

THE COMPLEX INTERLINKING NETWORK OF BUSINESS ACCESS TO THE STATE IN BRAZIL

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During Luiz Inácio Lula da Silva First and Second Terms (2003-2010), extra-parliamentary political participation increased substantially at the federal level in Brazil. Many participatory mechanisms, known in Portuguese as *órgãos colegiados* – collegiate bodies, were institutionalized within the Executive Power with the aim of democratizing policy-making. However, to encourage direct political participation through collegiate bodies is not a new practice in Brazilian politics. At least, where business participation is concerned, there has been a long tradition in using councils, chambers and other similar mechanisms for the exchange of information between business representatives and the state bureaucracy (Leopoldi, 2000; Diniz, 2001; 2010; Doctor, 2007; 2017; Boschi, 2010; 2012; Diniz and Boschi, 2002; 2003).

The federal government counted on business leaders knowledge for the designing of economic policies since the start of industrialization, in the first decades of the 20th Century. During Getúlio Vargas First Government (1930-1945), business-labour relations were organized in a corporatist system, in which the Executive acted as an arbitrator of conflicts (Schmitter, 1971; Leopoldi, 2000; Boschi, 2010). In general terms, this corporatist structure of interest representation is still in place today and business associations within it are expected to represent their interests to authorities and other representatives, such as labour unions and social organizations (Diniz and Boschi, 2002; 2003). After the adoption of the current Constitution, in 1988, presidents made use of the corporatist structure for engaging civil society in the work of the reshaped collegiate bodies, which became broader in terms of participation, as well as policy topics covered². These mechanisms provide open spaces for political participation (Boschi, 2010; Lavallo, 2011). Their objective, according to 1988 Constitution, is to design, deliberate and

¹ Universidade de São Paulo (USP), See: <http://lattes.cnpq.br/0673310867038352>.

² See: IPEA (2013) [In Portuguese] [Online]. Available: http://www.ipea.gov.br/participacao/images/pdfs/relatoriofinal_perfil_conselhosnacionais.pdf.

³ See: *Constituição da República Federativa do Brasil de 1988* - Brazilian Federal Constitution of 1988,

² See: IPEA (2013) [In Portuguese] [Online]. Available: http://www.ipea.gov.br/participacao/images/pdfs/relatoriofinal_perfil_conselhosnacionais.pdf.

control the development of public policies, with the broader aim of democratizing political decisions³.

This paper analyses the complex interlinking network of business-state relations in Brazil during Lula and Dilma Rousseff's Governments (2003-2016). It demonstrates the relevance of the structure of collegiate bodies for policy-making at the federal level, as well as its importance for business influencing government decisions. The analysis provides some important insights about the role and impacts of business participation in policy-making in the context of Brazilian democratization. The question driving the research is if the increase in the institutionalization of extra-parliamentary mechanisms encouraged business engagement and inclusion in policy-making. While the use of collegiate bodies increased participation, it is not clear in which extent business recommendations on development policies were considered by the state bureaucracy in policy-making, nor if business representatives made use of these mechanisms to engage in policy-making.

The paper first assesses the extension of business access to the state through the collegiate bodies, based on data provided by the *Confederação Nacional da Indústria (CNI)* – National Confederation of Industry; the *Confederação Nacional do Comércio de Bens, Serviços e Turismo (CNC)* – National Confederation of Trade in Goods, Services and Tourism; the *Confederação Nacional do Sistema Financeiro (CONSIF)* – National Confederation of the Financial Service; and the *Confederação Nacional da Agricultura (CNA)* – National Confederation of Agriculture⁴. Second, it examines businesses' contributions to policy-making within the following selected mechanisms dealing with development policy: i) *Conselho de Desenvolvimento Econômico e Social (CDES)* - Economic and Social Development Council; ii) *Conselho Nacional de Desenvolvimento*

³ See: *Constituição da República Federativa do Brasil de 1988* - Brazilian Federal Constitution of 1988, Articles 198, 204 and 206 [In Portuguese] [Online]. Available: http://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm.

⁴ 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.

Industrial (CNDI) - National Council for Industrial Development; iii) *Conselho do Agronegócio (Consagro)* – Agribusiness Council; and iv) *Conselho Consultivo do Setor Privado da Câmara de Comércio Exterior (Conex/CAMEX)* – Private Sector Advisory Council of the Brazilian Foreign Trade Chamber.

Throughout the paper, the term collegiate bodies is used to refer to the councils, committees, commissions, chambers, dialogues, working groups, forums, conferences and other extra-parliamentary spaces for political participation within the Brazilian Federal Executive Power. These multiple denominations stemmed from their usage at different levels of the Administration, as well as from the moment in which these mechanisms were established. Since 2003, the General Secretariat of the Presidency considers the national councils to be at a superior level because they are advisory bodies to the Presidency, used for increasing the participation of interest groups in policy-making⁵. Moreover, some national councils substituted previously established mechanisms, while others did not. CNDI, for example, replaced the industrial sectorial chambers and forums previously working within the *Ministério da Indústria, Comércio Exterior e Serviços (MDIC)* - Ministry of Industry, Foreign Trade and Services (Toni, 2013; Araujo, 2015). Meanwhile, the *Comissão Nacional de Erradicação do Trabalho Infantil (CONAETI)* – National Commission for the Eradication of Child Labour, is still in operation and considered to be at the superior level⁶. Hence, committees, chambers, working groups, forums and conferences have also been advisory bodies at ministerial level as councils, justifying their consideration as similar mechanisms in this paper.

The collegiate bodies' contribution to policy-making in Brazil is discussed by two different theoretical approaches in the academic literature. The first one adopts a political sociology perspective and focuses on the new shapes of extra-parliamentary political participation and interest representation institutionalized by the Brazilian Federal Government since re-democratization, in 1988 (Pires, 2011; Lavallo & Bulow, 2014). Under this framework, civil society mainly embodies social movements and non-

⁵ See: *Presidência da República, Secretaria-Geral da Presidência da República, Conselhos Nacionais* - Presidency, General Secretariat of the Presidency, National Councils [In Portuguese] [Online]. Available: <http://www.secretariadegoverno.gov.br/participacao-social/conselhos-nacionais>

⁶ See: IPEA (2010) [In Portuguese] [Online]. Available: http://www.ipea.gov.br/participacao/images/pdfs/relatoriosconselhos/120911_relatorio_conaeti.pdf

governmental organizations, but not businesses. The second theoretical approach centres the analysis on the political role of business associations in Brazil and is framed by the coordination of policy-making per the Federal Executive Power. Using a political economy perspective, it correlates the policies designed for promoting Brazilian development with business political participation since the first decades of the 20th Century (Leopoldi, 2000; Diniz and Boschi, 2002; 2003; Bresser Pereira and Diniz, 2009; Diniz, 2001; 2010; Doctor, 2007; 2017; Boschi, 2010; 2012; Toni, 2013; Araujo, 2015).

In this paper, both theoretical approaches are used for discussing the role of collegiate bodies in Brazilian democratization. While there is no consensus on the impact of collegiate bodies in improving policy-making, there is a shared view in the literature that the increasing institutionalization of alternative means of participation and interest representation democratized Brazilian politics during Lula's Government (2003-2010) (Boschi, 2010; Pires, 2011). The collegiate bodies established after re-democratization were broader, to the extent that they included business as well as labour representatives (Araujo, 2015). Additionally, since 2003, their institutionalization occurred at a faster pace, increasing comprehensiveness in relation to issue areas and interests covered (Boschi, 2010; Pires, 2011). However, whereas the institutional role is consensual in the literature, the impacts of collegiate bodies on policy-making, considering the chains linking discussions to political decisions, still demand further research (Lavalle, 2011).

