WHY HAVEN'T CONDITIONALITIES TAKEN OFF IN BRAZILIAN INDUSTRIAL POLICIES BETWEEN 2004 AND 2014? A QUALITATIVE ANALYSIS OF STATE CAPACITY FOR FORMULATION AND IMPLEMENTATION[1]

João Guilherme Rocha Machado[1]
Fernanda Lima-Silva[1,2]

[1]Universidade de São Paulo (USP), São Paulo – SP, Brasil
[2]Centro de Estudos da Metrópole (CEM), São Paulo – SP, Brasil.

The success of industrial policies is usually related to, among other factors, their capacity to demand and enforce requirements from the private sector to make them eligible for such policies. In other words, the conditionalities implemented in those policies are viewed as instrumental to their success. Nevertheless, when it comes to the industrial policies implemented in Brazil between 2004 and 2014 (PITCE, PDP, and PBM), there is a broad consensus that conditionalities were not a distinctive characteristic of them and were present only in scattered measures. Therefore, this paper seeks to investigate why conditionalities were not widespread in PITCE, PDP, and PBM, despite their consensual nature among practitioners and scholars. For this aim, we combine the literature that analyses state capacity with studies that focus on the articulation of ideas and public policies to investigate the historical (non-)development of conditionalities in such Brazilian policies. The data for the present investigation was collected through 26 semi-structured interviews with public officials engaged with the formulation and implementation of the analyzed national industrial policies. Our findings suggest that the predominance of specific ideas on conditionalities and the insufficiency of technical/administrative and political-relational capacities affected the feasibility of creating industrial policies with widespread adoption of conditionalities.

Keywords: industrial policy; state capacity; ideas; conditionalities.

[1]This study was financed in part by the Coordenação de Aperfeiçoamento de Pessoal de Nível Superior - Brasil (CAPES) - Finance Code 001.

DOI:https://doi.org/10.21874/rsp.v76ia.10738 ISSN: 0034-9240 | e-ISSN: 2357-8017
Submetido: 25 de março de 2024. Aceito: 24 de dezembro de 2024.

Editor-in-chief: Alexandre Gomide. **Invited editors:** Jackson De Toni e Felipe Giesteira

POR QUE CONTRAPARTIDAS NÃO FORAM ADOTADAS NAS POLÍTICAS INDUSTRIAIS BRASILEIRAS ENTRE 2004 E 2014? UMA ANÁLISE QUALITATIVA DA CAPACIDADE DO ESTADO PARA FORMULAÇÃO E IMPLEMENTAÇÃO

O sucesso das políticas industriais está geralmente relacionado com a sua capacidade de exigir e fazer com que o setor privado cumpra contrapartidas para torná-los elegíveis para tais políticas. Em outras palavras, as contrapartidas implementadas nessas políticas são vistas como fundamentais para o seu sucesso. No entanto, quando se trata das políticas industriais implementadas no Brasil entre 2004 e 2014 (PITCE, PDP e PBM), há um amplo consenso de que as contrapartidas não eram uma característica comum delas e estavam presentes apenas em medidas dispersas. O objetivo deste artigo, portanto, é investigar por que as contrapartidas não foram difundidas na PITCE, PDP e PBM, apesar de sua natureza consensual entre profissionais e acadêmicos. Para tanto, combinamos a literatura que analisa a capacidade estatal com estudos que enfocam a articulação de ideias e políticas públicas para investigar o (não)desenvolvimento histórico de contrapartidas nessas políticas brasileiras. Os dados para a presente pesquisa foram recolhidos através de 26 entrevistas semiestruturadas com funcionários públicos envolvidos na formulação e/ou implementação das políticas industriais nacionais analisadas. As nossas conclusões sugerem que tanto a predominância de certas ideias sobre contrapartidas como a insuficiência de capacidades técnicas/administrativas e político-relacionais afetaram a viabilidade de criação de políticas industriais com adoção generalizada de contrapartidas.

Palavras-chave: política industrial; capacidade estatal; ideias; contrapartidas.

¿POR QUÉ CONTRAPARTIDAS NO FUERON ADOPTADAS EN LAS POLÍTICAS INDUSTRIALES BRASILEÑAS ENTRE 2004 Y 2014? UN ANÁLISIS CUALITATIVO DE LA CAPACIDAD DEL ESTADO PARA LA FORMULACIÓN E IMPLEMENTACIÓN

El éxito de las políticas industriales generalmente está relacionado con su capacidad para exigir y hacer cumplir requisitos del sector privado que los hagan elegibles para dichas políticas. En otras palabras, las condicionalidades implementadas en estas políticas se consideran fundamentales para su éxito. Sin embargo, cuando se trata de políticas industriales implementadas en Brasil entre 2004 y 2014 (PITCE, PDP, and PBM), existe un consenso en que las condicionalidades no fueron una característica distintiva de las mismas y estuvieron presentes en medidas dispersas. El objetivo de este artículo es investigar por qué las condicionalidades no han sido difundidas en PITCE, PDP y PBM, a pesar de su carácter consensuado entre profesionales y académicos. Para ello, combinamos literatura que analiza la capacidad estatal con estudios que se centran en la articulación de ideas y políticas públicas para investigar el (no)desarrollo histórico de las condicionalidades en estas políticas brasileñas. Los datos para la presente investigación se recopilaron a través de 26 entrevistas semiestructuradas con funcionarios públicos involucrados en las políticas industriales nacionales analizadas. Nuestras conclusiones sugieren que tanto el predominio de ciertas ideas sobre las condicionalidades como la insuficiencia de capacidades técnico-administrativas y político-relacionales afectaron la viabilidad de crear políticas industriales con la adopción generalizada de condicionalidades.

Palabras clave: política industrial; capacidad estatal; ideas; condicionalidades.

1. INTRODUCTION

Besides being a controversial public policy, industrial policies have yet to be extensively examined in the areas of Public Policy and Public Administration (Machado, 2022). Important exceptions are the works of Chudnovksy et al. (2018) and Cavalcante (2017), who analyze industrial policies in Argentina and Brazil from a state capacity perspective. Most of the literature on industrial policies is published in economics journals or comes from graduate programs in economics.

In line with Machado (2022), we argue that industrial policy should be viewed from a public policy perspective. After all, despite the different and often conflicting definitions of industrial policies, they are commonly carried out by national governments and have the potential to effectively change the industrial context. Here, we consider industrial policy more comprehensively compared to how it is usually understood in economic literature. The industrial policy of a given country can be inferred from the analysis of the combination of specific policies and programs, which refer to varied economic sectors and are conducted by multiple governmental agencies, which seek to influence the behavior of private actors in the industrial and service sectors. Those policies and programs may be explicitly formulated and presented as "industrial policies" or not. They may have a variety of objectives, which can be economic (such as growth or structural change), social (such as increasing employment or welfare or reducing regional disparities), political (such as gaining the support of part of the private sector), or a combination of these.

