Predicting the unpredictable: analyzing Brazilian extraordinary credit from 2001 to 2016

Abstract

This paper shows why institutional leadership empowerment should be taken into account when measuring organizational autonomy. It analyzes extraordinary credits, a type of emergency expense in Brazil, from 2001 to 2016. It presents data from 745 laws enacted by the President authorizing those credits, their process in Congress and the restrictions made by the Supreme Court related to those laws. The research shows that December is the month with the highest chance for the creation of this provisional measure. The article demonstrates how the lack of checks from other branches could incentivize this behavior, suggesting a violation of the Constitution. Given the importance of this policy in the country, it argues that in order to better gauge bureaucratic autonomy of institutions, one should also consider the influence the head of a group has in its final outputs.

Introduction

Francis Fukuyama (2013) introduced a framework about measurements on governance quality of institutions. It stated that two characteristics should be taken into account: capacity, meaning education, professionalization, and resources, and autonomy, or the level of independence from the political authorities in the pursuance of a given mandate. Bersch, Praça, and Taylor (2017a) provided a "proof of concept" to the latter framework. The researchers not only clearly defined those two variables but also created an index to measure the proportion of political parties in an institution. Their article did not take into account the influence the head of a group has in its final outputs. We provide evidence on why future measurements would benefit from considering this.

Conflict and resolution take part in the process of budgeting or allocating public resources (Schick, 2007a; Rubin, 2000; Peters, 2001). An issue that deserves attention is related to expenditures that surpass the scope of the approved budget. Emergency expenses, the focus of our work, authorize the government to spend beyond the expected annual costs in a given number of circumstances (Lienert and Jung, 2004, 4). This paper analyses extraordinary credit, a type of emergency expense in Brazil. These expenses are excluded from the ordinary budgetary process and limited to unforeseen events. The adequacy of their use is intimately related to institutional and political settings since they cause an increase in the discretionary power to determine both the extent of the expense and how it is allocated.

Brazilian president's behavior suggests an almost unbounded freedom to utilize extraordinary credits, even when we could infer from data that not all situations may be unpredictable. We state that this event is associated with a low capacity and low autonomy for the President's Cabinet. This is an institution with high partisanship domination (Bersch, Praça, and Taylor, 2017a, 114), which could increase the possibilities for corruption.
This article then contributes to both governance and budget fields. It starts with an explanation of recent attempts to compare governance quality of institutions and of the problem to which we address. Second, it explains how our analysis on extraordinary credits in Brazil could answer the question. Third, the paper shows how we fetched and processed the data. Finally, it presents the results, exposing the importance the President alone has in public policies regarding extraordinary credits. This is an example of how the powers of one agent could affect the bureaucratic autonomy of a whole institution.

**On Measuring Governance**

Cross-institutional comparisons of governance are not recent. Evans (1995) was one of the earlier establishers of the basic literature on doing capacity comparisons between states. The author also addressed the problem of comparing nations’ bureaucracies using surveys sent to agencies in 35 developing countries (Evans and Rauch, 1999). Comparisons have remained mainly between nations. The practices used to compare countries are hardly useful to distinguish agencies and ministries, for example.

Recently, Fukuyama’s (2013) commentary attempted to better conceptualize governance and to create a framework through which one could measure the quality of institutions. He points out that many researchers today focus on studying institutions that limit power, instead of focusing on a power-deploying institution, as the state. The author then tries to define what governance means in his framework. He enforces that this is the way government gets its work done. In Fukuyama’s setting, it is possible for a government to have both good governance and bad democracy status (Fukuyama, 2013, 351). In the end, governance would be about execution and not the final goals the institution wants to achieve.

