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**DIFFERENCES IN THE PERCEPTION OF INTEREST
REPRESENTATION:
A COMPARISON OF BRASÍLIA AND BRUSSELS LOBBYING ACTIVITY**

DISSERTAÇÃO APRESENTADA À ESCOLA BRASILEIRA DE ADMINISTRAÇÃO PÚBLICA E
DE EMPRESAS PARA OBTENÇÃO DO GRAU DE MESTRE

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COMPARISON OF BRASILIA AND BRUSSELS LOBBYING ACTIVITY.**

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ABBREVIATIONS

BBA: British Bankers Associations

BDI: Federation of German industries

CNI: (Confederação Nacional de Industria/ National Confederation of Industry)

CNF: (Confederação Nacional das Instituições Financeiras/ National Confederation of the financial institutions)

CO: European Council

BdB: German Banking Association

EC: European Commission

EP: European Parliament

ETI: European Transparency Initiative

EBF: European Banking Federation

EU: European Union

MEPs: Members of the European Parliament

MS: Member States

ROIR: Register of Interest Representatives

TR: Transparency register

1 INTRODUCTION

The research topic of this paper is focused on the analysis of how trade associations **perceive lobbying in Brussels and in Brasília.**

The analysis will be centered on business associations located in Brasília and Brussels as the two core centers of decision-making and as an attraction for the lobbying practice.

The underlying principles behind the comparison between Brussels and Brasilia are two. First of all because the European Union and Brazil have maintained diplomatic relations since 1960. Through these relations they have built up close historical, cultural, economic and political ties. Their bilateral political relations culminated in 2007 with the establishment of a Strategic Partnership (EEAS website, n.d.). Over the years, Brazil has become a key interlocutor for the EU and it is the most important market for the EU in Latin America (European Commission, 2007). Taking into account the relations between EU and Brazil, this research could contribute to the reciprocal knowledge about the perception of lobby in the respective systems and the importance of the non-market strategy when conducting business. Second both EU and Brazilian systems have a multi-level governance structure: 28 Member States in the EU and 26 Member States in Brazil; in both systems there are three main institutions targeted by lobbying practice.

The objective is to compare how differences in the institutional environments affect the perception and practice of lobbying, where institutions are defined as “regulative, normative, and cognitive structures and activities that provide stability and meaning to social behavior” (Peng et al., 2009).

Brussels, the self-proclaimed "Capital of Europe", is the headquarters of the European Union and has one of the highest concentrations of political power in the world. Four of the seven Institutions of the European Union are based in Brussels: the European Parliament, the European Council, the Council and the European Commission (EU website, n.d.). As the power of the EU institutions has grown, Brussels has become a magnet for lobbyists, with the latest estimates ranging from between 15,000 and 30,000 professionals representing companies, industry sectors, farmers, civil society groups, unions etc. (Burson Marsteller, 2013).

Brasília is the capital of Brazil and the seat of government of the Federal District and the three branches of the federal government of Brazilian legislative, executive and judiciary. The

city also hosts 124 foreign embassies. The presence of the formal representations of companies and trade associations in Brasília is very limited, but the governmental interests remain there and the professionals dealing with government affairs commute there.

In the European Union, Brussels has established a Transparency Register that allows the interactions between the European institutions and citizen's associations, NGOs, businesses, trade and professional organizations, trade unions and think tanks. The register provides citizens with a direct and single access to information about who is engaged in This process is important for the quality of democracy, and for its capacity to deliver adequate policies, matching activities aimed at influencing the EU decision-making process, which interests are being pursued and what level of resources are invested in these activities (Celgene, n.d). It offers a single code of conduct, binding all organizations and self-employed individuals who accept to "play by the rules" in full respect of ethical principles (EC website, n.d). A complaints and sanctions mechanism ensures the enforcement of the rules and addresses suspected breaches of the code.

In Brazil, there is no specific legislation regulating lobbying. The National Congress is currently discussing dozens of bills that address regulation of lobbying and the action of interest groups (De Aragão, 2012), but none of them has been enacted for the moment.

This work will focus on class lobbying (Oliveira, 2004), which refers to the performance of the federation of national labour or industrial unions, like CNI (National Industry Confederation) in Brazil and the European Banking Federation (EBF) in Brussels. Their performance aims to influence the Executive and Legislative branches in order to defend the interests of their affiliates. When representing unions and federations, class entities cover a wide range of different and, more often than not, conflicting interests. That is why they are limited to defending the consensual and majority interest of their affiliates (Oliveira, 2004).

The basic assumption of this work is that institutions matter (Peng et al, 2009) and that the trade associations and their affiliates, when doing business, have to take into account the institutional and regulatory framework where they do business.

1.1 RESEARCH AIMS

The research aims to contribute to the improvement of the knowledge of the perception of lobbying practices in Brussels and in Brasília.

There are some specifications that this work tries to address:

- ✓ To analyse the institutional ~~and cultural~~ context of the two countries and how it relates to the differences in perception and performance of the lobbying activities;
- ✓ To provide a ground of reflection and discussions on how the experience of each country can add to the improvement of the lobbying system. In particular, since the Brazilian experience is still in an embryonic stage, how can the Brussels experience contribute to the advancement of the legislation and general procedure.

A preliminary investigation found no comparative studies of Brussels/ Brasília literature on this topic, though there are several comparative studies on this subject relative to the European Union and US. Moreover, there are numerous studies from the European side but only a few on the Brazilian side.

1.2 STRUCTURE OF THE PAPER

This paper is organized in five Sections. The next section tries to bring into perspective the various definitions of “lobby”. Sections 2.1 and 2.2 focus on the analysis of the regulatory environment in Brussels and in Brasília and describe the lobbying efforts and functions in both places. The research design and methodology will be the object of Section 3. Section 4 will analyse the results of the data collection process. Finally, Section 5 will concentrate on the discussions and conclusions making a comparison of the two institutional/cultural systems. Finally the paper will conclude with a section on recommendations for further research on the paper’s subject.

2 DEFINITION OF LOBBYING

As Van Schendelen said in his book *More Machiavelli in Brussels* “*trying to influence somebody else is as old as human life*”. In the book he gave a long list of the old techniques to influence, but the purpose of this project is to try to understand the new techniques and how they are perceived by the experts of this field (Van Schendelen, 2010).

Starting with the literal meaning of the word, “lobbying” in Latin means *lobium*, in medieval times *lobia*, which is the entrance hall, lounge or *vestibula* of an important building. People wanting to get something done from the resident authority entered and had to wait in the hall, where other people were usually waiting for the same reason. By talking with one another, now called “stakeholders”, they tried to collect information about the rules of the house, the resident himself, the other stakeholders and other affairs of potential interest (Van Schendelen, 2010). We can say that the Latin meaning has a connection to the actual discussion: in fact, nowadays a good part of political decisions are taken in an informal situation like a bar rather than in the official location. The political sense of lobbying gained popularity thanks to the US Congress in the late 19 Century (Milbrath, 1963; US/GAO, 1999), waiting in the hall or lobby of the Congress building, representatives of pressure groups tried to gather information from Congressmen and their assistants with the aim of persuading Congressmen to vote *yea* or *nay* (Matthews and Stimson, 1975). Over the course of time this lobbying developed from merely corridor and informal behaviour to a broader and more sophisticated set of activities, ranging from providing/supplying information to organizing mass publicity and giving political or even financial support. This latter activity has sometimes developed into less ethical behaviour, such as bribery, and has given lobbying a bad connotation among many ordinary people, in spite of all the stricter regulations on lobbying in the US.

There are several definitions of lobbying in the literature. Starting from a chronological criteria the oldest definition found is given by Lester Milbrath, the so-called “father of lobbying research” who considered lobbying as a communication process “*Communication is the only means of influencing or changing a perception; the lobbying process, therefore, is totally a communication process*” (Milbrath 1960).

Another definition ascribes more meaning to the institutions and actors involved: *“lobbying is diverse intensive activities of social groups, chambers and companies in the political and bureaucratic vestibule”* (Beyme 1980).

Van Schendelen formulated new aspects to the definition of lobbying: *“lobbying is the informal exchange of information with public authorities, as a minimal conception on the one hand, and as trying informally to influence public authorities, as a maximal description on the other hand”* (Van Schendelen, 1993).

In the OECD recommendation on principles for transparency and integrity in lobbying, lobbying is defined as *“the oral or written communication with a public official to influence legislation, policy or administrative decisions”* (OECD, 2010):

Koepl gives a more comprehensive definition of lobbying: *“lobbying is the attempted or successful influence of legislative-administrative decisions by public authorities through interested representatives. The influence intended, implies the use of communication and is targeted on legislative or executive bodies”*. (Koepl, 2000). The author, in the present paper, when referring to lobbying activity will use Koepl’s definition.

Taking into consideration the performance of the lobbyist, Dondero & Lunch (2005), described three primary functions in the legislative arena: 1) disseminate information needed for drafting legislation to legislators and their staff, 2) aggregate public opinion around major issues affecting their clients, and 3) help set the political agenda by creating coalitions to support or oppose specific bills. In effect, lobbyist are the eyes and ears of the public, information providers, representatives of their clients and constituents, shapers of government agenda, movers of legislation, coalition builders, and campaign contributors (Dondero & Lunch, 2005).

In this paper, the author wishes to pay particular attention to the right intervention timing of successful lobbying activity. In fact in the questionnaire prepared for the interviews (see Appendix) there was a specific question on this issue.

Bender and Reulecke (2003) summarized the kind of lobbying relating to the time point in the policy process. They make a differentiation between three kinds of lobbying:

- 1) Lobbying as a prevention;
- 2) Lobbying as a reaction;
- 3) Lobbying as an action.

According to the authors the most difficult one is preventive lobbying which aims to prevent or postpone particular legislation before the call for legislative action exists. Lobbying as a reaction means that the legislative proposal is already in place and lobbying reacts to the legislative process (Bender & Reulecke, 2003).

Lobbying as an action, whereas, refers to the need for legislation as seen by the lobbyists and their actions to initiate the legislation (Bender & Reulecke, 2003).

2.1 EUROPEAN PERSPECTIVE

2.1.1 European Union institutional context

Before talking about the lobbying regulation in Brussels, it is a good idea to have an overview of the European Union construction, in order to understand which institutional structure lobbyists seek to influence.

The **European Union (EU)** is a politico-economic union of 28 Member States (MS) that are primarily located in Europe. The EU operates through a system of supranational independent institutions and intergovernmental negotiated decisions by the Member States. An effective lobbying strategy in Brussels addresses all the actors involved in the “Institutional Triangle” (see Figure 1): The European Commission (EC), The European Parliament (EP) and the Council of Ministers. They are the three central legislative institutions of the European Union.

The Commission and the Council have been linked by a “dual executive” for the EU (Hix, 2005): executive power is not held by one institution *per se*, as it works in the domestic political system, but in tandem by two main institutions. On the one hand, the EC plays a leading role in initiating regulations in key policy areas as well as in ensuring that policies are implemented. On the other hand, the Council can amend or reject EC proposals, while defining the long term EU goals. The main strength of this dual system is that it “facilitates extensive deliberation and compromise in the adoption and implementation of policies, while its main weakness is that it lacks overall leadership” (Hix, 2005). This last point emphasizes that even if one agrees with the idea that there is some sort of executive power, policy making in the EU is not

necessarily centered exclusively in one of these main institutions (Chari, Hogan, and Murphy, 2010).

The European Commission, appointed for a five-year term by the Council, has the primary function of proposing and implementing community policies adopted by the Council and the Parliament (EU website, n.d.). It is composed of 28 Commissioners, one from each MS, who theoretically represent the interests of the EU and not the MS of origin. They provide the Commission's political leadership during their five year term. Each Commissioner is assigned responsibility for specific policy areas by the President and they lead what are known as Directorate Generals (DGs), which can be considered a Brussels-level equivalent to a ministry found in domestic politics (Chari, Hogan, and Murphy, 2010). The President is nominated by the European Council. The Council also appoints the other Commissioners in agreement with the nominated President. The appointment of all Commissioners, including the President, is subject to the approval of the European Parliament. In office, they remain accountable to Parliament, which has the sole power to dismiss the Commission (EU website, n.d.). The EC has the exclusive right, among the EU institutions, to initiate legislation in most policy areas. However this does not mean that the EC can act unilaterally: in fact the Council often rejects Commission proposals (Chari, Hogan, and Murphy, 2010). A second power, which relates to its role in the implementation phase and closely mirrors a bureaucratic function, is that of ensuring that MS comply with EU legislation (Chari, Hogan, & Murphy, 2010).

The Council is the main decision-making body in the EU. Unlike the Parliament, that has a decision-making capacity in certain areas, the Council exercises its decision-making rights on virtually all EU legislation. The Council represents EU's Member States executive governments at the European level (European Studies Hub, n.d.). The Council is the place where national ministers from each EU country meet to adopt laws and coordinate policies (EU website, n.d.). There is no single Council *per se*, but it meets in ten different configurations of twenty-eight national ministers (one per state) (Council website, n.d.). The precise membership of these configurations depends on the topic under consideration; for example, when discussing Economic and Financial policy, the Council is formed by the twenty-eight national ministers whose portfolio includes this policy area with the related European Commissioners contributing, but not voting (Council website, n.d.). The Council Presidency rotates every six months among the governments of EU Member states. The

most important Council power is to reject or amend Commission proposals. While this may seem insignificant *vis-à-vis* the power of the Commission, some authors argue that this means that the Council exercises power over the Commission (Moravcsik, 1993). Furthermore, there is nothing to stop the Council from informally leaning on the Commission to propose a piece of legislation in a specific policy area that is in the former's interest (Christiansen & Piattoni, 2004). In this regard, the Council is empowered to delineate the long term goals of the EU, effectively delegating its power to the Commission as the Council sees fit (Chari, Hogan, & Murphy, 2010).

The European Parliament is the only one of the three central institutions that is directly elected by the citizens for a five-year mandate (EU website, n.d). In fact, the EP portrays itself as the voice of its citizens. The actual number of the members of the European Parliament (MEPs) is 751 which represents the second largest democratic electorate in the world (after the Parliament of India) and the largest trans-national democratic electorate in the world (375 million eligible voters in 2009) (European Parliament-Wikipedia, n.d.).

