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The Art of Getting in the Way: Five Years of the BNDES Platform¹

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Introduction

The BNDES (*Banco Nacional de Desenvolvimento Econômico e Social*) is among the largest development banks in the world, with a budget that exceeds the World Bank's and that is several times larger than the annual investments included in Brazil's federal budget. According to a recent report by BBC-Brazil, one in five of all Brazilian reais invested in the country come from the bank, whose annual loans have grown from US\$ 18 billion in 2002 to a planned US\$ 72 billion for 2012.³ Founded in 1952 to support major projects that would drive Brazilian development — including roads, hydro-electric plants and dams, automobile factories, and other key infrastructure elements — the BNDES has gone on to promote mergers and acquisitions between Brazilian businesses and to support, following a change in its statutes, similar expansion overseas, including providing infrastructure loans to other countries. Throughout the greater part of its history, in which it has served as an instrument of both democratic and military regimes, the BNDES has promoted a nationalistic model of social and economic development concentrating on sectors that are seen as key and strategic for economic growth, especially petroleum and basic infrastructure. More recently, the bank has gone on to work with mining, commodities, and food processing, placing an emphasis on the creation of Brazilian multinational firms. Today, 60 years on from its post-war beginnings within Latin America's dominant school of economic development thinking, this strategy is being challenged. A few heroic advocacy and monitoring organizations, campaign networks, and social movements, working individually and collectively within the BNDES Platform, have forced a debate on the social and economic costs of this approach to development.⁴

As part of a systematic effort to examine and document the impact of civil society advocacy

¹ Special thanks are due to Fernando Tenorio of the Brazilian School for Public and Business Administration (EBAPE/FGV) and students Daniela Lima, Tânia Almeida and Guilherme Marques; Fabiano Angelico of the Center for Public Administration and Government (EAESP/FGV); Paolo de Renzio and Albert Van Zyl of the IBP project team; my fellow case writers and most importantly the staff members and consultants at IBASE and Mais Democracia for their openness and frankness in discussing the ups and down of the BNDES Platform. This final report is the product of three yearly working documents whose content as well as a preliminary version of this final report was shared with those involved. Apologies are given for any factual errors that found their way past the double-checking of dates and events. I have tried to be as faithful as possible to the nuances of events but accept full responsibility for the conclusions. – Peter Spink.

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³ Available at www.bbc.co.uk/portuguese/noticias/2012/08/120813_bndes_60anos_ru.shtml (accessed 27 August 2012).

⁴ See www.plataformabndes.org.br.

interventions on government budget policies, systems, and implementation in countries around the world, the International Budget Partnership (IBP) commissioned case study research that followed the campaign of the BNDES Platform from 2009-2012. Of particular concern to the IBP case study program is how they did it. The BNDES Platform's primary aim was to win the public the right to be provided with details about recipients, the activities, and the consequences of the bank's subsidized loans.⁵ Registered as a state-owned enterprise, the BNDES is subject to public supervision (its main board and administrative council are subject to presidential and ministerial approval), yet it has the legal status of a private company and of a commercial bank. In response to requests for disclosure, the BNDES has continuously argued that providing detailed information about private sector client loans is not allowed under banking laws and could lead to lawsuits arising from business strategy disclosure issues. The bank further argues that it is only required by the standard business and fiscal reporting regulations to file for each of its loans the name of the recipient, company registration number, a brief title, and amount. Public sector information on loans to states and municipalities is more readily available and is required by federal accounting procedures. The bank has sought to reassure public opinion by stating that it applies the most rigorous technical criteria to its loan operations, that its staff are highly trained, that it respects the federal requirements on environmental approval, and that its decision-making process is a guarantee of technical independence. This is repeated in various ways on the BNDES website in Portuguese, Spanish, and English and in the special section of the site on transparency.⁶

To challenge the technical and bureaucratic arguments of an immensely powerful state agency on its standard budget practice and reporting procedures is to question the government and its institutions. At stake are the ways in which people can access the information that enables them to discuss, evaluate, and monitor economic development policy and the way in which public funds are used for financing certain activities (though not others).

Outside observers have argued that this lack of transparency has created dark corners in which large economic groups have thrived, either because they have learned how to prepare projects or because they are part of larger interlinked networks of economic interests. These are the groups that, year after year, are the largest loan-takers from the BNDES. Throughout its history, the BNDES has acted with little or no public accountability. Given that its administrative board is composed largely of ministerial nominees in the economic development sectors, the residents in the areas affected by BNDES-financed projects have had no voice in the decisions that affect their well-being, rights, and livelihoods. Its headquarters remain in Rio de Janeiro, the former capital, some 1,100 kilometers from the Federal District and the National Assembly.

Concerns with the presence of the BNDES in various environmentally and socially sensitive areas, its increasing influence and persistent lack of transparency, contributed to the decision by a Rio de Janeiro-based Brazilian civil society organization (CSO), Ibase (*Instituto Brasileiro*

⁵ The bank lends at the official long-term interest rate, which has a considerable advantage over market rates.

⁶ See, for example,

http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/Social_and_Environmental_Responsibility/ (accessed in 27 August 2012).

de Análises Sociais e Econômicas), to launch a program on “Development and Rights” in 2005.⁷ The objectives of the program were: to create an independent base of information for social movements and civil society organizations concerned with the way the bank interpreted its public mission; to build channels for social participation; and to help to formulate proposals for redirecting the bank’s actions toward alternative development approaches more able to overcome social and economic inequalities. In 2007, building upon this earlier effort, 25 social organizations and networks, many involved in sector-based mobilization movements, got together to create the BNDES Platform – the focus of the case study.⁸

Throughout its history Ibase’s work has been characterized by three fundamental approaches: 1) serving as a catalyst for networks and coalitions and helping to bring new issues to the public agenda, 2) building the capacity of other civil society actors to lead the lobbying and advocacy efforts once an issue has gained prominence, and 3) promoting access to information as a key element of democratization.⁹ These elements formed the backdrop for the beginning of the BNDES project in 2005 and form part of Ibase’s broader and often cited theory of change, which sees the mobilization and engagement of broad coalitions of civil society actors, citizen groups, and social movements around specific issues as the best avenue for influencing public policy and for promoting democratization and social change. These were the same principles that would lead Ibase to get involved in anti-hunger campaigns, the HIV/Aids movement, and the World Social Forum. In a number of respects, Ibase’s approach shares similarities with the strategy of the Industrial Areas Foundation and the mobilizing theory of interorganizational connection developed by Saul Alinsky, but with one big difference: their views on power and confrontation.¹⁰ Indeed, the debates on the merits of positive agenda building versus litigation, and discussion versus direct action, would turn out to be a key feature of the case study.

Much of civil society budget work has focused on the budgets of government line agencies. Development banks are semi-public institutions (in the case of the BNDES, wholly public) that despite their influence on public investment and development policies are not subject to the same transparency and accountability arrangements as government agencies. At the international level, organizations such as the Bank Information Center (based in Washington, D.C.) partner “with civil society in developing and transition countries to influence the World Bank and other international financial institutions to promote social and economic justice and ecological sustainability” and have shown that “bank watching” is an important part of budget investment work.¹¹ In Brazil, the Brazil Network on Multilateral

⁷ Brazilian Institute of Social and Economic Analyses.

⁸ Among these: environment, accountability, international finance and aid, original peoples, landless agricultural workers, urban social movements, peoples affected by hydro-electric schemes, trade unions, and economic development.

⁹ Ibase was founded in 1981 in Rio de Janeiro as an organization of active citizenship and, largely through one of its founders, Herbert de Souza, occupies a central place in the Brazilian CSO movement. (Further information on the Ibase approach to change can be found in: Paolo de Renzio and Jim Shulz, “Budget Work and Democracy Building: the Case of Ibase in Brazil. Lessons from Civil Society Budget Analysis and Advocacy Initiatives,” International Budget Partnership, 2006 (<http://internationalbudget.org/wp-content/uploads/BrazilFullPaperEnglish.pdf>), accessed in 27 August 2012).

¹⁰ Saul Alinsky, *Rules for Radicals: A Practical Primer for Realistic Radicals* (USA: Vintage Books, 1971); and Chambers, Edward (2003), *Roots for Radicals: Organizing for Power, Action and Justice*, Continuum International Publishing Group.

¹¹ <http://www.bicusa.org/en/Page.About.aspx> (accessed 27 August 2012).

Finance Institutions (*Rede Brasil*) plays a counterpart role in relation to World Bank and Inter-American Development Bank activities. In the cases of both of these banks, however, the procedures for reporting to country members, including country-level reports, provides a modicum of transparency that is lacking in the BNDES.

As part of the Brazilian federal government's institutional structure, the BNDES is a hybrid institution. It is a private company that is publicly owned; that receives public funds to increase its capital, yet also receives the private return from the investment interest paid by borrowers. Additionally, through BNDESPAR (*BNDES Participações*), it is a direct player in the venture capital market and has large strategic shareholdings in a number of companies. To make matters even more complicated, BNDES, like other state-owned enterprises in Brazil, has the benefits of a profit-sharing scheme for its employees.¹²

How then can civil society go about guaranteeing access to the investment and budget information that can enable it to monitor and question the policies and procedures of national development institutions, often characterized by their *parallel* or *gray budget* nature, their corresponding lack of transparency and their vulnerability to capture by powerful vested interests?¹³

The case study formally began in May 2009, though with the benefit of previous reports with which to establish a 2005 baseline.¹⁴ Given the explicit focus of this IBP project, which defined impact as “changes in government behavior or rules for behavior with regard to the budget, specifically changes in budget policy or budget process,” a midrange methodological approach was adopted that included indicators of organizational change, following activity in the media, conducting short surveys, reviewing formal BNDES documents and information from the bank's website, and maintaining regular contact with the budget project team, its various coordinators in Ibase, and later also the staff of a new CSO, More Democracy (*Instituto Mais Democracia*). Of great help also was the BNDES Platform's online discussion forum, powered by Google Groups, which enabled relatively constant contact with the types of public issues that member organizations were raising. Being located in São Paulo — some 430km (267 miles) from the BNDES, Ibase, and the Rio de Janeiro academic community — the online forum was key to following the Platform's work, but also meant that certain lines of enquiry, for example using informal network conversations, were more difficult.

There is no doubt that some BNDES staff members were in favor of the Platform (a link to the Platform was put on the staff association website) and also that there are many people in the bank who are concerned with the direction of its investment strategy. However, the study was not intended to look at how the campaign shifted perceptions of the BNDES; the

¹² Created in 1995, this allows for an amount up to 25 percent of the value given to shareholders to be distributed to employees. The BNDES, different to Brazilian SOE's with high operating costs, is highly profitable.

¹³ We use the word *parallel* instead of “off budget” to draw attention to the fact that while funds transferred in black to the BNDES by the federal government are formally announced and, therefore, visible in black and white (“on budget”), the lack of transparency about the use of these funds and the close presence of key government ministers and the presidency in shaping policy and decisions takes place in parallel to the normal procedures of government budgeting and control. Hence black and white becomes gray and difficult to distinguish.

¹⁴ See note 9 (de Renzio & Schultz, 2006).

focus was far more specific. The question that the case study sought to establish was whether the BNDES Platform changed the rules or conduct of the bank's budget process — and if so, what was done differently.

By December 2012 — seven years after the initial decisions were made in Ibase to focus on the BNDES — the results are mixed. Under the comparative study's very precise definition of impact there has been little or no change in the way budget policy decisions are made and some, albeit slight, changes in the openness of decision making. The BNDES has gradually improved the flow of information through its transparency portal, which could be seen as the result of the earlier pressures by the BNDES Platform but was also a product of larger events and of parallel changes to the practices of the federal government.¹⁵ At the same time, there is clearly a heightened sensitivity within civil society to the social and economic impacts of the BNDES' activity, along with a regular and critical presence in the national and international press (almost on a weekly basis), and there are signs that academics are more prepared now to ask difficult questions.^{16,17}

The challenge of this study is to untangle the impact of the BNDES Platform from the effects, for example, of the growing concerns with government investment in such events as the 2014 World Cup and the 2016 Olympics in Rio de Janeiro (which has prompted stadium renovation and other investments). There has also been a strong reaction by the press to a number of scandals that drew attention to the extensive portfolio of BNDES. It is not easy to judge in absolute terms how much any of these events has contributed to changes at the BNDES. But a reasonable answer is that all have contributed. Major political events, like a political scandal, may create windows of opportunity, but the BNDES Platform, both directly through its action and indirectly through the support that it provides to its members, has had a pivotal role.