Inspired by Max Weber's work in Economy and Society (Weber 1978, 220-221), Fukuyama argues that there are two main characteristics when measuring governance in an institution: capacity and autonomy (Fukuyama, 2013, 357). He understands the former as a mixture of education, professionalization and resource levels. The latter, he refers to the bureaucracy independence from principal mandates; as in Fukuyama’s words, the fewer the mandates, the more autonomy an institution would have. A fully autonomous institution would set its own goals independent of political principals. The quality of governance would be a composition of the last two characteristics. In order to achieve a high governance status, a government's autonomy level would depend on the capacity of the institution.

Bersch, Praça, and Taylor (2017a) not only used the two variables but also created an index to measure the proportion of political parties in an institution. This is extremely relevant, especially in multiparty systems. Low capacity, low autonomy, and high partisan dominance have been associated with higher levels of corruption in some institutions in Brazil.

From all institutions considered, the same research identified Brazil's President Cabinet as one of with the lowest capacity levels and with a close to medium autonomy (Bersch, Praça, and Taylor, 2017a, 110). The autonomy index in the paper considers the proportion of political appointees who are members of political parties.

The index in the referred paper, however, does not take into account the power that specific political members could have in an institution. For example, Presidents could exert
more power in the President’s Cabinet than other political members in the same organization. The index measures the politicization of an institution under the political head, but it does not consider how much influence the principal could have in the whole group. Leaders create an output inside an institution that could impact on how well the bureaucracy works. In Table 1, we show all the variables adopted in the last paper.

Table 1.
Variables used in the paper from Bersch, Praça, and Taylor (2017a)

<table>
<thead>
<tr>
<th></th>
<th>Variable</th>
</tr>
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<tbody>
<tr>
<td>Capacity</td>
<td>Cap1. Proportion of civil servants in either core or expert careers (%)</td>
</tr>
<tr>
<td></td>
<td>Cap2. Average longevity in civil service</td>
</tr>
<tr>
<td></td>
<td>Cap3. Civil servants requisitioned from other agencies (%)</td>
</tr>
<tr>
<td></td>
<td>Cap4. Average salary for civil servants within agency</td>
</tr>
<tr>
<td>Autonomy</td>
<td>Aut1. Proportion of low-level DAS appointment filled by party members (%)</td>
</tr>
<tr>
<td></td>
<td>Aut2. Proportion of high-level DAS appointment filled by party members (%)</td>
</tr>
<tr>
<td></td>
<td>Aut3. Proportion of regular civil servants that are party members.</td>
</tr>
</tbody>
</table>

Source: Bersch, Praça, and Taylor, 2017b

Given this framework, some general hypotheses may arise. It is reasonable to think that Presidents have a lot of power inside the Cabinet since they can have the last word in many situations. As we will support through a quantitative analysis regarding extraordinary credits in Brazil, for more than a decade, the behavior of Presidents suggests that they have regularly enacted certain laws, even when these appear to go against the Constitution. We will also support this idea from the lack of checks from both Supreme Court and Congress. This situation could help us understand how to better measure the bureaucratic autonomy of institutions in general. In our text, we will adopt the capacity index used in the measurements of Bersch, Praça, and Taylor.

Our hypothesis is that, in order to better gauge the governance of the President’s Cabinet, one should also consider one more variable that measures the power of the leader of the group inside the institution. Even though we did not compare all the federal institutions in
Brazil, we believe that with this new variable one would probably find a lower autonomy for the President's Cabinet. We leave the problem open to the community.

With our analysis on extraordinary credits, we hope to show that political leaders can affect the bureaucratic autonomy of institutions. In order to do that, we intend to expose signs of predictability of when Presidents authorize the use extraordinary credits. We will demonstrate how the rules in Brazil incentivize that behavior, which could be against the Constitution. In this paper, we gather these findings to support our hypothesis that Brazilian presidents have an extremely high freedom to authorize emergency expenses. This amount of power concentrated in the hands of the principal would go against the ideal institutional bureaucracy autonomy that Fukuyama idealized.

