

The Effects of the Recovery of the Patrimonialist Model in Brazil

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Abstract

This paper aims, through the analysis of public management models in Brazil, considering the three basic models: patrimonialist, bureaucratic and managerial analyze whether the political and administrative decisions taken in the last decade are contributing to the recovery model patrimonialist. We sought to examine the way of functioning of the administration, and how the political and administrative decisions that have been taken are contributing to affect the functioning of institutions, for the increased corruption and the slowdown of economic growth. We conclude, finally, that despite the efforts to implement the management model in the administration, there is a worrying resumption of patrimonial model, especially in the last decade, which is reducing the state's capacity to meet the growing demands of society.

Keywords: state, government, society, economy, development, Brazil.

1. Introduction

It seems that the global economic crisis has affected at different levels of intensity, the more complex world economies, particularly Brazil. Data analysis and projections about the prospects for sustainable growth of the Brazilian economy indicates that the country is facing many challenges and obstacles to overcome, both in the economic and political fields. Reports and internal indicators (IBGE) and external (OECD, World Bank, IMF) show that the country is showing signs of stabilization in its growth process. These studies reveal that the country presents a greater weakness than most of those economies that are at the heart of the financial crisis. Face to these uncertainties and instabilities of the national economy, it becomes ever more pressing, producing studies that can help raise the level of debate about the best alternatives for the country to regain its sustainable development process. Thus, we feel that it initially presents a relevant approach of the process of modernization and public management models in Brazil, considering the three basic models: patrimonial, bureaucratic and managerial.

Remember that the oldest model of public administration in Brazil - the patrimonialist - prevailed until the year 1889. In this type of management model, the State apparatus acts as an extension of the power of the sovereign, and his assistants (servers) have real status of nobility. Thus, its main feature is the blurring between what is public and private, between the political and public administrator (as professional title). Corruption and nepotism are inherent in this management model.

In a historical perspective the Brazilian public administration is marked by reform processes, defined here as the transformation of administrative structures and the institutional apparatus of the state, which aimed at overcoming difficulties and organizational management in the public sector, and the development in the field of political and social relations. Along time, as predicted by Max Weber (1972, 1993), the bureaucratic rules in the public administration were gradually imposed and increasingly reached large sectors of administration. Its expansion seems to correspond to the process of industrialization, the growing complexity of society and the deepening of the social division of labor.

The slow expansion of bureaucracy in Brazil, mainly after 1930, and its coexistence, for eight decades, with large sectors dominated by patrimonialism, as well as the persistence of hybrid models, can explain why the management model has struggled to impose up to patrimonial and bureaucratic models that remain present in public administration in the three levels of government: local, state and federal.

We argue that the Brazilian society, despite the advances already achieved, historically have not been able to develop stable institutions that promote the efficient exchange and productivity in the country. The low rates of growth of Gross Domestic Product - GDP in the last three decades show that the Brazilian government to modernize and develop itself needs significant reform in its structure, in order to modify the profile of its institutions. Regarding public governance we assume that efficiency; efficacy and effectiveness of government controls fall short of what would be desirable. We, therefore, believe that the weaknesses in the administration have contributed to increase the degree of corruption in the country.

In this context, we assume that the modernization of public administration is an essential step to support the process of resumption of growth of the Brazilian economy. Thus, we formulated the following questions: *Is Brazil backtracking on its public management model? Are the patrimonialist values, universally rejected, in which confuse the public and private equities, being taken up in the Brazilian public management?*

It is observed that in the last four decades the Brazilian society has seen a succession of scandals and diversions of public funds, which intensified after the 1990s. Observe that a significant proportion of these cases was conducted by the Federal Police, with the help of federal prosecutors. These Federal Police operations largely been triggered from complaints reported by the media. In this analysis, we sought to identify what types of interests that were behind each case, in order to identify evidence of the presence of the adoption by managers and people involved in decisions that evidenced the presence of the patrimonialist model.

This study has bibliographical and descriptive characters, with a qualitative approach, based on assessment of allegations of deviations occurring in public administration in the last four decades. So, in other words, to increase the level of consistency of this article, we examined a total of 71 cases of misappropriation of public funds, and other offenses in the penal code, which occurred from the 1970s until the end of 2012. From the total, we selected the ten most relevant, with reference to the evidence that they had links with the form of patrimonialist management. Observe that the study has several weaknesses, in view of the size and complexity of the subject, this is the reason why we emphasize that we do not intend to exhaust the subject in this article.

