8
INTEREST ARTICULATION
AND LOBBYING

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Introduction

Brazil’s system of interest representation has been called hybrid (Diniz 1992; Diniz & Boschi 1993, 1999), modified corporatism (Gozetto & Thomas 2014), and even marble cake corporatism (Power & Doctor 2004). This means, in the Brazilian political system, that legislation, organizational structure, and corporatist culture coexist alongside an increasing pluralism. The resilience of corporatist institutions, combined with the pluralist representation of economic interests and strong, active, and diversified social movements, makes the task of interpreting the Brazilian case intriguing. This chapter takes on that task, presenting a description of the main characteristics of the complex puzzle that represents the process of interest articulation.

Although the foundations of corporatism in Brazil date back to the 1930s, I focus on the most recent democratic period. My starting point is the re-democratization of the country that began in 1985 but was consolidated with the promulgation of the federal Constitution of 1988. Several institutional changes occurred during this period, modifying the legislation that regulated important aspects of the corporatist order. Economic changes also affected the nature and strategies of action taken by organized interests in the country, but neither the legislative changes nor the economic transformations significantly altered the foundations of the corporatist structure. More recently, however, significant changes do seem to be appearing.

The analytical strategy adopted here is anchored in the concept of an interest group system, an operating definition developed by Thomas and Klimovich (2014). By interest group system, the authors mean “The array of groups and organizations, both formal and informal, and the lobbyists who represent them, working to affect public policy within a nation, state, or other political jurisdiction” (Thomas & Klimovich 2014: 169).

The concept of an interest group system is broad, but its implementation allows one to establish more precise boundaries to guide the analysis. For Thomas and Klimovich, an interest group system is an inseparable part of any political system and can be characterized by five main aspects:

1. the range of interests and interest groups operating
2. the role of groups in society
3. the methods they use to achieve their goals
Interest Articulation and Lobbying

The chapter is organized in four sections. Following the introduction, the second section describes the most active interest groups in the country, looking at organizations of the corporatist system, inherently pluralistic entities, social movements, and new forms of representation. The third section discusses goals, arenas, and strategies of lobbying, considering interests in action in parliament and the executive together with regulatory agencies and the judiciary. The last section describes the institutional changes in the context of the current political and economic crisis, raising hypotheses about the consequences of these changes for interest representation in Brazil. Three recent changes are the most relevant: the labor reform of 2017, the ending of campaign financing by firms in 2015, and the current regulation of lobbying.

Corporatism, Pluralism, and Lobbying Agents

A description of the interest group system of Brazil must confront at least two challenges. First, the absence of lobbying regulation hinders the acquisition of a reliable source of data on the size and characteristics of the entities and professionals that represent interests. Second, research on Brazil in this area is limited. Given these limitations, I rely on the few available sources to assess and describe this sample of organizations in the most detailed manner possible.

I collected data from four sources: (i) the Ministry of Labor and Employment (Ministério do Trabalho e Emprego; MTE) on organizations of the corporatist system, including unions, federations, and confederations; (ii) the Brazilian Association of Institutional and Governmental Relations (ABRIG) and from the Institute of Governmental Relations (IRelGov) on the professional lobbying of various economic sectors; (iii) from the Brazilian Association of Non-Governmental Organizations (ABONG), the main entity that assembles social movements; and (iv) recent academic studies on the action of interest groups in the Brazilian political system.

Corporatism: the Dual Standard of Business Representation and the Fragmentation of Worker/Labor Representation

The Constitution of 1988 incorporated the principle of freedom to organize unions, putting an end to the interference of public authorities in the creation, administration, or operation of unionized organizations. But the new constitutional order also preserved essential characteristics from the past: the principle of the single union (and consequently a monopoly of representation), the compulsory contribution (the union tax), and the federal structure and hierarchy of representation. Thus, the new constitutional order retained the founding characteristics of corporatism in Brazil, despite having included the principle of freedom of organization.

The Consolidated Labor Laws (CLT), the principal infra-constitutional legal instrument that oversees labor relations and union representation, establishes that the representation of workers and companies must be maintained in accordance with the principles of the single union. That is, the representation of a labor or business category is made by only one organization per level (national, state, and local). This principle of union uniqueness is also known as the monopoly of representation. The same law establishes a federal structure and hierarchy of representation made up of unions (local level), federations of unions (state level), and confederations (national level).
In these aspects, Brazilian law has continued to be much like that of the 1930s when the foundations of corporatism were established. But two changes happened.

One of the novel features of the post-1988 period is the legal recognition of centrais sindicais—that is, trade union associations. Trade union associations are national entities congregating various entities, including local unions, federations (state-level organizations), and confederations (national-level organizations). They act as umbrella organizations, but, unlike confederations, they govern a multisectoral representation of workers with their own legal personality and independent structure. In 2008, a specific law recognized trade union associations, giving them an important role in the representation of workers through activities such as coordinating the representation of workers and participating in negotiations in the tripartite configuration.4

On the other hand, recent changes have significantly altered the CLT, which also established a compulsory contribution (in practice, a union tax) that financed the activities of a massive network of unions of both workers and business. In 2017, the institution of compulsory union contribution was modified, becoming non-binding.5 This is an important change, one that will affect the ways in which unions, federations, confederations, and trade union associations are funded. Its effects are not yet known, but we will return to the subject in the final section of this chapter.

As of 1988, public authorities may not impede the formation of new unions or control their administration (in accordance with the principle of union freedom), but public authorities remain in charge of registering union entities. The MTE is the body responsible for the registering of unions, federations, confederations, and trade union associations. The MTE maintains a set of records of these entities. Surveying done by Campos (2016), based on MTE data, indicates that in 2016 MTE recognized no less than 16,491 economic and professional interest representation organizations in Brazil: 15,892 unions (local level), 549 federations (meso level), and 43 confederations and 13 (7 major) trade union associations (macro level). Of all these representative organizations, 5,251 worked on behalf of employers and businesses, and 11,240 on behalf of workers (Campos 2016).

If we consider only national entities (the focus of this chapter), Brazil boasted 43 confederations and 13 trade union associations in 2016. Figure 8.1 shows the size of the structure of union representation in Brazil during this year.

![Figure 8.1 Brazilian Federative Union Structure.](source)
What levels of resources do these organizations control? In 2017 their resources were estimated (referring to the 2016 union contribution) to be approximately R$3.5 billion (US$1.7 billion). Part of this amount is earmarked for the peak entities, the federations (state level) and confederations (national level). These peak entities had a budget of R$525 million (15 percent of the total value of union contributions) in 2017.6

This vast machine gives us an idea of the strength of corporatism in Brazil, and it can also be an explanatory factor in the resilience of this model of interest representation in the country. These organizations employ large number of workers and a powerful bureaucracy controlling a significant budget. Altering their foundations would directly affect the life of the entities, the workers, and their respective bureaucracies. It would also affect the current correlation of political forces between the many entities that represent interests.

Still, the corporatist representation of interests is subject to various dilemmas of collective action, including the size of the groups, the resources at their disposal, the regulations under which they act, and the economic context. All these factors affect the political strategies of these entities, with different consequences for the organizations representing workers and those representing businesses.

The proliferation of trade union associations of workers (centrais sindicais), forming many entities and fragmenting representation, has been markedly different from employers’ unions. The strategy of the employers’ unions was distinct and can be characterized as the sharing of the strength of the employers’ federations and confederations with national sectoral business associations (free associations, not dependent on or affiliated to corporatist structure). This strategy resulted in the formation of a broad network of cooperation between corporatist and extra-corporatist entities. Diniz and Boschi (1999) call this “the dual standard in interest representation.” In the field of business and employers’ representation, since the 1980s, when:

profound changes in the economic and social order led to the proliferation of various forms of participation, which developed at the margin of the corporate structure. [...] the growing complexity of Brazilian society led to the reinforcement of pluralistic tendencies, resulting in the emergence and proliferation of associations of independent professionals, professors, and employees of the service sector and state-run enterprises, among others.

(Diniz & Boschi 1999: 164)

It is important to note, however, that today the center of gravity of this representation is still formed by the overarching entities of the corporatist system. Notably, the national confederations of companies, such as the National Confederation of Industry (CNI), the National Confederation of Agriculture and Livestock (CNA), and the National Confederation of the Commerce of Goods, Services, and Tourism (CNC), all perform central roles in business representation.