**Extraordinary Credits**

Created in 1850, during the Brazilian monarchical period, extraordinary credit is a type of emergency expense and, as a consequence, the ordinary budget process does not include it. These credits are an exceptional instrument able to effectively respond to important, urgent and unforeseeable contingencies (Brazilian Constitution, 1988, article 167 §3º). If any of these exigencies is not met, the credit does not meet the constitutional requirements and should be revoked.

According to the Brazilian Constitution, the President can authorize these credits through provisional measures (medidas provisórias), a type of legally binding executive decree. Once issued, they become executable even before the National Congress’ approval. The decrees are effective for a limited time of 60 days, extendable once (Brazilian Constitution, 1988, article 62). That means the extraordinary credit loses its effect only after a negative vote from the National Congress or the end of the term.

Since the extraordinary credits are related to the annual budget, the same happens to their usage. In other words, presidents can only authorize credits expendable at the current year. An exception to this norm arises if its enactment occurs over the last four months of the fiscal year. In that case, (i) the credits integrate the budget of the subsequent fiscal year (Brazilian Constitution, 1988, art 167§3º), and (ii) remain effective even after the year of their issuance.

A constitutional amendment enacted in 2001 (EC n. 32/2001) altered the procedure for issuance of provisional measures and established the agenda halting. That prevents the Chamber of Deputies from voting every other bill if it does not vote the decrees within 45 days. This was an attempt to force deliberation since before 2001 the National Congress had procedural instruments to bypass the analysis of such measures. A study analyzing decrees the Brazilian President issued from 1988 and 1998 showed that executive-legislative relations could be used as a good predictor for the use of decree authority (Pereira, Power, and Rennó, 2005).

Despite its resilience in the legal system and the efforts to increase external control from the legislative, many authors have reported an arbitrary use of extraordinary credits, especially since the proclamation of our current Constitution, in 1988. As we will detail below, the criticism towards this emergency ordinance is divided between legal, budgetary and institutional aspects.
Sanches, for example, argues that the issuance of extraordinary credits is dysfunctional, inconsequent, unstable and questionable in light of the legislative technique (2008, 32-33). Gomes Neto et al. (2009) analyzed each provisional measure that authorized extraordinary credit separately, from 2002 to 2008. They found that 40% of the measures had no explicit mention of urgency, in spite of the constitutional requirements. As for the rest, nearly 80% simultaneously authorized foreseeable and unforeseeable expenses, thus hindering the possibility of controlling its constitutionality (Gomes Neto et al., 2009, 223-222).

As reported by Marshall (2008), the issuance of extraordinary credits is also significant for the fiscal policy. Most of the credits increased expenses that already constituted the annual budget law (Marshall, 2008, 40). It is said that the extraordinary credit has become a way of setting new mandates and ignoring the previous choices that followed the ordinary budgetary process (Marshall, 2008, 47).

Da Rocha, Marcelino, and Santana (2013) suggest that the abusive authorization of extraordinary credits expose deficiencies in the government planning and are a consequence of a budget system with small flexibility. That would lead the bureaucrats to search for easier ways to administrate the expenses and fulfill their objectives. The authors alert for the fact that these credits might create a parallel budget. In fact, 67,70% of the interviewed believe that this phenomenon already happens (Da Rocha; Marcelino; Santana., 2013, 821). Emergency expenses circumvent the political conflict and move straight to resolution, thus altering the traditional budgetary logic (Schick, 2007a; Rubin, 2000; Peters, 2001).

Another stream of the literature points out to institutional arguments, focusing on the relationship between the branches of government. For Gomes (2008, 31), the reiterated employment of provisional measures towards the financial system would make the legislative branch “hostage to the executive maneuvers”, a behavior that, in his opinion, goes against other constitutional prerogatives and the separation of powers.

