



## CGU'S INSTITUTIONAL DESIGNS BETWEEN 2001 AND 2016

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**Abstract:** This article is part of the field of political control studies in the context of coalition presidentialism and the delegation of powers within the Federal intra-executive scope in Brazil. Guided by the question: “What were the CGU’s administrative designs between 2001 and 2016?”, The article intends to explore the changes in the administrative designs of the agency in order to verify possible interferences in the degree of discretion and autonomy. Using the analytical model of agency design proposed by Lewis (2013), the main findings of the article point to the strengthening of the CGU in the two mandates of FHC (PSDB) and in the mandates of PT and Lula Dilma, both PT and a possible weakening of the organ during the government of Michel Temer (PMDB). However, the findings do not allow definitive conclusions in this regard.

**Key-words:** CGU; Intra-Executive Relation; *Agency Design*.

### 1 Introduction

Coalitional presidentialism is the *modus operandi* of politics in Brazil. In the choices for composing the presidential cabinet, the president delegates powers to the chiefs of the cabinets that compose the government. However, how may the president be sure that their delegate is performing the tasks? One of the possible answers: they create control agencies.

In Brazil, after the 1988 Constitutional Convention, the monitoring of public policies was under the responsibility of the Federal Secretariat of Internal Control (SFC), connected to the Ministry of Finance. From 2002, in the government of Fernando Henrique Cardoso, the SFC was transferred to the newly-created agency Office of Federal General Internal Affairs (CGU). A priori, the CGU was responsible for directly and immediately assisting the Brazilian President on subjects that, within the scope of the Federal Executive Branch, pertained to the defense of the public property and the increase in the management transparency through activities of internal control, public auditing, correction, prevention of and fight against corruption, and the ombudsman’s office.

Olivieri (2010) already pointed to the political control of bureaucracy by the president through the monitoring of public policies by the internal control of the Federal Executive Branch. Responsible for monitoring the bureaucracy and rendering of accounts of the Executive Branch to the Legislative Branch. “In this sense, the SFC works as the ‘eyes’ of the President

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within the ministries, given that the President does not directly control the self-control mechanisms of the ministries” (OLIVIERI, 2010, p. 25).

From 2001 to 2016, the Brazilian Federal Executive Branch had the support of a control agency internal to it responsible, among other duties, for inspecting the finances of the Public Administration in the country. Within the scope of the federal executive branch, it also included the administration of presidents and Ministers. Several modifications to the bureaucracy of this agency have already been made, and it has already had several names, administrators, and bureaucracy models.

Instigated by such changes, this case study seeks to analyze the institutional designs of the CGU through the analysis of Provisional Presidential Decrees (PPDs), Presidential Legislative Decrees, and Bills to verify over the considered period if the changes introduced affected the degree of discretion and autonomy of the Office of the Federal Controller General (CGU). Moreover, this article casts light on the alteration made in 2016 with the purpose of elucidating the action of political agents, be it the Executive Branch or the Legislative Branch, on the CGU. This exploratory case study seeks to deepen knowledge and generate hypotheses regarding the said object of study with the following question: What were the administrative designs of the CGU from 2001 to 2016?

Beyond this introduction, the article is divided into four sections and final considerations. The first section addresses the dilemmas related to the functioning of coalition presidentialism in Brazil and its potential consequences on the dimension of the delegation of powers and control to coalition partners. The second section presents a brief history of the implementation of the internal control agency that would come to be the CGU. The third section presents the agency design model proposed by Lewis (2003) that will serve as a theoretical and empirical background for the longitudinal analysis to be undertaken in the fourth section about the administrative designs of the CGU. In addition, the fourth section endeavors to analyze the legislative process of the Provisional Presidential Decree (PPD) No. 726 of 2016, edited by Michel Temer. The final considerations emphasize the main findings and limitations of this article.

## **2 Coalition presidentialism, delegation of powers, and the need for control**

In presidentialism, the chief of the Executive Branch is elected by the people through direct voting. With origin in the United States, presidentialism delegates to the president alone the role of the chief of the Executive Branch. However, unlike American presidentialism, in which there is no composition of the presidential cabinet with opposition parties, since its foundation to date, presidentialism in Brazil has the characteristic of including political parties other than that of the president in the composition of the government, due to multipartyism. This essence of party coalitions in the government in a presidential system was denominated

coalition presidentialism (ABRANCHES, 1988; 2018).