2. Literature Review

Register that among the strands of institutional analysis are: the school property rights and transaction costs or neo-institutionalism; the school of political economy and public choice, and the school of economic history. The neo-institutionalism can be defined as an approach that includes various models that emphasize the crucial importance of social rules for social interaction. In its effort to understand the voluntary cooperation, the neo-institutionalism confirms the importance of institutions for the functioning of the economy, since market imperfections require the establishment of rules to organize collective action. Accordingly, points North (1990), that institutions and organizations affect the performance of the economy insofar as, to shape and structure human interactions, reduce uncertainty and induce cooperation, reducing the transaction costs.

For North (1990), is of fundamental importance to the role of institutions such as reducing transaction costs to society. Thus, for the author, institutions can be understood as the rules of the game in a society or limitations created by man that shape human interaction. Thus, they structure incentives in human exchange, whether in the political, social or economic range. Formal institutions of behavior are represented by the constitution, laws, regulations and property rights, and the informal are sedimented in the habits, manners, traditions, values and codes.

The theory applied to the study of organizations, focusing on the microeconomic analysis, which was developed by Williamson (1975) in his book *The Economic Institutions to Capitalism* - supported by the contributions of Coase (1937), Arrow (1985), Simon and Macneil (1974) - uses two basic behavioral assumptions: The bounded rationality of Simon (1972) and its corollary, the incomplete contracts, which associated with the assumption of opportunism, provide the basis for the analysis of forms of governance of organizations. The contribution of North (1990), which focuses on macroeconomic analysis, also derives from the influence of Coase (1937, 1988), but differs from the work of Williamson (1975), by prioritizing the role of economic institutions, his development and his relationship with organizations.

3. The State Reform and New Management Practices in Brazil

Improving the functioning of the state and its institutions - leaving behind the patrimonial and bureaucratic models of public administration - has been pursued systematically in Brazil since the 1990s (Abrucio, 1997; Bresser-Pereira, 1998; Matias-Pereira, 2005, 2010). In this effort to build a model of public administration more efficient, effective and efficient, it seems that, besides the stimulus for the increased involvement of society, we seek to make it a systemic model, operationalized through multilevel programs and the three different levels of government: federal, state and municipalities.

It is known that the state, in economic terms, besides being the guarantor of contracts, is essentially an instrument of income transfers. To perform this redistributing function, the State collects taxes and allocates them to the traditional goals of ensuring internal order and external security to the goals of greater social justice or equality and the goals of economic stabilization and development. To meet these last two goals, which have become central in the twentieth century, the State tended to assume direct execution functions. The distortions and inefficiencies, as highlighted by Klering, Porsse and Guadagnin (2010:8), which took these actions, signaled that to reform the State meant to transfer to the second sector (private) and third sector (social) activities which may be made by those segments.

Thus, the reform of the state should be understood as a change in the function of the State, who renounces its role as producer of goods and services to become developer and regulator of development. As a consequence, it establishes a new relationship between state, civil society and market, beginning, there for an innovative process of formulation and implementation of public policies, which presupposes a more flexible State, decentralized, consolidated network, with the participation of several actors.

It is verified, from the State reform of 1995, whose initiatives were intensified by the second Fernando Henrique Cardoso government (1999-2002), under Lula Government (terms 2003-2006 and 2007-2010), and in half of the Dilma Rousseff government (2011-2012), the effort to adopt a systemic model of public administration, accomplished through federal programs operated by different entities and economic and social actors. The literature reveals, however, that this objective was not achieved adequately.

It seems that in the trajectory of Brazilian public administration - which started in the 1930s (Getulio Vargas government) - that the State, in spite of the mishaps and discontinuities, has sought to modernize. In the latest phase, compared to strong changes in external and internal scenarios, governments have sought to take action and innovative measures, including new partners, to be structured as a network state, among the three levels of government, between spheres of the same level and between government agencies and civil society. That effort, as evidenced by the literature and reports from multilateral agencies, corroborated by recent public opinion polls indicate that these efforts are not giving the expected results in both evaluations of citizens as economic actors.