This paper sustains that by increasing the use of collegiate bodies to foster extra-parliamentary political participation in policy-making, the Brazilian *Partido dos Trabalhadores* (PT) – Workers Party, Governments (2003-2016) enlarged the tools available to business for influencing political decisions. In the case of the collegiate bodies focusing on the coordination of policies for economic development, business contributions to policy-making concentrated in the identification of bottlenecks to public policies effectiveness. When policy design was entrusted to the specialized bureaucracy within the Federal Executive Power, business participation added to policy effectiveness and it was mainly at the implementation stage, for building awareness within the government about impediments to better economic performance. Thus, business participation accomplished its foreseen advisory role when discussions were specific to

programmes and policies under implementation. Nonetheless, success depended on the role of the chairs of the collegiate bodies, showing that inconstancies on the government side affected results. Interruptions in the work of the collegiate bodies restricted inclusion in policy-making and led to business disengagement.

Following this introduction, in the first part of the paper, the objectives behind the institutionalization of collegiate bodies are described, as well as their role in Brazilian politics throughout the 20th Century. The second part presents the complex interlinking network of business-state relations in Brazil during PT Governments (2003-2016), based on CNI, CNC, CONSIF and CNA data. In the third part, the operationalization of four collegiate bodies dealing with policies for economic development is discussed through case analysis. It ponders the achieved results in light of the objectives envisaged by creating CDES, CNDI, Conex and Consagro. Finally, in the fifth part of the paper, main conclusions are presented.

BUSINESS POLITICAL PARTICIPATION THROUGH COLLEGIATE BODIES

The Brazilian Federal Constitution promulgated in 1988 encourages through its provisions citizens direct political participation. As a general rule, it requires public engagement in policy design, implementation and oversight. In particular, Articles 198, 204 and 206 provide for the creation of public policy councils for social control in the fields of healthcare, social assistance and education⁷. Following the establishment of these councils, many laws entered into force at the three levels of the government – federal, state and local levels, institutionalizing collegiate bodies for engaging citizens in political decisions. Within the Federal Executive Power, these mechanisms assisted in policy design and coordination and could be found in practically all Ministries and the Office of the Presidency of the Republic⁸.

⁷ *Constituição da República Federativa do Brasil de 1988* - Brazilian Federal Constitution of 1988. [In Portuguese]. Available: http://www.planalto.gov.br/ccivil_03/constituicao/constituicao.htm.

⁸ See: Law n° 10.683, of 28 May 2003, repealed by Law 13.502, of 1st November 2017. [In Portuguese]. Available: http://www.planalto.gov.br/Ccivil_03/leis/2003/L10.683.htm; and http://www.planalto.gov.br/Ccivil_03/Ato2015-2018/2017/Lei/L13502.htm#art82.

The institutionalization of collegiate bodies by the Federal Executive Power, however, did not start in 1988. It is a long-standing practice in Brazilian politics. At least, since the first decades of the 20th Century extra-parliamentary mechanisms are being used for encouraging political participation in selected issue areas. The *Conselho Nacional do Trabalho* - National Labour Council, for example, was created in 1923, with the aim of institutionalizing a formal space for the discussion of matters related to labour organization and social security⁹. Business, labour and state representatives composed the council, which latter inspired the organization of business-labour relations in a corporatist system under Vargas First Government (1930-1945).

The Presidency of Getúlio Vargas is acknowledged as a critical juncture in Brazilian political and economic history. His government started a long trend in the nation's politics of centralizing policy decisions at the Federal Executive Power. This trend was reinforced during the Military Dictatorship (1964-1985), and, after re-democratization, centralism was maintained through the 1988 Constitution. In parallel to the concentration of policy decisions at the Federal Executive Power, Getúlio Vargas erected the corporatist system organizing business and labour relations and defining the channels that would be used for direct participation in policy-making (Schmitter, 1971; 1974). Among these channels, his government established collegiate bodies, assembling high officials and selected members of the business community for the coordination of policy design (Leopoldi, 2000; Araujo, 2015). Vargas corporatist system survived many shifts in Brazilian politics and is still in force today, although, in a more open and egalitarian way (Boschi, 2012).

In order to concentrate decision-making in the Executive Power, Vargas established key specialized agencies, such as the national banks that would be used for implementing monetary policy. In addition to that, many collegiate bodies were created to coordinate policy-making among these institutions and ministries, and reorganize the

⁹ Following a bill introduced in the Brazilian Congress in 1917 and the Versailles Treaty, signed in 1919, the Decree n° 16.027, of 30 April, 1923 created the *Conselho Nacional do Trabalho* - National Council of Labour. Decree n° 16.027. [In Portuguese]. Available: <http://www2.camara.leg.br/legin/fed/decret/1920-1929/decreto-16027-30-abril-1923-566906-publicacaooriginal-90409-pe.html>.

administration at the federal level. According to Araujo (2015), from 1930 to 1945, Vargas created the following collegiate bodies:

- *Conselho Federal de Comércio Exterior (CFCE)*, Federal Council of Foreign Trade;
- *Conselho Técnico de Economia e Finanças (CTEF)*, Technical Council of Economy and Finance;
- *Comissão de Mobilização Econômica (CME)*, Committee for Economic Mobilization;
- *Superintendência de Moeda e Crédito (Sumoc)*, Superintendency of Money and Credit; and
- *Conselho Nacional de Política Industrial e Comercial (CNPIC)*, National Council of Industrial and Trade Policy.

Although these councils were planned to initially assemble only members of the administration, business representatives took part in some of their meetings. In the case of CNPIC, created in 1943 to discuss national planning for post-war period, diverse ministries participated in the debates, which also received contributions from leaders of business associations, as well as from experts. Even though the council was subordinated to the Ministry of Labour, representatives from labour unions were not invited to the discussions. According to Araujo (2015), this was typical in Brazilian politics, and it was only superseded after re-democratization, when President Fernando Collor (1990-1992) established the Sectorial Chambers. These tripartite chambers included labour unions representatives (Doctor, 2007).

The non-participation of labour in policy-making within collegiate bodies was a feature of Brazilian corporatism for the major part of the 20th Century. For Schmitter (1974), Vargas started the institutionalization of a kind of state corporatism, which was associated with:

“The necessity to enforce ‘social peace’, not by co-opting and incorporating, but by repressing excluding autonomous articulation of subordinate class demands in a situation where the bourgeoisie is too weak, internally divided, externally

dependent and/or short of resources to respond effectively and legitimately to (...) demands within the framework of the liberal democratic state”

(Schmitter, 1974: 108)

Inspired by Mussolini’s *Carta del Lavoro* and based on his previous experience at the Government of Rio Grande do Sul – the southern state of the country, Vargas aimed at organizing the Brazilian civil society for voicing its interests (Schmitter, 1971). Both, the Brazilian “bourgeoisie” and labour unions were arranged in a corporatist system, dividing business associations and unions by sector and location. Employer confederations represented economic sectors at the federal level, while employer federations comprised business associations within each economic sector and represented their interests at the state level. Confederations were the peak organizations, comprising all federations and business associations within an economic sector. Labour, as counterpart, was organized and separated by activity in unions, federations and confederations. Peak level trade unions, representing workers nationwide were not envisaged in 1943¹⁰. They were only later recognized by the legislation, in 2008, although they existed before this date¹¹.