The dynamic of coalition presidentialism leads us to think about its impact on other branches, especially the Legislative Branch, given that the Executive Branch needs to approve its laws in the legislative houses. Limongi (2006) systematized the impacts that this political arrangement brought to Brazil. Regarding presidential legislative success and dominance, they were high in the post-1964 period, indicating that the Executive-Legislative relationship was cooperative. However, how does the Executive Branch obtain the support of the legislative majority? Limongi (2006) pointed to coalitions. According to the author, “the Brazilian government is successful in the legislative arena because it has the solid support of a party coalition.” (LIMONGI, 2006, p. 24). Nevertheless, there are still risks that the legislative arena will not always be aligned with the plans of the Federal Executive Branch.

Figueiredo (2001) already pointed to the importance of horizontal accountability mechanisms as a control strategy for the Executive-Legislative relationship. And why not think of the same need for control between the President and their Ministers (especially those of party profiles)? The latter are a resonance of the legislative body and, therefore, it makes sense to think of the need also to verify if the coalitions are aligned with the president's agenda or if the president manages, to some extent, to protect their priority agenda (INÁCIO, 2017).

In this sense, the Brazilian Executive Branch chief has delegated to the CGU, an internal control agency of the Federal Executive Branch that acts as one of the main strategies for the supervision and control of the Federal Executive Branch. The institutional theory of the presidency (MOE, 2004, 2009; INÁCIO; LLANOS, 2015, 2016), influenced by the theory of rational choice (OLSON, 1999; DOWNS, 1999), points to the importance of bureaucratic arrangement as a strategy that presidents have for controlling their agents. Anchored on the principal-agent model, in which a principal delegates powers for an agent to execute a given activity, this literature points to the need for control agencies as supervisors of the actions of agents.

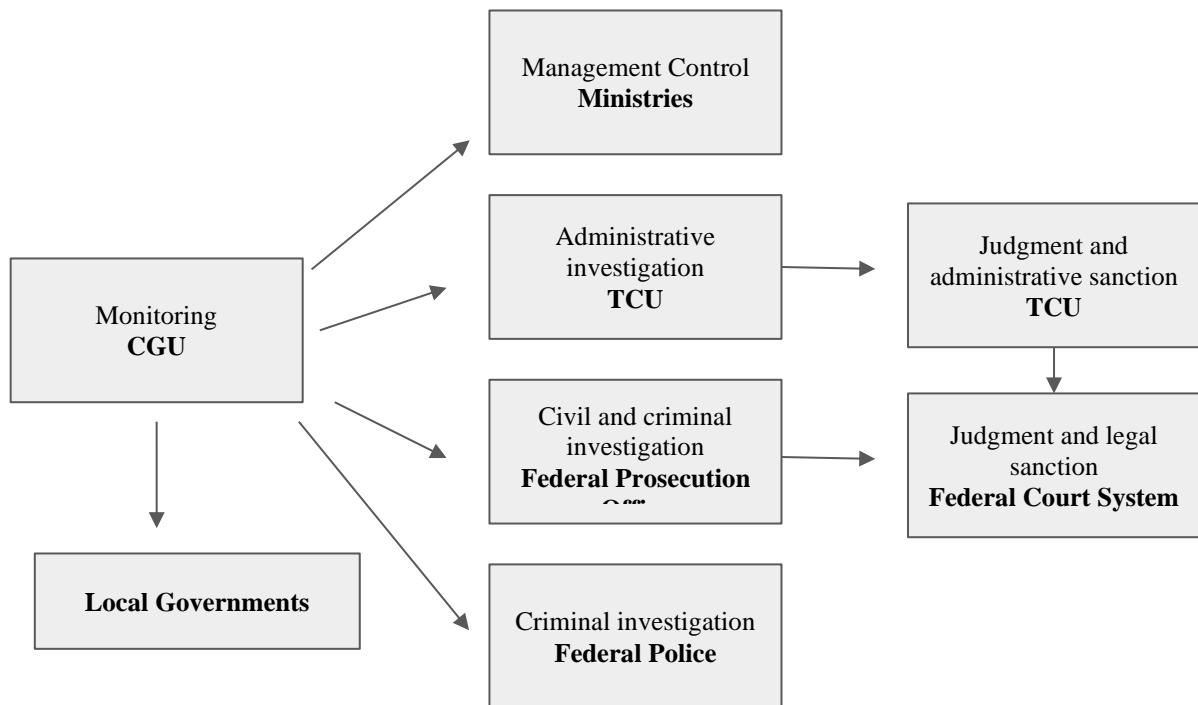
Unlike the duties of the Office of the President's Chief of Staff, on which it is also incumbent to coordinate and integrate governmental actions, as an internal control agency of the Federal Executive Branch, the CGU has two bureaucratic tools that help the chief of government to monitor their coalition more precisely, assessing the misuse of discretion by its presidential cabinet. Through the SFC, the CGU carries out audits and supervision of public policies.

