The necessary information

Power Panel study

A tool to support the
decision-making process

The necessary information

Brazilian political landscape is an example of how the lack of accurate information can lead to concerns, instability and paralysis of investment decisions by economic agents. Surveys are among the most effective instruments for collecting data in a context of doubts and uncertainties.

The study "Power Panel", a tool developed by FleishmanHillard in partnership with Congresso em Foco (the main Brazilian political coverage outlet), was conceived as an instrument to deal with the scenario of Brazilian political unpredictability. It is an instrument to support organizations decision making on issues under discussion at the federal level that can impact their performance directly or indirectly. It permits to grasp, momentarily and in a historical series, the look and feel in the parliamentary environment in its relationship with the executive government, the handling of specific legislative bills and the whole Brazilian political scene.

The research, made in four rounds with the most influential parliamentary leaders of the National Congress, systematically and scientifically monitors the legislative agenda. The research differential is the qualification of the public heard: National Congress main formal and informal leaders and influencers selected by Congresso em Foco team based on the knowledge gathered over years covering Brazilian Federal Legislature.

Power Panel: a qualifield hearing

Party leaders and presidents

Inquiry and permanent commissions leaders

Influent leaders in different matters of discussion

The survey listens to the opinions of political groups that guide the vote of their benches, define the priority issues on the agenda, dialogue with the Executive Power and are key players on the evaluation of proposals in process. Is able to extract strategic information on the temperature of the main matters of public interest or institutions in the Congress and Senate and identify regulatory risks.

Elections
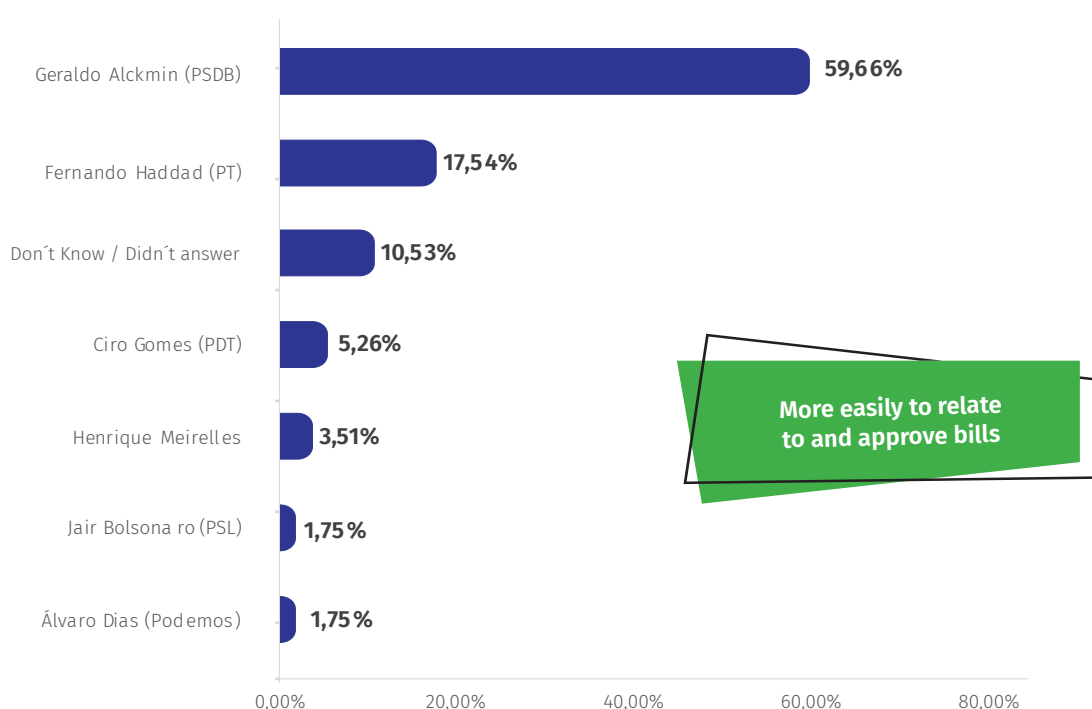# special 2018

Elections special 2018

The last two rounds of Power Panel study, for example, held in June and September 2018, revealed that, in the opinion of top National Congress leaders, the issues that most mattered in voters' decision in October would be public security, employment and corruption. These themes were pointed out as relevant both in the choice of the President of the Republic and of the next parliamentarians. Data that projected in the candidate definition context, offered valuable subsidies to anticipate the current scenario of polarization of the presidential race.