The European Parliament and the Council are the co-legislators and share equal legislative and budgetary powers.

Even though the European Parliament and the Council have legislative power, they do not formally possess legislative initiative, as most national parliaments of European Union MS do.

It is important to underline that these three institutions represent different interests in the EU bureaucracy. To simplify we can say that: the European Commission embodies the interests of the EU as a whole; the Parliament represents the interests of European citizens, whereas the Council represents the MS governments (European Studies Hub, n.d.).

As highlighted by McCormick (2011), one could make a comparison between the EU institutions and the governing bodies of the Member states. The European Parliament could be the national Parliament, but as already mentioned it does not have all the powers usually given to a national parliament; the European Commission could be compared to national government executive branch bureaucracies, but it does have additional leadership and execution functions; and the European Council could be seen as an upper chamber of the legislature and the Council of Ministers could be compared to the lower one, but neither of them is directly elected by the citizens (European Studies Hub, n.d.).



Figure 1. The EU institutional triangle

Source: <http://summitcompgov.blogspot.be/2013/02/eu-institutional-triangle.html>

2.1.2 Brief literature review on lobbying

An interesting picture of the peculiarity of Brussels is given in an article published by Gareth Harding *“there are not many growth industries in Brussels, the capital of Belgium and headquarters of the EU, but lobbying is definitely one of them”* (Harding, 2005).

Lobbying is a big business with an estimated 60- 90 million euro of revenue generated annually from lobbying activities in EU (Coen & Richardson, 2009). This amount of money is small compared to the industry in Washington, but lobbying in Brussels only took off in 1980, when the European Commission churned out over 300 laws aimed at creating the single EU market (Harding, 2005). Throughout the 1980’s and 1990’s interest groups and lobbyists increased as a succession of European treaties delegated competencies to the EU, which entailed that 80% of European law is “made by Brussels”, so that parliaments and governments have to comply with it when they pass national law. Interest groups and lobbyists have been active in European policy since its creation, but in the last 20 years there has been a dramatic evolution in size, range and type of interest groups (Coen & Richardson, 2009). While the early days of the interest representation in the European Community were characterized by national representation and collective action via trade

associations, employee groups, and trade unions by the early 1990s direct lobbying by business and the arrival of NGOs and societal interests increased (Schmitter & Streeck 1999).

In a special report on Doing Public Affairs published by EuropeanVoice (2014), one of the most important newspapers on the activities of the key European Union institutions, there were some insights about the dimension of the lobbying industry in Brussels. In the article written by Nicholas Hirst (2014), he said that “*estimating the size of the public affairs industry is great sport, but not a precise science*”. The EC’s most recent estimate is that there are 30,000 people engaged in interest representation. To arrive at that number, it took the number of organizations registered in the joint transparency register of the EC and EP, currently 6,669, and multiplied that number by five, which it estimates to be the average number of lobbyist employed per entity. Many of the organizations registered in the transparency register are not based in Brussels (Hirst, 2014). Hirst (2014) in his article said that according to Justin Greenwood, a specialist of EU interest representation, the number accredited to the Parliament for an access badge, currently 4,125, is likely to be a more accurate indication of how many lobbyists are actively working on public affairs. But the entries in the register say nothing about the actual influence on EU policy by the entities. According to Jan Beyers, a Professor of political Science, their activities are unevenly spread. Beyers research shows that a majority of the lobbyists in Brussels work on only 20% of the policy areas, meaning that there are some areas such as aviation where very few lobbyists work and there are other fields for example finance and environment where they are over-represented (Hirst, 2014).

Brussels is perhaps the single greatest, yet clearly reluctant, driving force behind transforming the focus of lobbying regulation from facilitating influence peddling to strengthening the transparency of the legislative process (Holman & Lineburg, 2012). The EU is remarkable in having a high degree of dependence upon organized interests to achieve its goals. This systemic dependence can be traced back to the lack of popular engagement with the EU, the need for consensus from decision-making involving 28 MS, the relative degree of isolation of the European Commission from other potential constituencies of support, and a chronic lack of resources in EU institutions relative to the substantive functions performed. In a quest for a variety of different types of legitimacies, an infrastructure has arisen to formalize exchanges with “interested parties” using devices

commonly found elsewhere, centered on pluralist mechanisms of check and balance and the principle of transparency (Greenwood & Dreger 2013). Measures covering the behavior of the lobbied usually precede the establishment of instruments aimed at the regulation of lobbyists, because the target constituency is easier to define and regulate. EU institutions are covered by a mixture of staff rules as well as those for political appointees, mainly involving disclosure requirements and measures to avoid a conflict of interests (Greenwood & Dreger 2013).

When an agenda for the regulation of lobbyist first emerged, a common pattern was for commercial practitioners to establish self-regulatory measures (OECD, 2009b). These happened at EU level in 1994 in the form of a code of conduct, which was incorporated into a new accredited lobbyist (AL) register operated by the EP since 1997. The EP register consisted of a list of interest representatives with access badges to EP buildings. These persons were required to sign a code of conduct and sign a publicly accessible register. There were over 4000 persons listed in May 2011. Because of this huge number of people registered, EP argued that it had a *de facto* mandatory register. However the information requirements were very limited. In fact, interest representatives were only required to provide their name along with the organisation represented (Copeland, 2013). The Council of Europe, which in 2010 proposed its own code of conduct for regulating lobbying, described this formula, as very soft, if not vague (Copeland, 2013). Holman & Luneburg (2012) asserted that the register was not designed as a lobbyist register *per se* with the aim to reduce potential corruption, but it gave business interests access to lawmakers. It was primarily for the benefit of lobbyists and lawmakers and not for the purpose of enhancing transparency (Holman & Luneburg, 2012).

After the EP register, an amalgamated extension of the self-regulatory code was drafted in 2008 by the EC, the register of Interest Representatives (ROIR). The debate in the EC started in 2005 with the launch of the European Transparency Initiative (ETI) designed primarily to enhance transparency in EU policymaking and boost public knowledge and confidence in the decision-making process in Brussels (Holman & Luneburg, 2012). As participation in society can be a source of legitimacy, the logical step was to make visible something that was already existent. As Greenwood said “*The European transparency register Initiative, announced by EC Vice-President Siim Kallas in 2005, is founded on the premise that transparency is a pre-condition for popular legitimacy*” (Greenwood, 2007).

The register envisioned by Commissioner Kallas was totally different from the one then in place. Originally it was proposed as a mandatory register system where the identities of lobbyists, their clients, financial activities and lobbying issues would all be instantly available to the public through a web-based register (EurActiv, 2005). However, the final results were less successful. In fact, after years of negotiations between lobbyists, Kallas and members of the EC, the register was created on a voluntary basis. In June 2008 the ROIR was launched and is still largely in place today. While ROIR provides for a voluntary approach, it encourages participation in its register through different incentives. The register rewards registrants with automatic alerts of pending official actions on legislation and matters of concern to the registered interest representatives. Although this unique form of incentive to register was rolled out with considerable fanfare, it has had little practical impact. After all it is the job of lobbyists to be on top of what is happening in the legislature. That is why only about 15 per cent of EU lobbyists in Brussels indicated in a survey that the system of automatic-alerts is a significant incentive in registration (Holman, 2009).

As of June 2010 only 1068 organizations with a Brussels office have registered. This figure, compared to the EP's estimate of 2600 lobbying groups with offices in Brussels in 2000, suggests that well under half of Brussels-based lobby organizations and firms have signed up after two years (Holman & Luneburg, 2012).

A new push for the evaluation of the lobbying transparency register came to a head in 2011 with a new lobbying scandal, known as the *cash-for-amendments scandal*. Testing the accuracy of rumours that members of the EP could be easily bought, *Sunday Times* journalists posed as lobbyists and offered bribes to MEPs in exchange for official favours. There were three takers, one of whom was an Austrian MEP subsequently jailed for the offence (Willis, 2011).

The scandal produced a wave of demands for lobbying reform in Brussels. EP President Jerzy Buzek swiftly agreed and promised new reform with regard to the regulation of lobbying in Brussels including a mandatory register (Hoedeman, 2011).

Immediately the European Joint Transparency Register was set up in June 2011 and it replaced the EP and EC registers. It was a joint effort by the European Parliament and the European Commission to increase transparency of influence, and widens the scope to

include actors beyond the traditional lobbyist. The Council supports this initiative, although it does not participate in the register for the time being. The inter-institutional agreement establishing the Transparency register identified a full-scale review of the scheme for no later than 2 years following its entry into operation, reflecting a will within the EP than its status as voluntary would be revised at that point. The European Commissioner Maroš Šefčovič, responsible for the creation of the transparency register, identified at the time of commencement of the TR that a mandatory scheme was a possibility if necessary (Moss, 2011).

Although this new register remains a voluntary system it has somewhat enhanced the quality of the lobbyist disclosure system by combining EP and EC databases by and generating further discussion within the EU for the eventual creation of a mandatory system of lobbying registration and disclosure.

The TR involves the incentivized registration of “all organizations and self-employed individuals engaged in activities carried out with the objective of directly or indirectly influencing the formulation or implementation of policy and decision making process of the EU Institutions” (JTRS, 2012a). The most distinctive characteristic is its wide scope, with an explicit focus upon indirect forms of lobbying. Accompanying guidelines identify informal networks as falling within its scope, as well as indirect means of exerting influence such as events and conferences (Greenwood & Dreger, 2013). The register is designed as a “one stop shop” for interest representatives seeking to influence EU policy-making (Copeland, 2013). In June 2014 the register listed around 6,600 (EP, 2014) organizations based in Brussels. They range across a wide variety of categories, from consultancies and law firm to NGOS and academic organizations, think tanks and religious entities. It is said to have one of the widest scopes of any such similar tool. The registration, via a web-based interface, requires organizations to:

- ✓ provide general information about their lobbying efforts and costs on an annual basis, including the legislative dossiers they are following, budget for representation activities and the number of people involved. Names of individuals with EP accreditation are made public. Organizations must also declare any EU funding they receive.
- ✓ sign up to a Code of Conduct, which *inter alia* includes a commitment to provide accurate and up-to-date information. Sanctions are foreseen for any breaches of this code,

through a complaint procedure which can lead to suspension or deletion from the register, with a "naming and shaming" clause in worst case scenarios.

The scheme is overseen by an inter-institutional (Commission/ Parliament) Joint Transparency register secretariat (JTRS, 2012a), which is subordinated to the Secretaries-general of both institutions (Copeland, 2013).

Even though the TR was a combination of registration schemes operated by the EC and EP, it most closely resembles the EC's preceding register. As mentioned before, the EP register had been based upon the registration of individuals in exchange of access to EP buildings rather than upon the disclosure of the information on their employing organization (de Castro Asarta, 2011). On the contrary, the TR web pages follow the previous EC register in making explicit that registration should not be used to involve accreditation to the EU institutions. The TR orientation, instead, lies in generating useful information, instead of creating access arrangements to political institutions for elites, helping to place the scheme in a tradition concerned with legitimacy (Greenwood & Dreger, 2013).

In June 2013, two years after the launch of the register, the European Commission and Parliament set up an inter-institutional high-level working group to review the Transparency Register (EP, 2014). The working group wanted to clarify existing rules for registrants, tighten up the system and introduce additional mechanisms to improve the quality of the content of the register. In January 2015 the EC and the EP will introduce a range of incentives in order to encourage organizations to sign up. Even though the EP has consistently called for a mandatory system, it still remains voluntary. The EP during the revision process requested the Commission to submit a legislative proposal for the establishment of a mandatory register by 2017 (EurActiv, 2014). The next review of the Transparency register is planned for 2017.

2.2 BRAZILIAN PERSPECTIVE

2.2.1 Overview of the Brazilian political system

In order to better understand the significance of the lobbying practice in Brazil and to better understand which institutional structure the lobbyist in Brazil seeks to influence, it is important to have an overview on how the Brazilian political system works. First of all it

is important to highlight the fact that Brazilian democracy is very young, it is only 23 years old. The military regime ended and the Brazilian Federal Constitution was approved on the 5th October 1988.

Brazil is a Federal presidential system with 26 States. The federal government has three independent branches: Executive, Legislative and Judicial. The Executive power is exercised by the executive branch, headed by the President, who is advised by the Cabinet. The President, who is elected for a mandate of four years with the possibility of re-election for a second term, is both the Head of State and the Head of Government. Additionally the President has the power to legislate by editing provisional measures (*Medida Provisórias*)¹. The President in Brazil controls the legislative agenda. He proposes, and the legislature accepts or rejects what he has proposed (Figueiredo & Limongi, 2000).

The Legislative power is in the hands of the National Congress, a bicameral legislature composed of the Federal Senate (*Senado Federal*) and the Chamber of Deputies (*Câmara dos Deputados*). The Federal Senate has 81 seats, three members from each State and the Federal district of Brasília, elected by citizens for an eight-year term. The Chamber of Deputies has 531 seats elected by citizens for a four year term. The Judicial power, exercised by the judiciary, consists of the Supreme Federal Court, the Superior Court of Justice and other Superior Courts, the National Justice Council and the regional federal courts (Federal Government-Wikipedia, n.d).

The Brazilian system is characterized by the very powerful presence of the Executive branch with an extensive regulatory power (Oliveira, 2004). Executive dominance is due primarily to the range and extension of legislative power held by the President, which have had a profound effect on the Brazilian political system and have altered the nature of executive- legislative relations (Figueiredo & Limongi, 2000). The legislative powers granted to the executive by the 1988 Constitution include the expansion of exclusive initiative, the right to demand urgency procedures in bringing bills up for a vote, and most important the ability to propose legislation by provisional measures (Figueiredo & Limongi, 2000), while the Constitution provides that the provisional measures should be notified or amended by the Congress in 45 days. In fact eighty-five percent of the bills put forward come from the executive

¹The provisional measure is an instrument created by Brazil's 1998 Federal Constitution (Art. 62), which has the force of law and the President can enact in cases of urgency and necessity. A provisional measure comes into effect immediately, before Congress votes on it, and remains in force for 60 days unless Congress votes to withdraw it. Retrieved from www.senado.gov.br

branch. The legislature in Brazil operates to some extent as an agent of the executive (Oliveira, 2004). Pereira and Mueller (2004) presented interesting data and created “The theory of Executive Dominance” to explain this phenomenon. Oliveira (2004) affirms that it is for this reason, that lobbying in Brazil is largely reactive to executive actions. This statement will be partly confirmed in the Section 4, where the results show that, besides the type of lobbying reaction, the lobbying professionals make an extensive use of the action type of lobbying.