Despite the polysemic nature of the concept in the literature, there is wide acceptance of the importance of conditionalities in industrial policies (Machado, 2022). Such "consensus" around this idea came from basically two sources. The first was the academic literature, specifically the one covering the East Asian experience (Amsden, 1989; Jonhson, 1982; Wade, 1990). This literature presented conditionalities as an instrumental characteristic of the successful East Asian industrial policies and one of the causes, among others, of their successes. The idea of conditionalities departed from being instrumental in a specific context (especially from a political system point of view), time and set of countries (East Asian) and managed to transform itself into a necessary condition for industrial policies in other countries, in a different time and facing other contexts. For instance, Mazzucato and Rodrik (2023, p. 5) mention that nowadays, conditionalities are being used in key policies outside East Asia, such as in the KfW Energy Efficient Refurbishment and Construction Programs (Germany), ScotWind (Scotland), Vaccine Development (United Kingdon), US CHIPS and Science Act (United States), among others. The reason for this metamorphosis is the second source for the "consensus" around the idea of conditionalities: it is connected with not only the successful industrial policies in East Asia but

also to the fact that it caters to people with different world views and values. Besides, the idea of conditionalities "makes sense" from a perspective of distinct domains of knowledge and rationales.

Conditionalities, therefore, are frequently seen by scholars and policymakers as a necessary, though not sufficient condition for successful industrial policies. Nevertheless, when it comes to the industrial policies implemented in Brazil between 2004 and 2014 (the Industrial, Technological, and Foreign Trade Policy – PITCE, launched in 2004, the Productive Development Policy – PDP, launched in 2008 and the Greater Brazil Plan – PBM, launched in 2011 and finalized in 2014), there is a broad consensus that conditionalities were not a distinctive characteristic of them and were present only in scattered measures. In this sense, Machado (2022) shows how those policies included hundreds of different measures, but conditionalities were present only in a handful. Current literature has not yet adequately explored the reasons for this, and two gaps need to be filled. First, if conditionalities are relevant for the success of industrial policies, why are they not a trademark in Brazil? Secondly, why do initiatives under the same national policy differ regarding the usage of conditionalities for inducing the private sector? Therefore, this paper aims to investigate why conditionalities were not widespread in PITCE, PDP, and PBM, despite its consensual nature among practitioners and scholars. For this, we combine the literature that analyses state capacity with studies that focus on the articulation of ideas and public policies to investigate the historical (non-)development of conditionalities in such Brazilian policies. We argue that the varied and scarce usage of conditionalities in PITCE, PDP, and PBM can be attributed to both the predominance of specific ideas on conditionalities and the insufficiency of technical/administrative and political-relational capacities in different programs and agencies that constitute those Brazilian industrial policies.

The article innovates by juxtaposing the theoretical debates of state capacity and ideas and public policies. The former has the potential of illuminating the implementation arrangement of PITCE, PDP, and PBM, analyzing their impact on (dis)activating various dimensions of capacity for implementing conditionalities in industrial policies. The latter contributes to understanding the ideas and the meanings attributed to conditionalities by relevant stakeholders, bringing evidence to why this theme has remained in a subjacent place in the public agenda in the last couple of years.

Our results indicate that institutional arrangements that managed to activate state capacity to create conditionalities were uncommon. Generally, there was a lack of both technical/administrative and relational capacity to include conditionalities in industrial policies. Another finding was that policymakers' idea of conditionalities affected the possibility of creating industrial policies with conditionalities. As they deem it an almost insurmountable task, they might not

even attempt it. Consequently, the needed institutional arrangements and state capacity are not developed, leading to a lack of widespread conditionalities in PITCE, PDP, and PBM.

The article is structured in three sections, excluding this introduction and the final remarks. Firstly, we connect the literature on state capacity, ideas, and public policy. Then, we present our methodological approach. Thirdly, we present our results, including an analysis of PITCE, PDP, and PBM, as well as the ideas and capacities related to conditionalities.

2. INDUSTRIAL POLICY, STATE CAPACITY AND IDEAS

Industrial policy is one of the most heated economic debates (Andreoni; Chang, 2019). The economics literature is filled with strong statements against industrial policies, summarized by a phrase attributed to the Brazilian former Minister of Finance Pedro Malan: "the best industrial policy is not having industrial policy at all" (Fleury & Fleury, 2004, p. 7).

The controversy around industrial policies is present not only in theory but also in policymaking. Its necessity is frequently put into question. More interestingly, whether a country, at a given moment, has or not an industrial policy is also arguable since there are different understandings of what constitutes such policy. Due to its controversial nature, scholars and policymakers frequently avoid using the term industrial policy, replacing it with other denominations, such as "productive development policies," aiming to make it more acceptable for wider audiences.

Therefore, the investigation of such a controversial area of public policy cannot rely solely on technical, administrative and bureaucratic aspects of policymaking, requiring the incorporation of the tensions and complexities inherent to it in the analytical framework. While recent studies have mobilized the literature on state capacity to analyze industrial policy in Latin American countries (Cavalcanti, 2017; Chudnosvky et al., 2018), we argue that an innovative combination of the literature on state capacity and ideas and public policy might be more promising for understanding both how ideas impact the processes of policy formulation and definition of implementation arrangements, as well as the activation of capacities for executing public policies.

The debate about state capacity is not new. It first appeared in the Social Sciences literature as an unfolding of the theoretical movement of "rediscovery" of the state, which aimed to question the pluralist, structuralist, and functionalist theories that dominated social sciences until that moment, taking the state as a central and autonomous actor in policymaking. In the 1980s, this debate was resumed by historical neo-institutionalists in the United States who analyzed,

with prominent weight, the role of the state in economic development in late industrializing countries in Asia and Latin America (Sikkink, 1991; Evans, 1995).

To Skocpol (1985), a prominent early historical institutionalist theorist, the state's capacity is a result of the political autonomy of state agents in making decisions and putting them into practice in the face of the strength or opposition of powerful groups in society. In other words, the state's capacity relies on its autonomy to plan and implement its agenda, which can be dialogued with societal actors but must remain mainly a state-centered attribution. Evans (1995) advances this debate by proposing that the effectiveness of state industrial policies requires that state agents are not isolated from relevant stakeholders in this area of public policy, defending the need for an embedded autonomy of the state.

