

Medida Provisória 881: The Empowerment Of Brazilian Entrepreneurship and The Hope For Less Bureaucracy In Business

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Abstract

With the assumption of Jair Bolsonaro to the Presidency of Brazil the new president is looking to overhaul key components of the economy. Influenced by conservative thinker Olavo de Carvalho and supported by a team of like-minded free-market aficionados such as Paulo Guedes and Paulo Uebel, President Bolsonaro has issued an executive medida provisória to stimulate business development in Brazil by eliminating costs and bureaucracy for Brazilian businesses. The Medida Provisória 881 is already being considered a hallmark of legislation that is quintessential for the economy and the nation. This historic bill is often referred to as an “economic bill of rights”.

1. Why a “Medida Provisória”?

The Brazilian medidas provisórias are not exactly the equivalent of American executive orders. There is one similarity though: with a stroke of the president’s pen, they become somewhat a “law of the land.” In the Brazilian case, they must be voted on by congress after 120 days, otherwise, the law is struck down. However, until the end of the law’s process in congress, the law is considered in full effect once initiated.

That is why Bolsonaro’s administration chose to introduce those measures as a medida provisória so that small businesses and entrepreneurs could readily benefit from the new rules. The Bolsonaro administration expects that MP 881 may result in the creation of 3.7 million more jobs.² As of September 20, 2019, MP 881 became Federal Law Number 13.874/2019. When the current article was being written, MP 881 was not law yet; therefore, the current Law 13.874/2019 is referred to as MP 881.

2. Introduction

The new Brazilian “Economic Liberty Law” promises to assist startups and those businesses that are free-market minded by slashing away at needless restrictions.

For a few years in the 1990s, it appeared that Brazil might escape a tumultuous cyclical economic fate through cardinal reforms implemented by President Fernando Henrique Cardoso.³ President Luiz Inácio Lula da Silva’s first presidential term maintained Cardoso’s fiscal anchors partially intact, expenditures on rentiers was replaced by ex-

penditures on public investment.⁴ Enjoying the commodity boom, Lula’s administration boosted social programs and expanded foreign spending throughout aligned Latin American countries.

However, PT’s (The Brazilian Worker’s Party) hopes of staying in power were disillusioned due to a series of co-nundrums as a profound economic crisis engulfed Brazil. Staggering violence, crumbling infrastructure, controversial education programs, and corruption scandals enlightened by the ongoing Operation Car Wash, which is a federal police investigation involving the state-owned company Petrobras, all contributed to a recession that occurred in 2016 in Brazil. All these issues led to Dilma’s impeachment that same year for budgetary misconduct.

Many Brazilian conservatives and libertarians are wary of President Jair Bolsonaro, a nationalistic military man unschooled in economics.⁵ They fear he might return to populist, government-centric economic policies of the dictatorship years.⁶ Bolsonaro’s voting record did not assuage conservatives and libertarians either.. Jair Bolsonaro was a niche congressman, who focused for 30 years on the needs of the military and police. To allay fears that he was ill-prepared to deal with the Brazilian economy he surrounded himself with a team of economic free-market advocates.

3. The Economic Mastermind

Jair Bolsonaro added Paulo Guedes, an investment banker, to be his minister of economy. Bolsonaro’s economic minister is a Chicago trained free-market enthusiast who co-founded the investment bank BTG Pactual. Bolsonaro met Guedes through Beatriz Kicis and Winston Ling. Winston Ling is a Brazilian-Chinese entrepreneur. Beatriz Kicis (“Bia Kicis”) is a former Federal District attorney and cur-

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² <https://oglobo.globo.com/economia/secretario-defende-rejeicao-de-todos-os-destaques-mp-da-liberdade-economica-23876139>

³ <https://www.heritage.org/americas/commentary/heres-how-brazils-president-elect-can-make-brazil-great-again>

⁴ Cardim de Carvalho, Fernando J, and Fernando Ferrari Filho. “President Lula’s Policies at the End of His Term’s First Third.” 2003, pp. 1–13., http://www.ie.ufrj.br/moeda/pdfs/president_lula_at_the_first_third_of_his_term.pdf.

⁵ <https://www.heritage.org/americas/commentary/heres-how-brazils-president-elect-can-make-brazil-great-again>

⁶ Ibid.

rent federal deputy in Brasília. Bia and Winston arranged a meeting between Guedes and Bolsonaro in 2017.

Winston Ling is the founder of the Institute for Entrepreneurship Studies (IEE in Portuguese) in Porto Alegre, Brazil. IEE was the only free-market forum in Brazil for decades. Since the 1980s its annual conference known as “Fórum da Liberdade” (Liberty Forum) has been taking place. Brazil's recent right-wing economic movement was shaped at the annual “Fórum da Liberdade” and all subsequent conservative economic thought was guided by IEE gatherings, including the Millenium Institute.

Mr. Guedes is a fervent proponent of the privatization of state-owned enterprises. Salim Mattar, a successful businessman and now Guedes' Secretary for Privatization, weighs in on Bolsonaro's shift of conviction after two years of talks with Mr. Guedes.⁷ Mattar observes that Bolsonaro went from a free market skeptical into a forceful small government advocate, at least given Brazilian standards.⁸ During the campaign trail, Bolsonaro jocosely mentioned Guedes as his “Posto Ipiranga” (Ipiranga gas station is a common gas station in Brazil), a business depicted as all-knowing and all-solving.

Paulo Guedes' economic team reflects his *modus operandi* of “free market-shock.” It is on record that the government is hoping to privatize around 130-180 state-owned companies by the end of Bolsonaro's mandate.⁹ According to Guedes in addition to selling government properties, the total revenue generated can reach BRL 1,25 trillion.¹⁰ It seems that the initial USD 20 billion in estimated assets sold will be easily surpassed.¹¹ Now there are new state companies in play. The government announced a list of 17 state companies, all of which will be completely privatized, these privatizations include Eletrobrás, Telebrás, Serpro, Dataprev, Casa da Moeda, and Correios, which is the Brazilian equivalent of the United States Postal Service.

