Brazil’s International Agenda Revisited: Perceptions of the Brazilian Foreign Policy Community

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Since its inception, the Brazilian Center for International Relations - CEBRI has been an independent public space where issues pertaining to Brazil’s international agenda can be debated and reflected upon. Conceived in 1998 by a group of entrepreneurs, scholars and diplomats as a non-profit, independent, multidisciplinary and non-partisan entity, CEBRI has been recognized as one of Brazil’s principal think tanks due to the quality of the studies and debates it has conducted on crucial issues of Brazil’s foreign policy and international relations.

The Center edits several publications and research-based studies, briefings, working papers and reports. It also organizes lectures, seminars, round tables, task-forces and study groups.
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The Brazilian Center for International Relations (CEBRI) was founded in 1998 by a group of entrepreneurs, scholars and diplomats. It is a non-profit, independent, multidisciplinary and non-partisan entity devoted to the study and discussion of a wide range of issues pertaining to international relations and Brazil’s foreign policy.

Since it was founded ten years ago, CEBRI became one of Brazil’s main foreign policy think-tanks. Increased interest about international affairs is reflected in the growing volume of information in the media as well as in the number of international relations training programs - evidence of the increasing impact of the country’s foreign policy upon the lives of its citizens. There is a wide number of foreign relations issues, but CEBRI has chosen to focus on long-term and in-depth analysis of issues of greater relevance to the country and society. Surveys have often proved to be an efficient means to identify such issues.

The survey on “Brazil’s International Agenda” carried out by CEBRI in 2001 probed the perceptions of the Brazilian foreign policy community of the country’s geopolitical priorities at the time. The findings were consistent with Brazil’s aspiration to be a global trader and a leader in international relations. To wit: the four countries deemed most important to Brazil’s vital interests (United States, Argentina, Germany and China) were located in four different continents.

The preeminence of South America was also recognized, as Colombia and Bolivia were rated as countries of vital importance to Brazil, albeit for different reasons. There was also a high level of agreement on regarding the importance of a) promoting trade to reduce deficits; b) the
defense of democracy in South America; c) strengthening Mercosur; d) the Doha Round of negotiations at the WTO; and e) the integration of South America’s energy and transportation infrastructure.

Since 2001, however, the occurrence of a number of events suggested the possibility of a significant change of the Brazilian foreign policy community’s perception of international priorities. Among these are the 9/11 attacks which affected international relations by means of the control of borders and information in order to contain terrorism. There was also the election of a leftist President in Brazil, the increased importance of South-South relations and of alliances between developing nations, the emergence of nationalist governments in South America, and an upsurge of regional disputes.

Boosted by the private sector, the interdependence of South American countries grew visibly. Regional trade now accounts for over 20% of Brazil’s exports, led by manufactures. Intra-regional investment in infrastructure has made transportation, energy, construction and communications services grow.

This emerging scenario led CEBRI, with the support of the Swiss Agency for Development and Cooperation - SDC, to carry out another survey to gauge changing perceptions of foreign policy priorities as well as to compare results to the 2001 survey.

The new survey also sought to explore in greater detail Brazil’s agenda for South America, especially in regard to issues which directly affect the country and require international cooperation such as regional security, drug trafficking, the Colombian guerrillas and political instability in Venezuela and Bolivia. Other related issues include trade disputes, the environment and the predatory exploitation of natural resources, transnational crime, terrorism, human rights, illegal immigration and small arms smuggling.

This new CEBRI survey seeks to appraise the perceptions and priorities of government authorities and opinion makers and thus contribute
to the formulation of Brazil’s foreign policy. It also seeks to raise support for similar initiatives.

José Botafogo Gonçalves
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¹ The Task Force’s report Brazil in South America (O Brasil na América do Sul) can be accessed on http://www.cebri.org.br/pdf/427_PDF.pdf.
Executive Summary

CEBRI carried out a survey in 2001 and another in 2008 looking in depth at Brazil’s international relations. In both cases, the objective was to unearth the opinions and preferences of the Brazilian foreign policy community in relation to the main themes on the country’s agenda.

The expression “Brazilian foreign policy community” designates a universe of individuals involved in foreign policy-making or who significantly contribute to forming opinion regarding Brazil’s foreign relations. It thus includes members of the Executive and Legislative branches, but also members of interest groups, leaders of NGOs, academics, journalists and businesspeople involved in the international sphere.

The same methodology was used in both projects: a questionnaire was put to leading members of the foreign policy community, some of whom were interviewed in more depth. What differentiates the two studies is the wider range of themes in the first, which was concerned with comprehensively exploring Brazilian thought in international relations. The second report specifically dealt with strategic aspects of Brazil’s insertion in South America.

Brazil and the International System

Brazilian foreign policy took a more definite and affirmative shape at the turn of the 21st Century. Almost all of those interviewed (97%) agreed that the country should be actively involved in international questions. The perception also strengthened that Brazil’s international role has grown in importance over the past ten years (85%) and that its international presence will be even more important ten years in the future (91%).