Still, the data on trade union associations of workers show a high degree of fragmentation of representation into multiple overarching entities, as seen in Figure 8.1. The most relevant trade union associations are, by order of representativeness, the Unified Workers’ Central (CUT), which accounts for 30 percent of the total number of union workers in Brazil; the General Union of Workers (UGT), with 11 percent; Union Force (FS), 10 percent; the Center of Brazilian Workers (CTB), 10 percent; the Center of Brazilian Unions (CSB), 8 percent; and the New Workers’ Trade Union Center (NCST), which accounts for 7.5 percent of unionized workers. By law, these are the entities that receive a portion of the compulsory union contribution, the main source of funds financing their operations (MTE 2016).
There are seven other active trade union associations, albeit with low representation and without funding from the union contribution, including the National Coordination of Struggles (Conlutas), 2.25 percent; the General Center of Brazilian Workers (CGTB), 1.9 percent; the Brazilian Democratic Workers’ Center (CBDT), 0.67 percent; Pública, 0.13 percent; Intersindical, 1 percent; the Unified Center of Brazilian Civil Servants (CUPSPB), 0.01 percent; and the Workers’ Syndical Union (UST), 0.01 percent (MTE 2016).

The numbers show substantial variation in terms of representativeness. If we consider only the six most important trade union associations, we see that they represent 77 percent of unionized workers in the country, leaving the other seven trade union centers to represent only 5.8 percent. About one-sixth of workers are members of unions unaffiliated with any trade union center. Figure 8.2 shows the distribution of representativeness of the trade union centers in 2016.

In contrast to workers, corporate entities gambled on a strategy of coexistence with pluralism, incorporating extra-corporatist sectoral associations as a part of their base. A special case, one that illustrates this strategy, is that of the CNI, which developed a successful strategy of incorporating sectoral demands and demands coming from freelance associations into its contingent of associates. With this strategy, the CNI has positioned itself as an important “political entrepreneur” (Mancuso 2007), legitimizing itself by handling the common agenda of multiple industrial sectors while also incorporating sectoral demands. To a lesser degree, the CNA and the CNC also pursued this strategy, but the paradigmatic case is certainly that of the CNI in the industrial sector.

The fragmentation of representation among workers and the dual standard of representation among businesses ended up creating a complex system of interest representation that constitutes (even operating under corporatist legal regulation) an unconventional network of influence. This complexity strays from the idea of corporatism as a *concertation*7 typical of European corporatist systems. Brazil’s political environment can be more accurately described as a contest for influence involving multiple actors with veto powers and varying negotiating strength.

Political deal making in negotiations in Brazil is always difficult and marked by intense debate. Even successive attempts to reform the organizational structure of trade unionism itself have failed, helping to keep the foundations of corporatism relatively stable as the economy has become more complex and pluralism has expanded. The shift of power that took place in 2002, when leftist worker leadership derived from the union movement reached the presidency of the

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Figure 8.2 Percentage of Unionized Workers by Trade Union Associations.
Source: MTE (2016).
Republic, created favorable conditions for reform. At that time there was a general expectation of significant changes in the foundations of trade union organization and, more generally, in relations between the state and society (Power & Doctor 2004). Although there were many attempts at reform during this period, no significant reforms were implemented.

But the puzzle is not complete. In the next section, I focus on other forms of organization in the private sector that make up Brazil’s interest group system.

**Pluralism, Business, Private Sector Lobbying, and Professional Stakeholders**

The lobbying of the private business sector constitutes another important piece of the puzzle of interest representation in Brazil. This sector is made up of a group of organizations with different characteristics, but they can be understood in conjunction with the corporatist system.

Gozetto and Thomas (2014) suggest a typology that clarifies this context. They see private sector lobbying as predominantly organized in two ways:

- lobbying by the public affairs departments of business associations and individual businesses, and
- lobbying by consulting firms; publicity, communication and public affairs firms, law firms, and political analysts.

(Gozetto & Thomas 2014: 226)

These are the two ways in which varied economic and business interests are supported. In some cases, medium and large companies and sectoral associations hire staff and maintain, in house, a professionalized structure of lobbying and government monitoring of public policies relevant to their interests. In other cases, companies and other forms of interest organization hire specialized firms and professional service providers. This hiring can take various forms, such as specialized consultants, consulting companies, and law, communications, and public relations firms.

Two organizations bring together professionals, companies, and firms specializing in lobbying: ABRIG and IRelGov. The first, based in Brasília, has a national character, whereas the second is based in São Paulo state.

ABRIG was founded in 2007 and, after 10 years of existence, it has brought together an increasingly large number of companies, firms, and professionals from the area of government relations (abbreviated as Relgov), law firms and consultants, as well as independent professionals. Today, ABRIG possesses no fewer than 260 associates (237 private individuals and 23 companies). Its membership is made up of professionals and companies from a wide range of sectors of the economy.

ABRIG has dedicated itself to several activities related to the professionalization of institutional and Relgov activities. Notable initiatives include: (i) the establishment of a code of ethics (the first instance of self-regulation of lobbying in the country); (ii) a broad campaign to expand its membership; (iii) an open campaign in favor of lobbying regulation; (iv) a joint action with the MTE to formally recognize the activity of Relgov; and (v) a set of activities devoted to vocational training in the field.

IRelGov, founded in 2015, seeks “to raise the degree of professionalism, competence, and ethical standards of its activities by positioning itself as a think tank for the field.” IRelGov currently has 168 associates, 28 of which are legal entities (companies and organizations), and 140 private individual members. The individual members represent several companies and organizations, at least 82 of which are identified on the organization’s website. Because it is an organization located in the state of São Paulo, the largest industrial, commercial, and
economic center of the country, IRelGov mainly aids large companies such as automobile manufacturers, communication companies, and pharmaceutical firms. To a large extent, IRelGov also develops activities directed toward recognizing the professionals of Relgov and training its professionals.

In 2015, the “RelGov em Foco” (Government Relations in Focus) website, in partnership with ABRIG, studied the profile of institutional and governmental relations professionals. According to the research report, “the sampling relied on the responses of 160 professionals from the entire country, out of a universe of 2,000, according to ABRIG’s estimates” (Galvão 2015: 1).

There appear, in other words, to be around 2,000 active professionals working today in Brazil. In the absence of a more reliable survey of the size of this community, the estimate suggests that the professionalization of the activity is growing. A number closer to the real figure, nonetheless, will depend on lobbying regulation and the availability of data for future studies.

The Professionalization of Lobbying

The debate on the professionalization of lobbying in Brazil is not new, and several studies call attention to the phenomenon (Aragão 1994; Diniz & Boschi 1999; Mancuso 2007). These studies agree that recognition of the professionalization of the actions and strategies of lobbying started in the 1980s. But it is during the most recent period that we have access to more specific data about the profession.

A research survey conducted in 2016 jointly by the Center for Legislative Studies of the Federal University of Minas Gerais and ABRIG gathered opinions from 145 professionals in the field. Table 8.1 summarizes some of the notable aspects of the study.

The results indicate that 63 percent of the professionals work full time in this activity, and 35 percent are part time. Almost 59 percent of the respondents claimed to be company employees, and 35 percent are service providers.

The respondents provided information about the organizational structures in which they work. Almost 78 percent believed that their work is “highly professionalized” or “professionalized,” and another 22 percent believed that their work is in “the process of being professionalized.” Only 2 percent believed the activity was carried out “in an amateur and/or unsystematic way.”

When they were asked about the specialization of the teams with which they work in these organizations and companies, no less than 71 percent of respondents stated that these teams are very specialized or specialized. Only 7 percent of respondents stated that the teams are not very specialized.

Finally, it is clear that companies and organizations think this work is important. More than 70 percent of respondents confirmed that their firms had a department exclusively dedicated to the activities of Relgov in their management structures, and that this sector was linked to the strategic level of the organization. Only one-eighth of the respondents reported that no sector was exclusively dedicated to the activity in their organizations.

A more recent study (Santos et al. 2017) found differences in the degree of professionalization in the representation of workers and of business owners, uncovering “a movement toward professionalization of lobbying.” Despite the recognized dominance of the business owner in terms of financial, human, and organizational resources, especially vis-à-vis workers, there “was significant space for lobbying activities” (Santos et al. 2017: 13).

The professionalization of lobbying activity both contrasts and interacts with the corporatist model of interest representation. This is the focus of the next section.
As I have demonstrated, the interest representation system in Brazil encompasses a complex network of organizations that are corporatist and pluralist in nature. The network includes companies, specialized professionals, lobbying consulting firms, law firms, unions, federations, confederations, and social movements. In this section, we discuss the formation of this network.

The research cited in the previous section shows that the membership of ABRIG gathers Relgov professionals (lobbyists) with distinct institutional links, as Table 8.2 shows. The majority of Relgov professionals are in-house, followed by professionals working in specialized Relgov firms, and then independent professionals. The largest number of professionals in ABRIG represents the industrial sector, followed by the service sector. The sample underrepresents the non-profit sector.

In the survey of professionals, our researchers asked about their ties of cooperation with other organizations. The results show that the cooperation network among these professionals...
and organizations primarily consists of professionals tied to companies and specialized offices, but entities of the corporatist system still occupy central positions. The peak associations of the corporatist system continue functioning as the “glue” of this community. These corporatist linkages are clear in the graph in Figure 8.3.