Being able to make this call is certainly one of the advantages of a study that follows a specific issue over time.¹⁸ Retrospective studies — the more common approach to case analysis — have the advantage of starting from a clear end point (usually something solid and innovative like participative budgeting or a successful government open access information agency or statute) but as they go back in time there is a tendency, as was recently documented, to “airbrush out the role of random events, serendipity etc. and make

¹⁵ The Federal Controller General Office was initially set up in 2001 to audit public spending and investigate cases of internal abuse. In 2006 it acquired preventive authority and, through its special website “transparency” (www.portaltransparencia.gov.br), provides daily information on Federal funds transferred to states, municipalities, private organizations, and citizens, as well as on the direct costs and spending of federal line agencies and ministries.

¹⁶ In contrast, at the beginning of the study in 2009 coverage in leading independent, heavyweight, and investigating daily newspapers (for example, *O Estado de S. Paulo* and *Folha de S. Paulo*, the former slightly more conservative than the latter) was rare and isolated. At times five or six months would go by without any mention. Currently, there are at least two to three articles a week drawing attention to the bank's investment decisions, as well as coverage of the issues also in the editorial and leader columns.

¹⁷ The BNDES Platform website now posts masters and doctoral theses in the area, and some key books have also been published.

¹⁸ A theme-field refers to that set of connections, networks, organizations, different initiatives, materialities, and conversations through which and among which particular issues are constructed and debated. The result is much more chaotic than most policy process models would allow. See Peter Spink, “Pesquisa de Campo em Psicologia social: uma perspectiva pós-construcionista,” *Psicologia e Sociedade*, vol. 15 no. 3, 2003, pp.18-42.

everything seem a bit more deliberate than it actually was.”¹⁹ In the case of these comparative studies, we started from a relatively clear beginning, or at least an agreed baseline, and followed the issue in its many facets, not only following the specific campaign but also investigating — with different degrees of depth — other relevant developments along the way. While this guards against the trap of oversimplifying a complex social process, it also makes it very difficult to determine when the study should stop. In this case, as was inevitable, the closing date was determined by project financing, research contracts, and accountability deadlines to IBP funders. Given the complexity of the BNDES issue, there is much that can still happen, and there is no doubt that the international sporting events of 2014 and 2016 and the continuing controversy over the Belo Monte hydroelectric plant in the Amazonian basin will create a context in which more dramatic changes may be witnessed. Still, even now, it is possible to draw some conclusions.

One of the theoretical policy process models that have drawn attention over the last few years has been the advocacy coalition framework.²⁰ This has proved useful in understanding how broad networks of social, political, and organizational actors guarantee the presence of certain policy orientations over time, independent of government change. The theory, however, presumes that this is a dynamic process and that as ideas and orientations come, so too, they go as they are replaced by others. In this case, the coalition is so deeply entrenched in the issue of how BNDES operates that it has gone beyond policy to the behind-the-scenes practices of government. As the events of these last three years unfolded, with campaign actions and counteractions, tense moments, some successes, and many disappointments, it became clear that the BNDES is far more than a policy operator. The conduct of the BNDES is not merely a matter of economic and development policy but, instead, raises much larger issues about federal government business, planning, and action. As one of the journalists interviewed for the study commented, “It’s not just this government but the government before and the government before that; nobody in government or congress wants to really question the BNDES, it’s too useful.”²¹

Going through the earlier notes of meetings and re-reading the early BNDES Platform documents from 2007 to early 2009, it is clear that all involved (even this observer) were more optimistic about the prospects of change.²² Some political positions appeared to be entrenched, but policy change was seen to be possible; indeed, the BNDES was viewed as one of a number of possible cases of budget policy work where impact was potentially “around the corner.” Now it can be seen that the challenge was not only to influence policy but to breach what could be called a “policy wall,” which casts the understanding of the BNDES Platform in a new light. Major social changes that involve deeply structured practices can happen quickly once they begin, but the early steps are often the most difficult.²³ Comparing the achievements of the BNDES Platform with similar movements in

¹⁹ Duncan Green, “What can we learn from eight successful campaigns on budget transparency and accountability?” Oxfam, 07 August 2012, available at www.oxfamblogs.org/fp2p/?p=11226.

²⁰ Paul Sabatier and Hank C Jenkins Smith, *Policy Change and Learning: An Advocacy Coalition Approach* (Boulder, Col.: Westview Press, 1993); and Paul Sabatier, ed., *Theories of the Policy Process* (Boulder Col: Westview Press, 2007).

²¹ See study by Fabiano Angelico, 2010, reported in full in a later part of this text.

²² All the early declaration and reports of meetings between the Platform and the BNDES remain accessible on the www.plataformabndes.org.br website.

²³ See Kwame Anthony Appiah, *The Honor Code: how moral revolutions happen* (W.W. Norton, 2010).

other contexts suggests that many factors must come together in a successful multi-stakeholder campaign, but all of that depends on someone showing up to question the status quo.²⁴ The ability to get the ball rolling on social change is one of civil society's greatest assets and not to be taken for granted.

The issue: Brazil's National Bank for Economic and Social Development (BNDES)

Brazil's state-owned enterprises (SOEs) form a very extensive organizational and institutional ecology that, while operating under direct government control and orientation, takes full advantage of private business legislation on accounting and public reporting, confirming a number of the concerns raised in the OECD 2005 report on the corporate governance of state-owned enterprises.²⁵ The result is extensive resources are mobilized in what amounts to a "parallel budget," almost directly under presidential control. Among the leading players in this largely understudied ecology are: Petrobras, the country's giant international petroleum company; and a number of key high-street public banks, including the *Banco do Brasil* (the country's leading bank in total assets) and the Federal Savings Bank (CEF), the country's fifth largest. Also part of this ecology are regional development banks for the northeast of the country and the Amazonian region. The BNDES, when compared to the high-street banks, would come in at sixth place, with three times the assets of the seventh placed HSBC. According to the federal government's 2010 budget provisions, 92 percent of the Brazilian SOE budget was spread between seven enterprises (out of 100): Petrobras (49.7 percent); BNDES (20.2 percent); *Banco do Brasil* (10.0 percent); CEF (6.1 percent); Electrobras (1.7 percent); Postal Service (1.0 percent); and the North East Development Bank (0.7 percent).

At year-end 2010, the BNDES' total assets were US\$ 332.7 billion, 42 percent greater than total assets at year-end 2009. This, as well as a record net profit of US\$ 6.1 billion, was made possible by Treasury debt issues totaling US\$ 63 billion in 2010 (twice the combined annual disbursements of the World Bank and the IDB). The Treasury continued to inject funds into the BNDES in 2011 and 2012. The total of such transfers — showing the size of this parallel budget — was US\$ 180 billion from 2008-2010, and in 2012 the proposal is for some US\$ 25 billion. Most of the finance for the global sporting events to be hosted in Brazil (World Cup in 2014 and Olympics in 2016) will come out of the BNDES, but there are also important lines to support working capital requirements of industry (up to individual limits of US\$ 25 million), to help small and medium firms, and support exports and, more recently, investment in projects by Brazilian companies outside of the country. To give one of many examples, in early June 2012 the bank approved financial support to a major Brazilian chemical firm of US\$ 700 million for the construction of a chemical plant in Mexico in a joint venture with a Mexican based company.²⁶ Operating internationally as an informal regional development bank, there is no doubt that the BNDES will be very involved in the discussion of the recently proposed BRICS Development Bank.

²⁴ Guillermo M, Cejudo, "How institutional constraints shape the effectiveness of accountability initiatives: the case of *Subsidios al Campo* in Mexico," Preliminary report to the Leading Edge Project, 2012; and John Gaventa and Rosemary McGee, eds., *Citizen action and national policy reform: making change happen* (London: Zed Books, 2010).

²⁵ *OECD Guidelines on Corporate Governance of State-owned Enterprises* (Paris: OECD Publishing, 2005).

²⁶ *O Estado de S.Paulo*, 12 June 2012, pp. B15.

Key for our study has been the increase in the amount lent by BNDES over the last 10 years. From around US\$ 20 billion in the 2002-2004 period, this amount began to rise in 2005 and reached nearly US\$ 80 billion in 2010, dropping very slightly in 2011 (US\$ 70 billion).²⁷ On average, the bank has paid back dividends to the National Treasury of about 6 to 8 percent of these amounts. Its investment in shares includes some US\$ 3.75 billion in the giant meat processing company JBS Friboi, as well as holdings in Petrobras (US\$ 16 billion) and in the mining giant Vale (US\$ 8 billion). In terms of direct loan operations, BNDES' major lines of support are to basic inputs and infrastructure (US\$ 14 billion and US\$ 13.5 billion, respectively) and industry (US\$ 9 billion), and its stated plan is to increase investments at an average of 10 percent in the 2011-2014 period.²⁸

Institutionally subordinated to the Ministry of Development, Industry and Overseas Trade, the BNDES Administrative Board of 11 members is formed by the minister himself (who acts as president of the board); the president of the Bank (as vice president of the board); one member each indicated by the Ministry of Planning, the Ministry of Employment, the Ministry of Finance and the Ministry of Foreign Affairs, by the Ministry of Employment, Minister of Planning; and the remainder indicated by the Ministry of Development, Industry and Overseas Trade (including business representatives and representatives of leading trade union organizations).

For over half a century, the BNDES has been a key institutional reference organization for economic development. In the 1950s, 1960s, and 1970s (including part of the period under military rule, 1964-1984) its main contribution was helping to shape Brazil's import substitution strategy, which favored industrial infrastructure and industrial development. The bank also had an impact by increasing the country's capacity for direct investment with the use of various federal funds. During this formative period, it functioned as the BNDE and was only to assume the S, for social, in the second half of its history, and even then in a very tokenistic fashion. Approaching the 1990s, the BNDES underwent a series of strategic and largely internal changes, which led to a re-orientation of its activities toward the field of exports and infrastructure. Throughout this period of its history, there was no public, systematic, or regular information about the different business firms that have benefitted from BNDES support and no clear exposition of bank policy. Furthermore, there was no requirement to make public details of its actions that would enable outside groups to monitor its activities and to independently evaluate its development strategies.

During this period, the BNDES has built up a very strong internal organizational culture based on the technical competence of its some 2,000 staff members, many of whom come from a handful of university departments in Rio de Janeiro. They enter the bank through open and highly competitive entrance examinations and tend to remain in the bank until retirement on very good pensions. Highly paid in relationship to other similar posts, including an annual results-based bonus that can be more than the equivalent of two months' salary, they tend to see themselves as an intellectual and independent elite, devoted

²⁷ "O que é o BNDES? (What is the BNDES – find out how the Bank's resources are used)," Ibase, June 2012, based on data available from the BNDES. To simplify we have used a 1 USD = 2 Brazilian Reals exchange rate.

²⁸ Ibid.

to the cause of development and to the proper use of public funds.²⁹

The bank is always ready to describe its lengthy evaluation processes in which different functions are distributed between many different technical specialists, and decisions are taken in different collegiate settings and levels. Regular internal staff rotation also serves as an added guarantee of technical independence. The BNDES is part of a set of powerful technocratic institutions that remained in Rio de Janeiro when the federal government moved its seat to the new Federal District and the city of Brasília in the center of the country. Operating from a series of imposing buildings, the government institutions that remained in Rio de Janeiro include the petrol giant Petrobras, located opposite the BNDES; the Federal Statistics Bureau (IBGE); various federal economic research agencies; and the Financing Agency for Applied Industrial Research (FINEP).

As mentioned, the overriding view of corporate responsibility that imbues the BNDES' organizational culture is that of "public trust in public officials."³⁰ There is a strong belief within the organization that correctly selected and professional staff, acting in the public interest through correct procedures, will do their work appropriately without any need for external control or transparency. Furthermore, because of their technical competence and seriousness, they see themselves as the public's best line of defense against outside influence, including protection from the complications that derive from Brazil's politics of *coalitional presidentialism*,³¹ which is partly attributed for the country's poor ratings on international corruption indexes and very low rates of public confidence in elected officials, congress, and the judiciary.

The certainty with which BNDES staff conduct themselves is also linked to how disciplines, such as business, economics, and engineering, are taught in Brazil. For these technocratic graduates at the BNDES, such issues as dialogue, social accountability, transparency, and poverty are rarely part of their daily conversations.³² There is certainly no requirement from

²⁹ For further evidence on the culture of technocratic independence see the studies of Karen Fernandez Costa in 2003, 2004 and 2006. (*Mudança de Rumo, Mesmo Função – O BNDES na segunda metade dos anos 80*, Masters Dissertation, PUC-SP, 2003; "A Transformação do BNDES e sua influência na Política de Estado do Brasil na década de 90" presentation at XXVIII Annual meeting of ANPOCS, 2004; "BNDES: atuação, papel and ideário nos governos Fernando Henrique e Lula," presentation at XXX Annual meeting of ANPOCS, 2006). Other evidence comes from personal conversations with BNDES staff members in other contexts as well as press statements, including the current BNDES president's formal reply to the BNDES Platform on 13 February 2009.