According to the *Consolidação das Leis do Trabalho (CLT)* – Brazilian Labour Law, corporatist associations should, among other obligations:

“represent, in front of administrative and judicial authorities, the collective interests of the respective category or professional activity, or the individual interests of its members concerning practicing activity or profession”

(Art. 513, item a, CLT, of 1st May 1943)

On the business side, however, the establishment of the corporatist system did not imply a complete abandonment of pre-existing organizations, such as the *Centro das Indústrias do Estado de São Paulo (CIESP)* - Center of Industries of São Paulo State,

¹⁰ 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.

¹¹ See: Law n° 11.648, of 31 March 2008, recognizing central unions as representatives of all labour categories in forums, collegiate bodies and other spaces with tripartite representation (Article 2). [In Portuguese]. Available: http://www.planalto.gov.br/ccivil_03/_ato2007-2010/2008/lei/11648.htm.

created in 1928. While the government accredited corporatist organizations as lawful representatives in official forums, such as the collegiate bodies, the members of the pre-existing business associations pushed for keeping them in parallel, which was tolerated. Their maintenance served to ensure freedom of action in periods of restricted liberties, such as during the Vargas Dictatorship (1937-1945) and the Military Dictatorship (1964-1985) (Schmitter, 1971; Leopoldi, 2000). Government tolerance also allowed the establishment, in parallel to the corporatist organizations, of new business associations, (Diniz and Boschi, 2001), such as the *Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA)* - National Association of Motor Vehicle Manufacturers, created in 1956. These independent business associations exercised political influence, meaning that, on the business side, a dual structure has been in operation, shaped, on the one hand, by the corporatist organizations and, on the other hand, by independent business associations, representing specific industry sectors.

On the labour side, despite equally applied CLT provisions, unions rarely joined collegiate bodies within the Federal Executive Power before re-democratization. There was certain recognition of their role in policy-making during the early years of Military Dictatorship (1964-1985). President Castelo Branco (1964-1967) invited labour representatives to take part in the work within the *Conselho Consultivo de Planejamento (Consplan)* – Planning Advisory Council (1965), but it was not sustained through time. The Consplan was a collegiate body under the Ministry of Planning, joined by business and labour representatives, focusing on the institutionalization of the *Programa de Ação Econômica do Governo (PAEG)* – Government Economic Action Programme. After some meetings, as occurred with other participatory initiatives maintained by the Dictatorship, members realized that the aim of the Council was not to engage civil society in policy-making, but to legitimize government decisions (Araujo, 2015). In this environment, none of the civil society representatives had a voice, at least, in an open and transparent manner.

The state corporatism institutionalized by Vargas spanned the so-called “developmental period”, which started in 1930 and ended in 1980, when the debt crises hit Brazil accelerating political liberalization. During the developmental period, the

Executive was accountable for the key policy decisions in relation to development. In spite of all the crises that the country went through, which eventually led to neoliberal reforms in the 1990s, the Presidency and the state bureaucracy maintained their central roles as arbitrators of conflicts (Boschi, 2010). Nevertheless, the period was not fully characterized by a relentless preponderance of the state, neither of a total subjection of interest groups. For most part of the Dictatorship, the state was preponderant, but private groups had their role in pushing for adjustments in government's decisions,(Schmitter, 1971). During the political liberalization process, business associations engaged with other interest groups, supporting democratization (Bresser Pereira, 1985).

After re-democratization, in 1988, elected governments maintained the practice of institutionalizing collegiate bodies for engaging interest groups in policy-making. José Sarney (1985-1990), who was the first civilian president after the Military Dictatorship, established the Sectoral Chambers, replacing the institutional structure created in the years after 1964. During Dictatorship, Castelo Branco (1964-1967) also established the *Conselho de Desenvolvimento Industrial (CDI)* - Council for Industrial Development, for coordinating decisions concerning the national industrial policy. Sarney and, the first elected president Fernando Collor (1990-1992), launched the Sectoral Chambers aiming at providing spaces for targeted discussions on current challenges. The movement fragmented the industrial policy design and most of the Chambers ended up in shifting their focus to inflation control. Nevertheless, results were achieved in some sectors, such as the automotive one (Doctor, 2007) During President Fernando Henrique Cardoso's First Term (1994-1998), Chambers were reinstated under the label of Foruns, showing a desire of institutionalizing a more open format of collegiate body, which could count with a broad participation of interest groups. Nevertheless, government's prioritization of monetary policy led to the discontinuation of the work within the Foruns (Toni, 2013; Araujo, 2015).

Following Boschi (2010), it was only during Lula's Administration that Brazilian corporatism became more comprehensive, allowing and encouraging the participation of more political voices across civil society. The increase in the number and comprehensiveness of collegiate bodies during the Lula years was part of a process of

expanding political participation in Brazil (Lavallo, 2011). This expansion led to a transformation in the corporatist system, which is currently more close to the concept of societal corporatism provided by Schmitter (1974). Thus, it is a political system that follows pluralism and aims at rationalizing decision-making within the state per the association or incorporation of interest groups in the political process. For Schmitter (1974), societal and state corporatisms are related to pluralism in the following manner:

Societal corporatism appears to be the concomitant, if not ineluctable, component of the post liberal, advanced capitalist, organized democratic welfare state; state corporatism seems to be a defining element of, if not structural necessity for, the anti liberal, delayed capitalist, authoritarian, neo mercantilist state.

(Schmitter, 1974: 105)

The survival of the Brazilian corporatist structure also did not hamper the rising in importance of the Legislature in policy-making after re-democratization (Mancuso and Oliveira, 2006; Boschi, 2010), nor did it obstruct the reorganization of the business community, which started to use other tools for defending interests before the three constitutional powers. Among these tools, some recent works about business political participation in Brazil depicted both Legislative and Executive lobbying, as well as the launch and use of new forms of collective action, such as the *Instituto de Estudos para o Desenvolvimento Industrial (IEDI)* - Institute for Industrial Development Studies; the *Pensamento Nacional das Bases Empresariais* - National Thinking of Business Fundamentals, the *Ação Empresarial* - *Business Action*; the *Agenda Legislativa da Indústria* - Legislative Agenda of Industry; and the *Coalizão Empresarial Brasileira* - Brazilian Business Coalition (Diniz and Boschi, 2002; 2003; 2007; Mancuso and Oliveira, 2006; Bresser Pereira and Diniz, 2009; Schneider, 2009; Diniz, 2001; 2010; Boschi, 2010; 2012).

These recent developments in business interest representation are connected to changes in Brazilian political and economic environment since the debt crises. Whereas this period was followed by business demobilization and, based on neoliberal ideas, by a push for non-interference of the state in markets, after the achievement of economic

stability through the *Plano Real* – Real Plan, which was launched in 1994, business interest groups started to re-consider state intervention as positive and necessary to development (Bresser Pereira and Diniz, 2009). Accompanying this “reappearance” of businesses in Brazilian politics, the literature identified Lula’s decision to create CDES, in 2003, as a turning point. CDES would:

“Support the President in the design of public policies and other guidelines targeting economic and social development, through the elaboration of normative instructions, policy proposals and procedural agreements, and through the analysis of public policy proposals and structural and economic and social development reforms submitted by the President of the Republic, in view of the coordination of the relations between the government and civil society representatives and in view of the agreement among the diverse sectors represented by the council”

(Art 8, of Law No 10,683, 28 May 2003, on the organization of the Presidency of Republic and Ministers, and other arrangements)

Lula’s objectives in setting up CDES can be framed as part of a broader effort for increasing political participation through extra-parliamentary mechanisms (Doctor, 2007; Schneider, 2009; Diniz, 2010; Boschi, 2010). CDES aimed at building bridges among different interests within Brazilian society in development policy-making. Hence, besides tripartite representation, it allowed voice to members of the Church and other unorganized interests, such as academia. It also “tried to tap into a wide variety of views, for example, choosing labour union representatives on the basis of known differences in their positions on labour reform, especially the flexibilization of CLT” (Doctor, 2007: 08). Nevertheless, CDES kept the long tradition in Brazilian politics of business overrepresentation. It favoured the participation of business leaders detached from business associations, whether voluntary or corporatist. For improving economic conditions, business inputs were crucial in the government’s view (Doctor, 2007).