4. Guedes' Economic Team

Paulo Antônio Spencer Uebel a resolute libertarian and an avid follower of objectivism, as espoused in Ayn Rand's classic *Atlas Shrugged*, was recently named Secretary of Government Management and E-government in the Bolsonaro administration. He is the chief architect of Medida Provisória 881. Mr. Uebel holds an MPA from Columbia University, possesses CEO experience and was the Municipal Secretary of Public Management for the city of São Paulo under João Dória's administration.¹² Paulo Uebel is

⁷ 2º BTG Pactual Macro Day:

[<https://www.youtube.com/watch?v=MMoEiRcuSgQ&t=1518s>]

⁸ 2º BTG Pactual Macro Day:

[<https://www.youtube.com/watch?v=MMoEiRcuSgQ&t=1518s>]

⁹ The number differ in accordance to the government official and sometimes the same person mentions different numbers.

¹⁰ https://correioabraziliense.com.br/app/noticia/economia/2019/03/13/internas_economia.742782/privatizar-as-estatais-poderia-render-r-1-25-trilhao-diz-guedes.shtml

¹¹ <https://www.istoedinheiro.com.br/atingiremos-a-meta-de-privatizacoes-este-ano-com-tranquilidade-diz-salim-mattar/>

¹² <http://www.economia.gov.br/acesso-a-informacao/institucional/quem-e-quem/secretaria-especial-desburocrizacao-gestao-e-governo-digital>

charged with implementing Paulo Guedes' programs on government efficiency. During his time working with the governor of São Paulo, João Dória, Mr. Uebel executed several conservative economic reforms: cutting government spending drastically, renegotiating contracts, and controlling civil servants productivity. Uebel was also responsible for the implementation of E-governance in the city government of São Paulo. He was behind the idea of closing the paper version of the Official Gazette of São Paulo. With his experience and energy Mr. Uebel is bringing his strategy from the local level to the federal level, the engine for this strategy implementation is Medida Provisória 881 (MP 881). Uebel's imprint in medida provisória MP 881 consists of several factors: reducing the executive's fiscal impact on economic activity, drastically reducing start-up and pre-start-up costs, speeding up the process of digitizing public administration documents, and streamlining regulatory impact of public administration. Mr. Uebel's aspiration has been to make economic activity more flexible.

Paulo Uebel was responsible for several municipal executive decrees and the revocation of over 200 city level executive orders. His idea was to reduce from 1600 municipal decrees to 30 in the city government of São Paulo. At the federal level, he is the author of a massive number of revocations of ministerial orders revocation, by the hundreds, known as *revogação*.

Mattar laid out his strategy of free market expansion, which portends that “you have to learn to crawl before you learn to walk.”¹³ Matter has championed the privatization of subsidiaries as means of introducing the concept of privatization. Up to this point, a multitude of subsidiaries, such as Petrobras Pasadena refinery, targeted by the Car Wash operation, was sold to the Chevron group for half its price, and has since been privatized. Other examples of recent subsidiary privatizations are Petrobras subsidiaries in Paraguay and TAG.¹⁴ There are also ongoing negotiations regarding Liquigás and Br Tur, a Banco do Brasil subsidiary. This relaxed approach to privatization is a smooth transition for the country as the Bolsonaro administration strives to move Brazil's economic ethos from state control to private initiative.

Marcos Troyjo, a former Brazilian diplomat, oversees Foreign Trade & International Affairs in the ministry of the economy. Despite being an important economy, Brazil does not represent an influential player in international trade. The Bolsonaro administration realizes that Brazil is not living up to its trade potential. Brazil's is an unusually closed economy as measured by trade penetration, with exports plus imports equal to just 27.6 percent of GDP in 2013.¹⁵ Brazil's large size is often used to explain its relative

¹³ 2º BTG Pactual Macro Day:

<https://www.youtube.com/watch?v=MMoEiRcuSgQ&t=1518s>

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<https://www12.senado.leg.br/noticias/materias/2019/06/19/senadores-avaliam-venda-da-tag-pela-petrobras>

¹⁵

<https://www.worldbank.org/en/news/opinion/2015/02/05/the-cost-of-brazils-closed-economy>

lack of openness. But this argument does not stand up to scrutiny: among the six countries with larger economies than Brazil's, the average trade-to-GDP ratio is 55 per cent.¹⁶ Given the size of its economy, we would expect Brazil's trade to be equal to 85 percent of GDP, three times its actual size. Controlling for other dimensions of country size (surface area and population) and structural features often associated with trade openness (urbanization, manufacturing share in GDP) still cannot adequately explain Brazil's lack of openness.¹⁷ Bearing that in mind, Guedes envisioned a shift from an import substitution industrialization model to a free-trade *modus operandi* similar to what occurred in Chile.

Troyjo was the chosen name for the role of Foreign Trade and International Affairs at the ministry of economy, since he is a long-term expert regarding trade agreements. He currently is the lead Brazilian negotiator in Mercosur-European Union Agreement establishment. Moreover, he is heading the talks for bilateral free-trade agreements, such as the one with Mexico. Troyjo is known for being a straight-shooter negotiator and stark partisan of enhancing international economic ties. Troyjo and some members of Bolsonaro's economic team were affiliated with the Millennium Institute.

The Millennium Institute (Imil) is a Rio de Janeiro based *laissez-faire* think tank founded by Universidade do Rio Grande do Sul (UFRGS) Professor Denis Rosenfeld and the economist Patrícia Carlos de Andrade in 2006. They founded the institution as a bulwark against left-wing inspired economic principles, which were prevalent at the time in Latin America.

Since then, Imil has drawn various thinkers and right-wing factions, from conservative leaning to centrist neoliberal policy supporters. Imil has beckoned well-known intellectuals such as Gustavo Franco, Armínio Fraga, Pedro Bial, Ives Gandra, Jorge Gerdau Johannpeter. Its sponsors and partners include mass media corporations, such as Globo Organization, Folha, Abril and RBS groups. Financial institutions such as Bank of America and BMG-Pactual, are also related to the organization.

The institute gained momentum during the end of Lula's administration, as a fountain of capitalist thought in socialist inspired times. As time went on and PT consolidated its reign in Brazilian politics, Imil seemed to become more influential and more deep-rooted in libertarianism, by including names such as Paulo Guedes, Sallim Mattar, Paulo Uebel, and Marcos Troyjo. These individuals wrote articles, held panels, gave interviews, and tried to influence policies by disseminating liberal economic liberal ideas.

Hence, the Bolsonaro economic team was forged at the Millennium Institute. However, the Institute did not foster the Bolsonaro candidacy necessarily. Many prominent financial establishment figures from the Institute were aligned with centrist politicians leading up to the 2018 election such as Geraldo Alckmin or João Amoêdo and were not staunch supporters of Bolsonaro. Regardless if

any centrist or center-right candidate were to have won the 2018 election it is probable that key individuals from the Institute would be in the government somehow.