Despite the fact that the legislative branch can be interpreted as an agent of the executive branch, it is more open to dialogue with society and for having the role of representing it. The main difference between Brazil’s legislative power and various parliamentary models is that it is highly permeable (Cesario, 2013). Each member of the Congress can present legislative proposals, thus permitting the participation of minorities, there are various mechanisms of direct participation such as bills of popular initiative and finally the members of the Congress come from all the parts of the country and need to maintain relations with their constituencies if they want to be re-elected (Cesario, 2013). For these reasons, the Brazilian legislative branch is considered a sounding board of political and social movements of the country. These characteristics should also reflect in a greater opening for the action of interest groups (Cesario, 2013).

2.2.2 Brief literature review on lobbying

In Brazil, there is no specific legislation regulating lobbying. The National Congress is currently discussing dozens of bills that address regulation of lobbying and the action of interest groups (de Aragão, 2012). This lack of regulation in Brazil implies an unlawful meaning of interest representation, such as corruption and influence peddling, where social players offer money or other benefits to the decision makers in order to have a favourable decision (Oliveira, 2004). The lack of progress in Congress raises a question as to why lobbying is so poorly defined and why the actors involved in the decision-making are so uninterested in its proper definition (Oliveira, 2004).

According to Oliveira (2004) the discussion of lobbying in Brazil is complex in part because the practice is stigmatized by an implication of corruption. This coupled with the lack of information about the topic discourages researchers from pursuing the subject and

contributes to keeping the study of Brazilian lobbying in a sort of political limbo. The Portuguese neologism “lobby” lacks any positive connotations (Schneider 1997-1998). Lobbying is used as a synonym for exerting pressure, influence peddling, or political corruption and is in general regarded as the exclusive domain of major corporations that wield their economic power to achieve certain self-serving objectives.

Despite the general negative perception of lobbying practice it legally takes place in Brazil (Mancuso 2008; Oliveira, 2004; Rodrigues, 1996).

The debate in the literature about the ability of lobbyist to work well can be summarized in two perspectives. On the one hand, Schneider (1997-1998) puts the attention on the political fragility of Brazilian business lobbies and their inability to act collectively. On the other hand Mancuso (2010) asserted that the Brazilian business sector is indeed able to act collectively, as it is able to identify a relevant bill, defend its position, and obtain positive results.

Schneider (1997-1998) identifies two reasons that justify the fragility of the business lobbies. The first one is that Brazilian business associations lack the capacity to aggregate industrialist's interests and put forward a common set of preferences effectively in Brasília. The second one is the peculiar independence of the Brazilian legislature from broad business interests. While individual deputies may jump to do bidding of business contributors, they seem decidedly insensitive to the collective business desiderata. The two reasons are related to the fact that the weakness of business associations is partly a function of the autonomy of legislators. Rational business leaders are unlikely to invest much in collective organization to lobby deputies who are consistently deaf to aggregated association intermediations (Schneider, 1997-1998). This is a first difference from the European system where deputies are very responsive to the collective interest instead of individual business: in this view they protect a broader interest.

On the other hand the results of the study by Mancuso (2010) show that business organization have achieved a high degree of political success. The reason for this success can be found in the peculiarity of the Brazilian system where the Constitution confers legislative powers to the Executive branch of the government. In this way, the Executive power plays a crucial role in the country's legislative production, as the author of the most propositions effectively transformed into law (Figureido & Limongi, 2000). For this reason

there is a strong stimulus for the industrial sector to exert political pressure on the Executive branch over the course of the legislative procedure. In fact, industrial pressure transcends cases in which the executive is the author of the proposition under analysis. Pressure on the executive branch also occurs during the negotiation of bills of members of Parliament in which the government becomes involved as a stakeholder or as an arbitrator of conflicts between and among different interests (Mancuso, 2010).

Mancuso's research confirms the pattern already highlighted by other scientists, which is that the political activity of business entities, including entities from the corporatist system, is becoming more and more similar to lobbying -understood as a specific and scattered activity aimed at the exercise of pressure throughout countless singular decision-making processes- a phenomenon generally associated with pluralist systems and considered atypical in systems of state corporatism such as Brazil (Mancuso, 2010).

As already mentioned, in Brazil there is not a specific legislation regulating lobbying. However, there are several rules that indirectly touch lobbyists. The Brazilian Constitution establishes the right of petition and freedom of association. Consequently, the right to require information disclosure and also the right to have collective interests represented by associations are constitutionally guaranteed (Dos Santos & Teixeira da Costa, n.d.). Regarding the legislative procedure, the Brazilian federal constitution states that the parliament committees are supposed to promote public audience with civil society organizations. There was also, at the legislative branch, an internal code edited by the Lower chamber, requiring the registration of representatives of the Government and civil society, but it was never enforced. The Presidential Decree 2.176/2001 authorizes the Civil House of the Presidency, which is the coordination body at the center of the government, to decide about the submission for broad consultation to the public on the drafts of proposed legislation of special political or social significance, in order to receive suggestions and contributions from public and private organizations, entities and persons (Dos Santos, n.d.). In 1999, the executive launched a self-regulatory code forbidding the acceptance of gifts or hospitality, ensuring that any conflict of interest is informed, and other measures fostering the impartiality and transparency of public decision-making. Other executive acts came afterwards, essentially dealing with proceedings within the Executive branch to avoid revolving doors and other inequities of lobbying activities. Congress has approved a bill of

law that, starting on May 2013, reframed entirely the conflict of interest regulation, increasing and expanding cooling off prescriptions (Dos Santos, n.d.).

A first attempt to regulate lobbying was in 1990, when a bill based on the American Lobbying Disclosure Act (LDA) was proposed. The aim of the bill was to increase the transparency of group or individual activities focused on influencing government decision-making, as well as to impede possible abuses of influence and power. The bill should be revised because it is highly influenced by US law and does not take into account the Brazilian peculiarities. In fact in Brazil lobbying activities are also addressed at the executive power and the bill only considers the legislative power; state owned companies and public sector groups also lobby in parliament, but they are not considered there (De Brelaz & Alves, 2011).

The most recent and important attempt to regulate lobbying in both the federal executive and legislature came in 2005. The proposal includes the usual characteristics: registration of public agents and professional lobbyists, restrictions on revolving doors, reports of lobbying activities, and financial disclosure. In addition it has more recent provisions, such as a compulsory training course for those who have to register as lobbyist and the right of lobbyists to request participation in meetings where decisions affecting those they represent are taken. The most innovative features of the proposals are concerned with guaranteeing equal access to public decision-making (Dos Santos & Teixeira, n.d.).

3 METHODOLOGY

The research uses the qualitative methods that focuses on words more than numbers, and data were collected by using various sources such as documents, interviews (Bryman & Bell, 2007; Porter, 2007), observations and physical artefacts, among others (Yin, 2003). The qualitative method was chosen because it is the appropriate method when studying organizations, groups and individuals (Strauss & Corbin, 1990) as is the case of this research. Through this method it is possible for the researcher to gain a detailed understanding when a social process or an event is complex and hard to revise with quantitative methods (Ghauri & Grønhaug, 2010). However, since each method has advantages as well as disadvantages, Bryman & Bell (2007) explain that the main disadvantage of qualitative

research is the accumulation of too much information. Therefore, the challenging task is not the data collection but rather how to jettison most of it (Wolcott, 1990).

The method chosen to collect data is that of using interviews based on a semi-structured questionnaire. The choice of interviews was taken because they give the opportunity to step into the mind of another person, to see and experience the subject of the research as they see it themselves (McCracken, 1988).

The questionnaire was structured with open questions that allowed more qualitative in-depth knowledge to be generated (King, 1995).

The questionnaire structure was the following²:

- 1) Common questions for people in Brussels and in Brasília;
- 2) Targeted questions for people based in Brussels;
- 3) Targeted questions for people based in Brasília.

The questionnaire for the purpose of a long interview is indispensable (McCracken, 1988). The demanding objectives of the interview require its use. With the questionnaire the investigator is sure to cover all the terrain in the same order for each respondent trying to preserve in a rough way the conversational context of each interview; the second function is the care and scheduling of the prompts necessary to create distance. The third is that it establishes channels for the direction and scope of discourse. In fact, the really open-ended interview is an ever-expanding realm of possibility in which the generative power of language is unleashed to potentially chaotic effect. The fourth function of the questionnaire is that it allows the investigator to give all his/her attention to the people interviewed's testimony. The first responsibility of the interviewer is the highly contingent work of assumption-inference, and he or she must not be distracted by any task that can be routinized. In sum the questionnaire protects the larger structure and objectives of the interview so that the interviewer can attend to immediate tasks at hand (McCracken, 1988).

A small, non-random sample was identified; the choice of the sample was purposeful (Patton, 1996). There was the selection of people working in the field of public affairs in Brussels and Brasília. For the dimension of the research only two sectors were chosen: the

² See Appendix

banking and manufacturing sector. The reasons were because these are two sectors under heavy regulation and they are very strong both in Brussels and Brasília.

In Brussels nine people were interviewed:

- ✓ Five from the banking sector (two persons from the European Banking Federation- EBF with a different level of seniority, German Banking Association BdB, Italian Association of cooperative banks-Federacasse; British Bankers Associations-BBA).
- ✓ Four from the manufacturing sector (two persons from the Italian manufacturing association with a different level of seniority; Federation of German industries-BDI, BUSINESSEUROPE).

In Brasília the situation was rather more imbalanced, because it was very difficult to find persons to interview in the banking sector. On asking some people in Brasilia why they told the author that the sector prefers not to talk openly about lobbying.

- ✓ Four from the manufacturer sector working for CNI (Confederação Nacional de Industria/ National Confederation of Industry). People with different roles in the organization were interviewed (One Vice-president, the director for relations with the executive branch, the director for international relations and the person dealing with the relations of the legislative branch).
- ✓ One from the financial sector working for CNF (Confederação Nacional das Instituições Financeiras/ National Confederation of the financial institutions).

In the analysis of the results of the interviews, in addition to aggregating and summarizing the responses of the people interviewed, the author, for some of the answers, converted the reply into a numerical form. This conversion was useful, because often quantification makes the observation more explicit. It can also make it easier to compare aggregate and summarized data with the use of charts and graphs (Babbie, 2013).

3.1 TYPE OF RESEARCH

The research is exploratory because it involves a literature research both from the EU and Brazilian perspective and involves interviews with people. This type of research is used to

explore those situations in which the intervention being evaluated has no clear, single set of outcomes (Yin, 2003).

The exploratory research is broad in focus and rarely provides definite answers to specific research issues. The objective of exploratory research is to identify key issues and key variables.

The choice of this type for the research was because the purpose of the research was to acquire new insights into lobbying practice and then formulate recommendations and conclusions.

The exploration of the phenomena of lobbying helped the researcher to better understand it.

4 ANALYSIS OF THE RESULTS

4.1 COMMON QUESTIONS IN BRASÍLIA AND IN BRUSSELS

The questionnaire started with an open question regarding the interviewed personal definition of lobbying.

The results show that most of the people interviewed defined lobbying as the way to represent the interests of either a particular company/organization or a collective interest for a sector. One senior lobbyist from the banking sector specified that to *“represent the interest means that the lobbyist gives the policy makers the necessary information with the point of view of the company or sector, and asks for attention on particular concerns”*.

Others emphasized the fact that lobbying is a political process where people give opinions, arguments and technical input in order to facilitate decision making.

Other persons stated that lobbying is a part of the democratic process.

Other important definitions given put attention on the aspects of influence. A senior person from the Italian manufacturer sector defined lobbying as *the attempt to influence, in the good sense of the this term, the legislation and any other activities at European level, explaining all the benefits and disadvantages of taking one stance or another on an issue in*

discussion. It is a positive way to help the decision makers to do their job and take good decisions that impact on the daily life of the people.

Another interesting definition was that the aim of lobbying is to change something. It is not *per se* to amend a proposal but it starts much earlier by changing the perception of the people on a specific issue.

Many of the respondents in Brussels considered the word “lobbying” and the word “advocacy” are treated as synonyms.

Interestingly in Brussels only one person mentioned the possibility of the misuse of lobbying. All the others expressed a positive perception of both the word and the practice.

Most of the people interviewed in Brazil state that lobbying is an **influence on decision making**. It is a practice that excludes the individual, includes state agents and the representation of interests of the interest groups. It is a natural consequence of democracy/indirect democracy.

One person from Brazil cited the definition of lobbying as defined by the First Amendment of the U.S. Constitution in the First Amendment "*Congress shall make no law abridging...the right of the people peaceably...to petition the Government for a redress of grievances.*"

Although the majority of respondents in Brazil spoke of lobbying in a positive sense, they found that in Brazil there is a widespread negative perception of the public opinion regarding the lobbying practice.

All the people mentioned that in Brazil the word “lobbying” has a negative connotation. The causes are:

- ✓ the lack of regulation about the activity helps creates a misunderstanding about what lobbying is.
- ✓ the misuse of the word by the press and media who for many years have been using lobbying as synonym for corruption. Journalists know what lobbying is but the “*negative meaning of lobbying has a public appeal*” one lobbyist from CNI said that the press

does not try to find an unbiased meaning. When the media speak of lobbying with the negative connotation they use the term *tráfico de influência*.

- ✓ confusion between campaign financing and lobbying. The press mix these two things.
- ✓ to avoid the negative connotation of lobbying some people use the term “advocacy” or “political advocacy”, as the word advocacy is more related to the judiciary power.