A greater role in the future world order was forecasted for the BRICs beyond Brazil - China (97%), India (94%) and Russia (63%) – as well as
South Africa (57%). These countries are seen growing internationally and sharing the power currently enjoyed by the United States (61%), Japan (59%) and Germany (54%).

The tendencies illustrated above were foreseen by the foreign policy community in 2001, but were less pronounced then. In the six years since the first survey, the perception of China’s future importance has remained very high (96% in 2001, 97% today), while for India it has grown from 73% to 94%. Brazil rose from 88% to 91%, Russia from 49% to 63% and South Africa from 39% to 57%. On the other hand, the interviewees concluded it will not be easy for the influence of the current leading powers to expand over the next ten years. The likeliest outcome expected is that they will maintain their current positions. The forecast for Germany’s greater importance has fallen to 28% from 64%, for the United States to 15% from 49%, and for Japan to 16% from 29%.

Over the past six years, the formation of South-South alliances has become a priority in Brazil’s foreign policy. There is no consensus, however, about the South-South alliances in relation to Brazil’s insertion in the global economy. A third of those interviewed (31%) would prioritize trade negotiations with countries in South America and developing countries outside of the region, such as China, India and South Africa. Almost another third (26%) would prefer a greater proximity with the developed nations of the Northern Hemisphere, such as the European Union, United States and Japan. It should be highlighted that the largest single proportion of those surveyed (41%) would rather pursue both courses.

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2 Also becoming priority were the widening of Mercosur, more action at the WTO with a focus on conclusion of the Doha Round and reform of the United Nations’ Security Council with an eye on gaining a permanent seat.
International Agenda Priorities

Argentina and the United States remain at the top of the list of countries considered most important for Brazil’s national interests, albeit falling slightly to 95% from 96% and to 94% from 99% respectively. China has risen to 92% from 82%, meanwhile.

On the other hand, the perception regarding more traditional partners has fallen. Such is the case with the United Kingdom (from 59% to 41%), Germany (from 76% to 59%), France (from 67% to 50%), Spain (from 63% to 46%) and Japan (from 62% to 54%).

In the other direction, there has been a significant increase in the perception of vital interests in neighboring countries, especially Bolivia (from 57% to 81%), Colombia (from 62% to 69%) and Venezuela (absent in the previous survey, it received 78% this time around). Among the countries seen as being of a lesser importance to Brazil’s interests are Cuba, South Korea, Iran and Israel.

Three threats are considered critical by most of those interviewed: global warming (65%), international drug trafficking (64%) and trade protectionism on the part of the wealthy nations (50%). Other threats considered critical by a large number but not the majority of those interviewed include the emergence of dictatorial governments in South America (48%), small arms and light weaponry smuggling (46%), the internationalization of the Amazon (46%), a South American arms race (40%) and the growing number of countries with nuclear weapons (39%).

Equally deserving of attention is the growing perception that Brazil is able to defend its interests in the context of economic globalization. The unprecedented nature and the scale of this change can be seen in differing perceptions of the threat represented by protectionism on the part of the wealthy nations (which fell from 75% to 50%), of economic and technological inequalities between North and South (from 64% to 38%) and by the economic power of the United States (from 39% to 15%).
In relation to Brazil’s insertion in the global economy, the two surveys show considerable continuity. Most of those interviewed continue to grant great importance to multilateral trade negotiations and see Brazil’s growing insertion in the global economy with positive eyes. In 2001, the core of the international agenda related to the global economy. In 2008, raising our share of global markets remained priority, as seen in the 42% support for Brazil promoting a new round of global trade liberalization talks. To appreciate the significance of this percentage, we need to bear in mind that two objectives classed as priority among those interviewed in 2001 have been reached. These are “promoting foreign trade and reducing the country’s trade deficit” (73%) and “supporting a new round of WTO negotiations” (55%).

Nine out of eighteen foreign policy objectives are considered of “extreme importance” by most of those interviewed in this year’s survey. Of these, five refer to Brazil’s role in South America. Guaranteeing democracy in the region (74%); integrating transport, energy and telecommunications infrastructure (70%); strengthening Brazil’s regional leadership (65%); acting together with neighboring countries to defend and protect the Amazon (57%); and to strengthen Mercosur (54%). In general, objectives in the region’s context were granted greater importance in 2008 than in 2001. The only, worrying, exception is the question of strengthening Mercosur (which fell to 54% from 64%).

