

# Hidden Politics? An Empirical Study on Factors Influencing Business Lobbying in Brazil

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**How to cite this paper:** Fernandes, B. P., & Dias, M. (2024). Hidden Politics? An Empirical Study on Factors Influencing Business Lobbying in Brazil. *American Journal of Industrial and Business Management*, 14, 440-461.

<https://doi.org/10.4236/ajibm.2024.144023>

**Received:** March 15, 2024

**Accepted:** April 20, 2024

**Published:** April 23, 2024

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## Abstract

The study explored the powerful practice of Brazilian Business Lobbying by conducting focus groups and in-depth interviews. The research identifies eight key influencing factors: use of technology, government relations within businesses, monitoring and engagement, soft skills, customer needs, corporate governance, hard skills, and legal uncertainty. This study offers new insights into the relationship between public workers and corporate lobbyists, which enhances the understanding of agency and Social Exchange theories. The study's significance lies in providing a foundation for future research and assisting corporate policymakers in increasing transparency and integrity.

## Keywords

Business Lobbying, Brazil, Agency Theory, Social Exchange Theory

## 1. Introduction

Hidden politics or manipulation? Business lobbying in democratic systems can have benefits. However, it can also lead to powerful groups using their influence to manipulate laws and regulations for self-benefit, which usually results in unfair competition and the capture of policies by these influential groups (Barberà & Jackson, 2019; Battaglini, 2017; Little, 2016; Manacorda & Tesei, 2016; Petrova et al., 2016; Beyers, 2004; Bouwen, 2004).

After 21 years of a dictatorial regime, Brazilian democratic governments faced challenges redefining the relationship between private enterprises and the state due to implementing privatization programs, requiring a more explicit and well-defined connection between private companies and the state, which impacted the market economy (Enikolopov et al., 2020; Battaglini, Patacchini, & Ranione, 2019; Campante et al., 2018; Frye, 2002; Rasmussen, 2015). In addition, the privatization projects have generated a need for professionals with the skills

to handle corporate matters (Dias & Navarro, 2017; Baumgartner & Leech, 2001; Baye et al., 1993; Bernhagen & Mitchell, 2009; Bertrand et al., 2014).

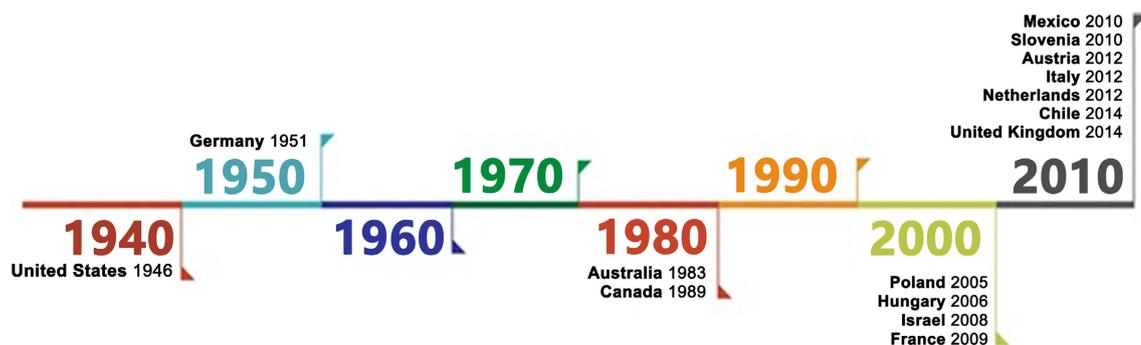
While researchers have developed an interest in corporate lobbying in recent decades, it is not feasible to presume that all the elements driving it are entirely understood. Nevertheless, business lobbying has been investigated as 1) between countries (Dokuka, 2014; Falck et al., 2014; Edmond, 2013; Bond et al., 2012); as a fundamental part; 2) global trade (Woll, 2008); 3) influencing oligarchies (Frye, 2002); and 4) environmental groups (Gullberg, 2008); about 5) professionalization, strategy, and influence (Santos et al., 2017); or 6) organized interests (Lowery, 2007). Furthermore, business lobbying has been linked to public policy, democracy, and corruption (Dokuka, 2014; Falck et al., 2014).

Therefore, this study delves into the intricate aspects that influence corporate lobbying in Brazil, aiming to underscore the complexity of Brazilian democracy as a significant goal. Moreover, despite four decades of congressional deliberation, the issue of unregulated commercial lobbying in Brazil remains a pressing concern, which is not an isolated problem, as over 50% of OECD member countries, including Brazil, lack legislation to govern the interactions between lobbyists and public officials (OECD, 2023), as depicted in **Figure 1**.

**Figure 1** shows how countries have successively adopted business lobbying regulations over the past decades, and public policies may need to be more adequately formulated without regulation, resulting in unsatisfactory outcomes and distrust of public institutions.

In a country where business lobbying is unregulated, it can be considered illegitimate if it is done through dubious and illegal means (Coen, 1997, 1998, 2007; Cohen & Malloy, 2014). This can lead to narrow interest groups trying to monopolize influence, resulting in public policies that are unnecessary, inefficient, and lead to dissatisfaction and distrust in public institutions (Doner & Schneider, 2000; Drope & Hansen, 2006; Dür, 2008; Lowery, 2007).