It is noticeable nowadays that public organizations play a societal role that goes far beyond their technical function for providers of goods and services. They are responsible for shaping the society, political entity and the ecology, as well as build and systematically influence their own environments. The strengthening of its legitimacy to act and produce impacts in society is one of the main uncertainties they have to face.

In this context, Klering, Porsse and Guadagnin (2010:10) point out that three dimensions are considered essential for building a democratic public management: (a) economic and financial, involving issues of fiscal, monetary and tax origins, (b) institutional -administrative involving aspects of organizational structure, as well as aspects of planning, direction and control, (c) socio-political, involving relations between the State with the society, especially the rights of citizens and their participation in public management.

4. The Effects of Corruption on Institutions

A good public governance, like the corporate one is based on four principles: ethical relations; compliance, in all its dimensions, transparency, and responsible provision of accounts. The absence of these principles requires a change in management. The constant search for the practice of those principles in the administration of the country or in the management of any institution should be seen as a prerequisite for this institution to continue improving. Importantly, this is an ongoing task that requires a pro-active participation of all stakeholders - policy makers, politicians, oversight corporate bodies - and especially of the organized society.

Meanwhile, the ongoing search for transparency in the public administration should be seen as a prerequisite for Brazil to continue to make progress in socioeconomic development and consolidation of democracy. Accordingly, the State's transparency becomes effective through the citizen access to government information, which makes the relations between the state and civil society more democratic (Matias-Pereira, 2010).

Corrupt practices do not occur only in developing countries, since they are also rooted in a greater or lesser extent in developed countries. The difference is in the source of corruption and the extent of the problem. In developed countries the corruption stems from flaws in democratic systems, while in developing countries, corruption arises due to the weaknesses of institutions (North, 1990).

In regard to wealth and power, argues Huntington (1968:59-71), that in cases in which political opportunities exceed the economic ones, people tend to use power for their own enrichment and, where economic opportunities exceed policies, people are able to make use of the wealth to buy political power. It seems that certain combinations of imbalances between these forces open the possibility of the arising of characteristic problems of corruption, which differ in their nature and policy implications and point to political and economic reforms that can serve the goals of democratization and combating corruption.

The widespread corruption is a symptom and not a disease itself (Rose-Ackerman, 1978). It is clear that corruption can produce inefficiency and injustice, whose effects produce negative effects on the political legitimacy of the State. Corruption indicates the existence of deeper problems in the relations between the State and the private sector. Accordingly, the more serious costs are not the bribery itself, but the distortions that often reveal that they may have been created by the authorities in order to charge tuition fees. Thus, supported by indicators that assesses the level of transparency in the country (*Transparency International*, 2012), as well as the results of various Parliamentary Committees of Inquiry (CPI, 1994, 2000), we recognize in this article that there is a systemic corruption in Brazil.

Corruption can be accepted as the abuse of public power to get private benefit, present mainly in activities of State monopoly and discretion on behalf of the State. Thus, the acts of corruption are those that constitute the violation, active or passive, of a professional duty or of a breach of some specific function performed within a framework of discretion in order to get some kind of benefit, whatever its nature is. In synthesis, corruption is the deviant behavior of the formal duties of a public role in seeking private interests, whether personal, family, or group, of a pecuniary nature or to improve the status, or violates rules against the duty of certain types of behavior linked to private interests.

It should be noted that any type of bias, by using the discretion, to meet personal or group interests, are inadequate. These grants, mostly made through directed public bidding privileges on concessions, among others, must be curbed in Public Administration. These forms of behavior, where it mixes public and private, are responsible for generating deviations and corruption in public administration.

Regarding the concept of "levels of corruption" we must emphasize that the effects of corruption are always pernicious, despite having different levels of corruption. It can occur at transnational, national, local or company levels. The negative effects of transnational corruption, for example, not only manifest in macroeconomic level, but can also affect in a long-term the economy and structure of the company itself that practices it.

5. Analysis and Discussion of Evidence in the Patrimonialist Management in the Scandals

It is known that the fight against corruption becomes true - as shown by the experience of more developed countries in this area - with the formation of government offices and independent state institutions, with prepared human resources prepared and well paid. It's necessary to have a social culture to support this effort, without distinction, since it is not possible to have an honest State without an honest society. Thus, the fight against corruption will only succeed if there is a change of state structure to tackle the problem and a change of the social culture.

