

**‘CORONELISM’, HOE AND VOTE:
THE PAROCHIAL SUBVERSION OF JUSTICE HYPOTHESIS**

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Biosketch

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‘CORONELISM’, HOE AND VOTE:

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Resumo

Este artigo discute duas hipóteses opostas que tentam explicar o comportamento dos juízes quando necessitam decidir um processo judicial que opõe duas partes com diferentes níveis de poder econômico e político.

A primeira, com grande aceitação entre os formuladores de políticas públicas e legisladores no Brasil, é a da *incerteza jurisdicional* (Arida, 2005). Segundo essa hipótese, os juízes brasileiros tenderiam a favorecer a parte mais fraca nessas ações judiciais como uma forma de justiça social e redistribuição de renda em favor dos mais pobres.

Glaeser *et al* (2003) estabeleceram uma segunda hipótese, segundo a qual a operação das instituições legais, políticas e de regulação é subvertida pelos mais ricos e politicamente poderosos em benefício próprio, uma situação que os autores chamaram de redistribuição de ‘King John’.

Um teste empírico foi conduzido, analisando decisões judiciais de 14 estados, mostrando que a) os juízes favorecem a parte mais forte, b) uma parte poderosa local tem mais chances de ser favorecida do que uma grande empresa nacional ou multinacional, um efeito que é chamado de ‘subversão paroquial da justiça’ e c) estados mais desiguais tem menos chances de que a justiça mantenha os contratos.

Palavras Chave: Desigualdade Social, Subversão da Justiça, Direitos de Propriedade

Summary

The article discusses two opposed hypotheses to predict the judges’ behavior when they have to decide a claim that confront parties with different economic and political power.

The first one, which has a broad acceptance among policy makers in Brazil, is the *jurisdictional uncertainty* hypothesis (Arida *et al*, 2005), that suggests that Brazilian judges tend to favor the weak part in the claim as a form of social justice and redistribution of income in favor of the poor people.

Glaeser *et al* (2003) stated the second hypothesis. They suggest that the operation of legal, political and regulatory institutions is subverted by the wealthy and politically powerful for their own benefit, a situation they call ‘King John’ redistribution.

An empirical test was conducted analyzing judicial decisions from 14 Brazilian States, showing that a) judges favor the strongest part, b) a local powerful part has more chances to be favored than a national or foreign big company, a effect we named ‘parochial subversion of justice’ and c) more unequal states has more chances of a contract not being maintained.

Keywords: Inequality, Subversion of Justice, Property Rights

Introduction

The phenomenon of ‘coronelism’, described for the first time by Leal (1948), could be understood as the domination of local people by regional farmers in the Northwestern part of Brazil (in spite of being found in similar forms in other regions of the country). These leaders received from Brazilian Central Government the status of colonel, and had their own armies, used to subvert local political system and justice. For some authors, like Lima Sobrinho (1997), this phenomenon persists with company owners, local politicians and others in the place of the original colonels. We investigate in this article the possible influence of these local powerful parties over the justice, a hypothesis we named *parochial subversion of justice*. This hypothesis was tested against a popular alternative hypothesis formulated by Arida *et al* (2005), as it is described below.

The ongoing discussion about the judiciary reform in Brazil brings up these two opposite hypothesis concerning the judges' behavior when they have to decide a claim that opposes parties with different economic and political power.

Arida, Bacha and Lara-Resende (2005) suggests the first hypothesis that formulates the concept of *jurisdictional uncertainty* in order to refer to the uncertainties associated to the settlement of contracts in the Brazilian jurisdiction. This uncertainty manifests itself predominantly as an anti-saver and anti-creditor bias. According to Arida *et al* (2005), Brazilian judges tend to favor the weak part in the claim, not the just, as a form of social justice and redistribution of income in favor of the poor people, in a kind of 'Robin Hood' redistribution.

Glaeser, Scheinkman and Shleifer (2003) stated the second hypothesis. They suggest that the operation of legal, political and regulatory institutions is subverted by the wealthy and politically powerful for their own benefit, in a situation that the authors call 'King John' redistribution. They argue that inequality is detrimental to the security of property rights, and therefore to growth, because it enables the rich to engage in such subversion.

The reformers in Brazil tend to consider as true the first explanation, and the bulk of legislation recently approved has focused on the limitation of rights to the weaker part. The consequence is that little attention is paid to the second hypothesis, the subversion of the justice by local power. This subversion can be confirmed in Brazilian States by anecdotal examples, as in the notorious case of a judge from Maranhão (a Brazilian State in Northwestern part of the country), who was transferred elsewhere from his job as a reaction against an unfavorable decision opposing the interests of a big local company connected with local politicians. The Federal Government has adhered to these practices, as one can see from the recent prosecution of a housekeeper who dare to witnesses against the Minister of Treasury in a case of corruption. The minister resigned, due to the pressure of the newspapers, and the housekeeper still under judicial prosecution.

The ‘Jurisdictional Uncertainty’ Hypothesis

Some opinion surveys have attempted to confirm the alleged anti-saver and anti-creditor bias pointed by Arida *et al* (2005). The depth of this bias, they say, may be inferred in Brazil from the answers to an elite opinion survey conducted by two Brazilian political scientists¹. Confronted with the dilemma between the enforcement of contracts and the

¹ LAMOUNIER, B.; SOUZA, A; (2002), “As Elites Brasileiras e o Desenvolvimento Nacional: Fatores de Consenso e Dissenso” (The Brazilian elites and Development: Agreed factors and disagreeing factors). São

practice of social justice, only 48% of the 500-plus respondents considered that contracts have always to prevail over social considerations. Only 7% of the members of the Judiciary said that they were prepared to judge contracts independently of social considerations, and a full 61% acknowledged that the achievement of social justice would justify decisions in breach of contracts. It is to be stressed, however, that these surveys ask what these judges are likely to do, not what they actually do. This and other researches would be more trustful if they had grounds on real cases instead of relying just in opinion surveys.

To corroborate the same point, a former IPEA (a large governmental research institute in Brazil) researcher, Armando Castelar Pinheiro², conducted a survey among judges asking a similar question: If the judges, in deciding a case, must maintain the tenor of the contract clauses or if they must ignore these clauses in order to reach social justice.

These studies appear to lie in some 'faulty' beliefs, as Douglass North says. Instead of check how judges decide the cases they just ask how they would decide, which is far from an objective criteria. Several studies were devoted to the analysis of the gap between declared intentions and the real actions³, leaving room for the well-known experimental economics research field in Economics.

