

**Copyright:**

- This is an open-access article distributed under the terms of a Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided that the original author and source are credited.
- Este é um artigo publicado em acesso aberto e distribuído sob os termos da Licença de Atribuição Creative Commons, que permite uso irrestrito, distribuição e reprodução em qualquer meio, desde que o autor e a fonte originais sejam creditados.



# Brazilian foreign trade policy and interest representation: the case of large citrus industries

DOI: <http://dx.doi.org/10.1590/0034-7329202300112>

Rev. Bras. Polít. Int., 66(1): e012, 2023

## Abstract

The 21<sup>st</sup> century provided opportunities for Brazilian agribusiness with changes in the state structure that enabled the participation of the business sector in the formulation of foreign trade policy. The objective of this article is to analyze the strategies adopted by interest groups of citrus processing industries to influence the decision-making in foreign trade policy in favor of to the segment between 2001 and 2018. The political investment portfolio of the interest representation associations of the citrus industries was assessed in three ministries with competencies in foreign trade policy - MAPA, MDIC, and MRE, which were frequently used by the sector.

**Keywords:** Brazilian foreign trade policy; citrus industry; interest groups; political investment portfolio.

Received: August 28, 2023

Accepted: October 16, 2023

## Introduction

**A**gricultural exports have always been an important aspect of Brazil's economy, particularly in its foreign relations. However, in the late 1970s, exports of industrialized products surpassed commodity exports and remained the top items on Brazil's export agenda until the beginning of the 21st century, when agricultural exports regained the top spot. During the first decades of the 21st century, with the decline of exports of industrialized products, the Brazilian agribusiness export has helped to keep the country's trade balance positive or, at least, slightly in deficit (Brandão and Conceição 2019; Pires and Santos 2013).

Although various commodities are included in Brazil's export agenda (such as coffee, sugar, tobacco, soy, corn, cotton, and meats), no other fruit is produced in the country for industrial purposes (juice production) in the same volume as oranges.

However, the main product of this agribusiness (orange juice) is predominantly destined for the foreign market: around 95% of orange juice produced in Brazil is exported, representing more than 60% of all orange juice consumed worldwide. Therefore, the production of this commodity is highly dependent on the foreign market (Associação Nacional dos Exportadores de Sucos Cítricos 2015; Fava Neves et al. 2010).

In this sense, since the 1960s, large agribusinesses in this sector have sought to participate in the decision-making process of Brazil's foreign trade policy, initially working together with the Foreign Trade Bureau (*Carteira de Comércio Exterior* - CACEX) and, from the 1990s, with the ministries responsible for this area - the Ministry of Agriculture, Livestock, and Supply (MAPA), the Ministry of Industry, Foreign Trade, and Services (MDIC), and the Ministry of Foreign Affairs (MRE). Thus, this article addresses these relationships in the first two decades of the 21st century (2001 to 2018), a period with significant events for the Brazilian citrus agribusiness: a panel against the United States at the World Trade Organization (WTO) in 2002, the financial crisis in 2008, a panel against the United States at the WTO in 2009, and international marketing projects in 2010 and 2015<sup>1</sup>.

Therefore, the article is divided into five sections, in addition to this introduction. The next section presents some methodological considerations about the work conducted, discussing the methods of case study, as well as the sources. In the third section, our theoretical framework will be discussed, which seeks to challenge the thesis of the weakness of entrepreneurs vis-à-vis the government, corroborating with Mancuso's arguments (2007a) and thinking about the concept of commercial foreign policy. In the fourth section, we will analyze the formal channels of the political investment portfolio of interest representation associations of the large citrus industry, the Brazilian Association of Citrus Exporters (Abecitrus)<sup>2</sup> and the National Association of Citrus Juice Exporters (CitrusBr)<sup>3</sup>, used in MAPA, MDIC, and MRE. Finally, we will present our concluding remarks.

## Methodological Considerations

We conducted a case study on the influence of interest groups (represented by major citrus industries in São Paulo) in Brazil's foreign policy decision-making process. According to Gerring (2004), the case study involves an intensive examination of a single unit to comprehend a larger category of similar units. Analyzing the influence of interest groups in the policy-making

---

<sup>1</sup> The COVID-19 pandemic in 2020 served as a pivotal moment for the orange juice agribusiness, witnessing heightened sales (Gottens 2021), which persisted throughout 2021 and 2022 (Costa 2022). However, this article focuses on consolidating findings across governments with similarities in foreign trade policy (FHC, Lula, Dilma, and partially Temer). Hence, the Bolsonaro administration (alongside the COVID-19 pandemic) remains a subject for future research.

<sup>2</sup> Created in 1988 and officially dissolved in 2008, although inactive since 2005.

<sup>3</sup> Created in 2009 and still active.

process poses limitations, including data accessibility and the complexity of isolating an actor's effect on policy. However, to mitigate these challenges, the research focused on examining the relationships and causal mechanisms of the studied phenomena. Process tracing emerged as a viable method to explain how major citrus industry groups exert pressure on diverse bureaucracies during varying national and international configurations (Mancuso 2007a; Farias and Ramanzini Júnior 2015).

For this purpose, the literature on interest groups and the formulation of Brazil's foreign trade policy was reviewed; the decision-making process in foreign trade policy in specific organs of the three most active ministries in the area was mapped; and the participation channels used by major citrus industry groups to participate in the development of foreign trade policies for the sector were analyzed. Thus, data in three dimensions were necessary – organization of citrus groups; political-bureaucratic (public policies and their formulation process); and channels and agents. Such data were obtained through the consultation of minutes from ministerial meetings, diplomatic telegrams, position documents from associations (on their websites or in their publications), and interviews with actors who participated in the processes (the former president of Abecitrus, the former president of CitrusBr, and the former Commercial and Logistics Director of Citrovita and Citrosuco).