Three other objectives considered of extreme importance are environmental protection (62%), the combat of international drug trafficking (61%) and broadening science and technology cooperation agreements (57%). The distribution of answers, meanwhile, shows that two other objectives are highly controversial: the demand for a permanent seat on the United Nations Security Council (considered “very or extremely important” by 58% against 42% who consider it of “little or no importance”) and the control and reduction of illegal immigration to Brazil (54% against 46%).
At the start of the decade, there was greater polarization regarding economic liberalization: 67% considered it beneficial and 23% prejudicial to Brazil. In the 2008 survey, the rate is 88% against only 4%, showing the view of a benign impact of international competition on the Brazilian economy has become almost unanimous over a short period of six years.

In 2001, when asked to choose a single Brazilian foreign trade option, 31% of those surveyed went for multilateral trade negotiations, 59% varying regional economic strategies, 21% Mercosur, 17% South America, 16% the Free Trade Area of the Americas (FTAA) and 5% a Mercosur-European Union free trade agreement. In 2008, 28% of Brazil’s foreign policy community maintained its support for multilateralism, 15% for South American integration and 6% for the Mercosur-EU agreement (6%). Support for the FTAA and Mercosur crumbled to 4% and 9% respectively, while the preference for bilateral trade agreements grew to 13% from 4%.

In relation to the FTAA, at the start of the decade 61% of those interviewed considered an agreement feasible, conditional on the elimination of subsidies and non-tariff barriers that limit Brazilian access to the North American market. As could be expected, some of those interviewed believe that Brazil has lost a major opportunity (40%) and others that it has freed itself from a major threat (35%).

The success of Brazilian agricultural commodity exports has cast economic liberalization in a new light. At present, 41% accept opening the Brazilian market to services and industrial imports and to a more flexible position in areas such as investment and intellectual property, in order to obtain agricultural trade gains. Another 47%, however, would prefer the country to continue demanding the elimination of agricultural trade barriers without renouncing domestic protectionist measures or the right to implement autonomous industrial policies.
Regional Integration

Comparison between the two surveys shows heavy erosion in relation to the Mercosur project. In 2001, nearly all of those interviewed (91%) considered the agreement was generally beneficial for Brazil. The figure is now 78%. The prior survey showed 72% thought Mercosur was necessary to increase Brazil’s bargaining power in international relations. In 2008, nearly half (49%) considered that Brazil has weight enough to negotiate alone and only 38% value Mercosur’s support.

Another notable change is related to the form Mercosur should take. Most (52% in 2001, 51% at present) continue to support the bloc’s transformation into a common market along the lines of the European Union. Only one in four, however, agree with maintaining Mercosur as a customs union (the proportion fell to 25% from 43%). On the other hand, there has been a fivefold increase to 21% from 4% of those who would rather reduce it to a free trade zone.

Broadening Mercosur by accepting other South American countries also remains the majority option (54% now against 52% in 2001). On the other hand, there has been an increase in support for deepening the union (to 37% from 28%) and a reduction in the number of those who believe it will be possible to both broaden and deepen Mercosur (7% from 17%). In this respect, Venezuela’s eventual membership represents a particularly thorny aspect. When asked about which position Brazil’s Congress should take in relation to the Adhesion Protocol, 37% suggest approval, 15% rejection and 41% *sine die* postponement.

Two thirds (65%) support a deep integration effort in South America which seeks to stimulate development, reduce asymmetries and promote political, social, environmental, technological and cultural cooperation. A third (33%) would prefer a more selective integration, concentrating exclusively on trade, investment and transport and communications infrastructure. Whatever the reach of this integration, a clear majority (73%) conditions eventual trade agreements between Brazil and other
South American countries to the inclusion of clauses such as intellectual property rights, the protection of investments, and the liberalization of services and government procurement.

Two other highly important themes on the regional agenda are energy integration and the reduction of economic asymmetries between countries. To construct an integrated energy market in the region, with stable regulatory marks and adequate energy transmission infrastructure, is an option supported by the majority (51%). Concerns about energy security, meanwhile, leads over a third (37%) to prefer for Brazil to trade energy resources internationally without abandoning its quest for self-sufficiency.

In the case of overcoming development asymmetries, which is a highly sensitive issue in the regional integration agenda, responses are divided between increasing the competitiveness of smaller or less developed countries (35%); encouraging companies in more developed countries to invest in poorer ones (26%); eliminating obstacles to the poorer nations’ exports within the region (20%); and simultaneously promoting all of these options (17%).

Security and International Policy

Brazil has contribution to international peace and security as long-standing objectives. Regardless of Brazil’s successful peace mission in Haiti, support for the country’s involvement in this type of endeavor has fallen to 74% this year from 88% in 2001. Support has also diminished for Brazil’s demand for a permanent seat on the United Nations Security Council, to 54% from 76%.

In the case of reorganizing the Armed Forces, most of those interviewed consider “of extreme importance” integrating the military branches under the command of the Ministry of Defense (66%); investment in training and intelligence capabilities (62%) and reequipping and
technologically modernizing the armed forces (55%). In this area, the
more controversial measures are substituting compulsory military service
with a volunteer force (considered “very or extremely important” by 43%
against 54% who consider it “of little or no importance”); training the
armed forces for policing (53% against 46%); training for peacekeeping
missions (55% against 45%); military integration in South America (62%
against 37%); and developing the domestic arms industry (65% against
35%).