The audit and supervision of the execution of public policies, which are at the core of the work of the SFC, allow the President to monitor the activity of their Ministers and the bureaucracy subordinated to them. Therefore, the information produced by the SFC on the performance of the public policies is among several instruments at the disposal of the President to control the delegation of power to their Ministers and the bureaucracy (OLIVIERI, 2010, p.

26).

A classic example of misuse of discretion is corruption (FILGUEIRAS, 2008), characterized as a culturally and socially rooted phenomenon hard to combat (SPECK, 2002). Submitting corruption to the accountability process became an agenda of the democratic principle of inclusion (ARANHA, 2015). Within this network of accountability institutions, the CGU appears as the agency responsible for monitoring the network (Figure 1).

**Figure 1** – Control and accountability flow by the federal accountability institutions regarding irregularities found in the management of federal resources by municipal governments, Brazil, 2015.



Source: Aranha (2015).

Despite being considered a mechanism of little political autonomy and limited action (POWER; TAYLOR, 2011), the CGU was considered the leader in internal control of the Federal Executive Branch because it was responsible, among other duties, for routing the complaints and requesting investigations.

According to Mainwaring (2003), the activity of this control agency is guided by the accountability network of institutions. According to the literature on an anti-corruption agenda in Brazil, this agenda has been corroborated by the activity of at least five federal institutions: i) the CGU; ii) the Federal Accounting Court (TCU); iii) the Federal Prosecution Office (MPF); iv) the Federal Police (PF); and v) the Federal Court System (JF) (ARANTES, 2011; ARANHA; Filgueiras, 2016). Each agency has its due responsibilities to strengthen the Brazilian democracy. Various works on the functioning of such agencies have already been vastly explored in the literature (LOUREIRO; TEIXEIRA; MORAES, 2009; OLIVIERI, 2011;

POWER; TAYLOR, 2011), and only recently has the interaction among such a network been discussed (ARANHA, 2015).

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[...] presidents have introduced Executive internal control mechanisms, centralized in the presidency, to anticipate risks to government performance. Among these mechanisms are the public Ethics Committee (1999), the Ethics Management System of the Federal Executive in 2007, and the Office of the Federal Controller General (CGU), which act to keep tabs on the Ministers. Congress may convene or invite Ministers to provide clarification or information regarding legislative proposals or executed policies<sup>7</sup>, as well as use the Parliamentary Committee of Investigation in critical situations. Given the strong delegation of powers to the Executive and the capacity of a governmental majority to bar legislative investigations, these oversight mechanisms are primarily used to pressure for changes or control of their discretion on the policies and resources of a ministry. Attentive to informational gaps in the management of the cabinet, the presidency, since Cardoso, has taken these “fire alarms” set off by the legislators as alerts for activating its own control of the actions of Ministers (INÁCIO, 2018, p. 118).

After the Constitution of 1988, Brazilian Presidents have designed agencies to fulfill the crucial role of directly and immediately assisting the President regarding the matters of the defense of public property and the increase of management transparency (ARANTES, 2011; AVRITZER, 2011; CORRÊA, 2011; FILGUEIRAS, 2011; SPINELLI, 2012; ARANTES; MOREIRA, 2019). Furthermore, especially for being coalition presidentialism, it is necessary to think and know which political parties inserted in both the Legislative Branch and the Executive Branch are more aligned with the creation and the agenda of this internal control agency (INÁCIO, 2017; INÁCIO; LLANOS, 2015, 2016).

## **2.1 Creation of internal control agencies in the Brazilian Federal Executive Branch**

In the post-constitution context, during a turbulent second term marked by corruption scandals, institutional instability, and social pressure, the then Brazilian President Fernando Henrique Cardoso of the Partido da Social Democracia Brasileira (PSDB) created an internal control institution of the Executive Branch. It was in this context that the Office of Federal General Internal Affairs (CGU) emerged. It was up to the internal affairs office to “directly and immediately assist the President in the performance of their duties regarding the matters and arrangement that, within the scope of the Executive Branch, pertain to the defense of public

property” (Article 6 - A, PPD 2143-31).