More recently, this debate has gained strength and new perspectives due to the fragilization of the so-called Washington Consensus and the various financial crises that occurred since the 2000s, resulting in the discredit of the postulates of neoclassical economics and the view that markets take better allocative decisions than states (Souza, 2024). First, there has been a renewed interest in analyzing and understanding policy capacity, which refers to the ability to reach the expected results in a specific public policy (Wu et al., 2015). The combination of the growing complexity of contemporary public policy problems, increasing participation of multiple stakeholders in the production of policies, and high citizen expectations generates unprecedented challenges for governments' ability to design and implement effective public policies, requiring different sets of resources and competences at three different levels – individual, organizational and systemic (Wu et al., 2015).

Secondly, Gomide and Pires (2014), when analyzing state capacity in different national policies in Brazil, have provided an interesting strategy for operationalizing the concept of state capacity: technical-administrative, which sought to identify the presence of professionalized bureaucracies and relevant resources in the public organizations, and political-relational, associated with the skills of the Executive bureaucracy and the presence of resources for dialogue with political and non-state actors.

Thirdly, new studies have suggested the usefulness of the analytical framework of the implementation arrangements, which "reveal who the actors involved are, the roles they perform and how they interact in the production of specific government actions" (Gomide & Pires, 2024, p. 36). This approach allows for identifying the different dimensions of state capacities and evaluating how they are mobilized (or not) in the implementation of policies.

The developments in these directions have proved helpful in analyzing the abilities and resources that explain a state's actions after the decision to produce a particular public policy is

made. However, they have not yet adequately dealt with aspects that permeate the public policy arena: the connection between the state's capacity to implement a policy and the contextual and ideational processes.

Contextual conditions have already been approached in the literature on state capacity. As Skocpol (1985) has mentioned, state autonomy can come and go as bureaucratic organizations are transformed both internally and in their relationship with social groups and other parts of government. Gomide et al. (2017) also argue that state capacity should not be analyzed detached from the political and institutional context in which it is inserted, also depending on a project – goals that were legitimized through the election of certain political groups – and political support for such actions. In addition, Loureiro et al. (2020) affirm that both the context and the political-ideological orientation of government influence the mobilization of resources for state capacity.

As for the role of ideas and their impact on policymaking, including the definition of the implementation arrangement and consequent development of state capacity, it still needs to be explored. In this work, therefore, we aim to advance this new agenda by proposing an approach to analyzing state capacity that goes beyond the focus on the state apparatus, also including the role of ideas to inform decisions and actions. This effort is based on developments from the political science literature, particularly from the ideational and discursive institutionalism, which aim to articulate ideas and institutions as simultaneous drivers of policy change (Béland, 2009; Schmidt, 2010).

Ideas are here understood as historically and contextually situated interpretations of the material world, and they can be related to problems, solutions, and instruments, and are therefore constitutive and mobilized by different stakeholders (Béland & Cox, 2010; Oliveira & Bichir, 2021). Ideational processes, hence, impact the way policy actors perceive their interests and the environment where they act, influencing the formulation of preferences and anchoring discursive interactive processes that support policy changes (Schmidt, 2010).

Inspired by Béland (2009), we argue that ideational processes might influence the development of state capacity in different ways. First, ideas can help to construct a specific view of problems and possible solutions, which leads to preferences on policy alternatives and implementation arrangements. Second, ideas can also shape the assumptions that affect the content and the direction of policy decisions, impacting (or not) state capacity developments.

3. METHODOLOGICAL APPROACH

Data for the present investigation was collected through documental research, and 26 semi-structured interviews with current and former public officials from federal agencies

and ministries engaged with the formulation and implementation of PITCE, PDP, and PBM. Each interviewee was categorized in terms of their positions during the implementation of the aforementioned industrial policies and their main affiliations, as shown in Box 1.

Box 1 – Profile and main affiliation of interviewees

Interviewees	Profile[1]	Main Affiliation
1	Political	Ministry of Finance (MF)
2	Political	Ministry of Development, Industry, and Foreign Trade (MDIC)
3	Political	Ministry of Planning, Budget and Management (MPOG)
4	Meso	Brazilian Development Bank (BNDES)
5	Meso	BNDES
6	Meso	BNDES
7	Meso	Brazilian Agency of Industrial Development (ABDI)
8	Meso	BNDES
9	Technocrat	Agency of Industrial Development (ABDI)
10	Technocrat	ABDI
11	Meso	MDIC
12	Meso	MPOG
13	Political	Ministry of Science and Technology (MCT)
14	Meso	MDIC
15	Meso	MDIC
16	Technocrat	ABDI
17	Meso	BNDES
18	Political	Ministry of Health (MS)
19	Meso	BNDES
20	Meso	BNDES
21	Meso	ABDI
22	Meso	ABDI
23	Political	Institute for Applied Economic Research (IPEA)
24	Political	Funding Agency for Studies and Projects (FINEP)
25	Political	ABDI
26	Political	BNDES

Source: Own elaboration.

In Box 2, we also present the general profile of interviewees in terms of their involvement in PITCE, PDP, and PBM.

[1]The "political" are interviewees in high-level positions, such as ministers, deputy ministers, and secretaries and presidents, vice presidents, and directors of state-owned companies. The "meso" are middle-level bureaucrats in the executive and state-owned companies. Finally, "technocrats" are low-level bureaucrats and technocrats.

Box 2 – Profile of interviewees in terms of involvement in industrial policies – single respondents

Involvement in Industrial Policies	Number of Interviewees
Only PITCE	1
Only PDP	2
Only PBM	6
PITCE and PDP	1
PITCE and PBM	2
PDP and PBM	10
PITCE, PDP, and PBM	4
Total	26

Source: Own elaboration.

The interviews were conducted during the COVID-19 pandemic (2020-2022) through video calls using the software Zoom. They surpassed 31 hours of conversation, with each interview lasting, on average, 1 hour and 13 minutes. Data were analyzed using a grounded theory method based on Corbin and Strauss (1990) and Creswell (2007). They were all transcribed and uploaded to Nvivo, where they were coded in two coding cycles. In the first, we thoroughly coded the transcripts, generating more than 400 codes. In the second coding cycle, we used pattern coding to cluster the codes generated by the first cycle into a more manageable number of categories, themes, and constructs (Miles et al., 2014).