³⁰ "The BNDES is a responsible and ethical organization and who is responsible and ethical has no fear of the truth and transparency," ("o BNDES é uma casa íntegra, ética. E quem é íntegro e ético não tem medo da verdade, não tem medo da transparência") reply by the BNDES president to the BNDES Platform, 13 February 2009.

³¹ For a very good overview of Brazil in the post-military period see: Timothy Power, "Brazilian Democracy as a Late Bloomer: Re-evaluating the Regime in the Cardoso-Lula Era," *Latin American Research Review*, vol. 45, Special Issue on "Living in Actually Existing Democracies," 2010.

³² In Brazilian Portuguese the tendency is to use "controle social" (social control) to refer to the oversight mechanisms of civil society in relationship to the state. This can cause considerable confusion given the opposite meaning in much of sociological discussion. (See Morris Janovitz, "Theory and Social Control," *American Journal of Sociology*, vol. 81 no.1, 1975, pp. 82-108; P.K. Spink and M.A. Teixeira, "Citizen Engagement and Social Accountability: the changing face of subnational democracy in Brazil," Case Studies carried out for the World Bank Group Trust Fund Program on "Procurement & Service Delivery: Establishing Effective Collaboration Between Government and

the bank's Administrative Council to consider such issues, and the fact that the bank's onerous loan application process and its development rhetoric may give an advantage to certain large-scale actors and exclude others only raises occasional concerns with the bank's practice. Given how stubbornly the BNDES has adhered to its procedures, social action by civil society organizations has often been aimed at the recipients, rather than at the BNDES. A common strategy has been to draw the public's attention to the alleged violations of civil rights, labor rights, or environmental regulations committed by the companies that receive BNDES loans. Here the bank's response is to refer to Brazilian legal procedures — notoriously long and labyrinth like — and to argue that until the allegations have been fully litigated (including all the different phases of appeals) it cannot “pre-judge the issue.”³³

Take the case, for example, of Brazil's largest producer of sugar and ethanol (the São Paulo-based COSAN), which had a US\$ 350 million BNDES loan for a new alcohol refinery put on hold because it had been placed on the Ministry of Employment's blacklist for employing slave labor. (The widespread use of subcontracted labor in the sugar cane industry has led to many charges of economic “slave-type” contracts and conditions, and it was not the first time that COSAN has come under fire). The news hit the daily press on Friday, 8 January 2010, following the first disclosure by one of São Paulo's leading dailies on 1 January that the company had been placed on the blacklist, immediately prompting negative reactions from various purchasers of COSAN products, including retail giant WalMart. On the same day, the company's lawyers managed to get an injunction suspending its placement on the blacklist, which was duly reported on Saturday, 9 January, and within days the loan process was reinstated.³⁴

In another case, public prosecutors from the State of Pará in the north of Brazil pressured the BNDES to stop providing loans to companies that face charges of illegal tree removal for cattle ranching.³⁵ The BNDES refused on the basis that the companies were “innocent until proven guilty,” citing the arguments by the companies in question that violations were by third-party contractors who had not obeyed orders. In such a context, promoting a public debate on the larger issue of who and what gets funded is not an easy task, and taking the “moral high ground” is no guarantee of success.

At various points during the research, other incidents brought to the fore the bank's strong internal and somewhat defensive culture. For example, a previous member of the BNDES Administrative Council, indicated by one of the leading trade union associations, was arrested by the Federal Police on charges of a corruption, and questions were raised about whether this could have happened during his time at the BNDES. The reaction by bank spokespeople was immediate; with the bank's internal technical procedures, it would have been impossible for any one person to influence decisions. The argument resonates in Brazil where during periods of military rule, or in well known examples of elite intervention and cronyism, one of the only defenses available to those who were not part of the political elites

Beneficiaries on Monitoring Procurement,”Centro de Administração Pública e Governo, FGV-SP, 2009.

³³ Reply by the BNDES president to the BNDES Platform, 13 February 2009.

³⁴ *Folha de S. Paulo*, 1 January 2010, p. B3; and *Folha de S. Paulo*, 8 January 2010, p. B4; and *Folha de S. Paulo*, 9 January 2010, p. B4.

³⁵ See for example, *O Globo*, 21 Abril 2012, Panorama Economica.

was to close ranks on technical issues.³⁶

The issues that surround the BNDES are many, and its critics are motivated by different concerns. BNDES is an important supporter and symbol of Brazil's current developmental model, which favors large-scale, almost monopolistic, corporations in the export sectors. Yet other organizations are more focused on promoting greater fairness at the bank, given the vastly different success rates with financing that different economic actors appear to enjoy. Local activists across Latin America and Africa have organized protests against the large-scale public works projects sponsored by the BNDES that have displaced citizens, threatened the environment, and undermined the livelihoods of traditional communities. Some advocates have been agitating for the BNDES to assume a more effective social policy, including the way in which direct donations (grants) are made from its large social fund, which receives a compulsory share of the bank's profits. Finally, there are those who lament the lack of an effective governance structure and reporting mechanisms that would provide the necessary transparency for a robust public debate on many of these issues.³⁷ The BNDES, therefore, is not the object of a unified concern, but raises different questions for different issue-focused groups. These distinct issues, in turn, carry different challenges for social and public action, with implications for sustaining effective alliances, as we will see in the case of the BNDES platform.

The campaign: setting the baseline for the study

The research question reflects the size and complexity of the issues surrounding the BNDES. Will the Ibase strategy of building and mobilizing a coalition be effective in persuading the BNDES to be more transparent, to discuss the impact of its activities, and to debate an underlying philosophy of development — one that enjoys the support of an entrenched coalition of political, economic, business, financial, technical, and academic stakeholders?

As mentioned in the introduction, studies that follow events over time have very different characteristics from studies that start with a result (such as a major innovation or policy change) and seek retrospectively to find out how that happened. In our case the starting point was an agreement in 2009 between the IBP and selected partners to follow their different change initiatives over the next three years and, in doing so, to specify at the outset their “theory of change.”³⁸ For Ibase, this second task was not difficult because its theory of change had been developed and discussed over a number of years and was widely known among the CSO community. The theory of change was based on Ibase: a) serving as a catalyst for networks and coalitions and helping to bring new issues to the public agenda, b) building the capacity of other civil society actors to lead the lobbying and advocacy efforts once an issue has gained prominence, and c) promoting access to information as a key element of democratization.

³⁶ See studies of Karen Fernandez Costa, footnote 27.

³⁷ Drawn from interview comments, posts on the Platform's Google Groups, press reports, and academic discussions, and debates.

³⁸ International Budget Partnership, Proposed methodology for IBP case studies, 16 September 2009. Drawn from contribution analysis, the expression refers to the proposed program logic; how those involved see the causal pathways that should lead to change. The words may sound impressive, but are no more than a shorthand way of discussing why a particular approach will be adopted.

More difficult was pinpointing precisely when the project began. Ibase had been engaged with the question of the BNDES since at least 2004, and much of what was already taking place was a result of the preceding years of the Ibase budget program, which had focused on issues of democracy and social responsibility.^{39, 40} In some ways, the obvious choice for a prospective study would be 2009, the year when the IBP comparative research project began. However, this was somewhere in the middle of the process, after the BNDES Platform was established and before any results began to show. Still, setting the baseline too far back would lose specificity; setting it too late might neglect important moments in the chain of causation. The search was for a starting point that would do justice to the Ibase involvement with the BNDES and provide sufficient description that would permit the case study to effectively enter the IBP's comparative dialogue and contribute to its key question: "How and under what conditions do civil society organizations and the coalitions in which they work have an impact on budget policies, budget processes, and institutions?"

Fortunately, the Ibase budget team had maintained a complete archive of press cuttings and a register of the different events of preceding years.⁴¹ In discussion with the team, the decision was made to begin the study at the end of 2004 when the Ford Foundation, which had been supporting Ibase's earlier work on budgets, posed the question of state-owned enterprises (SOEs) to the budget team, whose then coordinator had been moving in a similar direction.⁴² Ultimately, the Ford Foundation provided further funding for a broad project on social control and budgets with a specific focus on SOEs. After various false starts, this project evolved into the National Bank for Social and Economic Development (BNDES) monitoring project. This was a period when the topic of budgets was in the "air," although certainly not center stage. Ibase was gaining recognition for its organization-specific work on social responsibility, in particular its "social balance" program, and also for its work on budgets. At the same time, other activists and social organizations also were beginning to turn their attention towards the BNDES, especially those involved with alternative development issues such as family-based agriculture and various environmental groups concerned with the impacts of some of the projects being financed (although these were minor compared with disputes in 2010-2012). A number of these people and groups had been active supporters of President Lula and the Workers Party (PT) in his 2002 campaign and wanted more results. At this time (2004-2005) the federal government was midterm and just about to face a major congressional vote-buying scandal that would seriously tarnish its image.⁴³

By moving the baseline back in time, it also enabled the research to look at the BNDES

³⁹ Notes from initial meetings with the Ibase team in April 2009 and confirmed in an interview with the first Ibase budget program director in December 2010.

⁴⁰ Financed by the Ford Foundation.

⁴¹ The complete dossier developed by Ibase: *Descrição sobre a atuação do IBASE no projeto de monitoramento e incidência sobre o BNDES* (Description of IBASE's work in monitoring and questioning the BNDES) covered the period January 2005 to May 2009 with detailed evidence in 30 different appendices.

⁴² This and other direct comments are taken from personal interviews with those concerned, including, in this case, former Ibase budget program staff and the then Ford Foundation representative in December 2010.

⁴³ The monthly payola scheme to buy congressional votes would lead to successful prosecutions and to Supreme Court convictions in the second half of 2012.

Platform as a result of different attempts to form coalitions and agree on common agendas. The baseline also allows us to recognize the Ford Foundation as an active supporter of work in this area, not only with Ibase but also with other organizations. One of these is the Rede Brasil (Brazil Network), which was created in the 1990s to monitor the work of the multilateral financial institutions in the country and which had been highly successful, for example, in forcing the previous Social Democratic Party (PSDB) government to make public the World Bank's country evaluation documents and position papers. With the BNDES becoming more and more involved in financing projects in other Latin American countries, following the country's international diplomatic endeavors, it too had drawn the attention of Rede Brasil, which would go on to become a leading member of the Platform.

Equally important in terms of the study was the fact that at this time, (2004-2005) there was hardly any information available publically about the investments, programs, and projects the BNDES was financing. The information that was available was the result of occasional announcements, press clippings, ministerial comments, and annual accounts, which were impossible to disaggregate in any way that would make dialogue possible. The use of the expression "increased transparency" was beginning to appear in the some parts of the political arena and the new Office of the Federal Controller (CGU) was beginning to make information pertaining to government contracts available. This trend would receive a big boost with the 2006 reorganization of the CGU to include responsibilities for the prevention of corruption under its minister Jorge Hage Sobrinho, and with the expansion of its "transparency" website to include regular postings of government expenditure and contracts. In May 2012 Brazil's freedom of information legislation was signed (*Lei de Acesso de Informação*), which also opened up many sensitive historical archives and was seen to herald a significant change in the relationship between state and society.⁴⁴

The campaign: early initiatives and building the platform

To "take on" the BNDES was certainly ambitious. The Ibase budget team planned to use an approach that had proved successful in other settings and that drew upon the skills of different Brazilian CSOs and social movements — i.e., to create forums, networks, fronts, and other kinds of dynamic associations, including what it would later call the BNDES Platform, to drive a broad-based, sustained campaign. This, of course, was an approach that was consistent with Ibase's theory of change, which is fairly well known even outside the organization. Briefly stated, its strategy posits: *the mobilization and engagement of broad coalitions of civil society actors, citizen groups and social movements around specific issues is the best avenue for influencing public policy and promoting democratization and social change.*

In 2004-2005 there were a number of different organizations circling the BNDES, each with its own individual agenda.⁴⁵ Ibase was producing a quarterly electronic bulletin with

⁴⁴ The new law not only ended permanent secrecy of a number of archives, including those from the military period, but made available a vast range of ongoing information on demand by, amongst other actions, removing the requirement for those asking for information to justify their requests. All public sector financial information was made available, including the individual payroll details of different agencies, ministries, and the legislative.

