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THE POLITICS OF THE EXTENSION:

Brief political analysis of the approval process for the extension of the Manaus Free Zone in 2014.

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ABSTRACT

This paper aims to analyze, in the light of Lindblom's theory of the "power game", the political process that led to the promulgation of the Constitutional Amendment No. 83/2014, which extended the tax benefits granted to the area of jurisdiction of the Manaus Free Trade Zone (ZFM-Zona Franca De Manaus) until the year 2073.

KEYWORDS: Manaus Free Trade Zone. Tax incentives. Extension. Regional development. Politics.

INTRODUCTION

The Free Zone Model of Manaus (ZFM) was conceived by Federal Deputy Francisco Pereira da Silva and instituted through Decree-Law No. 288 of February 28, 1967, during the military dictatorship, under the policy of import substitution. Its objective was to promote the development of the northern region of Brazil, hampered by its great distance from the production centers and vulnerable to bordering countries due to its low demographic density and occupation.

Initially the project would last 30 years, which at the time was considered sufficient for the implantation of an industrial park in the city of Manaus that would allow a sufficient insertion of the region in the national economy. Over the years the model was consolidated and the benefits were considered as increasingly important for the development of the region, causing it to undergo successive extensions and had its area of operation expanded.

Since 1989, the Superintendence of the Manaus Free Trade Zone (Suframa), an institution created to manage this model, has now housed seven Free Trade Areas (ALCs), in order to promote the development of municipalities located in the region of frontier in the Amazon, as well as integrate them economically to the rest of the country. The instrument used to promote these objectives was the extension of some of the tax benefits given to Manaus to these areas located in the interior of Amazonas as well as in four other states (Acre, Rondônia, Roraima and Amapá).

The tax incentives related to the existence of the Manaus Free Trade Zone and FTAs are of decisive relevance in the companies' activities, including high fiscal renunciation and being a competitive advantage



aimed at and quite confronted by the rest of the country, which is why each process of extension of the model is truly troubled it suffers resistance from various segments.

This paper seeks to understand, in the light of the theory of political science, how the political process took place to approve the last extension of the incentives granted to ZFM in 2014.

In order to reach the heart of the proposed question, the study will be divided into three stages. In the first one, a contextualization will be made regarding the theory of the decision-making process, its doctrinal support, its practical and theoretical applications. The second phase will consist of an exposition of internal and external political forces linked to the functioning of the ZFM model, how they are organized and how they influence the development and direction of the determining aspects of the Manaus Free Trade Zone.

Finally, and in light of this context, the process that resulted in the promulgation of Constitutional Amendment N. 83/2014, which extended the special incentives of the ZFM until the year 2073, will be analyzed, emphasizing the strategies used by the Amazonian bench in the National Congress so that their interests could be achieved.

1. THEORIES ABOUT THE DECISION-MAKING PROCESS

The process by which decision-making takes place is the object of the most varied studies and scientific approaches, which seek to clarify the intricate network of motivations and stimuli that are linked to the choice of one of several possibilities of action. In the context of policy decisions involving multiple actors and stakeholders, it is necessary to establish what the theoretical framework offers as an argument capable of elucidating the political process for approval of the last extension of the incentives granted to ZFM.

For Lindblom (1959) and its incremental model, public administrators as well as institutions are not instructed to practice the rational method³, after all the functions and constraints to which these actors are subjected limit their attention to few alternatives among the various options.

Lindblom also argues that the consensus situation in the decision-making process was utopian, since any factor neglected by the decision-maker was in the interest of at least one actor, as well as each important issue would have sufficiently powerful "guardians" or "defenders".

Therefore, decisions would be made through a process of mutual adjustment, where policies would be accommodated to a larger set of interests than that of just one specific group. In this way, after some concessions from each party, a policy could be conceived seeking an interesting scenario for all involved.

For the foregoing, the author argues that policies: a) are the result of a process of mutual adjustment, and can be better described through facts than decisions; b) are influenced by a wide range of actors and interests; c) they do not have clear relations with their motivations, since each actor can defend the same politics by a different reason; and d) will be coordinated to a certain extent by their various mutual adjustments, which in some moments assume a central role in this process.

According to Lindblom (1981), the factor that deserves greater prominence in the present work is the so-called "power play", which is constituted in the interaction between the actors, exerting control or influence on the others, and thus a more complex set of interrelations than the one suggested by the term "politics".