The 'King John' Hypothesis

A well functioning system of public dispute resolution is a crucial aspect of justice, especially for ordinary citizen. If ordinary people fail to find justice in state court, their probably alternative is not some efficient method of private dispute resolution, but rather violence or acceptance of injustice. The less wealthy individuals often resolve disputes privately, using neighbors, shamans or violence.

The sovereign has an interest in how the dispute is resolved, to punish undesirable conduct, to establish precedents, or to promote deterrence, but also to help his friends and hurt his enemies. The justice can favor not only people closer to the sovereign, but also the wealthy and the politically powerful. The rich can redistribute from the have-nots by subverting legal, political and regulatory institutions to work in their favor. They can do so through political contributions, bribes, or just deployments of legal and political resources to get their way. This is likely to be true, according Glaeser *et al* (2003), in more unequal societies.

Following the reasoning of North (1990) and others from New Institutions Economics field, it can be said that inequality is harmful to the security of property rights, and therefore to growth, due the possibility of subversion of the political, regulatory and legal institutions of society by the rich for their own benefit. If one is richer enough, comparing to another party, and the judicial system is corruptible, then the legal system will favor the rich, not the just.

At the end, those ones that are likely to be expropriated will refrain themselves of contracting with more powerful people. The breakdown in property rights will deter investments, at least by these potential victims, with adverse consequences for economic growth.

Paulo: Instituto de Estudos Econômicos, Sociais e Políticos de São Paulo, October, 31 pp. (Available at: www.augurium.com.br/termometro.php).

² PINHEIRO, Armando Castelar. Judiciário, reforma e economia: uma visão dos magistrados (Justice, reform and economy: the point of view of the judges). 2002.

³ GLAESER, E. L.; LAIBSON, D. I.; SCHEINKMAN, J. A.; SOUTTER, C. L.; *Measuring Trust. The Quarterly Journal of Economics*, Vol. 115(3), p. 811-846, 2000, among others.

The Empirical Test

To oppose these two hypotheses, the article in the first part discusses the microeconomic foundations of the concept of jurisdictional uncertainty, showing that there are no reasons for the judge to decide against the law and favor the poor. A utility function is discussed, taking into account the advantages the judge could gain from this behavior, outweighed by the penalties such as professional criticism and the reversal by a higher court. As a result, it is predicted that judges will refrain from disregarding the original tenor of legislation, and this behavior could favor wealthy and politically powerful.

After the discussion of this model, the article goes deep in the analysis of judicial decisions, instead of relying in opinion surveys, to verify the existence of an anti-creditor bias. An empirical test was conducted and analyzed 1,019 judicial decisions in São Paulo, the largest GDP amongst Brazilian States. It is showed that a contract has 45% more chances of being maintained if it is beneficial to the richer party, even when we took into account the merits of the case (Ferrão, Ribeiro, 2006). The judiciary disregards the contract only in areas where legislation explicitly protects the weaker party (labor contracts, social security and environment), but to a much lower degree. In areas identified as being sensitive to economic development, such as financial contracts, commercial transactions and landlord-tenant relations, judges typically do not interfere.

But these results do not prove if the hypothesis of institutional subversion could apply. If the judges are neutral, it is expected that the result will favor the strongest part (Cappelletti, Garth, 1976, Galanter, 1974), because they have better conditions to conduct a case, including access to the legal system and lawyers, more financial resources both to face the case's expenses and to support the waiting for decision, and so on.

To deal with this aspect, a methodology was developed, based on selected judicial cases in several Brazilian states. The article looks at cases in which parties with recognized local power are in legal battle against:

- a) A local citizen with no power;
- b) A national company, listed among the 300 largest national groups, or a foreign company;
- c) The central government or a State owned company.

As it is expected from the first test, the local powerful party prevails when facing a local citizen. But, in the case of a national or foreign company, it was expected that the local party would prevail only if the King John's redistribution hypothesis applies. It is argued here that a local and powerful party has more conditions to influence the judge than an outside party, even if the latter has more financial resources. If the national or foreign party prevails, then the judges act in a neutral way, and the financial resources play a central role in determining the result of the trial.

The cases chosen included also those ones where a local party with no power faces these same parties. The cases were included to control for the hypothesis that judges protect all kind of local parties, and not just the powerful ones. It could be argued too that local parties have better conditions to litigate, because they know better the local judicial system, the good lawyers in the neighborhood and other aspects. It is expected, if the 'parochial subversion of justice' prevails, that these parties will be less chances of winning a case than the powerful parties.

As a corollary of this rationale, it is expected to find a correlation between inequality indexes and subversion of justice. In this case, more unequal Brazilian States will have a

higher probability of having the strongest part winning the case. Here, one could argue that we can have a reverse causation: if justice decides insistently in favor of the richer, this will carry out more financial resources to these parties, increasing the inequality.

Besides the influence of social inequality, economic development could also play a role in impartiality of justice. In a society with, for instance, a higher GDP *per capita* or more education, ordinary citizens have more material resources, and trend to subversion can be curbed. Again reverse causation is at place, and States that has Courts that consistently decides in favor of the local powerful companies will have poor economic performance.

A Model of Utility for Judges Behavior

The judges' behavior, as well other economic agents, aims to maximize their utility. Some studies have tried to connect judges' decisions with the favoring of class or social group they belong. The result would be that a judge who is a land owner would favor land owners, judges who walk to work would favor pedestrians and so on (Posner, 1995, p. 581). But in that case the gain the judge could have will be minimal and must be outweighed against possible penalties for deciding disregarding the sound tenor of legislation. These penalties include professional criticism, reversal of decisions in court appeals and damages in reputation. Indeed, all these attempts to relate judges' behavior to the fact that they pertain to a class or social group, or to his ideological position, have failed.

The recruitment of judges, by public selection, priorities technical knowledge, and it seems more likely that this criteria yield in the selection of judges concerned with the quality and accuracy of their decisions. As a consequence, such system for hiring judges will choose those ones that just follow the legislation, avoiding any innovation in its interpretation.

Specifically for Brazil, one must take into account the criteria for career evolution for this evaluation of judges' behavior. In half of the promotions the oldest are designate, but in the other half the promotion is done with grounds in the merits, with the number of decisions maintained in higher courts being a decisive aspect.