⁴⁵ This and other observations of this earlier period are drawn from meetings and discussions with the Ibase team (7 April 2009, 26 May 2009) and the detailed documentation provided by Ibase for the 2005-2009 period (*Descrição sobre a atuação do Ibase no projeto de monitoramento e incidência sobre o BNDES – 5 May, 2009*).

information about the bank under the title “Development, Democracy and Rights,” distributed to the press and partner organizations.⁴⁶ In July 2005 the then president of the BNDES (Guido Mantega, a former São Paulo-based university professor of economics and the current Finance Minister) met with Ibase’s directors and agreed to open a “dialogue channel” with civil society organizations, assigning his director of social inclusion to the task. In the same period, Ibase would re-initiate discussions within the Brazil Network for Multilateral Financial Institutions on the role of the BNDES (THE Rede Brasil – originally set up in 1995) and join the network’s coordinating committee.

From August 2005 to July 2006 a number of meetings were held with organizations from THE Rede Brasil and other social movements together with the director and the technical staff from the bank’s Social Directorate. Other more specific meetings were held with the technical staff in the environmental and the electrical energy areas.⁴⁷ Proposals were made for a possible open information policy in the name of three network organizations (the Brazilian Forum of NGOs and Social Movements for the Environment and Development; The Live Rivers Coalition; and the Rede Brasil) but bank officials replied that they did not have the technical and operational capacity to meet the demand.⁴⁸ Some progress was made. In February 2006 the bank’s president (Mantega) created an internal working group to produce a proposal for an information policy for the Bank within 60 days, citing among other reasons the growing demand for information by CSOs and research groups; the high number of requests from congress, the Public Prosecutors Office, and other public sector bodies; the importance of increasing social accountability for democracy; the constitutional principles of public administration; and good management practice.⁴⁹

Seizing the moment, the different civil society organizations proposed — through the Rede Brasil — that the BNDES begin by releasing information on the 10 biggest projects in each of the bank’s five lending areas (infrastructure; cattle and livestock; transformation; services and commerce; and health and education). The CSOs also proposed a joint seminar with the bank on investment policy that would include social movement representatives. In March 2006 Guido Mantega moved to the Ministry of Finance, and one of the technocratic members of the BNDES’ internal staff (Demian Fiocca) was named its president. That brought an abrupt end to the progress the civil society partners had made. Looking back, it seems that those earlier discussions and commitments were merely ignored by the bank’s new leadership.⁵⁰

In June 2006 the bank’s internal working group still had not been able to formulate a preliminary information policy, though the proposed seminar was at least scheduled to take place on 13 July with the presence of some of BNDES’ social directorate, but without any of

⁴⁶ The Ibase budget team was strengthened at this time with new members. In 2006 its original coordinator was made a director and the second coordinator took over and led the group through to the end of December 2010. The first coordinator continued to provide support until 2008 when he left the organization for personal reasons. Close contacts continue to this day.

⁴⁷ Over 70 percent of Brazil’s energy matrix is hydroelectric. Thus the discussion of energy is also a discussion about dams and water resources.

⁴⁸ Forum Brasileiro de ONGs e Movimentos Sociais para o Meio Ambiente e o desenvolvimento; Coalizão Rios Vivos (5 August 2005).

⁴⁹ *Portaria 15/2006* (BNDES Internal Instruction No. 15/2006).

⁵⁰ See Ibase review documents and personal discussions with Ibase budget staff.

the key line managers and directors.⁵¹ On a positive note, it was the first time that social movements (including the Landless Rural Workers Movement MST; Peoples Affected by Dams MAB; and Red Alert against the Green Desert) were to take part in a meeting inside the BNDES.

Various letters and statements were produced and sent by the participating civil society organizations, but to no avail. Even a promise to make information available on the 10 largest projects that the social directorate made publicly at the seminar did not materialize. The Ibase review document captures the feeling of the civil society organizations involved:

“The fragility of the social directorate as a channel of debate and discussion with the bank was becoming clearer to the group of (civil society) organizations. It is an area with little influence inside the bank, which also makes clear how little importance the bank gives to the social agenda. The organizations also realized that they would have to increase their own articulation, involving the social movements and increasing the mobilization in relation to the bank.”⁵²

The second semester of 2006 was national election time, leading to the re-election of President Lula, and work in relation to the Bank seemed to have been put on hold by the civil society organizations involved. However, by April 2007 Ibase’s budget team and the Rede Brasil were back in action with a letter to the Federal Prosecutors Office in which they recounted the history of their relationship with the Bank, pointed out that the lack of an information policy was in contrast to the practices of the World Bank and the InterAmerican Development Bank (IDB), and requested the Public Prosecutor’s involvement in guaranteeing the constitutional principle of “making public” public sector actions. In the same month, the BNDES president had been replaced by the current president (Luciano Coutinho, a second São Paulo-based development economist and university professor). Soon after, one of his advisors said to the Ibase’s budget team that Coutinho wished to re-open the dialogue, but that it would be wise to drop the request to the Public Prosecutor.⁵³

By May-June 2007 the Ibase budget team had been able to bring together 25 social organizations, movements, and networks to form the *Plataforma BNDES*, and together to issue a detailed 20-page consensus policy document that was widely distributed.⁵⁴ They also

⁵¹ Archival material gathered by Ibase for the 2005-2009 period.

⁵² All direct citations are taken from internal project documents and reports to the IBP either in English or, in this case, translated by the author.

⁵³ In October 2007 when the Federal Prosecutors Office got in touch with the bank, Ibase (at the bank’s request) was to inform the prosecutor that progress was being made and as a result the office – which acts independently – decided in May 2008 to stop the process.

⁵⁴ Amigos da Terra (Friends of the Earth); Associação de Funcionários do Banco do Nordeste do Brasil (BNB); ATTAC; Central Única dos trabalhadores (CUT); Confederação Nacional de Trabalhadores na Agricultura (Contag); Conselho Indigenista Missionário (CIMI), Coordenação das Organizações Indígenas da Amazônia Brasileira (COIAB); Sistemas de Cooperativas de Crédito Rural com Integração Solidária (Cresol); Federação Nacional dos Trabalhadores e Trabalhadoras na agricultura familiar no Brasil (Fetraf); Federação de Órgãos para Assistência Social e Educacional (Fase); Fórum Brasileiro de Economia Solidária (FBES); Fórum Nacional de Segurança Alimentar; Fórum Popular e Independente do Madeira; Frente Nacional de saneamento Ambiental (FNSA); IBASE; Instituto de Estudos Socioeconômicos (INESC); Movimentos dos Atingidos por Barragens (MAB); Movimento dos trabalhadores Rurais sem Terra (MST); Instituto Políticas Alternativas para o Cone Sul (PACS); Rede Alerta contra o Deserto Verde; Rede Brasil sobre Instituições

made a formal request for a meeting with the new BNDES president (Coutinho), which took place in July 2007. At this meeting, the Platform policy document was delivered along with an invitation to attend the following month's meeting of the Rede Brasil. President Coutinho not only agreed to attend, and did so, but also agreed to make public the 50 largest private project loans in each of the bank's main thematic areas and to adopt social clauses in the bank's contracts to cover economic slave labor and racial and gender discrimination. By February 2008 the BNDES had kept its initial promise and posted details of the largest projects on its website within a special new program: "Transparent BNDES." Ibase, as the Platform secretariat, had developed the first version of the BNDES Platform website and began to provide systematic information.⁵⁵ Dialogue also began at a sector level between the BNDES and Platform members in certain areas of interest (ethanol; hydroelectricity, and people affected by dams, etc.).

With the Platform continuing to press for systematic information on all loans, the BNDES published for the first time in February 2009 a complete list of all investment loan operations for the preceding year. Coutinho, in a formal reply to the Rede Brasil, Ibase, and the Platform stressed the transparency of the bank, its integrity and responsibility, its solidarity with the socio-environmental concerns, and the importance of the social clauses included in its contracts.⁵⁶ Over 600 contracts were listed with the name of the client; each firm's national economic registration number; a brief 10-20 word description of the project (though not necessarily the location); the state where investment was taking place; and the date of the contract and amount. The bank also provided information on modernization loans to municipalities and export purchase loans to overseas countries. Depending on the type of investment, it was possible to identify the specific location, but in many cases all that was given was the state or the location of the firm's headquarters. Furthermore, the data was not provided in a format that would allow statistical work without extensive transcription. It was, however, a start. Meanwhile, in other areas, dialogue was coming to a halt: planned thematic meetings were being postponed, and certain key figures in the bank made career moves that shifted their focus.

The prospective study begins

Ibase stated in the 2009 project document to the IBP: "CSOs and social movements have created the BNDES Platform with two fundamental, related goals. On the one hand, the Platform seeks the bank's democratization, especially given its absence of transparency and its lack of appropriate channels for social participation; on the other hand, it seeks to pursue the re-orientation of the bank's operational policies in favor of rights-promoting investments."⁵⁷ The two goals were related, and there was a clear vision of how they would be achieved: mobilization and articulation ⇒ platform ⇒ increased mobilization and

Financeiras Multilaterais; Rede Brasileira pela Integração dos Povos (Rebrip); and Rede Brasil de Justiça Ambiental.

⁵⁵ The basic organization of the Platform included the membership organizations in assembly, a secretariat (the Ibase budget team had project financing initially from the Ford Foundation and later also from the IBP), and the operational group made up of a cross-section of member organizations voted by the assembly. Ibase was to continue as Platform secretary until December 2012.

⁵⁶ 13 February 2009, text available from the Platform website.

⁵⁷ All direct citations from Ibase on the Platform are taken from internal project documents and reports to the IBP.

articulation \Rightarrow transparency \Rightarrow (dialogue + participation) \Rightarrow re-orientation of investments. The World Social Forum had certainly been a success, as had been the Brazilian Hunger Campaign, but would the same approach work with the BNDES?

Traffic to the Platform's website (www.plataformabndes.org.br) had grown to around 130 unique visits a day in September 2009.⁵⁸ Sensing that dialogue with the BNDES was slowing down, the Platform organized a series of events in October and November 2009 to discuss the impact of the BNDES' project financing.⁵⁹ This included a public roundtable held in Rio de Janeiro of different communities that had been directly affected by various large-scale civil engineering, reforestation, and dam-building projects. The roundtable culminated with a demonstration outside the BNDES. This was, in retrospect, a crucial period for the Ibase budget team as it, in fact, signaled a change in strategy from the consensus-based discussion, or what has been called the positive-agenda approach, that had been used before. The sense that dialogue had faltered was a stimulus for action, as was the roundtable meeting of the various peoples and movements. The resulting protest outside the BNDES, reported in a video on the Platform website, and the press coverage that this garnered, changed the tone of the campaign. Many members of the Platform approved of the shift, but not all.

A discussion of Brazil's new transnational enterprises and the mixed consequences they were having had been the subject of a panel discussion featuring a number of Platform and Rede Brasil members at the January 2009 meeting of the World Social Forum. Various papers from this event, including one on the role of the BNDES that used data from the Platform, were also published at this time.⁶⁰

The plan to build the Belo Monte hydroelectric project in the Amazon region — and the controversy over its impact on the Xingu indigenous communities and the environment — placed the BNDES on the public agenda. The issue was first taken up by the Brazilian media in February 2010 and made big headlines in April with the opening of public bidding for the construction project and the news that BNDES had pledged financial support.⁶¹ Demonstrations outside the BNDES began to grow again, owing in part to the mobilization efforts of several Platform members. By February 2010 the BNDES had published a second list of investment loan operations and added new information to the previous list from earlier periods, yet the analysis remained hampered by the lack of detailed information, especially the precise location of the investments, as well as by the format in which it was produced.^{62, 63}

⁵⁸ Source: Ibase site monitoring via Google analytics for period 8 August 2008 - 4 May 2010.

⁵⁹ During this period I held regular meeting with the Ibase team, and we also reviewed the events in the early part of 2010.

⁶⁰ *Empresas transnacionais brasileiras na América Latina: um debate necessário*. São Paulo: Instituto Rosa Luxemburg Stiftung, November 2009. (Transnational Brazilian Enterprises in Latin America: a necessary debate)

⁶¹ See for example full page articles in the *Folha de S.Paulo* on 2nd February (including a criticism of the role of the BNDES in the “transnational” strategy); Sunday 18th April (always a key day for Brazilian newspapers) and 21st April

⁶² By 2011 the BNDES was providing the information on its list on Excel, making the compilation work much easier for monitoring. However, the level of detail in the available information remained the same and requires much detective work at times to discover the firms involved. The situation persisted in 2012.

⁶³ The lack of information on location greatly affected the leverage power of the Platform's map, which in an attempt to provide some information of a more general nature was forced to use the official fiscal registration

With the BNDES' official "Transparency" website already showing general corporate affairs information, Ibase launched its interactive map showing approximately where BNDES-supported projects were located. There was a sense that pressure could achieve more than dialogue alone, and thus optimism was in the air as reports were prepared for the first meeting of the IBP comparative study in the middle of that year. Unfortunately, as later events were to show, the Platform was as distant from the BNDES in this period as ever. A number of factors were to come into play, including a general resistance by the bank's technical staff to the demands for open access to information. There was also the departure of a key BNDES senior advisor, who had exercised considerable leadership in the liaison process, without a replacement.⁶⁴ National election fever would also play its part with the BNDES, like other public sector organizations, retreating from public attention. However, there were other factors at play.