The scheme of the game in question includes a variety of actors, including policy makers (congressmen, senior civil servants, important judiciary officials, military commanders, political leaders and partisan leaders) and ordinary citizens (who, though weak in the individual context, jointly manage to impose restrictions on the first group). In addition to these two actors, other figures such as political parties, legislatures, presidents, bureaucracies, subnational governments, the judiciary and civil society (companies, the media, trade unions, social movements and knowledge actors).

For Mendonça (2013), the role and performance of each actor varies according to the sector, the type and scope of the decision to be made, and the historical context in which a given policy is developed.

Allison and Zellikow (1999) defend three approaches in the analysis of the decision-making process: the decision-maker based on the rational actor; the organizational behavior model; and the Government Policy Model.

According to these authors in the decision-maker based on the rational actor, the decision makers possess the rational behavior of the typical economic man; in the model of organizational behavior decisions are made by governmental action, which depends on the routines established by the organizations and the choices made by their current and previous leaders; and in the Government Policy Model the participants' interactions result in a political decision capable of generating a public policy resulting from the bargaining between interest groups.

Applicable to the core of the present study, the Allison and Zellikow Government Policy Model (1999) is addressed in an enlightening and specific manner by Bignetti (2009). Bignetti (2009) understands that the Government Policy Model comprises the following factors: the individual preferences and the particular positions of the actors have influence on the final result; the advantages and disadvantages of each actor change from one process to another; the details of the result are not chosen by any particular individual and would hardly be identical to what any of the individual players would choose; and the bets of an actor can be predicted from the moment in which one knows to which organization the same one belongs.

From the theoretical background exposed, it is necessary to delimit its specific application to the case being studied. Firstly, it is necessary to identify in the scope of the process of decision to extend the Free Zone of Manaus which were the actors and the determining political forces, in order to apply the dynamics of the presented power play.

2. THE ACTORS AND POLITICAL FORCES ON ZFM

The establishment and extension of an area of fiscal incentives of the size of the Manaus Free Zone and the perpetuation of a development model with the respective level of economic and social influence in the country's structure arouses the political movement of several specific interest groups.

Tupiassu (1979) defined the interest groups that acted at the moment in the implantation of the Free Zone Model of Manaus, which would be:

a) Multinational industrial groups: foreign companies that wanted to use tax incentives to produce with a focus on the national market;

b) National bourgeoisie linked to foreign capital:

importers of foreign goods for industrialization and commercialization, as well as financial and technocratic groups;

c) National industrial groups: industries afraid of international competition in the face of technological limitation and dependence on imported parts and pieces. This group considered producing in Manaus an opportunity both to operate under more advantageous conditions and to associate with foreign companies with greater technological know-how;

d) Foreign and national commercial groups: actors who were interested in the profits to be achieved by operating the trade in a free zone;

e) Business groups linked to Brazilian domestic tourism: travel agencies, carriers and hotel groups, which would benefit from business tourism to the region.

Tupiassu (1979) clarifies that although each actor has a distinct objective to support the creation of the ZFM, all ended up unifying in the widely accepted justifications for Amazonian development, regional integration and even compensation of the state of Amazonas by a mechanism that removed it from margin to which it had been released.

Based on Carvalho (2009), the updating of Tupiassu's perspective considering the current scenario, also enumerating social agents of interests directly related to the ZFM, is constituted as follows:

1) The state bureaucracy, particularly the officials of the Superintendence of the Manaus Free Trade Zone (besides agents of the Federal Revenue Service, Treasury Secretaries and the State Secretariat of Planning of Amazonas): the interests of these groups would comprise besides the maintenance of their own activities, the commitment established with the companies attracted to the state.

2) Executives of large transnational and national corporations installed in Manaus Industrial Pole: representatives resident in Manaus for the imposition of legislation, which are articulated with the intention of maintaining or expanding the incentives of the model, being able to extrapolate its fiscal scope.

3) Professionals directly involved in the processes of obtaining and maintaining tax benefits (consultants, dispatchers, accountants, among others): professionals who profit from the preparation of projects for tax incentives. The research carried out by the author concluded that this group is comprised mostly of retired public officials who worked in the bodies granting these incentives, as well as university professors and retired executives, that is, people with broad access and knowledge of the local bureaucracy.