CNDI is another example of Lula’s effort to increase extra-parliamentary political participation. Moreover, it was the consequence of a proposal presented by the President of CNI at CDES. For this peak corporatist business association, for achieving an effective industrial policy, it was necessary coordination within the government and the civil society. The creation of not only CNDI in 2004 (Araujo, 2015), but also Conex, in 2005,

were Government reactions to the proposal. While the first would deal with industrial policy, the latter would focus on matters related to foreign trade, being both collegiate bodies under the jurisdiction of the *Ministério do Desenvolvimento, Indústria e Comércio Exterior (MDIC)* – Ministry of Development, Industry and Foreign Trade. Both councils were overrepresented on the business side, favouring, as CDES, the participation of business leaders detached from business associations. Together with Consagro, within the *Ministério da Agricultura, Pecuária e Abastecimento (MAPA)*, Ministry of Agriculture, Livestock and Supply, these councils relied on business knowledge for advancing development policy-making.

In general, although more interests were represented within the collegiate bodies established after re-democratization and their institutionalization occurred at a faster pace under Lula, disparities remained. According to a research conducted by IPEA, civil society's counsellors were, in their majority, white men showing educational levels above the Brazilian average (IPEA, 2010). The sample considered 30 collegiate bodies, which were councils, committees and forums considered: i) central in their policy fields; ii) composed by members of the civil society; and iii) created by presidential decree or law passed by the National Congress¹². Nevertheless, it did not include CDES and other councils mainly consisted by business representatives. The following analysis focuses not only on councils dealing with topics of direct business interest, but also on all collegiate bodies joined by CNI, CNC, CONSIF and CNA. These peak corporatist business associations hold public information about their participation in collegiate bodies, which allowed an approximation of the relevance of the structure of collegiate bodies for business access to the state during PT Governments.

THE INTERLINKING NETWORK OF BUSINESS-STATE RELATIONS

The use of collegiate bodies for coordinating policy-making at the Federal Executive Power is a long-standing practice in Brazilian politics. Despite the political transitions and economic crises that led to structural changes, decisions covering social

¹² See: Institute of Applied Economic Research (IPEA) *Conselhos Nacionais, Perfil e atuação dos conselheiros (2010)* – National Councils, Profile and councilors performance (2010), pp. 12. Available at: http://www.ipea.gov.br/participacao/images/pdfs/relatoriofinal_perfil_conselhosnacionais.pdf.

and economic development were kept centralized under the Presidency with the business community being invited to participate in decision-making. In this process, the business structure of interest representation also changed, conveying the use of new tools for influencing policy decisions at the federal level. Nevertheless, adjustments in business interest representation contemplated governments' launches and re-launches of collegiate bodies, which, in the end, were actions based on both sides desires for increasing not only participation, but also transparency in policy-making. The intensity of each side pressures for both participation and transparency varied throughout time, depending on the political regimes in place and the interests under consideration, but it was an ongoing process in Brazilian politics.

Nonetheless extending political participation through institutional means did not direct implied business engagement in policy-making, nor its inclusion in policy-decisions. Considering that the aim of this paper is to discuss the role and impacts of business participation in collegiate bodies in the context of Brazilian democratization, in this section, the complex interlinking network of business-state relations in Brazil during PT Governments (2003-2016) is presented, for illustrating the extension of business political participation within the Executive during this period. Following this section, business contributions to policy-making are analysed, based on the accomplishments expected and achieved by select collegiate bodies. This analysis focuses on CDES, CNDI, Consagro and Conex and, although these councils are not a representative sample of Brazilian collegiate bodies with business participation, the aim of this exercise is to identify trends that could be addressed in more comprehensive future research.

During PT Governments, among all operating collegiate bodies, the General Secretariat of the Presidency only considered the national councils to be at a superior level, for being advisory bodies to the Presidency, used for coordination at the ministerial level¹³. These councils could be consultative or deliberative. In the first case, the recommendations made by the invited advisors need not necessarily to be considered by the state bureaucracy in the design of the policy under discussion. In the second case,

¹³ See: *Presidência da República, Secretaria-Geral da Presidência da República, Conselhos Nacionais - Presidency, General Secretariat of the Presidency, National Councils*. [In Portuguese]. Available: <http://www.secretariadegoverno.gov.br/participacao-social/conselhos-nacionais>.

members' proposals are considered in the design of the public policy under discussion, in line with the law that established the council. Operational in the field of development policy during PT Governments, the literature recognizes CDES, CNDI and Conex as the mechanisms that most invested on business participation, which was based on the government desire of improving economic conditions, for making room for economic and social development (Diniz and Boshi, 2007; Doctor, 2007; Toni, 2013; Araujo, 2015).

The sectorial chambers had a similar shape to the national councils. They were, also, extra-parliamentary spaces for political participation. Nevertheless, while the national councils since Lula's First Term (2003-2006) were part of broader context erected for increasing participation in the designing of public policies (Teixeira, Souza and Lima, 2012), the chambers were created in earlier Governments, targeting sectoral policies. Considering industrial policy, while CDES recognized the necessity of coordination,, the Sectoral Chambers relied in expertise for sectorial policy-making (Doctor, 2007; Takagi, 2004; Araujo, 2015). Examples of sectorial chambers functioning during PT Governments were the *Câmaras Setoriais e Temáticas do MAPA* – MAPA Sectorial and Thematic Chambers. These mechanisms assembled representatives of selected production chains to discuss issues of their interest, such as management, pesticides, production processes and taxes¹⁴. Among other interest groups, the *Confederação Nacional da Agricultura (CNA)* – National Confederation of Agriculture, took part in discussions, having an oversight body dedicated for monitoring chambers' work¹⁵.

Other collegiate bodies used for policy-making coordination were the national forums, commissions, committees and working or technical groups. All these institutions were formal spaces for promoting dialogue between members of the state bureaucracy and the civil society. Although the format of their meetings varied, as well as their hierarchical relation to the state bureaucracy, the role of these institutions was similar to

¹⁴ See: *Ministério da Agricultura, Pecuária e Abastecimento (MAPA), Câmaras Setoriais e Temáticas*, Ministry of Agriculture, Livestock and Supply, Sectorial and Thematic Chambers. [In Portuguese]. Available: <http://www.agricultura.gov.br/assuntos/camaras-setoriais-tematicas/camaras-setoriais-e-tematicas-do-mapa>.

¹⁵ See: *Confederação Nacional da Agricultura (CNA)* – National Confederation of Agriculture. [In Portuguese]. Available: <http://www.cnabrazil.org.br/>.

the national councils and sectoral chambers. All these bodies aimed to increase participation and, to some extent, transparency in policy-making. They were all part of a process initiated after democratic transition. According to a research presented by Boschi (2010), the number of national forums held since 1988 totalled 73, 64% of which occurred under Lula. Among the results achieved by these meetings, 1.523 bills were introduced in the Chamber of Deputies and 510 in the Senate. In addition to that, the Federal Executive issued 170 *Medidas Provisórias* - Provisional Measures¹⁶, and 170 laws were approved based on topics discussed in the national forums.