The respondents were questioned about whether there were conditionalities in PITCE, PDP, and PBM. In the cases where they said conditionalities were present (i.e., in specific measures), we explored their characteristics. If they felt they were mainly absent, we questioned why this was the case. We also approached the relationship between bureaucrats, politicians, and private sector representatives in the interviews. Additionally, we delved into the existing resources and abilities among these key actors, the instruments used in PITCE, PDP, and PBM, and the implementation of conditionalities, including issues of enforcement and sanctions.

4. PITCE, PDP, AND PBM, IDEAS AND CAPACITIES RELATED TO CONDITIONALITIES

4.1 PITCE, PDP, and PBM

The industrial policies we focus on in the present paper were formulated and executed from 2004 to 2014, during the terms of two presidents from the Workers' Party (*Partido dos Trabalhadores* – PT), encompassing three different national policies: the Industrial, Technological, and Foreign Trade Policy – PITCE, launched in 2004, the Productive Development Policy – PDP, launched in 2008 and the Greater Brazil Plan – PBM, launched in 2011 and finalized in 2014.

PITCE was launched in 2004, during President Luis Inácio Lula da Silva's first term. Its guidelines (Brasil, 2003) were more general and absent of actual measures than the following policies (PDP and PBM). The wording of its objective favored efficiency, innovation, and exports. The policy focused on fewer knowledge intensive sectors: semiconductors, software, pharmaceuticals, and capital goods. There was no clear institutional arrangement for the implementation of PITCE. However, in the context of PITCE, two essential institutions for industrial policies were created: ABDI and the National Industrial Development Council (CNDI), a high-level forum for discussions between the government and the private sector (Machado, 2022).

During President Lula's second term, PDP was launched in 2008, aiming to "provide sustainability to the current expansion cycle" (ABDI, 2008, p. 9). In other words, PDP was more connected with sustaining economic growth and not focused on structural change (Guerriero, 2012). PDP is more comprehensive regarding the number of economic sectors included in the policy, which is frequently criticized by scholars (Stein & Herrlein, 2016; Guerriero, 2012). In terms of the institutional arrangement for implementation, there is an advancement in PDP. MDIC coordinated the policy, supported by an executive-secretariat (made by ABDI, BNDES and the Ministry of Finance). There was also a Management Council (with representatives of the Office of the Chief of Staff – *Casa Civil*, Ministry of Finance, MPOG, and the Ministry of Science and Technology (MCT), besides MDIC, who held the chairpersonship. Executive-committees were also created for each program and each one was coordinated by a different agency and was composed of representatives of various government bodies. CNDI is also mentioned as a forum to promote the liaison between public and private sectors. Besides, there was also mention of other public-private forums, such as sectorial and thematic chambers (ABDI, 2008).

PBM was launched in 2011, in President Dilma Rousseff's first term. Interestingly, its primary goal is not defined explicitly, but its motto was "Innovate to Compete. Compete to Grow" (Brasil, 2011), bridging it to PDP's goal of sustaining economic growth. In other words, PBM was not focused on promoting structural change but on improving the existing productive structures (SCHAPIRO, 2013). PBM´s launching document is organized in two dimensions. The systemic dimension is organized around cross-cutting aspects, focusing on increasing the economy's efficiency as a whole and in the evolution towards world-class technologies. The other dimension was sectorial, organized in different blocks made up of several economic sectors. Like PDP, it is criticized for including "too many" economic sectors and for its lack of selectivity (Stein & Herrlein, 2016).

The institutional arrangement for implementing PBM is similar to that of PDP. CNDI is mentioned as a superior advising level. Below it is the Management Committee, composed of Ministers and spearheaded by MDIC and in charge of monitoring and evaluating PBM, approving its programs, and connecting PBM with other public policies. Below the Management Committee is the PBM Executive Group, also coordinated by MDIC, which oversees PBM´s programs and evaluates the measures and actions originated in the sectorial and systemic councils. Finally, there were three distinct types of more "operational" committees. The Executive Sectoral Committees were responsible for sector-specific agendas, closely collaborating with the Sectoral Competitiveness Councils — forums dedicated to public-private dialogue. The third type, Systemic Coordinations, supported the Executive Group in implementing cross-cutting measures related to the systemic dimension of PBM (Brasil, 2011).

All in all, while the three policies have been praised as a "return" of industrial policies in Brazil, they have been criticized in different aspects. While PITCE was more oriented to structural change and was focused on a few sectors, characteristics praised by economists, there was no precise institutional arrangement for its implementation, and it was understood by many as a "letter of intent" rather than a proper "public policy". PDP and PBM were different with clear institutional arrangements, though perhaps too complex and without clear leadership, and targets. However, they were less focused on structural change and more on economic growth, covering a myriad of economic sectors and including dozens of measures that originated in the different councils, with no clear priorities and hierarchies between them (MACHADO, 2022). After the end of PBM in 2014, it would take ten more years for a new policy explicitly presented as an industrial policy: the New Industry Brazil (*Nova Indústria Brasil – NIB*) launched at the beginning of 2024.

4.2 Ideas and conditionalities

The respondents had very different views regarding the presence or absence of conditionalities in PITCE, PDP, and PBM. This is a sign that conditionalities are not something "that exist or not out there" and could be understood from an argumentative perspective as proposed by the argumentative turn in public policies (Fischer & Forester, 1993).

Besides, during the interviews, it was clear that there was a strong moral component in their views of conditionalities. There was broad acceptance of conditionalities as a necessary condition for successful industrial policies. Including conditionalities seems to be the "right" thing to do, while providing industrial policies to the private sector without imposing conditionalities was viewed as "wrong." Notwithstanding, these instruments were rarely used. When probed why such a thing happened, some respondents tried to justify the absence by listing all the difficulties

in formulating and implementing conditionalities in industrial policies in Brazil. In other words, it seems there was broad agreement regarding its impossibility, despite its importance from a normative point of view. Furthermore, different interviews brought up the idea that the bureaucratic actors had a potential agency to influence the inclusion of conditionalities, which remained unfulfilled, being hardly mobilized for this aim. According to Interview 11, he does not recall any technical policymaker trying to convince political decision-makers about including conditionalities. It is as if high-level bureaucrats could influence the policy but did not properly explore such potential to create the conditionalities.

On their turn, the politicians seem to generally disapprove of the idea of including conditionalities in industrial policies, under the risk of being pressured or criticized by representatives of industries and suffering political losses. One example, brought by Interviewee 11, is related to the payroll tax breaks [*desoneração da folha de pagamentos*]:

> From (…) 2013 [on], the tax breaks started to be basically whoever in Congress votes as I need. Then, the contamination turned totally into a vicious cycle (…). **Because it started to contaminate and the political request shook the possibility of making a conditionalities' system**, a well done industrial policy (Interview 11, emphasis added).