4) Local politicians (mainly deputies and senators): Group that engages in the defense of ZFM considering the model essential for regional economic and social development. With political leaders of national expression and with great ability to obtain social support and resources for electoral campaigns, this heterogeneous group includes:

a)Entrepreneurs with a significant political career in Amazonas, such as Pauderney Avelino (federal deputy and leader of the Democratic Party in the Chamber of Deputies), Omar Aziz (senator and leader of the PSD in the Federal Senate), Francisco Garcia (former vice governor of the State , former president of the Federation of State Industries, concessionaire of an open television channel and regional president of the Progressive Party), Rebecca Garcia (former federal deputy, daughter of Francisco Garcia and who even assumed the position of Superintendent of Suframa between 2015 and 2017) and Eduardo Braga (current senator and former minister of Mines and Energy in the Dilma Rousseff government);

b) Politicians who do not carry out business activities, such as the current mayor of Manaus, former senator and diplomat Arthur Virgílio Neto (Regional President of PSDB), Vanessa Graziottin (Pharmacist and Senator for PC of B) and Attila Lins (auditor of the Court of State Accounts, fulfilling sixth term of federal deputy, currently by the PMDB);

c) Other politicians who are no longer strong enough to run for elections, but who have already moved from the business field to politics;

d) Local politicians who shape their political actions based on the agenda of the ZFM Model, which generally correspond to the interests of workers and companies of the Industrial Pole of Manaus - PIM;

e) Large Amazonian entrepreneurs without electoral capital who enter into party or electoral politics as substitutes for more influential politicians.

According to Mendonça (2013), this group, which uses its political influence to defend the interests of the ZFM in Brasilia, wins in exchange for this broad support from civil society, especially entrepreneurs, who contribute financially to their electoral campaigns⁴. In this process, the media are making the point of announcing the political actions in defense of the PIM⁵ agenda, which they also gain through advertising, publicity and the sale of advertising space for local companies that receive incentives tax authorities. Workers, mainly workers in the industrial park of Manaus and employees of the commissioned and outsourced positions of public administration, greatly value this performance of politicians, since the success of the model is directly related to the maintenance of their jobs.

In other words, defending ZFM is the priority agenda of the local political class, since it is the best way to get votes and financial support in their electoral processes. Without it, they would hardly maintain the status they now occupy.

5) Workers at PIM companies: they want to keep their jobs.

6) Entrepreneurs directly favored by the dynamics of the local economy: owners of the means of production, direct and indirect beneficiaries of tax incentives, who have in Manaus their center of decision.

Mendonça (2013) points out that other groups of interest, contrary to the locals, are also found externally to the model:

a) National industry not installed in the PIM: companies that have resisted migrating their plants to Manaus and feel disadvantaged by the benefits granted to those who migrated, a strong competitive advantage in the face of the growth of the Brazilian tax burden. Strong associations in this sense are class associations such as ABINEE (Brazilian Association of Electrical and Electronics Industry), ABRINQ (Brazilian Association of Toy Manufacturers), as well as Federations of Industries of other states, such as FIESP. These strong actors use their institutional channels and media against the model, in addition to influencing their legislative representatives and executive members for the same purpose. The interests of this group are given in the concession of incentives also for the areas of its industrial plants and in the search for the reduction of the incentives granted to its competitors installed in the area of operation of the ZFM; b) Population and politicians of the Western Amazonia (AMOC) outside of Manaus: the benefits of the model are concentrated in the city of Manaus alone, leaving the other 61 municipalities of the State of Amazonas, as well as the other four states of the Zona Franca of Manaus, with smaller gains. For this reason, politicians in these areas have been articulated to better distribute these benefits throughout the territory of AMOC and Amapá.

After the preliminary presentation of the main actors involved and influencing the decision process on the extension of the ZFM, it is necessary to examine the way in which this decision process took place and its relation with the presented theoretical foundation.

3. THE PERFORMANCE OF POLITICAL FORCES IN THE PROCESS OF EXTENDING THE ZFM IN 2014

The approach of the political forces influencing the ZFM extension process will first need a brief explanation of the main political struggles for which the ZFM model has passed since its inception to the present day.

Understood this previous policy area, will be analyzed as the "power play" theorized by Lindblom in the specific case of the proposed extension of the said tax incentives policy of the Amazon region in the year 2014.