The environment and climate change stand out as new themes of
the multilateral agenda. Most of those surveyed (74% in 2001, 66% at
present) support international coordination in environmental protection
measures. There is also majority support (81% in 2001, 90% at present)
for all countries, and not only the most industrialized, to reduce green-
house gas emissions. As a direct result of these concerns, support has
almost doubled for free trade agreements to contain clauses to protect
workers’ rights and the environment (31% in 2001, 66% in 2008).

**Foreign Policy and the Representation of Interests**

During the first term of office of President Luiz Inácio Lula da Silva, for-
eign policy opened a number of new fronts on which it was not always
possible to focus sufficient attention. This raised negative reactions among
opinion-makers and those holding public office. While generally positive,
opinion about the government’s foreign policy has tended to be more po-
larized than was the case with the foreign policy of President Fernando
Henrique Cardoso. Foreign policy in 2001 was described as “excellent or
good” by 62% against 12% who considered it “poor or very poor”. In the
case of the Lula government the figures are 46% and 21% respectively.

In the case of the representation of interests, the surveys suggest a
growing view that the Foreign relations is paying less attention to the
opinions and proposals of the non-government sector and of other areas
of government. The perception that the ministry grants “a lot of attention” to the opinions and proposals of “other federal government ministries” has fallen from 57% in 2001 to 36% in 2008. The same is the case in relation to the media (from 46% to 30%); business associations (from 49% to 39%); public opinion (from 28% to 21%); and non-government organizations (from 18% to 14%). The perception of “a lot of attention” paid to Congress has held at 30% and of that paid to labor unions has risen (from 6% to 11%) and of universities and research centers (from 14% to 18%).

Traditionally, foreign policy has been the exclusive responsibility of the Executive, with Congress’ role being to ratify decisions. In 2001, 54% of those interviewed believed foreign policy should be previously negotiated with Congress, in order to limit the arbitrary power of the Executive. Another 46% favored maintaining the current division of roles and prerogatives. The inverse is now the case, with 54% supporting the Executive’s prerogative and 38% wanting a greater role for Congress.
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The perceptions of directly or indirectly influential players grant a privileged angle for understanding public policy in determined areas. It was based on this premise that CEBRI carried out two surveys with Brazil’s foreign policy community, the first in 2001 and the second in 2008. These two studies have been designed so as to secure a high degree of comparability between periods in the case of core questions, as well as to seek an important complementation of themes, to be seen below.¹

From the thematic viewpoint, the first project was wider-ranging, seeking to map out what Brazil’s foreign policy community thought of almost all of the areas considered relevant to the country. The second, in 2008, focused more specifically on Brazil’s options in the ambit of Latin America.²

The global picture has been through dramatic changes over the past decade. Several countries, Brazil included, have had to adjust to the new realities. These new realities clearly set the agendas of two Presidents over the period, both of whom were notably active in the international sphere. President Fernando Henrique Cardoso guided the country’s foreign policy for ten years, first as Foreign Minister (1992-1993) and afterwards as President of Brazil (1995-2002), placing a clearly liberalizing stamp on Brazil’s domestic and foreign efforts. His successor, President Luiz Inácio Lula da Silva, has prioritized reform of global governance organizations, alliances with regional powers throughout the world and Brazil’s influence in South America.

³ The research methodology is described in the Appendices.
⁴ The survey, entitled *Brazil’s International Agenda: A Study of the Brazilian Foreign Policy Community*, was conducted between May and August 2001 and is available in CEBRI’s site (http://www.cebri.org.br/pdf/101_PDF.pdf).
In this context, comparison between the two periods takes on considerable importance not only in academic but also in practical terms. The broad objective of this study is to evaluate the extent to which foreign policy initiatives implemented over these recent years reflect profound divergences in regard to the country’s strategic options or, contrarily, fit in with the course of Brazil’s diplomatic tradition.

**Global Challenges and Opportunities**

CEBRI’s first study had just been completed (August 2001) when the terrorist attacks on the World Trade Center and Pentagon took place, shattering the new world order that had begun to take shape after the Cold War. As to confirm the premonitions of what those terrorist acts would spread all around, Argentina’s economy collapsed, which seriously compromised the project of creating a common market in the Southern Cone. From Brazil’s viewpoint, this meant nothing less than the two countries central to our strategic map being hit hard in rapid succession.