The identification and analysis of 71 cases of scandals in the country, from 1970 to 2012, allows us to argue that in all of them, in a greater or lesser degree, was found evidence of the form of patrimonialist management on behalf of those involved, in particular, parliamentarians, officials of the executive and judiciary and civil servants.

The weaknesses and gaps in public administration, revealed in different studies, reports and documents examined here, are enabling increased diversions and possible heavy losses to public coffers, and contributing to exacerbate the political-institutional crisis and credibility of governments, politicians and public managers. It is evident that, facing corruption is a problem of the whole society, passing by the example and the effective political will of the rulers.

Thus, in order to allow a view of the most significant cases of corruption in the country, highlighting the cases occurred in the last two decades, we detail in the table below, the ten most significant cases in which the form of patrimonialist management became quite evident.

Table 1. Description of emblematic cases of corruption in Brazil - 1989/2012

Case Name and institutions involved	Description of Cases	Period
Case Of the Budget Dwarves (National Congress)	The scandal of the "Budget Dwarves" was discovered in October 1993. The revelations about the case led to the realization of a CPI (Parliamentary Committee of Inquiry) in the National Congress, which examined the scheme of kickbacks ridden by deputies who worked on the committee. There were 18 accused, six of which were annulled, eight acquitted and four chose to resign to escape from punishment and ineligibility. Two ways of running of the fraudulent scams: parliamentary amendments that transferred money to charities linked to relatives and "oranges" (people who lend their names to receive illegal money) ; arrangements were made with large contractors to include budget allocations for major projects in return to large commissions. The tracking of bank accounts knocked the president of the chamber of deputies, Ibsen Pinheiro (PMDB), the leader of the PMDB, Mr Correa Genebaldo (BA) and Deputy João Alves de Almeida from Bahia state (dead in 2004). The illegal money laundering was made by purchasing winning lottery cards (Deputy Joao Alves).	1989-1992
SUDAM Case (National Congress and civil servants)	The leaders of the Superintendency for Development of Amazonia (SUDAM) diverted money through false tax documents and contracts for goods and services. From the 143 defendants, only one was convicted and appeals the sentence. Senator Jader Barbalho, accused of being one of the linchpins of the scheme, resigned as a senator. He was again elected senator in 2010. Initially barred by the Law of Clean Record, he assumed the mandate in December 2011, since the Supreme Court ruled that the Law of Clean Record was not valid for the election of 2010.	1998-1999
TRT Case in São Paulo (Judges and entrepreneurs)	In 1992, the Regional Labor Court of São Paulo (TRT / SP) invited bids for construction of the Labor Forum. In 1998, an audit found that despite having received 98% of the payment, the project had not been completed. It was stated, then, a deviation of R\$ 169.5 million from the public coffers. The former Judge Nicholau was sentenced to 26 years in prison by the Federal Regional Court of the 3rd Region in May 2006 on charges of embezzlement, fraud and bribery. Since February 2007 he meets house arrest. The second procedure refers to the disciplinary proceedings initiated in the Senate against Stephen Luis, owner of Grupo OK, from the facts found in the CPI of the judiciary which culminated with the first impeachment of a senator of the Republic, and was deemed ineligible for 10 years. He was sentenced by the Supreme Court to 36 years in prison. In August 2012 he proposed to repay the public coffers R\$ 468 million diverted from the construction of the headquarters of TRT-SP. The scandal, reported in 1998, continues to have ramifications and delaying actions in Justice (STJ).	1992- 1999