The activities directed to the ombudsman’s office and internal control of the Federal Executive Branch were carried out, respectively, through the Office of the Federal General Ombudsman (OGU) and the SFC, connected to the Ministry of Finance (SFC) or the Ministry of Justice (OGU). However, in March 2002, through Presidential Decree No. 4177, the internal control and auditing activities were transferred to the then Office of Federal General Internal Affairs (CGU).

In 2003, through Law No. 10683, the CGU was renamed by former president Luiz Inácio Lula da Silva of the Partido dos Trabalhadores (PT) as the Office of the Federal Controller General, receiving a ministry status. It was the first time in Brazil that a president assigned such a status to an institution with an anti-corruption agenda. In this movement, the CGU incorporated the old functions of the Office of Federal General Internal Affairs.

In January 2006, through Decree No. 5683, the Secretariat for Corruption Prevention and Strategic Information (SPCI), responsible for developing mechanisms for preventing corruption, was created. This meant greater responsibilities for the CGU in anticipating the offenses framed as corruption and also identifying them.

With the increase in the interest on the anti-corruption agenda, the then Brazilian President Dilma Rousseff (PT), through Decree No. 8109 of September 2013, made institutional changes to the agency structure, granting it more autonomy. Among the main alterations, the decree inserted the Secretariat of Transparency and Corruption Prevention (former SPCI), responsible for the formulation, coordination, and fostering of programs, actions, and rules aimed at preventing corruption in public administration and its relationship with the private sector.

In 2016, marked by a significant political crisis, the arrival of Michel Temer of the Partido do Movimento Democrático Brasileiro (PMDB) to the post of chief of the Executive Branch led to the extinction of the CGU and assigned its functions to the newly-created Ministry of Transparency, Supervision, and Control.

It is interesting to attempt to analyze, from the normative viewpoint, the commitment or not of political parties relative to the existence of an internal control agency of the Federal Executive Branch with the independence of action. Given that the CGU has the competence to investigate, among others, ministries and their bureaucracies, there may be an attempt to limit the activity autonomy of the agency due to political interests. In principle, such an attempt may be observed in the legislative arena in the form each political party positions itself relative to the matters pertaining to the agency. Therefore, we intend to conduct a descriptive case study on the administrative designs of the CGU so to verify the degree of autonomy and independence of the agency.

We adopted the framework of Lewis (2003) on agency design as theoretical input. The

author emphasized the importance of studying the strategic nature of the design of agencies, i.e., showing that the administrative design of agencies has implications to their capacity of control by the principals. In this sense, Lewis (2003) indicated three sets of issues to begin exploring the designs of agencies that presidents create: the choice of institutional structure, the appointment, and the impact of political appointments. Among other issues, there is a concern with the bureaucratic and political insulation of agencies, as well as the fragmentation of control beyond the effectiveness of the bureaucracy.

### **3 Method**

With a qualitative and exploratory nature, this article intends to examine the administrative designs relative to the institutional changes that occurred in the CGU from 2001 to 2016 with the purpose of verifying possible tensions or not between the Executive and Legislative Branches, given that measures that increase the discretion and autonomy of the control agency may impact the political parties that belong to the government base. Hence, the article verifies the Executive-Legislative relationship, given that it analyzes the legislative proposals that refer to the formulation, the voting, the approvals, and/or the rejections in the Brazilian Congress. Considering that the action of the control agency falls on the acts of the Executive Branch, to build a legislative majority, the president's party - the maker of the coalition - must seek partners to reach a legislative majority that enables promoting significant changes, which implicates the distribution of positions at various levels of the federal government structure. Therefore, the degrees of discretion or delegation that the Executive Branch assigns to the control agency may have implications on the parties that are coalition partners. It will be worth verifying the pressures and political interests that emerged over the covered period in the process of elaborating the institutional design of the agency.