In this sense, the primary data analyzed in this study were: minutes of meetings of MAPA's Citrus Sector Chamber between October 2007 and October 2018, minutes of CAMEX meetings between March 2001 and October 2014 and from July 2017 to December 2018, correspondence between the Brazilian Embassy in Washington and the MRE in Brasília and between the MRE and the associations and citrus industries during the period between 2001 to 2018. Interviews were used as a complement to elucidate events and processes that documents do not reveal. In this sense, the following is the theoretical discussion that guided the data collection.

## Interest groups and commercial foreign policy

Interest groups can be defined as organizations or associations formed by actors sharing at least one common interest, aiming to advocate or influence the actions of other groups or the government to protect this shared interest. The organized groups' efforts to safeguard their collective interests from decision-makers are known as lobbying. Following the Brazilian redemocratization, extra-corporate entities such as interest groups of major processing industries in the Brazilian citrus sector have sought government support to expand markets and reduce protectionist barriers concerning orange juice. Consequently, various ministries involved in foreign trade policy face pressure from these sector-linked associations in the realm of international trade (Farhat 2007; Mancuso and Gozetto 2018).

Several authors<sup>4</sup>, from the 2000s onwards, sought to explain agribusiness lobbying in Brazilian foreign policy, among whom the work of Carvalho (2010) stands out, demonstrating how the enhanced economic and organizational capacity of the agribusiness sector, along with the implementation of mechanisms for mediating interests between the sector and bureaucratic and diplomatic actors, facilitated the incorporation of the sector's interests into Brazil's multilateral trade negotiations agenda. Carvalho (2010) emphasizes that agribusiness sought to create a specific space to articulate its demands, the Permanent Forum for International Agricultural Negotiations, and an institution with technical capacity, the Institute for International Trade and Negotiations Studies (ICONE), to support MAPA's and the MRE's decisions.

It is also relevant to define foreign commercial policy; there is a difference between commercial policy and diplomacy (Rocha 2019; Bonomo 2016). Commercial policy, as a public policy, is accountable for a country's participation in global trade, indicating the power equilibrium between the government and society and covering areas such as export promotion, import management, taxation and financing of exports and investments, foreign trade logistics, among other aspects (Bonomo 2016). Diplomacy, conversely, deals with international relations, where foreign policy takes charge, encompassing a commercial dimension confined to gaining entry to foreign markets via agreement negotiations, resolution of commercial disputes, trade promotion, and advocating for the economic interests of Brazilian companies abroad (Bonomo 2016).

In this article, we analyze the strategies of interest groups of the large citrus industries in São Paulo trying to influence the intersection between these policy dimensions, hence the term foreign commercial policy. Therefore, this work shares the insights of Milani and Pinheiro (2013) on characterizing foreign policy as a public policy and the democratization of foreign policy, as noted by Anastasia et al. (2012), and Farias and Ramanzini Júnior (2015). This is because, between 1973 and 1985, the MRE came to strongly control the decision-making process (Ramanzini Júnior and Farias, 2016). Therefore, the pluralization and sharing of power of the MRE regarding trade matters after the country's redemocratization can be seen as a way for the ministry to continue to centralize foreign policy matters under the auspices of professional diplomats, even in other ministries (Figueira 2009). Alternatively, this pluralization can be seen as a way to protect itself from sectoral lobbies, which should be confined to CAMEX and sectoral ministries (Diverio and Netto 2015).

Private sector elites strongly supported the separation of trade negotiations from traditional diplomacy and preferred that trade policy be handled by MDIC, which is closer to interest groups, rather than the MRE (Marques 2008). Thus, the MRE would face a paradox where, on one hand, it has the capacity and recognition to engage in international negotiations, and on the other, it lacks the technical and domestic implementation competence for the internationally negotiated agreements (Farias 2007). An example of the MRE's attempt to protect sectoral lobbies was the development of an Extended Litigation Process (ELP) for opening disputes at the WTO,

---

<sup>4</sup> Like Oliveira (2007), Oliveira and Onuki (2007), and Søndergaard (2018).

maintaining a more prominent role than the one institutionally conferred on THE MRE in the selection of cases (Arbix 2008).

The ELP is “an informal system [...] of careful assessment of each potential case before it is formally initiated, [...] combined with a well-defined legal-diplomatic action both in the pre-legal analysis phase of the case and in the post-conclusion stage” (Bonomo 2014, 5). This ELP has helped the MRE to “‘filter’, in legal, economic, and political terms, the demands of the private sector and ensure a high rate of victory and compliance with WTO decisions in disputes initiated by Brazil” (Bonomo 2014, p.5). By using an ELP, the requirement for the affected sector to provide evidence and studies proving the need for the challenge meant that only highly organized segments and/or those willing to invest large sums of financial resources began to request panels at the WTO from the Brazilian government<sup>11</sup> – as was the case with the major citrus industries in São Paulo, which used this mechanism twice (Geraldello 2021)<sup>5</sup>.

Thus, due to orange juice being the most competitive Brazilian agribusiness between 1999 and 2014 (Silva et al 2018), to influence a trade foreign policy in its favor, the sector utilized a wide range of mechanisms, collectively or individually, in which its actors assumed the role of political entrepreneurs. Influence is the phenomenon that occurs when policy-makers’ attention is directed to some problems, excluding others by interest groups and the consequent convergence between the demands of the interested group and the achieved political outcome (Mancuso and Gozetto 2018).

We were unable to analyze the influence of business interest groups or, in our case, citrus groups, if the organized interest groups have the same preferences as the decision-making bureaucracies (Silva and Spohr 2016). However, we can verify the positions and interactions existing before, during, and after the decision-making between policymakers and interest groups; and with this, verify if there is a causal relationship between the actions of government and business actors. In this direction, participation is here understood as 1) mere physical presence in consultative or deliberative meetings; and/or 2) influence in defining the policy under discussion, without the necessary physical presence of representatives (Farias and Ramanzini Júnior 2015).