<p>Marka Bank (Central Bank and bankers)</p>	<p>Marka, Bank, by illegal maneuvers bought U.S. dollars from the Central Bank for an amount cheaper than one established in the market. The CPI, which investigated the case proved that there was prejudice to the public coffers, besides accusing the dome of the Central Bank for traffic of influences, among other crimes. Arrested in 2000, the manager of the bank, Salvatore Cacciola, fled to Italy in the same year. He was arrested in Monaco in 2008 by Interpol. He was extradited to Brazil where he stayed in prision until 2011. He is at liberty, after receiving a pardon in April 2012.</p>	<p>1999</p>
<p>Banestado (managers and bank employees and entrepreneurs)</p>	<p>Tax evasion in the country through CC5 accounts of Banco do Estado do Paraná - Banestado. A Parliamentary Committee (Joint) of Inquiry (CPI) for Evasion of currency, that was created by the House of Representatives (June 2003), to investigate responsibilities on tax evasion from Brazil to fiscal paradises between 1996 and 2002. The Banestado CPI was ended in December 2004 without the approval of its final report. It is estimated that were illegally removed from the country more than R\$ 24 billion through accounts CC5 Banestado Bank, from April 1996 to January 2000 (estimation made by the Macuco operation, conducted by the Federal Police). The Superior Court of Justice (STJ), in September 2011, confirmed criminal conviction for mismanagement and tax evasion for 15 people involved in the Banestado case - officers and advisors of the former Bank of the State of Paraná. The penalties ranged from five years and ten months to four years and one month in prison.</p>	<p>1996-2002</p>
<p>Mafia of the Vampires of Health (Ministry of Health servants, parliamentarians and businessmen)</p>	<p>In 2004 was discovered by the Federal Police a criminal organization created in the early 1990s. The scheme, dubbed by the Vampire Mafia, involved businessmen, lobbyists, officials from the Ministry of Health and parliamentarians, and would have diverted a significant amount of resources Health The Federal Public Ministry in the Federal District reported in April 2008 seven people by administrative misconduct and three companies involved in the mob of vampires that defrauded bids for purchase of blood products in the Ministry of Health. In the lawsuit, the Attorney General seeks the return of R\$ 27.4 million to the State coffers and cancellation of contracts with suspected companies. The cancelled contracts are due to international bidding for the acquisition of blood products for the treatment of hemophiliacs. The prosecutor points out several irregularities in the processes such as breach of confidentiality of tenders and pre-arranged prices offered. According to the lawsuit, three companies made agreements to ensure the division of the market of blood products. Rates were previously combined, as well as each part each one would win in the biddings. As there was no real competition, companies presented proposals with prices well above market value. All involved are free.</p>	<p>1990- 2004</p>
<p>Case Mensalão (Political parties / Chamber of Deputies / Executive Branch).</p>	<p>The “mensalão” payment was the main scandal that hit the government of the President Luiz Inacio Lula da Silva (2003-2010), effected by serious crimes that were attributed to the ones reported in the process. The scheme was structured during the 2002 elections, and was executed between 2003 and 2005. It began with the 2002 election victory of the Workers Party (PT) at the national level and had as main objective to guarantee the continuity of the power project of the Workers Party, by buying political support from other political parties and funding future and past (debt repayment) of its own election campaigns.</p>	<p>20032005</p>