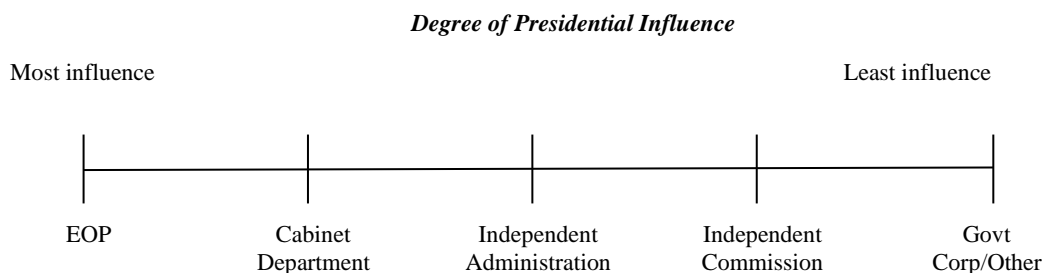
Lewis (2003) emphasized the importance of studying the strategic nature of the design of agencies and/or bureaucratic bodies, i.e., showing that the administrative design has implications to their capacity of control by the principals. The literature has already explored the functioning of control agencies (ARANHA, 2015), but this aspect is not sufficient.

The study of agencies must not take place only by a bureaucratic bias; it is necessary to consider the political perspective in the analysis. Among other issues, there is a concern with the bureaucratic and political insulation, as well as the fragmentation of control beyond the effectiveness of the bureaucracy. In our case, it is plausible to adopt empirical procedures similar to those used by Lewis (2003) to observe what the design of a control agency says about its creators and their goals.

According to the model by Lewis (2003), the first category is agency location, which regards the degree of presidential influence in the agency domain, which varies on a five-category scale: Executive Office of the President (EOP), Cabinet, Independent Administration,

Independent Commission, Government Corporations/Others (Figure 2). Depending on the degree of the institutional location of the agency (agent), a different political control in the system results (executive, legislative, judiciary, others).

**Figure 2 – Agency Location Measure**



Source: Lewis, 2003, p. 45

The second category is independence, which signals that the new agency was created without bureaucratic organizations above it. The third category is governance by a board or commission, indicating whether the agency is outside the presidential cabinet, which it usually is (at least in the American case); such agencies are governed by councils or commissions. The fourth category regards the fixed terms for political appointees. Generally, the agency administrators outside the presidential purview have fixed terms, which leads to political appointees not having much presidential control since they cannot be removed from their positions without cause. Finally, the fifth and last category is the mandated qualifications for political appointees. There are administrative tendencies for certain positions in agencies to have specific prerequisites for high positions, intensifying the bureaucratic insulation.

Given that this agency location measure is carried out for an N above our case, our purpose is, initially, to carry out only a simple description, without causal inferences, of the internal control agency of the Federal Executive Branch.

#### **4 Results and Discussion**

The analysis took into account the documents on the formulation or implementation of the CHU from 2001, the year of its creation, to 2016. The analyzed documents are described in Table 1. According to the degree of presidential influence (see Figure 2), we selected the analysis categories in line with the feasibility of the object of study.

From 2001 to the beginning of 2016, the CGU was located within the structure of the Brazilian Presidency, indicating a greater influence of the President and more considerable shielding to external political actors. The relevance of the centralization of agencies for the



direct support of the President is one of the examples of the presidential toolbox that the Brazilian case has. Such a result follows the logic of the expansion of the Brazilian presidency structure, which explores different presidential strategies to handle a multiparty cabinet (INÁCIO; LLANOS, 2016). Through such a strategy, presidents may expand their legislative powers and increase their influence on public policies. This movement changes the bargaining within the cabinet and renders the division of powers more selective (INÁCIO; LLANOS, 2016, p. 537).

For the same period, we also found the arrangement of staff specific to the agency, as well as expertise for management positions.

**Table 1** – Agency Design categories adapted to the internal control agency of the Brazilian Federal Executive Branch (2001-2016).

DOCUMENT	PRESIDENTIAL STRUCTURE	SPECIFIC STAFF	INDEPENDENCE	APPOINTMENT	EXPERTISE	DISCRETION	STATUS
PPD 2143-31/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
PPD 2143-32/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
PPD 2143-33/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
PPD 2143-34/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
PPD 2143-35/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
PPD 2143-36/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
PPD 2143-37/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
PPD 2216-37/2001	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	AGENCY
DECREE 4118/2002	YES	YES	YES	N/A	YES	REGULATES	AGENCY
DECREE 4177/2002	YES	YES	YES	N/A	YES	REGULATES	AGENCY
PPD 103/2003	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	MINISTRY STATUS