Therefore, although Schneider (2010) believes that the relations between business and government are fragmented in Brazil, this does not mean that the business community is a weak actor that uses mechanisms outside formality. We believe that both the interest associations of the large citrus industries and the industries themselves individually play the role of lobbyists, defending the agribusiness exporting interests of this group before the government through various formal channels, mainly acting on the Executive power due to the characteristic of their demands

<sup>5</sup> The selection of cases follows economic costs (for the sector and the Brazilian state) and political costs (for Brazil in the multilateral trade system and in its bilateral relations with the demanded country), weighed by the diplomats, but the indication of cases to the MRE depends on the vocalization of the exporting sectors (Arbix 2008). However, the role of the private sector is not limited to presenting the violation/demand for the case to be opened, but also extends to the preparation and elaboration of the case’s conduct. Garcia pointed out that businesses hire specialized legal and technical assistance that supports the MRE diplomats in defending the case with documents and studies.

(aimed at foreign trade) and the centrality of the Executive in this issue, and they achieve policies that converge with their interests, indicating the strength of the sector's actions.

This is because the political performance of entrepreneurs and their participation in policymaking varies along three interrelated dimensions, according to Schneider (2010)<sup>6</sup>:

1. **Participation** - which can occur collectively and organized through interest representation associations with the agreement of their members, or individually and dispersed when entrepreneurs individually, without prior coordination, interact with the state on behalf of their companies;
2. **Entry form** - the entry of entrepreneurs into the government arena can be formal and open, which is when there is a record of contacts made (minutes, emails, telegrams, phone calls, etc.) and publicized both the contacts (public agenda, press, etc.) and the possibility of these contacts occurring (norms that allow and regulate contacts whether through public agency invitation or sector search), or informal and opaque when there is no record or publicity of contacts made outside of permitted possibilities (meetings outside the agenda, unregistered emails and phone calls, etc.); and
3. **Channels of participation/influence** - there are several possible channels, such as consultative or deliberative councils (whether multi-sectoral or not that bring together entrepreneurs), corporatist bargaining (for arenas where negotiation is tripartite - state, capital, and labor), lobby (interest advocacy in spaces not mentioned in the previous channels), campaign and partisan financing (aiming at profits), government appointments (for commissioned positions), or *de facto* corruption.

Thus, entrepreneurs may not use a single type of each dimension, varying their collective and individual actions through formal and informal means in various channels, seeking to distribute their portfolio of political investments evenly across various activities, depending on the opportunities for influence perceived/offered by the political system and the highest possible returns. However, such opportunities may be hindered by long-standing institutional characteristics of the political system and/or may be created or closed by policy makers individually (Schneider, 2010, 312-313).

In the Brazilian case, Schneider (2010) believes that relations are characterized as fluid, fragmented, individual, and informal, with weak comprehensive associations, which is contested in the case analyzed here: the groups of large citrus industries have a portfolio of political investments with the broad and fragmented public power, based on both collective and individual, formal participation. This is because, despite the existence of informal contacts, such as relationships with ministers or influential officials in strategic positions, there are various formal channels of relationship between entrepreneurs and the state in Brazil that are used by citrus groups.

The motives driving the citrus business community toward collective or individual actions can be elucidated through the theory of collective action by Olson (2011). This theory highlights how rational individuals pursue shared interests for collective gain, provided there are “selective

<sup>6</sup>This division is corroborated by Ramanzini Júnior and Farias (2016).

incentives” that motivate group participation. Consequently, individuals within a group constantly weigh their contribution toward collective benefits. Interest groups engage in lobbying to sway government policies, aiming to cater to shared interests, resulting in diffuse benefits for all sector members. If lobbying were the sole purpose, the group would dissolve upon achieving its goal. Therefore, lobbying cannot be the sole focus of the association (Olson 2011).

Therefore, theoretically, our analysis seeks to reconstruct the portfolio of political investments of large citrus industries’ interest groups in the themes of commercial foreign policy, notably related to the reduction of protectionist barriers, opening of new markets, and commercial promotion. As assignments of foreign commercial policy are divided among several agencies, despite a certain predominance of the MRE in the Lula years, analyzing whether the application of this portfolio in ministries with assignments in foreign commercial policy (MAPA, MDIC, and the MRE) translates into participation and influence of these groups in decision-making will allow us to verify the influence and participation of large citrus industries in foreign commercial policy decision-making.

This discussion is relevant because the expansion of the Brazilian state, with dozens of ministries, and the increase in the number of organized actors in society has generated an absolute number of actors in current politics that is greater than in other periods (Farias and Ramanzini Jr 2015). From this perspective, we understand that while there is greater openness for civil society participation, especially for the interest groups of specific ministries, such as MAPA and MDIC, the MRE has also been approaching and accommodating the demands of citrus associations. Therefore, interest groups participate in the political process by collaborating with government advisory bodies and legislators, informing them about the desired direction of public policies that affect their interests. Their methods involve gathering information on government policies and their changes, familiarizing themselves with established policy administration, and seeking to influence the decision-making process, as will be discussed in the following section.

## Interaction of large citrus agro-industries with MAPA, MDIC, and the MRE

Although informal ties might bind the large citrus industry groups and the Brazilian state, multiple formal channels accommodate demands in various institutionalized arenas, reflecting the multifaceted engagement of these groups. Applying Schneider’s (2010) “participation” dimension reveals three strategies for influencing governmental decisions, contingent upon power dynamics:

1. collective participation through sectoral associations in multisectoral spaces, such as the Sectoral and Thematic Chambers in MAPA, projects of the Brazilian Agency for the Promotion of Exports and Investments (APEX-Brasil), Audiences, or other meetings in ministries;
2. individual participation of each large industry without prior concertation among them, such as the Private Sector Executive Council (CONEX) of the Foreign Trade Chamber (CAMEX) of MDIC; and

3. both collective participation, through associations, and individual participation of each company, in the case of the Commercial Promotion Department (DPCom), Base Product Department (DPB), Commercial Defense and Safeguards Department (DDF), and Commercial Controversies Division (DCCom) in the MRE, and hearings with ministers or other officials of MAPA, MDIC, and the MRE.