This topic was based on documentary research, where the speeches were analyzed in the plenary sessions of the Chamber and the Senate at the time of the Constitutional Amendment 83/2014, which extended the benefits of the IMP until 2073.

4.1 The main political clashes surrounding the ZFM

The benefits of the Manaus Free Trade Zone would have had effect until 1997, however, regional pressures were able to extend this period four times between 1986 and 2003. Mendonça (2013) made in his thesis an explanation about the circumstances that led to each extension, which were summarized as follows:

a) Decree no. 92.560 / 86: After regional pressures, President José Sarney, through a decree, extended the incentives until 2007.

b) Reception of the Model ZFM by the Federal Constitution of 1988: According to Azize (2012, apud Mendonça, 2013), after the traumas of the dictatorship, the political forces of the time had in the constitution a way to make subjects of national interest "Protected" and can not be easily changed, suppressed or ignored by later governments. It was in this context that the regional bureau articulated so that the ZFM had space in the charter in the Act of Transitional Constitutional Provisions, to be in force until 2013. The fact that the Rapporteur of the Commission of Systematization of the National Constituent Assembly was an Amazonian one made bargaining in amendment.

c) Constitutional Amendment 42/2003: it extended its validity again, guaranteeing the model until 2023. The extension of the term of the incentives took advantage of the support of the Federal Executive Power to approve the Constitutional Amendment, that brought in its bulge the tax reform.

In addition, AMOC's congressional representatives have been able to leave issues more dangerous to the region, such as the establishment of the single ICMS rate (which was discussed again in 2017) and the transformation of the CPMF into a tax for other opportunities.

Also based on the one described by Mendonça (2013), three other situations of political dispute about the model were identified, where the above-mentioned groups benefited from this policy of incentives, led to disputes with different groups, where the purpose was to modify the rules of operation, altering the institutional arrangement that generates the model. These disputes would arise:

a) In the process of promulgation of the "laws of informatics" nº 9.248 / 91 and 8.387 / 91, that established a new industrial policy for the goods of this sector.

b) In the processes of appointment of the Superintendent of Suframa, which at the end of each administration generates clashes between various political groups. This situation is highlighted in two moments: in the years between 1995 and 1997 - where the appointment of Federal Revenue Auditor Mauro Costa by the then Minister of Planning José Serra interrupted a period of 20 years of administration indicated by local political forces; and between 2014 and 2015, a situation that will be better explained later. c) The approval of the Basic Productive Processes (PPBs): established and approved through negotiations between producers, suppliers and representatives of the State (MDIC, Suframa and MCTIC), under the management of a Working Group (GT-PPB). constitutes a constant process of dispute of interests. Each new approved PPB generates the possibility of producing a new product in the Manaus Free Trade Zone, a situation that affects the interests of other states of the federation that feel competitive disadvantage.

4.2 Extension of the ZFM until 2053

After understanding the context of the political and social forces surrounding the maintenance of the Manaus Free Zone incentives from its inception to the present day, the episode of the political process of approval of the proposed extension of these benefits will be analyzed in 2014.

4.2.1 Procedure in the two houses of the National Congress

The political process for a new extension of the term began in 2008, through PEC 17/2008, by the then Senator Arthur Virgílio Neto (PSDB / AM). The proposition was given in the extension of the period established in art. 95 of the ADCT of CF / 88, to 12/31/2033.

The justifications presented by the Senator in the proposal were: a) The economic benefits of the model for the region, which, at the time, generated a GDP of about R\$ 40 billion for the State;

b) the positive externalities that the ZFM generated for neighboring states, through the demand for labor, induction for interregional works and training of skilled labor; c) the Administrative Services Fee (TSA) paid to Suframa, which from 2002 to 2007 totaled approximately R \$ 470 million and represented one of the main sources of investment by the Union in the region; d) the environmental benefit generated by the concentration of industries in Amazonas, which would inhibit the devastation in the forest by generating jobs and moving workers away from activities that could damage biodiversity; and e) the commitment of the then President Luís Inácio Lula da Silva, who, during a visit to Manaus that year, had announced a favorable position to maintain the benefits of ZFM.