Our study used the supporting Agency Theory due to its relevance to the connection between corporate lobbyists and their principals (Eisenhardt, 1985; Arrow, 1985). Furthermore, we have selected the Social Exchange Theory, a framework that aids in comprehending the dynamics between corporate lobbyists and public workers (Zhou, 2022; Blau, 1964).



**Figure 1.** Timeline of lobbying regulations. Source: OECD, 2023.

Finally, this article is organized into the following divisions: Section 2. Background; Section 3. Methodology; Section 4. Findings and Analysis: focus groups and interviews; Section 5. Answers to the Research Question; Section 6. Implications and Discussion; Section 7. Theoretical Contributions; Section 8. Research Limitations; Section 9. Future Research.

## 2. Background

The Brazilian economy underwent a significant transformation through a wave of privatizations that occurred after 1990. This pivotal moment marked a new era of business lobbying, a force that played a crucial role in the privatization process. It was set in motion by the National Privatization Plan, a landmark policy outlined in Law 8.031/90 (Brasil, 1990). The impact of this transformative process on the Brazilian economy cannot be overstated.

Stopford, Strange, and Henley (1991) argued that while governments retain authority over territorial borders and currency issuance, they are increasingly undermined by the burgeoning influence of private capital in the global economy. This shift in power dynamics, a hallmark of globalization, was not lost on the Brazilian government, which found it more expedient to grant concessions and services in Brazil, leading to the privatization of banks. As a result, the government's regulatory capacity waned while the influence of companies surged (Stopford, Strange, & Henley, 1991).

Moreover, the study's relevance is underscored by the understanding that in modern democracies, powerful interests that strive to influence government decisions, such as policy formulation, legislation, and contract allocation, are prevalent (OECD, 2009). This research, however, is confined to the relationship between corporations and the government. Other interactions, such as those between governments or companies, are not within the scope of this study and should be explored separately.

Hence, the following assumptions are used in this context to elucidate the determinants that impact activity in Brazil: 1) The absence of restrictions on activities emphasizes the potential for restricted interest groups to have a monopoly and exert significant influence; 2) Influence may become inappropriate when it is exerted via questionable and illegal methods. The absence of regulation in lobbying may excessively influence legislation, leading to the desire for more effective public policies that may provide poor outcomes and foster mistrust in public institutions. The corporate lobby in Brazil has significantly influenced the country's economic environment, prompting the research question: *What are the influencing factors on business lobbying in Brazil?*

## 3. Methodology

For our research, we chose a qualitative and inductive approach, following Saunders et al. (2009). We conducted Focus Groups, which involved a collective, semi-structured interview approach. This approach allowed us to have a prede-

terminated list of questions and also provided space for impromptu inquiries that could arise during the interview, following Myers and Newman's (2007). We used the outcomes of the focus group sessions to refine and improve our questions. Subsequently, we interviewed a total of 20 experts in the sector.

### 3.1. Research Design

For this research, we have chosen to conduct qualitative, in-depth interviews based on Goffman's Dramaturgical Theory (Goffman, 1959, 1961). Prior to the interviews, we held a focus group to refine the interview questions according to Saunders et al. (2009). Moreover, we have utilized Myers and Newman's (2007) semi-structured interview approach, which comprises a predetermined list of questions with room for any impromptu questions that may arise during the interview.

### 3.2. Sampling Criteria

Firstly, the same criteria to the focus group were applied to the interviews, to match the research objectives. We used three sample techniques: 1) purposive sampling, 2) criteria sampling, and 3) snowball sampling since they were deemed the most suitable for the research. An intentional sampling technique was used due to the prioritization of data quality above quantity. The subtleties of the examined phenomena could only be understood by using a questionnaire (Fernandes, 2024). Criterion sampling was used to choose participants and interviews based on the following criteria: 1) Brazilian nationality; 2) undergraduate status; 3) affiliation with the Business Lobbying sector; 4) a minimum of 15 years of professional experience. The snowball sampling approach was selected due to the potential of participants to aid in identifying and recruiting more participants or interviews. Subsequently, electronic invitations were sent to solicit the participation of IT professionals and candidates from Brazil with a minimum of five years of experience in the IT sector. After confirming their attendance, an online conversation was set for August 3, 2023, at 8 PM, to be held via the Zoom® platform. According to the interview methodology, the data was gathered in original form and captured as video files in MP4 format.

The study employed a distinctive research methodology, utilizing a semi-structured, open-ended questionnaire with a 100% response rate (Fernandes, 2024). We invited interviewees with relevant focus group experience to provide in-depth contributions, ensuring a comprehensive understanding of the subject matter. To maintain a comfortable environment and avoid social dissonance, we took special care of our interviewees. Raw data was collected via the widely-used Zoom®, and output files were saved in MP4 format. A total of 20 interviews were conducted between August and September 2023, each lasting an average of 25 minutes.