Even though in Brazil there is this negative meaning of lobbying a person working in CNF asserted that they define themselves as a lobbyist and people are surprised about that. It means that the professionals of lobbying are aware of the importance of lobbying practice and consider it in a positive light.

One person from CNF affirmed that lobbying is to build consensus on an issue among the member associations and present this consensus to the competent authorities.

All the people started by saying that lobbying is not a regulated practice in Brazil. One very interesting thing is that the majority of people said that all the efforts to regulate lobbying are tied to a political scandals. Some people mentioned the *mensalão* scandal (big monthly stipend). In fact whenever there is a scandal the Executive branch come up with a need for a regulation. Interestingly it seems that there is a recurring phenomenon: the need to regulate or to rethink about the lobbying practice only happens after a scandal.

One person defined lobbying as a way to educate people about an issue and present the view of a sector. Primarily it is a communication effort combined with sharing information. However in Brazil it is not like in Washington where the policymakers, who don't know the issue from a technical point of view meet the lobbyist to acquire expertise and avoid unforeseen consequences due to lack of information about an issue.

Another important characteristic pointed out by a person working in CNI is that in Brazil it is much easier to approach and talk with the Legislative branch than the Executive branch. The Congress has a better understanding of the importance of lobbying, but the problem is that the congressmen are afraid to be seen with a lobbyist because of the negative perception of the practice.

The interviewees were asked to rank the three most important categories of the lobbyist. The results in Brussels and Brasília are shown in Charts 1 and 2.

Brussels



Chart 1: The most important categories of lobbyists- Brussels
Source: Author

Brasília



Chart 2: The most important categories of lobbyists
Source: Author

First most important: Trade Associations both in Brasília and Brussels.

As the charts show both in Brussels and in Brasília the majority of people named **trade associations**³ as the first most important category of lobbyists. First of all because the people interviewed work for trade associations; second because they consider that the trade associations gather more than one entity, so they can voice more than one interest, said a person from the banking sector. In Brasília most lobbyists said that another reason is because of the corporatist system in place in Brazil. The financial pillar of the corporatist

³Trade association can be defined as an organization whose members are involved in a particular business or trade, such as retail and wholesale, fabrics, food stuff, transportation. Retrieved from www.businessdictionary.com

system is the financial contribution that companies are obliged to pay to the Unions/Confederations that represent them- the so called “Union contribution”. The Union contribution is the main source of funds that guarantees the survival of the Unions/Confederations (for example CNI receives 5 % of the levy obtained by all the industrial business unions of the country. So this system allows the trade associations to have the resources necessary to represent the interests of its members (Mancuso, 2010).

Second most important:

I. Brussels Public Affairs Agencies

Public affairs agencies are perceived as the second most important category of the lobbyist in Brussels, because they are very active and they have their offices close to the headquarters of the European Institutions. The people working in the public affairs agencies are hired in order to try to influence officials in the EU’s institutions on behalf of industrial and corporate interests, or to give strategic advice to such economic actors when they choose to engage in direct lobbying instead. The Corporate European Observatory (CEO) in its report Lobby Planet; Brussels the EU quarter (2011) mentioned the largest public affairs agencies in Brussels: APCO Worldwide, Burson-Marsteller, Fleishman-Hillard, Hill and Knowlton.

No-one from Brasília mentioned the public affairs agencies as a category of lobbying; as people stated, their presence is very low and they don’t have any power there.

II. Brasília: Companies

Some people consider them to be both very strong and very active. The largest companies have representation in Brasília to monitor political and institutional activities. One senior person from the banking sector said that although they try to coordinate with the companies, which are members of the association, they go to the decision makers with a different position. The reason could be because the trade association represents a position that is a result of a compromise with its members.

Third most important:

I. Brussels: Companies.

The reason is because of the huge presence of companies in Brussels. Also in Brussels the companies sometimes act independently from their association. It happens when they have a specific interest not relevant for the association.

II. Brasília: Professional organizations.

The people said that also the professional organizations are very strong. One of the most powerful is the association of lawyers (OAB).

All the people interviewed, in Brussels and in Brasília, replied that lobbying is **the core business** of their association. Moreover all the associations were created with the aim to represent their association members interests. In Brussels a senior person from the banking sector stated that lobbying is the core business, because all the other activities of the association aimed to do the lobbying. He also affirmed that the public affairs department of his association has a coordination function, all the other departments are supposed to contribute to the lobbying function. One person made an interesting point, stating that lobbying is the association's core business in Brussels, but in the national headquarter they are more service providers. One young lobbying professional from Brasília said that nowadays the people recognize and sustain that lobbying is their core business, but the older generation of lobbying professionals prefer to say that they protect the interests of the sector. He defined the phenomenon as a generational gap between the younger and the older lobbying professionals. A senior person in Brasília said that the reason why it is the core business is because lobbying is the only way to stop/amend regulations, which are against the interest of the sector.

Regarding the positive aspects of lobbying the results were quite similar between Brussels and Brasília. They can be summarized in these group of replies:

- (a) **Provide information** to the decision makers in order to bridge the lack of information.
- (b) **Give expertise** to the decision makers. Both in Brussels and Brasília they highlighted that the policy makers are generalists and they can't be experts in all the issues they follow.

- (c) **Essential and beneficial for democracy.** One senior person from Brussels said that “*democracy cannot functions if the policy makers don’t have the adequate information of an issue*”. Moreover in Brasília, people told the author, that through the lobbying activity, they indirectly defend the interests and rights of the society.
- (d) have a voice in the legislative process.
- (e) **Improve and assist the decision-making** through establishing a dialogue with the policy makers, who need to have objective information about the sector. A very important aspect is sharing information and enhancing dialogue with the policy makers.

Question 4 was an open one with the aim to gather the perception of the useful aspects of lobbying, in question 5 the idea was to ask them to choose the 3 most important aspects among the statements given in the questionnaire.

The results both in Brussels and Brasília are presented in Charts 3 and 4:

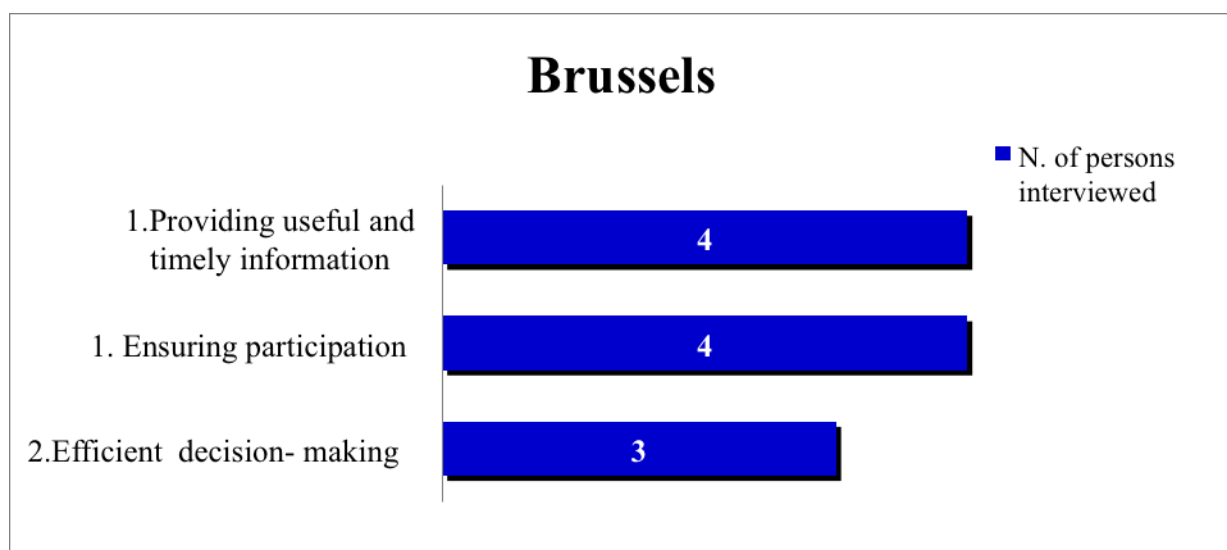


Chart 3: *The useful aspects of lobbying- Brussels*
Source: Author

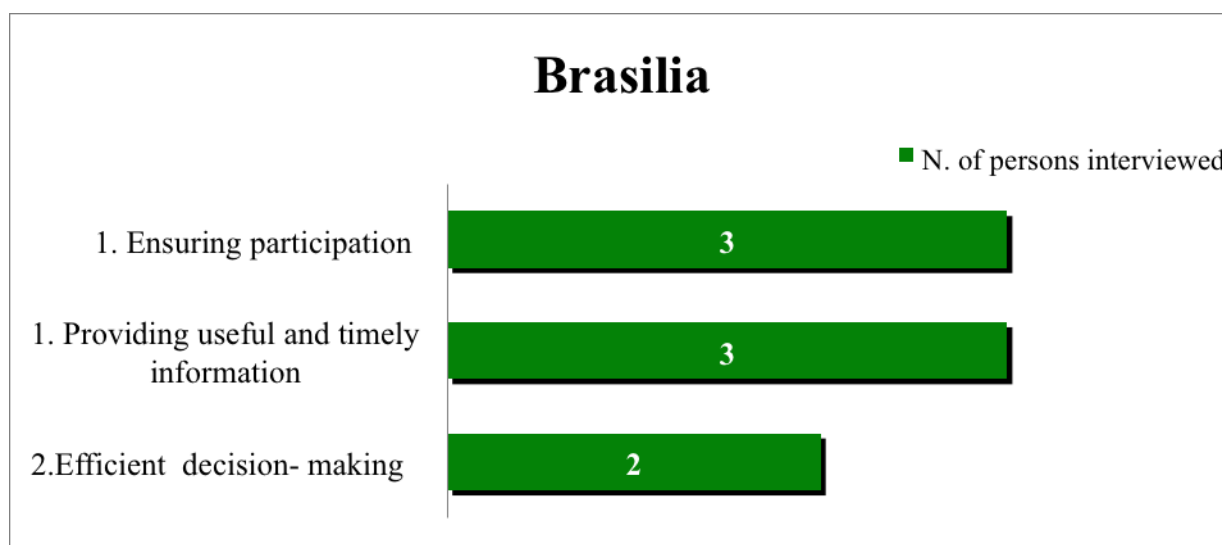


Chart 4: *The useful aspects of lobbying- Brasília*
Source: Author

It can be observed from the results that there was an agreement in both Brasília and Brussels on the three most important useful aspects of lobbying. Moreover both in Brussels and Brasília there was parity between the two aspects “Providing useful and timely information” and “Ensuring participation”. The people stated that these are the fundamental aspects of their job.

We can say that the replies given in this question mirror the replies to the previous question. It means that they are very coherent in their way of replying and they are very aware of the issue.

Regarding the negative aspects of lobbying (Question 6) the common replies between Brussels and Brasília can be summarized as follows:

(a) Imbalance between the representation of interests. Entities with a lot of money can hire many people to do the work and be present in the debate; this comes at the expense of small entities, which don't have that kind of money. So one person from Brussels said that the problem is that not all the organizations have the same voice in the political debate. Two people from Brasília stressed the importance of tackling this problem, because with the unequal representation of all the interests the public interest is not observed. To avoid this imbalance, people in Brussels mentioned some tools such as public consultations and hearings where all the interest groups can take part. In Brasília the possibility to have public consultation before the release of a legislative

proposal is not a legal possibility. One professional from Brasília said that the introduction of the public consultation tool is one of the proposals that CNI has put forward in the dialogue with the candidate for the election of the new President of Brazil. People from the banking sector in Brussels admitted that their sector has more financial capacity compared to other sectors and that the EU institutions are aware of this imbalance and try to tackle this through the aforementioned tools (public consultations and hearings).

- (b) **Lack of transparency.** One person from Brussels told the author that in the past this aspect was more relevant than now. In the EU much progress has been made to enhance transparency (He mentioned the EU Transparency register). One person from the German manufacturer sector stressed that the problem of the lack of transparency is very relevant to NGOs. He claimed that all the organizations on the business side are registered in the Transparency register, but not the NGOs. The Transparency register is an open book for the business sector companies but more like a black book for others like NGOs.
- (c) **Bad perception of public opinion about the lobby profession.** For example to be seen as the representative of the big companies and as a representative of only a part of the whole. One person from the Italian manufacturer sector said that it is not true, because they represent also the interests of SMEs. Another person said that sometimes lobbyists are considered as someone who pushes for their own interests and not as someone who tries to ensure the participation of the economic actors in the political debate. He said that to overcome this misconception it is important to be professional.

Only in Brasília did all the people mention as a negative aspect the association of the lobbying practice with **corruption**. One person asserted that there is the possibility to do corrupted activities but that it is not lobbying, it's a crime. People from CNI said that the sector does not have problems with the negative perception, because CNI is very well considered by public opinion to be a good lobbying organization. On the contrary the situation for the financial sector is different because the sector has a problem of image all over the world and lobbying is perceived as a traffic of influence, with the possibility to carry out illegal activities.

The total absence of any mention of corruption in the replies from Brussels is due to the fact that in Brussels lobbying is a consolidated practice and is also recognized by public opinion.

In question 7 it was asked to rank the three most important negative aspects.