At the center of the network we find the representative confederations of the corporate system (in blue), including the CNI, the CNA, and the CNC. We also find some federations (state-level organizations) such as FIESP (Federation of the Industries of the State of São Paulo) and FIRJAN (Federation of the Industries of Rio de Janeiro). These are, of course, the two most economically developed states in the country.

Figure 8.3 also shows some national unions, such as SINDITELEBRASIL (National Syndicate of Telecommunications Companies and of Mobile and Personal Phone Services) and SINDIPEÇAS (National Union of Industry for Automotive Vehicle Components), but there is no doubt that cooperation takes place predominantly around the peak organizations.

Organizations of sectoral representation (extra-corporatist) also have an important role in the network of lobbying professionals. The associations that appear in the key positions of the network are ABIQUIM (the Brazilian Association of Chemical Industries), INTERFARMA (the Association of the Pharmaceutical Research Industry), ABAG (the Brazilian Association of Agribusiness), ABIA (the Brazilian Association of Food Industries), ABIHPEC (the Brazilian

<table>
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<tr>
<th>Table 8.2 Institutional Links of Lobbying Agents</th>
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<tbody>
<tr>
<td><strong>Institutional Linkage</strong></td>
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<tr>
<td>Government relations company</td>
</tr>
<tr>
<td>Government relations office</td>
</tr>
<tr>
<td>Independent professional</td>
</tr>
<tr>
<td>Representative entity of the corporatist system</td>
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<tr>
<td>Office of Advocacy</td>
</tr>
<tr>
<td>Sectoral associations</td>
</tr>
<tr>
<td>Public sector (parliamentary advisor)</td>
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<tr>
<td>NGOs for the defense of diffuse interests</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td>No response</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
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*Source: Centro de Estudos Legislativos/UFMG & ABRIG (2016).*

<table>
<thead>
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<th>Table 8.3 Representatives by Sector of the Economy</th>
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<tbody>
<tr>
<td><strong>Sector of the Economy</strong></td>
</tr>
<tr>
<td>Industry</td>
</tr>
<tr>
<td>Services</td>
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<tr>
<td>Non-profit sector</td>
</tr>
<tr>
<td>Commerce</td>
</tr>
<tr>
<td>Agriculture and livestock</td>
</tr>
<tr>
<td>Financial</td>
</tr>
<tr>
<td>Other(s)</td>
</tr>
<tr>
<td>No response</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

*Source: Centro de Estudos Legislativos/UFMG & ABRIG (2016).*
Association of Personal Hygiene Products, Perfumery, and Cosmetics Industry), ABIMAC (the Brazilian Association of Machinery and Equipment Industry), ABINEE (the Brazilian Association of Electric and Electronics Industry), and the ANFAVEA (the National Association of Automotive Vehicle Manufacturers).

Relgov companies, law offices, and consultants (orange points) also hold positions of relative influence in the network. Altogether, seven offices and firms are identified (the actual number is much greater). These companies and specialized professionals hold an increasingly important role as factors linking companies, federations, unions, and state bodies. They function as a tie between professionals, associative entities, and the corporate institutions (see Appendix 2).

The role of corporatist and pluralist entities and their ties with Relgov professional consultants and companies needs to be understood in a broader context. In many cases, a company (represented by in-house lobbyists) prefers to rely on the associations and confederations in its interactions with decision makers and public authorities. There are at least three motives for this. The first is that it can protect the company by preventing it from exposing itself excessively in the decision-making process. By placing its representative entity in the front lines, the company itself is preserved. In addition, the decision-making process often carries reputational costs for those involved.

The second reason is that in public opinion it seems more significant to be represented by a sector. Self-representation via company can be easily interpreted as self-interested or as a defense of “purely” private interests (rent-seeking), as opposed to “public” or “diffuse” interests.

Finally, decision makers themselves simply prefer it this way. The public agent feels more secure speaking with an association than with a company specifically, through its Relgov
professionals or directly with the business owner. Once again, the motive is the same: public opinion. Public agents, especially those facing elections, must concern themselves with reputation, particularly at a time when corruption and cozy relations between companies and politicians have maximized distrust in public opinion. These strategies comprise, in other words, a rational adaptation by political actors needing to act jointly in defense of their interests in an environment that combines corporatism with pluralism.

Still, despite the hybrid quality of this network, its main links continue to be the organizations of the corporatist system. The network presented here shows that two sectors appear strongest, the industrial sector and the agricultural sector. The CNI and CNA are key actors and share centrality and influence with the FIESP and the Parliamentary Front of Agriculture (identified as FPA in Figure 8.2).

Large organizations (organizations bringing together organizations) such as the CNI and CNA tend to face issues of representation and collective action. Such peak entities, at the top of the representative hierarchy, risk becoming lethargic and insensitive to their sectoral and local interests. To some extent, broad sectors such as industry and agriculture face the same problems, although, in Brazil’s case, they have dealt with them quite differently.

In agribusiness, several pluralist organizations emerged over time, vying (like the CNA) to represent the sector. The UDR (Democratic Ruralist Union) brought together many of these organizations and demonstrated its influence as much in parliament as in the executive branch (Gozetto & Thomas 2014). Another characteristic was the formation of a broad, nonpartisan caucus in the Congress. This caucus was the base for the creation of an organization called the Parliamentary Agriculture Front (FPA), which today is quite professionalized and rivals the CNA, or at least competes with it for the interest representation of the sector.

The CNC, which represents commerce, was different. The CNC incorporated its various sectoral interests in the composition of its board of directors, and this led to divisions. Tensions exist, for example, between the National Tourism Confederation and the National Health Confederation. There is still a sharp internal conflict involving FECOMERCIO (National Federation of Commerce) and CNC.

The CNI appears to have adopted the most efficient strategy among the various confederations. It created the National Industry Forum, which brings together entities from both the corporatist system and the pluralist associations. Through this forum and a broad program called Industry Network, the CNI came to be the main political entrepreneur of the sector. The collective construction of a common agenda, the Industry Legislative Agenda (ALI), is an example of successful collective action coordinated by the CNI.

The network presented here demonstrates the rational way in which private interests have adapted to the institutional environment in their interaction with the Brazilian state. But in this context the promotion of diffuse interests does not appear prominently. Thus, another piece of the puzzle needs to be added – that is, the set of organizations that make up social movements.

**Social Movements: New and Old Outsiders’ Interest Groups**

Since the 1980s, Brazilian civil society has grown substantially. Social movements had an important role in the redemocratization of the country, especially in the defense of minorities and collective interests. Many nongovernmental organizations (ONGs) were active during the National Constituent Assembly (1987–1988) when important rights were established in the current Constitution. A broad explanation about the importance of social movements can be found in Chapter 6 (Abers & von Bülow) of this book. Here, I will present a few characteristics of these movements as they affect lobbying.
Gozetto and Thomas (2014) found that social movement organizations fall into two groups:

One group, relatively new on the Brazilian lobbying scene, includes women’s groups, environmentalists, human rights interests, new religious interests (such as Evangelicals), and gay rights groups. The second group encompasses long-standing but outsider, non-establishment interests. These include students, indigenous rights, and landless interests, along with the recent movement of 2013–2014 against the high cost of the World Cup and the Olympic Games.

(Gozetto & Thomas 2014)

According to ABONG, these organizations still operate in a regulatory vacuum, but in 2016 the Congress approved Law No. 13,019, creating new rules for partnerships among civil society organizations and the State (ABONG 2017).

Many of these organizations – national and international – act in networks and actively participate in the decision-making process. Their common agenda is mainly the competition to introduce matters of collective interest (as opposed to private interest) to the political agenda.

Although it is not possible to make a complete list of these organizations, we can consider some examples for illustrative purposes, including religious organizations (such as the National Conference of Brazilian Bishops or the National Council of Christian Churches), sports organizations (soccer clubs as well as federations and confederations of different sports), student representation organizations (UNE – the National Students Union), and the rural workers’ organizations (the Landless Movement).

For the defense of civil rights there are countless entities, such as those combating violence (the Sou da Paz Institute), the defense of human rights (the Brazilian section of Human Rights Watch), children’s rights (the Alana Institute and the Abrinq Foundation), the promotion of transparency in the public sector (Transparency Brazil and the Brazilian section of Transparency International), consumer defense (Idec – Brazilian Institute of Consumer Defense), and the promotion of environmentalism (SOS Atlantic Forest Foundation and the Brazilian section of Greenpeace).

In the defense and promotion of the rights of minorities, it is also possible to find many examples, including feminist entities defending gender equality (Cefemea), entities in the fight against racism (MNU – Black Unified Movement), and the LGBT movement, which brings together a myriad of organizations in the fight against discrimination against different gender identities.

Social movements occupy important niches in the lobbying universe – or advocacy, the term they prefer to distinguish them from companies and organizations that operate for profit. ABONG brings together NGOs throughout the country. Its membership consists of no fewer than 230 NGOs with diverse areas of activity, from every region of the country (ABONG 2017).