To ensure the integrity of the research, we implemented several measures. These included warm-up questions, flexible interviewee availability, strict confi-

dentiality, and assurances of no public dissemination of information. We also addressed cognitive biases by interviewing individuals from diverse ranks and positions, avoiding the Hawthorne effect, and using a naturalistic approach (Myers & Newman, 2007). Interviews were conducted with individuals not affiliated with the workplace to minimize the likelihood of anomalous behavior or changes in behavior. Additionally, a naturalistic approach was used to request relevant information to the study's aims, ensuring responses conform to ethical and societal norms. Interviews were conducted anonymously to minimize the risk of participants altering their reactions due to potential scrutiny or disapproval from colleagues or supervisors. These robust measures were designed to reduce the influence of social dissonance and ensure the integrity of the research.

Recognizing the potential drawbacks of interviews, such as the possibility of interviewees intentionally overlooking or excluding information or portraying events as they should have unfolded, we took several precautions. Interviews were conducted in a pleasant, welcoming environment to encourage open and honest responses. Participants were given a disclaimer stating that the data collected were used only for educational purposes, not for commercial gain. Voluntary participation was allowed, identities and company names were kept confidential, withdrawal was allowed, and permission for direct citations and image use was granted. These measures ensured a safe and ethical study environment, fostering trust and transparency.

### 3.3. Questionnaire

The research utilized a semi-structured approach, starting with warm-up and ethnographic questionnaires, followed by open-ended questions to delve deeper, following Fernandes (2024). The Focus Group session started with self-presentation queries, leading to semi-structured questions and lively debates. The facilitator concluded the sessions with gratitude for the attendees. The ultimate goal of the research was to expand understanding and enhance managerial practices in the relevant industry. The interviews underwent the same process to ensure consistency. The questions are illustrated in the following **Table 1**.

### 3.4. Coding Process

The raw data was coded following Strauss & Corbin (1990) and then further analyzed following Miles, Huberman and Saldaña (2014). The study involved a three-phase, iterative coding process to group open, axial, and selective codes into categories and subcategories. Two independent coders analyzed the data manually, providing more profound insights into themes. NVivo® 12 was used for frequency distribution and word cloud generation, while text network analysis through InfraNodus was used to facilitate cognitive variety and generate diverse perspectives within discourse contexts. This approach allows individuals to

**Table 1.** Focus group and Interview questions.

FG/I	Question
Focus Group	How do you describe your professional activities in Government Affairs?
	How do you see the activity of Government Affairs in the Brazil?
	What would you say are the main characteristics of a good Government Affairs professional?
	What changes have you noticed in these activities in recent years?
Interview	Your full name, age, experience time?
	Name of your company, position in it, and if your company operates in Brazil?
	How do you describe your professional activities in Government Affairs?
	How do you see the activity of Government Affairs in the Brazil?
	What would you say are the main characteristics of a good Government Affairs professional?
	What changes have you noticed in these activities in recent years?

understand surface-level and underlying aspects of discourse, revealing fundamental motifs and structural shortcomings. The study aimed to enhance cognitive variety and foster various perspectives within discourse contexts.

#### 4. Findings and Analysis: Focus Groups and Interviews

The Focus Group session included 18 participants and one facilitator, totaling 19 individuals. The invitations (n = 20) were sent through various channels such as Calendar, phone calls, SMS, and voice mail. A response rate of 90 percent was achieved, and those who confirmed their attendance were formally notified via email. Prior to the study, participants were provided with a disclaimer that explained there was no commercial purpose, participation was voluntary, participant identities and company names would be kept anonymous and confidential for ethical and compliance reasons, and participants could withdraw from the study at any time. Ethnographic data related to the participants is presented in **Table 2**.

**Table 2** shows the Focus Group session had a majority of male participants, accounting for 84.6 percent, while the remaining 15.4 percent were female. The mean duration of work experience is 17 years. Most participants (84.6 percent) were from Southeastern Brazil, and all were corporate lobbyists. In terms of education level, all individuals have at least an undergraduate degree, with 30.8 percent holding a master's degree and 15.4 percent holding a doctorate.

Regarding the n = 20 interviews, sessions took place from 2 August to 20 September 2023, totaling 34,454 words, with a 100 percent response rate formalized via email to those who confirmed the participation. The meeting occurred at the virtual chat room platforms Zoom® and Google Teams®. The files were stored with the MP4 extension. The ethnographic information is shown in **Table 3**.

**Table 2.** Focus group ethnographic summary.

Participants	Job position	Local	Time of Experience (Years)	Gender (M/F)	Education Level
P#1	Executive Director	São Paulo	33	M	Doctorate
P#2	Director of Government Affairs	Distrito Federal	21	M	MBA
P#3	Journalist/Government Affairs Consultant	Distrito Federal	8	M	Undergraduated
P#4	Attorney/Government Affairs Coordinator	Distrito Federal	11	M	MBA
P#5	Translator/Regulatory Consultant	Distrito Federal	3	M	Undergraduated
P#6	Electronic Engineer/Professor	Rio de Janeiro	25	M	Doctorate
P#7	CEO	São Paulo	10	F	MBA
P#8	Corporate Attorney	São Paulo	10	M	Master
P#9	Executive Partner	Distrito Federal	19	M	Master
P#10	Executive Partner	Distrito Federal	11	M	MBA
P#11	Senior Consultant	São Paulo	16	F	Master
P#12	Journalist/Executive Partner	Distrito Federal	37	F	MBA
P#13	Government Affairs Director	Santa Catarina	12	M	MBA
P#14	Government Affairs Director	Rio de Janeiro	20	M	Doctorate
P#15	Executive Director	São Paulo	22	F	Master
P#16	Executive Director	Distrito Federal	25	M	MBA
P#17	Executive Partner	Distrito Federal	10	F	Master
P#18	Content Director	Distrito Federal	20	F	MBA
<b>Average</b>			<b>17</b>	<b>M (~84.6%)</b>	<b>Master (~30.8%)</b>

Note: Focus Group started on 28 August 2023, from 8:08 p.m. to 9:29 p.m.