Considering data collected with corporatist peak business associations representing the industrial, services, finance and agricultural economic sectors in Brazil – CNI, CNC, CONSIF and CNA¹⁷, business took part in 133 collegiate bodies within the Executive¹⁸. These mechanisms were permanent councils, chambers, commissions, committees, working groups, dialogues and forums created by law or decree¹⁹. Their aim was to assist the Presidency of the Republic or distinct Ministries and Agencies in policy-making coordination during PT Governments.

This total of collegiate bodies included 53 councils, 8 chambers, 32 commissions, 19 committees, 1 dialogue, 8 forums, 11 working and other types of groups, and 1 subcommission – see Table 1. The sample overlooked subsidiary collegiate bodies, as MAPA Sectorial and Thematic Chambers. These subsidiary collegiate bodies were created within Consagro, the superior mechanism included in the sample²⁰. CNA, for

¹⁶ The President can enact laws without approval by the National Congress through a provisional measure. These laws come into effect immediately, but they are also subject to approval by Congress, which has 60 days, extendable for another 60 days, to review the provisional measure and decide whether or not it will become law. If Congress has not made a decision within 45 days of issue of a provisional measure, all other votes in each house will be suspended until it is voted on. If Congress rejects the provisional measure, the legal framework goes back to its original state. In this case, the President cannot reissue the provisional measure within the same legislative session.

¹⁷ Following CLT. [In Portuguese]. Available: [http://www.planalto.gov.br/ccivil_03/decreto-
lei/Del5452.htm](http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm).

¹⁸ Considering subsidiary collegiate bodies, the number increase to 289. 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.

¹⁹ The Executive used two kinds of decrees to establish collegiate bodies. The first ones are the ministerial or inter-ministerial decrees, which are used to regulate laws. The second are administrative acts named *portarias*. They organize the administration and are issued by ministers or chiefs of agencies.

²⁰ See: MAPA, *Câmaras Setoriais e Temáticas* [In Portuguese] [Online]. Available: <http://www.agricultura.gov.br/assuntos/camaras-setoriais-tematicas/camaras-setoriais-e-tematicas-do-mapa>.

example, took part in discussions within the Chambers and within Consagro, because topics discussed in the first mechanisms were reported to the second, for receiving government attention. Many superior collegiate bodies had the prerogative of establishing temporary similar mechanisms to further technical discussions on specific matters. After achieving the predetermined goal, these mechanisms are expected to report to the permanent collegiate body and cease their work. Thus, for avoiding duplications, subsidiary collegiate bodies were excluded here.

Table 1

Collegiate Bodies with Business Participation

Collegiate Body	Total
Councils	53
Chambers	8
Commissions	32
Committees	19
Dialogue	1
Forum	8
Groups	11
Subcommittee	1
Total	133

These permanent collegiate bodies were technical and superior supporting bodies to the Presidency of the Republic and to 19 different Ministries – refer to Table 2²¹. The policy domains covered by them were: i) industrial; ii) services; iii) agricultural; iv) finance; v) science and technology; vi) foreign trade; vii) micro- and small enterprises; viii) labour; ix) social security; x) transparency and anti-corruption; xi) development; xii) human rights; xiii) health; xiv) energy; xv) transports; xvi) communications; and xvii) international relations. While government officials and technical staff took part in the work of technical permanent collegiate bodies. Ministers and high representatives of peak corporatist business associations, along with other selected interest groups, such as peak level trade unions, composed the superior mechanisms. Nevertheless, some superior collegiate bodies established under PT Governments consisted of invited civil society members. This was the case of CDES, CNDI, Conex and Consagro. In these, the chair of

²¹ The number of ministries during Dilma First and Second Terms (2011-2016) revolved 37 to 39.

the collegiate body, which was the President of the Republic, in the case of CDES, and the Ministers of Development and Agriculture, in the case of CNDI, Conex and Consagro, directed invited citizens with proven expertise in the topics under consideration. The invitation did not target institutions, which can be comprehended as a way used by the Executive to avoid the representation acknowledged by CLT.

Table 2
Total of Collegiate Bodies with Business Participation per
Ministry or Presidency of the Republic

Ministry / Presidency of the Republic	Collegiate Bodies	
	Superior	Technical
Ministry of Agriculture, Livestock and Supply	1	
Ministry of Cities	1	3
Ministry of Communications		1
Ministry of Culture	2	1
Ministry of Development, Industry and Foreign Trade	6	11
Ministry of Education	1	7
Ministry of Environment	1	17
Ministry of External Relations		1
Ministry of Finance	1	2
Ministry of Fisheries and Aquaculture		1
Ministry of Health		9
Ministry of Justice		1
Ministry of Mines and Energy		4
Ministry of National Integration	2	1
Ministry of Science and Technology	4	5
Ministry of Social Development		1
Ministry of Social Security	1	1
Ministry of Tourism		1
Ministry of Transparency Office of the Controller General		2
Ministry of Transports	1	1
Ministry of Labour	1	32
Presidency of the Republic	1	8
Total	23	110

Participation in 85% of these 133 permanent collegiate bodies was closed to selected representatives of government and civil society. This means that the decrees establishing these mechanisms determined participation through a list of member institutions or citizens. In the 33 collegiate bodies within *the Ministério do Trabalho (MT)* – Ministry of Labour, representation was tripartite, based in CLT provisions. This form of representation was also verified in mechanisms within the Ministry of Education, Environment and Development, Industry and Foreign Trade. Only in 15% of the 133 permanent collegiate bodies, participation was open to all interest parties. Nevertheless, in 80% of these open mechanisms, participation was at discretion of the state bureaucracy, because members have to be invited to join the collegiate bodies. The way in which participation was defined placed peak corporatist business associations in a privileged position in relation to not only other business interest groups, but also to labour, social movements and non-governmental organizations. Membership, at least, facilitated to CNI, CNC, CONSIF and CNA the access to information, as well as to the state bureaucracy with decision-making power.

The complex interlinking network of business-state relations operating through the collegiate bodies during PT Governments, placed not only the confederations in a privileged position to advance their interests in front of the Federal Executive Power, but also maintained the long tradition in Brazilian politics of business overrepresentation, which was already foreseen by the academic literature adopting a political economy perspective (Doctor, 2007; Araujo, 2015). The assumption that, in the view of Lula's Government, business inputs were crucial for CDES success can be extend to other mechanisms operational between 2003 and 2016. If the rise in the institutionalization of collegiate bodies increased extra-parliamentary political participation in Brazil, as stated by the political sociology perspective (Pires, 2011, Lavallo & Bulow, 2014), it had also increased business participation in policy-making. The number of collegiate bodies joined by the confederations is substantive for its magnitude and policy-coverage. Moreover, the fact that business had its participation required by many decrees organizing these permanent mechanisms demonstrates that PT Governments expected to receive business contributions in policy-making.

Whereas business political participation increased following the rise in the use of collegiate bodies during PT Governments, neither the role of these mechanisms, nor the impact of business participation in them is clear. Business contributions to policy-making did not exclusively depend on representatives' capacity of voicing represented interests. Due to state autonomy, business political participation should be contingent to continuities in the work of collegiate bodies, as well as to the attention given by key authorities to the role of these mechanisms in policy-making (Smith, 1993). Under Lula, on the occasions when business had a recognized role in policy-making, its participation in collegiate bodies impacted policy-making, by helping to build awareness about bottlenecks to policy effectiveness. Nevertheless, under Rouseff, this was not the case, as inconstancies seemed to have affected collegiate bodies work, impairing business contributions within these mechanisms.