Thus, the political investment portfolio of associations of large citrus industry in São Paulo before the Federal Executive Power, aimed at making beneficial decisions/actions for the sector in the area of commercial foreign policy, identified in this research through consultation of government officials' public agendas, minutes of ministerial meetings, diplomatic telegrams, the position documents of associations (on their websites or in their publications), and interviews with actors who participated in the processes, can be summarized as follows: presence of interest associations in the Sectoral Chamber (CS) of Citriculture at the Ministry of Agriculture, in the Permanent Business Council (CEP) of the MRE, and leading the Sectoral Project of the sector at APEX-Brasil; presence of interest associations and large citrus companies in various departments of MAPA and the MRE; presence of one of the large companies in the CONEX of CAMEX subordinated to the Ministry of Industry. Table 1 details this portfolio based on the concepts developed in the previous section.

**Table 1. Portfolio of political investments of São Paulo's major citrus industry interest groups with the Federal Executive Power, 2001-2018<sup>7</sup>**

<i>Locus</i>			
<b>Dimension</b>	<b>Participation</b>	<b>Entry form</b>	<b>Participation/ influence channels</b>
CS (MAPA)	Collective	Formal (invitation)	Advisory council
CTNAI (MAPA)	Collective	Formal (invitation)	Advisory council
CEP (MRE)	Collective	Formal (invitation)	Advisory council
APEX-Brasil (MDIC)	Collective	Formal (call for proposals)	Sectorial Project
CONEX (CAMEX-MDIC)	Individual	Formal (invitation)	Advisory council
MAPA, MDIC and MRE Departments	Individual and Collective	Formal (invitation or private initiative)	Lobbying

Source: own elaboration.

<sup>7</sup> Ministério do Desenvolvimento, Indústria, Comércio e Serviços – MDIC. *Atas das reuniões ordinárias do Conselho de Ministros da Câmara de Comércio Exterior.*, Câmara de Comércio Exterior, Atas nº 2 a 119. 2001-2018.

In this perspective, the strategy of interest groups from large citrus industry utilizes various formal spaces, mainly through lobbying and participation in councils in ministries with responsibilities over commercial foreign policy, aiming to influence and secure attention to their demands for market access and reduction of protectionist barriers against orange juice. It is possible to see that in arenas with conflicting interests, the exercise of influence is more complicated (such as the CS of MAPA); while in those that do not project conflicting interests, the exercise of influence is facilitated (cases of MDIC and MRE). Next, we explore these portfolios separately.

## The relationships between the large citrus industries and MAPA

Since its creation, MAPA has related to organized interests, often accommodating them in its structure in various ways. In the 2000s, new bodies were created to adjust and modernize the ministry's structure to meet the demand of agribusiness for greater participation in international trade, while others were reactivated, such as CS and Thematic Chambers (CT). In the Citrus CS, almost all links in the complex participate, including industries, nursery owners, research entities, citrus growers, and cooperatives, in addition to the government.

Despite the possibility of debate on foreign trade issues, the groups of large citrus industries used the CS as a sectoral coordination channel on issues directly affecting orange production. This led CitrusBr to be perceived as one of the Chamber's leaders (Marcusso 2018). Therefore, the CS primarily discussed phytosanitary problems, indebtedness and financing of citrus growers, the price of orange boxes, and Consecitrus. When international trade issues were discussed, the focus was either on the sale of fresh fruits or on information about actions taken by CitrusBr, indicating the difference in bargaining power of the large citrus industries in São Paulo.

On the other hand, although CS members in Citriculture have knowledge of the complex's difficulties, the lack of regulation in the sector (orange box price) prevents the CS from advancing in important issues, such as the proposal for a Strategic Agenda 2016-2020. Therefore, no advances in policies resulting from discussions in the CS occurred, not even in the Foreign Trade issue, whose main stakeholder is CitrusBr. However, the possibility of representation groups for the interests of large citrus industries maintaining a relationship with other instances of MAPA regarding Brazilian foreign trade policy may explain the low utilization of the Citriculture CS as a relevant formal channel.

This is because the Secretariat for International Relations (SRI) of MAPA was delegated all the ministry's international competence, becoming responsible for the most daily and necessary aspects of orange juice exports, such as commercial promotion, phytosanitary issues, and international negotiations. However, regarding agricultural attaches, no mention of contact was found. In turn, the CT for International Agricultural Negotiations (CTNAI), also within the Chambers of dialogue between public and private power, brought together several associations representing agribusiness interests, contributing to the formation of the Brazilian position in the Doha Round between 2005 and 2008, mainly when Abecitrus was part of the CT. CitrusBr was also present in the

reactivation of CTNAI in 2014, which may indicate a preference of interest groups of large citrus industries to discuss foreign trade issues with similar interest groups.

It is also worth noting that other formal channels are possible, such as meetings with the minister, as was the case of the meeting between the current Executive Director of CitrusBr, Ibiapaba Netto, and then-Minister of Agriculture, Kátia Abreu, when the President of the Citriculture CS could not attend. Unfortunately, public agenda data were only available between 2017 and 2018, a period in which no meetings were found between Minister Blairo Maggi and CitrusBr. However, four hearings were found in 2018 (in March, April, and June, two of them in March) with SRI employees and the ministry's Executive Secretary to discuss commercial promotion and non-tariff barriers.

### The relationships between large citrus industries and MDIC

Regarding interest groups of large citrus industries in São Paulo, although MDIC was the ministry where CAMEX, the main mechanism for formulating foreign trade policy was located for most of the period between 2001 and 2018, the large citrus industries in São Paulo and their interest groups sought the ministry only on a few traceable occasions for foreign trade policy issues. This is because disputes fought in multilateral organizations by the Brazilian government for the sector were not perceived in the CAMEX as strategic – either because the Chamber itself does not advance long-term agendas, or because the MRE, responsible for representing Brazil at the WTO, did not list orange juice disputes as important. However, the sector was not indifferent to the possibility of participating in the elaboration of proposals to the CAMEX, and an executive from one of the large industries (Mário Bavaresco Jr. from Citrosuco) obtained a seat at the Private Sector Consultative Council, a body that advises the CAMEX (Câmara de Comércio Exterior 2005; 2008). Thus, the relationship of the citrus interest groups with the CAMEX occurred through an open and formal consultative council, done individually.