Sent to the Constitution, Justice and Citizenship Committee of the Senate, the PEC had a favorable opinion approved on June 18, 2009 and was referred to the plenary deliberation. After more than twenty transfers of the date of voting and a request of the party leaders to give special timetable to the

appreciation of the matter, on 07/07/2010 the proposal was approved in first and second shifts in the Senate unanimously and sent to the Chamber of Deputies on 07/15/2010.

In the Chamber of Deputies, under the Constitution and Justice and Citizenship Commission (CCJC), PEC No. 439/2010, by Silas Câmara (which proposed the extension of ZFM's benefits for and PEC No. 103/2011, by the Executive Branch (which suggested the extension of the ZFM's term of validity for a further fifty years), becoming the junction of the three in PEC 506/2010.

As rapporteur for the matter at the CCJC, on 13/03/2012, then MP Henrique Oliveira, from the PR / AM (who was eventually elected vice-governor of that state in 2014), gave a positive opinion on the admissibility of the SGP in question. As justification, in addition to highlighting the motivations already presented by Senator Arthur Virgílio Neto in his proposal for 2010, added in his vote the argument of the commitment also signed by the President of the Republic at the time, Dilma Rousseff, who, on a visit to Manaus on the 22nd / 03/2012, announced that it had made the political decision to extend the ZFM for 50 years from the effective term of its maturity.

After the opinion was adopted, a special committee was set up to deal with the proposal. In the framework of this commission, the strategy of the Amazonian bank was initiated to raise the support of the Federal Government, society and the benches of the other States benefited by the incentives of the Model ZFM (Acre, Rondônia, Roraima and Amapá), thus giving greater strength to defense of the PEC. To this end, several public hearings on the subject were requested by the deputies in Brasilia, Manaus, Boa Vista, Porto Velho and Macapá, counting on the presence of different representatives of society and government.

These representatives who attended said public hearings included mayors of the municipalities of the interior of Amazonas, leaders of the productive sectors of Amazonas (FIEAM, CIEAM, CNI and FAEA), Ministers of Finance and Industry and Foreign Trade Development, the president of the Chamber of Commerce (CDL-Manaus, ACA and Fecomércio-AM), president of CUT, president of the Amazonian Association of Municipalities, governors of the states involved (Amazonas, Roraima, Rondônia, , Acre and Amapá) and the Superintendents of Suframa and Sudam.

At the end of the committee, the rapporteur, Mr Átila Lins (PMDB / AM), accepted amendments 4 and 5/2013, thus providing a substitute which, in addition to extending the ZFM for a further 50 years, as proposed by PEC No. 103 / 2011 by the Federal Executive, contemplated the harmonization of the terms of validity of the Free Trade Areas for the same period.

After three postponements, on 03/19/2014 the proposal was approved in the first round of the Chamber of Deputies, with 364 votes in favor, 3 abstentions and only 3 votes against. The only MPs who opposed the proposal were Dr. Ubali (PSB / SP), Alfredo Kaefer (PSDB / PR) and Manato (Solidariedade / ES).

However, before PEC 506/2010 went to the second round of voting, an agreement between the benches in Suframa's area of activity and those in the rest of the country made PEC 103/2011 (later converted into PEC number 20/2014) was voted on and approved separately in the second round, which made it sent and approved in the Senate also separately, becoming Constitutional Amendment No. 83/2014, 08/05/2014, and making with which PEC 506/2010, which contemplated the FTAs, would be considered impaired and filed, so that this issue was dealt with in the context of the approval of the Informatics Law, a matter of interest to the opposing forces of the ZFM.

3.2.2 Lindblom's "stake of interests"

By interpreting the political procedures and events of the period, based on statements by parliamentarians, news from the main local and national media, as well as from the official pages of the Senate and the Chamber of Deputies, we can understand the interplay of interests that led to the conclusion of the extension of the ZFM until 2073.

The strategy of the Amazonian group, which often saw in other states as opposed to the benefits granted to Manaus (as pointed out in topic 2 of this paper), was primarily to reverse this situation.

During the proceedings in the Chamber of Deputies, the Amazons parliamentarians mainly sought support from the counterparts of the other states in the Suframa area (Acre, Amapá, Rondônia and Roraima). To this end, in the Chamber's Special Committee to discuss PEC 506/2010, Deputy Attila Lins (PSD / AM) made a substitute with amendments from the MEPs of those States, also joining in the proposal to extend ZFM the extension of the deadline given to the Free Trade Areas of these units of the federation, for the same period.