For accessing the role of collegiate bodies in recent Brazilian democratization and the impacts of business political participation through them, in this section, the work within four mechanisms is analyzed. The evaluation focuses on the operationalization of CDES, CNDI, Conex and Consagro, as well as on their attained goals, considering the objectives envisaged in their institutionalization. On the one hand, the aim is to verify the extension of business political participation within these collegiate bodies, by looking at the topics under discussion and business inclusion in policy-making. Inclusion is accessed through meetings regularity and key authorities involvement in the work within CDES, CNDI, Conex and Consagro. On the other hand, the analysis will search for best practices, for identifying features that led to the success of PT Governments efforts for increasing political participation and democratizing policy-making.

By establishing CDES, in 2003, Lula envisaged the institutionalization of a transparent space for negotiations on public policies targeting Brazil's economic and social development (Doctor, 2007; Bresser Pereira and Diniz, 2009; Diniz, 2010; Boschi, 2010; Araujo, 2015). CDES was to have an advisory role. Its members were supposed to assist the President in both the design of public policies and the analysis of public policy

proposals and structural reforms²². In this role, members would present policy recommendations that could be transformed into public policies or contribute to the ones already in place. The council was unique in its comprehensiveness. It covered all issue areas under the Federal Executive Power jurisdiction and aimed to overcome differences through the building of consensus on all topics related to the country's development²³.

CDES had the potential for promoting government improvement, for stimulating simultaneously democratic participation, transparency, corruption reduction and the end of State co-optation by specific interests (Bresser Pereira and Diniz, 2009; Diniz, 2010; Boshi, 2010). It could also provide support for the functioning of democracy in a context of economic globalization, in which knowledge and quick responses to highly changeable circumstances would play a key role in economic success (Doctor, 2007). Nevertheless, since the start, CDES performance suffered from a number of weaknesses. Regarding participation, CDES privileged not only the business side, but also the contribution of business personalities to the detriment of members of the traditional Brazilian business associations (Schneider, 2004; Doctor, 2007). The council was also almost totally dependent on the President, who defined its structure, membership and agenda. Additionally, it was also accountable to the President and obliged to report directly to him. Thus, while its shape restrained autonomous action, its accountability to the public was practically non-existent (Doctor, 2007).

CDES was created by Art 30 of the Law No 10,683, of 28 May 2003. This law organized the Presidency of Republic under PT Administrations (2003-2017). Among other definitions, Law No 10,683 defined CDES role in its Art 8, and the role of its Special Secretariat in Art 21²⁴. The Decree No 4,744, of 16 June 2003, further

²² See: Law No 10,683, 28 May 2003, on the organization of the Presidency of Republic and Ministers, and other arrangements, Art 8. [In Portuguese] [Online]. Available: http://www.planalto.gov.br/ccivil_03/leis/2003/L10.683.htm

²³ See: Conselho de Desenvolvimento Econômico e Social (CDES). O que é. [In Portuguese] [Online]. Available: <http://www.cdes.gov.br/Plone/o-conselho/o-que-e>.

²⁴ See: Law No 10,683, 28 May 2003, on the organization of the Presidency of Republic and Ministers, and other arrangements, Art 8 and 21. [In Portuguese]. Available: http://www.planalto.gov.br/ccivil_03/leis/2003/L10.683.htm

institutionalized CDES, for defining its membership and functioning,²⁵. According to Decree No 4,744, CDES main objectives were:

“I – to assist the President in the design of public policies and other guidelines targeting economic and social development, through the elaboration of normative instructions, policy proposals and procedural agreements; and

II – to consider public policy proposals and structural and economic and social development reforms submitted by the President of the Republic, in view of the coordination of the relations between the government and civil society representatives and in view of the agreement among the diverse sectors represented by the council”.

(Art 1, of Decree No 4,744, 16 June 2003, on CDES membership and functioning, and other arrangements)

Secondary roles were provided in Art 20 and included: i) forwarding recommendations and responding President requests; ii) requesting studies and information that would be essential to the fulfilment of the council’s role to bodies and agencies at the Federal Administration; iii) suggesting President stands on relevant topics for the economic and social development; and iv) preparing reports and special studies in topics concerning consultations, independently of President’s early proposals²⁶. Art 11 determined CDES operationalization. It would work through consensus and members agreement on the content of the proposals, considerations, recommendations, answers, indications, reports and special studies to be submitted to the President. Even though, when consensus could not be achieved, members’ recommendations and the divergent positions would be submitted to the President²⁷.

CDES worked hard to achieve consensus. The large size of the council and its diversity sometimes provoked a clash of personalities. To reach an agreement on general issues was easier than to negotiate specific public policies (Doctor, 2007). In addition to

²⁵ See: Decree No 4,744, 16 June 2003, on CDES membership and functioning, and other arrangements. [In Portuguese] [Online]. Available: <http://www2.camara.leg.br/legin/fed/decret/2003/decreto-4744-16-junho-2003-491628-publicacaooriginal-1-pe.html>.

²⁶ See: *Idem*. Art 20. [In Portuguese] [Online]. Available: <http://www2.camara.leg.br/legin/fed/decret/2003/decreto-4744-16-junho-2003-491628-publicacaooriginal-1-pe.html>.

²⁷ See: *Idem*. Art 11 and 12. [In Portuguese] [Online]. Available: <http://www2.camara.leg.br/legin/fed/decret/2003/decreto-4744-16-junho-2003-491628-publicacaooriginal-1-pe.html>.

that, the varying levels of member dedication and infrequent meetings obstructed discussions in the long-run, restricting members' contributions to inputs on policy proposals presented by the Special Secretariat through *Cartas de Concertação* – Letters of Coordination. Finally, dependence on the President affected the Council operationalization in the long run. Opportunities for active influence started to become limited, if non-existent, hindering not only discussions on public policies design, but also an on-going evaluation of the policy environment (Doctor, 2007; Araujo, 2015).

According to Araujo (2015), despite these difficulties in CDES implementation, it had an important role during Lula's Governments, for sustaining a transparent policy agenda in the areas of economic and social development. Although, the President was not obliged to give earnest consideration to CDES recommendations, frustrating members expectations on its early days (Doctor, 2007), the Special Secretariat through the publication of the Letters of Coordination and by building policy agendas was able to ensure that at least CDES's secondary role, provided by Art 20, could be attained (Araujo, 2015). This was the provision of essential information to the fulfilment of the council's role,. The Special Secretariat also assisted in the coordination of the relations between the government and civil society representatives within CDES, which was expressed in Art 1, item II, of Decree No 4,744. Nevertheless, the envisaged advisory role of CDES was not fully achieved.

Considering its impacts, CDES increased transparency in policy-making, but not participation, because the latter was supposed to occur through the elaboration of normative instructions, policy proposals and procedural agreements; and through the analysis of public policy proposals and structural reforms submitted by the President, as provided by Art 8, of Law No 10,683, which created CDES; and Art 1, of Decree No 4,744, which defined its membership and functioning. The Letters of Coordination were not policy proposals to be analysed by members, they were protocol of intentions in their format. For that reason, when building policy agendas, the Special Secretariat was not asking members to consider policy proposals or reforms. It was increasing transparency

about the means used by the federal government to further economic and social development, as well as extra-parliamentary political participation²⁸.