**Table 3.** Interviewees ethnographic summary.

Interviewees	Job position	Local	Professional Experience (Years)	Gender (M/F)	Education Level
I#1	Professor	Rio de Janeiro	25	M	Doctorate
I#2	Executive President	Rio de Janeiro	30	M	Doctorate
I#3	Government Affairs Specialist	Brasília	18	M	MBA
I#4	Government Affairs Consultant	Brasília	7	M	Undergraduated
I#5	Government Affairs Consultant	Brasília	13	F	Undergraduated
I#6	Government Affairs Consultant	Brasília	15	F	Undergraduated
I#7	Government Affairs Coordinator	Brasília	12	M	MBA
I#8	Vice President	Brasília	11	M	Master
I#9	Government Affairs Coordinator	Brasília	20	F	MBA
I#10	Executive Director	Brasília	12	M	MBA

## Continued

I#11	Executive President	Brasília	15	M	Master
I#12	Government Affairs Director	Brasília	10	M	MBA
I#13	Executive President	Brasília	30	M	Master
I#14	Government Affairs Consultant	São Paulo	20	F	Master
I#15	Government Affairs Analyst	Brasília	12	M	MBA
I#16	Latam Chair	Brasília	20	M	MBA
I#17	Executive Manager	Brasília	18	M	MBA
I#18	Executive President	Brasília	29	M	MBA
I#19	Parliamentary Assistant	Brasília	15	M	Undergraduated
I#20	Government Affairs Manager	Brasília	7	M	MBA
		<b>Average</b>	<b>17</b>		

**Table 3** shows that 80 percent of Interviewees were male (20 percent female). The average time of work experience is 17 years. The participants were also from the Center Western Brazil (85 percent), and 100 percent were business lobbyists. Finally, regarding the level of education, 70 percent hold an MBA, at least, while 20 percent are undergraduate, and 10 percent are doctors.

#### 4.1. Content Analysis

After transcribing and translating the raw data, we obtained 8140 valid responses. **Figure 2** shows charts, including a frequency distribution generated using NVivo<sup>®</sup> 12 - student edition program.

**Figure 2** shows “work|” and “sector” as relevant findings in the focus group. Noteworthy, the content analysis revealed the context in which “work” refers to “government relations,” i.e., the participants declared to work in government relations, meaning government relations workplace. **Figure 2** showed the focus group findings. Compare **Figure 2** with **Figure 3** (interviews) to observe the similarities and differences from both approaches.

**Figure 3** shows the words “government,” “activity,” and “relations” as relevant findings in the interviews. Note that the interviewees refer Business Lobbying as Government Relations, because the term “lobbyist” has a derogative connotation in Brazilian Portuguese, associated to corruption, scandals, and is avoided, as mentioned earlier. **Figure 4** and **Figure 5** compare the word charts from the focus group and interviews.

**Figure 5** shows the most frequently mentioned words in the in-depth interviews, while **Figure 3** shows their frequency distribution. The words “government,” “activity,” “relations,” “professional,” and “company” are the most frequently mentioned in the interview sessions. However, these words lack context and interactivity. However, these words were used without context or interactivity. The Text Word Analysis findings for the raw data on the focus group session are presented in **Figure 6** and **Figure 7**, displayed for comparison.

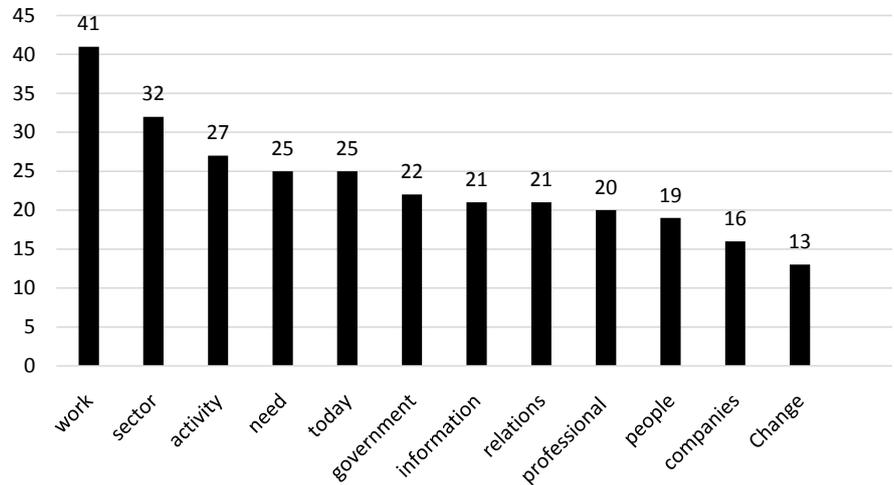


Figure 2. Focus group frequency distribution. Source: NVivo 12 and dataset.