Public Management in Brazil is undergoing an "Americanization" process. This is deep-rooted in the nomination of Paulo Guedes as the Minister of Economy and his under-secretaries Paulo Uebel, Marcos Troyjo and Salim Mattar. The Medida Provisória 881 written and designed by Paulo Uebel and the rest of the economic team under Paulo Guedes has championed a Brazilian "Economic Bill of Rights" through an American lens.

5. Challenges to Business Development

Understanding the mind-sets of the architects of MP 881, it is now clear to comprehend MP 881 itself, which is the legal instrument for the new public and private management culture in Brazilian economic activities. This measure has gained considerable support from the public and is already considered a landmark in the annals of Brazilian laws.

Everyone in Brazil agrees that the Brazilian State is extremely burdensome, totally ineffective, remarkably bureaucratic and unnecessarily complicated. The aim of Medida Provisória 881 is to eliminate this government red tape. Hence, every action towards easing bureaucracy in small businesses' practices, reducing costs and governmental fees, simplifying regulatory, and legal businesses' requirements, rigidly controlling arbitrary businesses' oversight, fast-tracking government activities, and ending paper document demand will resonate positively with the public.

Authorizations and permits alone represent costs around BRL 80 billion to small companies every year in Brazil.¹⁸ In Canada, for example, costs related to businesses' opening and pre-opening administrative and bureaucratic expenses are significantly cheaper.¹⁹

Worldwide, small companies devote an average of 120 days to administrative tasks. In Brazil, these numbers are considerably higher than normal.²⁰ The amount of time spent working per worker in Brazil is among the top three in the world.²¹ Another barrier to businesses' improvement in Brazil is also time-related. The country is among the worst in terms of business' opening. It usually takes 100 days to open a company in Brazil.²² Another peculiarity in Brazil is that companies assign almost 2000 hours to ac-

¹⁸<https://oglobo.globo.com/economia/no-pais-da-papelada-licencas-exigencias-burocraticas-custam-80-bilhoes-por-ano-pequenas-empresas-22707535>

¹⁹Ibid.

²⁰<https://revistapegn.globo.com/Administracao-de-empresas/noticia/2017/11/burocracia-consome-135-dias-de-trabalho-nas-micro-e-pequenas-empresas-brasileiras.html>

²¹<https://oglobo.globo.com/economia/burocracia-consome-135-dias-de-trabalho-nas-micro-pequenas-empresas-brasileiras-22023900>

²²<https://www.gazetadopovo.com.br/economia/empreender-pme/abertura-de-empresas-no-brasil-emperra-nas-prefeituras-e-leva-mais-de-100-dias-28aiwfb1nhqtt19snqms4gc3/>

¹⁶ Ibid.

¹⁷ Ibid.

counting matters a year.²³ Overall, businesses throughout the country spend BRL 60 billion every year solely calculating and paying taxes.²⁴ Those numbers are some of the worst comparatively to other countries regarding tax bureaucracy. These negative business opening and operating expenses leads Brazil to the bottom of every think tank's Economic Freedom Index. The Brazilian State now recognizes the almost complete lack of economic freedom that pervades it, a recognition that would be unfathomable years ago.²⁵ Brazil is in the 109th position in the World Bank's Doing Business Index, 150th in Heritage Foundation's Economic Liberty Index, 144th in Fraser Institute's economic freedom index and 123th in Cato's economic freedom Institute ranks.²⁶

These negative statistics are well-known and even recognized by the Workers Party (Partido Trabalhista). Fundação Perseu Abramo, which is a think-tank connected to the party, promoted research on low-income neighborhoods in São Paulo. The results demonstrated a stark presence of free-market oriented, competitiveness enhancement, government efficiency and individualism ideals.²⁷ It is a new working class, whose roots are intertwined with neo-evangelical stances.²⁸ As a result, São Paulo *periferias*, which traditionally sided with PT, since 2012 had a shift to conservative leaning candidates.²⁹

6. The Legislation: Medida Provisória 881

Article One's highlights

Article I establish economic freedom rights, instituting standards of protection for free enterprise and free exercise of economic activity and ensures that the state evaluates its regulatory agencies.

Paragraph I. The provisions of this law shall be observed in the application and interpretation of civil law, business, economic, urban and work in legal relations within its scope of enforcement and public order, including the exercise of professions, commerce, public records, transit, transport and protection of the environment.

Paragraph II. Interprets economic freedom and good faith and with respect to contracts, investments and properties of all norms of public ordination about private economic activities.

Paragraph VI. Ensures the liberation of economic activities so that individuals or small businesses may commence economic activities.

²³<http://www.fenacon.org.br/noticias/empresas-gastam-1958-horas-e-r-60-bilhoes-por-ano-para-vencer-burocracia-tributaria-2735/>

²⁴ Ibid.

²⁵ <https://legis.senado.leg.br/sdleg-getter/documento?dm=7976763&ts=1566596992496&disposition=inline>

²⁶ Ibid.

²⁷ <https://fpabramo.org.br/publicacoes/publicacao/percepcoes-e-valores-politicos-nas-periferias-de-sao-paulo/>

²⁸ https://brasil.elpais.com/brasil/2017/04/10/politica/1491848584_898223.html

²⁹ Ibid.

Commentary on Article One

The law starts with a Declaration of the Rights of Economic Freedom, which establish protective norms on free enterprise and the free exercise of economic activities. Article one also mentions standards on government actions as a regulatory agent.

The Brazilian Constitution already guarantees economic freedom, but there was not a single clear piece of legislation specifying the general constitutional provisions.

Article 170 of the Brazilian Constitution refers to "private property" and "free competition" as principles of the Brazilian economic order. Whereas article 174 determines government economic planning as a determinant to the public sector and only indicative of the private sector. There has been plenty of discussions on what "indicative" would mean in that context. Theoretically, regulatory public administrative bodies' economic planning should only apply to government projects, in practice, to the private sector they provide suggestive guidance.

Article 1, paragraph I, establishes the limits regarding MP 881's legal provisions. MP 881's disposition must be observed on the application and interpretation of private, business, urban and labor law. The law also extends the same provision to notarial and public registration, commerce, trade boards, transportation, city traffic, professional associations and environmental protection. The third paragraph of Article 1 states that financial and tax law are not included in MP 881.