Brazil's Public Prosecutors Office (*Ministerio Público*) has a dual constitutional responsibility. Not only does it take the state's role in prosecuting offenders, it also has the requirement to act for society in relation to rights, especially those of a collective nature. Events surrounding the Belo Monte hydroelectric complex had raised concerns at the Para State Public Prosecutor's Office, and the federal vice prosecutor decided to take up the issue.⁶⁵ While the Public Prosecutors Office is highly independent, informal contacts were made with some of the Platform members on technical environmental matters and also on matters relating to the BNDES.⁶⁶ The result was an official notification by the Federal Vice Prosecutor's Office to the president of the BNDES (12 March 2010) giving him 10 days to provide information on risks associated with Belo Monte and on socio-environmental analyses. Some 10 days later in Altamira, Pará, 45 different civil society organizations registered an extra-judicial notification to the BNDES informing that it would be made co-responsible for any environmental impacts caused by the Belo Monte complex. Among those signing the notification were indigenous organizations and confederations, leading environmental groups, and key members of the Platform, including Ibase and the Rede Brasil. Implicitly or explicitly, tactics had changed. Beginning with the protests held outside the BNDES in November 2009, Ibase and its partners were now moving toward direct action in a context of high-stakes litigation. That this was not an easy decision is reflected in an interview held with a leading member of Brazil's CSO community at that time (who had no connections to the Platform) about strategies for change who commented: "going head-to-head with the BNDES might not be a good idea."

There was indeed much discussion among Platform members over these actions. Some of

location of the specific firm. Hence well over half of the projects are listed for the São Paulo region.

⁶⁴ In an interview with a leading São Paulo member of the National CSO scene in April 2010, this was seen as a very negative event ("we are almost back to zero").

⁶⁵ The battle around Belo Monte continues to this day, attracting regular attention from the press. See *O Estado de S. Paulo* 18 and 24 August 2012 reporting notice of the latest suspension of work at Belo Monte by the Federal Justice in the State of Para on the grounds that the indigenous communities were not properly consulted. It also reports that the information that the BNDES is still awaiting legal authorization to release the promised loan contract and later the action by civil society organizations in November 2012.

⁶⁶ The Ibase budget team leader and this researcher were in fairly regular contact throughout the study, in addition to more formal interviews with the team at which we ran through specific events, in this case 30 April 2010.

the members were not involved in Belo Monte and wanted to address the balance between individual and collective action.⁶⁷ Various informal meetings and conversations took place over the following months with an agreement that the Platform would meet after the November 2010 elections in March of the following year to review its basic policy document and discuss its position in relation to lawsuits on co-responsibility.⁶⁸ The position at that time was that each of the Platform member organizations, movements, and networks was free to follow its own specific agenda and its own advocacy strategy. However, using the BNDES Platform as a collective identity required consensus between the members, and this was the cause of tension, as might be expected. The Platform was — despite its many ideological connections — a heterogeneous alliance in which the BNDES was a common thread. It was by no means a partnership or even a single enterprise.

The November 2010 national elections would bring new elements to the table. As well as elections for state governors and for members of the national and state legislatures, President Lula had already served his second term of office and was no longer eligible for re-election.⁶⁹ For the first time there was a serious challenge from the Green Party coalition, led by the former Minister of the Environment in the Lula Government, which was receiving support from many environmentalist groups that previously would have favored the more progressive Workers Party. The role of the BNDES was at the center of the contest between the Green Party coalition and the Workers Party, and yet the Platform had not prepared a specific position on these issues and was still at an early stage in terms of its own development. As often happens, other events would end up shaping the Platform's agenda.

Meanwhile, the Ibase budget team, concerned with what they saw as a relatively restricted discussion on the BNDES, began to implement activities and seminars aimed at raising the visibility of BNDES and other SOEs among academic research groups and universities. This included the preparations for a seminar between academics, activists, and members of the government's Applied Economic Research Institute (IPEA), which would lead in 2012 to a new line of work on the economic structuring of business interests in the country.

The campaign: progress stops

During July and August 2010, critical reports began to emerge in leading newspapers about BNDES' funding decisions, its role as an instrument of federal development policy, and as part of the machinery of government. These included significantly sized articles (half-page to full-page) in leading São Paulo newspapers – *Folha de S.Paulo* (FSP); *O Estado de São Paulo* (OESP), *Valor Econômica* (VE) – as well as two articles in *The Economist* (TE).⁷⁰ The table below lists those stories.⁷¹ Meanwhile, the Belo Monte hydroelectric issue was also grabbing

⁶⁷ Meeting with Ibase team in July 2010.

⁶⁸ Under Brazilian law, co-responsibility actions are those that hold partners responsible for the action of other partners. Thus, for example, if the BNDES loans or has shares in a particular company that can be shown to act in ways that are prejudicial to collective or individual rights, the bank can be charged as “co-responsible” for the actions.

⁶⁹ Municipal elections (mayors and representatives) take place on an alternate four-year cycle, two years after the federal and state elections.

⁷⁰ Generally considered the country's principal high-quality or “heavyweight” newspapers.

⁷¹ The research strategy of maintaining constant touch with the media proved, as will be seen, to be an

headlines as international figures arrived to support the indigenous and environmentalist causes.

Date	Newspaper	Size	Headline(s)
11/07/10	OESP	³ / ₄ page	“BNDES acts as a parallel budget”
15/07/10	TE	1 page	“Brazil’s foreign-aid program: speak softly and carry a blank check”
18/07/10	OESP	1 page	“Interview with the president of the BNDES replying to criticism of the role of the bank and of the increase in credit”
21/07/10	FSP *	¹ / ₂ page	“By providing loans at lower interest rates than it borrows the BNDES transfers income to privileged sectors of the economy”
22/07/10	VE	¹ / ₂ page	“The Industrial Policy and the Black Box of the BNDES”
07/08/10	TE	³ / ₄ page	“Brazil’s development bank: Nest egg or serpent’s egg? Ahead of presidential elections, BNDES come under scrutiny.”
08/08/10	FSP *	2 pages	“Twelve economic groups receive 57% of BNDES funds BNDES invests in Fusions and Acquisitions List of operations published is difficult to consult”
21/08/10	FSP	¹ / ₂ page	“Section of debates on the third page: Does the BNDES distort the economy”
22/08/10	FSP	³ / ₄ page	Main editorial on the Role of the BNDES (criticizing its use of treasury funds in traditional areas and the need for the BNDES to be included within the Budget process). Critics say the BNDES inflates its numbers and overvalues its gains by not calculating the costs of its subsidies.
25/08/10	FSP	¹ / ₂ page	“Firms ‘without the BNDES’ have to pay higher taxes”
28/08/10	FSP	¹ / ₂ page	“Government gives more funds for the public banks (BNDES and Caixa Economica (Savings Bank))”
02/09/10	FSP	1 page	“BNDES is necessary but needs more transparency (debate with leading academics including ex-president of BNDES)”

* Plus front page headline

Because these were signed articles, well written, and based on in-depth analyses of material from the BNDES, the research question immediately arose as to whether or not the journalists who wrote the articles had used material from the Platform’s website. With the help of a journalist colleague, it was possible to get in touch with three of the authors.⁷² Two

important and non-obtrusive way of testing the impact of the Platform based strategy.

⁷² I am grateful to Fabiano Angelico for his help in this part of the study. As well as a being a skilled journalist, Fabiano is an activist in the transparency journalism arena and at the time was a Masters student at the Center for Public Administration and Government, where he was working on Brazil’s up and coming

of the three had not heard of the Platform; the other journalist had consulted the website but did not find it useful. The reason given was that the Platform's BNDES map only included a small proportion of BNDES' total financing and gave the impression that most of the projects were in the south or southeast of the country, whereas the largest projects were in the north/northeast (this issue with the placement of the project locations was due in part to the lack of geographical information mentioned above). The three journalists commented on the great difficulty in using the data from the BNDES' own transparency website, and all had to do their own analysis, creating tables and doing the calculations. The three became interested in the BNDES for different reasons, yet all three also viewed the possibility of influencing the BNDES as quite remote. In one case, the inspiration for the article had been a conversation with a researcher from the government's economic think tank (IPEA) who had raised the question of the lack of transparent accounts in a seminar. One of the interviewees, a financial journalist, was also concerned with the accountability question and the lack of available data on the BNDES. The third journalist commented on a question that this researcher had also noted: how the issue suddenly entered and then disappeared from the agenda. The view was that this was indeed linked to the elections and to broader questions of development, but also to the very large level of treasury funds that the government had been making available through the bank.

The three independently expressed doubt as to the possibility of sustaining the discussion because, as one of them commented, neither of the two leading candidates and their parties had any real interest in discussing the transparency of the BNDES. Indeed, both the Cardoso and Lula governments had used the BNDES in similar ways, as a direct instrument of federal policy, and sometimes in a dubious legal manner. In the same way, those that benefited the most from the BNDES, the major Brazilian business conglomerates, were also not likely to be interested in greater availability of information and as these, in turn, were major donors to political campaigns — often to both sides — it was doubtful that any real challenge would come from the legislature. The feeling was that the government had learned that it was not necessary to be accountable provided that the economy and basic services were improving.

For the journalists, the fact that both sides of the political divide had used the BNDES in similar ways (with greater effectiveness in the recent administration) placed considerable constraints on opening up the discussion beyond the issues raised by the occasional political skirmish. Whereas in other countries it is often corporate firms that are critical of state spending and, therefore, keen to make information more readily available, in Brazil the large firms gain the most from cheap government loans and so exert no pressure for change.

During the electoral period, the Ibase budget team worked on a number of documents and events that were seen as helping to move the development agenda forward. One of these was a lengthy 23-page text for the Rio de Janeiro Economists Trade Union titled: "The BNDES and the reorganization of Brazilian capitalism – a necessary debate."⁷³ The paper contained a careful analysis of BNDES funding, centering on the need to discuss in more

Freedom of Information Act. His dissertation *Lei de Acesso à Informação Pública e seus possíveis desdobramentos à accountability democrática no Brasil* was successfully presented in 2012.

⁷³ In Brazil trade unions are officially organized on professional lines: economists, teachers, metalworkers, chemical workers, etc.

detail which sectors of the economy were getting resources, under what conditions, and with what consequences for the development of democracy and social and environmental justice. In discussing the role of the Platform, the paper emphasized the disparity between the “dozens of channels of communication that had been opened during the Lula administration to discuss agendas and public policy” in all areas of government action and the resistance to do this in relation to the BNDES.

A second activity initially planned for June or July but eventually set for 21 October 2010 was the seminar on economic democracy held jointly by Ibase and the federal government’s applied economic research think tank (IPEA). It involved a number of key economists and social scientists from leading universities, as well as representatives from a number of the Platform’s member organizations. The thrust of the discussion was the need to debate the changing characteristics of Brazilian capitalism: the intensive exploration of natural resources; the state’s relations with key economic actors and the implications for state autonomy; the expansion and impact of Brazil’s capitalism at international and regional levels; the impact of the new form of capitalism on social, political, cultural, economic, and environmental issues; the need for greater democratization and transparency of investment decisions; and the need for greater public scrutiny of the economic ties between the different businesses and ventures being supported. The hope was that this discussion would lead to a number of research projects that could open up a new space for discussion and increase visibility about the paths of Brazil’s capitalist expansion.

The third project was a 600-word article for the *Folha de S.Paulo*’s (FSP) page-three column on current trends and debates, published on 10 September, before the first round of the presidential elections on 3 October. It was published under the name of the Ibase coordinator, giving both Ibase and the BNDES Platform the byline. There was nothing in the article that was not in the previous piece for the Economists Trade Union or that had not been discussed by the Platform or others involved. It argued that the current debate between the government and opposition about the BNDES (sparked also by the previous month’s newspaper articles) needed to look at a wider question: the model of development that was currently emerging in the country and the state’s role in the process. The article pointed out that the great majority of conglomerates that were being identified as benefitting from the BNDES had been supported in the earlier processes of privatization during the 1995 Cardoso administration. It questioned whether the country was right to “bet” on commodities and noted that while there were differences between the two previous administrations on privatization and state-led development, the BNDES had remained an important actor throughout. The article concluded by questioning whether the BNDES was doing as much as it could to encourage equitable development, to put in place social and environmental guarantees, and to be transparent about how public resources were being used.