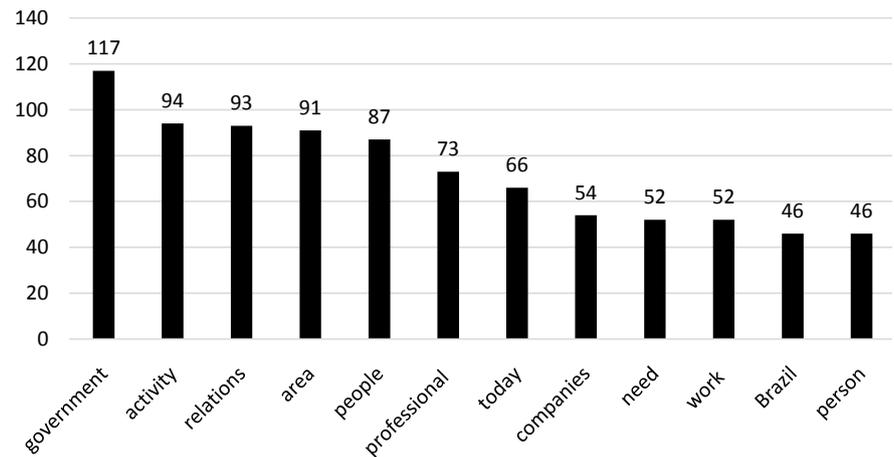


Figure 3. In-depth interviews frequency distribution. Source: NVivo 12 and dataset.



Figure 4. Focus group word cloud chart. Source: NVivo 12 and dataset.





**Table 4.** Focus group coding: categories, subcategories and open codes.

Themes	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6
<b>Categories</b>	Use of Technology	Government relations within corporations	Monitoring and Engagement	Soft skills	Customer needs	Corporate governance
<b>Subcategories</b>	large volume of activities	face-to-face communications	Virtual challenges	Communication	analysis	Capital markets
	large volume of information	remote communications	Lack of contact	Diplomacy	identify the customer's needs	business in general
	communication tools	government strategy	Socialization needed	Negotiation	organization	regulations
	efficient execution	heterogeneity	essential for engagement	persuasion	structured information	National Congress
	Access to and efficient treatment of information	essential for monitoring activities		training		Legislative power/ Executive power
	update	Stakeholder mapping				advocacy
	became prominent	decision-maker's monitoring			legal terminology	

**Table 5.** In-depth interviews coding: categories, subcategories and open codes.

Themes	Theme 7	Theme 8
<b>Categories</b>	Hard skills	Legal Uncertainty
<b>Subcategories</b>	Risk management	Constant changes in Brazilian laws
	Scenario-based assessment	Legal Uncertainty
	Risk evaluation	Rules are Constantly Changing
	Business formation	Too many rules
	academic formation	Ever-changing Scenarios
	academic background	turbulence
educational background		
study skills		

## 4.2. Cluster Analysis

**Table 6** and **Table 7** illustrate the Cluster analysis, employed to avoid elite bias, following Myers & Newman (2007).

**Table 6** reveals that not all participants agreed equally on Theme 3, Monitoring and Engagement, which was perceived as most influential for different management levels due to their different perspectives and weights. **Table 7** shows the eight emerging themes, organized into clusters (High, Medium, and Lower management levels), and we attributed relevance intensity levels.

**Table 6.** Focus group cluster analysis.

	Themes	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6
Management Level	Participants	Use of Technology	Government relations within corporations	Monitoring and Engagement	Soft skills	Customer needs	Corporate Governance
H	P#1	●●	●●●	●	●●●	-	●●●
H	P#2	●●	●●	●	●●●	●●●	●●
H	P#7	●	●	●●●	●●	●●●	-
H	P#13	●	●●●	●●	●	●	●●●
H	P#14	●●	-	●●●	●	●●	●●●
H	P#15	-	●●	●●●	●	●●●	●●●
H	P#16	-	-	●●●	-	●●●	●●●
H	P#17	●●	-	●●●	●●●	●●	●●
H	P#18	●●	●●●	●●●	●	●	●●
M	P#3	-	-	●●●	-	●●	-
M	P#4	-	-	-	-	-	-
M	P#9	●●●	●●	●	●●●	●●●	●●●
M	P#10	●	-	●●●	●●●	●●	-
M	P#11	●●●	●●●	●●●	●●	●●●	●
M	P#6	●●●	●●●	●●	●●●	●●●	●
L	P#5	-	-	-	-	-	-
L	P#8	●●	●●●	●●	●	●	●●
L	P#12	●●	-	●●●	-	●●●	-

Note: H = High; M = Medium; L = Low management level; Note2: (●) = Relevant; (●●●) = Extremely Relevant; (-) = non-Relevant.