<b>CONVERSION LAW 07/2003</b>	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	REGULATES	MINISTR Y STATUS
<b>PRESIDENTIA L VETO 223/2003</b>	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	MINISTR Y STATUS
<b>LAW 10683/2003</b>	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	INCREASES	MINISTR Y STATUS
<b>DECREE 4785/2003</b>	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	REGULATES	MINISTR Y STATUS
<b>DECREE 5683/2006</b>	YES	YES	YES	PRESIDENTIAL APPOINTMENT	YES	REGULATES	MINISTR Y STATUS
<b>DECREE 6656/2008</b>	YES	YES	YES	N/A	YES	REGULATES	MINISTR Y STATUS
<b>DECREE 7547/2011</b>	YES	YES	YES	N/A	YES	REGULATES	MINISTR Y STATUS
<b>DECREE 8109/2013</b>	YES	YES	YES	N/A	YES	REGULATES	MINISTR Y STATUS
<b>PPD 726/2016</b>	NO	YES	NO	PRESIDENTIAL APPOINTMENT	YES	DECREASES	MINISTR Y
<b>CONVERSION LAW 20/2016</b>	NO	YES	NO	PRESIDENTIAL APPOINTMENT	YES	DECREASES	MINISTR Y
<b>LAW 13341/2016</b>	NO	YES	NO	PRESIDENTIAL APPOINTMENT	YES	REGULATES	MINISTR Y
<b>DECREE 8910/2016</b>	NO	YES	NO	N/A	YES	REGULATES	MINISTR Y

Source: Devised by the authors from data collected at the Chamber of Deputies (<http://www2.camara.leg.br/>) and the Database of the Institutional Presidency in Latin America. Access date: April 2018.

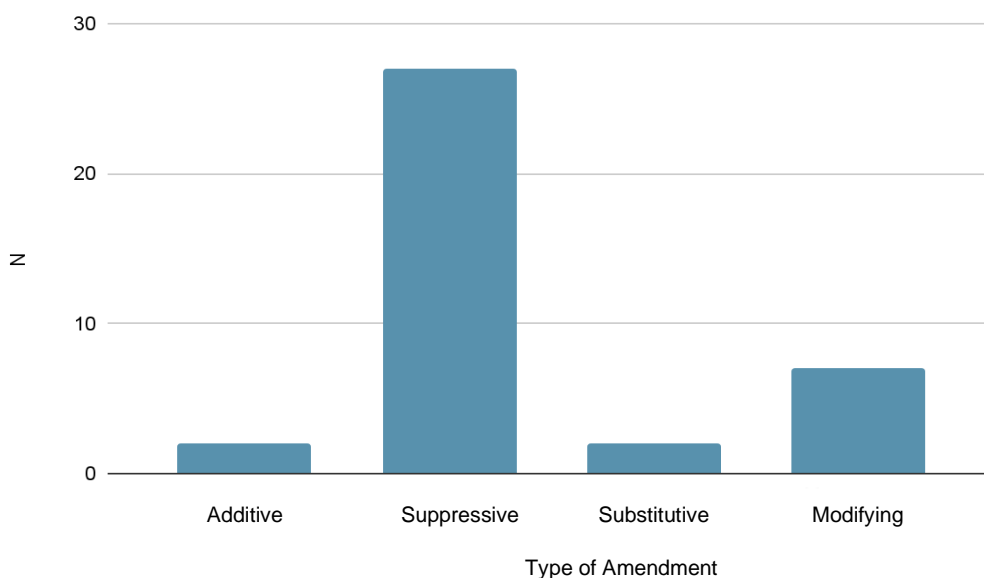
In the same period, there was also a change of status of the agency. Created in 2001, the Office of Federal General Internal Affairs did not have a ministry status. From 2003, with Luiz Inácio Lula da Silva (PT), the agency gained a ministry status and began to have an intensive anti-corruption agenda.

To analyze the discretion of the president relative to the agency, we categorized it as “Increases”, “Decreases”, or “Regulates” (when there is no alteration from the previous version to the current one). From 2001 to 2016, we considered that the Brazilian Presidents increased the discretionary power of the CGU regarding matters of management autonomy, being in line with the category “Independence”, which indicates that the CGU was not subordinate to any other entity and had direct responsiveness to the chief of the Federal Executive Branch. The appointments were up to the Brazilian President for all analyzed years, and there were no fixed terms.