All in all, the restrictive ideas that industrial policymakers and bureaucrats have regarding conditionalities impact the possibilities of developing adequate state capacity for implementing the analyzed industrial policies with conditionalities. As they usually frame it as an (almost) insurmountable task, it may be that putting them together is not even tried. In other words, industrial policies with conditionalities would be the "first-best," but industrial policies (even without conditionalities) would be a close (and much more feasible) "second-best." As a result, the much-needed institutional arrangements for implementing industrial policies are not put in place and the necessary state capacity is not generated, culminating in industrial policies with no widespread conditionalities.

4.3 State capacity and conditionalities in PITCE, PDP, and PBM

According to the interviewees, there must be state capacity to develop conditionalities. This argument sometimes emerges as needing a "strong government" (Interview 12) for a developmental state. An interesting excerpt is that "when conditionality is required, the private sector agrees. But the state must be the state" (Interview 18, emphasis added). Some interviewees have pointed out that the developmentalism state structure had been dismantled in the previous years, requiring the rebuilding of its capacity to act as a developmental state:

> The developmental state was broken. But this is not an excuse (…) for the lack of active agenda (…) of strengthening those mechanisms [of monitoring] (…) This as a gap (…) and particularly the private sector conditionality (…) An initial phase of fragility in the monitoring can be justified by the restructuration of the public capacity of making industrial policies and monitoring. (…) And I think there was fragility in the reconstruction of the state's structure (Interview 18).

4.3.1 Technical/administrative capacity in PITCE, PDP, and PBM

From a technical-administrative perspective, interviewees repeatedly mentioned that the little adoption of conditionalities was connected to the lack of capacity of government agencies, both from a quantitative and qualitative perspective (Interview 18). After all, it is not enough wanting to make industrial policies with conditionalities; one "needs to know how to do it" (Interview 23), and have strong knowledge of the different economic sectors (Interview 5). Different interviewees stressed the importance of having a qualified bureaucracy (Interviews 5 and 15). An insight that emerged is that a bureaucrat who is in charge of industrial policies and wants to implement it with conditionalities needs to have a particular profile, and it is relatively difficult to find these people. This "right profile" is in a space between an academic and a policymaker:

> There must be pragmatism, but there must be some sort of conceptual reflection, because otherwise (…) you keep doing more of the same or you fall into the trap of a lobby (…) you are not able to perceive if it is really going to be effective. (…) It is a very qualified job; it requires a very specific profile (Interview 5).

Also mentioned is the need to train the bureaucracy and increase its qualifications (Interview 15). In other words, "policymakers who had more elaborate theoretical training on this issue [conditionality], in general, the people who were in the government came from academia, they had master's degrees, PhDs in this area, they had this sensitivity and talked about it [conditionalities]" (Interview 21). Also about the profile of the bureaucracy, there was mention of the need for lawyers in the team responsible for industrial policies to make the conditionalities juridically possible to be implemented, but most members of the PBM team were economists, sociologists, and political scientists (Interview 11).

When explaining why, despite all the difficulties and challenges, some of the measures had conditionalities, respondents mentioned that the bureaucracy in different ministries and agencies had different practices regarding conditionalities. Some of them were more prone to ask for conditionalities, which influenced the chances of including conditionalities in the measures under the responsibility of those bureaucracies (Interviews 1, 5, and 15).

Respondents also indicated the autonomy of bureaucrats related to the inclusion or not of conditionalities in industrial policies. Their actions were critical in two senses. Firstly, the engagement and dedication of individuals made a difference (Interviews 5 and 15) in the chances of including conditionalities. Secondly, bureaucrats with a more independent perspective regarding what the private sector demanded were more prone to analyze their demands carefully and were more willing to include conditionalities in the industrial policies measures (Interview 15).

Regarding the difficulties of operationalizing conditionalities in industrial policies, one of the main issues brought by the respondents was how to translate conditionalities into practice, how to enforce them, and how to sanction firms in case of non-compliance with the conditionalities agreed between the public and private sectors (Interviews 9, 14, and 15).

Another issue was the lack of data and difficulties in establishing and monitoring verifiable indicators. There is a need to have data and information to implement and enforce conditionalities to understand what is happening in the implementation of the industrial policy, especially regarding what was contracted with the private sector (Interviews 9, 14, and 26). In the same direction, another frequently mentioned problem was the lack (or malfunctioning) of information platforms and mechanisms capable of monitoring and enforcing conditionalities (Interviews 18, 25, and 26) due to a lack of state capacity (also mentioned as structure, systems, means and people) to do so (Interviews 9, 12, 18, 21, 23, and 26).

Another frequently mentioned obstacle to the implementation and enforcement of industrial policies with conditionalities is related to the absence of legally binding mechanisms. The development of functioning conditionalities demands that state institutes an enforceable legal provision stating what is being asked from the private sector, what is being offered by the public sector, and the penalties for noncompliance (Interview 14). In the few cases where conditionalities were included in measures and programs (such as in Inovar-Auto and the Health Industrial Development Partnerships), they were formalized in the instruments and were not simple verbal agreements between the public and private sectors (Interview 25). However, respondents reported that even when there were conditionalities, the non-compliance of firms did not generate sanctions (Interview 11). According to the respondent 15:

> You are not going to invite the businessperson to make an investment and if it goes wrong (…) you [the businessperson] go to jail. (…) The guy will [not] participate in any government's project. So, there's no sanction, nor penal [sanction]. (…) because future situations may arise that complicate, change the situation. (…) For instance, you make an investment and then comes the [Covid-19] pandemic (Interview 15).

The fear of alienating businesspeople from future government projects and the recognition that unexpected events could occur would be reasons for not sanctioning noncompliers, besides

lack of empowerment by the bureaucracies to punish (Interview 12) and of political conditions to do so (Interview 26). All in all, the general view is that implementing conditionalities is challenging due to legal limitations in enforcement. This leads to two scenarios: instruments are designed without conditionalities (more common), or when included, the hope is that embedding them would enhance enforcement. However, even when conditionalities are part of the design, difficulties persist in enforcing them, including penalizing non-compliant entities.

4.3.2 Political-relational capacity in PITCE, PDP, and PBM

An essential part of the public and the private sector dialogue is carried out in the public-private structures which integrate the institutional arrangements of PITCE, PDP, and PBM. There was an attempt to involve the private sector in the formulation of measures for industrial policies and not only in formulating pleas to the public sector (Interview 5). However, the public-private dialogue is incredibly complex when it comes to the discussion of conditionalities. Publicly discussing this issue with the private sector was difficult (Interview 23) and generated tensions, and it was never systematically made (Interview 12).