The Econometric Model and Variables

An econometric model, departing from Amemiya's Generalized Last Squares method, is used to circumvent the problems with endogenous variables. The structural parameters estimators are calculated from the reduced form parameters estimators. Following the proposition of Newey (1987), the parameters are obtained by the resource to GLS method to estimate the coefficients of the reduced form, using the residues of this regression as additional explanatory variables. The article describes in details the method in appendix 1. The two-equation model used in the regression analysis regarding to influence of inequality over probability of a contract beneficial to the local party being maintained is:

$$P(\text{Contract} = 1 | Gini, X_1) = G(g_1 Gini + X_1 b_1 + u_1) \quad (1)$$

$$Gini = g_2 P(\text{Contract} = 1) + X_2 b_2 + u_2 \quad (2)$$

Where *Gini* can be any social inequality indicator, X_1 is a vector of exogenous variables, b_1 is a vector of regressor parameters and u_1 is a vector of disturbances in equation (1). In equation (2) X_2 is a vector of instrumental variables excluded from equation (1). The function G is a standard normal cumulative function, giving us a Probit model with an endogenous explanatory variable.

Likewise, we have the same construction to investigate the influence of economic development, expressed by the GDP *per capita* for each Brazilian State, over the probability of a contract beneficial to the local party being maintained, net of the joint determination of these variables.

The instrumental variables used in the regressions are the cohort size (as proposed by Higgins and Williamson) for the social inequality and latitude for economic development. The first, expressed as the ratio of the population 40 to 59 years old to the population 15 to 69 years old, is a predictor of the inequality. When we have a ‘fat cohort’ in the middle of the age-earnings curve where life-cycle income is highest, this labor market glut lowers income in the middle, thus tending to flatten the age-earnings curve (Higgins, Williamson, 1999). On the other hand, there is no reason to relate this ‘fat cohort’ to the favoring of a local powerful party in judicial cases. The latter variable (latitude of the State) is well known as related with more developed regions, without being related with the judges’ behavior.

In all cases one explanatory variable, expressing if we have a strong local party in the lawsuit, was added to the model as an exogenous regressor. This variable tests the hypothesis of ‘parochial subversion of justice’, showing that the local power plays a major role in determining the result of the case. One could argue that is necessary to observe if the contract do not favor this local party. If it were the case, it would be natural that the local party prevails in the lawsuit. We added an explanatory dichotomous variable, which assumes the value of ‘1’ if the contract favors the strong local party and ‘0’ otherwise for this reason.

The GINI coefficient and the ratio between the income of the 20% richest and the 40% poorest part of the population were chosen as the measures for social inequality, both calculated from Brazilian Census of 2000 (PNUD, 2003). Finally, the regressions were controlled for years of schooling, GDP *per capita* and the percentage of urban population in each state, all data from IPEA (2006).

The Results of Ferrão and Ribeiro (2006)

The first test we mentioned, regarding the test of 1,019 judicial decisions in São Paulo (the highest Brazilian State GDP), resulted in 171 decisions included in the regressions. The decisions dropped off were concerned more to procedural code discussions, or were decisions in repeated cases. We could have a bias due to favorable or unfavorable facts of the case if we consider a great proportion of similar judicial discussions, and to avoid this bias they were chosen in a random process from the 1,019 cases, in order to assure just one case of each repeated cases.

Since we have different regulation levels in each area of litigation, the cases were divided into eight areas, and a measure of the degree of regulation were provided with basis in the methodology developed by Ribeiro (2005). Table 1 (reproduced from Ferrão and Ribeiro, 2006) shows the values of this measure in each area.

Table 1 – Degree of Regulation.

	Labor Cases	Commercial Cases	Consumers Rights Cases	Environment Cases	Landlord-Tenant Relations	Social Security Cases	Credit Market	Regulation Cases
Mean	5,94	1,68	5,43	6,53	2,94	6,03	2,32	5,23
Standard Deviation	0,76	0,88	0,59	0,76	0,80	0,76	0,84	0,95

Source: Ferrão, Ribeiro (2006).

The regressions from table 2, also from Ferrão and Ribeiro (2005) shows that the strongest party has between 38% and 45% more chances of having the contract being maintained, when it is beneficial for him, that the poorest party. The heavy regulation of some areas interferes in a lower degree, and it is not significant when one takes into account the interaction between variables.

Table 2: Probability of a contract being maintained in a lawsuit.

	1	2 ³	3	4	5	6
Degree of Regulation			-0,2228*** (0,0264)	-0,1899*** (0,0293)	-0,0764 (0,0528)	-0,0764 (0, 0508)
Contract favors the strongest party	-0,0842 (0,1102)	0,3885** (0,1941)		-0,0682 (0,1425)	0,4541** (0,1247)	0,4541** (0,1166)
Interaction of the degree of regulation with the presence of a strongest party					-0,1587** (0,0654)	-0,1587*** (0,0613)
Number of Observations	129	32	181	129	128	128
Log Likelihood	-84,8465	-8,9789	-83,4932	-61,0164	-57,8860	-57,8860
Pseudo R ²	0,26	0,26	0,33	0,28	0,31	0,31

1 – Instead the coefficients, the table shows the alteration in dependent variable due to a slight change around the mean in the explanatory variable (dF/dx), when if is a continuous variable, or for the change from 0 to 1 with dichotomous variables. 2 – Standard errors calculated using Huber/White matrix. 3 – Just for commercial and credit cases. *** Significant at 1% ** significant at 5% * significant at 10%. Source: Ferrão, Ribeiro (2006).

The Results from the ‘Parochial Subversion’ Hypothesis

It was discussed in the previous parts of this work that the results from Ferrão and Ribeiro (2006) are not conclusive regarding the hypothesis of the favoring of the richer and politically influent party. If the judges are neutral, the party with more financial resources could prevail anyway, since he has better conditions to conduct the case. Table 3 and 4 shows the results of the empirical test conducted analyzing judicial decisions from 14 Brazilian States.

Table 3: Probability of contract being maintained¹.