The applicable consumer protection cause in article one was eliminated by the Chamber of Deputies even though consumer protection is prevalent in most other economic related laws.

Every public norm on economic activities has to be interpreted in favor of economic freedom, good-faith and respect to contracts, investments and private property.

Paragraph II establishes an interpretation that is friendlier to legal interpretation. By establishing some sort of deference to free market and private property strengthening values, public rules' interpretation cannot subvert the core principles of economic freedom.

Finally, paragraph VI is a fundamental provision, since it defines *atos públicos de liberação*. These are acts where the government approves of actions undertaken. They could be literally translated as "public acts of liberation." What the lawmakers intended was that any broad kind of public authorization regarding economic activities, whether it be a permit, license, approval, consent form or any other type, would be within MP 881's reach. The legislation also includes any part thereof or any stage within public acts of liberation processing. It was made generically on purpose, so that no government liberation act would be regulated or directed under different standards.

Article Two's highlights

Article 2. The following principles guide what is written in this law: Clause I - freedom as a guarantee in the exercise of economic activity; Clause II - good faith from individuals before public authority; Clause III - subsidiary and government intervention in the exercise of entrepreneurial

economic activities; and Clause IV - recognition of individuals' vulnerability before the government.

Commentary on Article Two

Through the reader's perspective, clause I could be understood as a guarantee *per se*, not as a principle. Government must assure by law that entrepreneurship is free from unwarranted limitations.

The same principle applies to clause II, which could be interpreted as a general clause or a legal presumption. To properly register a company in Brazil, the variety of documents required is overwhelming. Documents such as chartered or notarial authentication, and signature recognition are just some of the documents currently needed to open a business. The many documents needed to open a business reflects that bureaucracy has always been a mainstay in the Brazilian conscious. This tendency of bureaucracy hails from colonial times when a court system was established to regulate merchants' and businesses' transactions, such as registration, enrolments, official translators and trustee appointments as well as many others.³⁰ Historians and sociologists such as Sergio Buarque de Holanda have theorized that it derives from practices established by Portugal during the colonization of Brazil.

There is a bad-faith presumption regarding Brazilian citizens. The underlying notion is that people act in an immoral fashion *par excellence*, until its proven otherwise. In this sense, public offices demand chartered authentication, signature recognition, paper documents as a means of good-faith proof. Every slight minor formal inaccuracy can nullify an entire administrative procedure. This is detrimental in the realm of economic freedom. By penalizing the ones that commit fraud or dangerous acts, the Brazilian government is just now starting from the assumption that most Brazilians consists of law-abiding citizens. Not everyone should disburse pricey and pointless documents and wait for indefinite time; there should only be extra requirements for those who are acting in a suspicious manner. As French politician and writer Alain Peyrefitte's professes, for a community to consistently progress, its individuals must trust in each other. Same applies to government practices: a public administrator that wants to interfere in every sphere of human economic activity can spoil the natural flow of wealth generation.

Clause III represents a shift of Brazilian executive business intent. Traditionally, since the Vargas administration, there has been a multitude of state-owned companies. At that time, the general argument behind the government's interference in the economic sphere was the lack of investment from private investors. Thus, the federal government stepped-in and created a series of public enterprises, such as Companhia Siderúrgica Nacional CSN, Vale do Rio Doce and Petrobras. The military dictatorship that transpired in 1964 and the administrations of Inacio Lula Da Silva and Dilma Rouseff substantially increased the number of public companies. In 2018, local, state, and federal governments held 418 state companies in total.

The outcome expected out of Clause III is setting *ultima ratio* standards concerning government action in the economic sphere. That means the government should only interfere as an option of last resort.

As expected, clause IV could be comprehended as a simple acknowledgment or even a legal presumption. Clause IV sets state recognition of individuals' weak position when confrontation with government interests. This matter can be exemplified by legal provisions such as precatory regimes and *reexame necessário* appeal.

There will be those who think all these clauses are rules. There will be those who think all these clauses are principles. There will be those who think some are rules and some are principles. However, what is going to bring guidance and clarity before such a crossroads is legal philosophy. Everyone views this through their own prism there's no ultimate answer.

Article 3's highlights

Article 3. There are inalienable rights of every person, natural or legal, essential for the economic development and growth of the country, in accordance to the sole paragraph of Article 170 of the Constitution:

Clause I - to perform low-risk economic activity, for which exclusive value of private property or consensual third parties, without the need for prohibition of public execution of economic activities;

Clause II - to perform economic activity at any time or day of including holidays, without any additional charge or fee, being observed: (...)

Clause III - to freely define, in unregulated markets, the price of products and services because of changes in supply and demand;

Clause IV - to receive isonomic treatment regarding exercise of acts of liberation from bodies and entities of the public administration, hypothesis in which the act of liberation will be linked to the same criteria of interpretation adopted in previous similar administrative decisions, observed the provisions of regulation;

Clause V - to enjoy presumption of good faith acts performed in the exercise of economic activity, for which the doubts of interpretation of the civil, business, economic law and urban planning will be solved to preserve autonomy private, unless there is a legal provision to the contrary;

Clause VI - to develop, execute, operate or market new modalities products and services when infralegal norms become outdated by technological development internationally consolidated, in accordance with the which shall govern the requirements for measuring the situation the procedures, the timing and conditions of effects;

Clause VII - to test and offer, free or not, a new product or service for a group of capable people with the use of one's own assets or third parties upon authorization of these after free and clear consent without requirement or public act of release of the economic activity except in federal law

Clause VIII - to guarantee that paritarian legal business transactions will be under free stipulation of the covenant parts, to relegate the application of all business law rules only to a subsidiary stance, except rules of public order;

³⁰ <http://mapa.an.gov.br/index.php/menu-de-categorias-2/348-tribunais-do-comercio>

Clause IX - to guarantee that in the requests for public acts of liberation of economic activity subject to the provisions of this Law, the information requested should be presented as expeditiously as possible once presented all the elements necessary for instruction of the process, the party will be express and immediately notified from the deadline stipulated for the analysis of its request and, after the deadline's expiry, the silence of the competent authority shall impart tacit approval for all effects, except for the hypotheses expressly prohibited by law.

Clause X - to archive any document through microfilm or through any digital means, per the techniques and requirements determined by regulation, which can be made to physical document for all legal effects and for any act of public law substantiation;

Clause XI - not to be required any measure, compensatory installment or abusive mitigating action at impact studies stage or other economic activity released in urban law (...)