**Table 7.** Interviews cluster analysis.

	Theme	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6	Theme 7	Theme 8
Mgt Level	Interviewee	Use of Technology	Government relations within corporations	Monitoring and Engagement	Soft skills	Customer needs	Corporate governance	Hard skills	Legal Uncertainty
H	I#2	●●	●●	●	●●●	●●●	●	●●●	●●
H	I#8	●	●●●	●●	●●●	●	●	●●●	●●●
H	I#10	-	●	●●●	●●●	●	●	●●	●●
H	I#11	●	●●●	-	●●●	-	●●●	●●●	●
H	I#12	●●●	●●	●	●●●	●●●	●	●●●	●●
H	I#18	●	●●●	-	●●●	-	●	●●	●
H	I#19	●	-	●●	●	●●●	●●●	●●	●●●
H	I#16	●●	●	●	●●	●●●	●●●	●●	●●●
H	I#13	●●	●	●●	●●●	●●●	●●●	●●●	●

## Continued

M	I#1	●●●	●●	●●●	●●●	●●	●●●	●●●	●●
M	I#17	●●●	●	●	●	●●●	●●	●	●●●
M	I#3	●●●	●	●●●	●●●	●●	-	●●●	●●●
M	I#7	-	-	●●●	●●	-	-	●	●●
M	I#20	●●●	●	●●	●●	●●●	●●●	●●	●
M	I#14	-	●	●●●	●●●	●●●	-	●●●	●●
M	I#9	●	-	●●	●●●	●●●	-	●●●	●●
L	I#4	●●	●	●●●	-	-	●	●●	●●●
L	I#5	●	-	●●●	●●	●	●	●●	●●
L	I#15	●●●	●	●●●	●●●	●	●●	●●●	●●●
L	I#6	-	-	-	●●	●	●	●●●	-

Note: H = High; M = Medium; L = Low management level; Note2: (●) = Relevant; (●●●) = Extremely Relevant; (-) = non-Relevant.

Finally, combining the Focus Group with the Interviews, eight themes emerged from both approaches after analysis, as illustrated in **Table 8**.

**Table 8** reveals two additional themes, *hard skills* and *legal uncertainty*, not envisioned in the focus group. Conversely, all the emerging themes from the interviews corroborated the themes from the focus group session. Finally, the Interviews Cluster Analysis is disclosed in the next section.

## 5. Answers to the Research Question

The answer to the Research Question is that *we* found evidence to support six factors that influence Business Lobbying in Brazil, such as (a) the Use of Technology, (b) Government relations within corporations, (c) Monitoring and Engagement, (d) Soft skills, (e) Customer needs; (f) Corporate governance, including (f') transparency, and (f'') integrity; (g) Hard skills, and (h) Legal Uncertainty, detailed in the following paragraphs:

The analysis of the findings suggests that the (a) *Use of Technology* is a relevant factor affecting the Business Lobby activity in Brazil. Interviewee #12 highlights the negative impact of advanced technology on business lobbying, stating that it creates a distancing between public and private agents due to competitive issues and vulnerability. Introducing new technologies like Instagram and WhatsApp has significantly impacted phone companies, leading to significant regulatory changes. Interviewee I#1 states that “the improvement of communication channels, streaming capacity, peer-to-peer communication technologies were something that changed because there was no such thing in the past. In the old days, you talked to the person on the phone.” (I#1)

(b) *Government relations within corporations* are a relevant factor affecting the Business Lobby activity in Brazil. P#14 highlights the importance of metric recognition for business lobbyist activity, such as president recognition or subsidies to work within Congress or the Executive. However, there is yet to be a

**Table 8.** Focus group and interviews theme comparison.

	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6	Theme 7	Theme 8
<b>Focus Group</b>	<b>Use of Technology</b>	<b>Government relations</b>	<b>Monitoring and Engagement</b>	<b>Soft skills</b>	<b>Customer needs</b>	<b>Corporate governance</b>	<b>Hard skills</b>	<b>Legal Security</b>
<b>FG1</b>	•	•	•	•	•	•		
<b>Interviews</b>	•	•	•	•	•	•	•	•
<b>Implications</b>	Individual/Social	Social	Individual	Individual	Individual	Social	Individual	Social

quick solution to this issue. P#13 emphasizes the relevance of government relations within corporations to business lobbyist activity, as it helps align the business's radar with the specific demands of the business. This level of grip is sought through performance, ensuring that the business's positioning and dialogue with Social Exchanges are well-aligned with the specific issues the business is experiencing. For instance, I#3 declared, "I think every self-respecting company, a big company, has to have a Government Relations (GR) professional. I say big because it has more representation. So, the question of the GR professional itself is who makes the approximation. I can joke here in the interview; I heard a person saying something that I found super interesting. GR is the entrepreneur's Tinder<sup>®</sup> with the government." (I#3)

(c) *Monitoring and Engagement* is a relevant factor affecting the Business Lobby activity in Brazil. Evidence suggests that Monitoring is a crucial aspect of business, with the use of technology, data, advanced searches, and robots significantly changing the daily Monitoring of matters of interest. It involves monitoring and following up on proposals for clients and engaging with Social Exchanges such as parliamentarians, public service executives, and those with influence on public policies and bills. Monitoring and engagement involve mapping opportunities and risks, establishing strategies to minimize risks, and capitalizing on opportunities for business improvement.