<p>Leech Mafia or the Ambulance Mafia(Government officials, parliamentarians and mayors)</p>	<p>The Federal Police unleashed the Leech Operation in May 2006 to disrupt the fraud scheme in bids in healthcare. The total financial turnover scheme would be around R\$ 110 million, having started in 2001. The gang dealt with parliamentary aides to release individual amendments to the Union Budget which were destined for specific counties. With funding secured, the group manipulated the bidding and defrauded the competition, making use of front companies. Thus, the bid prices were overpriced, and the difference was distributed among the participants of the scheme. The organization negotiated the supply of more than a thousand ambulances throughout the country. In the Operation were arrested deputy advisors, former deputies Ronivon Santiago and Carlos Rodrigues, oPlanam officials and an advisor to the Ministry of Health, accused of various crimes (fraud bidding, crime against the tax, bribery, money laundering and conspiracy). The “Leeches” CPI was established in June of 2006 and decided for the forfeiture of 72 parliamentarians. None of the lawmakers involved in the case has lost the mandate. Only in the Federal Justice of Mato Grosso were opened 285 criminal cases against more than 300 defendants (mayors, former congressmen, advisors). Of this total, only 31 sentences were handed down with 22 convictions. The only ex-deputy that was hit was Cleuber Carneiro (MG), sentenced in 2010 for accepting bribes. A penalty of two years imprisonment was converted into service.</p>	<p>2001- 2006</p>
<p>Razor Operation (Municipalities, Chamber of Deputies and the Ministry of Mines and Energy)</p>	<p>The Razor Operation was triggered by the Federal Police in May 2007, aiming to thwart an alleged corruption scheme in the hiring of public works made by the federal government. In total, 47 people were arrested. The group was organized in three levels. At first, people who worked directly linked to the construction company Gautama. In the second one, the auxiliaries and intermediaries the mainly responsible people for the payment of tuition fees. In the last one, there were public authorities who had the task of removing obstacles to the activities of the criminal organization. All the accused were acquitted of criminal action filed by federal prosecutors. The Court of Bahia determined the archiving process based on the understanding that there is no evidence of any crime committed by the accused.</p>	<p>2007</p>
<p>Porto Seguro Operation (civil servants and businessmen)</p>	<p>The Porto Seguro operation was triggered by the Federal Police in late November 2012, to investigate the involvement of servers of the Executive Power and of regulatory agencies in a scheme to obtain fraudulent technical advice that would be sold to interested companies. Among those indicted, include the former Chief of Staff of the Presidency in São Paulo and the former Deputy Attorney General of the Union on 14 December 2012, the Federal Public Ministry (MPF) reported 24 people for involvement in scheme of drafting opinions fraudulent public agencies to benefit private interests. In the complaint were typified the crimes of conspiracy, bribery and passive misrepresentation, influence peddling and forgery of private document, allegedly committed by the group. Besides the former Chief of Staff of the Presidency of the Republic in São Paulo, the scheme had the collaboration of officials of various decision-making bodies of the Federal Public Administration, such as the Court of Audit (TCU), Office of Equity Union (SPU), Ministry of Education (MEC), National Agency for Waterway Transportation (Antaq), Attorney General (AGU) and Brazilian Post and Telegraph (EBCT).</p>	<p>2012</p>

Elaboration of the author. Sources consultations: Congress, Federal Police, Attorney General's Office and the Judiciary (SCJ / STF).

It is observed in the highlighted cases that the tri frontlet based on the simultaneous presence of patrimonialism, bureaucracy and managerialism in the Brazilian public administration in the last decade is undergoing substantial changes in the structure of power and domination.

To allow the influence of traditional sectors in administrative order, through the managerial mechanisms of decentralization, governments promoted the expansion of social programs, in partnership with civil society organizations, particularly NGOs, in addition to use, in a systematic way, the release of parliamentary amendments as currency exchange for political support. Register that the resources to fulfill those instruments remained under the effective control of the center of political and bureaucratic.

In summary, the Brazilian public administration, influenced by patrimonialist, clientelistic, bureaucratic, and centralizing remnants, waste, corruption and inefficiency is failing to improve their level of performance. The weakness and distortions in the institutional mechanisms of external control (legislature and courts of auditors) and internal (management control), besides the impunity of bad leaders (governors and mayors) contribute to disallow the change of this scenery. The case of *mensalão* - Criminal Action 470 - is the synthesis of all these distortions.

6. “*Mensalão*” scandal: a Synthesis

Of all the corruption scandals that Brazilian society has learned over the past two decades, the case of “*Mensalão*” - Criminal Action 470 - for its characteristics and peculiarities is the most emblematic. The “*Mensalão*” was the main scandal that hit the government of President Luiz Inacio Lula da Silva (2003-2010), effected by serious crimes that were attributed to the reported process. The scheme was structured during the 2002 elections, and was executed between 2003 and 2005. It began with the 2002 election victory of the Workers Party (PT) at the national level and had as main objective to guarantee the continuity of the power project of the Workers Party, by buying political support from other political parties and funding future and past (debt repayment) of their own election campaigns.

The Attorney General of the Republic argued in its complaint that a "sophisticated criminal organization, divided into sectors of activity, which is professionally framed for crimes such as embezzlement, money laundering, bribery, mismanagement, and the most diverse forms of fraud." The *mensalão* was the longest trial in the history of the Supreme Court, in which the 38 defendants, 25 were convicted of at least one crime, 12 were acquitted of all charges and a the case was unrelated to the process. Altogether, the feathers reach 282 years in prison and a fine of at least R\$ 22.7 million. Those convicted can still appeal the decision to the Supreme own.