Clause XII - not be required by direct public administration or indirect certificate without foresight expressed in law.

Commentary on Article Three

The law's backbone is Article III, which must be interpreted in conjunction with the previous articles, in a systematic manner.

Clause I authorizes low-risk economic activities to be initiated without any form of permit of government authorization. It does not include high-risk economic ventures. High-risk economic activities will still need a permit.

Article 3, paragraph I, stipulates that what constitutes low-risk activities is determined by the Federal Government. If state or municipal administrations rate low-risk activities differently than the federal government than their ratings will prevail over federal ratings.

The same paragraph also states that in the absence of the Federal Government's determination on low-risk activity classification, a resolution enacted by the Committee for the Management of the National Web for Simplification of Companies and Businesses Register and Regularization (CGSIM) is fully applicable.

The guidelines as to what businesses constitute low-risk activities is under Resolution Number 51 of the regulations of CGSIM, which started in June of 2019.³¹ The resolution catalogs over 280 business types considered low-risk activities. Among them are many of the most popular in Brazil: clothing stores, different sorts of retail, snack bars, higher education, beauty salons, restaurants, and grocery stores among others.

The lawmakers' intent is to tackle what is known as "máfia do alvará", which could be literally translated as "the permit mafia". In Brazil, and throughout Latin America as a whole, government officials ask small business owners for kickbacks in order to grant them permits. It represents a two-tier pressing social menace. Sometimes public officials request bribes to issue the permit. On the other

hand, not every business should be granted a permit. Several businesses are not qualified to obtain the permit, an example of this could be the Kiss nightclub in Santa Maria, Rio Grande Do Sul. The Kiss nightclub allegedly received a permit without it being in compliance with fire protocols; the result was that a fire ravaged the club one evening killing hundreds of people as there was only one exit, a clear violation of the fire safety protocol.

It is difficult to ascertain how much capital will be saved by not having to pay for permits related to low-risk economic activities. This is clearly a financial plus for the Brazilian economy. The same concept applies to product innovation for low-risk activities, these companies will be spared from the time and money wasted on unneeded permits. By freeing up time and capital to be used to develop the business it will make the businesses more efficient and innovative. This will undoubtedly spur competition and economic creativity and give the Brazilian economy a much-needed boost, since the country finds itself in a five-year crisis.

Clause II aims to assure free enterprise in any given time. Clause II, in its three respective sub clauses, prescribe certain limits, such as labor law dispositions, environmental norms and restrictions derived from private legal transactions (under civil law's *Rechtsgeschäft* meaning). It is important to note that probable clashes will emerge between this law and local governments, since many cities establish their own time constraints on businesses' activities.

Clause III mentions that the government cannot establish price controls. The particulars of this will be determined in the near future. There is clearly a direction stipulation towards unregulating prices, as a standard. However, given that Article 3's paragraph 3 and respective sub clauses have inconspicuous wording, it is somewhat unpredictable to forecast what will be the exceptions to this rule.

Brazil has a long history of price control. Vargas' decree-law 4.598/42, enacted during his dictatorial period, implemented rent control for two years. In 1964, João Goulart passed decree 53.702, freezing rent and establishing prices in accordance to the number and nature of the property's rooms. A one room apartment could cost as high as 1/5 of the national minimum wage at that time. A studio apartment could be a maximum 2/5. These erratic price manipulations by President Goulart precipitated a military coup-d'etat a few days later.

President Sarney's Cruzado Plan tried to fix the high inflation problem by informally authorizing every Brazilian citizen to fiscalize his price control plan implementation. Thus, thousands of people voluntarily wore green buttons, with the saying *Eu sou um fiscal do Sarney* (I am an inspector for Sarney) and went store to store executing the new provision. The plan did not end well.

Given Brazilian history and the fact that the Brazilian legal system relies heavily on taxation for non-fiscal purposes, there seems to be no way around. On top of that, Article III paragraph three also leaves a door open by not applying Clause III in "any disposition protected by federal law". In other words, if Congress passes a law setting price

³¹http://www.mdic.gov.br/images/REPOSITORIO/SEMPE/DREI/RESOLUCOES_CGSIM/Resoluo_51_2019.pdf

control, there is no protection guarantee to private business owners.

Clause IV is fundamental. Government fiscalization is binding to public officials. This clause stipulates that there is no partiality nor barriers from government entities. There can be no double standards. If one provision is applied to a certain individual, it must be equally extended to others. The goal is to enhance legal certainty and generate a sense of pre-visibility. This guarantees to the private owner that a "fiscal/administrative precedent" must be followed.

Clause V essentially protects small business owners from being unnecessarily penalized for not knowing the law. For instance, there are very complex regulations on installing roof sheets. If the owner does not proceed correctly, there will be no fine, unless there is dramatic error that could bring dangerous consequences. Clause V also frees individuals from having to pay fines due to minor mistakes related to not following regulatory code. The individual in error must correct his or her mistake or face a fine.

Clause VI states that the government cannot prevent or stop an individual from conducting sound economic activity based on previous laws or regulations when the industry of the business is new. There must be regulatory frameworks to have proper governance in place for any new industry.

Clause VII determines that the government cannot forbid free market forces from acting in the development or testing of new products. This provision goes hand in hand with Clause I, because they represent the same principle, but in different contexts.

The essential being that if one is not obligated to ask any government permit to perform its business' task, it should also not be required any form of authorization regarding product or service development. As a parallel, if the product development fits into dangerous activity status, in accordance with the law, then it is necessary to seek a government liberation act.

Clause VIII utterly enhances freedom of contract among same size businesses, being public norms the only restrictions thereof. Although the concept beneath covers legal transactions between paritarian businesses, there are also classic private law systemic restraints. That is the case of Brazilian Civil Code's Article 104, which invalidates any legal transaction settled without minimum requirements fulfilment, such as civilly capable person, licit object and legally allowed form.

In Brazil, labor law and consumer protection are predicted upon the contractor's inequality position recognition. Therefore, Clause VIII disposition does not comprise freedom of contract in standard form or employment contracts. To some extent, the same applies in America, but with certain distinctions.