An issue that emerged repeatedly across interviews was the lack of commitment of the private sector to conditionalities. This sector often engaged in opportunistic behaviors and would rather have the most benefits and incentives possible with the least conditionalities (or even, if possible, none at all). Also, due to uncertainty, they are usually unwilling to commit to achieving specific results (Interviews 7, 15, 16, 23, and 25). In other words:

> The **mindset, in general terms of the Brazilian businesspeople (..) they don't tolerate meeting targets** like these. It is a rather comfortable view, **because they demand benefits, demand advantages, alleging a lack of isonomy with foreign competitors** or with competitors from other countries**, alleging that classic narrative of the "Brazil Cost**," that here the energy is more expensive, that logistics are more expensive, labor, labor legislation, etc. But they don't commit to targets. (…) Due to this **business mindset**, of this culture, (…) which is a little hypocritical, of **obtaining advantages without committing to results** (Interview 21, emphasis added).

Connected with the idea of an uncommitted private sector is the narrative of the private sector actively lobbying for industrial policies without conditionalities. For respondent 22, lobbying may explain why conditionalities were present in some measures while absent in others. Interviewee 9 mentioned how the lobby of the private sector, through business associations or directly through the large companies acting in Congress or inside the Executive branch, would hinder the possibilities of "raising the bar" of conditionalities. The following excerpt gives further details on this:

> I think the answer (…) is the lobbying of companies. (…). There is in Brazil an **organic connection between political elites in Congress and businesspeople. So, it creates an insurmountable barrier regarding the defense of interests, and you don't change it in the legislation**. So, the lobby, the CNI's parliamentary group is extremely powerful in Congress. They even have an annual event (…) **So how are you going to demand conditionality from these people?** It is hard (Interview 21, emphasis added).

Against this background, the concrete space of bureaucrats' autonomy seems to be reduced. Interviewee 15 mentions the imbalance of power between the "technical level" of the bureaucracies and the private sector counterparts, arguing that: "you [the civil servant at the technical level] sometimes would be tough [on the private sector] and the guy would go to the minister complaining about you. So (…) it was not so simple…" (Interview 15).

An additional layer of complexity in the public-private dialogue is the challenge of defining precisely who in the private sector would be the counterpart, with an implicit trade-off between dialogues with individual companies or business associations. Dealing directly with the former may allow for contracting specific conditionalities, but it may be an unscalable endeavor, especially in competitive sectors. Dealing with the latter (business associations) may increase scalability, but whether they could agree on conditionalities on behalf of their members is disputable (Interviews 5 and 11).

From a relational perspective, another critical issue is the ability to establish a balanced relationship with the private sector regarding conditionalities. A balanced relationship refers to an equilibrium between what was offered by the public sector (the industrial policy measures) and what was being asked from the private sector (the conditionalities). Respondents stressed a disequilibrium, with disadvantages for the public sector (Interviews 6 and 15). In other words, the public sector offered more than it got in return from the private sector regarding conditionalities. An interesting point made by respondent 5 is related to the idea that demanding "too much" from the private sector was also undesirable:

> If you botch up, it is also complicated because you are going to penalize [the private sector]. And this is not the intention. The intention (…) of the public policy is to generate a win-win [situation]. (Interview 5).

However, other interviews mentioned that what the public sector offered was too little (Interview 11) or too unstable to create a situation where it would make sense to demand conditionalities (Interview 22).

Additionally, during the interviews, the notion that the absence of conditionalities could be linked to corruption—where industrial policy measures were exchanged for bribes rather than performance — did not surface distinctly. Therefore, regarding ideas, corruption is a

"silence" that draws attention. As Orlandi (2007, p. 68–72) noted, the unspoken aspects within discourse play a crucial role in sensemaking. In this context, corruption emerges as a carefully circumvented theme skillfully sidestepped by the interviewees.

4.4 Contextual aspects of PITCE, PDP, and PBM

Respondents pointed to contextual elements to explain why some industrial policy instruments[2] are more prone to having conditionalities than others. On the one hand, changes in the macroeconomic and political scenario may influence the possibility of imposing conditionalities. One interviewee used the Inovar-Auto as an example, mentioning that at the end of 2014, the time was ripe to enhance the conditionalities in the program. However, there was a change in the leadership of MDIC and the political weakening of President Rousseff, which prevented the implementation of "enhanced" conditionalities in the program.

Furthermore, a difficult economic situation, be it on the macroeconomic front or specifically in the manufacturing sector, would reduce the chances of including conditionalities. Connected to this, there was an idea that macroeconomic policies implemented by the government in Brazil during the industrial policies we focus on in the present paper negatively impacted the industrial sector and the industrial policies were used to compensate for the macroeconomic policies. In this context, including conditionalities was a challenging endeavor.

On the other hand, respondents also mentioned that conditionalities are more likely to be present depending on the sectors in which industrial policy measures are targeted (Interviews 15 and 22). The reasons are multifold. Firstly, conditionalities are more likely in more concentrated sectors (with fewer firms), because the negotiations would have to be made with fewer private counterparts if compared to more pulverized sectors (Interviews 5 and 11). A second issue is the degree of homogeneity within each sector: it is easier to ask for conditionalities in more homogeneous sectors (where firms are more similar, such as the automotive sector) than in more heterogeneous ones (such as auto parts) (Interview 9). Thirdly, the sector's regulation degree also influences the likelihood of conditionalities. In other words, regulated sectors would be more prone to conditionalities than competitive ones. A fourth issue is related to the degree of the political power of the different economic sectors: stronger sectors, from a political point of view, and those more capable of demonstrating their relevance are less likely to have conditionalities. Fifthly, more mature economic sectors would be more prone to conditionalities than developing ones because including conditionalities in the latter would be premature (Interview 9). Finally,

[2]The term instruments in the industrial policy literature has a different meaning if compared to the meaning in the public policy literature. In this sense, here instruments refer to the different kinds of measures the government can employ, such as loans, equity operations, subsidies, public procurement, etc.

a respondent mentioned that including conditionalities was already the practice in specific sectors (Interview 1). Therefore, it may be the case that there is some sort of path dependency: if measures for a particular sector historically have conditionalities, the following measures would tend also to include conditionalities.