(d) *Soft skills* are a relevant factor affecting the Business Lobby activity in Brazil. Evidence supports the idea of the importance of pursuing soft skills in government relations, as it often involves working under pressure and dealing with last-minute client pressure. They also highlighted the need to develop relational skills, such as communication, rhetoric, and negotiation, to perform well in business lobbying. They also highlighted the need to understand legislative processes, the judiciary, and the Chamber of Deputies' rites. The interviewees also highlighted the significance of investing in soft skills in government relations, as they generate factors that influence communication, negotiation, persuasion, and influence. The Social Exchange Theory (Blau, 1964) supports the importance of mastering soft skills for public servants and government relations professionals in Brazil's business lobbying activity. For instance, I#4 revealed that "I think it has to have a persuasion bias, it has to have well-defined negotiation characteristics because what we do is negotiate all day." (I#4)

(e) *Customer needs* are a relevant factor affecting Business Lobby activity in

Brazil. Evidence highlights customer requests' complex and demanding nature, including organizing requests for essential issues in their National Congress and assisting in elaborating direct action strategies with parliamentarians. The back-office activity involves Monitoring, following up on proposals, and engaging with Social Exchanges like parliamentarians and public service executives. Customer satisfaction is based on a solid understanding of the business, not necessarily the person who is the interlocutor, and having the necessary support for arguments or defenses. In order to support this idea, evidence was disclosed by I#7: "The person mainly needs to know how to listen; he needs to have good listening. You need to be very cold-blooded to take the demands, work under pressure and know how to talk to the decision-makers." (#7) The Agency Theory suggests that public officials and government relations professionals should prioritize addressing Customer needs to enhance their effectiveness in corporate lobbying in Brazil.

(f) *Corporate governance* is a relevant factor affecting the Business Lobby activity in Brazil. Corporate Governance includes two subthemes: transparency and integrity, two out of ten pillars of business lobbying according to the OECD principles, which recommends ten principles, including enhancing transparency, fostering integrity, and implementing effective mechanisms for compliance and review, to ensure fair and equitable access to information (OECD, 2023). Corporate governance is a central theme for higher managerial positions. However, it is often overlooked due to the bias of Parliament in defending collective interests. Consolidated consultancies often have relationships with parliamentary fronts and civil society associations, making it easier to act on behalf of society. For instance, I#9 revealed that: "We have a governance linked to the top management of the company, and we always have definitions and guidelines that come out of this, this governance, this governance process." (I#9)

In addition, two emerging subthemes were considered vital by the interviewees: (f) business lobbying transparency and (f') integrity. Transparency is fundamental in corporate governance, prioritizing a company's principles and goals over personal interests. It highlights the impact of the lack of corporate governance principles on government relations, particularly in business lobbying. Integrity is crucial in business lobbying, requiring executives and management to prioritize the firm's values and purpose over personal interests. Maintaining honesty is vital for confidence in business lobbying and understanding corporate governance in Brazil. The Social Exchange Theory supports Corporate Governance, defined by rules and factors controlling a company's operations (Zhou, 2022; Blau, 1964).

(g) *Hard Skills*, the seventh emerging theme, is relevant mostly to all managerial positions (see Table 13). Hard skills were perceived as fundamental to the business lobbying practice, as declared by I#13: "The activity of Government Relations (i.e., Business Lobbying) today is not focused only on the relationship, which is very important, it is fundamental, but it does not need technique, it does not need a whole tool. You can measure the importance of technical tool-

ing, soft skills, and hard skills for the RIG professional. I see this evolution as very, very positive. We now have a profession on the way to regulating the RIG environment in Brazil.” (I#13)

Regarding hard skills, I#4 stated, “It is exciting that you have even the hardest skill of deeper, technical knowledge of this area that you will act to facilitate your argumentation. Another issue of hard skill is also the very language of the national congress, of internal rules of the houses, and the legislative process. This issue will be the language you must speak to the parliamentarians. If you do not have this language very well fixed, it is possible that your strategy, when you go to apply there in the National Congress, will not work.” (I#4)

Finally, regarding hard skills, I#3 expressed, “The person is always doing the scenario analysis. And in comes the risk analysis as well, there are several types of risk. All right, the person would have to be good at scenario development risk analysis, have much empathy, this systemic view, good eloquence, and persuasion. Which are also linked to the ability to communicate efficiently and transparency of the process.” (I#5)

Hard skills are said to be underpinned by the Agency Theory (Eisenhardt, 1985), as it suggests that public officials (principals) and government relations professionals (agents) should prioritize the development of soft skills in order to enhance their effectiveness in the realm of corporate lobbying in Brazil.