American labor law for example relies heavily on judicial evolution. "Freedom to contract" could be envisaged as a shorthand expression referring to economic liberty in a large and embracing sense, that is, the idea of economic

individualism.³² Economic liberty in this sense affords free play to individuals to use their "faculties," their natural-born talents and educated skills, which James Madison and other leaders in America's Revolutionary and Founding periods declared to be a vital aspect of their "property," and as such fully as deserving of the state's protection as were their chattels, or physical property.³³

For this reason, it is possible to interpret the founding Fathers' perspective on Liberty of Contract as deriving from the Lockean system, which is one of freedom of contract between individuals, and that the American government is based on a contract with the people.³⁴ Being so, the judicial understanding until the mid-20th century was consensual, by setting the burden of proof on government, not on individuals. This precedent was followed by *Lochner vs. New York*, *Adair vs. United States* and *Coppage vs. Kansas*. It was only during the New Deal era, that there was a stark shift on Court rulings.

One can argue, as George M. Stephans does, that: "Judges who had received their education or started their law practice during the Civil War era espoused freedom of contract very strongly, because it was believed that the right of the individual to work for whom and how he pleased was among the rights for which the Civil War had been fought. That war was a violent turn toward Lockean rights, made necessary because the human rights of the slaves had not been protected by the government. There is no freedom of contract in slavery. President Lincoln employed Jeffersonian thought and the Declaration of Independence as the ideological 'big guns' in the War".³⁵

Brazil though had a different historical path. Brazilian labor law was consolidated in Vargas' dictatorial era. It was predicted on fascist Benito Mussolini's *Carta del Lavoro*. Worker's rights were established unilaterally through decree-law by the Executive power nationwide. This 80-years-old piece of legislation was never voted on by Congress, being solely the object of constitutional reception of law. MP 881 did not address the unequal positions in legal contracts, such as labor law. Since Brazil did not have ingrained Lockean antecedents regarding labor law practices, as the United States does, it is hard to grasp a stark difference in labor relations made by this law. This difference makes it challenging to change labor law relations.

Clause IX stipulates that the government must meet deadlines to provide companies or individuals with responses as to their filings. If no response is given from the government the business will automatically qualify for its filings.

Again, it seems awkward to the American observer, but there is a need for legal enhancement of time control concerning government acts of liberation, or activities in general, in Brazil. It is notorious that the Brazilian public ad-

³² Harry N. Scheiber. *The State and Freedom to Contract*. Stanford: Stanford University Press, 1998, pg. 1.

³³ *Ibid*.

³⁴ George M. Stephans. *Locke, Jefferson, and the Justices: Foundations and Failures of the Us Government*. New York: Algora Publishing, 2002. pg. 117.

³⁵ *Ibid*, 116.

ministration is slow-paced. Clause IX creates a legal mechanism to put pressure on government performance. Echoing those that highlight the faults in Brazil's Portuguese roots and the sociologists' analysis on Brazilian bureaucratic behavior, there will be those who doubt this provision could be effective.

Clause X promulgates that using digital technology to regulate official documents regarding all private sector activities is now just as valid as paper documents. The government cannot deny digital documents on the grounds of not being officially standardized printed.

Reducing the costs with paper-printed documents is a two-way street: it benefits the individual, who is not going to be obligated to spend on, and also the government itself, which is going to cut unnecessary spending. This was one of Paulo Uebel's main initiatives as he worked for the city of São Paulo; he helped eliminate paper documents in the city government.

Clause XI fixates that any study on the impact of certain urban modifications should be considered reasonably as a liberation proceedings.

Finally, Clause XII is also pivotal for the debureaucratization process implemented by Uebel, under Guedes's guidance. In Brazil, the government normally requires a great deal of certificates, many of which are not even mentioned in any given law. Henceforward, this new disposition ensures that individuals emit certificates only if there is a law demanding so. Given the specificities of Brazilian bureaucracy, such new practice may be effective, but certainly it will take time - and a fair amount of litigation.

Article Four's highlights

Article 4. Resolves that it is the duty of the Public Administration in all its forms to ensure regulatory compliance related to MP 881, while exercising regulatory competence concerning this medida provisória, with the exception of strict legal compliance, preventing abuse of regulatory powers (...)

Commentary on Article 4

Every time the government in all its forms exercises regulatory actions it is under the provision of Article 4. This article refers to not only regulatory agencies but to all government bodies when they are exercising regulatory competence. Regulatory agencies, such as ANVISA (National Sanitary Surveillance Agency), ANAC (National Civil Aviation Agency of Brazil), ANAEL (Brazilian Electricity Regulatory Agency), among others in the federal, state or municipal level. Yet, there have been many instances of malfeasance in these regulatory bodies.

One such instance of abuse in regulatory power is the case of the federal agency INMETRO (National Institute of Metrology, Standardization and Industrial Quality), linked to MDIC, (Ministry of Development, Industry and Foreign Trade). There have been multiple complaints filed against this agency. Indeed, one of its presidents suffered a nega-

tive verdict from Rio de Janeiro's State Court for administrative irregularities while in charge.³⁶

Another common objection is related to the slow pace of processing. judicial and administrative procedure slowness is a theme starkly connected to developing nations' government practices. In Latin America, it seems to be a shared culture, to which sociologists, historians and intellectuals have spent precious time on.

This pace of processing whether it be administrative or judicial represents many long-established complaints from Brazilian entrepreneurs. Regulatory agencies performance is deemed not only unpredictable but also intensely politicized. This indifference by the regulatory agencies concerning bureaucratic processing and competition promotion highlights why Brazilian academia and the media have recognized a regulatory crisis in Brazil since the mid-2000s.

Article 5' highlights

Article 5. The editing and amendment proposals of normative acts regarding general interest of economic agents or users of the services rendered, issued by a federal public administration body or entity, including municipalities and public foundations, shall be preceded by regulatory impact analysis, which will contain information and data on the possible effects of the regulatory act to verify the reasonableness of its economic impact. (...)

Commentary on Article 5

Article 5 creates the Regulatory Impact Analysis (RIA) in Brazil. The Organization for Economic Co-Operation and Development (OECD) defines the RIA as "a systematic approach to critically assessing the positive and negative effects of proposed and existing regulations and non-regulatory alternatives. As employed in OECD countries it encompasses a range of methods. It is an important element of an evidence-based approach to policy making."³⁷

The OECD then adds: "conducting RIA within an appropriate systematic framework can underpin the capacity of governments to ensure that regulations are efficient and effective in a changing and complex world. Some form of RIA has now been adopted by all OECD members, but they have all nevertheless found the successful implementation of RIA administratively and technically challenging."³⁸

Until now the RIA concept was never fully introduced in Brazil. Since at least a decade ago, the OECD has recommended the implementation of the Regulatory Impact Analysis as a requirement for the improvement of regulation in Brazil: "Thus, it provides high quality to the end product of regulation obeying the policies of government with the least possible cost to society."³⁹

³⁶https://www.correiobraziliense.com.br/app/noticia/economia/2018/01/19/internas_economia,654254/chefe-do-inmetro-e-condenado-na-justica-por-contratos-sem-licitacao.shtm

³⁷<https://www.oecd.org/regreform/regulatory-policy/ria.htm>

³⁸<https://www.camara.leg.br/proposicoesWeb/fichadetramitacao?idProposicao=2175883>

³⁹Vasconcellos; Rodrigo Abijaodi Lopes de. BRAZILIAN REGULATORY AGENCIES: FUTURE PERSPECTIVES AND THE CHALLENGES OF BALANCING AUTONOMY AND CONTROL.