The continuity of the work within CDES lost regularity during Rousseff's Government, as also happened with CNDI and Conex. It is noticeable that CDES did not hold any meetings in 2015. In 2016, in the middle of political turmoil, Rousseff called a meeting on 28 January. Her goal was not only to reactivate the collegiate body, CDES resumption was also a bid to regain business political support for government policies and to political survival²⁹. It was probably too late, Rousseff had to withdraw the Presidency of the Republic in May, due to the mismanaged accusations that led to her impeachment in August. When her successor, Michel Temer (2016-2018), provisionally assumed the Presidency, one of his first actions was to call a meeting of CDES, which was held in early June 2016³⁰. Once more, business political support was taken as key to political stability and government survival. After Lula, CDES role seems to have been continuously reduced, whereas business inclusion in policy-making has been constrained to government support.

The establishment of CNDI followed CDES and, as already mentioned, it was the result of a proposal presented by the President of CNI during its first meetings. In 2004, the *Ministério do Desenvolvimento, Indústria e Comércio Exterior (MDIC)* – Ministry of Development, Industry and Foreign Trade, first launched the *Política Industrial, Tecnológica e de Comércio Exterior (PITCE)* - Industrial, Technological and Foreign Trade Policy (2004-2008), then held CNDI first meeting, which was followed by its institutionalization through Decree No 5,353, in 2005. According to it, CNDI's role included³¹:

²⁸ See: Araujo (2015). [In Portuguese]. *Capítulo 4. Inovações Institucionais nos Governos FHC e Lula: os Conselhos e a Política Industrial* – Chapter 4. Institutional Innovations in FHC and Lula Governments: the councils and the industrial policy.

²⁹ See: Valor Econômico, 22/01/2016, *Dilma reativa Conselho para tentar retomar agenda positiva* [In Portuguese].

³⁰ See: Valor Econômico, 07/06/2016, *Encontro com empresários buscou intensificar aproximação com o setor* [In Portuguese].

³¹ See: Decree No 5,353, 24 January 2005, on CNDI role, membership, functioning and structuring, among other arrangements [In Portuguese] [Online]. Available: http://www.planalto.gov.br/ccivil_03/_Ato2004-2006/2005/Decreto/D5353.htm

“I – to subsidize, through propositions to be submitted to the Presidency of the Republic, the design and the implementation of public policies concerning industrial development, in line with foreign trade and science and technology policies, to reach, among other things: a) the development and promotion of industrial production; b) infrastructure activities supporting production and commercialization; c) the standardization of measures that could increase industrial companies competitiveness; d) a more sound and long-lasting funding of entrepreneurial activities; and e) the maintenance, in coordination with the States, Federal District and Municipalities, of efficient and sustainable programs of industrial development, foreign trade and science and technology.

II – to propose government goals and priorities in relation to the Industrial, Technological and Foreign Trade Policy (PITCE), indicating the corresponding means to achieve them with the specifications of the instruments;

III – to propose strategies for following up, monitoring and evaluating PITCE, as well as for the participation in the decision-making process of qualified agents designing policies pertaining industrial development and promotion; and

IV – to propose the execution of studies, debates and researches about the adoption and the strategic results achieved by the programs redeveloped by the public power in the areas of industrial development, foreign trade and science and technology”

(Art 2, of Decree No 5,353, 24 January 2005, on CNDI role, membership, functioning and structuring, among other arrangements)

For achieving these goals, Lula’s first Minister of Development, Industry and Foreign Trade (MDIC), Luiz Furlan (2003-2006), leadership was key. The importance given by him to the role of CNDI in industrial policy-making is seen to have maintained members’ engagement in the work of the Council (Toni, 2013, Araujo, 2015). Furlan’s direct involvement ensured business and labour representatives personal participation. When inviting them to join the Council, he not only previously informed the meetings annual agenda, but also prohibited replacement per alternate members. Additionally, he prioritized CNDI in his own agenda too. Meetings were rarely cancelled or postponed. Furlan leadership helped to avoid the re-occurrence of CDES implementation difficulties both in engaging members and assuring continuity in discussions, so much so that his attempts could be comprehended as lessons learned from the previous Lula’s Government experience.

In parallel, the provision of less ambitious and more targeted objectives in Decree 5,353, Art 2, allowed the Council to attain its aims. In contrast to CDES, CNDI main objective was not the assistance in the design of public policies. It was the support in the identification of bottlenecks to policy effectiveness, so much so that discussions focused on policy implementation. For business representatives to count with the knowledge of the state bureaucracy in the designing of policies was key, because it allowed them to consider policy effectiveness (Araujo, 2015). Participation occurred in a latter policy stage at CNDI, during policy-implementation, which impacted policy-making during policy-design. The same was not verified in CDES.

Furlan ensured that CNDI had a role in PITCE implementation. According to Araujo (2015) analysis of the topics on meetings' agendas and reports, the following goals and strategies were pondered during CNDI meetings, among other issues:

- The creation of the *Agencia Brasileira de Desenvolvimento Industrial (ABDI)* – Brazilian Agency of Industrial Development, to support PITCE operationalization;
- The publication of the *Lei de Inovação (Lei do Bem)* – Brazilian Innovation Law, within PITCE objectives;
- The institutionalization of the *Regime Especial de Tributação para a Plataforma de Exportação de Serviços de Tecnologia da Informação (REPES)* – Special Taxation Regime for Exporting IT Services;
- Changes in the *Programa de Antecipação de Recebíveis Contratuais (PARC)* – Programme for Contractual Earnings Anticipation;
- The institutionalization of the Programa de Plataforma de Exportações (PPEX) – Exporting Program;
- The institutionalization of a Política de Desenvolvimento Regional (PNDR) – Regional Development Policy;
- The activities and parameters of the Fundo Garantidor das Parcerias Público-Privada (PPP's) – Guarantee Fund for Public-Private Partnerships; and
- The institutionalization of the Rede Nacional de Agentes de Política Industrial (RENAPI) – National Network of Industrial Policy Agents.

Nevertheless, CNDI meetings became inconstant after Furlan replacement, during Lula's Second Term (2006-2010). While, within PITCE framework, CNDI assisted in the design and the implementation of the industrial policy (Toni, 2013; Araujo, 2015), as envisaged by Art 2, item I of Decree No 5,353, in the framework of the following industrial policies launched by PT Governments the same cannot be verified. The *Política de Desenvolvimento Produtivo (PDP)* – Productive Development Policy (2008-2010), the *Plano Brasil Maior* – Plan for a Bigger Brazil (2011-2014) and the *Plano Nacional de Exportações* – Exports National Plan (2015-2018³²) provided for CNDI role in policy implementation, but meetings did not followed a settled agenda. Sporadic meetings under the following Ministers seem to have been used for achieving transparency and business support to the government industrial policies, similarly to what happened to CDES.

Minister Furlan was also responsible for setting up Conex, within CAMEX³³. This collegiate body aimed at being “*CAMEX private advisory centre, being competent for presenting studies and proposals for the improvement of the foreign trade policy*”³⁴. Decree No 4,732, of 10 June 2003, established CAMEX and defined, in Art. 5, Conex role, which was to assist the *Comitê Executivo de Gestão da CAMEX (GECEX)* – CAMEX Management Executive Committee, through the elaboration of proposals targeting the improvement of the national foreign trade policy. GECEX was a collegiate body under MDIC, consisted exclusively by members of the government, Ministers and Executive Secretaries. Its aim was the coordination of the analysis of any regulation or measure impeditive to foreign trade, which was achieved through regular meetings³⁵. In this context, the expectation was that Conex advisors would not only assist in the identification of barriers to trade, but also recommend policy solutions.