On the other hand, September 11 set further globalization tendencies in motion. A ministerial meeting of World Trade Organization (WTO) member states in Doha in the United Arab Emirates, in November 2001, set in stone the idea that victory against terrorism cannot only be seen as a military operation. It also requires the removal of its causes: poverty and the chronic instability of less-developed economies. The result was the launch of a new round of trade negotiations. This sought to reduce tariffs and eliminate production subsidies, as well as get rid of obstacles preventing agricultural exports to the markets of the more developed nations.

With the benefit of hindsight we know that the propitious circumstances in which the Doha Round began - of sharp global trade growth – led into a series of impasses which resulted in paralysis seven years later. The Doha fiasco cast a cloud of pessimism, but it is unlikely that the suspension of negotiations will compromise the dynamism of world trade.
The September 11 attacks dramatically illustrated a widespread view that geographical borders are becoming an irrelevant means of containment and that there is no such thing as total security - even in the most powerful states - against threats that a few decades before seemed distant. The US decision to maintain military supremacy at any cost has transformed the geopolitical chessboard. The priority it has granted to the war on terror has become the conditional factor of the large nations and regional powers’ strategic options. As far as can be seen the US will not give up military primacy, but has rather been building it regardless of dissent and impasses caused by military interventions in Iraq and Afghanistan. There is a real risk that this could stiffen the dispute for spheres of influence among other powers, as Russia’s attack on Georgia for South Ossetia could lead us to believe.

The emergence of the BRICs (Brazil, Russia, India and China), meanwhile, has increased not lessened uncertainty about the global economy. Goldman Sachs coined the acronym in 2004 to designate the four countries seen forming the economic and demographic vanguard in the second half of this century. The revelation that they already contained almost half the world’s population and a third of the world’s wealth created a strategic potential to which they themselves appeared unaware. Blessed with immense territories and populations, the BRICs granted new value to globalization as catalyst of nations’ development through trade and investment flows and belied the hypothesis of an unequivocal relationship between inequality and globalization. China and India are the most exuberant players in this setting, but with the exception of Africa, immense amounts of world’s population have also been brought into the consumer market.

The other face of this process is the devastating effect of Chinese competition on industry throughout the world, including Europe and North America. While Chinese growth has been highly beneficial to those countries that export primary products, especially in South Amer-
Brazil’s International Agenda Revisited

The voracity with which it consumes raw materials has sent the prices of the main energy, agricultural and metals commodities sky high. This has brought urgent questions to the fore about food security, pollution and greenhouse gas emissions.

The emerging countries have also demanded larger and more decisive participation in decision-making of a global scale. One of the more controversial arguments is that the allocation of influence in multilateral institutions created in the aftermath of Word War II no longer corresponds to the world’s current distribution of power. This is the dilemma that faces the current international system. In order to prosper it requires the success of economic globalization, but this could generate forces set on destroying the status quo. There has been tenacious resistance to reform, fed by the developed nations’ perception that they no longer lead global dynamism. The solution to this impasse will require involving the developing nations in a manner that does not alienate countries with a longer-standing position in the global power structure. The legitimacy and perhaps even the continuation of the current multilateral order depend on the success of this initiative.

Regional Challenges and Opportunities

The recent collapse of the Doha Round has been particularly bruising for Brazil. As there have been no advances on the multilateral front, the country will face harsher terrain in a search for bilateral or regional trade agreements. Exacerbating this, Brazil has not concluded a single important trade agreement this decade. Since 2001, the country has seen negotiations shipwreck for the Free Trade Area of the Americas (FTAA) and for a free trade agreement between Mercosur and the European Union. As a consequence, there has been a weakening of the Brazilian Foreign Ministry’s ambitious strategy of negotiating a wide agenda on several fronts. It has fallen back on the multilateral game of demanding more
impartial rules in areas where it has less bargaining power - such as agricultural trade and global disciplines – and on the regional scheme of negotiations for access to markets.

Doha’s importance cannot be underestimated. Doha was the first multilateral trade negotiation in which the emerging economies exercised a decisive influence. This was due to Brazil’s initiative as leader in the creation of the Group of 20 (G-20), which organized countries such as China, India and South Africa to resist impositions by the US and EU in agricultural trade negotiations. It was thus an ironic coincidence that G-20 set the Doha Round’s failure in motion. India and China proved more willing to protect their farming than to face the competition of more efficient agricultural producers such as Brazil.

Brazil’s support of the WTO directorate general’s proposal for a Doha Round agreement - foreseeing cuts in developed nations’ agricultural tariffs and subsidies - put in check the South-South alignment touted by the Brazilian Foreign Ministry. It also exposed the growing distance between Brazil’s global and regional objectives. Since 2002, Brazil has gained a substantial advantage in global terms from its rapid growth in exports. This new competitiveness has created internal pressure for a more aggressive position in agricultural negotiations and a greater receptiveness towards reducing industrial tariffs.