Electoral debate anticipation

The debates involving the two best-placed candidates for the second election round are articulated precisely around these axes. The leading candidate in the polls, Federal Deputy Jair Bolsonaro (PSL party), has his addresses strongly anchored in the defense of order, the use of force and in the fight against corruption. Second place, Fernando Haddad (PT party) relies on the promise to make Brazil "happy again", reference to the period of economic growth experienced in the past, with low rates of unemployment and income growth.
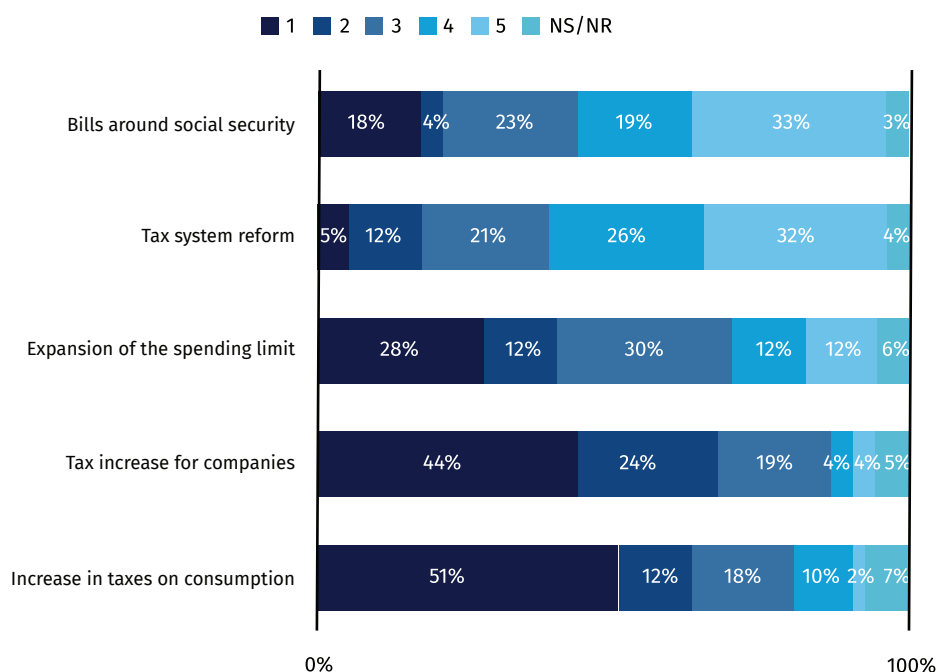
Ability to articulate with Congress

This third round, which heard leaderships between September 3rd and 10th, reveals that Jair Bolsonaro is one of the least likely candidates, under the leadership's perspective, to have means to articulate with federal legislature in order to carry out economic and fiscal bills. Only 1.75% of the leaders heard pointed him out as someone with articulation capacity with the Congress and Senate, even though he counts seven consecutive terms in Brazilian Congress. Geraldo Alckmin (PSDB party) comes first in this competence (59.66%), followed by Fernando Haddad (17.54%).

Geraldo Alckmin (PSDB)   59,66%
Fernando Haddad (PT)   17,54%
Don´t Know / Didn´t answer   10,53%
Ciro Gomes (PDT)   5,26%
Henrique Meirelles   3,51%
Jair Bolsonaro (PSL)   1,75%
Álvaro Dias (Podemos)   1,75%