Besides the characteristics of economic sectors, respondents also mentioned how the characteristics of firms also influenced the likelihood of including conditionalities. In this sense, the reasons are twofold. Firstly, when a company has foreign control, the decision to delocalize is quick and easy. Therefore, it is more difficult to ask for conditionalities from these kinds of firms, if compared to firms with national control (Interviews 12 and 21). Secondly, it is easier to demand conditionalities from bigger (and financially stronger) firms than from smaller and weaker ones (Interview 9).

Finally, another line of reasoning is that some kinds of instruments are more prone to having conditionalities than others. In general terms, including conditionalities in instruments structured in contracts, such as the projects financed by BNDES and FINEP (Interview 14) and loans (Interviews 3 and 22), was easier compared to other types of instruments. According to Machado (2022, p. 257), most measures with conditionalities were found in the following instruments: tax incentives, public procurement, and financing. However, it must be stressed that conditionalities were present only in scattered measures in PITCE, PDP, and PBM.

5. FINAL REMARKS

Our investigation has examined why conditionalities were not widespread in PITCE, PDP, and PBM, despite their consensual nature among practitioners and scholars. Through a qualitative analysis of those industrial policies, we have demonstrated that institutional arrangements that managed to activate state capacity to develop and embed conditionalities in the measures were the exception, rather than the rule.

Our results suggest that a variety of factors can explain this scenario. In general terms, there was a lack of technical/administrative capacity. The findings indicated the need for civil servants with very specific qualifications (and training) for industrial policies and the low capacity to generate data and information to monitor and enforce the conditionalities. Finally, there is a deficiency in developing industrial policy measures with explicit legal provisions to enforce conditionalities and sanction firms in case of non-compliance.

Similarly, there were problems with relational capacity in PITCE, PDP, and PBM. As recognized in the literature for industrial policy policymaking (Evans, 1995), there is a strong need for a complex and continuous dialogue between the public and the private sectors. Our

results point to a lack of embedded autonomy, with an unbalanced relationship between the public and the private sectors, and a lack of involvement and commitment of the private sector regarding conditionalities, who actively lobbied against this agenda.

Another finding is that the idea that industrial policymakers and bureaucrats have of conditionalities affects the feasibility of creating industrial policies with conditionalities. As they usually view it as nearly impossible, they might not even attempt it. Consequently, essential institutional arrangements and state capacity are not developed, leading to industrial policies lacking widespread conditionalities. Contextual elements, mainly intersectoral variances, were also helpful in understanding why some sectors managed to formulate and implement conditionalities.

A clear limitation of the present research is that all respondents were from the public sector. Interviewing private sector respondents could provide a more nuanced view of the relationship between private and public sectors and offer further insights, especially regarding the relational state capacity aspects. Further research could also explore the newest Brazilian industrial policy (Nova Indústria Brasil – NIB), launched in 2024, and the institutional arrangements of the specific industrial policy measures that included conditionalities to understand their potential for activating state capacity.

REFERENCES

ABDI. (2008). **Política de desenvolvimento produtivo:** Inovar e investir para sustentar o crescimento. Brasília: ABDI, 2008. Available at: <https://conhecimento.abdi.com.br/conhecimento/Publicaes1/Pol%C3%ADtica%20de%20Desenvolvimento%20Produtivo%20-%20Livreto%20de%20lancamento.pdf?_gl=1*4mjmsj*_ga*NjIwNDMyNTY1LjE3MzkzNzI0MTc.*_ga_BB0HWX4Y1E*MTczOTM3MjQxNy4xLjEuMTczOTM3MjUyMy4wLjAuMA...>. Accessed on: 14 jun. 2019.

AMSDEN, Alice H. (1989). **Asia´s next giant:** South Korea and late industrialization. New York: Oxford University Press, USA.

ANDREONI, Antonio, & CHANG, Ha-Joon. (2019). The political economy of industrial policy: Structural interdependencies, policy alignment and conflict management. **Structural Change and Economic Dynamics**, v. 48, p. 136–150.https://doi.org/10.1016/j.strueco.2018.10.007.

BÉLAND, Daniel, & COX, Robert Henry (Eds.). (2010). **Ideas and politics in social science research**. Oxford: Oxford University Press.

BÉLAND, Daniel. (2009). Ideas, institutions, and policy change. **Journal of European Public Policy**, 16 (5), p. 701–718. https://doi.org/10.1080/13501760902983382

BRASIL. (2003). **Diretrizes de Política Industrial, Tecnológica e de Comércio Exterior.** Brasília. Available at: <https://conhecimento.abdi.com.br/conhecimento/Publicaes1/Diretrizes%20de%20Pol%C3%ADtica%20Industrial%20Tecnol%C3%B3gica%20e%20de%20Com%C3%A9rcio%20Exterior%20-%20PITCE.pdf?_gl=1*lj0p9y*_ga*NjIwNDMyNTY1LjE3MzkzNzI0MTc.*_ga_BB0HWX4Y1E*MTczOTM3MjQxNy4xLjEuMTczOTM3MjY1NS4wLjAuMA..>. Accessed on: 13 jun. 2019.

BRASIL. (2011). **Plano Brasil Maior - 2011/2014:** Texto de Referência. Brasília. Available at: <https://conhecimento.abdi.com.br/conhecimento/Publicaes1/Plano%20Brasil%20Maior_%20Inovar%20para%20competir%20-%20(texto%20de%20refer%C3%AAncia).pdf?_gl=1*1xk3mvk*_ga*NjIwNDMyNTY1LjE3MzkzNzI0MTc.*_ga_BB0HWX4Y1E*MTczOTM3MjQxNy4xLjEuMTczOTM3MjY5MS4wLjAuMA..>. Accessed on: 14 jun. 2019.

CAVALCANTE, Rafael Vidal. (2017). **Política industrial no Brasil a partir da perspectiva das capacidades estatais:** O Programa Inovar-Auto. 2017. 140 f. Thesis (Master's in Sciences) – Escola de Artes, Ciências e Humanidades, Universidade de São Paulo, 2017.

CHUDNOVSKY, Mariana, GONZÁLEZ, Andrea, & HALLAK, Juan Carlos, SIDDERS, Mercedes, TOMMASI, Mariano. (2018). Construcción de capacidades estatales: Un análisis de políticas de promoción del diseño en Argentina. **Gestión y Política Pública**, v. 27, n. 1, p. 79–110.https://doi.org/10.29265/gypp.v27i1.371.

CORBIN, Juliet, & STRAUSS, Anselm. (1990). Grounded Theory Research: Procedures, Canons and Evaluative Criteria. **Qualitative Sociology**, v. 13, n. 1, p. 3–21. https://doi.org/10.1007/BF00988593.