In taking the opposite path to Argentina, which refused further opening of its market to industrial imports, Brazil’s Foreign Ministry made its mark in a manner that raises serious questions about Mercosur. The bloc’s trajectory has been notable for disconnected movements. Sometimes it veers towards deepening and greater consolidation as a customs union and at others towards a shallower broadening via the acceptance of new members. Through a failure to reach agreement on internal trade conditions and their aversion to sharing foreign policy positions, Brazil and Argentina have limited Mercosur’s capacity to negotiate as a bloc or to draw up a consistent strategy for regional integration.
Two recent events have exacerbated the inherent risks on Mercosur’s aforementioned veering path. On the one hand, the failure of the FTAA cleared the way for the US to negotiate bilateral agreements with several South American countries, such as Chile, Peru and Colombia. It thus increased the range of the North American (NAFTA) and Central American (CAFTA) free trade agreements. On the other hand, a new crop of state-centralizing and anti-US governments in Bolivia, Ecuador and Nicaragua lined up alongside Venezuela to form the Bolivarian Alternative for the Americas (ALBA) as a counterbalance to US influence.

Precariously balanced between geopolitical considerations and the proliferation of bilateral agreements with the US, Brazil carried out a mad dash, replacing trade themes in the regional integration agenda with a swathe of initiatives for collaboration in areas as diverse as energy, transport infrastructure, the environment, combating poverty, development financing, education and culture, reducing asymmetries between countries, security, the integration of chains of production and science and technology. The result was the improbable Union of South American Nations (UNASUL), which is supposed to orbit Mercosur but which in practice has not gone beyond the stage of protocol formalities.

The admission of Venezuela as a full member of Mercosur, with its deadline extended to adapt to the rules of the customs union, could prove no less complicated. Venezuela’s full admission could seriously impinge Brazil’s capacity to negotiate in the name of Mercosur, especially if the partner in talks is the US. Differences between Mercosur and ALBA are not restricted to the areas of trade and economics. After September 11, the relocation of the sphere of US military influence to the Panamanian border affected configurations of military preparation in Andean countries, resulting in increased firepower in Venezuela, Colombia and Peru. In these circumstances, Colombia’s military incursion into Ecuadorian territory to destroy a camp belonging to the Revolutionary Armed Forces
Amaury de Souza

of Colombia (FARC) led to the verge of war, a situation aggravated by the sending of Venezuelan troops to the border.

As it stands, ALBA is also a de facto military and mutual defense alliance. Its consolidation along these lines could strangle at birth Brazil’s proposal to create a South American Defense Council within the ambit of UNASUL. Conceived by Brazil to draw up defense policies, the defense council proposal failed to raise the interest of countries such as Venezuela and Ecuador, which are inclined towards creating a regional military force. Countries such as Colombia, meanwhile, are reluctant to join a defense organization that would automatically exclude the US.

This combination of debilitating factors makes Brazilian diplomacy’s defense of profound regional integration problematic. In the picture that has been developing, of stiff competition between incongruent projects, Brazil should perhaps consider a more realistic project, without abandoning its discourse on the symbolic importance of regional integration. What can be said at this stage is that Brazil should go back to the Mercosur project, where urgent and far more manageable problems clamor for attention.
Chapter 2

BRAZIL AND THE INTERNATIONAL SYSTEM

Brazil’s foreign policy community aspires to greater active involvement in international issues. According to the study, 97% of the respondents favor a more active international role, in line with the 99% of 2001. Now as in the past, only 1% believe the country should “remain distant from global problems”, as the following chart shows.

2.1 Brazil’s Participation in International Affairs (Percentage)*

The supposition that Brazil is considered important only abroad but not at home – where a negative view prevails of itself and its chances on the international stage – is not supported by data. In fact, the answers given show the reverse. One of the questions in the survey asks how much

*Note: A 0 value indicates that the questions was not included in the 2001 survey.
more important Brazil’s international role is than it was ten years ago. Eight out of ten interviewed (85%) say Brazil has a more important role today.

The same tendency can be seen in relation to expectations for the next ten years. Nine out of ten (91%) believe Brazil will have an even more important international presence in the future. The results can be seen in the chart below.

2.2 Brazil’s Current and Future Position in the International System

(Percentages)

Steeped in a new feeling of confidence about the country’s potential, the aspiration among Brazil’s elites to turn the country into an actor on the world stage has heightened over the decade. However, a higher international profile carries at least two risks.

The first of these is the quest to advance national interests without understanding the changes the world has undergone. Over the past few decades, the pole of global concerns has shifted from East-West to North-South as the old bi-polar order unraveled and the issue came to the fore
of reducing severe inequalities between the developed economies and the majority of the world’s countries. This new agenda took shape with the ascension of countries such as China and India, which were until recently confined to the category of Third World.

In the view of an influential diplomat, incomprehension at global changes and the innumerous opportunities these offer to developing countries has limited Brazil’s foreign presence. In his words:

“Brazil has still not learned to see itself as the strong element in this relationship. We have spent a lot of time concerned about promoting our development among the big fish. We can draw inspiration from the experiences of the US and EU, but we cannot mimic them. We have to define and consolidate our own vision of what we should be in the world, as a protagonist.”