0,00%   20,00%   40,00%   60,00%   80,00%

More easily to relate to and approve bills
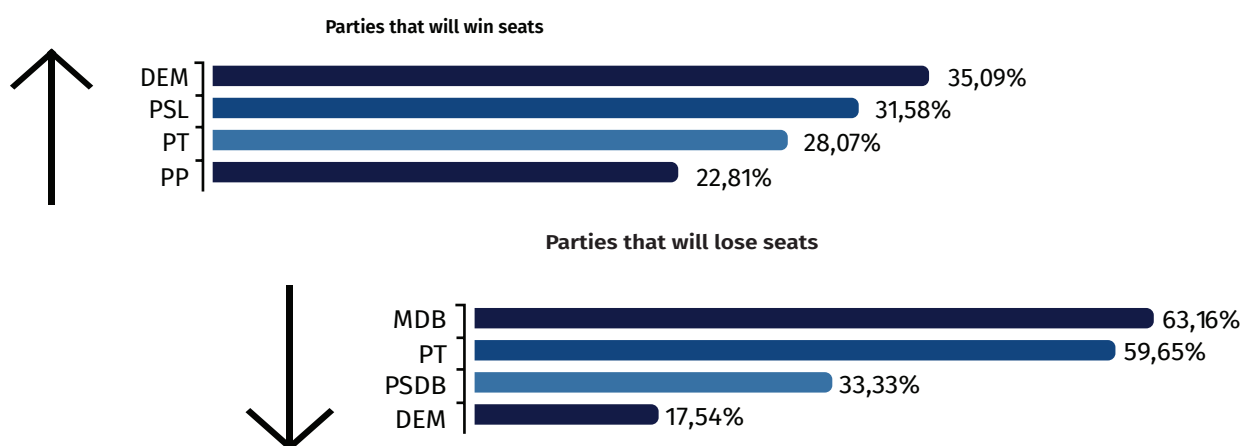
Future of reforms

For most of the leaders heard, the Social Security Reform (cited by 33% of respondents) and the Tax Reform (32%) are most likely to be voted by the next composition of the National Congress - to be elected in October. The flexibilization of the constitutional amendment that set a ceiling for the growth of public spending is also quoted, but with more reservations: 12% believe that the ceiling increase will be debated. Still in the opinion of the leaderships, the increase of taxes for companies and the elevation of taxes on consumption are the subjects with less chance to prosper.

Legend: ■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ NS/NR

	1	2	3	4	5	NS/NR
Bills around social security	18%	4%	23%	19%	33%	3%
Tax system reform	5%	12%	21%	26%	32%	4%
Expansion of the spending limit	28%	12%	30%	12%	12%	6%
Tax increase for companies	44%	24%	19%	4%	4%	5%
Increase in taxes on consumption	51%	12%	18%	10%	2%	7%

0%   100%

Those who grow and those who shrink

When asked to comment on which parties will grow on seats, the Democrats party and PSL party of Jair Bolsonaro stands out, followed by the Workers' Party (PT). Regarding the PT, the party shows recovery in relation to the June round of research, when only 13% of those interviewed believed that the party would be able to expand the number of representatives.
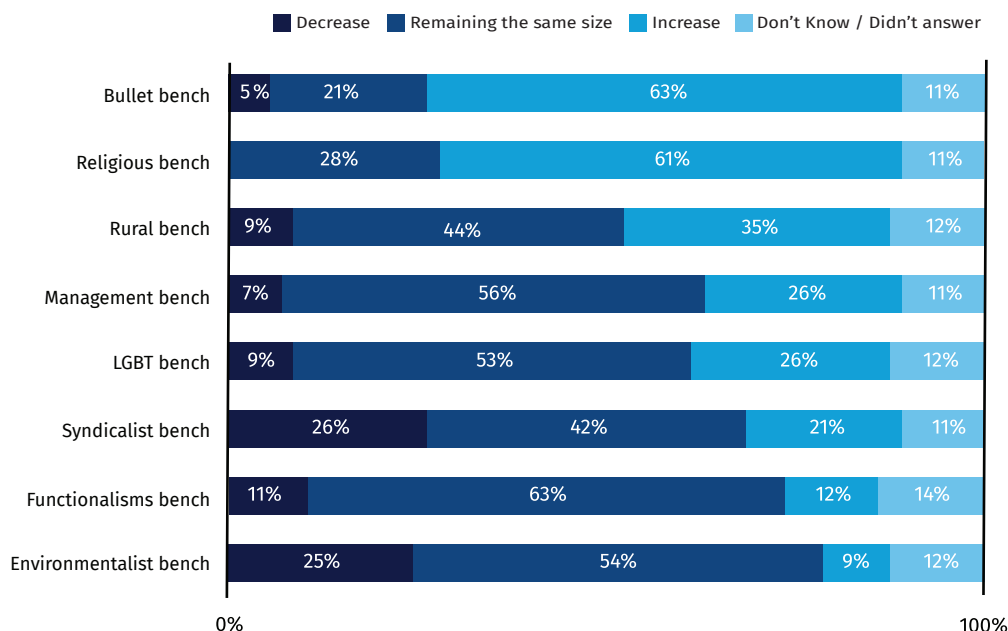
Reflecting the very low levels of approval of current president Michel Temer government, most bets the MDB party will shrink, followed by PT (shaken by Carwash Operation from Brazilian Federal Police) and PSDB, with difficulty to make an impact with its presidential candidate, despite their extensive coalition.