The “*Mensalão*” can be understood as a widespread political scandal, a collective work of leaders of a political party that was in power, and that generated a strong reaction from institutions such as the Attorney General's Office and the Federal Supreme Court (STF). It is observed that the “*Mensalão*” meant a break with the kind of corruption that has traditionally marked the Brazilian politics, since the action of the corrupt individual, for personal reasons, was overruled by the political party use of public money.

The tradition of corruption in the history of Brazil is dense and old, so the “*Mensalão*” scandal is one of the most important, due to the characters involved, the amount of resources and the promiscuity between public and private. The trial reflects a maturing democratic society that increasingly resists corruption, and also the improvement of institutions, such as the Attorney General's Office, strengthened by the 1988 Constitution, and the Federal Police.

It becomes noticeable to argue, given the evidence from the review of the cases examined, which nationally combating corruption is the need to promote structural reforms, especially the reform of public administration. Despite not being the purpose of this study, it was shown in the analysis of these scandals that the Brazilian government also needs to make reforms in the areas: tax, social security, justice, and in particular, the reform policy. The term "political reform" should be understood as the way that institutional mechanisms should have, in particular electoral mechanisms and supporters, for the constitution of a representative political system capable of meeting the demands of Brazilian society.

We believe, therefore, that political reform should occupy a prominent place on the agenda of structural changes that the country needs, with the backdrop of the worsening political and institutional crisis, with a risk of a crisis of governance, in the medium term. In turn, it is important to note that among the causes of “*Mensalão*”, stands out sharply the patrimonialist tradition (of private appropriation of public) deeply rooted in the Brazilian state.

It is observed that patrimonialism that has been practiced nowadays as a triggering event, and the deviations arising from the exchange of political favors between the executive and legislative powers (as the great leader needs to form political coalitions, to have a comfortable base of support in parliament) the high level of impunity in the country, in particular, politicians and businessmen.

7. Economic Performance of Lula and Dilma Governments

The unfavorable international scene alongside deficient economic policies, has contributed to Brazil having a poor performance in terms of GDP (Gross Domestic Product) growth in the last ten years, and consequently, of the GDP (Gross Domestic Product) per capita. The reflections are present in the fall of investments in infrastructure and strategic sectors of the country. The inappropriate fiscal and monetary policies, which are based on the assumption that it is possible to achieve a stable inflation with self-sustainable growth, were not adequate to solve the serious socioeconomic problems of the Brazilian society.

This worrying scenario is described in the performance indicators of the Brazilian GDP and GDP (Per capita) in the period from 2003 to 2012, presented below:

Chart 1. Economic Indicators in Brazil - Performance of GDP and GNP (Per capita) in the period 2003 – 2012

	GNP (Real Change - %) /	GNP (Per capita)
2003	1,1	0,2
2004	5,7	4,3
2005	3,2	1,9
2006	4,0	2,7
2007	6,1	4,9
2008	5,2	4,1
2009	-0,3	-1,3
2010	7,5	6,5
2011	2,7	1,8
2012	0,9	0,1

Source: IBGE (2013).

Register that the Brazilian economy is growing below the world average. When compared with rates of economic performance of emerging countries in the last decade, as China, India, Russia and South Africa, Brazil has the worst performance.

7. Weaknesses Indicators of the Brazilian Institutions

The weaknesses of Brazilian institutions in the outfield are evident in the ambiguity of foreign policy and of the action of Brazilian diplomacy in recent years. These symptoms are disclosed, for example, in the fruitless efforts to get a seat on the Security Council of the UN, in the lack of firmness in the relationship with several Latin American countries whose rulers are from left, and in the referrals of WTO negotiations and Mercosur, among others.

In the infield these weaknesses are revealed in the growing interference of the judiciary in the decisions of Parliament (caused in general by the political parties) and the excessive corporatism of the politicians in punishing lawmakers involved in corruption, and the failures in the process of handling the budget bill in Congress. The deviations calculated by the Federal Police from the use of parliamentary amendments in the Budget Committee show that the providences taken after the CPI of the Dwarves of the Budget did not produce the results expected by society.

These deficiencies of the institutions are present, also, in the process of determination of corruption and lack of transparency in government; in the findings of the capture of the State enterprises, departments and agencies in the public by corrupt politicians and, in the breach of the criminal organizations by the police and by the judiciary.