(h) *Legal Uncertainty*, the eighth emerging theme, is relevant mostly to all managerial positions. Regarding Legal Uncertainty as structuring, I#4 stated, “I also see several sectors interested in strengthening these areas, realizing that it is very complicated today you act as an association without having an arm in the public power, to make demands to the public authorities would be like you stay in a storm, adrift, not knowing where to go. So, I see companies increasingly interested in strengthening these areas.” (I#4)

Conversely, I#9 stated, “On the other hand, we do not see so much progress in this modernization of the Brazilian political system. We have a series of difficulties concerning the process of governability, so this legal Uncertainty is also due to this process of fragility of the process of governability of the country.” (I#9)

Moreover, I#9 also expressed the following on Legal uncertainty regard: “The fifth process is regulatory compliance, ensuring that all the lobbying work that has been developed there and approved and published, this standard will be met in some way by the organization that I represent, and none of this we can do without data.” (I#9)

Regarding Legal uncertainty, I#20 expressed the following perception: “I also see a tremendous change with the entry of former politicians into the activity. I think this is a challenge, even for those who work in the area, because it is difficult for you to compete about the experience with these people who have had passages through the National Congress or ministries and who today, in a very transparent way, have been exercising the activity, presenting activity on websites, on social networks, in short.” (I#20)

## 6. Implications and Discussion

The terms “Lobby” and “Business Lobbyist” in Brazilian Portuguese, once associated with corruption, fraud, influence peddling, and partiality, are transforming. As noted by P#6, the term “business lobbyist” (*lobista* in Brazilian Portuguese) is gradually being replaced by “government relations professional.” This shift in terminology, supported by I#1, signifies a changing perception of lobbying in Brazil, moving away from negative connotations towards a more professional and regulated approach.

The absence of legislation governing lobbying in Brazil has significant implications for commercial lobbying law. One of the most critical issues is the need for more legal certainty, a fundamental principle of the Rule of Law. This article delves into the challenge of representing interests before public authorities without a dedicated lobbying law. While some regulations, such as the Code of Conduct for Senior Federal Administration, have been introduced, they only address ethical principles and behavior requirements for government employees. This leaves a significant gap in regulating lobbying activities, highlighting the need for comprehensive legislation.

While the Access to Information Law (Law No. 12,527/2011) has been a step towards transparency, it’s important to note that it’s still under discussion and may undergo changes before its implementation. This underscores the pressing need for comprehensive regulations for lobbying activities in Brazil, a current gap that needs to be addressed urgently.

## 7. Theoretical Contributions

Our research has brought a fresh perspective to the Agency Theory and Social Exchange Theory, offering a unique understanding of the relationship between the principal and the agent, the corporate lobbyist and the public servant. In essence, the Agency Theory (Arrow, 1985) delves into the economic and power dynamics between company lobbyists and the individuals they represent, while the Social Exchange Theory illuminates the relationship between business lobbyists and government officials (Zhou, 2022; Thibaut & Kelley, 1959; Blau, 1964).

The research has made significant theoretical contributions by addressing the limitations of existing theories. For instance, the Agency Theory formulated before the internet and advancements in Information and Communication Technology (ICT) did not anticipate the impact of technology on communication channels. Similarly, while renowned for its evaluation of social interactions, the Social Exchange Theory does not focus on quantifying the link. Our study fills these gaps, providing a more comprehensive understanding of the dynamics at play.

This study enhances the theoretical framework of Agency Theory by revealing novel aspects of the connection between a corporate lobbyist (agent) and a certain principle. It introduces alternative viewpoints outside the realms of pure

economics or power dynamics. This study enhances the theoretical framework of the Social Exchange Theory by revealing novel aspects of the interaction between a public servant (principal) and a corporate lobbyist (agent).

Our study enriches the theoretical frameworks of Agency Theory and Social Exchange Theory and provides valuable insights for enhancing corporate lobbying efforts and implementing regulatory reforms. These insights are not limited to a specific sector. However, they can be applied across various domains, including the interactions between the government and NGOs, philanthropic organizations, educational institutions, armed forces, charities, international organizations, political organizations, cooperatives, partnerships, and other similar types.

## 8. Research Limitations

The scope of the present article is limited to the examination of Brazilian Business Lobbying. The current research focuses only on certain employment positions, nations, and activities. Any other job positions, countries, or activities should be examined independently and beyond the scope of this study.

The data sample constrains the conclusions outlined in the previous sections, the findings and analysis of the Focus Group session, and the qualitative, in-depth interviews. The scope of this discussion is restricted to the many elements that influence business lobbying activities in Brazil. Hence, the scope of this study is limited to the emergent themes identified based on the perspectives of the 18 participants and 20 interviewers. This work does not include other viewpoints, divergences, or perspectives.

This article only focuses on Brazil's context and the currently applicable legislation. Without regulation within this jurisdiction, our options are limited to the prevailing industry best practices.

## 9. Future Research

Undertaking further research is crucial to enriching Brazil's discourse on regulating business lobbying. Brazilian business lobbyists' role is comparable to that of various countries, spanning regions such as the Americas, Europe, and Asia. Ongoing statistical research aims to develop an index that evaluates the position of corporate lobbying. These studies hold significant value for academics, decision-makers, lawmakers, Human Resource managers, business lobbyists, and other professionals.

Building on the propositions, we have drawn inspiration from [Johnson \(2020\)](#), a prolific author of qualitative research publications. Johnson presents intriguing connections that researchers could delve into in future studies. Therefore, it is imperative to explore the following hypotheses in upcoming research: The potentially beneficial impact of developing soft skills on business lobbying is a fascinating avenue to explore the potential correlations between these factors (variables) using statistical analysis.

Another area that demands further investigation is the degree to which soft skills influence the outcomes of corporate lobbying. Undertaking more research is necessary to gain a more comprehensive understanding of the influence of soft skills on the results of corporate lobbying in future inquiries.

### Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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