Parties that will win seats

DEM	35,09%
PSL	31,58%
PT	28,07%
PP	22,81%

Parties that will lose seats

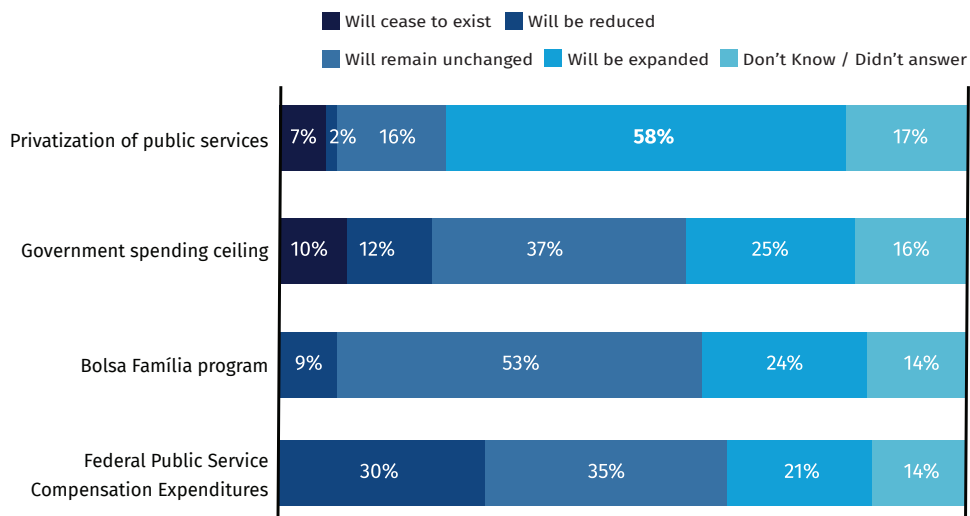|	
MDB	63,16%
PT	59,65%
PSDB	33,33%
DEM	17,54%

Guns and Bible

In the assessment of the most influential of Congress, the cause of public security will be an important electoral theme: 63% believe that the so-called "bullet bench" (a group of Deputies that support the use of guns by population) will increase, followed by the evangelical bench (61%).

Legend: ■ Decrease ■ Remaining the same size ■ Increase ■ Don't Know / Didn't answer

Bench	Decrease	Remaining the same size	Increase	Don't Know / Didn't answer
Bullet bench	5%	21%	63%	11%
Religious bench		28%	61%	11%
Rural bench	9%	44%	35%	12%
Management bench	7%	56%	26%	11%
LGBT bench	9%	53%	26%	12%
Syndicalist bench	26%	42%	21%	11%
Functionalisms bench	11%	63%	12%	14%
Environmentalist bench	25%	54%	9%	12%

0%   100%
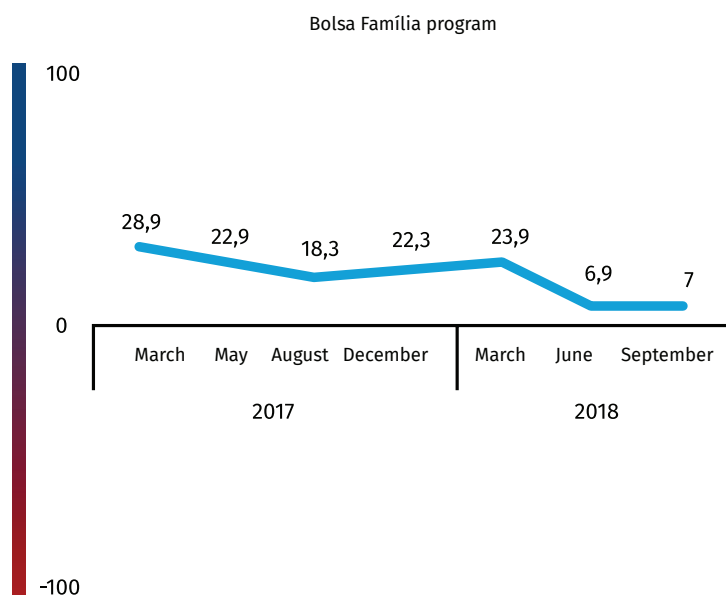
Privatization as a flagship

The expansion of privatizations of state-owned companies as a way to reduce the state's presence in the economy and raise funds to reduce the fiscal deficit is the main stake of the leading deputies consulted by the Panel: 58% say they believe on that.