We observe, therefore, that there is a visible and growing loss of credibility in Brazilian institutions, which has been caused in conscious and unconscious ways, by many government officials in the three branches of government. These leaders, in an effort to create the conditions to remain in power or to get political gain, have positioned themselves in a manner contrary to the Brazilian institutions, disregarding the socioeconomic development and the democracy require consolidated institutions (Matias-Pereira, 2005, 2010) .

In regard to the political issue, it is revealed fairly complex the operation of a bicameral presidential system, living with a multiparty system characterized by a relative degree of fragmentation, which prevents the elected president to have a parliamentary majority. In this sense - supported in the analysis of public opinion surveys in December 2012 and January 2013 - it can be seen that the effects of complaints of corruption in government and in the Workers Party itself, especially after the trial of the Mensalão, begin to achieve the image of the PT and former president Lula. These effects are also impacting on their political support base.

It is worth noting that to analyze the interplay that exists between formal institutions that make up the political system and the political culture on the beliefs, values, behaviors and practices of citizens, many studies have been conducted in order to portray the perceptions and representations of Brazilians about politics (Latinobarometro, Ibope, Datafolha, etc.). These surveys show that among the main causes of the growing dissatisfaction with the Brazilian democratic institutions, stand those related to perceptions about the rights and problems of the country, in other words, almost all of the respondents consider themselves a little or nothing respected for their rights and freedoms. It is evident that this Brazilian dissatisfaction with the functioning of democracy stems, among other factors, the inability of the Brazilian state to respond adequately to the demands of society.

8. Conclusions

While it is recognized that the relative success of pioneering experience in the course of economic and social transformation of Brazilian society, we must emphasize that these reforms have also contributed to the generation of numerous distortions, coordination difficulties and conflicts between the direct and indirect administration. The patrimonialist model, in this scenario, deserves special attention because it represents the main obstacle to the modernization of public administration in the three levels of government: federal, state and municipalities. Register that, from a historical perspective, the survival of patrimonialism until today, has its roots in power relations, social structure and political and ideological values prevailing in Brazilian society.

It is noticeable that in Brazil we are experiencing a large number of changes in the form of public management, which are translated by the profound changes in the relationships between the State and the Society and of the traditional forms of administration of the public goods. In this sense, considering the increasing weakness of the institutions, by the continued practice of decisions with a patrimonialist bias, allows us to warn that the State of Brazil, in the medium term, may face a crisis of governance. To support this assertion we are taking into account the improper systemic conditions of the exercise of power by the State to meet the demands of Brazilian society. There is an expectation that the sum of institutional instruments, financial resources and the political means of implementing the established targets fall short of these expectations.

It is observed, despite the efforts to overcome the bureaucratic model and deploy the management model, the patrimonialist model of the management has been intensively fed back over the last decade, with the increasing of the government machine without the technical criteria and of the public spending (creation of ministries, departments, state enterprises, wage increases, etc.), trading political support and granting of strategic ministries and agencies to parties without technical criteria, distribution of positions of higher hierarchical level for party members regardless of technical competence , use of public funds to finance political vested interests, among others. This feedback process patrimonialism, besides affecting the performance of public administration, as it facilitates corruption and diversion, presents a real threat to governance and democracy in the country.

The reform of the administrative apparatus of the State, facing the current scenario of government in Brazil, is a necessary measure in order to make it more democratic, efficient, effective and easier to the oriented public service user. It is important to warn that the public administration reform is an extremely complex process, requiring deep and detailed studies. Its restructuring process involves effectively on reevaluation of values and practices that are ingrained in our society.

Thus, the administration reform is the political will of the ruler, the participation of the parliament and the involvement of other policy of the ruler, the participation of parliament and the involvement of other actors who will benefit from it. In this effort, the pursuit of transparency in government is essential.

Importantly, finally, that the public administration reform will not solve the root cause of the current economic crisis, since it is outside the possibility of State action. The task of reforming the administration is seeking to rearticulate the State and its relations with society in order to adapt to this new international economic and political scenario. In this sense, the main justification of the public administration reform is the urgent need for the government to respond by administering the growing demands of society with quality public services, reduce costs, implement and evaluate public policies, increase transparency, besides promoting and stimulating investment in strategic sectors, to allow Brazil to rediscover the path of sustainable development.

9. References

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