To further mobilize civil society and the Federal Government in the cause, a series of public hearings and traveling seminars on the subject were held, with the presence of political, business and bureaucratic leaders.

In the face of the power demonstrated by the North banks united during the procedures for the approval of the PEC 506/2010, the parliamentarians of other States, traditionally opposed to the incentive structure of the ZFM, understood that the convergence would be more interesting than the confrontation.

During the same period, the Congress also proposed a 10-year extension of the Informatics Law, which benefited mainly the states of São Paulo, Paraná, Minas Gerais, Rio de Janeiro, Bahia and Pernambuco, ZFM's opposition opponents in Congress . In this context an agreement was made among the benches, and support for the extension of the ZFM and FTA incentives by the deputies of the states where the IT poles are installed was conditioned to the reciprocity of the West Amazon and Amapá extension of the Informatics Law, under the justification that the pact represented the maintenance of the competitive balance between the different regions of the Country.

However, as Lindblom (1959) theorized, the result of the bargaining process inherent in the interplay of interests is different from that which would be chosen individually by a single group. In the ideal scenario for Suframa's States, ZFM would have extended its deadline until 2073 and the Informatics Law would not have been extended to the other units of the federation, thus maximizing the competitiveness of the installed industry in the Amazon.

On the other hand, according to Lindblom (1959), the best of the worlds for the states of the south and southeast regions would be the extension of the Information Technology Law without the addition of the term of concession of fiscal incentives for the Amazon, alleged to be "unfair domestic competition".

In addition, the states of Acre, Rondônia, Roraima and Amapá, which had joined the articulations of the Amazonian bank for the approval of PEC 506/2010 were about to reach the extension of their FTAs until 2073, also had their objectives impaired . In the dismemberment of the proposals for constitutional amendments, after the separate vote on the issue of ZFM's benefits through PEC 20/2014, the matter related to the free trade areas was voted into Law 61/2014, Law of Informatics, which, according to Queiroz (2014), extended until 2050 the exemptions of the Free Trade Areas that existed on the date of publication of the law.

4. CONCLUSION

On the occasion of the last approval in the National Congress of the extension of the tax benefits granted to the companies of Polo Industrial de Manaus new arguments were added to those already used in processes of extension of previous incentives. The issue of environmental protection gains prominence in the strategy of convergence of interests in favor of the maintenance of the Manaus Free Trade Zone.

The union between states encouraged by the model is also a strategy that is gaining strength, as evidenced by the Green Free Zone project, which was regulated after the extension of the ZFM term by Decree No. 8,597 / 2015.

From this milestone, the Tax on Industrialized Products became exempt for products from LACs that had a preponderance of regional inputs in their manufacture.

However, the political disputes around the area continue as a symbol of political power over the ZFM, Suframa's Superintendent's office was the target of so many power struggles that the lack of a winning political group meant that, between 2014 and 2015, the municipality remained without a nominated head

Superintendent, being administered for a year on an interim basis by coach Gustavo Igrejas. In the latter period, the incentive sectors claimed great damage caused by the situation of instability, as well as of low representativeness and limited autonomy for the region to deal with the crisis that was taking place in the country.

In 2017, this type of bargain focuses on another issue, which also threatens the interests of the groups in defense of the Free Zone: the tax reform. The possibility of reformulating the current ICMS is a great danger for the competitiveness of the region, since the State of Amazonas also uses the waiver of this tax to guarantee competitiveness to the local industry.

In the present work, it was possible to analyze, from the viewpoint of Lindblom's (1981) Power Game theory, the bargaining system carried out by Suframa and the rest of the country in the process of approval in the National Congress of the extension of the tax benefits granted to the companies of Polo Industrial de Manaus until 2073.

It is clear that the complexity of the above procedure stems from the multiplicity of stakeholders involved in the lawsuit. As was clearly stated, there was not even one subject in the negotiations who had fully achieved their objectives, all of whom ended up making partial concessions that led to the final consolidated scenario.

Therefore, the fiscal incentives of the Manaus Free Trade Zone, despite being extended, still suffer the constant danger of the current adverse political interactions. Depending on the circumstances, the fragile balance of wills of the Power Game achieved may converge to other objectives of greater interest and jeopardize or suppress the advantages of the Free Zone Model.

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