	1	2	3	4	5	6	7
Contract favors a local party	0.1884* (0.1066)						
Contract favors a strong local party		0.3043** (0.1321)	0.3221*** (0.1268)	0.3688*** (0.1295)	0.3237*** (0.1257)	0.3071** (0.1369)	0.3127** (0.1382)
Average years of schooling			-0.0298 (0.0810)				-0.1975 (0.1693)
Percentage of urban population (Grados)				-0.0160* (0.0102)		-0.02560** (0.0099)	-0.0141 (0.0124)
GDP <i>per capita</i> (In US\$ 1,000)					-0.0317 (0.0881)		
Latitude of the Capital of State						0.0250** (0.0101)	0.0376** (0.0165)
Number of Observations	72	46	46	46	46	46	46
Log Likelihood	-43.6411	-26.5475	-26.4718	-25.2328	-26.4672	-22.0184	-21.5738
Pseudo R ²	0.03	0.08	0.09	0.13	0.09	0.24	0.26

1 – Instead the coefficients, the table shows the alteration in dependent variable due to a slight change around the mean in the explanatory variable (dF/dx), when if is a continuous variable, or for the change from 0 to 1 with dichotomous variables. 2 – Standard errors calculated using Huber/White matrix. 3 – Controlled for endogeneity using AGLS with cohort size as an instrument. *** Significant at 1% ** significant at 5% * significant at 10%.

Table 3 shows ordinary Probit regressions from the parochial subversion hypothesis. In all regression the presence of a contract favoring a local strong party increase the probability of the contract being maintained from 33% to almost 41%. There is a general favoring of a local part, as one can see from regression 1, but with a lower coefficient, which means that the favoring of the strongest party has a greater influence. These results show that the hypothesis of the favoring of the strongest part holds when we extend the analysis to the whole country.

Table 4 shows the results when we add inequality as an explanatory variable. As one can see, higher levels of inequality decrease the likelihood of the contract being maintained. The magnitude of the coefficient can be explained by the nature of GINI coefficient, which varies from 0 to 1 maximum. It can be said, to better understand the result, that an increase in the GINI coefficient of 1% (departing from the mean value) will result in a decrease in the chances of the contract being maintained from 0,03% to 0,06%. The results are consistent not only for the specifications in table 4, but for all specifications including other explanatory variables, like the average years of schooling, the percentage of urban population, GDP *per capita*, and the latitude of the capital of State in all possible combinations.

The results for the other exogenous variables are also interesting. It is shown that people from the countryside are less willing to bring to the courts discussions about contracts. The results about the favoring of strongest part holds when controlled for endogeneity, as one can see from equation 14 to 18, which employs AGLS method using cohort size as an instrument. Table 4 also exhibits the results for favoring of a local powerful party as a dependent variable. This variable assumes value '1' whether judge maintains a contract that is in favor of this party or judge dismiss a contract that is unfavorable to this party and assumes value '0' otherwise. Besides the explanatory variables from the previous equations, it was added another measure to inequality, the ratio between the mean income of the 20% of the population in the top of income distribution over the mean income of the 40% at the bottom of it.

The favoring of the local strong party holds, with higher coefficients ranging from 49% to 59%, even when controlled for endogeneity (equations 8 to 11 to ordinary Probit model, and equations 12 to 14 for AGLS model). The influence of inequality also holds, with the exception of the equation 13, where the presence of more explanatory variables and the use of AGLS could result in such a reduction of the degree of freedom that could justify the result.

Conclusions

The goal of this research is to emphasize that impartiality of justice is essential to economic development. It is not enough to have just contracts in favor of powerful parties enforced, but it is necessary to assure to everyone who decides to contract that the contracts will be respected. The Brazilian Supreme Court conducted a research at Rio de Janeiro in 2004 and they discovered that 49.5% of torts claims in Small Claims Court at the city were filled against only sixteen companies. These companies were condemned to pay damages that worth US\$ 2.3 billions, and still with same harmful practices. In this context, the person who is likely to have his property rights violated and his contracts not maintained will refrain from contracting with powerful parties, depressing the credit market, lowering the value of trade marks (since the quality guarantee is not enforceable) and increasing informal market.

Table 4: Probability of contract being maintained¹.

	8	9	10	11	12	13	14³	15³	16³	17³	18³
Contract favors a strong local party		0.2569* (0.1366)	0.3359** (0.1306)	0.3370** (0.1383)	0.2615* (0.1371)	0.3448** (.1407)	0.2502* (0.1395)	0.3260** (0.1427)	0.3400** (0.1390)	0.2531* (0.1396)	0.3469** (0.1408)
Inequality (GINI)	-4.2441 *** (1.5236)	-2.9933* (1.6103)	-6.3705*** (2.2773)	-7.4880** (3.1317)			-3.3275* (1.9157)	-8.0677** (3.5922)	-6.1601** (2.7650)		
Ratio between income of 20+/40-					-0.0279* (0.0158)	-0.0676** (0.0314)				-0.0315* (0.0185)	-0.0619* (0.0368)
Average years of schooling				-0.1840 (0.4111)		-0.1089 (0.1968)					-0.0849 (0.2085)
Percentage of urban population				-0.0163 (0.0182)		-0.0251 (0.0154)			-0.0222* (0.0122)		-0.0253 (0.0154)
GDP <i>per capita</i> (In US\$ 1,000)			-0.2280** (0.1149)	0.0189 (0.2915)				-0.0969 (0.0541)	-0.0282 (0.0458)		
Number of Observations	72	46	46	46	46	46	46	46	46	46	46
Log Likelihood	-41.2121	-25.1305	-23.1021	-21.3637	-24.9474	-20.6268	-24.9686	-22.5045	-21.9027	-24.9686	-22.0312
Pseudo R ²	0.08	0.13	0.20	0.26	0.14	0.29	0.14	0.22	0.25	0.14	0.24

1 – Instead the coefficients, the table shows the alteration in dependent variable due to a slight change around the mean in the explanatory variable (dF/dx), when it is a continuous variable, or for the change from 0 to 1 with dichotomous variables. 2 – Standard errors calculated using Huber/White matrix. 3 – Controlled for endogeneity using AGLS with cohort size as an instrument. *** Significant at 1% ** significant at 5% * significant at 10%.

The Brazilian judicial reform of 2004 made several achievements that facilitate contract enforcement, especially among contracts signed with banks, big companies and foreign investors. On the downside, however, the ordinary citizen so far has not achieved a great deal with the reform. Interest rates remain high, with bankers blaming taxation, the floating exchange rate, political instability and other reasons. Small savers do not have much recourse against financial institutions, and consumers do not have their rights taken into account by big companies, the judiciary, and so on. The more perverse effect, however, is that this reduction of the guarantees of the ordinary citizen became a complete subversion of justice, threatening not only the economic rights of minorities, but also their political rights, with serious damages even to democracy.