However, it was revealed by the former president of CitrusBr that meetings with the minister occurred according to sector and ministry needs, varying depending on the minister in office<sup>8</sup>. In this sense, a meeting between Minister Marcos Jorge and representatives of the São Paulo citrus industries was found on the MDIC Agenda, aiming at the regulation of juices for export<sup>9</sup> – it is likely that the discussion was about ready-to-drink juices bottled by large or small industries with their own brands, aiming at a new stage of the production chain. Therefore, there is the possibility that the individual industries, or the associations, seek these meetings, but with the intention of presenting their demands (individual or sectoral).

In addition to contact with the ministers, contacts also occurred with members of specific Secretariats and Departments, such as the Department of Statistics and Support for Exports

<sup>8</sup> Lohbauer, C. Interview given to Camilla Silva Geraldello on April 30, 2020.

<sup>9</sup> Ministério da Economia. *Agendas públicas de funcionários e ministros de 2015 a 2018*. Brasília, 2020.

(DEAX), since the needs of the orange juice agribusiness related to MDIC revolved around operational issues regarding exports<sup>8</sup>. These channels can be formal and open if they occur via computer systems or public agenda meetings, or informal and opaque if outside the public agenda, and available to both industries and associations.

Finally, regarding APEX-Brasil, there is a relationship in which participation must be collective and organized, although sector companies can benefit from the Sector Project even without being part of the association. Entry is formal and open (to associations), as pointed out in the Agency's Procedures and Agreements Manual. Although it needs associations and there are demands from the sector being met, it probably cannot be considered a lobbying arena, as proposals are sent and evaluated, depending on approval for the demands to be realized.

Therefore, there were multiple channels in MDIC for the participation of interest groups in foreign trade policy decision-making, and the interest groups of the large citrus industries used several of these channels, both individually and collectively. The channel in which the formulation and execution of the action was the responsibility of the interest representation association (Sector Project at APEX-Brasil by CitrusBr) achieved the realization of the demand for market opening through commercial promotion. However, the main space for formulating foreign trade policy (CAMEX) did not discuss demands from the citrus sector<sup>10</sup>, although a representative from the sector participated in the CONEX. Even so, the demand for the reduction of protectionist barriers was met – via MRE, as will be seen next.

## The relations between large citrus industries and the MRE

Although the MRE deals in essence with what could be called “high politics” (international politics), an institution that is considered isolated since its inception, the ministry has dealt with foreign trade policy, sharing this role with other government entities since the 1940s. In addition, in the late 1950s and early 1960s, the MRE formalized an incipient relationship of consultations with class entities, which would remain even during the Civil-Military Dictatorship, especially regarding its performance in international organizations (Farias 2007)<sup>10</sup>. However, Garcia<sup>11</sup> also witnessed the opening that the MRE granted to the participation of entrepreneurs after democratization, especially in the 1990s.

Thus, spaces were opened for entrepreneurs in the MRE during the 1990s and 2000s, serving as formal channels used by groups of large citrus industries to demand actions from the ministry regarding foreign trade policy. Although the CEP was cited by Garcia<sup>11</sup> as a relevant locus of Abecitrus participation in the Itamaraty during the 1990s and early 2000s, the MRE's telegrams did not mention this Committee, and the interest groups of large citrus industries in São Paulo

<sup>10</sup> Which is corroborated by Ramanzini Júnior and Mariano (2013).

<sup>11</sup> Garcia, A. Interview given to Camilla Silva Geraldello on March 06, 2020.

were found in the MRE archives for the period from 2001 to 2018<sup>12</sup>. On the other hand, for Lohbauer<sup>8</sup>, CitrusBr's relations with the MRE occurred mainly with the DPB, but few messages were found between the associations of interest of the large citrus industries in São Paulo and this department. Also, few records were found of meetings with the Ministers of External Relations - only one message sent to Abecitrus was signed by the Minister, inviting it to discussions the Free Trade Area of the Americas (FTAA).

In this sense, with regard to the formal channels used by interest groups of large citrus industries in São Paulo in the MRE, the use of channels created by the ministry (DDF, Department of Trade Promotion – DPR, and General Coordination of Disputes – CGC) and channels established before the period analyzed in this work (relationship with the Brazilian Consulate in Miami and the Brazilian Embassy in Washington since the installation of factories of large citrus industries in the United States in the 1990s) was observed.

During the analysis of MRE telegrams and interviews, we noticed that there are no spaces whose participation is restricted to organized interests in entities. Although the participation of large citrus industries in the CEP occurred through Abecitrus, the presence of individual entrepreneurs was allowed. In other words, it was not necessary to be a member of an interest representation entity, so we classify it as a lobbying space but allowing collective participation (in the case of large citrus industries in São Paulo).

Similarly, the departments within the MRE with which interest groups from large citrus industries in São Paulo presented their demands can be considered lobbying spaces with diverse forms of entry. This is because the MRE was (and still is) the ministry that would help promote the São Paulo citrus industry and solve protectionist obstacles for a product that depends on foreign sales. At the same time, the MRE needs information and seeks it from the sector<sup>13</sup>. In this sense, both the interest representation associations of large citrus industries and the industries themselves were approached by DPR (and its divisions) and DPB to participate in diplomatic missions and events with foreign delegations, aiming to promote Brazilian products. In addition, DPB, together with DDF, approached the sector when phytosanitary measures were imposed or negotiated. In turn, DDF approached the large citrus industries in São Paulo and their interest representation associations when various protectionist barriers were imposed, such as Equalization Excise Tax (EET), antidumping measures, and prohibition of the pesticide carbendazim.

