulação do Setor Financeiro Brasileiro: Uma análise exploratória das relações entre Estado e setor privado. FGV, Seminários de Pesquisa.

Richardson, J. (2000). Government, Interest Groups and Policy Change. Political Studies, 48(5), 1006–1025. <u>https://doi.org/10.1111/1467-9248.00292</u>.

Rodrik, D. (2004, September) Industrial Policy for the Twenty-First Century. UNIDO.

Rodrik, D. (2008) Industrial Policy: Don't Ask Why, Ask How. Middle East Development Journal, Demo Issue, 1–29.

Schneider (1997) Organized Business Politics in Democratic Brazil. Journal of Interamerican Studies and World Affairs, 39 (4), 95-127.

Schneider, B.R. (2008, July) Economic Liberalization and Corporate Governance. The Resilience of Business Groups in Latin America. Comparative Politics, 379-397.

Schneider, B.R. (2009) Business Politics in Latin America. Patterns of fragmentation and centralization. In Peter Kingstone and Deborah Yashar, eds., Handbook of Latin American Politics. Routledge.

Schneider (2010) Business Politics in Latin America. Patterns of Fragmentation and centralization. In: Coen, D. and Grant, W., ed. The Oxford Handbook of Business and Government. Oxford; New York: Oxford University Press.

Schneider (2015) Designing Industrial Policy in Latin America. Business-State Relations and the New Developmentalism. Palgrave MacMillian.

Schmitter, P. (1974). Still the Century of Corporatism? The Review of Politics, 36(1), 85-131.

Schmitter, P. (1971). *Interest Conflict and Political Change in Brazil*. Stanford University Press.

Schmitter, P. (2010). Business and Neo-Corporatism. In: Coen, D. and Grant, W., ed. The Oxford Handbook of Business and Government. Oxford; New York: Oxford University Press.

Secretaria-Geral da Presidência da República (2010) *Conselhos Nacionais*. [Online]. Available: <u>file:///Users/stefanietomeschmitt/Downloads/Livro\_Conselhos\_peq%20(1).pdf</u>.

Smith, M. (1993) *Pressure, Power and Policy: State Autonomy and Policy Networks in Britain and the United States.* New York: Harvester Wheatsheaf Press.

Takagi, M. (2004) *Câmaras Setoriais Agroindustriais, Representação de Interesses e Políticas Públicas.* São Paulo: Annablume, Fapesp.

Teixeira, A.C.; Souza, C.H.; Lima, P.P. (2012) *Conselhos e Conferências Nacionais: o que são, quantos existem e para que serve*. [Online]. Available: <u>http://www.inesc.org.br/noticias/noticias-gerais/2012-1/novembro/conselhos-e-conferencias-nacionais-o-que-sao-quantos-existem-e-para-que-servem/ - \_ftn1</u>.

Toni, J. (2013) Novos Arranjos Institucionais na Política Industrial do Governo Lula: a força das novas ideias e dos empreendedores políticos. Brasília.

Toni, J. (2015) Uma nova governança no padrão de relacionamento público-privado da política industrial brasileira. *Revista de Sociologia Política*, 2.