The article has contributions at least in three levels. In a theoretical level, it provides a new and counterintuitive point of view, showing aspects of judicial reform that could be understood as the 'faulty' believes that North (2005) propose. In a practical level, it emphasizes the importance of reducing or avoiding what we call 'parochial subversion of the justice', not only to favor the economic development, but to assure human rights and prevail of democracy. Finally, it shows a demand overview from benefits of a well-functioning market, that means, it stress that is not enough to assure the rights of the suppliers of credit and big companies, but it is also necessary to assure the consumers, borrowers and small savers' rights. The contract must prevail disregard the political or economic power of the contractors.

The methodological discussion about the circumvent of endogeneity problem in Probit models, even it is not innovative, brings together contributions from several econometricians to shed some light over this innovative approach.

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Appendix 1

The regressions of the research were made with a probit model with endogenous explanatory variables, developed as a user command for Stata statistical software by Joe Harkness, from Johns Hopkins University. The program implement Amemiya Generalized Least Squares (AGLS) estimator for probit and tobit with endogenous regressors.

This estimator is obtained by applying Probit to the reduced form for the equation of interest and then solving back via a generalized least squares approach to obtain the structural parameters. To see how it is done, consider the two-equation model⁴:

$$\begin{aligned} y_{1i} &= g_1 y_{2i} + b' x_{1i} + u_{1i} \\ y_{2i} &= g_2 y_{1i} + b' x_{2i} + u_{2i} \end{aligned}$$

Which can be expressed in matrix notation as:

$$y_1 = g_1 y_2 + X_1 b_1 + u_1 \quad (1a)$$

$$y_2 = g_2 y_1 + X_2 b_2 + u_2 \quad (2a)$$

And having the following reduced forms:

$$y_1 = X \Pi_1 + v_1 \quad (3a)$$

$$y_2 = X \Pi_2 + v_2 \quad (4a)$$

It is possible to define two matrices J_1 and J_2 in a way that $XJ_1 = X_1$ and $XJ_2 = X_2$. Substituting (4a) into (1a), it will be found that:

$$y_1 = g_1 X \Pi_2 + XJ_1 b_1 + g_1 v_2 + u_1 \quad (5a)$$

If one equals (5a) to (3a), after some calculus one's will get:

$$\Pi_1 = g_1 \Pi_2 + J_1 b_1 \quad (6a)$$

Similarly, if one substitutes (3a) into (2a) and equals the result to (4a), the result will be:

$$\Pi_2 = g_2 \Pi_1 + J_2 b_2 \quad (7a)$$

Amemiya suggests estimating equations (6a) and (7a) directly by regression methods, writing $\hat{\Pi}_1$ for Π_1 and $\hat{\Pi}_2$ for Π_2 . In this case, the equation (6a) would be:

$$\hat{\Pi}_1 = g_1 \hat{\Pi}_2 + J_1 b_1 + h_1 \quad (8a)$$

where

$$h_1 = \hat{\Pi}_1 - \Pi_1 - g_1 (\hat{\Pi}_2 - \Pi_2) \quad (9a)$$

Newey (1986) proposed that this estimator would be calculated by applying GLS to estimates of the reduced form coefficients that obtained by using reduced form residuals as additional explanatory variables. He derives these estimators from general results on asymptotic efficiency of two-stage and

⁴ This section comes from the detailed description that Maddala (1983) made about Amemiya (1979) suggestion for some estimators alternative to the two-stage estimator used by Nelson and Olsen (1978).

Amemyia GLS estimators⁵. He proposes a general model that can subsume several different limited dependent variable models.

To begin with, let's consider the following endogenous explanatory variables model:

$$y_t^* = Y_t b_0 + X_{1t} g_0 + u_t = Z_t d_0 + u_t, \quad t = 1, \dots, n, \quad (10a)$$

where $Z_t = [Y_t, X_{1t}]$, $d_0 = [b_0', g_0']$, Y_t is the t th observation of a $1 \times r$ vector of endogenous explanatory variables, X_1 is a $1 \times s$ vector of exogenous explanatory variables, and d_0 is the $q \times 1$ vector of regression parameters for this equation, with $q \equiv r + s$. The real value of y_t^* is not observable, but rather a value of y that results from $t(y_t^*, y_0)$, where the second parameter is a vector of parameters with $m \times 1$ size. If this function were the maximum value of y^* between y^* and zero, we would have a censored regression model. It is also possible to have as a result just two values, either zero or one, expressing a binary choice model.

The equation below relates the endogenous variables of the model to a $1 \times K$ vector of instrumental variables, and also is the reduced form equation for the endogenous explanatory variables in equation (10a):

$$Y_t = X_t \Pi_0 + V_t = X_{1t} \Pi_{10} + X_{2t} \Pi_{20} + V_t \quad (11a)$$

where Π_{10} is a $s \times r$ matrix of coefficients for the instrumental variables that are included in equation (10), Π_{20} is a $(K - s) \times r$ matrix of coefficients for the instrumental variables that are *excluded* from equation (10a), $\Pi_0 \equiv [\Pi_{10}', \Pi_{20}']'$ and V is a $1 \times r$ vector of disturbances.

It is possible to have the reduced form equation for y_t^* by substituting equation (11a) in equation (10a), as follows:

$$y_t^* = (X_t \Pi_0 + V_t) b_0 + X_{1t} g_0 + u_t \quad (12a)$$

$$y_t^* = X_{1t} \Pi_{10} b_0 + X_{2t} \Pi_{20} b_0 + V_t b_0 + X_{1t} g_0 + u_t \quad (13a)$$

Rearranging similar terms and taking $a_{10} \equiv \Pi_{10} b_0 + g_0$, $a_{10} \equiv \Pi_{20} b_0$, $a_0 \equiv (a_{10}', a_{20}')'$ and $v_t \equiv u_t + V_t b_0$, one gets:

$$y_t^* = X_t a_0 + v_t \quad (14a)$$

The parameters are related by the equation:

$$a_0 = D(\Pi_0) d_0 \quad (15a)$$

Where $D(\Pi_0) \equiv [\Pi, I_1]$ and I_1 is the $K \times s$ selection matrix such that $X_{1t} = X_t I_1$. The identification assumption $\text{rank}(\Pi_{20}) = r$ is satisfied and d_0 is the unique solution to equation (15a).