From its creation until 2016, the categories analyzed in Table 1 molded the CGU into becoming an agency more shielded from external pressures and more protected by the President. After the impeachment of Dilma Rousseff (PT), Temer (PMDB) changed the structure of the Brazilian Presidency and Ministries. One of the many changes of PPD 726/2016 was the extinction of the CGU and the creation of the Ministry of Transparency, Supervision, and Control (MTFC). Placed at the same hierarchy level of other Ministries it should supervise, the MTFC no longer answered directly to the Brazilian President but rather to its Minister. Due to the fear of the CGU losing autonomy in the accountability network, there were many repercussions in the media. In an interview with the British Broadcasting Corporation (BBC), the former Minister of the CGU, Jorge Hage, considered such a movement as a weakening of the fight against corruption. Servants of the former agency also protested in response to PPD 726/2016. The extinction or not of powers is still in position for future analyses, with it not being the focus of this work to analyze the degree of autonomy before or after the change.

The PPD 726 version edited by president Michel Temer (PMDB) received 461 amendments in the Joint Committee, with 39 regarding the CGU. As one may verify in Chart 1 below, most of the amendments had a suppressive nature and, therefore, aimed to suspend the effects of the PPD edited by Michel Temer.

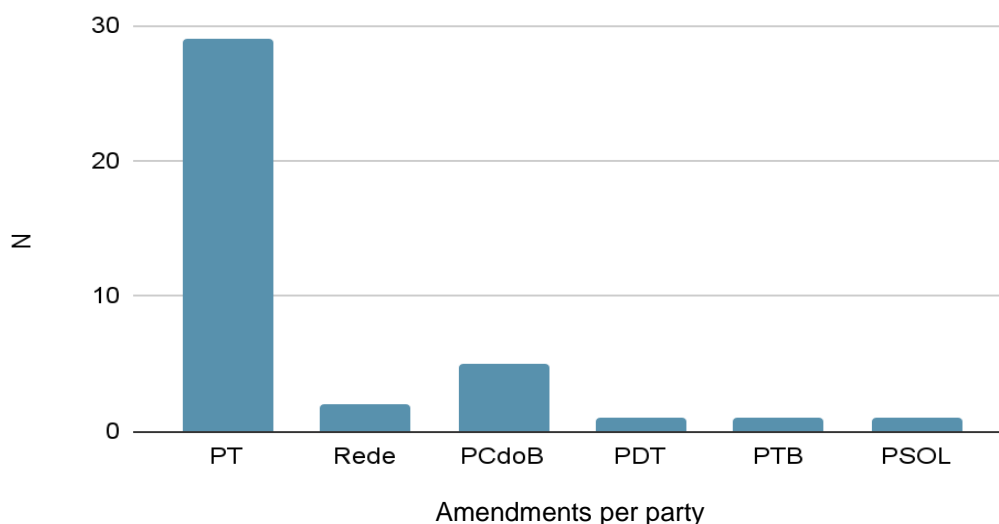
**Chart 1** – Type of amendments to PPD 726/2016



Source: Devised by the authors from data collected at the Chamber of Deputies (<http://www2.camara.leg.br/>). Access date: April 2018.

Furthermore, the observation of Chart 2 makes it evident that the opposition parties were responsible for such a process. Prominence is given to PT, the main opposition party, which presented 29 amendments, followed by the Partido Comunista do Brasil (PCdoB) and REDE, which presented five and two amendments, respectively. The Partido Democrático Trabalhista (PDT) and the Partido Socialismo e Liberdade (PSOL) presented one amendment each. Only one amendment was from a parliament member belonging to a party that integrates the base allied to the president. It is an amendment of additive nature proposed by Deputy Cristiane Brasil of the Partido Trabalhista Brasileiro (PTB-RJ), and that does not oppose the changes to the CGU.

**Chart 2** – Number of amendments regarding the CGU per party



Source: Devised by the authors from data collected at the Chamber of Deputies (<http://www2.camara.leg.br/>). Access date: April 2018.

Regarding the political dispute that involves the status change of the CGU, the position of opposition parties becomes evident, as illustrated by the justification of the Suppressive Amendment 349 proposed by parliament member Maria do Rosário of PT-RS. In summary, the parliament member positioned herself against the new proposal, justifying that the intent of the transformation was, in practice, the extinction of the CGU upon reducing the supervision power of the federal government.