Da Fonseca (2016) analyzed the extraordinary credits authorized from 2008 to 2015. His research was one of the first attempts to examine decisional patterns and inadequacies concerning these emergency expenses. He observed that both the volume of the monetary value authorized and the frequency with which they occur seems to deviate the measure from its original purposes. He briefly drew attention to December, as a month when an expressive monetary value is issued. He also examined the authorizations through electoral periods and found that they have an increase.

More recently, authors began to include institutional arguments concerning the Judiciary branch. That happened because the Brazilian Supreme Court altered its jurisprudence and started to admit judicial review of fiscal statutes (Gomes Neto et al., 2009; Dos Santos, 2013). In one of the most prominent decisions, Justice Gilmar Mendes decided to suspend the provisional measure n. 405/2007, which authorized R$5.455.677.660,00 in extraordinary credits. According to Mendes, the possibility of judicial review was essential, once both the Executive and the Legislative failed to obey the constitutional orders.

Further studies about this shift in the jurisprudence questioned the capability of the Supreme Court to rule on the constitutionality of such expenses. Since the extraordinary credits are attached to the fiscal year, if the Court takes more than a year to decide, the debt necessarily loses its efficacy and the whole process is dismissed (Da Fonseca, 2016). Also,
since Justices typically decide more individually than collectively (Arguelhes and Hartmann, 2015), the reporting minister has much power to either decide or refrain from making a decision.

Hence, the literature in Brazil criticizes the enactment of extraordinary credits through provisional measures as a dysfunctional instrument. This dysfunctionality affects not only the Executive and the budgetary system but also the Legislative, since it hinders an effective accountability and the Judiciary, as it has called the prerogative to decide about this issue and apparently lacks the institutional capability to do so. The separation of powers, differently from a study of governance within the President’s Cabinet, is frequently evoked when dealing with this subject.

We firmly believe that an analysis per month, as will be depicted in the next pages, has been neglected by the literature and could give us important insights on the implications of the abuse of extraordinary credits for either the separation of powers and the quality of governance of the presidency.

Data Collection

In this section, we explain how we gathered and processed the data, in order to achieve our results. Our object of study is provisional measures that authorize extraordinary credits.

Executive Branch

We want to analyze the provisional measures related to Extraordinary Credits. In order to do that, we retrieved information about all provisional measures from the official executive branch website. Due to inflation in Brazil, we updated the values according to the index IGP-M/FGV.

The Executive branch enacted 745 provisional measures from 19/09/2001 to 18/09/2016. From the web page, we could extract the number of each provisional measure, together with the date of its enactment, current situation, and summary. We used the starting date as 19/09/2001 since this is when the government creates the first provisional measure (and authorizes extraordinary credit) after the Constitutional Amendment 32, which changes major rules regarding how the President can create such decrees. The ending date is 18/09/2016 since this is the last day when we can complete full years up to this research publication.

We created a python script that highlighted the measures that had in their summary the text "abre crédito extraordinário", considering the combinations with and without capital letters and special characters. We tested this method and verified manually for the first two years. For that reason, we have confidence that the filtered data represents all provisional measures related to Extraordinary Credits. After that, we created another script that extracted the total monetary value of the Extraordinary Credits authorized by each provisional measure. Only 3 of these did not have the explicit value in the summary, leading us to read the full text to actually save the correct number in our database.

After cleaning the data, we created a table with all the information and calculated how many of the provisional measures that authorize Extraordinary Credits have been created each month. We calculated the probability of Extraordinary Credits being authorized in each month. We also calculated a number of credits authorized in each month on average.
National Congress

We wanted to calculate the maximum number of days it would take on average for a provisional measure to lose its effect in National Congress each month of a year. We fetched data from the official Chamber of Deputies website. We extracted the final date from each provisional measure.

We have the enactment date from each provisional measure from the Executive branch data. Now we fetched the date when each measure would lose its effect if Congress does not veto or approve it before. Our algorithm could only extract the dates from the Chamber of Deputies website starting in 2007. Hence, we can calculate how many days at most each provisional measure could stay valid before it is archived or converted into law. Since we know this information for each date of the year, we can calculate the average of maximum days for each month.