Looking at it with hindsight, it seems clear that the Ibase budget team and the Platform saw a need to get involved with the public debate, and that the push for transparency — which had accomplished a slight opening of at the BNDES — now needed to be complemented with a campaign to question specific investments. Across all the different concerns raised about BNDES projects in logging, mining, hydro-electric, and construction was one overarching topic that was not being discussed: the country’s model of development and the actors that were driving it.

It was at this point that other events took over. Some members of the Ibase administrative council had links with the BNDES, including one who had been a former head of the bank's staff pension fund. The feeling in these quarters was that as the BNDES was a politically sensitive issue, it was important to guarantee that Ibase not only maintained its political independence but was also seen to be doing so. It has been said before, but needs repeating, that when the federal government moved to the new Federal District (Brasília) many parts remained in Rio de Janeiro. Rio's physical geography creates spaces of segregation and congregation; its universities are well connected, including the Federal University, which is a major center for development economics and where people can normally be relied upon to defend the BNDES against neoliberal attacks on state driven development or even against public comments that might be interpreted along such lines.

It was argued that because of the sensitivity of the issue, Ibase directors should approve any document before it is made public, and that project staff should not go ahead with activities without getting approval first.⁷⁴ There was also a concern, as had been voiced by some other members of the Platform, about the move to more direct confrontation with the bank, including the support given for litigation and mobilization. Indeed, this was a major departure from Ibase's usual approach of taking a supportive, behind-the-scenes role, looking for what has been called the "positive agenda" of possibilities. It was felt by some that the budget team should be providing resources for others to act, and not leading a social movement.⁷⁵

Sensitivity may have been heightened not only by elections, but also by the fact that Ibase — like a number of CSOs — was having serious financial problems as a result of waning international support for CSOs. Most were barely surviving and having difficulty holding on to staff. Brazil had been declared a middle-income country, and was viewed to have made strides against poverty after 16 years of liberal, social democrat, and labor governments that supported social programs. International NGOs and foundations were directing their priorities elsewhere and grants were being significantly reduced. The few progressive local private firms had created their own social foundations and were not keen on getting too close to rights-based civil society organizations. The alternative for the CSOs was to raise resources either from the general public, from the state, or from the social funds of SOEs. While Ibase has always maintained its independence, there was still some uncertainty about how it would navigate the changing funding landscape. Questions were raised about how the platform should position itself, whether it should be like the Bank Information Center (BIC) in Washington, and how to deal with the immensely complex field within which the BNDES was embedded.⁷⁶ These are especially difficult matters to resolve in the heat of a fiercely

⁷⁴ The coordinator of the team had worked closely with his predecessor and was very conversant with the Ibase approach.

⁷⁵ These comments have been pieced together from different interviews and documents. What is important is that there were different views about how action should take place, and how the overall mobilizing approach and organizational culture should deal with situations like the BNDES: stick to providing information and building a climate for discussion and cooperation (the positive agenda), or be more active and, if necessary, confrontational in raising concerns.

⁷⁶ A concern raised by some of the earlier funders of the budget activities who argued that with the BNDES, like the World Bank, small pressures were best – given the culture of competence and a certain pride in serious achievements.

contested national election and more difficult still given that the platform members were spread around the country with no possibility of gathering before the general meeting planned in early 2011.

By December 2010, a lack of funds forced Ibase to reduce its staff by a third, including a key member of the budget team amid criticisms about products, such as the website, that needed more investment of time and attention.⁷⁷ For a number of reasons, the coordinator of the budget project requested that he, too, be dismissed, thus reducing the budget team essentially to its more junior members. The two senior budget team members later regrouped with the original director and original coordinator of the Ibase budget program (who had left the organization several years earlier for personal reasons) to form another CSO named “More Democracy” (*Mais Democracia*) with a proposal to focus on the relationship between the state (including banks, SOEs, and pension funds) and the leading economic groups.⁷⁸ However, the start up of the new organization would take time, and it would be several months before More Democracy would be able to gather funds and effectively rejoin the Platform action.

As a result of these changes, Ibase’s work on the platform slowed considerably, and in the early part of 2011 Ibase brought in a part-time consultant coordinator, who had worked on the World Social Forum, and sought to bolster the internal team.⁷⁹ Slowly, within the loose framework of its alliance but with major differences of strategy, the platform was to readjust to the new circumstances and restore at least some of the momentum that was lost during the first half of the year.

An independent look at public opinion

In the period after the elections in 2010 and continuing into the first semester of 2011, one of the researcher’s Rio de Janeiro colleagues agreed to set up a small and highly focused sample survey about the BNDES with informants selected from Rio’s middle and upper-middle professional classes.⁸⁰ The objective was to check whether the professional population shared the concerns addressed by the BNDES Platform. All of the 23 people interviewed occupied positions of influence and had numerous network connections (such as doctors, lawyers, judges, and senior business executives). The basic rule of sampling was that informants could not be directly or indirectly connected with the bank in any way and

⁷⁷ Given the IBP involvement in financing part of the Ibase work, a number of documents, letters, and meetings took place at this time. Organizational problems can happen anywhere and at any time, and these can also be crisscrossed by innumerable other issues.

⁷⁸ What has been called the Political Economy of Public Finance. Independent support for the need to discuss the current developmental model as a practical network of economic actors came in December 2010, when Sérgio Lazzarini, professor of economics at one of the top four São Paulo Business Schools, published a six-year study that looked into the history of linkages between over 600 Brazilian businesses and government agencies over a fifteen year period. As he confirmed, there was indeed continuity in strategy from Cardoso to Lula, with the BNDES and the SOE employees’ pension funds playing a central role in networks of relationships (shares, councils, and other links) in 119 of the largest Brazilian firms. *Capitalismo de Laços: os Donos do Brasil e suas Conexões* (São Paulo: Elsevier, 2010).

⁷⁹ It is important to note that the funds available for the budget project were less than US\$ 100,000 a year, during a period that the Brazilian Real was highly overvalued. Holding even a small four-person team together was not an easy task especially given the costs of coordination and transport in a continental-sized country.

⁸⁰ I am grateful for the help of Fernando G. Tenorio and his Masters students with this focused sample study.

were classified as “well informed but independent.” They were neither radical liberals nor archconservatives, they mostly represented an age range of 26-55, and 70 percent of them were men. The results of the interviews were registered in a simple questionnaire without any reference to the Platform and under the title of social accountability and the BNDES.

Nearly all of the respondents were interested in receiving information about the BNDES; just under half expressed significant interest. But the vast majority felt that there was very little knowledge about the bank. The main sources of information they had were newspapers and the Internet, but respondents indicated that the information available was not up-to-date nor was it clear and accessible. They indicated a need for more information about the monetary value of the projects that the BNDES financed, the business firms involved, the regions benefitting, and the social impact of the actions generated.

Going deeper into the decision process showed just how far the BNDES current practice was from the reasonable expectations of informed people. When asked about who should be involved in the bank’s decisions, they added to “management” and “technical staff” a fairly wide third category of “representatives from different parts of society.” As to the priorities, these again differed from actual practice; health, education, urban development, and infrastructure were seen as more important than industry, commerce, and agribusiness. In discussing the criteria to be used in evaluating projects for finance, three were most commonly identified: job creation, local development, and the reduction of inequalities. Finally, while 48 percent of respondents would firmly agree that the bank had achieved success in economic development, only 17 percent would say the same in the social arena.

Taking into consideration that these are people from Rio de Janeiro, who live and work in the same circles as the BNDES staff, their views show that even within this same “middle and upper middle class village,” greater transparency, openness, and a broader set of criteria for financial support are seen as reasonable requirements for a public sector organization — similar concerns, in other words, to those raised in the *Folha de S.Paulo* article on 10 September 2010 that had caused so much controversy. It is important to note that many of these priorities and practices can already be found in progressive parts of subnational governments in Brazil and in other areas of the federal government.

Indeed, it is likely that many BNDES staff also support the broader shift in Brazil toward greater transparency and openness and may doubt the tacit assumption within their organization that technical competence and professional commitment is a substitute for public accountability.⁸¹ That would explain why in certain sectors of the BNDES members of the technical staff and even junior directors were reported to be pleased that the Platform was able to survive the December crisis. Indeed, with important moral support from the IBP and with mutual respect for their past and current competence, the different coordinators gathered with other key Platform figures to reestablish the BNDES Platform at its annual meeting in June 2011, where both Ibase and More Democracy were elected to the Platform’s operational committee. The website was back in business, activity was growing, and there

⁸¹ As evidenced in a *Folha de S. Paulo* “tendencies and debates” article by one of the bank’s senior advisors that ended: “People may disagree about the priorities followed by the BNDES and by the government. They may criticize the support to certain sectors. But what they can’t deny is that this is done legitimately, democratically and in tacit agreement with society” (*FSP*, 22 February 2011, p.3).

were signs that a broad range of organizations saw the usefulness of the Platform, especially for how to maintain a strategy that would balance litigation, public dissemination of information, advocacy, and parliamentary action. There were still differences of opinion, for example on when the Platform should take an explicit lead as a network organization and when actions should be left to the individual members, but the meeting confirmed that the Platform was still a viable alliance.⁸²

The campaign: the Platform reconvenes and more opportunities present themselves

One of the points of discussion around the Platform has been the risk of it being too closely associated with Ibase. Were people seeing the Platform as an Ibase project instead of seeing it as a coalition? It was clear that each member organization of the Platform brought along two concerns: first, a thematic concern (environment, development, native peoples, territory and regions, agriculture, jobs, democratic accountability and transparency, multilateral finance, etc.), and second, their grievance with the role that the BNDES was playing on that issue.

There was also much discussion on what constituted a balanced advocacy strategy of information dissemination, dialogue, and pressure, especially in the increasingly complex context of the CSO sector in Brazil. People discussed, for example, how the Platform should deal with the fact that many of the member organizations were also in discussion with the government (including the BNDES) over social funds for the CSO community, and also over the use of specific lines of credit that were part of the BNDES portfolio (such as the Amazon Fund, special credits for family agriculture, and also for those affected by dams). In another case, one trade union that was a member of the Platform also had a representative on the main BNDES Administrative Board. In relation to the National Congress, similar questions arose. There were natural links to the more progressive members and parties, but how to treat the new debates that were opening up in a more institutional manner? How to be present, independent but also positive about certain policies? How to be around but not too close? These issues were hotly discussed at the June 2011 meeting of the Platform but, significantly, no conclusion was reached apart from the recognition of the differences and the need to separate out different actions. As mentioned, many former members of Ibase's budget team had formed a new organization, More Democracy, which was elected to serve on the operating group. Differences, it is important to note, were about strategies, values, and tactics and not about basic social positions. Many of those involved had worked together in different ways over the years, and there was much respect inside what is today a relatively small community of full-time activists.⁸³

The importance of being explicit about these issues, even though they were not resolved, was also strengthened by other independent events. Opportunities were opening on some of the thematic fronts, especially environmental and international, where other social actors

⁸² This position was identified from meeting notes with the former coordinator and the then current consultant project coordinator, plus posts on the Platform group website.

⁸³ The drop in CSO membership from the 1980s to today has been quite significant, not only because of reduced funding. In the earlier period there were very few university posts available and very few university research centers; today the situation has reversed, and many bright graduates that would be drawn to the CSO movement now have other options, including government itself (at municipal, state, and federal levels).

were at work. Journalists from other countries were focusing on the BNDES, and there were protests in other Latin American countries on the impacts of BNDES financed projects.⁸⁴ Within the country, too, there were signs that the taboo against criticizing the BNDES was lifting.

Other opportunities for dialogue were provided by the BNDES itself, although not intentionally. At the end of June 2011, one of Brazil's largest commercial ventures became headline news, dragging the BNDES with it.⁸⁵ The president of the largest Brazilian supermarket chain (*Pão de Açúcar*), which was jointly owned with the French Casino Group, announced that he had negotiated a behind-the-scenes deal to buy retail giant Carrefour (also French). At first, the media covered little more than the usual pushing and shoving of the buy-out. However, when he mentioned that he had had talks with the BNDES president, and that funds for the buy-out/merger would come from the BNDES as part of its policy to strengthen Brazilian conglomerates and aid exports, the tenor of the coverage changed. For over a week, the media focused on a series of vexing questions. How could the president of the *Pão de Açúcar* just walk into the BNDES and so quickly get a multibillion dollar loan? Could it be due to the fact that he had supported the new Brazilian president and helped introduce her into São Paulo society? Why was the BNDES getting involved in a dispute between two French commercial conglomerates? What exports are being aided when his supermarkets are full of imports? Where is the national interest? Trying to defend themselves, different BNDES directors pointed to the loan's potential profit, which would help the country. By the end of the week, the three business groups were at each other's throats, and the BNDES was saying that it had only entered into the deal because it had been informed that there was a consensus. Without consensus, there would be no deal. Brazil's new president was also reported to be displeased by the way the government was being dragged into the media.