Article 5 is one of the few articles which was not altered throughout the entire deliberative process. Only the article's number and grammar have been modified. It highlights a consensus around Brazil's intent to become a member of the OECD by accepting OECD's standardization. It has been one of the first issues discussed and agreed upon by President Trump and President Bolsonaro in their talks.⁴⁰ Inclusion into the OECD has been a top priority of the Bolsonaro administration in order to give Brazil a more bona-fide boost as a potent global actor. As a result of the creation of the RIA the U.S. has officially endorsed Brazil's candidature to be a permanent member of the OECD.⁴¹

One of the main goals of MP 881 is strengthening legal certainty. The Organization for Economic Co-operation and Development devotes special attention to the subject. Legal certainty is a central tenet of the rule of law as understood around the world.⁴² RIA is a form of legal certainty that was established to further enhance economic freedom. Legal certainty may sound unfamiliar to the American reader, considering that U.S. common law fundamentally differs from civil law.⁴³ American case law is surrounded by the "legal indeterminacy" notion, which does not translate the exact idea of "legal certainty."⁴⁴

Introduction to chapter V

14 out of the 20 pages are devoted to the final chapter. It starts with article 6 and finishes with article 20, which represents 38 articles. 70% of this law is located in just the final chapter. Chapter V focuses on altering various pieces of legislation. There is no systematic approach on combining these modifications, neither a general line connecting all these points. They all must be analyzed in a compartmentalized fashion.

The present study cannot get into all the specifics regarding Chapter V. The idea is to present some of the most important articles and clauses.

Most important articles and clauses

For a *medida provisória* to become law, it has to be voted in Congress. The president signs the decree and then it is sent to a commission. At this stage, federal deputies establish their first modifications and the MP is converted into a bill to be presented to Congress. The Chamber of Deputies (which is equivalent to the American House of Representatives) and the Senate have to vote for the bill, otherwise the *medida provisória* expires. After the voting is finished and the outcome is favorable the *medida provisória*

is fully converted into law. Throughout its whole process the law has four different versions, but the one that matters is the one out of the Senate.

As mentioned previously, Chapter V starts with article 6 and ends with article 20. Article 6 ends the sovereign wealth fund (SWF in English; FSB in Portuguese). SWF was created by president Lula in 2008, during his second term, and accumulated BRL 27 billion assets. The SWF was a fund created to be used to cushion impacts from economic downturns, as well as aid in internal investments. Bringing SWF to an end was attempted by president Michel Temer's provisional measure 830 in 2018. Down the line, the Chamber of Deputies of Brazil rejected the order in December 2018.⁴⁵ The Congress' rejection was minimal in nature because the Brazilian SWF holds zero assets since the beginning of Temer's presidency.⁴⁶ He defunded SWF in order to mitigate the national fiscal deficit.

By accepting Article 6, Congress only recognizes a *de facto* situation. Even though the fund still exists *de jure*, it does not have any money in it. A negative implication is that although the fund is liquidated it still exists *de jure* which requires auditing, accountability, administrative fees, and all the other costs and time spent concerning active account maintenance. Hence this generates irrationally needless costs subsidized with tax-payer money.

Article 16 terminates e-social. It was a reporting obligation launched by the Brazilian Tax Authorities in order to gather labor, social security, and tax information regarding employees and independent contractors.⁴⁷ It was part of the Federal Government initiative called SPED (Public System for Digital Bookkeeping) that has already changed the rules and methodologies of other obligations impacting accounting, tax, and financial departments of companies.⁴⁸ There seems to be a consensus among entrepreneurs, accountants and tax lawyers that e-social was more prejudicial than beneficial.⁴⁹ When launched by Dilma's administration in 2014, it was supposed to de-bureaucratize data compiling, but it turned out to be more complicated than before.⁵⁰ Complaints range from website malfunction to trouble on the required data acquisition.⁵¹ If the company did not correctly follow the confusing instructions and complicated deadlines, it would be punished with fees and other penalties.⁵²

On the same grounds, article 15 determines that the Brazilian employment record book (CTPS) will preferably be issued on a digital version. When a worker loses his or

Washington D.C., November 2009, page 39.

[https://www.aneel.gov.br/documents/656835/14876412/Artigo_Rodrigo_Vasconcellos.pdf/9b81e1b3-1b0a-4495-a395-e2dc4168aaca]

⁴⁰<https://www.infomoney.com.br/mercados/politica/noticia/8548005/bolsonaro-ingresso-do-pais-na-ocde-esta-bastante-avancado>

⁴¹ <https://www.voanews.com/americas/trump-backs-nato-oecd-membership-brazil>

⁴² Maxeiner, James R. Some Realism about Legal Certainty in the Globalization of the Rule of Law. *Houston Journal of International Law*, Vol. 31, No. 1, Fall 2008.

⁴³Ibid.

⁴⁴Ibid.

⁴⁵ <https://www.camara.leg.br/proposicoesWeb/fichadetramitacao?idProposicao=2175883>

⁴⁶<https://g1.globo.com/economia/noticia/2019/08/15/mp-da-liberdade-economica-extingue-fundo-soberano-do-pais.ghtml>

⁴⁷<https://www.pwc.com/gx/en/services/people-organisation/global-employee-mobility/global-mobility-insights/brazil-esocial-reporting-obligation-to-impact-mobility-processes.html>

⁴⁸Ibid.

⁴⁹<https://oglobo.globo.com/economia/alvo-de-criticas-dos-empresarios-esocial-deve-acabar-ate-fim-deste-ano-23732216>

⁵⁰Ibid.

⁵¹Ibid.