The results in Brussels and in Brasília were the following (See Charts 5 and 6):

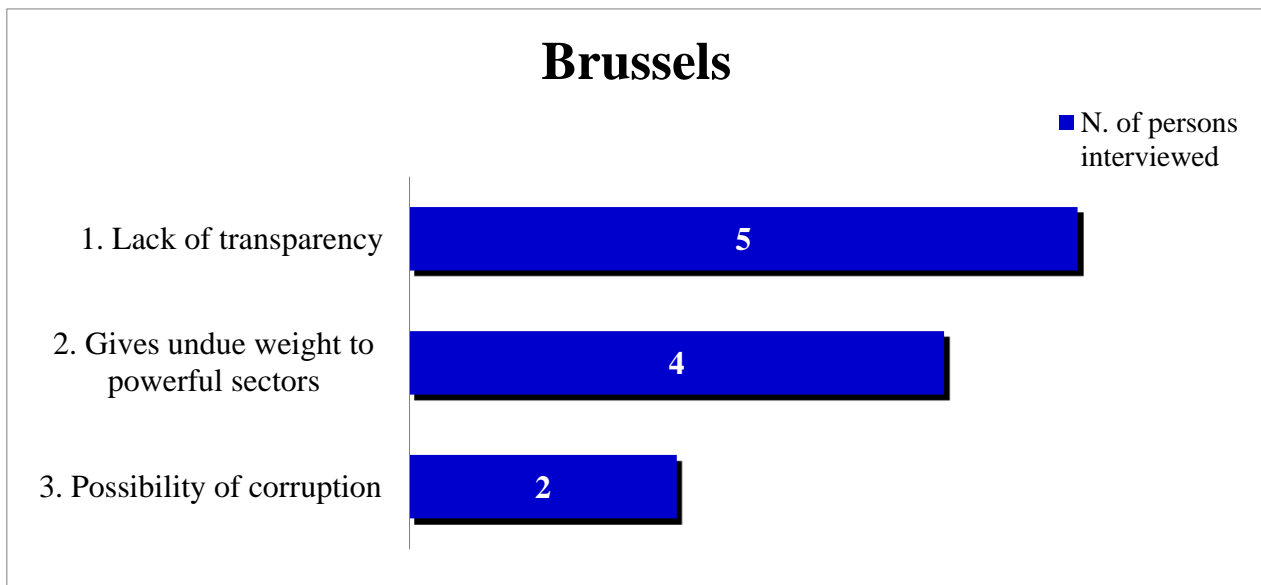


Chart 5: Negative aspects of lobbying- Brussels

Source: Author

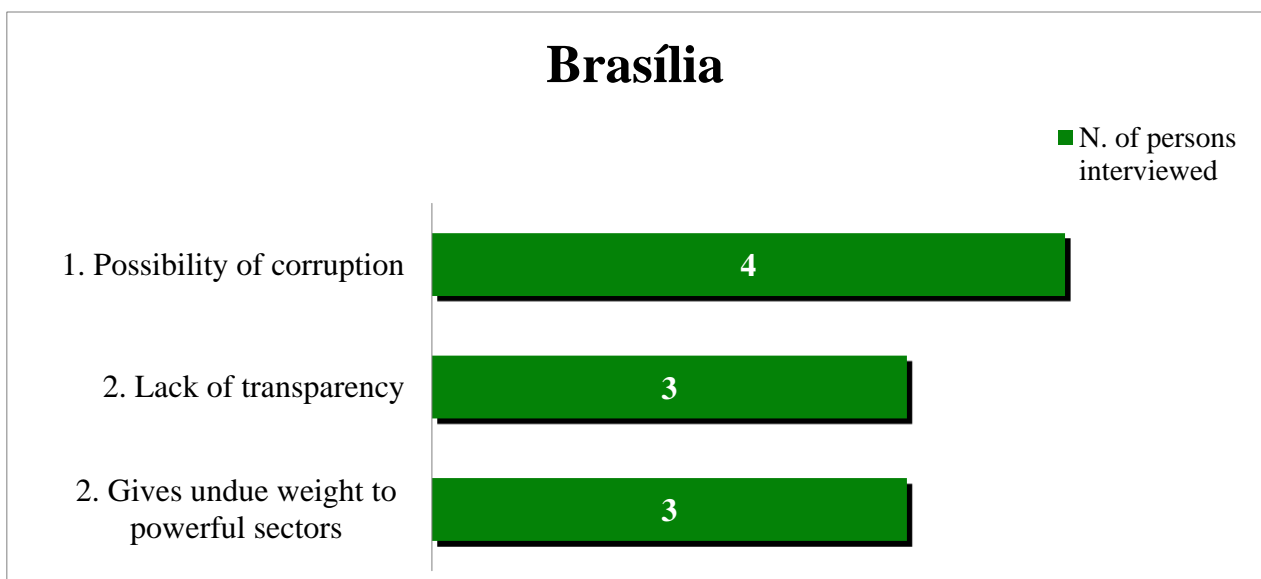


Chart 6: Negative aspects of lobbying-Brasília

Source: Author

The comparison between the results in Brussels and Brasília shows that:

- In Brasília corruption remains the most prevalent negative aspect of the lobbying practice.
- In Brussels the most important aspect is the lack of transparency. This is due to the fact that the debate on transparency is one of the most common ones.

Also in the case of the negative aspects, the answers to the structured question are consistent with those given in the open one.

The eighth question tried to investigate the concentration of lobbying activity, taking into consideration the time point in the policy process and the three categories/types of lobbying were categorized as lobbying as a **prevention**, lobbying as **reaction** and lobbying as **reaction**, which is the type of lobbying the interviewed use most in their job.

The results in Brussels and Brasília are represented in Charts 7 and 8.

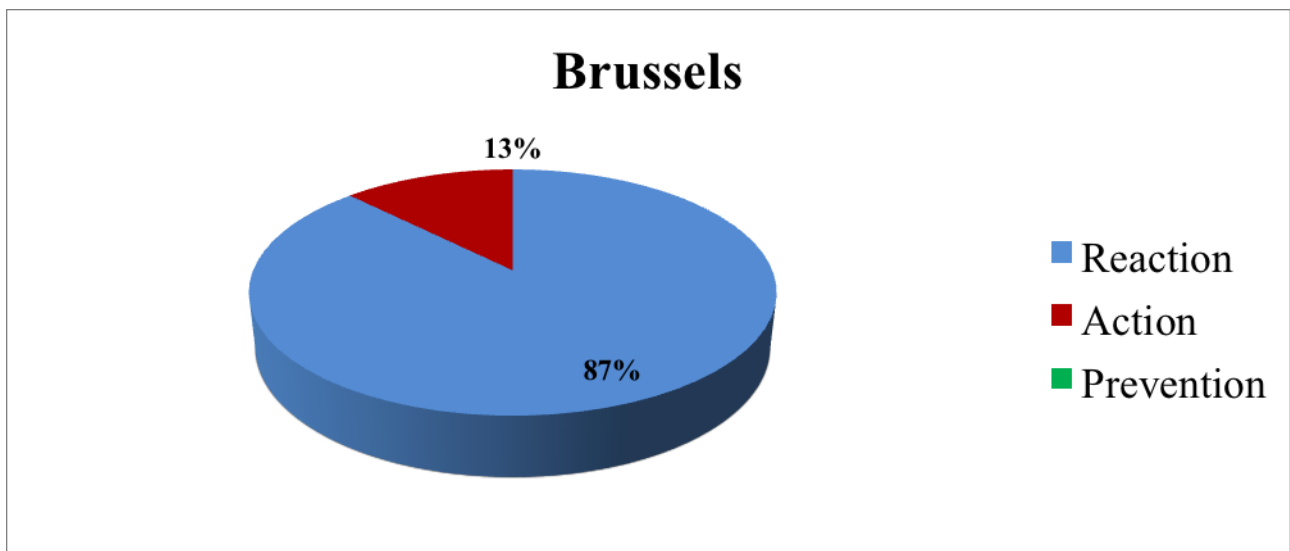


Chart 7: Type of lobbying- Which is the most used?-Brussels
Source: Author

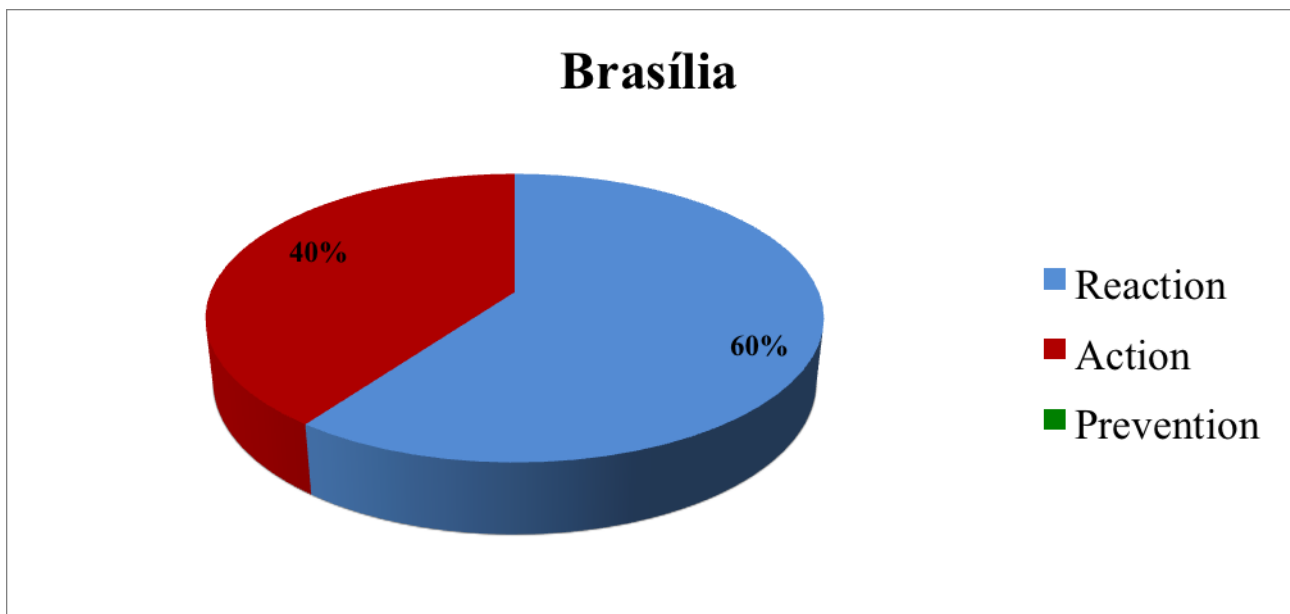


Chart 8: Type of lobbying- Which is the most used?-Brasília
Source: Author

It can be noted that in Brussels the most used is reaction, because it is easier to modify a legislative proposal already in place. In the majority of cases it is impossible to prevent legislation as it is not possible to know the agenda of the EC. And also, especially in the banking sector, in recent years there has been a huge amount of legislative proposals, so the work starts after the legislative proposal release.

In Brasília however it can be noted that there is an almost parity between Action and Reaction. People working in CNI said that for the 73% of their lobbying activity they use the action mode of lobbying. Some people from Brasília stressed the peculiarity of the system where the Executive power has the power to be the agenda setter and also the President has a great deal of agenda power.

After, it was also asked to specify which is the most difficult.

The results in Brussels and in Brasília are shown in Charts 9 and 10.

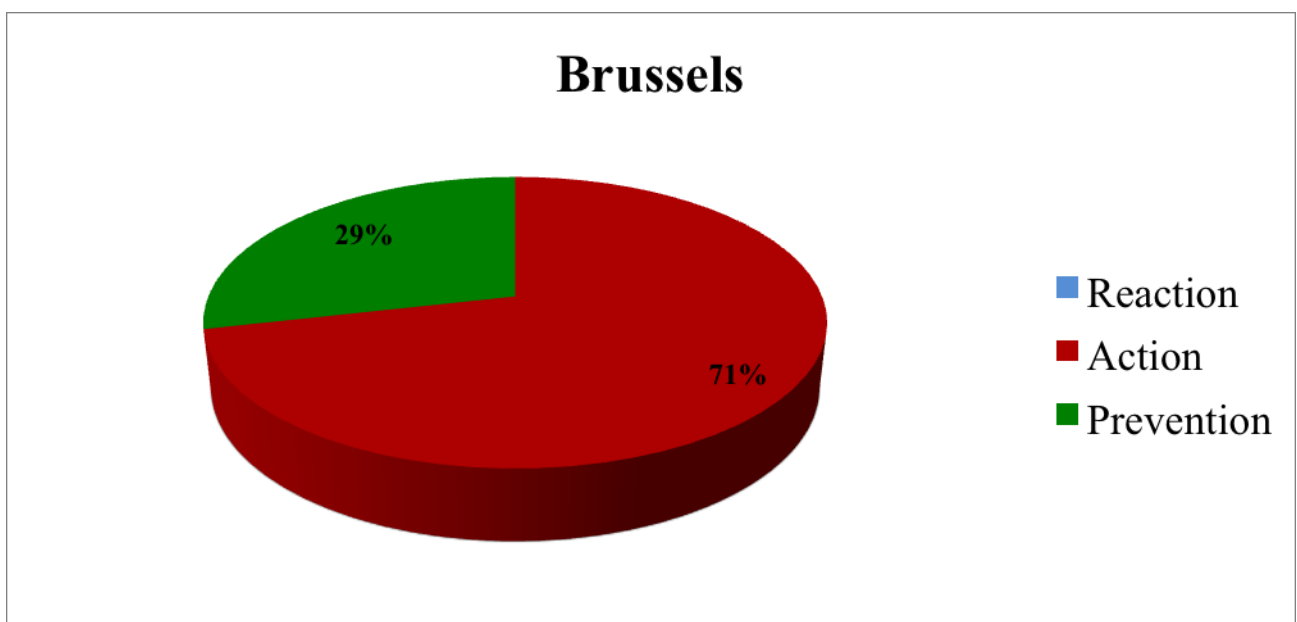


Chart 9: Type of lobbying- Which is the most difficult?-Brussels
Source: Author

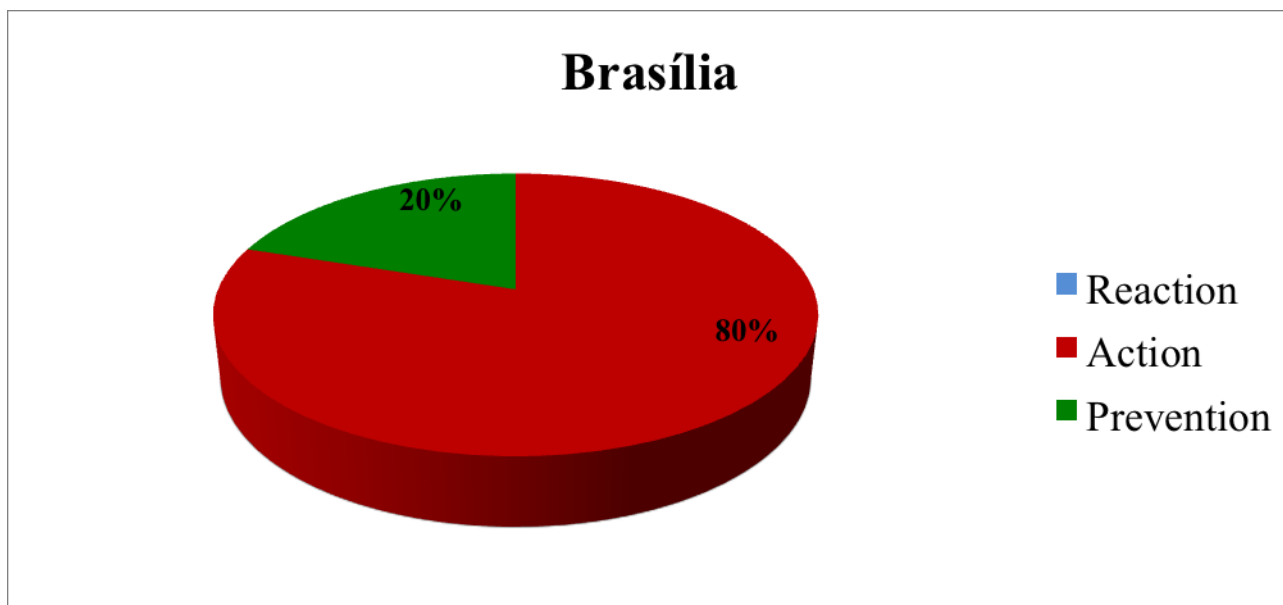


Chart 10: Type of lobbying- Which is the most difficult?- Brasília
Source: Author

The two most difficult types of lobbying were, both in Brussels and Brasília, Action and Prevention.