It is thus noted that in many situations, dialogue with the sector came from the MRE itself. However, the sector also approached the ministry for commercial promotion and protectionist barriers, especially seeking CGC, the Brazilian Embassy in Washington, and the Brazilian Consulate in Miami, given that Brazilian orange juice faces various protectionist barriers in the US market that have global implications. However, despite being old, the US protectionist barriers on Brazilian orange juice were only questioned in the 2000s: in 2002, when Brazilian commercial diplomacy

<sup>12</sup> Brasil. Telegramas selecionados. 2001-2018.

<sup>13</sup> Colares, P. G. Interview given to Camilla Silva Geraldello on November 06, 2019

invested heavily in opening disputes in the WTO; and in 2008, a moment of increased protectionism in developed countries - which explains the phenomena found.

In both moments, the participation and collaboration of the sector were fundamental, both for the cases to reach the WTO and for their development and finalization. Without the desire and investment of time and resources from the interest groups of large citrus industries in São Paulo, perhaps, even with violations of WTO rules by US protectionist barriers, disputes might not have occurred. This is because for the Brazilian government to take the case forward and open a dispute in the WTO, it is necessary to have a demand from the affected sector, which must have the willingness, time, and financial resources available to gather sufficient evidence that ensures victory in the WTO.

### **Analysis of the interaction of large citrus agro-industries with MAPA, MDIC, and the MRE**

During the 1980s and 1990s, as globalization gained momentum and trade liberalization was encouraged in Brazil, various interest groups vied for recognition as legitimate representatives and sought to engage in political decision-making to advocate for their respective interests. Such pursuit for influence within the decision-making processes by public authorities is the essence of lobbying. With this backdrop, the strategies employed by the major citrus industry interest organizations in the State of São Paulo, concerning Brazil's foreign trade policy from 2001 to 2018, primarily centered on lobbying endeavors across multiple ministry spheres responsible for shaping the policy.

Schneider (2010) incorporates the commodity boom of the 2000s to the macro-transformations of the 1980s and 1990s (democratization and market reforms) to elucidate the engagement of business groups in policy formulation within Latin America. Consequently, these business groups adeptly leveraged various communication channels, including industry associations, "bureaucratic rings," and direct personal engagements with decision-makers (Mancuso 2007b). Despite the continuity of the corporatist system, the Brazilian business sector persists as a potent actor, characterized by its ability to assume the role of the "political entrepreneur" (Mancuso 2007b). Despite changes over the decades, business groups' ongoing connections and influences within the government have secured favorable outcomes, owing to their status as empowered actors (Mancuso, 2007a).

The macro-transformations serve as mobilizing factors for the action of entrepreneurs organized within corporatist entities. In the case studied in this work, it is notable that Abecitrus and CitrusBr, extra-corporatist representation entities of major citrus processing industries in São Paulo, as well as their individual members, have acted as political entrepreneurs, utilizing various channels of interaction with the Brazilian state in ministries responsible for foreign trade policy, aiming to provide collective or individual benefits for this group. Thus, Figure 1 can be expanded into Table 2.

**Table 2. Political investment portfolio of interest groups from large citrus industries in São Paulo with the Federal Executive Power between 2001 and 2018.**

<b>Dimension</b>	<b>Locus</b>	<b>Participation</b>	<b>Entry form</b>	<b>Participation/ Influence channels</b>	<b>Results</b>
CS Citriculture (MAPA)		Collective	Formal (invitation)	Advisory council	Conflicts arise, leading the analyzed groups to seek policies that are neutral to their interests.
CTNAI (MAPA)		Collective	Formal (invitation)	Advisory council	Generates policies that converge with the interests of the analyzed groups.
CEP (MRE)		Collective	Formal (invitation)	Advisory council	Discussion of policies that converge with the members' interests, providing collective benefits to the entire economy.
APEX-Brasil (MDIC)		Collective	Formal (call for proposals)	Sectorial Project	Action that provides collective benefits to the sector.
CONEX (CAMEX)		Individual	Formal (invitation)	Advisory council	Discussion of policies that converge with the members' interests, providing collective benefits to the entire economy.
Ministerial and departmental meetings (SRI) at MAPA		Collective	Formal (invitation or private initiative)	Lobbying	Generally results in policies that converge with the interests of the analyzed groups.
Ministerial and departmental meetings at MDIC		Collective	Formal (invitation or private initiative)	Lobbying	Lobbying action that tries to bring about policies that converge with the interests of the analyzed groups and seeks to solve everyday operational problems.
Various Departments and Posts (DDF, DPR, CGC, DPB, Brazilian Consulate in Miami, and the Brazilian Embassy in Washington) in MRE		Individual and collective	Formal (invitation or private initiative)	Lobbying	Lobbying action that attempts to generate positive results for the interests of the analyzed groups.

Source: Own elaboration.

Olson's logic of collective action helps us explain how interest groups organize, but this approach falls short in explaining the relationship of these groups with the Brazilian public authorities – an actor that cannot be considered passive. In arenas where there are conflicting

interests, the exercise of influence is more complicated (as in the case of MAPA); in those that do not project conflicts of interest, the exercise of influence is facilitated (as in the cases of MDIC and the MRE). Therefore, even if we cannot speak of influence by citrus business interest groups, if these organized interest groups present the same preferences as the bureaucracies making the decisions, we were able to verify the causal relationship between the actions of government and business actors.

## Conclusion

This work aimed to track the formal channels of dialogue between the interest groups of the major citrus industries in São Paulo and the Brazilian government regarding foreign trade policy established by governments during the period between 2001 and 2018. Such channels must be authorized by the state (provided for by law and publicized). Although the creation of the Ministry of Agriculture's CS can be considered a formal channel created by the private sector, the Citriculture CS was not an initiative of Abecitrus. However, both interest groups representing the major citrus industries in São Paulo between 2001 and 2018 used the available formal channels according to their needs, combining them. In addition, although the former presidents of Abecitrus and CitrusBr do not consider one association to be the heir of the other and no transition was found between the associations, it was possible to verify the continuity of the entities' actions regarding contacts with the analyzed ministry offices.

