Regulatory Capacity Formation During The Workers’ Party Administrations In Brazil (2003-2016)

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Setting-up of the Brazilian Regulatory Regime


  - Regulatory regime is a historical configuration: government’s general approach to regulation beyond unitary sectors (e.g. the “efficiency regime” in the USA)

  - State-capacity oriented: exogenous and endogenous components of institutional arrangements

  - A framework that captures causal dynamics in regulatory governance as well as aspects of institutional change

- In every regime, “new regulatory initiatives were coupled with administrative reforms” (Eisner, 2000: 3)
Regulatory-Regime framework

Economic and political change → Interest groups’ demands/agendas → Policy and Reform Agendas

Policy and Reform Agendas:
- Administrative reform doctrines
- Administrative capacities
- Existing regulatory policies
- Policy innovations
- Political economy doctrines

Administrative innovations

Implementation → Formulation
Brazilian Regulatory Regime (Cardoso era)

Macroecon. Stability; Globalization; Low growth rates

Pro-market and anti-state coalition

Orthodox Agendas

New Public Management and NIE

Bureaucratic Rigidity

Sectors closed to private investment

Neoliberalism and 2nd generation reforms

Managerial reform; regulatory agencies

New statues and plans opening markets and sectors

Implementation

Formulation
Workers’ Party (PT) Administrations

- Heterodox or (neo)developmentalist policy agenda

- PT’s hybrid developmentalism: non-radical state polymorphism
  - Substantial enhancement in state capacities (careers and organizations)
  - Idea of a virtuous symbiosis between state-centrism and a liberal (institutional) approach

- Gradualism and “weak reformism” (institutionally)
  - Studies suggest continuity and incrementalism at the macro level
  - Yet, literature is also critical in regard to meso and micro level “intrusions” in regulatory institutions
Workers’ Party (PT) Administrations

• Research question: was there a heterodox turn?
  – If yes, it would have appeared in endogenous elements

• Thick vs. Thin regulatory capacity
  – Low-intensity regulatory capacity = regulatory quality
  – High-intensity regulatory capacity = non-orthodox

  • *Thickening* means more dynamism in regulatory governance, broadening the list of values guiding regulatory action
**Hypothesis**: PT did instill heterodox elements through second-tier changes in the regulatory regime, *thickening* regulatory capacity in order to favour its central developmentalist agenda.
PT’s approach to regulatory governance

• “Regulatory grammar” (script) adopted by PT was laid out in an Interministerial Working Group report in 2003

• Proposed and implemented measures:
  – Same idea of technical “purification” of regulation
  – A general law for regulatory agencies – extra procedimentalization
  – Alignment with OECD-style agenda (“better regulation” package)
  – PRO-REG – totally inspired by the Anglo-Saxon regulatory model
  – Creation of regulocracies in all regulatory agencies – hybrid profile

• Only the last one was partially statist in nature: largely explained by the Brazilian bureaucratic tradition
PT’s approach to regulatory governance

• Strengthened the orthodox agenda
  – OCDE and Anglo-Saxon models treated as sacrosanct
  – French, German or Asian regulatory governance experiences were left out
  – BRICS experiences were completely neglected

• Regulatory orthodox agenda became an integral part of neodevelopmentalist programmes (e.g. PAC)
  – Functionalist view – and largely naïve or careless – of a seamless and virtuous symbiosis
Causes and (Potential) Effects

• (Historical) Institutionalist explanations:
  – Path dependence and lock-in; positive feedback / reinforcing mechanisms; political timing
  – Power – e.g. bureaucratic politics and international pressure
  – Party (in)competence – part of PT was not keen on “regulation”
  – Inherent (neo)developmentalist deficiencies in the policymaking

• Potential Effects
  – missed opportunity: PT did not harness institutional change so as to thicken regulatory capacity
  – permanently installed the regulatory regime in a conventional path or “script” (where developing countries are always seen as deficient)
What could PT have done?

• It could have invested in a distinct type of polymorphism
  – “Converting” administrative elements in the regulatory regime
    with a clearer and more comprehensive strategy
    • Diversifying the frame or reference away from the “logic of discipline” of the orthodox model
    • Taking advantage of the “institutional syncretism”, and developing its own variety of regulatory State
    • Boosting “institutional closeness” – more coordination and analytical capabilities, and dynamism with/for regulatory agencies
  • It would have been rational in light of institutional heterogeneity and its long term impact: a very strong tendency for < planning and > regulation/control
Thank you!

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