Although many of these organizations are prominent, the universe is much broader than can be described here. However, the strength and intensity of social movements in Brazil contrast with the fact that they are not formally recognized, and that there is a paucity of systematic information about them. One of their main demands continues to be the building of an environment that favors the autonomous organization of civil society and that fosters a more effective engagement of citizens in public causes (ABONG 2017).

**Targets and Lobbying Strategies**

Interest groups in Brazil act in multiple political arenas. All government institutions are targets of lobbying and advocacy, with different levels of intensity. Two recent studies investigate the tactics of interest groups. The first showed that lobbying is more intense vis-à-vis the executive
(ministries and other bodies), the legislatures (Chamber of Deputies and Senate), and regulatory agencies. Lobbying is less intense toward the judicial power (Supreme Courts) and the Public Ministry. The data are displayed in Table 8.4.

The second study (Table 8.5) showed very similar results. Again, respondents highlighted lobbying activities in the executive and legislative branch.

Lobbying of regulatory agencies falls into an intermediate position when compared with other targets. In fact, these data are consistent with the trajectory and the institutional design of Brazilian regulatory agencies. Regulatory agencies hold very different roles depending on their jurisdictions, and although they tend to be recently created institutions, some are quite powerful in their regulatory capacity. In the sections that follow, I analyze strategies of lobbying in different political arenas.

### Interest Groups and the Legislature

An important data source for the actions of interest groups in the Congress is the register in the Chamber of Deputies. In the 33 years from 1983 to 2016, no fewer than 746 organizations registered in the legislative branch: 54 from civil society (73 percent), 165 legislative liaisons (22 percent), and 37 organizations (5 percent) classified as “others” (semi-public companies, financial institutions, and public companies). The historical series in Figure 8.4 provides an idea of the growth of the activity of these groups in parliament. In 1983, only 47 groups were registered, but by 2016 the register listed 423.

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**Table 8.4 Frequency of Activities in Political Arenas**

<table>
<thead>
<tr>
<th>Arenas</th>
<th>No Activity (%)</th>
<th>Not Very Intense (%)</th>
<th>Moderately Intense (%)</th>
<th>Intense (%)</th>
<th>Very Intense (%)</th>
<th>DK/NR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive branch (ministries and other bodies)</td>
<td>4.9</td>
<td>10.4</td>
<td>25.0</td>
<td>23.6</td>
<td>34.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Senate</td>
<td>13.2</td>
<td>20.8</td>
<td>18.1</td>
<td>22.2</td>
<td>23.6</td>
<td>2.1</td>
</tr>
<tr>
<td>Chamber of Deputies</td>
<td>12.5</td>
<td>16.0</td>
<td>13.2</td>
<td>24.3</td>
<td>31.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Regulatory agencies</td>
<td>11.8</td>
<td>16.7</td>
<td>19.4</td>
<td>14.6</td>
<td>35.4</td>
<td>2.1</td>
</tr>
<tr>
<td>Supreme Federal Court (STF)</td>
<td>63.9</td>
<td>25.7</td>
<td>4.0</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Superior Court of Justice (STJ)</td>
<td>66.0</td>
<td>24.3</td>
<td>3.5</td>
<td>1.4</td>
<td>2.8</td>
<td>2.1</td>
</tr>
<tr>
<td>Public Ministry</td>
<td>56.3</td>
<td>25.0</td>
<td>11.1</td>
<td>2.1</td>
<td>3.5</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: Centro de Estudos Legislativos/UFMG & ABRIG (2016)

**Table 8.5 Strategic Relevance of Each Political Arena**

<table>
<thead>
<tr>
<th>Political Arena</th>
<th>Irrelevant / Not Very Relevant (%)</th>
<th>Moderately Relevant (%)</th>
<th>Relevant / Very Relevant (%)</th>
<th>DK/ NR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamber of Deputies</td>
<td>0</td>
<td>1.5</td>
<td>93.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Senate</td>
<td>0</td>
<td>1.5</td>
<td>93.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Executive branch (Ministries and other bodies)</td>
<td>1.5</td>
<td>6.2</td>
<td>87.7</td>
<td>4.6</td>
</tr>
<tr>
<td>Judiciary branch</td>
<td>22.2</td>
<td>26.1</td>
<td>47.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Regulatory agencies</td>
<td>26.1</td>
<td>20.0</td>
<td>46.2</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Source: Centro de Estudos Legislativos/UFMG & ABRIG (2016)
On the other hand, Cesário (2016), surveying participation in public hearings, notes a dense network of interaction among different interests in the National Congress. Public hearings take place in the permanent committees of the Chamber of Deputies. Utilizing data from 2011 and 2012, Cesário found that 975 different interest groups had participated. To a large extent, these data confirm a high degree of pluralism in Brazil, especially in the legislative branch.

Lobbying in the legislature is particularly important for economic groups such as industry and agribusiness. Mancuso (2007), Santos (2011, 2014b), and Santos et al. (2015) note the high success rate of the industrial sector in getting legislative approval for its legislative agenda. The agribusiness sector also does well. A recent example is the altering of the content of the Forest Code, a proposal from the executive. Historically, the ruralists (as they are called) have managed to maintain the status quo in terms of land regulation in Brazil, despite the strength and mobilization capacity of many popular movements, such as the Landless Workers’ movement (Movimento dos Sem Terra).

The dominant strategy among interest groups in the Congress is to lobby within the sphere of committees. Using their expertise and capacity to influence, groups act together with rapporteurs on matters of interest to them. Lobbying groups also interact with members of parliamentary commissions with jurisdiction over their sectors and the policies of interest. The success of these groups can be verified by examining the introduction of amendments to legislation in the proposal stage and/or the blocking of the passage of legislative proposals contrary to their interests. Research suggests, for example, that the success of industry can be demonstrated more clearly by the maintaining of the status quo than by new legislation itself, that is, approval of a proactive agenda.

Social movements with an agenda of diffuse rights also act in the Congress, but the professionalization of lobbying is much more perceptible in the private sector than among non-profit organizations. This professionalization depends on the capacity to mobilize resources, which is greater in the private sector. Even though social movements are somewhat active and combative, business sectors, represented by their corporatist and pluralist organizations, continue to be the most influential actors in the Brazilian legislature.

In summary, it is clear that in the post-1988 period the legislature has become a quite competitive political space of decision making and action. The increasingly large mobilization of these interest and lobbying groups confirms this supposition. On the other hand, as pluralism
grows, the decision-making process in the legislature will be accompanied by increasing participation by agents of the state itself—that is, the legislative liaisons.\textsuperscript{30} As we have seen, 22 percent of those registered in the Congress are parliamentary advisors of the ministries and other bodies of the state that heavily monitor and participate in this legislative process.

These findings need interpretation, especially given the fragmentation of parties in Congress and in the formation of presidential cabinets, as well as the expansion of the functions of the Brazilian state. Party fragmentation is discussed elsewhere in this volume, but note that the number of ministries has increased significantly post-2000. Between 2002 and 2014, the number of ministries grew from 12 to 39. The number of regulatory agencies has grown from 3 in 1996 to 11 in 2018.\textsuperscript{31} Finally, the bureaucracy in the executive and judiciary powers has expanded. The presence of representatives of the state in the decision-making process in the legislature, monitoring and at times competing for influence with private interests and social movements, reflects the political environment in the Congress and the growing relevance of the actions of interest groups, both in the Chamber of Deputies and in the Federal Senate.

\textbf{Interest Groups in the Executive}

Lobbying strategies guiding actions in legislatures are preceded by actions in the executive power, which formulates proposals. Lobbying also focuses on the moment following the legislative process, as the executive power heavily regulates certain sectors by means of decrees, that is, lawmaker delegations granting discretionary powers to the agents of the executive power and thus directly and indirectly affects many sectors of the economy.

In a recent study of the activities of interest groups in the executive power, Frassão (2017) shows how various economic sectors participated in the elaboration of the \textit{Plano Brasil Maior} (Greater Brazil Plan), a government-sponsored plan for economic development. Aspects of this plan would affect no fewer than 19 economic sectors between 2011 and 2014 via subsidies, regulation review, production incentives, export facilitation, and infrastructure. Frassão shows how organized corporate political action made a big difference to government decisions and how the lobbying of business interest groups succeeded in modifying the outcome of the plan.