The second risk facing Brazil is whether it can maintain a realistic evaluation of the resources available for its international launch. A full international agenda has obliged Brazil to redouble efforts on several fronts, from the multilateral trade negotiations of the Doha Round to the recent creation of the Union of South American Nations (UNASUL). The country has sought to take part simultaneously in the various games where its interests are at play. Another front on which the country has committed itself is participation in the governance of the international system. There are those who see in all of this more of an element of self deception than an exercise in multiple competencies. A Brazilian ambassador with a long history of service boils the question down in the following terms:

“The priority of foreign policy is to combine ambition with realism. For example, we want and have the right to membership of the UN Security Council. But do we have enough in the kitty? If we don’t have the means yet want to bankroll everything we’ll end up spreading ourselves too thin and going on too many wild goose chases. Foreign policy is a power relationship. Joaquim Nabuco said: “A man doesn’t get taller by
jumping”. If Brazil wants to be a presence then it should grow up into being one.”

The fact that Brazil is competing for influence and power in the context of a globalized order that is undergoing transformation, lends a particular relevance to the future vision of the international system.

**The Future Geometry of Power**

Those surveyed were asked the degree of expected importance within ten years for eight countries.

The BRICs - China (97%), India (94%), Brazil (91%) and Russia (63%), followed by South Africa (57%) – are the emerging powers in the new world order, according to the majority view in the Brazilian foreign policy community.

The majority of those surveyed also believe that the countries currently making up the dominant core of international policy - Germany (82%), the US (76%) and Japan (75%) – will continue to have an equal or more important role to their present one. In other words, the new world order will tend to be multi-polar but will live alongside a concentration of power in the hands of the US, EU and Japan, as seen in the table below. There is not expected to be a decline in US economic power or its singular strategic-military power - whose budget practically surpasses the rest of the world’s combined military spending.
This was not the prevailing perception at the start of the decade. China and Brazil had a leading position in the forecasts of 2001. On the other hand, Russia is expected to grow in importance (according to 63% this year from 49% in 2001), as well as India (94% from 73%) and South Africa (57% from 39%). The inverse is the case for expectations about Germany’s growing importance (at 28% from 64%), the US (15% from 45%) and Japan (16% from 29%), as the following table shows:
The BRICs, who most in the survey agree are growing in importance on the international scene, were known in the past as “monster countries” or “great whales”. This was due to the size of their immense territories and populations and their difficulty in changing course. These have now integrated well into the global economy, rather than opting to look inwards and to try for endogenous growth.

Giving name to this group of countries also revealed their relatively secondary position in the global direction of power. As a legacy of the Cold War, Russia and China have permanent seats on the UN Security Council alongside the US, France and the UK. Brazil and India are still
striving for admittance, however. What is more, only Russia is part of the G-8 forum of the world’s wealthiest nations (the US, Japan, Germany, France, the UK, Italy and Canada being the others). This is not a cause for impatience according to an experienced ambassador, for whom inclusion is just around the corner:

“In a short while, there will be an expanded G-8 which includes China, India, Brazil, South Africa, Mexico and an Islamic country such as Turkey, Egypt or Pakistan. Reform of the Security Council won’t advance, but the expansion of G-8 is likely. As Russia is already in G-8, another five or six additions will create a formidable forum with 80% to 90% of global GDP. Brazil is getting there.”

It is conceivable that the current trend points towards a multi-polar world in the future in which power is progressively less concentrated, especially in the economic sphere, and in which the emerging powers are strengthened. Regardless of this, the BRICs are still a long way from representing a cohesive bloc. The recent meeting between the Foreign Ministers of the four countries in Yekaterinburg in Russia, however, was the presage for joint participation in the defense of their interests, with which the interests of almost half the planet’s population coincide.

International Insertion Strategies

In 2001, statements from Brazil’s foreign policy community drew up two major strategies for the country’s global insertion.

The first strategy consisted of adjusting Brazil’s priorities in relation to global change, adopting a coherent and trustworthy posture; promoting competition; strengthening market rules in the domestic economy; and strengthening multilateral institutions and norms that could put a brake on unilateral conduct in the global context. In this vision of the international system, autonomy derives from the capacity to cooperate in strengthening norms and institutions that level the playing field and
which limit interests imposed between unequally powerful and influential parties.