Even though Conex was comprehended together with CDES and CNDI, as part of Lula's efforts in building a new institutional structure to accommodate divergent interests

³² Interrupted by Dilma Rousseff's impeachmeant in 2016.

³³ See: MDIC, 30/01/2006, *CAMEX ganha Conselho Consultivo do Setor Privado* [In Portuguese] [Online]. Available: <http://investimentos.mdic.gov.br/portalmDIC//sitio/interna/noticia.php?area=1¬icia=6851>.

³⁴ See: MDIC, CAMEX, CONEX [In Portuguese]. [Online]. Available: <http://www.camex.gov.br/conex>.

³⁵ See: No 4,732, 10 June 20013, on CAMEX [In Portuguese] [Online]. Available: http://www.planalto.gov.br/ccivil_03/decreto/2003/D4732.htm.

and achieving consensus in relation to the necessity of an effective industrial policy and a more targeted foreign trade policy (Diniz 2007), Conex did not attained regularity in its meetings from the start. According to official information accessed on the Internet, after its first meeting in 2006, Conex was re-launched in 2010³⁶. In a meeting in 2011, business representatives presented proposals aiming to reduce social contributions for export goods; review the imposing income tax over the remittance of profits collected abroad; and review the taxes imposed to foreign remittances for the payment of services and other activities in connection to the export of goods³⁷. How the state bureaucracy processed these proposals could not be accessed. Nevertheless, the first industrial policy launched by Rousseff, *Plano Brasil Maior* – Plan for a Bigger Brazil (2011-2014), provided for many tax breaks in selected sectors, which ended in being considered inconsistent with Brazil obligations with the World Trade Organization. After Rousseff's impeachment, Conex was reformulated two more times, per Decree n° 8.807 and Decree n° 8.906, in 2016, and Decree n° 9.029, in 2017³⁸.

While Minister Furlan is seen as key to CNDI achievements during Lula's First Term, similar trend can be verified in Consagro during Rousseff's Second Term (2015-2016). In 2015, the new Minister of Agriculture, Livestock and Supply (MAPA), Kátia Abreu, started to participate in Consagro meetings, for directly accessing business proposals under discussion within the sectoral and thematic chambers. Consagro was created during Cardoso's Government, in 1998, by Decree of 2 September 1998³⁹, which defined its main objective as:

“The Council, an advisory body, has the mission of joining and promoting the negotiation between the public power and the private initiative, with the objective of implementing the mechanisms, the guidelines and the

³⁶ See: MDIC, 19/10/2010, *Novos Integrantes do Conselho Consultivo do Setor Privado se reúnem* [In Portuguese] [Online]. Available:

<http://investimentos.mdic.gov.br/portalmDIC//sitio/interna/noticia.php?area=1¬icia=10178>.

³⁷ See: Governo do Brasil, 05/05/2011, *Setor privado propõe desoneração para melhorar competitividade das empresas* [In Portuguese] [Online]. Available: <http://www.brasil.gov.br/economia-e-emprego/2011/05/setor-privado-propoe-desoneracao-para-melhorar-competitividade-das-empresas>.

³⁸ See: MDIC, CAMEX, CONEX [In Portuguese]. [Online]. Available: <http://www.camex.gov.br/conex>.

³⁹ See: Decree 2 September 1998, on Consagro role, membership, functioning and structuring, among other arrangements [In Portuguese] [Online]. Available: http://www.planalto.gov.br/ccivil_03/dnn/Anterior%20a%202000/1998/Dnn7235.htm.

respective competitive strategies of Brazilian agribusiness, in the medium and long terms, based on the National Agriculture Forum proposals

(Art 2, Decree 2 September 1998, on Consagro role, membership, functioning and structuring, among other arrangements)

MAPA Ordinance No 530, of 12 June 2008, further established Consagro by defining its internal rules⁴⁰. Although it stated that the MAPA would chair the Council, it allowed her or his replacement by the Executive Secretary of the Ministry. Abreu, however, avoided being replaced and involved herself personally in the work of the Council⁴¹. She not only recognized the importance of business participation in agricultural policy-making, for her previous experience as President of CNA, but also acknowledged business frustrations in relation to the attained goals of Consagro and its sectoral and thematic chambers. In these subsidiary collegiate bodies, representatives of selected production chains should discuss topics of concern and propose measures to improve productivity and welfare. These proposals should be reported to Consagro, for being addressed by the state bureaucracy. As per the minutes of two sectoral chambers meetings⁴², Abreu aimed to make business proposals within chambers accessible to the state bureaucracy. She committed herself to the re-evaluation of MAPA structure, including the 36 operational chambers, as well as to the regularity of Consagro meetings⁴³. Nevertheless, Rouseff withdrawal of the Presidency of the Republic prevented her of continuing leading the work within Consagro.

Leadership and constancy were key for business inclusion in policy-making through the analysed collegiate bodies. Considering CNDI as a successful case, less

⁴⁰ See: MAPA Ordinance No 530, of 12 June 2008 [In Portuguese]. [Online]. Available: <https://sogi8.sogi.com.br/Arquivo/Modulo113.MRID109/Registro28226/documento%201.pdf>.

⁴¹ See: Dinheiro Rural, 03/11/15, MAPA atualiza regimento do Conselho do Agronegócio [In Portuguese] [Online]. Available: <https://www.dinheiro rural.com.br/noticia/agrotecnologia/mapa-atualiza-regimento-do-conselho-do-agronegocio>.

⁴² See: MAPA, Ata de Reunião [In Portuguese] [Online]. Available: <http://www.agricultura.gov.br/assuntos/camaras-setoriais-tematicas/documentos/camaras-setoriais/aves-e-suinos/anos-anteriores/ata-de-reuniao-avesesuinos.pdf>; and http://www.abras.com.br/supermercadosustentavel/pdf/ata_reuniao_38.pdf.

⁴³ See: Sistema Ocepar, *MAPA I: Kátia Abreu ouve demandas das Câmaras Setoriais Temáticas* [In Portuguese] [Online]. Available: <http://www.paranacooperativo.coop.br/PPC/index.php/sistema-ocepar/comunicacao/2011-12-07-11-06-29/ultimas-noticias/105126-mapa-i-katia-abreu-ouve-demandas-das-camaras-setoriais-tematicas>.

ambitious and more target objectives were also important for attaining the aimed goals provided by Decree 5,353. In contrast to CDES, CNDI main objective was not the political engagement of members in policy-design. It was their support in the identification of impediments to policy effectiveness, to the extent that discussions focused on policy implementation. Conex and Consagro also targeted increasing government awareness about bottlenecks, not foreign trade or agricultural policy-design. Nevertheless, meetings irregularity harmed the operationalization of these collegiate bodies. Within CNDI, during Lula's First Term, the combination of Minister direct involvement, regularity of meetings and targeted objectives seems to have ensured success, considering the goals envisaged in its establishment.

CONCLUSION

By analysing the complex interlinking network of business-state relations in Brazil during PT Governments, this paper demonstrates the relevance of the structure of collegiate bodies as a tool for business influencing policy-making at the federal level. While extra-parliamentary political participation increased since Lula, business political participation through collegiate bodies also increased, following a longstanding tradition in Brazilian politics. This suggests that, by institutionalizing collegiate bodies, PT's Governments also relied on business knowledge for improving economic performance and promoting social development. Nevertheless, business contributions to policy-making within these mechanisms were contingent to continuities in the work, to the attention given by key authorities and to the establishment of targeted political goals.

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