Interest groups also interact with the presidency of the Republic itself. The Casa Civil oversees relations between the cabinet, society, and Congress, and it is itself the target of lobbying actions by both organized interests and social movements.\textsuperscript{32}

Organized interests also lobby the executive through public policy councils. By constitutional order, the main areas of government and its ministries rely on sectoral councils of public policy.\textsuperscript{33} These councils, collegiate bodies allowing society to participate, are mechanisms for the social accountability of government actions and policies. The public policy councils formulate and control policies. The actions of interest groups in these bodies happen primarily in two ways: in the lobbying of members of the councils and in the lobbying for the appointment of their members. The competition for space is quite fierce, not only because these bodies have power to make policy but also because they have privileged access to information (mainly budget-related) on policies. The policy councils are truly an important locus of action for organized interests seeking to influence the formulation and implementation of public policies in Brazil. This is an under-researched area in the lobbying literature.

\textbf{Interests Groups in Regulatory Agencies}

Brazilian regulatory agencies vary in terms of their independence from the executive power. Da Silva found “political interference, which varies across agencies and over time. The results
show that the preferences of the president and the nature of the specific issue area matter for
the choices that presidents make regarding interference in the regulatory process” (2011: 39).

Despite the interference of the executive power in these agencies, they represent an important
venue for interest group action. There is little research on lobbying in regulatory agencies, but
we do know that the strength of economic interests in the determination of regulation depends
on the sector. Da Silva shows that business interests are strong in the regulation of the electric
energy sector. Her study of the case of ANEEL (National Electric Energy Agency) found:

[an] overrepresentation of the interests of the regulated industries. [. . .] the study
indicates that public hearings allow the permeability of the regulatory process to
the various groups in society. However, this permeability demonstrates a selective trend
and may constitute a pathway for capture.

(Da Silva 2012: 969)

Similarly, Baird and Fernandes found that business interest groups influenced the regulation of
the civil aviation sector, particularly by providing technical information. The high informa-
tion requirements of the sector tended to reduce the participation of a wider range of social
actors (2014). In the area of food advertising regulation, business groups have had less sway.
Baird studied the attempts in 2010 to regulate the advertising and food sector initiated by
ANVISA (National Sanitary Surveillance Agency). Despite the economic power of the two
sectors affected, food and advertising, their political action could not prevent ANVISA from
promulgating a regulation, albeit softer than its original proposal, thus demonstrating the relative
political autonomy of the agency (Baird 2016).

In more recent research, Baird investigated the strength of economic interests in the area of
insurance and health plans. His investigation of ANS (National Supplementary Health Agency)
concludes that:

after years of sanitarista (leftist health professionals) rule, liberal groups have started
to seize more power at the agency. But the changes in the composition of the ANS
Board of Directors do not seem to have caused, thus far, a liberal shift that would lead
to policies benefitting business to the detriment of consumers.

(Baird 2017).

Because research on regulatory agencies is predominantly based on case studies, it has little
capacity for generalization. But the contradictory results above show that the puzzle of influence
in these agencies has yet to be unraveled. Sometimes agencies seem to be captured by economic
sectors; at other times the agencies show a certain independence in generating regulations that
favor diffuse interests over the interests of specific economic sectors.

Interests Groups in the Judiciary

The borders between the defense of interests (lobbying) and the representation of parties in a
judicial process are tenuous and impede studies of lobbying. It is always difficult to distinguish
representation of the interested parties in a judicial process from what is effectively lobbying or
influence. In the case of constitutional courts, however, we cannot assume that it is only the
interested parties that are at issue in a given process. Constitutional decisions can significantly
alter the status quo and, because they have a distributive or redistributive character, they can
decisively influence public policies, including budgetary allocations.
In Brazil, the control of constitutionality is hybrid and can be exercised in two ways. One implies that a judicial decision can declare a law constitutional (or unconstitutional) in a specific case, generating effects only for the interested parties involved in the process. In general, these decisions are taken by judges of first instance of the judicial branch. But decisions can also declare the constitutionality or unconstitutionality of the law itself. In this type of decision (exercised by the Supreme Federal Tribunal), the constitutional court, triggered by a Direct Action of Unconstitutionality (ADI), will decide if a law is valid. In these cases, the effect of the decision is *erga omnes* and affects everyone, not just the interested parties. In practice, such decisions can remove the law (if declared unconstitutional) from the legal system. Article 103 of the 1988 Constitution gives many different political actors the right to initiate ADIs: the president, the Attorney General, the leaderships of the Federal Senate and of the Chamber of Deputies, state legislative assemblies, state governors, the Federal Council of the OAB (Order of Attorneys of Brazil), political parties with representation in the National Congress, and the confederations and class entities of a national scope.

One way of interpreting the action of lobbies and special interests in the judiciary is to think of the ADIs as an extension of the legislative process (Carvalho et al. 2015). Once defeated in the legislature, interest groups always have the option of judicializing a conflict – that is, extending the legislative dispute to the judicial arena.

<table>
<thead>
<tr>
<th>Interest Groups</th>
<th>Outcome</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Failure</td>
<td>Success</td>
</tr>
<tr>
<td>Industry representation</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>(75.0%)</td>
<td>(25.0%)</td>
</tr>
<tr>
<td>Professional associations</td>
<td>146</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>(75.6%)</td>
<td>(24.4%)</td>
</tr>
<tr>
<td>Civil servants</td>
<td>158</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>(77.1%)</td>
<td>(22.9%)</td>
</tr>
<tr>
<td>Commercial</td>
<td>49</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>(80.3%)</td>
<td>(19.7%)</td>
</tr>
<tr>
<td>Business</td>
<td>61</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>(92.4%)</td>
<td>(7.6%)</td>
</tr>
<tr>
<td>Labor unions</td>
<td>59</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>(93.7%)</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Rural producers</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>(93.8%)</td>
<td>(6.2%)</td>
</tr>
<tr>
<td>Representation of diffuse</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(100%)</td>
<td>(0.0%)</td>
</tr>
<tr>
<td>Political parties</td>
<td>514</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>(96.4%)</td>
<td>(3.6%)</td>
</tr>
<tr>
<td>Labor union associations</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(100%)</td>
<td>(0.0%)</td>
</tr>
<tr>
<td>Political parties</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>(91.7%)</td>
<td>(8.3%)</td>
</tr>
<tr>
<td>Total</td>
<td>1,071</td>
<td>146</td>
</tr>
<tr>
<td></td>
<td>(88.0%)</td>
<td>(12.0%)</td>
</tr>
</tbody>
</table>

*Source: Carvalho et al. (2015).*
In Brazil, this judicialization is facilitated by many juridical instruments, but the most relevant is the constitutional review of ADIs. Carvalho et al. show that the strategy of judicializing political conflict was used by entities and confederations in many sectors, but the industrial sector has a particularly high rate of success when compared with the other organized interests that sought the constitutional court. Table 8.6, based on the analysis of the ADIs initiated by these groups and judged by the STF between 1988 and 2010, shows which sectors were most successful. The industrial sector had the highest success rate, followed by professional associations and public servants.

The judiciary can also be a target of lobbying in at least two other ways: the participation of interest groups in public hearings and the selection of the amicus curiae. The STF has conducted public hearings on a wide range of matters. On these occasions, coalitions of conflicting groups and/or interests can give their opinions on the decision in question. Amicus curiae is an instrument in which those interested in the cause but strangers to it (i.e., not the parties themselves) can participate in the process. The amicus curiae role gives persons or groups a privileged position to attempt to influence judicial decisions. In both cases, the judiciary must recognize participation as legitimate and relevant to the process. This generates a selection mechanism that can reliably determine who can exercise influence and who will not get the chance. Unfortunately, scholars have yet to address this influence process, either in terms of the strategies used by groups to participate or in terms of estimating its capacity to influence.

Studying the action and capacity for influence of interest groups in the Supreme Federal Court and in the judicial power more broadly is an open-ended field. Considering the increasing relevance of the courts in the political process (i.e., the judicialization of politics), mapping and understanding this judicial influence is crucial to understanding Brazilian politics.

**Critical Conjunctures and Structural Changes**

In the years after the adoption of the Constitution of 1988, important changes occurred in the system of interest representation in Brazil, particularly in aspects of the corporatist model of representation. These changes, however, were more specific and incremental in character rather than true ruptures of the established corporatist order. Has the crisis that erupted in 2013 and 2014 created the conditions for more profound and structural changes?

The economic and political crisis results from a long process of deterioration in both the economy and in political representation. Economically, the global crisis brought fiscal imbalance, inflation, falling productivity, and rising unemployment. Politically, it is widely believed that confidence in institutions and approval of governments, politicians, and parties have never been lower.

In 2016, President Dilma Rousseff, directly elected by popular vote in 2014, was removed from office in a controversial and polemic impeachment process. Despite the inability of President Michel Temer, who took office in 2016, to manage the crisis, reforms have been adopted. The protagonist of these reforms has been the National Congress, which has begun a phase of intense legislative activity. The Congress has approved major changes, including labor reform, and many others, such as pension and tax reform, are underway. The intense overhaul of regulation in several sectors is still ongoing but should bring about significant changes.