Thus, for the business community in general, interest groups of the major citrus industries in São Paulo have assumed the role of political entrepreneur, accepting the necessary costs to provide collective benefits to the sector. This is because for interest groups to be created and maintained, there must be a common interest and selective incentives, positive or negative: for the major citrus industries in São Paulo, the common interest is a market interest in increasing sales of their products, attempted through the opening of new markets and the reduction or cessation of protectionist barriers in traditional markets. However, remaining in interest representation associations did not always offer advantages to these industries, as Cutrale's abandonment of Abecitrus in 2005 indicates.

Not only did interest representation associations act as lobbying agents, but the companies themselves sought the available formal channels to achieve objectives regarding Brazilian foreign trade policy. This is because the available formal channels for dialogue between the business community and the government accommodate both collective and individual demands, and the business community seeks to participate in policymaking by distributing its portfolio of political investments in various participation channels. That is, there is fragmentation in the channels used by the major citrus industries in São Paulo. However, the diversity of channels analyzed here was formally constituted, and many of these channels are used collectively - a result that opposes Schneider's (2010) characterization of the Brazilian case.

From this perspective, a result of the macro transformations of the 1980s, 1990s, and 2000s, the business sector managed to gain several institutionalized spaces to participate in discussions on foreign trade policy, which was taken advantage of by the large citrus industries in São Paulo. However, this participation was sometimes limited to the mere physical presence of the private sector, as in the case of CONEX, and measuring the influence of the interest group's lobbying is difficult when expectations between these groups and the government are convergent, like the cases of disputes at the WTO. On the other hand, it was possible to verify the distribution of responsibilities for foreign trade policy in various ministries and the little involvement of CAMEX in its formulation.

Therefore, this work aimed to reconstruct the political investment portfolio of interest groups in the large citrus industries of São Paulo for foreign trade policy themes; show the breadth of diffusion of these networks and detail the bargaining power of the large citrus industries of São Paulo; and present the various arenas responsible for the country's foreign trade policy for agribusiness. However, only the strategy of influencing and participating in the formulation of foreign trade policy by interest groups in the large citrus industries through formal channels was analyzed. Therefore, the study of informal channels may be an agenda for future research. In addition, due to the oligopsony characteristics of the citrus complex, which generate difficulties for the action of citrus grower groups<sup>14</sup>, some formal channels may not be relevant to other agribusiness complexes - which may use different formal channels than those analyzed in this work. Again, this application and comparison may be another agenda for future research.

## Acknowledgements

This article is the result of the author's doctoral thesis defended in July 2021 at the Department of Political Science, FFLCH-USP, with support from the Coordination for the Improvement of Higher Education Personnel - Brazil (CAPES) - Financing Code 001. Transcripts of the interviews cited in this article and in the author's doctoral thesis are available on Harvard Dataverse, <https://doi.org/10.7910/DVN/LYDWC2>. I would like to thank the RBPI reviewers for their comments to improve the work.

## References

Anastasia, F., C. Mendonça, and H. Almeida, "Poder legislativo e política externa: jogando com as regras." *Contexto Internacional* 34, no. 2 (2012): 617-657.  
doi: <https://doi.org/10.1590/S0102-85292012000200008>

<sup>14</sup> Due to the fact that the participation of industries is predominant in technical bodies, even in those that have the presence of citrus growers' associations, the action of associations of large citrus industries in São Paulo strengthens the sector, reducing spaces for citrus growers.

- Arbix, D. “Contenciosos brasileiros na Organização Mundial do Comércio (OMC): pauta comercial, política e instituições.” *Contexto Internacional* 30, no. 3 (2008): 655-699. doi: <https://doi.org/10.1590/S0102-85292008000300003>
- Associação Nacional dos Exportadores de Sucos Cítricos. *CitrusBr, edição especial*. 2015. Acesso on April 02, 2021. [http://www.citrusbr.com/revista/maio2015/revista\\_citrus\\_0515.pdf](http://www.citrusbr.com/revista/maio2015/revista_citrus_0515.pdf)
- Bonomo, D. “O problema do comércio exterior”. In: *10 Desafios da Política Externa Brasileira*, edited by M. Spektor. Rio de Janeiro: Centro Brasileiro de Relações Internacionais, 2016.
- Bonomo, D. “Sem deixar a peteca cair: o Brasil e os contenciosos na OMC.” *Pontes* 10, no. 6 (2014).
- Brandão, J. B., and J. C. P. R. Conceição. “Desafios da inserção competitiva internacional.” In *Diagnóstico e desafios da agricultura brasileira*, organized by J. E. R. Vieira Filho. Rio de Janeiro: Instituto de Pesquisa Econômica Aplicada, 2019.
- Câmara de Comércio Exterior. “Resolução no. 30 de 27 de maio de 2008. Dispõe sobre a composição do Conselho Consultivo do Setor Privado – CONEX.” *Diário Oficial da União*, May 28, 2008. Acesso on December 09, 2020. <http://www.camex.gov.br/resolucoes-camex-e-outros-normativos/58-resolucoes-da-camex/698-resolucao-n-30-de-27-de-maio-de-2008>
- Câmara de Comércio Exterior. “Resolução no. 35 de 16 de novembro de 2005. Dispõe sobre a composição do Conselho Consultivo do Setor Privado – CONEX.” *Diário Oficial da União*, November 17, 2005. Access on December 09, 2020. <http://www.camex.gov.br/resolucoes-camex-e-outros-normativos/58-resolucoes-da-camex/525-resolucao-n-35-de-16-de-novembro-de-2005>
- Carvalho, M. I. V. “Condicionantes internacionais e domésticos: o Brasil e o G-20 nas negociações agrícolas da rodada Doha.” *Dados* 53, no. 2 (2010): 405-445. doi: <https://doi.org/10.1590/S0011-52582010000200005>
- Costa, J. “Suco de laranja não concentrado tem mercado mais aquecido após pandemia, por Jorge Costa da Louis Dreyfus Company (LDC).” *Notícias Agrícolas*, June 27, 2022. Access on July 22, 2022. <https://www.noticiasagricolas.com.br/artigos/artigos-geral/320793-suco-de-laranja-nao-concentrado-tem-mercado-mais-aquecido-apos-pandemia-por-jorge-costa-da-louis-dreyfus-company-ldc.html#.Ytq4V3bMLrc>
- Diverio, T. S. M., and C. G. A. M. Netto. “Ação e participação dos atores domésticos para influenciar a posição brasileira na rodada de negociações agrícolas da OMC.” *Boletim Gaúcho de Geografia* 42, no. 2 (2015).
- Farhat, S. *Lobby: o que é: como se faz: ética e transparência na representação junto a governos*. São Paulo: Aberje, 2007.
- Farias, R. S. “O Brasil e o GATT (1973-1993): unidades decisórias e política externa.” Master diss., Universidade de Brasília, Brasília, 2007.