Matters were made worse by the revelation of more corruption in one of the ministries controlled by a party in the president's coalition. July was also when a key institutional piece of the national budget structure (the budget policy law) was scheduled for a vote. The BNDES remained in the headlines for the entire month, with many observers saying that it had strayed off track. Some, like former presidents of the bank, expressed their concern gently, others rather more bluntly. The director of one top business school said in a half-page interview that BNDES had become a dispenser of corporate welfare, calling the bank the "Family Grant for Shareholders" (a reference to Brazil's well-known family grant social policy for very low-income families).⁸⁶

Members of both congressional houses joined in the discussion, with implications for the annual budget law. Proposals were formulated by the opposition to place a limit on the federal emission of public debt, particularly to limit the sale of bonds to fund capital increases of the BNDES. While it was clear that the President's Office would veto this, the issue was now on the table.

⁸⁴ See, for example, a lengthy article in the *Wall Street Journal* (20 June 2011) using information from *Mais Democracia* and citing an interview with one of its key members.

⁸⁵ See, for example, *O Estado de S. Paulo*, 2 July 2011 (front page and lengthy reports); and the weekly *Veja* (6 July 2011).

⁸⁶ *Folha de S. Paulo*, 17 July 2011, p. B5.

In the midst of the debate, the Platform found a way to position itself, building on the discussions in its annual general meeting and on the growing recognition among its partners that the Platform would need to take a clear stand. Among the legislation under debate was Provisional Measure 526 that would authorize the Treasury to give further credits to the BNDES to the order of 55 billion Brazilian Reals.⁸⁷ A document was produced under the title “The position of the BNDES Platform in relation to Provisional Measure 526” and formally submitted to the senator who was responsible for chairing the discussion of the measure. The measure was approved without any changes, but the document was read out in the commission and tabled formally as part of the debate. The BNDES platform had shown that it was possible to be an independent platform.

The campaign: signs of a new base line

By the end of the second semester of 2011, a new horizon was forming for many of the Rio de Janeiro-based CSOs. First, the preparations for the United Nations Climate Summit (Rio+20) in June-July 2012 were at full tilt, drawing in all of the environmental groups in the country. Brazil’s environmentalist community is very large in terms of the number of organizations, but small in terms of fully active members. Second, it had become clear that the major sporting events of 2014 (World Cup) and 2016 (Olympic Games), with their massive investments and the inevitable corruption scandals that come with them, would increasingly demand attention, including from civil society networks and forums (*Mais Democracia* would focus part of its work in this area). The result was that many Platform member organizations turned their attention away from the Platform. Even the consultant coordinator at Ibase was dividing her time between the campaign and the planning of the Rio+20 summit in this period.

During the first half of 2012, articles on the BNDES were appearing far more frequently than before. Judging by their content, the BNDES was no longer granted immunity in the court of public opinion, its role in maintaining a certain economic model was indeed coming into question. Back in August 2011, São Paulo’s *Folha de S.Paulo* newspaper had requested more information from the BNDES about its project financing than was available on the BNDES website. The bank refused. Rather than back down, *Folha de S.Paulo* took the case to a federal court, which ruled that the newspaper’s right to information extends to all public projects (by states, municipalities, and government agencies), but that the right did not include information in relation to the private sector because of banking laws (especially the 105/2001, which protects the financial information of private individuals and firms). However, the judge did recognize that the BNDES was a public firm financed by public funds and, therefore, should be governed by the constitutional principle of “making public” public actions. The *Folha de S.Paulo* asked for a review of the sentence by a higher court.

Newspapers continued to feature items on BNDES investments on a fairly regular basis, and often with critical comments from academics, researchers, and former senior economic advisors. The attention was heightened in yet another corruption scandal involving a large civil engineering firm (Delta) that had received contracts for millions of U.S. dollars for road maintenance and infrastructure projects. In May 2012, with its financial affairs under

⁸⁷ US\$ 5,000 million.

examination for corrupt practices by the Controller General's Office and its share prices plummeting, an offer was made by Brazil's leading meat processing company (JBS) to take over Delta. The BNDES holds 31 percent of JBS. The press began to question the BNDES on why it would get involved in such a shady company.⁸⁸ Fortunately for the BNDES, and perhaps because of the close scrutiny of the incident by Brazil's president, JBS backed out of the deal. For this researcher, the events demonstrated that the BNDES was confronting a growing number of watchdogs, and that its ability to shield itself from criticism behind a largely self-interested advocacy coalition was slowly eroding. The "policy wall," as we referred to it, was now showing cracks.

Brazil's new access to information law came into effect on 16 May 2012. Among its new provisions was a requirement for all government departments to provide a rapid response to information requests. It also authorized citizens to ask for information without having to justify their request. More Democracy immediately submitted a formal request to the General Controllers Office (CGU) for detailed information on the BNDES' activities, projects, impact surveys, evaluations, share purchases, and portfolios, among others. The CGU had 30 days to reply, although this could be postponed for a further period. The BNDES reply predictably followed the same line as the response to the *Folha de S. Paulo* newspaper. During the Rio+20 meeting there were also protests in front of the BNDES led by More Democracy and other organizations that were active in the parallel Rio+20 forum (known as the peoples summit, *Cúpula dos Povos*). Yet, in spite of the presence of nearly all the Platform's different members in various sessions, there was no explicit BNDES Platform activity at the event.

In February 2012, Ibase had appointed a new part-time coordinator for the Platform with considerable experience in networking in difficult arenas (including human rights). The decision was taken to rebuild its own line of work on "Democratizing the State and the Economy" with the production of new data analyses and further material, which would be included on the website. It also held a series of seminars on BNDES-related questions with leading academics and, perhaps most significantly, reinitiated discussions with senior bank staff on the quality of the information provided through the BNDES transparency portal. They also began collecting a library of theses and dissertations on the BNDES. It was itself a useful indicator that the bank had crossed into the horizon of the academic community. At the first of the recent meetings between Ibase and senior bank officials, it was clear that the BNDES was willing to move forward, but that the events of the recent years had shaken them.^{89, 90}

More Democracy was also progressing in its work on the interorganizational connections present in the Brazilian economy. Following the first seminar with academics and activists in Rio de Janeiro in October 2010, a second, and equally active, discussion was held in São Paulo in December 2011, which confirmed the importance of deepening the discussion on

⁸⁸ See, for example, *O Estado de S. Paulo*, 11 and 12 May 2012.

⁸⁹ Discussed in an interview with the new Ibase coordinator at the beginning of September 2012.

⁹⁰ Seen from an independent point of view, it can't be easy to open the newspaper and find articles such as the recent *O Estado de S. Paulo* half-page piece on its health page, under a photograph of tobacco workers on with the title: "BNDES has lent R\$ 336 millions (160 million USD equivalent) to the tobacco agro-industry between 2006 and 2012 but only R\$ 22,4 millions (10 million USD equivalent) to help small family farmers break away from their dependency on tobacco production" (9 September 2012).

economic development and the unofficial control over the economy. The efforts eventually led to a new website with data on Brazil's largest economic groups under the provocative title of "Who Owns Brazil?" successfully launched in December 2012.

Given the growing coverage of the BNDES in the national and international press, I decided to repeat the informal meeting with journalists that had been carried out two years previously to discuss the usefulness of the Platform. A journalist colleague got in touch with four leading members of the press in September 2012, all of whom were well known, and all of whom had regularly produced stories on the BNDES.⁹¹ They were asked to discuss the quality of information published by the BNDES, its transparency, and the work of the BNDES Platform. Three of the four were users of the Platform website, and they made suggestions on how to improve the information available. One of the more regular users recommended that the site work more closely with the press. All four used the BNDES' own transparency portal but felt that it could be more user friendly both in terms of clarity of information and navigability. However, the important point to be made is that those involved recognized the Platform as a player in the issues surrounding the BNDES — a significant change from the position two years before. As to the BNDES' website, they were generally critical of the institutional messages and value statements that were present. (Indeed these have hardly changed since this observer first started looking at the BNDES official website in 2009.)

Finally, and ending our timeline, recent events suggest that the BNDES and BNDES Platform will still have much to teach us over the coming years. Despite various attempts, the Platform has not been able to bring together its operational group for a face-to-face meeting, yet it still continues to serve as a connecting point between the various organizations involved. In an action that will probably place the Platform at a crossroads, the general director of Ibase communicated in a formal letter to the Platform (18 December 2012) that while it would continue to remain a member of the Platform, it would no longer be responsible for the secretariat and that it had not been possible to raise financial resources for this work.

The BNDES Platform, however, is no longer alone. The media and other institutional actors, including the academic community, are adding pressure to the BNDES debate. While the "policy wall" may not yet have been breached, there is certainly a new advocacy coalition forming, and the BNDES Platform has played a pivotal role in the shifting tide — both directly in terms of its website and indirectly in terms of the support it provided to its members in their own direct actions. That we have possibly crossed the tipping point is illustrated by three recent events.

In the first, researchers from the Federal University of Rio de Janeiro and the internationally respected National Public Health School (ENSP/Fiocruz) in 2011 presented a study in which they cross-tabulated the Platform's database with the Map of Environmental and Health Injustices that was developed by their parent organization: the influential public health Oswaldo Cruz Foundation (Fiocruz). The object of the project was to bring into focus the social, environmental, and health impacts of projects financed by the BNDES.⁹²

⁹¹ Once again, I am very grateful to Fabiano Angelico for the careful sounding of his colleagues.

⁹² Gabriel. E Schütz and Marcelo F.de S. Porto, "Críticas de Colectivos Sociales Brasileños a Impactos

The release gave considerable visibility and legitimacy both to the Platform and to the proposition that it was indeed possible to ask accountability questions of the BNDES.

Second, the BNDES announced on 26 November 2012 that it was going ahead with the 22.5 billion Brazilian reais loan for the Belo Monte Hydro-Electric complex, adding this value to the 1.8 billion in bridging finance that had already been made available. Acting quickly, nine civil society organizations (eight of them from the Platform, including More Democracy, but not Ibase) made a formal representation to the Federal Public Prosecutors Office of Para State (*Ministerio Público Federal*), which began: “The following civil society organizations, committed to the defense of civil rights, responsible socio-environmental development and the strengthening of democracy, respectfully present the following considerations and a request for urgent measures in relation to the participation of the BNDES in the financing of the Belo Monte hydro-electric complex in the State of Para.” It contained a carefully worded list of key issues and considerations about the use of public funds, the different illegalities, lack of effective controls and monitoring mechanism, and lack of information by the BNDES, including that about its formal obligations. On the 6 December, the Pará Federal Prosecutors Office sent formal requests for information on a list of matters to both the BNDES and the Central Bank, as part of an investigation to check whether credit risk processes, costs, socio-environmental policy, environmental licenses and approvals, among other matters, had been attended.⁹³

In the third recent event, the Public Prosecutors Office (*Ministerio Público Federal*) from the Federal District initiated a lawsuit against the BNDES, including an injunction for immediate action while judgment is taking place, requiring it to post on the Internet within 60 days full information about financial loans conceded to private and public entities that have used public funds from the national treasury (the Brazilian government has been regularly transferring large amounts from the treasury to capitalize the bank). The lawsuit is a direct consequence of the investigation of irregularities initiated by the Prosecutors Office in 2011, following the *Pão de Açúcar* supermarket affair and the refusal by the BNDES to provide information on the argument that this is against banking laws on client information. If the injunction is accepted, the BNDES will have to post 10 years of information immediately.⁹⁴

Impact pathways and the importance of getting in the way

At the beginning of this program of comparative studies, the IBP formulated the notion of impact pathways and suggested from the literature on transparency and budget work that at least five could be identified: litigation; media; the executive branch of government; the legislative; and mobilizing civil society and civil society organizations.⁹⁵ This model not only

Socioambientales Asociados a Proyectos Financiados por el BNDES,” *Revista de Estudios Latino-Americanos* (REBELA), vol. 1 no. 2, 2011, pp. 221-33.

⁹³ Copy of Civil Society representation circulated on the BNDES Platform Google groups network; information on prosecutors action from *O Estado de S. Paulo* (14 December 2012).

⁹⁴ *Valor Econômico* 13 December 2012; <http://josiasdesouza.blogosfera.uol.com.br> 13/12/2012 – 17.28;

⁹⁵ If the various prospective studies have been a lesson in action research, so have the yearly meetings of the project teams and their researchers. Different ideas have been tried out as way of building comparative models and a number of development studies theses have drifted through the discussions. The impact pathway approach is one that seems to have held more attention.

allows us to look comparatively at the different case studies but also to look at the relations between these different routes within a single case study.