At least two of these changes have already been implemented, and they directly affect the system of interest representation in Brazil. The first was a change in funding for unions, federations, and confederations. The second was the banning of campaign donations by companies. Lobbying regulation seems to be on the horizon.
Funding the Corporatist System

The recent labor reform (Law 13,467/2017) significantly alters labor relations in Brazil. It modifies one of the main pillars of the union representation system, the compulsory union contribution. These contributions are no longer compulsory, and their collection depends on prior authorization by those participating in a given economic or professional category (or an independent profession) in favor of a representative union of the same category. The law also affects the compulsory contributions of business unions, federations, and confederations.

The union contribution is not the only source of funding of the corporatist system in Brazil, but it is certainly the main one. In 2017, unions, federations, and confederations collected US$1.7 billion. These compulsory union contributions were distributed as follows: For labor unions, 5 percent went to the corresponding confederation; 10 percent to the trade union associations; 15 percent to the federation; 60 percent to the respective unions; and 10 percent for the “Special Employment and Salary Account.” The distribution for employers was slightly different: 5 percent went to the corresponding confederation; 15 percent to the federation; 50 percent to the respective union; and 20 percent to the “Special Employment and Salary Account.” The dependence of all these unions on this resource is quite high, but it is greater for labor unions than employers’ unions. Labor unions rely almost exclusively on this source to pay for their activities.

The effects of the end of the compulsory contribution are yet to be seen, but there is likely to be a significant decrease in both the number of unions and the amount of resources they are able to deploy to support their activities. The survival of many unions will now depend on their ability to represent their bases effectively. Without the compulsory union contribution, these organizations will necessarily need to convince their constituents to fund their activities.

This has certainly been the most profound change in the institutional foundations of Brazilian corporatism since 1930, even when compared with the implementation of the principle of freedom of association established by the 1988 Constitution. Its consequences are still to come.

Campaign Finance

The second reform was the banning of private campaign financing. Until 2015, Brazilian law allowed companies to donate money to fund the campaigns of parties and candidates. The lack of a nominal limit on these donations generated parties’ and candidates’ dependence on companies’ money. The rule led to a concentration of money in the largest parties and a concentration of vast quantities in a very few big companies (see Avelino and Fisch in this volume). The consequences of this change can already be seen in the creation of a public electoral fund to finance the 2018 campaign. This change is likely also to significantly alter the financing strategies of parties and candidates in subsequent elections.

Lobbying Regulation

Another important change, still ongoing, is the regulation of lobbying. Although the regulatory debate dates to 1984, when the first bill was presented in this area, lobbying has never been regulated. Despite innumerable attempts – by 2015 there had been at least 17 legislative proposals – it was never possible to reach an agreement. Recently, however, the debate has intensified, driven by the atmosphere of distrust generated by the corruption scandals.

Even professional lobbyists themselves have campaigned in favor of regulation. Entities such as ABRIG and IRelGov have not only publicly expressed themselves in favor of regulation
but also initiated campaigns to pressure the Congress to vote on new proposals as well as those that have been in the pipeline for several years.\textsuperscript{40} Major entities such as the CNI, for example, have publicly expressed their support for regulation.

While the debates continue in the legislature, ABRIG, with the support of other lobbying organizations, has initiated an intense campaign of public recognition of the activity. There are at least three major efforts. The first requires, along with the Ministry of Labor, a registration of lobbying, so that it is recognized as a formal occupation. On February 19, 2018, professionals obtained official recognition of it as an activity by the MTE by the insertion of the term \textit{Institutional and Governmental Relations (RIG)} professional into the registry of the Brazilian Occupational Classification (CBO).\textsuperscript{41} The second action is the ongoing campaign to position lobbying positively in public opinion. As the term “lobby” has a pejorative meaning, professionals seek a more appropriate nomenclature— for example, institutional and governmental relations. The third reform is the development of a set of professional training activities aiming at certification. This training would have a central theme of ethics training. For at least the last four years, graduate courses in the area have been implemented by important educational institutions, including the Getúlio Vargas Foundation (FGV), Ibmec (Brazilian Institute of Capital Markets), and Uniceub (University Center of Brasília).

\section*{Conclusion}

Brazil’s interest representation system constitutes an intriguing combination of corporatist representation and, increasingly, a more pronounced pluralism. The hybrid character of this representation began before the Constitution of 1988, but the new Constitution generated an environment with contradictory incentives along with pluralist tendencies. Continuity and change coexisted over time, with different impacts on workers and business owners. Whereas there was clear fragmentation in labor representation, business owners pursued, with reasonable success, a dual standard of representation, pragmatically coexisting with the contradictory incentives.

Post-1988, firms have been increasingly incorporating lobbying professionals into their staffs, and the professionals and specialized firms have been forming the backdrop of interest representation in Brazil. These changes point toward characteristics closer to those found in pluralist models such as the United States and Canada. Not without reason (particularly in the last two years), the regulation of lobbying has returned to heart of the debate in the National Congress, but no proposal has been adopted.

The participation of civil society in the decision-making process has gradually broadened since 1988, furthered by the institutional design of the Constitution. Greater participation was also stimulated by the arrival of the PT in the presidency of the republic, because the PT was a leftist party with strong union foundations and a long history of dialogue with social movements. To some extent, these social movements, notably those aimed at the defense of minority interests and of diffuse rights, have converted themselves into an important counterpoint to traditional power groups, and they have forced the mediation of specific social and economic interests with diffuse interests. In the Congress, civil society organizations have begun to find more space for participation in public hearings.

After 2014, an intense political and economic crisis, aggravated by innumerable cases of corruption, culminated in the dismissal of the PT government and the removal of Dilma Rousseff as president. The new government, conservative and dependent on the National Congress, gave way to a period of intense action in the National Congress. This intense legislative activity, without a counterpart in the executive power, opened up space for important institutional changes, including labor reform (2017), the end of company campaign financing (2015), and the
ongoing regulation of lobbying. The end of compulsory union contributions and the modifications in collective labor bargaining will generate changes in ways still unknown, but they will surely be profound in both relations between the state and the representative entities of workers and business owners and in capital–labor relations themselves.

The recent corruption scandals revealed that the lack of transparency between public and private relations, along with permissive campaign finance regulation, is at the heart of the problem. One important change has already been accomplished – that is, the banning of campaign financing by companies. Lobbying regulation is underway.

Although the arguments in this chapter are largely compatible with those of other scholars in the area (Wiarda 1981; Power & Doctor 2004; Gozetto & Thomas 2014), I have introduced some new elements, especially the permanence of many corporatist, conservative, and at times authoritarian components in the way the Brazilian state interacts with the most diverse organized interests of society. At the same time, there is a growing pluralism in these relations.

In general, access to the Brazilian political system is equal for all. Institutionalized groups with the greatest capacity to participate (power groups) continue to exert a disproportionate amount of influence. But pluralism has begun to allow interests represented by social movements and civil society to become more active and to take part in political calculations.

Whether, in facing this new and critical conjuncture, the system will continue to be essentially corporatist is still unknown. But the recipe has surely changed, and Brazil’s system of interest intermediation may well give way to a more plural environment.

**Appendix 1**

*Typology of Interest Groups in Brazil (Gozetto & Thomas, 2014)*

1. **Political Elites and Traditional Power Groups:**
   These have existed from colonial times and are the basic and original form of advocacy group. They are informal, noninstitutionalized entities. Examples include: the Catholic Church, the military, large landowners and industrialists, and governments and their agencies (both domestic and foreign).

   Power groups continue to exist today as both formal and informal organizations, sometimes within institutionalized entities. But they have decreased relatively in numbers, although not necessarily in influence, as the interest group system has become more developed and institutionalized as part of a pluralist democracy.

2. **Private-Sector Lobbying:**
   This is undertaken mainly by the public affairs departments of business associations and individual businesses; it focuses on relations with the legislature and various government agencies, including the president’s office.

3. **Traditional and Professional Labor Lobbying:**
   This is undertaken by traditional labor unions (electricians, plumbers, construction workers, etc.) and professional unions (such as teachers and nurses) and their general-sector or peak associations. They work to influence the executive and Congress to defend and promote the interests of their members or affiliated organizations.

4. **National Government Agency and State and Local Governmental Lobbying:**
   This is undertaken by ministries, government-owned companies, regulatory bodies and other national agencies, and by state and local governments. They exert pressure on the executive and Congress to maintain their existing status, including their budgets (and flows of funds to state and local governments), and/or to secure additional benefits.
5 Lobbying by New and Outsider Interests and Interest Groups:

This is undertaken by a wide range of two types of interest. One is relatively new on the Brazilian lobbying scene: women’s groups, environmentalists, human rights interests, new religious interests (such as Evangelicals), and gay rights groups.

The second range of interests is more long-standing but is composed of outsider, non-establishment interests. These include students, indigenous rights, landless interests, and the recent movement of 2013 and 2014 against the public cost of the World Cup and the Olympic Games.