Legend: ■ Will cease to exist ■ Will be reduced ■ Will remain unchanged ■ Will be expanded ■ Don't Know / Didn't answer

	Will cease to exist	Will be reduced	Will remain unchanged	Will be expanded	Don't Know / Didn't answer
Privatization of public services	7%	2%	16%	58%	17%
Government spending ceiling	10%	12%	37%	25%	16%
Bolsa Família program		9%	53%	24%	14%
Federal Public Service Compensation Expenditures		30%	35%	21%	14%

Rock bottom

The research systematically measures leaders' perspective on performance of the coming months in several areas. Ranging from -100 to +100, the Government's Evaluation Index indicates that there is a tendency for improvement when it is in the positive field and worse in the negative field. President Temer government has had its worst performance since March 2017.

Bolsa Família program

	March	May	August	December	March	June	September
	28,9	22,9	18,3	22,3	23,9	6,9	7
	2017				2018		

100

0

-100

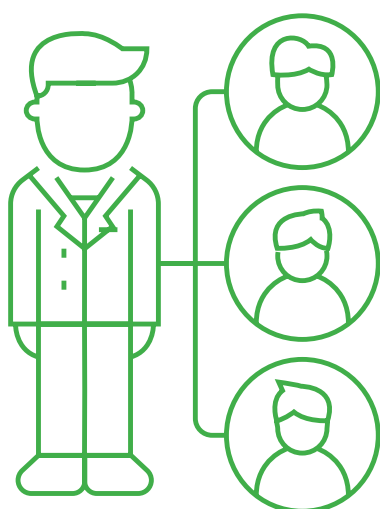# Anticipation of scenarios, risk and opportunities

Anticipation of scenarios, risk and opportunities

Power Panel has already allowed the anticipation of other important scenarios, such as, the difficulties faced by the Federal Government in approving a public pension reform. In March 2017, 42% of the leaders interviewed were totally opposed or partially opposed with the project to reform the system. The research made on last December revealed that 63% of the leaders considered the chances of the proposal low or nonexistent to be voted in the National Congress until April 2018, as the Executive Power wanted. The research held in June and September this year showed that the leaderships in Congress are betting on this agenda with a chance to vote only next year, when a new government will have taken office.

In the same way that it points out trends on major themes, the study can bring directions on specific topics. Surveys on Congress, for example, about the legislative body accepting changes in the rules of mobility apps, positioning on pesticides, the most recognized entities in specific economic sectors and the security of intellectual property have already been successfully explored. They all helped to support decisions making.

Power Panel was the basis also for the idealization of narratives to cause campaigns and points of resistance of the leaders in relation to specific aspects.

Differential wave in November

Next November, the last research round of 2018 will be held. It will be a different opportunity: Congresso em Foco will select exclusively elected leaders for the parliamentary exercise in the next four years. Parliamentarians will be invited to analyze scenarios, trends and challenges on the new government agenda.

Methodology

Methodology

In the four rounds of the research, at least 51 of the top leaders of the National Congress were interviewed. With a methodology developed by the Brazilian Institute for Research and Data Analysis (Ibpad), it consists of two blocks: one of fixed questions - about the evaluation of the Executive Branch and the impact of the main Brazilian institutions in the Congress and the Senate - and another block of thematic questions that can be sent by research partners.

The fixed structure evaluates the National Congress's position - favorable or unfavorable - on the Federal Government's performance in areas/themes such as: economic development, agriculture and livestock, job creation, public security, human rights, anti-corruption, infrastructure, elevation of market confidence. Painel do Poder/Power Panel also measures parliamentary confidence or mistrust about improvements in the scenario for the next 12 months.