From the analysis of the justifications of the 38 amendments against the PPD, it was possible to notice the discursive content that informed the activity of the opposition that is made evident. In this sense, most of the amendments presented by opposition parties highlighted that the removal of the CGU from the structure of the Brazilian Presidency would be a negative factor, signifying a loss of status, prerogatives, authority, competence, identity, and independence of the ministry, given that it was placed “at the same hierarchy level of the other ministries”. The subordination of the CGU to politics would mean the stripping of its capacity to combat corruption, possibly even meaning its extinction.

It is worth highlighting that the opinion elaborated by the rapporteur of Joint Committee, Deputy Leonardo Quintão (PMDB-MG), does not defend such amendments and suggests the admissibility of the PPD that changes the administrative structure of the Presidency and Ministries. Hence, the path was clear for Temer to undertake his administrative reform of the State.

## 5 Conclusion

In this work, from a typology about the organization of government structures suggested by Lewis (2003), we sought to verify if the longitudinal evolution of the CGU occurred in the sense of the strengthening of the institution, having as a final temporal mark the change to the agency carried out in the government of Michel Temer in 2016. The change was the object of political controversy. Created to exercise control of the delegation process to avoid adverse selection or moral risk, the disconnection of the CGU from the Brazilian Presidency structure, as well as the loss of its ministry status, caused opposition parties, career servants of the agency, and a good portion of the public opinion to advocate that such a change would implicate the weakening of the agency, having consequences on its supervision capacity.

The analysis carried out shows that, over the two terms of Fernando Henrique Cardoso (PSDB) and the terms of Lula and Dilma (PT), there was a strengthening of the CGU, repercussing on its duties and degree of discretion. From the analytical frame given by Lewi (2003), we may state, on the theoretical plane, that the removal of the CGU from the presidency structure promoted by Michel Temer means a loss of status, possibly having repercussions on the autonomy of the agency and, consequently, its capacity to operate in preventing, supervising, and combating corruption, given that the Ministry itself becomes a target of

political negotiations that involve the construction and management of the coalition. The decision of whether or not to investigate a complaint or examine a fact starts to be guided by the interest of the Minister without necessarily becoming known by the President. An example of this risk would be a Minister of a specific party being able to protect the allies of their party present in the federal administration.

However, the approach mobilized herein does not allow answering to what extent the entry of a new political group to power constitutes a critical conjuncture that enables institutional innovations to the point of changing the scope and activity of the CGU. In other words, the arguments of path dependence need to be considered.

Another important limitation of this work is that it disregards the infra-legal rules such as the normative instructions, which may affect the degree of autonomy and activity of the agency. Furthermore, it is necessary to understand the CGU integrated into a compliance system that involves other public administration agencies such as Accounting Courts, the Prosecution Office, and the Federal Police. The missions attributed to the CGU by legislation with comprehensive scopes such as the Anti-Corruption Law and the Access to Information Law must also be considered. Therefore, there is a research agenda to be pursued by the authors.

Another point is that the administrative designs of this agency and the institutional changes implemented need to be seen as strategic decisions that presidents and legislators have made, given that such actions have implications on political actors. Hence, a new research agenda regards the legislative review of the proposals of the Federal Executive Branch relative to the CGU duties. Costa (2020) highlighted two important aspects in the power dispute for the internal control of the Federal Executive Power: the heterogeneity of the coalition and its power of influence. Upon analyzing the legislative proposals for the CGU that originated in the Federal Executive Power from 2001 to 2017, the author found that the heterogeneity of the coalition was not a decisive factor to encourage the elaboration of administrative design proposals aimed at increasing the Brazilian intra-executive control. The author also emphasizes that the coalition parties did not try to influence the scope of the CGU via the legislative arena as was expected. Here, a third player was the protagonist: the opposition. The opposition to the government elaborated most of the amendments and attempts to block the proceeding of the analyzed Provisional Presidential Degrees (PPDs). On the contrary of the expectation, the author characterized a passive Legislative Branch relative to the proposals of the Federal Executive Branch regarding the dispute for the administrative designs of the CGU.

Future work must consider such limitations to understand if there is a loss of the CGU's ability to act in its primary function of exercising internal control over the Executive Branch. Therefore, verifying the bureaucratic insulation, the maintenance of given structures, and a set of infra-legal rules may enable a broader understanding of the modeling of the CGU so to verify if there is a guarantee for the continuity of the activity of the agency in preventing and

combating corruption.

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