Action is considered the most difficult because there is an asymmetry of information in the Executive branch and also because of the problem of lack of transparency. Another reason for people in Brasília is that it is difficult to build a consensus among the members associations to push for action.

A senior person from the banking sector said that action is not very common in Brussels. In his entire carrier he experienced only one time that the banking sector asked for legislation. People both from the banking sector and manufacturer sector think that the frequent use of action and prevention could depend on the sectors. For example in other sectors not under heavy regulation, like the banking sector, it would be possible to prevent legislation.

Regarding prevention, considered the most difficult also by the authors cited in Section II, it can be difficult because its use depends on how powerful the organization is to prevent a piece of legislation. One person from the Italian banking sector said “that to be effective in the prevention, the lobbyist has to work behind the scenes”. In order to prevent the organizations have to gain the trust of the policy makers, which can alert them about the project to propose legislation. A person from the manufacturer sector told the author that

there were some cases where they were able to influence the early stage of the formalization of a legislative proposal and that after the examination of the first informal draft they stopped the legislative procedure.

Prevention is considered more as a way to educate the legislators on what the organization represents and on what the priorities sector is.

Only one person working within the legislative branch in Brasília and one in Brussels asserted that reaction is more difficult than the others, because it is difficult to convince the decision makers to modify a piece of legislation already in place and the margin of manoeuvre is narrower compared to prevention and action.

In the case of Brasília the idea, confirmed by the persons interviewed, is that the way to carry out lobbying is very different in the Legislative branch and the Executive branch.

A person from the German banking sector replied that it is difficult to say among the three which one they have used more, because it depends on the dossiers. Moreover each category has its difficulties and challenges.

The last common question was related to obtaining some information regarding the interviewee's awareness about other lobbying regulation and which they consider to be more effective and why.

The first difference noticed between the answers in Brasília and in Brussels is that in Brasília most of the people interviewed are aware about lobbying regulations in other countries. The reason could be that, as some people interviewed in Brasília stated, their country is far behind the EU and US systems so they want to have in-depth knowledge about the other systems to take inspiration from them⁴.

Most of the people in Brussels replied that they have no clue about the lobbying regulation in other countries. One senior person replied that in order to do lobbying they don't need to know the lobbying regulation of the other countries. They said that they are aware that in the US there is some regulation, but only two persons were able to speak a little about this system.

One banking sector person in Brussels said that he knows the US way of doing lobbying very well. He doesn't agree with the fact that the members of Congress and Senate and

⁴ 2 persons in Brasilia attended classes in Amsterdam on the Transparency register initiative.

even the President accept money from a company to finance their campaign. He thinks that there is a lack of democracy and a strong influence of particular interest above the general interest, because after the elections the policy makers have to return the investment to the company. He is convinced that lobbying is mainly to give good information and convince the policymakers with information and not with financial resources. In the US policy makers have their hands tied by the companies who financed their campaigns. In his opinion it is the wrong way to do lobbying, but it is effective for the companies as they will have politicians who put forward their interests. Policy makers have to take objective decisions and if they are tied to pecuniary interest, they will not choose the best solution for the society and public interest.

Another senior person in Brussels said that the US system is more related to campaign financing. In Brussels it is different as campaign financing is not allowed.

In Brussels one person said that he considers the EU system more democratic. Another person affirmed that it is impossible to say which system, between the EU and the US, is more effective because of the difference in cultures. In the US there is a lot of press coverage about lobbying and a lot of investments in public events on different issues, while in the EU there is a preference to carry out debates in a closer circle. Perhaps the US system would not work in the EU.

In Brasília, the majority of people are aware of the US system. Others replied that they have some knowledge about the Canadian and EU systems.

One person considers the Canadian lobbying regulation the most efficient, but an incentive to apply more self-regulation is needed.

One person considers the EU model less bureaucratic than that of the US, but both of them have the problem of giving the majority of burden of information only to the lobbyist and not to the decision makers. He stressed the importance of sharing the percentage of burden of information between the two categories.

Regarding effectiveness, one person replied that there is not a perfect model and that everything is experimental at the moment. The right way to have a good system is to have a system where all the information about the schedules, the meetings, the object of the

meetings of the decision makers and documents are disclosed and every one can access this information.

For a person, who worked for several years in the US, the system in place there, is the most efficient. There is a register for the people and for the organizations. The system takes into account how much money the organization spends for lobbying: the more you spend to lobby the more you have to give information. All the information is published in a website⁵; there are rules for gifts that people can give to the decision makers; rules on campaign finance; every 3 months you have to report to the register all the information about the lobbying activity; there are committees of ethics in the Senate. He said that US lobbying is expensive, because there is a lot of compliance, but it is very effective and transparent. The democratic process is stronger due to good regulation. On the contrary, in Brazil the lack of regulation leads to a weakness in the system and it is very easy to have irregularities.

The levels of awareness of Brussels and Brasília regarding other lobbying systems are shown in Charts 11 and 12.

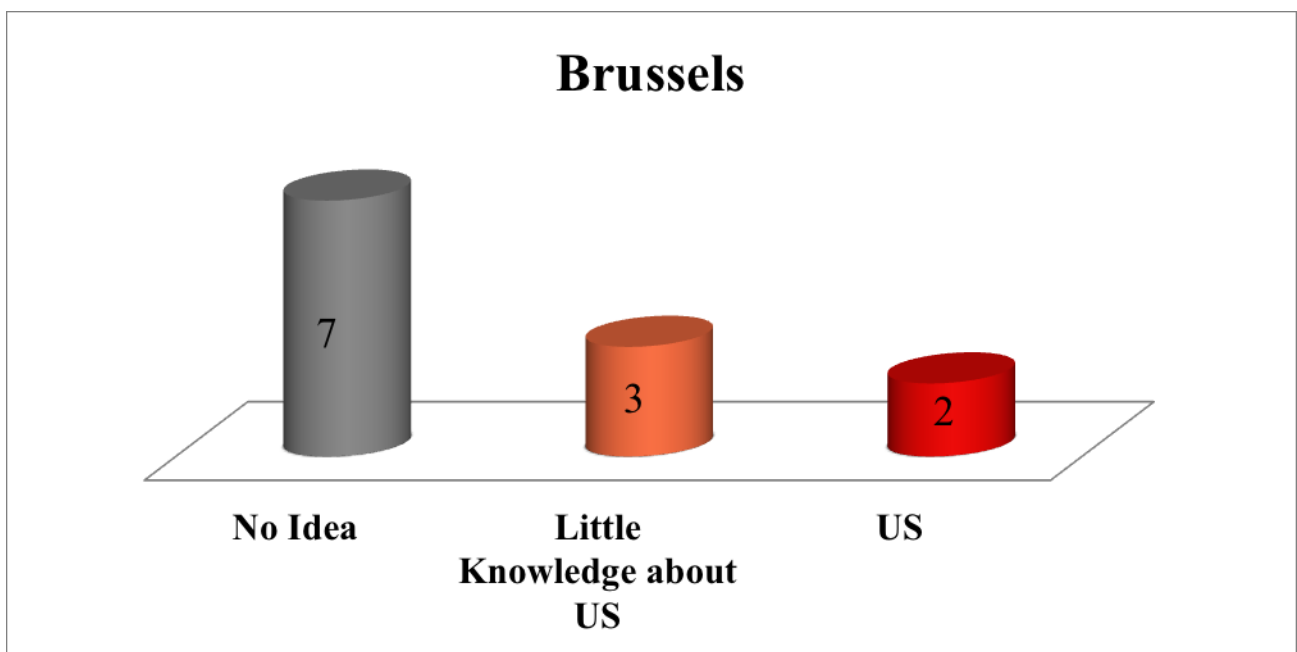


Chart 11: Awareness about other systems of lobbying regulation – Brussels
Source: Author

⁵ <http://lobbyingdisclosure.house.gov/software.asp>

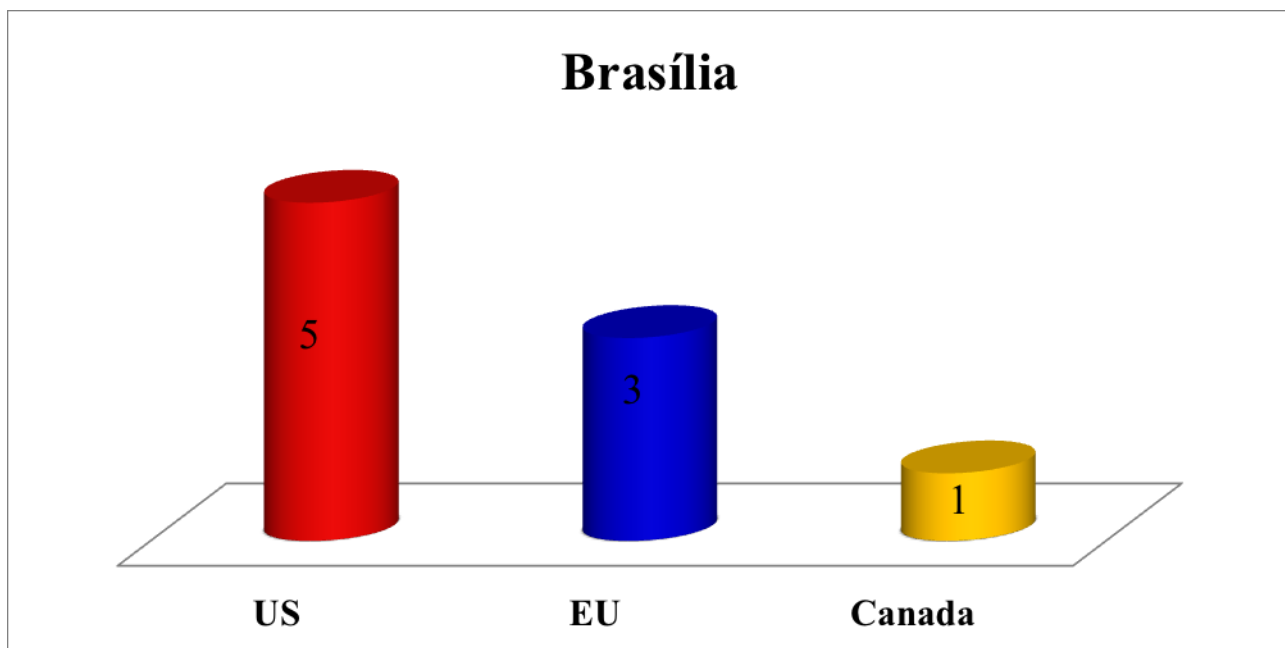


Chart 12: Awareness about other systems of lobbying regulation – Brasília
Source: Author

4.2 TARGETED QUESTIONS TO PEOPLE INTERVIEWED IN BRUSSELS

The first question targeted to the people in Brussels regards the EU transparency register and if it is sufficient to control/monitor the lobbying practice.

The results are shown in Chart 13.

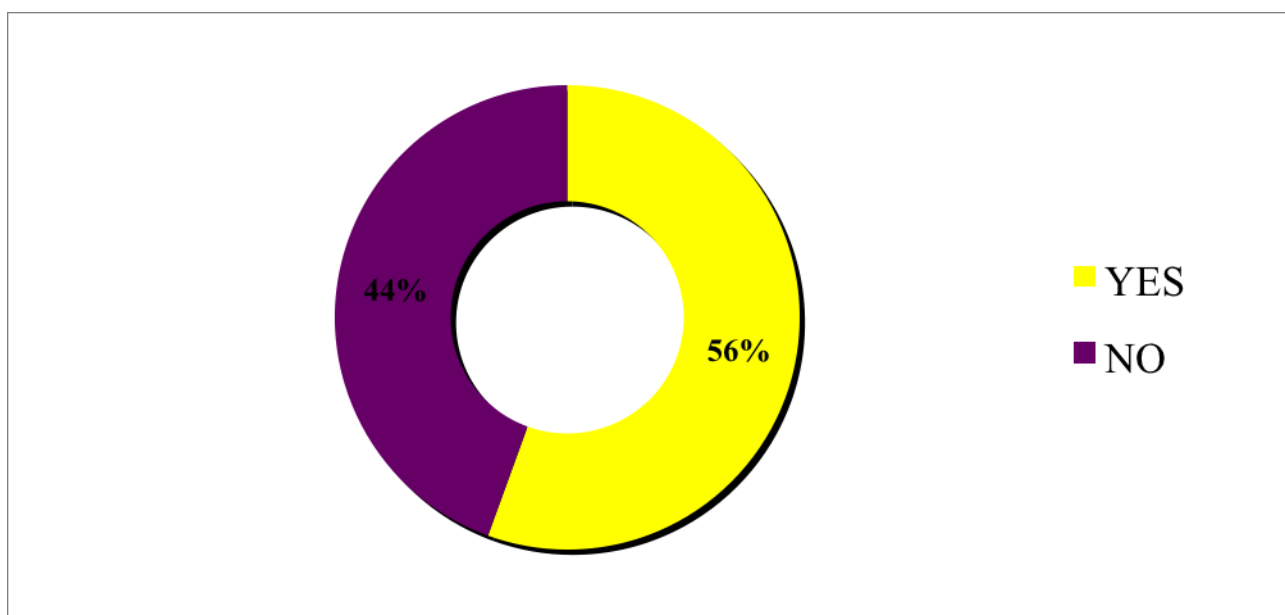


Chart 13: Do you think that the EU Joint Transparency Register is enough to regulate the lobbying practice?
Source: Author

As can be noted, there was almost a parity of replies between YES and NO about the voluntary base of the register and if it is sufficient to regulate the lobbying practice.