Rivers and Vuong (1984) suggested an estimator to d for Probit model, substituting the least squares estimator $\hat{\Pi}$ in the conditional log-likelihood for y_t , under the assumption that the disturbances of equations (10) and (11) are multivariate normal, conditional on X_t . From the derivation of a general

⁵ See Newey (1987), specially section 5 for the background of Harkness' implementation of the 'divprobit' Stata user command. Some passages of this article are reproduced here, with some details added.

relationship between two-stage and AGLS estimators, Newey (1986) concludes that the AGLS estimator of d is a member of the class of minimum distance estimators \hat{d}_W that solves:

$$\min_d (\hat{a} - \hat{D}d)' \hat{W} (\hat{a} - \hat{D}d)$$

Where \hat{W} is a positive semi-definite matrix with $p\lim(\hat{W}) = W$, and \hat{d}_W is obtained by minimizing the distance between two estimates \hat{a} and $\hat{D}d$ of the reduced form coefficients, with \hat{W} measuring the distance. The AGLS estimator \hat{d}_A is obtained by choosing $\hat{W} = \hat{\Omega}^{-1}$, where $\hat{\Omega}$ is a consistent estimator of the asymptotic covariance matrix Ω of $\sqrt{n}(\hat{a} - \hat{D}d_0)$, assumed as a non-singular. The construction of a consistent estimator of Ω requires use of a consistent estimator of d as well as a consistent estimator of the joint asymptotic covariance of \hat{a} and $\hat{\Pi}$. The two stages instrumental variables (2SIV) estimator can be used in the construction of $\hat{\Omega}$, or it can be used \hat{d}_W for some choice of non-random \hat{W} , that means, \hat{W} equal to an identity matrix.

Amemyia (1978) showed that the AGLS estimator is asymptotically efficient relative to any other estimator \hat{d}_W obtained from (16a).

Newey (1986) uses this previous result and the result of the comparison of efficiency of the AGLS estimator related to the minimum chi-square (MCS) estimator to propose a simple to compute AGLS estimator. He reaches to a relative simple form of Ω , which allows one to have a consistent estimator of Ω , departing from the residuals of a 2SIV of Y_t . The calculus of Ω also drawn from the use of any of the standard estimators of the covariance matrix of the maximum likelihood estimator in specific models where the conditional log-likelihood has a standard form, which is the case of the Probit model used in this article. For a more detailed approach of this procedures, see Newey, especially section 5.

Appendix 2

serial	uf	processo	natureza	turma	parte1
01	BA	17056-9/2004	Apelação Cível	Câmara Especializada	BAHIAGÁS - Cia de Gás da Bahia
02	BA	14099682209-8 (1999)	Cautelar Inominada	5a. Vara Cível	OAS Participações Ltda
03	BA	37644-8/2002	Agravo Cível	3a. Câmara Cível	TeleBahia Celular S/A
04	BA	22495-2/2000	Apelação Cível	1a. Câmara Cível	Deten Quimica S/A
05	CE	2004.0000.1716-0/0	Apelação Cível	1a. Câmara Cível	Nacional Gas Butano Distr. Ltda. E outro
06	DF	2004015000216-7	Apelação Cível	3a Turma Cível	Via Engenharia S/A
07	DF	2003071010820-0	Apelação Cível	1a. Turma Cível	Clinica Odontológica MG da Costa Ltda
08	DF	2000011028043-9	Apelação Cível	1a. Turma Cível	Ask Embalagens Ltda
09	DF	2005002000108-0	Agravo de Instrumento	5a. Turma Cível	Petrobrás Distr. S/A
10	GO	200502638421	Apelação Cível	4a. Câmara Cível	Caramuru Alimentos Ltda
11	GO	200501174901	Agravo de Instrumento	2a. Câmara Cível	Caramuru Alimentos Ltda
12	GO	200500175033	Apelação Cível	2a. Câmara Cível	Caramuru Alimentos Ltda
13	GO	200502311279	Apelação Cível	4a. Câmara Cível	Caramuru Alimentos Ltda
14	GO	200501218739	Apelação Cível	1a. Câmara Cível	Caramuru Alimentos Ltda
15	GO	200500614959	Apelação Cível	3a. Câmara Cível	Caramuru Alimentos Ltda
16	MA	228142003	Embargos de Declaração	1a. Câmara Cível	Banco do Nordeste do Brasil S/A
17	MG	1.0024.05.699217-5/001(1)	Agravo de Instrumento	2a. Câmara Cível	Construtora Andrade Gutierrez e outros
18	MG	1.0000.00.204011-1/001(1)	Embargos Infringentes	1a. Câmara Cível	Banco Central do Brasil
19	MG	1.0000.00.156008-5/000(1)	Apelação Cível	5a. Câmara Cível	Construtora Andrade Gutierrez S/A
20	MG	1.0024.04.319883-7/001(1)	Agravo de Instrumento	16a. Câmara Cível	Mercantil Brasil Financeira S/A
21	MG	2.0000.00.515002-7/000(1)	Apelação Cível	16a. Câmara Cível	Unimáquinas Eq. Agrícolas Industriais Ltda
22	MG	1.0145.04.138993-6/001(1)	Apelação Cível	16a. Câmara Cível	Dengo Baby Ind. e Com. de Confecções Ltda
23	MT	46770/2005	Apelação Cível	5a. Câmara de D. Civil	Banco Bradesco S/A
24	MT	37354/2004	Apelação Cível	2a. Câmara Cível	Cia Brasileira de Petróleo Ipiranga
25	MT	23617	Apelação Cível	2a. Câmara Cível	Petrobrás Distr. S/A
26	PE	56042-7	Apelação Cível	3a. Câmara Cível	Entreleite - Com. e Repr. de Leite
27	RJ	43378/2005	Apelação Cível	5a. Câmara Cível	Madeiras Augusto Flor Ltda
28	RJ	53767	Apelação Cível	1a. Câmara Cível	NSI Consultoria em Informática Ltda
29	RJ	200.500.150.599	Agravo Inominado na Ap.	2a. Câmara Cível	Scopo Alimentos Ltda
30	RJ	30735/2005	Apelação Cível	17a. Câmara Cível	Tânia S/A Distr. de Veículos