CRESWELL, John W. (2007). **Qualitative inquiry & Research design:** Choosing among five approaches. 2nd. ed. Thousand Oaks: Sage Publications.

EVANS, Peter. (1995). **Embedded autonomy:** States and industrial transformations. Princeton: Princeton University Press.

FISCHER, Frank, & FORESTER, John (org.). (1993). **The argumentative turn in policy analysis and planning.** London: UCL Press.

FLEURY, Maria Teresa Leme, & FLEURY, Afonso Carlos Correa. (2004). Introdução. In: FLEURY, Maria Teresa Leme, & FLEURY, Afonso Carlos Correa (org.). **Política Industrial - Volume 1**. São Paulo: Publifolha, p. 7–12.

GOMIDE, Alexandre de Ávila, & PIRES, Roberto Rocha C. (org.). (2014). **Capacidades Estatais e Democracia Arranjos Institucionais de Políticas Públicas.** Brasília: IPEA.

GOMIDE, Alexandre de Ávila, & PIRES, Roberto Rocha C. (2024). Capacidades estatais em ação: a abordagem dos arranjos de implementação de políticas públicas. In: GOMIDE, Alexandre; MARENCO, André (org.). **Capacidades estatais:** avanços e tendências. Brasília: Enap, p. 31-42.

GOMIDE, Alexandre de Ávila, PEREIRA, Ana Karine, & MACHADO, Raphael. (2017). Apresentação: O conceito de capacidade estatal e a pesquisa científica. **Sociedade e Cultura**, v. 20, n. 1, p. 3-12. https://doi.org/10.5216/sec.v20i1.51311.

SOUZA, Celina. (2024). Capacidades estatais: Interface entre disciplinas e mensuração. In: GOMIDE, Alexandre, & MARENCO, André (org.). **Capacidades estatais:** avanços e tendências. Brasília: Enap, p. 8-19.

GUERRIERO, Ian Ramalho. (2012). **Formulação e avaliação de política industrial e o caso da PDP**. 2012. 270 p. Dissertation (PhD in Economics) – Instituto de Economia, Universidade Federal do Rio de Janeiro.

JOHNSON, Chalmers. (1982). **MITI and the Japanese miracle:** The growth of industrial policy, 1925-1975. Stanford: Stanford University Press.

LOUREIRO, Maria Rita, LIMA-SILVA, Fernanda, ARANHA, Adriana Veiga, & CALABREZ, Felipe. (2020). Building policy capacity within contextual and political boundaries: An analysis of policies in fiscal and social areas in Brazil (1988/2016). **Revista do Serviço Público**, 71, p. 7-37. https://doi.org/10.21874/rsp.v71ib.4056

MACHADO, João Guilherme Rocha. (2022). **The recent industrial policies in Brazil and their conditionalities:** A public policy perspective. 2022. 333 p. Dissertation (PhD in Public Administration and Government) - Escola de Administração de Empresas de São Paulo, Fundação Getulio Vargas.

MAZZUCATO, Mariana, & RODRIK, Dani. (2023). **Industrial policy with conditionalities:** A taxonomy and sample cases. UCL Institute for Innovation and Public Purpose, Working Paper Series (IIPP WP 2003-07). Available at: <https://drodrik.scholar.harvard.edu/sites/scholar.harvard.edu/files/dani-rodrik/files/conditionality_mazzucato_rodrik_0927202.pdf>. Accessed on: 09 dec. 2024.

MILES, Matthew B., HUBERMAN, Michael A., & SALDAÑA, Johnny. (2014). **Qualitative data analysis:** A methods sourcebook. 3. ed. Thousand Oaks: Sage Publications.

OLIVEIRA, Maria Clara, & BICHIR, Renata Mirandola. (2021). Transferência monetária no Brasil e no Chile: Comparando ideias e o papel de instrument constituencies. **Lua Nova**, p. 211 – 246. https://doi.org/10.1590/0102-211246/113.

ORLANDI, Eni Puccinelli. (2007). **As formas do silêncio:** No movimento dos sentidos. 6th. ed. Campinas: Editora da Unicamp.

SCHAPIRO, Mario G. (2013). **Ativismo estatal e industrialismo defensivo:** instrumentos e capacidade na política industrial brasileira. Texto para Discussão, n. 1856, p. 1–56.

SCHMIDT, Vivien A. (2010). Reconciling ideas and institutions through discursive institutionalism. In: BÉLAND, Daniel, & COX, Robert Henry (Eds.). **Ideas and politics in social science research**. Oxford: Oxford University Press, p. 47-64.

SIKKINK, Kathryn. (1991). **Ideas and institutions:** Developmentalism in Brazil and Argentina. Ithaca: Cornell University Press.

SKOCPOL, Theda. (1985). Bringing the state back in: Strategies of analysis in current research. In: EVANS, Peter B., RUESCHMEYER, Dietrich, & SKOCPOL, Theda (org.). **Bringing the state back in.** Cambridge: Cambridge University Press, p. 3–38.

SOUZA, Celina. (2024). Capacidades estatais: interface entre disciplinas e mensuração. In: GOMIDE, Alexandre, & MARENCO, André (org.). **Capacidades estatais:** avanços e tendências. Brasília: Enap, p. 8-19.

STEIN, Guilherme De Queiroz, & HERRLEIN, Ronaldo. (2016). Política industrial no Brasil: Uma análise das estratégias na experiência recente (2003-2014). **Planejamento e Políticas Públicas**, n. 47, p. 251–287. Disponível em: https://repositorio.ipea.gov.br/handle/11058/7375

WADE, Robert. (1990). **Governing the Market:** Economic Theory and the Role of Government in East Asian Industrialization. New Jersey: Princeton University Press.

WU, Xun, RAMESH, M., & HOWLETT, Michael. (2015). Policy capacity: A conceptual framework for understanding policy competences and capabilities. **Policy and Society**, v. 34, p. 165-171. https://doi.org/10.1016/j.polsoc.2015.09.001.

João Guilherme Rocha Machado
https://orcid.org/0000-0001-9627-9680
Professor of the Graduate Program in Public Policy Management at the School of Arts, Sciences, and Humanities of the University of São Paulo (EACH/USP).
jgrmachado@gmail.com

Fernanda Lima-Silva
https://orcid.org/0000-0003-4838-7075
Professor in the Department of Political Science at the University of São Paulo (USP) and researcher at the Center for Metropolitan Studies (CEM).
fernandalimasilva@usp.br