A person from the German banking sector stressed that a voluntary register is enough, because all the relevant actors are there. It is a tool to have an overview of the people working in Brussels, but the European Commission and the European Parliament have to explain in a better way the criteria to register and to calculate the money spent in lobbying in order to disclose the right amount of money. Moreover the EC and EP have to make sure that all the information of the organization is correct. He remembered the debate on the voluntary base of the register came out after the cash for amendments scandal.

Other people think that it is an improvement compared to the past and there are new rules on how much money the entities spend in lobbying.

On the contrary persons from the banking sector and manufacturer sector think that it is not adequate because the criteria are not clearly outlined and there is not enough control on the practice.

One person from the manufacturer sector thinks that it is in organizations/companies interest to register.

Regarding the question that a mandatory register would be useful and more effective, the results were as is presented in Chart 14:

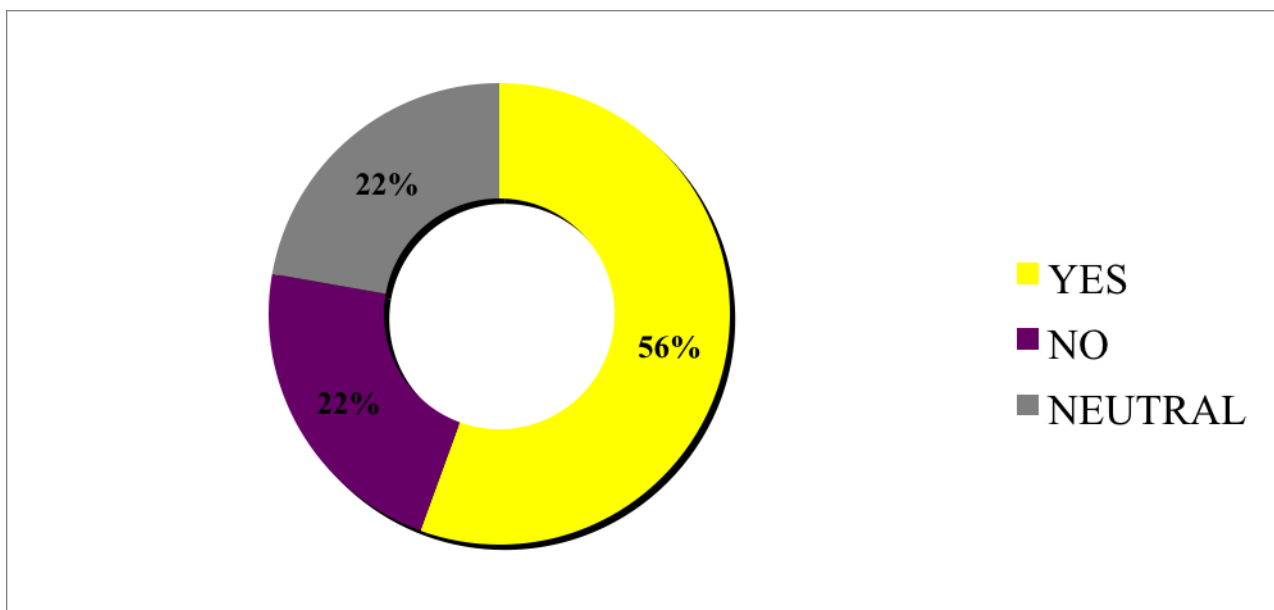


Chart 14: Do you think that a mandatory register would be useful or more effective?

Source: Author

A person from the EBF thinks that a mandatory register would be useful in order to clarify the boundary between lobbying and other activities. Another person thinks that a mandatory register would be more encompassing and would bring more transparency for everybody, if the EC and EP put in place more concrete guidance about the transparency and monitor better the practice so that everybody in the register give comparable figures and thus there would be more homogeneity in transparency.

People from the Italian manufacturer sector said that the mandatory register would help to have clearer criteria. One lobbyist thinks that the mandatory register could be useful to enhance the credibility and the better reputation of the organizations/companies. Another person thinks that this would be more effective but that it would be hard to achieve.

Some people think that a mandatory register is not necessary, first because if an organization wants to be trusted it has to be in the register and show that it is playing along the European standards and that it is professional, second because a mandatory register will not prevent or avoid the misuse of lobbying practice outside the European institutions.

People from the manufacturer sector were neutral about the mandatory nature of the register. They said that they are not against it, but that they don't hold an opinion.

A big issue in Brussels is the disclosure of the financial resources made available for lobbying. For example some organizations like the European Banking Federation (EBF) put the whole budget on lobbying. The reason could be because the calculation of EU lobbying spending and head counts of those involved in EU lobbying activities are the most demanding data components for registrants, requiring the application of guidelines with scope for wider differences of interpretation (Greenwood & Dreger, 2013). The TR and its predecessors have suffered a continuing supply of implausible data entries. The origin of this may lie in a question, which requires systemic knowledge in seeking the "number of persons engaged in activities falling under the scope of the TR" (Greenwood & Dreger, 2013)

To the question regarding the possibility of introducing European legislation, the majority of people are not in favour of an *ad hoc* legislation, because they consider that the transparency register is enough to regulate the issue. Some of them affirmed that they are not in favour of overregulation and they support the idea of self-regulation in this field

with a code of conduct with more stringent and concrete sanctions for those who don't respect it.

Other persons expressed some doubts about how the regulation could be and what should be regulated in this field. They said that the most effective way would be a regulation applied to the policy makers and not the industry, because it is impossible to control the lobbying activity of the different sectors. The regulation should have some norms on how decision makers disclose their information about the relationship with lobbyists, how to report their activities and meetings and if they accept money and gifts from lobbyists.

One senior person from the Italian manufacturer sector said that he would feel comfortable to have legislation if *“it can help to better facilitate the job of the lobbyist and to better be seen as a person compliant with the law”*.

Regarding the knowledge about lobbying in Brazil, all the people interviewed had no knowledge about the functioning of lobbying in Brazil and they didn't think that lobbying was a regulated practice.

4.3 TARGETED QUESTIONS TO PEOPLE INTERVIEWED IN BRASÍLIA

The first targeted question asked to the people interviewed in Brasília was if they were in favour of a regulation of lobbying in Brazil. The results of the interviews showed that all the people are in favour of regulation. However, the reasons differ among those interviewed. One person responded that it is important to understand how the regulation was to be carried out and it could be useful if it were done properly. He indicated the Canadian system as a good example of regulation and a useful reference to follow. He also cited the Transparency register in Brussels, and even if it is on a voluntary basis, he thinks that it is something that should be incentivized. Some people replied that regulation would be beneficial for the democracy. They also stressed the importance of having a regulation where there is a clear definition and distinction between lobbying and traffic of influence. In this way, it would be easier to avoid corrupted practices. Another important element to take into consideration is that the regulation should facilitate the representation of all interest groups and not only the powerful ones. Moreover it should enhance the transparency and should not be a restrictive regulation and inhibit/ block the

practice of lobbying. One of the things that the regulation will have to specify is “*Who does what to whom*” said a senior person from the financial services sector.

All the people think that regulation will be beneficial for Brazil. For one person, the reason is that it will enhance the right to defend the interests of different sectors and bring more transparency. In this way, there will be more transparency and it could be a way for Brazil to evolve and fight against the Brazilian authoritarian system. One person asserted that Brazil lags far behind the EU and US on this issue. For example, there is no obligation to have public consultation before formalizing a legislative proposal. The regulation on lobbying practice should include something to structure better the legislative process.

The replies to the question regarding the reason why lobbying is still not regulated by Congress can be summarized as follows:

- ✓ Unwillingness of the Congress to regulate the practice.
- ✓ No consensus in the Congress on how to regulate and on what is going to be regulated- the activity of lobbying or the profession of lobbyist. People think it would be more effective to regulate the activity and the process rather than the profession.
- ✓ Not a big issue in the public debate at the moment. The reason is because the media and press still consider and spread the idea of lobby as a bad thing so it is impossible to convince congressmen to push for a lobbying regulation, because they are afraid of raising it.
- ✓ No interest to regulate the practice. First of all because the Executive branch isn't interested in regulating the practice and also some people don't want the regulation because of corruption. Second because in the Congress there are more than 22,000 legislative projects today, said a senior person from the financial sector, and the regulation of lobbying is one of this huge amount of legislation. Moreover the legislative process goes very slowly in Brazil. Another important factor highlighted is the huge presence of the Executive branch and the peculiar figure of provisional measures released by the President, making the system very complex.

Regarding the question about the possibility to have a register of representative interest similar to the EU transparency register, despite the fact that there were some doubts about the possibility that the Brazilians knew of the existence and the functioning of the EU register, the majority

of those interviewed, particularly the young professionals, were aware of it. They replied that it could be a first step, but it is important to take into consideration that the executive branch has the obligation to publish the agenda of its meeting and the subject of the meeting. Another person said that the EU system is voluntary in part, because an organization has to register if it wants to have some facility (i.e. possibility to reply to a public consultation or have access to EP buildings). All the burdens are on the lobbyists. A lobbyist following the work of the legislative branch said that a solution could be a model where the burdens are shared between the decision makers and the lobbyist. The decision makers have to say who they meet. In the Brazilian system the obligation to publish the agenda of meetings is only for the executive branch and not for the legislative branch. They pointed out a difference between Brussels and Brasília: in Brazil there is no obligation to disclose the amount of money spent for the lobbying practice and there is a legislative provision that allows the organizations/entities not to disclose their budget. So the register could work in Brazil without the section related to the budget.

Those who were not aware of the register, after the explanation of this tool, replied that it was a very good idea. The person from CNF, said that to access the Congress there is a register, but it is related to security and not to knowledge of the person who is accessing the Congress. Another person thought that the register should be mandatory to force people and organizations to register.

5 DISCUSSIONS AND CONCLUSIONS

The conclusion of this research is that despite the different institutional environment and the different history there is common ground in the perception of lobbying practice in Brussels and in Brasília.

The research was very useful to overcome the initial assumption of the author that the differences in the institutional environment would have brought different outcomes.

One of the main differences noticed between the system is that in Brasília the way to carry out lobbying is very different in the legislative branch and the executive branch, whereas in Brussels this scheme did not appear. Moreover, we can say that in Brussels the target of lobbying practice is the trilateral decision making structure (EC-CONS-EP) whereas, in Brasilia the major lobbying efforts are addressed to the Executive branch,

which is considered to be the agenda-setter. So the results of the interviews in Brasília confirmed the theory of the Executive Dominance mentioned in the literature review.

The peculiarity of the Brazilian system weighs heavily on the way to lobby, for example there is the great use of the action mode of lobbying which addresses the Executive branch in order to influence the legislative agenda of the Executive branch and in particular that of the President. Another interesting thing to highlight is that the people interviewed think that one of the reasons why lobbying is not a regulated practice is due to the huge presence of the Executive branch as well as to the presence of the provisional measures released by the President, thus producing a very complex system.

The author noted an asymmetry regarding the knowledge about the respective lobbying system. In Brussels all people interviewed stated that they knew nothing about the Brazilian system, on the contrary in Brazil the majority of the people were aware about Brussels. Moreover, in Brasília the people interviewed are aware about lobbying regulations in other countries. The reason could be that, as some people interviewed from Brasília stated, their country is far behind the EU and US systems so they want to have in-depth knowledge about the other systems in order to draw inspiration from them.

Another thing to highlight is that despite differences of countries and context, lobby regulation tends to have a core set of drivers (Pross, 2007). A starting point of thinking about a regulation of lobbying or a reform of the system in place often involves a case of corruption (Greenwood & Dreger, 2013). This can be seen, for example, in the *mensalão* scandal (big monthly stipend) in Brazil and the *Cash-for amendments* in Brussels. Interestingly it seems that there is a recurring phenomenon: the need to regulate or to rethink about the lobbying practice only happens after a scandal.

The analysis of the results has shown that there are more convergent than divergent replies to the questionnaire (See Tables 1 and 2).

TOPIC	BRUSSELS	BRASILIA	COMMENTS
DEFINITION OF LOBBYING	<ul style="list-style-type: none"> ➤ Represent the interest of their organization ➤ Influence on decision-making ➤ Communication efforts ➤ Part of the democratic process ➤ Build consensus on an issue among the member associations ➤ Educational process 		All people in Brussels and Brasília gave more or less the same definition of lobbying and expressed a positive perception of both the word and the practice.
NEGATIVE CONNOTATION OF THE PUBLIC OPINION OF LOBBYING	Not present	<ul style="list-style-type: none"> ➤ <i>Tráfico de influência</i> ➤ Synonym of corruption ➤ Negative meaning of lobbying has a public appeal 	In Brazil the negative connotation is caused by media and journalists, but the professionals of lobbying are aware of the importance of lobbying practice and consider it in a positive light. It can be noted that the negative perception of lobbying in Brazil is also highlighted by the literature on the issue.