⁵²Ibid.

her physical CTPS, countless conundrums may arise. For instance, a large deal of gathered data may never be found again. Thus, without certain important information, the worker cannot receive social security benefits. By losing its employee CTPS, the employer can be penalized, in accordance with articles 52 and 53 of Brazilian labor law consolidation (CLT). In some cases, the employer can be condemned to compensate for damages.⁵³ Moreover, article 15 fixes the CPF as the only employee' identification in CTPS.

As seen, Chapter five is a classic example of a "jumble of rules". There are legal fields involved:

labor, professional association, sanitary surveillance, environmental, notarial, competition, administrative, tax, sanitary surveillance law and civil procedure.

The Chamber of Deputies of Brazil passed a considerably more succinct version of the medida provisória 881 than the one presented before the house. The current speaker of the Chamber of Deputies, Rodrigo Maia, considered it troublesome implementing too many modifications in just one piece of legislation. That is why the medida provisória 881 went from 55 articles to 20 articles in its final version.

In this regard, Maia asserts "We are trying to organize something. I tend to curb what is in the scope of the Provisional Measures (...) if I think there are too many things, we will clean it up, we are trying in fact to deal with the economic freedom issue. If it touches CLT (Consolidation of Labor Laws) and other things, which can be good, though it is not the best instrument to advance in this matter"⁵⁴.

Maia then winds up "I don't like that these subjects are treated by medida provisória, we don't gain time, it's not faster, and a bill has more flexibility in the Brazilian plenary which is the part of the lower house of congress that is devoted to this discussion. In the case of the medida provisória, one can only use the approved text and its presented amendments, whereas in the bill one can go to the plenary and organize the project with a rapporteur."⁵⁵ That is the reason why MP 881 was drastically consolidated from fifty-five articles to twenty.

Time and time again, Paulo Guedes compares the Brazilian economic situation to a "wounded wale." In his words, reforming pensions and social security is the first step towards solving fiscal imbalance and maintaining "the patient alive". Guedes concludes that "Brazil is a wounded whale, harpooned many times, and now it's bleeding to death. We have to remove all the spears by fixing what is

wrong." That explains the government's urgency to adjust federal legislation as soon and as much as possible.

7. Conclusion

There are two main perspectives regarding MP 881's effectiveness: the skeptics and the optimists. The former are composed of people like Marcos Lisboa, Insper president (Insper is a globally-ranked business school in São Paulo) and Lula's Minister of Economy. For him, who was also connected to the Haddad campaign, MP 881 will not be effective, because of its wording. According to him the text is vague and will not be able to produce any real results. There is criticism regarding MP 881 as redundant and obscure, which makes its applicability in court challenging, bringing more legal uncertainty and increasing transaction costs.⁵⁶ For the critics, MP 881 is not law; it is self-help literature for entrepreneurs.

The latter include a variety of people: from those who immediately fell in line with the Bolsonaro administration to those who see MP 881, although being problematic sometimes, as a much-needed reform. This last group, which is slightly optimistic, could be considered a third way: those who think MP 881 may be effective in some aspects but not competent in others.

Skeptics may be right when they point out MP 881's awkward use of words. They may also be correct when they criticize specific provisions regarding final dispositions, such as the ones concerning private law alterations. However, something had to be done. Brazil cannot be two steps from Venezuelan capitalist levels, as it is right now. A developing nation growing at a pace of 0% a year is not a sustainable path.⁵⁷

The Brazilian Superior Court of Justice held a seminar on MP 881 in August, 2019 where various academics, lawyers, and intellectuals discussed the new law.⁵⁸ Professor Ana Frazão of the University of Brasília, one of the skeptics, admitted she was a dissenting voice in an ocean of optimism. Her criticism is predicated on the fear of a "hostile free-market take-over," that would "expand inequality" and turn the "Amazon into ashes."

As State University of Rio de Janeiro Professor Gustavo Tepedino said at the event, "MP 881 has itself the merit of bringing free-market debate into the Brazilian context." Judicial authorities such as Justice Gilmar Mendes, Justice Luis Felipe Salomão, Justice Villas Bôas Cuevas all agreed that the legislation is deeply important and positive - which may eliminate some doubts regarding MP 881 judicial viability. Justice Mendes even weighed in on MP 881 as being timid and not going far enough regarding administrative procedure.⁵⁹

⁵³ TST - RR: 177005920133170010, Relator: Maurício Godinho Delgado, Data de Julgamento: 25/03/2015, 3ª Turma, Data de Publicação: DEJT 31/03/2015.

⁵⁴ "Estamos tentando organizar alguma coisa. Tendo a limitar o que está no escopo da MP", adiantou o presidente. "Acho que ficou coisa demais, estamos dando uma limpa, vamos tentar tratar de fato de liberdade econômica. Se trata de CLT e de outras coisas pode ser até ser bom, mas não é o melhor instrumento para avançar nessa matéria", explicou. In: [https://www.camara.leg.br/noticias/569807-maia-critica-excessos-no-texto-da-mp-da-liberdade-economica/]

⁵⁵ https://www.camara.leg.br/noticias/569807-maia-critica-excessos-no-texto-da-mp-da-liberdade-economica/

⁵⁶ https://flaviotartuce.jusbrasil.com.br/artigos/704578814/liberdade-economica-e-autoajuda-empresarial-analise-da-mp-881-2019

⁵⁷ It is not an exaggeration. In Heritage Foundation Liberty Index for instance, Brazil is placed at 150, whereas Venezuela is 179. The US is number 12.

⁵⁸ http://www.stj.jus.br/sites/portalp/Paginas/Comunicacao/Noticias/MP-da-Liberdade-Economica-cria-ambiente-para-melhorar-eficiencia--diz-Noronha.aspx

⁵⁹ Ibid.

Medida Provisória 881 can be deemed as a groundbreaking law that has come about at a moment in Brazilian history where the country is attempting to make an extraordinary shift to a more open and capitalistic economy. This measure creates a more accessible and transparent business climate for Brazilians that enables them to freely achieve their entrepreneurial pursuits. MP 881 comes at a time when the Bolsonaro administration is seriously seek-

ing a means to the end of an economic downturn that has encompassed the country since 2014.

What is remarkable about the law is that it tries to lay a solid foundation for individual economic freedom that would represent a blunt paradigm shift in Brazilian economic thought. The intent of this cultural shift is to bring about increased competition and erstwhile production so that the country becomes a potent world economic actor and is able to compete and thrive in the global economy.

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