- Farias, R. S., and H. Ramanzini Júnior. "Reviewing horizontalization: the challenge of analysis in Brazilian foreign policy." *Revista Brasileira de Política Internacional* 58, no. 2 (2015): 5-22. doi: <https://doi.org/10.1590/0034-7329201500201>
- Fava Neves, M., V. G. Trombin, P. Milan, F. F. Lopes, F. Cressoni, and R. Kalaki. *O retrato da citricultura brasileira*. São Paulo: Associação Nacional dos Exportadores de Sucos Cítricos, 2010.
- Geraldello, C. S. "Agronegócio, comércio internacional e representação de interesses no Brasil: o caso das grandes indústrias citrícolas paulistas." Doctoral thesis, Universidade de São Paulo, São Paulo, 2021.
- Gerring, J. "What is a case study and what is it good for?" *American political science review* 98, 02 (2004): 341–354.
- Gottens, L. "Suco de laranja ganhou com pandemia: rabobank." *Agrolink Notícias*, February 12, 2021. Access on July 22, 2022. [https://www.agrolink.com.br/noticias/suco-de-laranja-ganhou-com-pandemia--rabobank\\_446036.html](https://www.agrolink.com.br/noticias/suco-de-laranja-ganhou-com-pandemia--rabobank_446036.html)
- Mancuso, W. P. "O empresariado como ator político no Brasil: balanço da literatura e agenda de pesquisa." *Revista Sociologia e Política*, no. 28 (2007b): 131-146. <https://doi.org/10.1590/S0104-44782007000100009>
- Mancuso, W. P. *O lobby da indústria no Congresso Nacional: empresariado e política no Brasil contemporâneo*. São Paulo: Universidade de São Paulo, 2007a.
- Mancuso, W. P., A. C. O. Gozetto. *Lobby e políticas públicas*. Rio de Janeiro: Fundação Oswaldo Cruz, 2018.
- Marcusso, E. F. "O poder econômico das câmaras setoriais na governança territorial do Brasil: as câmaras setoriais do Ministério da Agricultura." *Espaço & Geografia* 21, no. 2 (2018): 491:531.
- Marques, J. C. "Foreign policy and the private sector in Brazil: from corporatism to business diplomacy." Doctoral thesis, Geneva Graduate Institute, Genève, 2008.
- Milani, C. R. S., and L. Pinheiro. "Política externa brasileira: os desafios de sua caracterização como política pública." *Contexto Internacional* 35, no. 1 (2013): 11–41. doi: <https://doi.org/10.1590/S0102-85292013000100001>
- Oliveira, A. J. N., and J. Onuki. "Grupos de interesses e a política comercial brasileira: A atuação na arena legislativa." *Papéis Legislativos*, no. 8 (2007): 1–20.
- Oliveira, M. F. "Multilateralismo, democracia e política externa no Brasil: contenciosos das patentes e do algodão na Organização Mundial do Comércio (OMC)." *Contexto Internacional* 29, no. 1 (2007): 7-38. doi: <https://doi.org/10.1590/S0102-85292007000100001>
- Olson, M. *A lógica da ação coletiva: os benefícios públicos e uma teoria dos grupos sociais*. São Paulo: Universidade de São Paulo, 2011.
- Pires, M. J. S., and G. R. Santos. *Modelo agroexportador, política macroeconômica e a supremacia do mercado: uma visão do modelo brasileiro de exportação de commodities*. Rio de Janeiro: Instituto de Pesquisa Econômica Aplicada, 2013.

- Ramanzini Junior, H., and M. P. Mariano. "Brazil and the G-20: domestic pressures and the construction of the negotiating position in the Doha round of the WTO." *Journal of World Trade* 47, n. 3 (2013): 1203-1224. doi: <https://doi.org/10.54648/trad2013040>
- Ramanzini Junior, H., and R. S. Farias. "Participation and influence: democratization and the shaping of a public policy in Brazil." *Latin American Policy* 7, no. 1 (2016): 106-125. doi: <https://doi.org/10.1111/lamp.12092>
- Rocha, G. A. "As diretrizes da política externa comercial do Brasil (2003 - 2010)." Doctoral Thesis, Universidade Federal de Pernambuco, 2019.
- Schneider, B. R. "Politics in Latin America: patterns of fragmentation and centralization." In *The Oxford handbook of business and government*, edited by D. Coen, W. Grant, and G. Wilson. New York: Oxford University Press, 2010.
- Silva, A. L. R., and A. P. Spohr. "A relação entre executivo e legislativo na formulação de política externa no Brasil." *Relações Internacionais* 50, (2016): 123-160.
- Silva, M. L., A. G. S. Franck, R. A. Silva, D. A. Coronel. "Padrão de especialização do comércio internacional agrícola brasileiro: uma análise por meio de indicadores de competitividade." *Revista em Agronegócio e Meio Ambiente* 11, no. 2 (2018): 385-408.
- Søndergaard, N. "Food regime transformations and structural rebounding: Brazilian state-agribusiness relations." *Territory Politics Governance* 11, no. 1 (2020): 1-20. doi: <https://doi.org/10.1080/21622671.2020.1786447>