serial	parte2	comb	fav1	contr	gini	cohort	pibcus	lat	vinqua0	urb	esc
01	Braskem S/A	1	0	1	0,669	0,200	1,26	778,00	23,738	67	4,7
02	Banco Econômico S/A Excel	1	1	1	0,669	0,200	1,26	778,00	23,738	67	4,7
03	Cotia Trading S/A	1	1	1	0,669	0,200	1,26	778,00	23,738	67	4,7
04	Banco do Brasil S/A	5	1	1	0,669	0,200	1,26	778,00	23,738	67	4,7
05	Transportadora Simas Ltda	4	0	1	0,675	0,190	0,96	223,00	24,696	72	4,7
06	CAESB - Cia de Água e Esgotos de Brasília	5	1	0	0,640	0,210	4,93	946,00	22,317	96	8,7
07	Santander Brasil Arrend. Mercantil S/A	7	0	1	0,640	0,210	4,93	946,00	22,317	96	8,7
08	ZM Plastic Ind. e Com. de Embalagens Ltda	9	1	1	0,640	0,210	4,93	946,00	22,317	96	8,7
09	Brazuca Autoposto Ltda	10	0	0	0,640	0,210	4,93	946,00	22,317	96	8,7
10	Miguel de Oliveira Salomão	4	1	1	0,611	0,220	1,48	1000,00	15,283	88	6,0
11	Adelino Carmo de Souza e outros	4	1	1	0,611	0,220	1,48	1000,00	15,283	88	6,0
12	Sebastião Ronis Golçalves	4	1	1	0,611	0,220	1,48	1000,00	15,283	88	6,0
13	Flávio Moura Rocha	4	1	1	0,611	0,220	1,48	1000,00	15,283	88	6,0
14	Renato Pereira da Rocha e outro	4	0	0	0,611	0,220	1,48	1000,00	15,283	88	6,0
15	Marcelo Ferreira Pagotto	4	0	0	0,611	0,220	1,48	1000,00	15,283	88	6,0
16	CAVEPEL - CAXIAS VEÍCULOS E PEÇAS LTDA.	4	1	1	0,659	0,170	0,56	151,00	22,207	60	4,3
17	Copasa MG Cia de Saneamento Minas Gerais	1	0	1	0,615	0,240	2,03	1195,00	16,504	82	5,9
18	Construtora Andrade Gutierrez S/A	5	0	0	0,615	0,240	2,03	1195,00	16,504	82	5,9
19	Superintendência de Desenv. da Capital	5	0	1	0,615	0,240	2,03	1195,00	16,504	82	5,9
20	Geotel Ltda	4	1	1	0,615	0,240	2,03	1195,00	16,504	82	5,9
21	Banco Bradesco S/A	6	1	0	0,615	0,240	2,03	1195,00	16,504	82	5,9
22	Banco do Brasil S/A	10	0	1	0,615	0,240	2,03	1195,00	16,504	82	5,9
23	Ferragens Monteiro S/A	6	0	0	0,630	0,200	1,83	935,00	17,036	79	6,0
24	Matos Derivados de Petróleo Ltda	6	0	1	0,630	0,200	1,83	935,00	17,036	79	6,0
25	Posto XII de Outubro Ltda	10	1	1	0,630	0,200	1,83	935,00	17,036	79	6,0
26	Parmalat Industria e Com. de Laticínios Ltda	7	0	1	0,673	0,210	1,26	483,00	24,310	77	5,2
27	Banco Sudameris S/A	6	0	0	0,614	0,280	3,28	1374,00	16,953	96	7,5
28	Empresa Brasileira de Telecomunicações S/A	7	1	0	0,614	0,280	3,28	1374,00	16,953	96	7,5
29	Cia Libra de Navegação	7	0	1	0,614	0,280	3,28	1374,00	16,953	96	7,5
30	Banco Pontual S/A	4	1	1	0,614	0,280	3,28	1374,00	16,953	96	7,5

serial	uf	processo	natureza	turma	parte1
31	RJ	2006.001.01727	Apelação Cível	5a. Câmara Cível	Chison Empreendimentos Imobiliários Ltda
32	RJ	32523/2005	Apelação Cível	16a. Câmara Cível	Finasa Leasing Arrend. Mercantil
33	RN	03.001909-5	Agravo de Instrumento	2a. Câmara Cível	Posto Boa Viagem Ltda
34	RN	2004.000858-9	Agravo Regimental	1a. Câmara Cível	Banco do Brasil S/A
35	RS	70006829592	Apelação Cível	17a. Câmara Cível	Grendene S/A e outros
36	RS	70006337935	Apelação Cível	13a. Câmara Cível	Grendene S/A
37	RS	70007828155	Apelação Cível	13a. Câmara Cível	Tramontina S/A Cutelaria
38	SC	03.018921-1	Agravo de Instrumento	3a. Câmara de D. Civil	Carlos Rodolfo Schneider
39	SC	7,303	Agravo de Instrumento	2a. Câmara Civil	Rima Florestal S/A
40	SC	40,628	Apelação Cível	Câmara Cível Especial	H. Carlos Schneider S/A Com. e Ind.
41	SC	03.026350-0	Agravo de Instrumento	3a. Câmara de D. Civil	Sadia S/A
42	SC	2004.000792-2	Agravo de Instrumento	2a. Câmara de D. Comercial	Sadia S/A
43	SC	1999.000745-6	Apelação Cível	2a. Câmara de D. Civil	Sadia Concórdia S/A
44	SC	04.004211-6	Agravo de Instrumento	2a. Câmara de D. Civil	UNIDAVI
45	SC	88.067662-0 (43.827)	Apelação Cível	Câmara Cível Especial	Rima Florestal S/A
46	SC	2004.007031-4	Agravo de Instrumento	2a. Câmara de D. Comercial	Sadia S/A
47	SC	2004.012243-8	Apelação Cível	3a. Câmara de D. Civil	Sadia S/A
48	SC	99.007154-5	Apelação Cível	1a. Vara de Jaraguá do Sul	Weg Automação Ltda
49	SC	30,572	Apelação Cível	1a, Vara de Xanxerê	Maximiliano Gaidzinski S/A e outro
50	SP	189.355-4/4-00	Apelação Cível	7a. Câmara Cível	Eucatex S/A Ind. e Com.
51	MT	12395	Agravo de Instrumento	1a. Câmara Cível	Cargill Agrícola S/A
52	SP	387.893-4/2-00	Apelação Cível	4a. Câmara de D. Privado	Kon Tato Comercial
53	SP	220.548-4/0-00	Apelação Cível	6a. Câmara de D. Privado	Editora Árvore da Vida Ltda
54	SP	694.407-0/8	Apelação com Revisão	31a. Câmara de D. Privado	Bicicletas Orca Ltda
55	SP	719.288-0/9	Apelação com Revisão	35a. Câmara de D. Privado	Caracol Distr. de Petr. e Deriv. Ltda e outro
56	SP	867.109-0/2	Apelação sem Revisão	26a. Câmara de D. Privado	Auto Posto Tatinho Ltda
57	SP	882.217-0/8	Apelação com Revisão	25a. Câmara de D. Privado	Posto São Sebastião de Jaú Ltda e outros
58	SP	160.370-4/0	Apelação Cível	4a. Câmara de D. Privado	Domingos Tiago Correa
59	SP	195.572-4/3-00	Ap. Cível com Revisão	8a. Câmara de D. Privado	Fundação Cásper Líbero
60	SP	140.291-4/3-00	Apelação Cível	10a. Câmara de D. Privado	Carlos Francisco Ribeiro Jereissati