Supreme Court

We analyzed all Direct Actions of Unconstitutionality (ADIs), the existing law suit in Brazil for reviewing the constitutionality of federal statutes. We selected all ADIs that were against provisional measures authorizing Extraordinary Credits. In order to accomplish that, we took the data directly from the official Supreme Court’s website. We searched the terms “medida e próvisória” (provisional and measure) and “crédito e extraordinário” (extraordinary and credit), and found 33 ADIs.

We based our filtering on two other steps. First, we selected ADIs between 19/09/2001 and 18/09/2016. Second, the ADIs should be against provisional measures enacted by Presidents. The last step is important since some federal states can enact provisional measures as well. As a result, only 21 out of the 33 first ADIs met the requirements.

After that, we created a table with the number of the ADI, the author, number of the contested provisional measure, the minister rapporteur, date of filing, date of the last decision, if there was a preliminary - a temporary - decision, the type of final decision (monocratic or collegiate) and the final result.

Results

On the incentives to authorize Extraordinary Credits in December

National Congress.

As we can see in figure 1 in this section, provisional measures related to Extraordinary Credits enacted in the last four months have on average the most active days before being vetoed or approved in the legislative branch. This is due to the recess at the end of the year. In other words, the president can expect that their provisional measure would alter the status quo for a longer time if it is created in the last four months and increase the social and political costs of an eventual rejection (Figueiredo and Limongi, 2000, 164).
The recess starts in December (Brazilian Constitution, 1988, article 57). A provisional measure changes the status quo even when Congress is in recess. During this period, Congress cannot veto a provisional measure. In addition to it, credits enacted over the last four months of the year integrate the budget of the subsequent fiscal year (Brazilian Constitution, 1988, art 167§3º) and may work as a maneuver for the President to circumvent the ordinary budget procedure (Da Fonseca, 2016, 130). Hence, the current norms in Congress stimulate the creation of provisional measures during December.

Supreme Court.

Until 2008, the Supreme Court, by its own decision, chose not to review cases related to financial law, including extraordinary credits, in a phenomenon called self-contention (Barroso, 2012, 26). In other words, there was no judicial constraint to the President’s actions.

After the rulings on ADI n. 4.048 and n. 4.049, the Supreme Court altered its jurisprudence and data slightly changed. The President may have started to be more careful on authorizing credit, due to the possibility of judicial interference.
It is interesting to observe the plaintiff that filed the vast majority of the suits: PSDB, an opposition party until 2016. In fact, in 2008, the party seems to have strategically filed many suits contesting different provisional measures enacted in November and December. It is possible that this was an attempt to bypass the aleatory assignment of the processes and guarantee at least one hearing from a Justice. The reasons for the peculiar behavior from this party are beyond the scope of our research. However, this brings similarities to the famous phenomena in Brazil called the “judicialization of politics”, which means that opposition parties started to use the Supreme Court as a way to react to the Presidents’ decisions (Zuccolotto, 2016; Seleghim, 2014).

A different law suit, ADI 4.365, exemplifies the difficulties one faces when filing a lawsuit filed during recess. Justice Cesar Peluzo was the Vice-president of the Supreme Court at that time and did not decide the case preliminarily because he sustained that the lawsuit was not urgent enough to justify a temporary decision during recess. More than a year later, in 18/08/2011, the Plenary of the Supreme Court dismissed the case without prejudice. The other lawsuit filed during recess is ADI n. 4.904. It was filed in 22.01.2013 and still awaits a final decision. The Court did not pronounce even a preliminary statement.
Another finding is related to the high delegation of decisional power to judges individually. On one hand, judges might actually analyze the case, as it happened on ADI 4.048. Justice Gilmar Mendes brought the case for discussion and suspended the provisional measure 405/2007. On the other side, if a minister chooses not to decide, it is quite possible that the process will be dismissed without prejudice (extinção sem resolução de mérito). This has happened several times. In fact, ADI n. 4047, filed in 2008, and ADI 4904, filed 2013, still lack a decision.