6 Private Lobbying and Political Consulting Firms:

Lobbying and consulting firms, publicity, communication, and public affairs agencies, law firms, and political analysts represent particular interests, usually businesses and trade associations. They increasingly represent state and local governments and outsider interests that are transitioning to become more accepted interests, such as environmentalists and indigenous rights groups.

Appendix 2

Table 8.A1 Statistics on Centrality Measures

<table>
<thead>
<tr>
<th>Rank of Organizations*</th>
<th>Type</th>
<th>Degree</th>
<th>Closeness</th>
<th>Betweenness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 CNI – National Confederation of Industry</td>
<td>Corporatist entity</td>
<td>0.3333</td>
<td>0.7637</td>
<td>0.4173</td>
</tr>
<tr>
<td>2 ABRIG – Brazilian Association of Institutional and Governmental Relations</td>
<td>Professional association</td>
<td>0.0952</td>
<td>0.5616</td>
<td>0.0845</td>
</tr>
<tr>
<td>3 FIESP – Federation of the Industries of the State of São Paulo State</td>
<td>Corporatist entity</td>
<td>0.0952</td>
<td>0.5299</td>
<td>0.0146</td>
</tr>
<tr>
<td>4 AMCHAM – American Chamber of Commerce</td>
<td>Other</td>
<td>0.0833</td>
<td>0.5264</td>
<td>0.0195</td>
</tr>
<tr>
<td>5 CNC – National Confederation of the Commerce of Goods, Services, and Tourism</td>
<td>Corporatist entity</td>
<td>0.0714</td>
<td>0.5078</td>
<td>0.0111</td>
</tr>
<tr>
<td>6 CNA – National Confederation of Agriculture and Livestock</td>
<td>Corporatist entity</td>
<td>0.0595</td>
<td>0.4905</td>
<td>0.0284</td>
</tr>
<tr>
<td>7 CNF – National Confederation of Financial Institutions</td>
<td>Corporatist entity</td>
<td>0.0595</td>
<td>0.5005</td>
<td>0.0074</td>
</tr>
<tr>
<td>8 FPA – Parliamentary Front of Agriculture</td>
<td>Think tank</td>
<td>0.0595</td>
<td>0.4934</td>
<td>0.0109</td>
</tr>
<tr>
<td>9 ABIQUIM – Brazilian Association of Chemical Industries</td>
<td>Extra-corporatist entity</td>
<td>0.0476</td>
<td>0.5310</td>
<td>0.0474</td>
</tr>
<tr>
<td>10 FGV – Getúlio Vargas Foundation</td>
<td>Think tank</td>
<td>0.0476</td>
<td>0.5164</td>
<td>0.0254</td>
</tr>
<tr>
<td>11 INTERFARMA – Association of the Pharmaceutical Research Industry</td>
<td>Extra-corporatist entity</td>
<td>0.0476</td>
<td>0.4975</td>
<td>0.0474</td>
</tr>
<tr>
<td>12 OCB – Organization of Brazilian Cooperatives</td>
<td>Extra-corporatist entity</td>
<td>0.0476</td>
<td>0.4885</td>
<td>0.0260</td>
</tr>
<tr>
<td>13 PATRI</td>
<td>Consulting firm</td>
<td>0.0476</td>
<td>0.4875</td>
<td>0.0163</td>
</tr>
<tr>
<td>14 SINDITELBRASIL – National Syndicate of Telecommunications Companies and of Mobile and Personal Phone Services</td>
<td>Corporatist entity</td>
<td>0.0476</td>
<td>0.4789</td>
<td>0.0260</td>
</tr>
<tr>
<td>15 ABAG – Brazilian Association of Agribusiness</td>
<td>Extra-corporatist entity</td>
<td>0.0357</td>
<td>0.4975</td>
<td>0.0086</td>
</tr>
</tbody>
</table>

(continued)
Table 8.A1 (continued)

<table>
<thead>
<tr>
<th>Rank of Organizations*</th>
<th>Type</th>
<th>Degree</th>
<th>Closeness</th>
<th>Betweenness</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 ABIA – Brazilian Association of Food Industries</td>
<td>Extra-corporatist entity</td>
<td>0.0357</td>
<td>0.3882</td>
<td>0.0272</td>
</tr>
<tr>
<td>17 ABIHPEC – Brazilian Association of Personal Hygiene Products, Perfumery, and Cosmetics Industry</td>
<td>Extra-corporatist entity</td>
<td>0.0357</td>
<td>0.5067</td>
<td>0.0360</td>
</tr>
<tr>
<td>18 ABIMAIQ – Brazilian Association of Machinery and Equipment Industry</td>
<td>Extra-corporatist entity</td>
<td>0.0357</td>
<td>0.4875</td>
<td>0.0065</td>
</tr>
<tr>
<td>19 ABINEE – Brazilian Association of Electric and Electronics Industry</td>
<td>Extra-corporatist entity</td>
<td>0.0357</td>
<td>0.4780</td>
<td>0.0241</td>
</tr>
<tr>
<td>20 ANFAVEA – National Association of Automotive Vehicle Manufacturers</td>
<td>Extra-corporatist entity</td>
<td>0.0357</td>
<td>0.4895</td>
<td>0.0037</td>
</tr>
<tr>
<td>21 Chamber of Deputies</td>
<td>Government</td>
<td>0.0357</td>
<td>0.5110</td>
<td>0.0274</td>
</tr>
<tr>
<td>22 MDIC – Ministry of Industry and Commerce</td>
<td>Government</td>
<td>0.0357</td>
<td>0.5047</td>
<td>0.0265</td>
</tr>
<tr>
<td>23 OAB – Brazilian Bar Associations (Lawyers)</td>
<td>Professional association</td>
<td>0.0357</td>
<td>0.4905</td>
<td>0.0209</td>
</tr>
<tr>
<td>24 SINDIPEÇAS – National Union of Industry for Automotive Vehicle Components</td>
<td>Corporatist entity</td>
<td>0.0357</td>
<td>0.4808</td>
<td>0.0073</td>
</tr>
<tr>
<td>25 Umbelino Lobo</td>
<td>Law firm</td>
<td>0.0357</td>
<td>0.4817</td>
<td>0.0211</td>
</tr>
<tr>
<td>26 ABA – Brazilian Association ofAdvertisers</td>
<td>Extra-corporatist entity</td>
<td>0.0238</td>
<td>0.3683</td>
<td>0.0028</td>
</tr>
<tr>
<td>27 CNSEG – National Confederation of Insurance Companies</td>
<td>Corporatist entity</td>
<td>0.0238</td>
<td>0.4798</td>
<td>0.0001</td>
</tr>
<tr>
<td>28 ABF – Brazilian Association of Franchising</td>
<td>Extra-corporatist entity</td>
<td>0.0238</td>
<td>0.4985</td>
<td>0.0117</td>
</tr>
<tr>
<td>29 ABIFINA – Brazilian Association of Fine Chemistry</td>
<td>Extra-corporatist entity</td>
<td>0.0238</td>
<td>0.3852</td>
<td>0.0065</td>
</tr>
<tr>
<td>30 FIRJAN – Federation of the Industries of Rio de Janeiro State</td>
<td>Corporatist entity</td>
<td>0.0238</td>
<td>0.4643</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

Note: * The organizations are sorted by degree.

According to Hawe, Webster, and Shiell (2004), degree centrality in Table 8.A1 is the sum of all other actors who are directly connected to ego. It signifies activity or popularity. Lots of ties coming in and lots of ties coming out of an actor would increase degree centrality. Closeness centrality is based on the notion of distance. If an actor is close to all others in the network, a distance of no more than 1, then she or he is not dependent on any other to reach everyone in the network. Closeness measures independence or efficiency. With disconnected networks, closeness centrality must be calculated for each component. Betweenness centrality is the number of times an actor connects pairs of other actors, who otherwise would not be able to reach one another. It is a measure of the potential for control, as an actor who is high in “betweenness” is able to act as a gatekeeper controlling the flow of resources between the actors that he or she connects.