Litigation has only been an indirect pathway for the BNDES Platform, for example, in the way that it has reminded the BNDES of its co-responsibility and vis-à-vis its support to the prosecutor, including in the case of the Belo Monte complex. More direct litigation has been a part of the work of different sub-clusters of Platform members in accordance with the 2011 Platform ground rules that distinguish collective Platform action from that of its individual members. However this has not been without considerable disagreement at times; a point to which we will return later.

The *media*, as the case shows, is not as straightforward a pathway as it might appear. Though never timid, Brazil's media has its own internal problems, and its relationships with civil society organizations, universities, and policy think tanks are by no means stable. Given this baseline, the recent recognition of the BNDES Platform in the national and international media can be seen as a positive result.

The Platform had no luck whatsoever with the *executive branch of government*, probably due to the fact that for at least four different terms of office, the BNDES has been a very useful and obedient instrument for inner cabinet policy and a key part of the machinery of government. Seen from the advocacy coalition framework, the executive branch is very much part of the existing policy wall.

For quite a long time, the Platform was very hesitant in its relationships with Brazil's *legislative* branch, which is understandable given that the congress regularly comes out in nearly last place in surveys of institutional and organizational confidence (way behind the fire brigade and close to the police and the courts). However, events surrounding the 2011 budget debate, when the Platform members were able to table a report that was accepted in the proceedings, illustrate that this route can open up.

The fifth impact pathway, *mobilizing citizens and CSOs* for campaigning, is where the Platform has put most of its efforts, especially in the way it has circulated information among its members. In addition to the website, which in today's information technology landscape can already be considered as a slow media, the Platform had also created a very simple mechanism using Google groups to post information, press releases, and news of actions. There are currently some 100 or more email addresses (people, organizations, networks) listed, and the number of postings in relation to the BNDES, coming from a number of Latin American countries, has risen from an average of 1.5 a day in April 2011 to 3.5 a day in April 2012, and doubling this number when key events are taking place. Given that all of the list members are themselves important disseminators of information (including university professors, researchers, BNDES watchers, activist organizations, and many different networks), the mechanism serves as an important amplifier of themes and establishes the Platform as the main clearinghouse for certain types of BNDES issues.

In terms of its organizational design, the Platform remains what can be best described as a loosely coupled cluster of networks. That is, each of the Platform members is part of different issue networks that partially connect due to concerns over the BNDES (hence loosely coupled) but also follow their own topics individually, or even in sub-clusters:

environment, accountability, international finance and aid, native peoples, landless agricultural workers, urban social movements, trades unions, and economic development, among others. As an intermediary reference organization, the Platform is more than just a network of networks because it has shown the capacity at times to develop strategy and share decisions, but it is loosely bound. Depending on circumstances, members of the Platform might act as part of the network or independently. Actions are often tactical rather than strategic, for they depend on openings and opportunities and rarely move in the straight line required by program planners. This certainly does not conform to the best practice often recommended in the managerial literature; indeed, the Platform's style has at times been a function of interorganizational conflict more than by design. Still, the Platform has shown to be considerably resilient in building and contributing to the increasingly audible "buzz" around the BNDES. Looking back on the events, there is no doubt that this loosely coupled cluster of networks and its key relationships between social activists, working with very little funds, has indeed played a pivotal role in turning the BNDES, its budget, and its allocation from an accepted and naturalized institutional fact into a contested and debated issue.⁹⁶

This points to a possible sixth pathway to impact, inspired by two ideas: the 19th century observation by the botanist Robert Brown (Brownian motion) of the effect of the random movement of small minute particles on larger particles, and the often-quoted line from Woody Allen that "90 percent of life is just showing up." The case of the BNDES Platform suggests that simply hanging on, maintaining momentum by any means, not giving up, and generally getting in the way may in time have a significant, albeit easily neglected, impact. In terms of causal pathways, it may seem to be an obvious remark, but none of the other pathways are possible without some form of initial action, and we often overlook this important point, especially in complex settings.

The press is now paying much closer attention to the BNDES, and it likely that the Bank's insular culture will lead it to commit the kinds of mistakes that will continue to invite scrutiny. Meanwhile, more and more people, including some in the bank, are beginning to ask challenging questions. The slowly shifting terrain under the BNDES could well be due to the fact that the members of the Platform — in spite of a lack of resources and in the face of considerable pressure from BNDES supporters — merely kept "showing up."

Comparing and contrasting with other experiences: toward a midrange theory of action

One of the much discussed methodological issues this project has raised has been the difficulty of dealing with the many questions that involve single case analysis. These boil down to the question of how to generate conclusions that are relevant beyond the specific context of individual cases. One approach is to make use of counterfactual arguments (what would have happened if?). Counterfactuals fall into what C.S. Peirce described as

⁹⁶ One of the dangers in comparative studies like ours is to presume that there are sufficient funds available and that the actions of the different organizations are, therefore, the consequence of strategic and open choices. It is important to register — as we have seen in this case — that this is not so. The funds available for the Platform's work were less than 5 percent (optimistically) of those available to leading northern hemisphere budget think tanks, and the range of skills available and on call in the country were also considerably less.

“abduction.” They are neither arguments from a population to a sample nor arguments from a sample to a population. They are what can be called “educated guesses.” The educated guess in the BNDES Platform case certainly has the strength to support the argument of including a sixth impact strategy, but it cannot take us much beyond this.

The most obvious next step is to compare the Platform’s experience with the BNDES to efforts by civil society organizations to reform other SOEs. Here, there is little comfort and there is no hard and fast indicator that can be used to measure levels of transparency in SOEs. Resistance to transparency is widespread among federal agencies and SOEs; the “educated guess” approach would suggest that after being pushed and pulled, the BNDES has been forced to change more than others. For example, the petrol giant Petrobras has only recently — after decades of serving as a public policy instrument — been formally called to account by its minority national and international investors in relation to its lack of independent corporate governance.⁹⁷

Another way to extrapolate the findings of our case study is to look at other studies that share certain features, but that are focused on other countries. In this section we will look at two such studies: one, a single case study developed by Cejudo, which involves one of the organizations in our current four-country set (FUNDAR), and, two, a study of studies by Gaventa and McGee.⁹⁸

Subsidios al Campo is a high profile and effective Mexican platform, network, and website that tracks federal government subsidies to farmers, monitoring “who gets what” and raising questions of equity and abuse by public and government officials. It is a coalition between a public interest group specialized in budget analysis, a peasant organization, a group of academics, and different technical experts. It draws in experience and technical resources from across borders (U.S.) and uses the opportunities created by Mexico’s Freedom of Information Act. Its change strategy is basically to turn publicly available official data into a more easily understandable format; publish this on an open-access database; generate policy analysis; call attention of accountability institutions; and advocate for reforms.

In his analysis, Cejudo points out that much civil society coalition building and policy focused work fails — as the literature points out — because of: a) lack of information; b) absence of detailed policy knowledge; c) reduced technical support; d) limited funds; e) ineffective communication strategies; f) lack of expert knowledge; or g) limited interest from the field. In the case of *Subsidios al Campo*, these were all successfully dealt with, and the advances were significant. On the other hand, there were considerable shortcomings in relation to the effectiveness of accountability institutions and a limited democratic accountability of the political system as a whole; freedom of information legislation, he argues, is not enough.

⁹⁷ See “Brazilian and international minority Petrobras shareholders get together to question the choice of board members in letters send to the Finance Minister (Guido Mantega) and the Petrobras President,” *O Estado de S.Paulo*, 6 September 2012.

⁹⁸ Guillermo M. Cejudo, “How institutional constraints shape the effectiveness of accountability initiatives: the case of *Subsidios al Campo* in Mexico,” Preliminary report to the Leading Edge Project, 2012; and John Gaventa and Rosemary McGee (eds), *Citizen action and national policy reform: making change happen* (London: Zed Books, 2010).

Taking this analysis and applying it to the BNDES Platform campaign (our focus in the comparative study is on the campaigns and not the organizations involved), we can see that a number of these initial conditions were not present. The Platform was able to leverage information — an early success — but did not have the technical support and expert knowledge to turn this into effective policy-based arguments. There were no coalition arrangements with academic groups or data specialists able to process this kind of information. Funds were not available to the extent that expert knowledge and technical skills could be mobilized, and communication strategies were passive (based on websites) rather than active.⁹⁹ There was also very limited initial interest from the field, while today a number of openings are present. Whether the Platform had sufficient policy knowledge to take on the BNDES is another question, but the ability of the bank to resist its advances suggests that this was limited. Brazil's freedom of information legislation has just come into effect, but Cejudo's alert about the importance of accountability institutions does not auger well for the future. In our case, with most accountability institutions prepared to "play by the rules," the possibility of elevating the BNDES discussion into a debate about economic development policy and social impacts will depend very much on the legislative branches, itself not a positive prospect.

A second possibility is to extend conclusions comes from the Gaventa and McGee work on citizen action and national policy reform. Here a key element is the focus on emerging or existing democracies in states that have at least some democratic space. Their argument, based on the various case studies they look at, is that when: a) political opportunities are present (either static or due to changing environments), b) mobilizing structures are in place, and c) issues are framed in an appropriate manner, collective action is more likely.

Opportunity structures (political or policy spaces) are seen as moments in which interventions or events throw up new opportunities. Mobilizing structures of actors, networks, and coalitions are the formal and informal collective vehicles through which people mobilize and engage in collective action, and "issue framing" refers to the conscious strategic efforts by groups of people to fashion shared understandings. Working within this approach we can see how there were really very few opportunity structures (usually isolated moments when cracks appeared in the policy wall), and we can confirm their observation that "civil society engagement in a policy process is not enough by itself to make change happen." In terms of mobilization, we again see, as in the comparison with the *Subsídios al Campo* case, the lack of cross-cutting mobilizing structures that "link national reforms to local and faith-based groups, the media and repositories of expertise;" nor do we see "alliances between social actors and champions of change inside the state that are critical to making policy change happen."

Yet we are seeing change take place: in media action; in the determination of public prosecutors to follow through on the social, environmental, and the rights implications of major projects; in the practical social construction of the idea of public knowledge about public funds; in the growing academic acceptance that questioning the BNDES does not

⁹⁹ Nearly all the organizations involved in the Platform are very small in terms of staff numbers and were losing members because of lack of funds throughout the long period of the study (2005-2012) when, as was commented by one of my international research colleagues at a recent comparative project research meeting, it was no secret that the Brazilian NGO scene was in considerable difficulty.

mean bowing down to the international neoliberal lobby. It has, as we discuss in the final section, taken time and much effort — often with little or no remuneration.

Could the platform have been more effective? Certainly, it could have adopted clearer and consensual strategies. It could have reached internal agreement about whether to adopt the positive strategy of dialogue or the more adversarial strategy of litigating based on co-responsibility, or even both. However, to do this would have required much more resources — people, skills and funds — than were available. But (and this must remain the doubt to be carried forward into other future studies on budget initiatives) it is also important to ask whether such a degree of coherence is possible or even desirable in the loosely coupled type of alliance that is built on such diversity.

Perhaps, to the contrary, the weak effectiveness of its internal governance (when seen from an orthodox project management perspective) helped, rather than hindered, the ability of the Platform to change the agenda. At times collectively, but also individually, these small civil society organizations and networks have, in a variety of unpredictable ways, kept pushing forward. The BNDES platform, as currently conceived, might not move much beyond the point it has reached, but having made a first attempt to redefine how society views the BNDES may be an important contribution.

Final point: giving time to time

In his study on moral revolutions, Kwame Appiah looked at various ingrained practices that at the time seemed inevitably part of a never-ending present.¹⁰⁰ He observed that when change eventually happened — when certain practices were no longer considered to be honorable or dignified — it happened quickly, over a short span of years. The current situation around the BNDES has certain similarities. The moral arguments are well known, yet the results of a very stable advocacy coalition, involving multiple and interlocked interests, seem to have formed a very coherent set of self-justifying positions. Yet this could change rapidly if parts of what seems to be a very stable coalition begin to break down. That is, when some of those implicated begin to doubt that their actions are honorable, especially when their dignity comes under question in everyday life. Serious change in budget practices may take longer than we think but once we can understand the time frame involved and the dynamics of effective campaigns, there is much we can do to help them on the way. Mark Bovens defines accountability as a “relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgment, and the actor may face consequences.”¹⁰¹ Perhaps what we are following is the building of that wider forum, not in a linear and logical manner, but as a complex and at times disconnected set of trials and errors that are collectively held together by a wish to deepen democracy.

¹⁰⁰ Kwame A. Appiah, *The Honor Code: how moral revolutions happen* (NY: W.W. Norton, 2010).

¹⁰¹ Mark Bovens, “Analysing and Assessing Public Accountability. A Conceptual Framework,” European Governance Papers (EuroGov), C-06-01, 2006.