Also, as we can see in figure 3, all the vast majority of the final decisions are monocratic. The Supreme Court dismissed the only lawsuit in which there has was a final pronouncement by the Plenary.

Finally, another difficulty comes out as we take a look at the Court’s procedural rules. Article 12 of Law n. 9.868 (Brazil, 1999) establishes that, if one files a relevant, urgent and significant case, the Justices can, after requesting information, submit the preliminary decision to the approval of the Plenary. However, the data points out that, even though some Justices tried to follow the procedures in 4 ADIs, the Court dismissed without prejudice all of them. After the request for information, the Justices never analyzed the lawsuits; the respective financial year ended leaving no other choice but to dismiss the cases.

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1 The dismissal without prejudice means the case is indeed dismissed, but the plaintiff may file it again. The judge (or Justice) did not resolve the lawsuit because procedural reasons prevented him from doing so. For further insights, please visit: https://www.illinoislegalaid.org/legal-information/difference-between-dismissed-or-without-prejudice
We can infer from these evidence that the Supreme Court faces some strong difficulties to pronounce a definitive and collegiate decision about provisional measures that authorize Extraordinary Credit. One could interpret that as an incentive to the President’s behavior.

**Executive Branch.**

As we can see from the following table, the Executive branch approved most of its provisional measures regarding Extraordinary Credits. This means that Congress and the Supreme Court have not blocked most of the decrees, even though both of those institutions have the means to do it, as we read before in the paper.

**Table 2**
**Situation of all decrees that authorized Extraordinary Credits**

<table>
<thead>
<tr>
<th>Situation</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Converted</td>
<td>143</td>
</tr>
<tr>
<td>Rejected</td>
<td>4</td>
</tr>
<tr>
<td>Uneffective</td>
<td>2</td>
</tr>
<tr>
<td>End of Procedure</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>169</strong></td>
</tr>
</tbody>
</table>

Source: Authors of the paper.

One can grasp from Figure 4 that every year the president authorizes Extraordinary Credits. First, that the Congress and the Supreme Court in Brazil norms incentivize the current practice presidents in Brazil have of authorizing Extraordinary Credits every year. Second, those norms from both institutions incentivize predictability to when Presidents will authorize the Extraordinary Credits. Third, the same rules also promote when presidents could authorize more Extraordinary Credits in monetary value. Those three hypotheses could help us supporting the fourth premise that there is a lack of checks from both Congress and Supreme Court regarding authorization of Extraordinary Credits.

As we saw from the previous analysis on Congress and Supreme Court, we have good reasons to think that it is more probable for a president to authorize Extraordinary Credits in December. Given 15 years, from September of 2001 to September of 2016, we calculated what is the proportion of years that have an authorization for each month. Indeed, the data shows that December is the most probable month to have Extraordinary Credits authorized.
December is also the month with the highest number of provisional measures regarding Extraordinary Credits, as we can see in Figure 5. It has more than double the number of every other month. From another perspective, it is also important to note that, in our data, presidents authorized in the last month of the year approximately one fourth of all Extraordinary Credits. This empirical result, together with theoretical reasons exposed in the Congress and Supreme Court sections, leads us to think that the norms from both institutions incentivize the president to authorize Extraordinary Credits during December.
For each month, we summed the monetary value the Brazilian Presidents authorized through Extraordinary Credits. The empirical result shows us that December has a much higher value than any other month. The value surpasses the amount of 275 billion BRL [approximately 85 billion dollars]. This shows us that December is not only the month with the highest probability to have authorized Extraordinary Credits, but it is also the moment when Presidents can send most of their value.