serial	parte2	comb	fav1	contr	gini	cohort	pibcus	lat	vinqua0	urb	esc
31	Empresa de Obras Públicas do Est. RJ	10	0	1	0,614	0,280	3,28	1374,00	16,953	96	7,5
32	Rio Mark One Confecções Ltda	6	1	1	0,614	0,280	3,28	1374,00	16,953	96	7,5
33	ABN AMRO Arrend. Mercantil S/A	7	0	0	0,657	0,200	1,15	347,00	22,259	73	5,2
34	Sol Lavanderia Hospitalar Ltda	10	0	0	0,657	0,200	1,15	347,00	22,259	73	5,2
35	Brasil Telecom	2	0	1	0,586	0,290	2,86	1801,00	14,294	82	6,7
36	Dublatec - Ind. de Calçados Ltda	4	1	1	0,586	0,290	2,86	1801,00	14,294	82	6,7
37	Etera Industrial e Comercial Ltda	1	1	0	0,586	0,290	2,86	1801,00	14,294	82	6,7
38	Ciacorp International Corporation	2	0	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
39	H. Carlos Schneider S/A Com. e Ind.	1	1	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
40	Trombini Florestal S/A	4	1	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
41	Transportes Clari Fedrizzi Ltda	4	0	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
42	Frangoeste Com. de Frios Ltda	4	0	0	0,560	0,250	2,71	1655,00	12,011	79	6,8
43	João Rocus Scheneider	4	1	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
44	Ornato S/A Ind. de Pisos e Azulejos	5	0	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
45	Agropecuária Parati SC Ltda	4	0	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
46	Frangoeste Com. de Frios Ltda	4	1	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
47	Ademar Matiolo, Dilce Matiolo e outros	4	1	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
48	Distinta Empreendimentos Imobiliários Ltda	4	1	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
49	Giordani e Giordani Ltda	4	1	1	0,560	0,250	2,71	1655,00	12,011	79	6,8
50	Qualitá Engenharia e Construções Ltda	4	1	0	0,592	0,260	3,42	1412,00	14,646	93	7,3
51	Novais & Gomes Ltda	2	1	1	0,630	0,200	1,83	935,00	17,036	79	6,0
52	Sul América Seguro Saúde	6	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
53	Golden Cross Assistência Int. de Saúde	7	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
54	Volkswagen Leasing S/A Arrend. Mercantil	7	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
55	Texaco Brasil S/A	7	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
56	Shell Brasil Ltda	7	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
57	Petrobrás Distr. S/A	10	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
58	Cia Metropolitana de Habitação de São Paulo	10	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
59	Banco Rural, Brazil Opportunity	1	0	1	0,592	0,260	3,42	1412,00	14,646	93	7,3
60	Luiz Carlos Mendonça de Barros	1	1	0	0,592	0,260	3,42	1412,00	14,646	93	7,3

serial	uf	processo	natureza	turma	parte1
61	CE	2000.0015.4057-3/0	Apelação Cível	3a. Câmara Cível	Quadra Engenharia
62	CE	2000.0015.0427-5/0	Apelação Cível		Cofermil Com. de Ferros e Materiais Ind. Ltda
63	CE	2000.0016.1815-3/0	Agravo de Instrumento	2a. Câmara Cível	Reinaldo Nunes Cavalcante e outro
64	PE	118120-4	Apelação Cível	3a. Câmara Cível	Ind.s Gráficas Barreto Ltda
65	PE	89742-3	Agravo de Instrumento	3a. Câmara Cível	Distr. Limoeirense de Bebidas Ltda
66	MT	14.775	Agravo de Instrumento	2a. Câmara Cível	Carlos Newton Vasconcelos Bonfim Jr e outra
67	MT	26.338	Apelação Cível	1a. Câmara Cível	Sperafico da Amazônia S. ^a
68	MT	23.849	Apelação Cível	2a. Câmara	Lille Veiculos Com. e Representações Ltda
69	TO	2940/01	Apelação Cível		Transportadora Goiás
70	TO	3266/02	Apelação Civil		Antenor Pinheiro Queiroz
71	TO	3.817	Apelação Cível		E Soares Wanderley Ltda

serial	parte2	comb	fav1	contr	gini	cohort	pibcus	lat	vinqua0	urb	esc
61	Gerdau S/A	1	0	0	0,675	0,190	0,96	223,00	24,696	72	4,7
62	Gerdau S/A	1	0	0	0,675	0,190	0,96	223,00	24,696	72	4,7
63	Construtora Andrade Gutierrez S/A	1	0	0	0,675	0,190	0,96	223,00	24,696	72	4,7
64	Votorantim Celulose e Papel S/A	1	0	0	0,673	0,210	1,26	483,00	24,310	77	5,2
65	Ambev	1	0	0	0,673	0,210	1,26	483,00	24,310	77	5,2
66	COTEMINAS - Cia de Tecidos Norte de Minas	1	0	1	0,630	0,200	1,83	935,00	17,036	79	6,0
67	Perdigão Agroindustrial S.A	1	0	1	0,630	0,200	1,83	935,00	17,036	79	6,0
68	Peugeot do Brasil Automóveis Ltda	2	0	0	0,630	0,200	1,83	935,00	17,036	79	6,0
69	Citibank Leasing AS	7	0	0	0,662	0,180	0,72	612,00	22,377	74	5,3
70	Banco do Brasil S/A	5	0	0	0,662	0,180	0,72	612,00	22,377	74	5,3
71	BB Leasing	10	0	1	0,662	0,180	0,72	612,00	22,377	74	5,3

Poderoso Local	X	Grande Nacional	1
Poderoso Local		Grande Multinacional	2
Poderoso Local		Fraco Local	4
Poderoso Local		Governo Estadual/Autarquia	5
Fraco Local		Grande Nacional	6
Fraco Local		Grande Multinacional	7
Fraco Local		Governo Estadual/Autarquia	10