Notes

1 I would like to thank Ciro Antonio da Silva Resende (UFMG-Brazil) for comments, suggestions, and support in the network analysis. Thanks also to Barry Ames for the invitation and revision.
2 The process of interest articulation exists in every political system and can be defined as “ways for people and social groups to express their needs and demands to the government. [...] In large part, in established political systems formal interest groups are a primary means of promoting political interests” (Almond et al., 2008: 218).
3 For a summary of the history of corporatism in Brazil, see Gozetto and Thomas (2014) and Santos (2011).
4 The trade union associations were not created in 2008. Several entities had been founded earlier, such as the most important in Brazil, the Central Única dos Trabalhadores (CUT; Unified Workers’ Central), founded in 1983. But before 2008 they were not formally recognized. Law 11.648/2008 recognized trade union associations (centrais sindicais) as representative entities of workers, assigning them two relevant functions: (i) to coordinate the representation of workers through affiliated union organizations; and (ii) to participate in negotiations in forums and public bodies, and other spaces for social dialogue that possess a tripartite composition, in which matters of general interest to workers are discussed.
5 Law 13.467, passed on July 13, 2017 (labeled as labor reform), alters Article 579 of the Consolidated Labor Laws. According to the new law, the union tax is no longer compulsory, and its collection depends on the “prior and express authorization of those that participate in a given economic or professional category, or of an independent profession, in favor of the representative union of the same category.”
7 Lehmbuch (1984) argues that corporatism is a distinct form of policy making, labeled as concertation, in which worker and employee associations are involved in the sectoral decisions regarding public policies at the national level. In the same discussion, Lijphart and Crepaz (1991) suggest that, “empirically, however, the two tend to occur together because corporatism in the narrow sense is almost a necessary condition for concertation. As Schmitter states, there appears to be a structural compatibility [...] between corporatism and concertation,” and he suggests that ‘elements of centralization, monopoly representation, etc., have historically emerged first and have, so to speak, prepared the way for initial policy concertation, which in turn encouraged further corporatization of interest associations’ ” (Lijphart & Crepaz 1991).
8 Power and Doctor rightly warn that, “These reforms are more complex than simply putting forward new legislation, and the outcome of these shifts and adjustment is extremely uncertain. The identity of the president, in this case Lula, is only one of many variables in this equation” (Power & Doctor 2004: 238).
9 For key details on typology, see Appendix 1. For the seminal article, see Gozetto and Thomas (2014).
10 Hereafter I will use the term Relgov, an abbreviation that represents the activity and professionals of institutional and governmental relations. Given the pejorative charge of the term “lobby,” or “lobbyist,” professionals in the field prefer, as a part of their strategy of professional recognition, to be identified by the term government relations. The same process occurred in the United States. In 2013, the American League of Lobbyists changed its name to rebrand itself as the Association of Government Relations Professionals.
11 Data provided by the Board of Directors of ABRIG on October 21, 2017.
12 See http://irelgov.com.br/sobre-o-irelgov
14 The research database can be accessed via https://goo.gl/awBSWE
15 For previous studies, see Gueiros (1958) and Lodi (1982, 1986). For the timeline of institutional and governmental relations’ activities in Brazil, see Galvão (2016).
16 Research conducted in 2016 by UFMG (Federal University of Minas Gerais) in partnership with ABRIG.
17 Research conducted in 2016 by UFMG in partnership with ABRIG.
18 Industry is overrepresented because of the social capital of organizations such as the CNI. They are older and better positioned in interest representation. In fact, the structure of CNI and the professionalization of its lobbying activity are greater than those of any other entity in Brazil.
19 According to Hawe, Webster, and Shiell (2004: 974), centrality indicates one type of “importance” of actors in a network: in lay terms, these are the “key” players. “Centrality measures identify the most prominent actors, that is those who are extensively involved in relationships with other network members.” I used three centrality measurements: degree, betweenness, and closeness. Appendix 2 presents Table 8.A1, with a ranking of the first 30 most central organizations in the network.
To a large extent, this behavior also can be understood as a consequence of the absence of lobbying regulations that would have the capacity to ensure more transparency in these relations, benefiting both sides.

The Industry Legislative Agenda is a document published annually by CNI that gathers the expectations and the positioning of the business sector on the main topics of debate in the Congress. It is drafted with the participation of the 27 state industrial federations and 60 sectoral associations (non-corporatist entities) at the national level. The 2017 agenda was the 22nd edition of the document, which since 1996 has been distributed continuously to orient the lobbying actions of the business sector in the legislature.

At least four studies demonstrate the success of the ALI. For the CNI's capacity of influence and approval rating of the ALI, see Mancuso (2007b), Santos (2011, 2014b), and Santos et al. (2015).

We should distinguish between interest groups and social movements, even though there is ambiguity in this distinction. Thomas's definition is quite useful: "Interest groups are usually concerned with a narrow issue or range of issues and try to promote these for their members, their organization, or society as a whole but they do not want to formally control the machinery of government. Social movements try to champion grand visions of social change (usually for a large, dispossessed segment of the population) or broadly defined issues (such as in the United States in the 1960s with African Americans, women, and environmentalism)" (2004: 7).


Research conducted in 2016 by UFMG in partnership with ABRIG.

Research conducted in 2012–2013 by the Center for Legislative Studies at UFMG and IPEA (Institute of Applied Economic Research).

This survey, completed by the Center for Legislative Studies of the Department of Political Science of UFMG in partnership with IPEA, identified all the registrations of interest groups and of parliamentary advisors in the First Secretariat of the Chamber of Deputies (Santos, Galvão, & Resende 2017).

Registration with the First Secretariat of the Chamber of Deputies is not mandatory, and so the data should be analyzed with care. This number is likely to be underestimated.

Public hearings are meetings in which organizations of civil society participate. This mechanism of participation was established in the Constitution (Art. 58, § 2º Section II) and seeks to give an opportunity for the organizations of civil society to be heard and participate in the legislative process.

Legislative liaisons are employees of government agencies and local governments who, as part of their job, represent their agency or jurisdiction to other governments and the legislative power (Thomas 2004: 153). In ministries and other governmental bodies, they are called “Assessores Parlamentares.”

The laws 9427/96, 9472/97, and 9478/97 created the National Electric Energy Agency (ANEEL), the National Telecommunications Agency (ANATEL), and the National Petroleum Agency, respectively.

Unfortunately, Brazil does not have a transparent policy facilitating access to data on the activities of ministers, the president, and senior officials of the state bureaucracy. Although the agenda of public agents has to be registered (the Access to Information Act; LAI), the control of and access to information on meetings between public agents and economic interests vary greatly among ministries.

The Constitution of 1988 established the rights of citizens and representative institutions to participate in the public administration by means of participatory councils. Examples of constitutionally created councils are: Art. 74º, § 2º, health administration councils, Art. 198º – III, welfare, and 204º – II, education. Today, there are public policy councils in almost all the policy arenas. See Avritzer in this volume.

Public hearings in judicial cases were established, initially, by Laws 9,868/99 and 9,882/99. In the context of the Supreme Federal Court, public hearings were regulated by the Regimental Amendment 29/2009, which assigned power to the president or the rapporteur of the matter, “to summon the public hearing to hear the testimony of persons with experience and authority in each matter, whenever the clarification of questions or circumstances of fact is deemed necessary, with general repercussions and of relevant public interest,” debated before the Court. Public hearings are relatively recent in the Supreme Court of Brazil. The first public hearing held by the STF was called by Minister Ayres Britto, rapporteur of the ADI 3510, who contested provisions of the Biosafety Law (Law 11,105/2005). It occurred on April 20, 2007 (source: www.stf.jus.br).

The institution of amicus curiae is permitted by Law 9,868/99 and refers to the intervention of third parties in the process, by nature of informants, to allow the Supreme Federal Court to acquire all the information necessary to resolve a controversy. It is also part of the social legitimation of the decisions of the Constitutional Court (ADI 2130). On November 26, 2003, the STF decided to approve the
Interest Articulation and Lobbying

exceptional participation “amicus curiae” in the ruling on Direct Actions of Unconstitutionality 2777 and 2765 (source: www.stf.jus.br).

36 There is a recent study about public hearings in STF but it does not estimate the influence of groups in the decisions of the Supreme Court. See Marona & Rocha (2017).

37 As set forth in Law 11,648, on March 31, 2008.

38 On the proposals of lobbying regulation during the period, see Santos and Cunha (2015b).

39 For a study on the perceptions of the lobbying community on regulation, see Santos and Cunha (2015a).

40 The project, PL 1202/2007, was authored by Deputy Carlos Zarattini (PT-SP), but the substitute text presented by Deputy Cristiane Brasil was approved in the Committee of Constitution and Justice and Citizenship of the Chamber of Deputies. Also in the legislative process is the Chamber of Deputies resolution 176/16, authored by Deputy Cristiane Brasil (PTB-RJ). In the Senate, a proposed amendment to the Constitution (PEC 47/16) was presented by a group of 37 senators who suggested that the regulation should be included in the federal Constitution.

41 The occupation number is 1423-45, and the official name is Relações Institucionais e Governamentais (RIG). The CBO is the document that recognizes, names, and codifies the titles and describes the characteristics of the occupations of the Brazilian labor market. The CBO has an important strategic dimension and, with the standardization of codes and descriptions, it is utilized by the most diverse social actors in the labor market. Similar to administrative registers is the Annual Report of Social Information (Rais), the General Registry of Employed and Unemployed (Caged), Unemployment Insurance, and Individual Income Tax Declaration (Dirpf), among others. The CBO is also used for employee replacement services such as the National Employment System (Sine; source: www.mtecnob.gov.br/cbosite/pages/informacoesGerais.jsf).

References