Hence, from these patterns, we can see how Presidents create this kind of provisional measures. From the data, as well as the reasons priorly exposed, we could think that this contradicts the Brazilian Constitutional value of unpredictability. If the norms in the Legislative and Supreme Court remains the same, we can not expect this to change, since it has happened so many times throughout the past years. As we saw in figure 4, Presidents authorized Extraordinary Credits in December 87% of the years from 2001 to 2015.

This points to us that we have good reasons to think that there is a lack of checks from both Legislative and Judiciary institutions regarding some actions from the Executive branch. Indeed, many of those actions seem to be predictable, when they should not be. As we showed, there are ways of limiting the authorization of Extraordinary Credits, when they do not seem unpredictable.

It might be the case that the instruments that both Judiciary and Legislative have are not enough to limit well this kind of power from the Executive. This also represents a lack of checks. Presidents here have a strong voice since they are the ones who approve or not the authorization of Extraordinary Credits.

This could put to test the mechanism of authorizing Extraordinary Credits. It might be that they are necessary to the Brazilian society. But they are probably not Constitutional in some cases.

Figure 6
Sum of the monetary value of authorized Extraordinary Credits (2001-2016)
Political Powers from Leaders and Bureaucracy Autonomy

From the data analysis in the last subsection, it is reasonable to think that Presidents may not have followed the Constitution when authorizing Extraordinary Credits. This idea is also supported by other qualitative analysis (Da Rocha; Marcelino; Santana., 2013). In this situation, the President is the last person to decide the enactment of a new decree. In other words, he has the freedom to choose whether the government is going to authorize Extraordinary Credit or not.

This means that he has in hand a fair amount of power. Since it is a budgetary related matter, the decision is probably going to be political, as it has been supported by other authors (Rubin, 2000; Peters, 2001).

Hence, the President, in this case, could influence the bureaucratic autonomy of the whole President's Cabinet institution. Many types of research have shown a similar situation where the head of an institution has influence in the outputs of the group (Santos; Rennó, 2004, Santos, Almeida, 2005). So the example in this paper shows us that in order for us to better measure bureaucratic autonomy, as well as the quality of governance of an institution, one may need to consider the amount of influence the head of a group has to its final output.

Conclusion

This paper first started with an explanation of recent attempts to compare governance quality of institutions and of the problem to which we address. Second, it then explained how our analysis on extraordinary credits in Brazil could answer the question. Third, it showed how collected the data. Finally, it presented the results, exposing the importance the President alone has in public policies regarding extraordinary credits.

The example exposed in this article affected many public policies in Brazil, from Olympiads to Zika virus. It is important that we understand the forces behind the many actions that happen every day in the country. As the paper presented, both quantitative and qualitative analysis were helpful to us in better understanding the context of authorizing Extraordinary Credits. Indeed, some researchers found via interviews that, by authorizing extraordinary credit, the government could facilitate contracts with private companies, without using standard procedures (licitação) (Da Rocha; Marcelino; Santana., 2013). This could be an incentive for corruption in the country.

Other countries handle this problem in different ways. For example, the United Kingdom authorizes the use of emergency expenses not yet approved by the Parliament up to two percent of the previous year's expenditure (Lienert, Jung, 2004, p. 111). This kind of procedure could help limit the power of Presidents in Brazil, and, as a consequence, increase the bureaucratic autonomy of the President's Cabinet, since the power in his hand would also be capped. We argue then that, when authorizing these transactions, Brazil's President's Cabinet shows signs of a low level of autonomy, which, in association with its low capacity, could compromise the Brazilian financial system.

For future work on extraordinary credits, it would be interesting to see more data analysis regarding the events inside Congress and the Supreme Court. By understanding how
both institutions deal inside with the problem could guide us to a better understanding of the whole situation.

On future measures of governance quality, it would be great if we could find a standard way of taking into account the power of certain political actors inside institutions. As we saw in this paper, this is of extreme importance, especially if we are considering organizations where some of the members are prominent figures.

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