TOPIC	BRUSSELS	BRASILIA	COMMENTS
RANKING OF LOBBYISTS	<ol style="list-style-type: none"> 1.Trade associations 2. Public affairs agencies 3. Companies 	<ul style="list-style-type: none"> • <ol style="list-style-type: none"> 1.Trade associations 2. Companies 3. Professional organizations 	The ranking is very similar. The main difference is the great presence in Brussels of Public affairs agencies.
LOBBYING AS A CORE BUSINESS	It is the core business Public affairs department as a coordination function.	It is the core business for the young professional Generational gap. Lobbying is the only way to stop/amend regulations, which are against the interest of the sector.	There is a convergence in the replies. The only difference is that in Brasília the older generation of lobbying professionals prefer to say that they protect the interest of the sector.

TOPIC	BRUSSELS	BRASILIA	COMMENTS
USEFUL ASPECTS OF LOBBYING <i>Open question</i>	<ul style="list-style-type: none"> ➤ Provide information to the decision makers ➤ Give expertise to the decision makers ➤ Essential and beneficial for democracy have a voice in the legislative process. ➤ Improve and assist the decision-making through establishing a dialogue with the policy makers ➤ Enhance dialogue with the policy makers ➤ Have a voice in the legislative process 		<p>The replies were very similar. It proves that people from both Brasília and Brussels are very aware of the issue.</p>

TOPIC	BRUSSELS	BRASILIA	COMMENTS
USEFUL ASPECTS OF LOBBYING <i>Structured question</i>	<div>1. Ensuring participation of social and economic actors and citizens in the political process</div> <div>2. Providing useful and timely information /Translating technical information into relevant information</div> <div>3. Efficient decision- making</div>		<p>There is agreement in both Brasília and Brussels on the three most important useful aspects of lobbying. Moreover the replies given in this question mirror the replies to the previous question. It means that they are very coherent in their way of replying and they are very aware of the issue.</p> <p>The people affirmed that the first two aspects are the fundamental aspects of their job. Moreover, these aspects are considered by Dondero & Lunch (2005) as important aspects of the performance of the lobbyist.</p>

TOPIC	BRUSSELS	BRASILIA	COMMENTS
NEGATIVE ASPECTS <i>Open question</i>	<ul style="list-style-type: none"> ➤ Imbalance between the representation of interests. ➤ Lack of transparency. ➤ Bad perception of public opinion about the lobby profession. <p><u>THE MOST IMPORTANT DIFFERENCE:</u> In Brasília association of the lobbying practice with corruption.</p>		<p>The total absence of any mention of corruption in the replies from Brussels is due to the fact that in Brussels lobbying is a consolidated practice and is also recognized by public opinion.</p>
NEGATIVE ASPECTS <i>Structured question</i>	<ol style="list-style-type: none"> 1. Lack of transparency 2. Gives undue weight to powerful sector 3. Possibility of corruption 	<ol style="list-style-type: none"> 1. Possibility of corruption 2. Lack of transparency and Gives undue weight to powerful sector 	<p>The Brazilian results of the structured question mirror the open ones. Corruption is the most important negative aspect.</p>

TOPIC	BRUSSELS	BRASILIA	COMMENTS
<p>TYPE OF LOBBYING TAKING INTO CONSIDERATION THE TIME POINT OF LOBBYING.</p> <p><i>The most used</i></p>	<p>The classification of the most used category is the same:</p> <p>1. Reaction</p> <p>2. Action</p> <p>BUT in Brasília the <u>percentage of the use of Action is higher than in Brussels</u></p>	<p>In Brussels the most used is reaction, because it is easier to modify a legislative proposal already in place.</p> <p>In Brasília there is an almost parity between Reaction and Action because of the peculiarity of the system where the Executive power has the power to be the agenda setter and also the President has a great deal of agenda power. <u>It is important to underline that Action is a type of lobbying that it was not found in the Brazilian literature review where, there was only the mention of Reaction (Oliveira, 2004).</u></p>	

TOPIC	BRUSSELS	BRASILIA	COMMENTS
<p>TYPE OF LOBBYING TAKING INTO CONSIDERATION THE TIME POINT OF LOBBYING</p> <p><i>The most difficult</i></p>	<p>The classification of the most difficult to use shows a convergence between the replies:</p> <p>1. Action</p> <p>2. Prevention</p>		<p>In Brazil Action is considered the most difficult because there is an asymmetry of information in the executive branch and also because of the problem of lack of transparency.</p> <p>In Brussels Action is not very common.</p>

TOPIC	BRUSSELS	BRASILIA	COMMENTS
KNOWLEDGE ABOUT LOBBYING REGULATION IN OTHER COUNTRIES AND WHICH IS THE MOST EFFECTIVE	<p>Little knowledge about US system</p> <p>The majority of the people interviewed didn't express opinion on which is the most efficient system.</p> <p>One person considers EU system more democratic compared to US system.</p> <p>Another one said that it is impossible to say which system, between the EU and the US, is more effective because of the difference in cultures.</p>	<p>Good knowledge about other systems:</p> <ul style="list-style-type: none"> ✓ US ✓ EU ✓ CANADA <p>Different set of replies regarding the effectiveness:</p> <ul style="list-style-type: none"> ✓ EU model less bureaucratic than that of the US ✓ There is not a perfect model ✓ US is the most efficient 	<p>In Brasília there is a great awareness about lobbying regulations in other countries. The reason could be that, as some people interviewed from Brasília stated, their country is far behind the EU and US systems, so they want to have in-depth knowledge about the other systems in order to draw inspiration from them.</p>

Table 1: Comparison of the replies in Brussels and Brasília

TOPIC	BRUSSELS	BRASILIA	COMMENTS
REGULATION IN PLACE AND OPINION OF THE INTERVIEWED ABOUT THE POSSIBILITY TO HAVE A REGULATION ON LOBBYING	<p>There is no regulation in place.</p> <p>People are NOT IN FAVOUR of an <i>ad hoc</i> legislation.</p>	<p>There is no regulation in place.</p> <p>People are IN FAVOUR of an <i>ad hoc</i> legislation.</p>	<p>The main difference between Brussels and Brasília is that in Brussel people are not in favour of an <i>ad hoc</i> legislation to regulate lobbying, whereas in Brasília they are in favour. Both in Brasília and Brussels expressed some doubts about how the regulation could be and what should be regulated in this field.</p>
SELF-REGULATORY INSTRUMENTS	<p>Transparency Register (TR) on a voluntary basis.</p> <p>It is ENOUGH to control/monitor lobbying practice.</p>	<p>No self-regulatory instrument in place.</p> <p>A self-regulatory instrument should be a FIRST STEP.</p>	<p>Brazilian people affirmed that the TR could be a first step taking into consideration the Brazilian peculiarities. The importance to take into consideration the reality of the country is confirmed by OECD, which stressed that in this field no one size fits all (Dos Santos, n.d.).</p>

TOPIC	BRUSSELS	BRASILIA	COMMENTS
KNOWLEDGE ABOUT THE SYSTEM IN PLACE IN BRUSSELS AND BRASILIA	No idea.	People are aware about the European lobbying system.	There is an asymmetry regarding the knowledge about the respective lobbying system. People in Brasília want to know the other systems in place on lobbying regulation, because they are aware that in Brazil this field has to be improved.

Table 2: Comparison between lobbying regulation environment in Brussels and in Brasília

Finally, a few words regarding the recommendations for future research on the topic of lobbying and for some improvements in the system of Brussels and Brasília.

A future research should focus on the analysis of how the companies perceive lobbying in Brussels and in Brasília. In this case the focus will be on Institutional lobbying. Institutional lobbying refers to the performance of the corporate or institutional departments of private companies, devoted to the relationship with the different spheres and government levels (Oliveira, 2004). The basic assumption should be the same: institutions matter (Peng, 2009) and that the companies, when doing business, have to take into account the institutional and regulatory framework when they do business.

The companies should be the object of a future research, first of all taking into account the results of the interviews where the companies are considered both in Brasília and Brussels as one of the most important categories of lobbying (see Charts 1 and 2). Second because the importance of lobbying for companies is confirmed by a report of McKinsey (Musters et al., 2013) that estimated that the business value at stake from government and regulatory intervention is huge: about 30 percent of earnings (before interest, taxes, depreciation and amortization EBITDA) for companies in most industries and higher still in the banking sector; where the figure tops 50 percent (Musters et al., 2013). Moreover the democratic consolidation in Brazil brought about some interesting results for institutional lobbying. National and multinational companies began to recognize the importance of maintaining a communication channel with the State (Oliveira, 2004).

The methodology could be the same: interview people who work in companies from different sectors under heavy regulation, which have interests both in Brussels and Brasília. A preliminary idea regarding the sectors and companies from which to draw the sample should be:

1. Financial Services: Santander, Bank of America Merrill Lynch, BNPParibas
2. Telecommunications: Telecom/TIM Brazil;
3. Oil and Gas Sector: Shell and Total.

Regarding specific recommendations for Brazil it could be useful to start mapping the entities/organizations dealing with lobbying. In fact, in conducting this research was difficult

to find census of the interests representations based in Brasília. A good idea would be to take inspiration from Brussels⁶ and compile a booklet or database containing the list of representations. The absence of a private database of lobbying interests representation in Brazil greatly hampers the mapping and inhibits the progress of the research in this field (Cesario, 2013) and also makes the work for the professional of lobbying practice much difficult. A very good database of the lobbying representation, based on the experience of the author, makes the job of the lobbyist easier, and it helps the professional to understand who is who and who does what. Cesario (2013) stated that the only attempt to identify the size of lobby community in Brazil until now was made by Dos Santos (2007).

The Brazilian policy makers should start thinking to put in place a register similar to the one in place in EU. In fact, all the people interviewed think that a system similar to the EU transparency register could be the first step in the process of lobbying regulation. In this way, Brazil will follow the common pattern that the first step for a regulation of lobbyist is a self-regulatory initiative (OECD, 2009b). Of course the register should take into consideration the Brazilian peculiarity: in Brazil there is no obligation to disclose the amount of money spent for the lobbying practice and there is a legislative provision that allows the organizations/entities not to disclose their budget. So the register could work in Brazil without the section related to the budget. Moreover, the self-regulation measure will overcome the stalemate of lobbying legislation in the Congress.

For Brussels, the recommendation should be to make the process of communicating their position more efficient and transparent. In Brazil the author ascertained that the trade associations where the people interviewed work, both CNF and CNI, do a very good job in making transparent and accessible their position on the file in the interest of the sector. The process is systematic: each year they publish the Legislative Agenda where are identified both key legislative proposals for the sector in which they explain their position and demand some changes and proposal for action in a specific issue. For example, the CNF Legislative agenda (*Agenda do Setor Financeiro*)⁷ includes the CNF position on lobbying and they ask for regulation on lobbying. This transparent process, in the opinion of the

⁶In Brussels there are a lot of booklets containing the list of the representations (i.e. http://www.europeanagenda.eu/_files/booklet/EA_booklet_07_2007.pdf)

⁷Agenda Legislativa do Setor Financeiro (2014) retrieved from <http://agendaslegislativas.blogspot.be/2014/04/cnf-agenda-legislativa-2014.html>

author, stems from the general negative perception of the lobbying practice so, the interest representations, have to do more efforts compared to Brussels, to be accountable to public opinion and to the policy makers.

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7 APPENDIX – INTERVIEW QUESTIONS

I. Common questions in Brussels and in Brasília

1. What is, in your opinion, the definition of lobbying?
2. Who are lobbyists? Please rank in order the three most important lobbyist in your industry and why.
 - Trade associations
 - Public affairs agencies
 - Professional organizations
 - NGOS
 - Companies
 - Trade unions
 - Think tanks
 - Law firms
 - Other: Please Specify
3. Do you think that lobbying is a strategic core business in your association? Why?
4. In your opinion, what are the useful aspects of lobbying?
5. In developed countries, lobbying has been associated with positive results in the democratic processing. Considering your activity, which of the following aspects do you consider to be the three most important? Please rank the three most important (1 most important). Explain your choice.
 - Ensuring participation of social and economic actors and citizens in the political process;
 - Raising the local/national importance of an issue;
 - Providing useful and timely information /Translating technical information into relevant information;

➤ Efficient decision- making;

➤ Remedy for the so-called “information deficit”;

➤ Make the institutions closer to the citizens;

6. What are the negative aspects of lobbying?

7. Considering your activity, which of the following aspects are perceived by people as cons of lobbying practice? Please rank the three most important. Why?

➤ Interest not clearly outlined/ lack of transparency;

➤ Possibility of corruption/perception of lobbying as a corrupted practice;

➤ Gives undue weight in the process to powerful sectors or entities;

➤ Not providing neutral information;

➤ An undue influence on the democratic process / destructive to the democratic functioning;

8. Taking into consideration the time point in policy process and these three categories:

➤ **Lobby as a prevention**, which aims to prevent or postpone particular legislation before the call for legislative action exists;

➤ **Lobby as reaction** which means that the legislative proposal is already in place and the lobbyist reacts to the legislative process;

➤ **Lobby as action** refers to the need for legislation seen by the lobbyists and they push for a legislation.

In your opinion, which is the type of lobbying you use most in your job?

Which is, in your opinion, the most difficult? Why?

9. To what extent are you aware of the lobbying regulations in other countries? Which do you consider more effective and why?

I. Targeted questions for people in Brussels

1. Do you think that the EU Commission/Parliament Joint Transparency Register, which is on a voluntary base, is enough to regulate the lobbying practice?
Yes, No, Others
Explain your choice.
2. Do you think that a mandatory register would be useful or more effective? Why?
Yes, No, Others
3. Is your association registered? Why?
Yes, No, Others
4. What is your knowledge about lobbying in Brazil?
5. Do you think there is some regulation on lobbying in Brazil?

II. Targeted questions to people interviewed in Brasília

1. Are you in favor of the regulation of lobbying in Brazil?
Yes, No, Others
2. Would regulation of the activity be beneficial for Brazil? Why?
Yes, No, Others
3. In your opinion, for what reason is lobbying still not regulated by Congress?
4. Do you think that a first step to the regulation of lobbying in Brazil could be a voluntary register of interest representatives similar to the Transparency Register set up in EU?

5.