In the view of a businessman with experience in foreign trade questions:

“*Our future lies in the consolidation of an alliance with the US. But this is a vision that meets with deep resistance from our establishment. There was no determination or strategic vision to overcome obstacles in FTAA negotiations, there was not the political willingness to risk this hurdle. The US could afford to give the FTAA low priority, we couldn’t. The US is a far greater priority for Brazil than we are for them.*”

The second strategy holds that Brazil’s global insertion requires the capacity to draw up an autonomous national policy based on active development policies that do not necessarily coincide with the foreign agenda of trade liberalization. It foresees changes to current international rules perceived as biased towards the dominant interests. It further calls for the creation of horizontal alliances with countries that have similar interests and which are willing to resist the impositions of the dominant powers. It is hoped this latter point could thus diminish the unipolar nature of the international system and consolidate a multipolar world order.

Autonomy, according to this approach, consists of changing the international order, altering the world’s current correlation of forces.

In the opinion of a Federal Deputy who is well-respected among his peers in relation to Brazil’s foreign relations:

“I have a positive view of our foreign policy for South America and for our ideas of a South-South relationship, the quest for integration and cooperation based on multilateralism, peace and the repudiation of terror and fundamentalism. Our weakness is the lack of resources to make projects viable. Policy has been drawn up well, but we haven’t got the investments. For this reason, it should be seen as a process in order not to create expectations or pessimism about Brazil’s proposals.”
Prioritizing integration with South America and the formation of alliances with emerging powers like China, India and Russia as a counterbalance to the powers that be, are the main divergences between this and the first perspective – which prioritizes access to the wealthy nations’ markets.

Those surveyed were asked which would be the best strategy for Brazil’s insertion in the global market. Almost a third of those interviewed (26%) prioritized negotiations with the developed nations of the North (the EU, US and Japan). Another third (31%) opted for prioritizing negotiations with countries in South America and other large developing countries outside of the region such as India, China and South Africa. The results can be seen in the graph below:

2.5 International Inclusion Strategies (Percentages)
While the question polarizes the answers of over half of those interviewed, the most interesting fact is that a significant number (41%) would opt to pursue both strategies. In the view of a businessman:

“I don’t see a polarity of options between negotiating with the developed or developing nations. I see regional economic integration as priority, but not in a way that excludes other multilateral and bilateral strategies.”

For another businessman, the relationship with the developed nations and in the South-South ambit reinforces Brazil’s quest for geographical diversification in its trade and for deeper bilateral relations throughout the world. In his opinion:

“The ideal would be for a combination of the two options: agreements with developed countries and membership of the OCDE, as well as joining together with the large developing nations and with South America, if necessary reviewing or even abolishing Mercosur.”

This is an opinion shared by a leader of a non-government organization, and whose emphasis is the need to strengthen multilateralism:

“An ambitious and just conclusion of the Doha Round should be prioritized. However, there should also be work on an agenda of agreements with the developed nations, which represent large markets.”

The North-South division is incomprehensible for one influential business leader. He says preferring to opt for trade with emerging powers like China, Russia or India ignores the reality of Brazil’s solid insertion in the western hemisphere’s economy. In his words:

“The trade policy priority should be the three Americas, where the range of exports is bigger. Our commodities go to global trade but our manufactures go to regional markets.”

Allusions to a South-South alliance often indicates more of an interest in promoting closer ties between Brazil and its immediate neighbors than forming horizontal alliances with emerging markets outside of the
region. *South America is our anchor*, explains an experienced ambassador. “It shows that geography is more important than history. Countries’ histories change, but their geography never does.” As well as this factor of being neighbors, South America’s economies are currently interlinked by trade flows of a growing importance. “The priorization of foreign policy has corresponded to Brazil’s growing trade relations in South America”, explains a businessman. “No one imagined that this could happen, placing South America at the same level as Europe in terms of strong and growing trade balances along with the countries in the region”. Being part of the continent, in this view, would represent an unavoidable stage towards Brazil’s full insertion into the global economy.

One can conclude that an important part of Brazil’s foreign policy community is polarized between two views of the country’s international insertion. Only suspected at the start of the decade, this division has accentuated and gained ground during the government of President Luiz Inácio Lula da Silva. Since Lula took office, the command of foreign policy has been entrusted to exponents of a tendency contrary to the previous liberalizing agenda.

It is nonetheless debatable whether this division will be as sharp in the future as it has in the past. In various other spheres of foreign policy there has been a far greater degree of convergence than could be supposed, indicating significant continuity.
PRIORITIES OF BRAZIL’S INTERNATIONAL AGENDA

Brazil’s international aspirations have as their primary point of reference the identification of countries that are of vital interest. These geopolitical priorities are the basis of strategic alliances that seek to strengthen Brazil’s international presence. In second place come external threats to the country’s interests. These range from economic asymmetries and classic armed conflict, to new threats of a wider and transnational nature, such as global warming, poverty, human rights, the proliferation of weapons of mass destruction, global epidemics and international drug trafficking. Finally, added to perceptions of interests and threats is the priority assigned to several foreign policy objectives. Standing out among the latter are regional leadership and participation in international fora about global norms and regulations.

Geopolitical Priorities

Argentina (95%), the United States (94%) and China (92%) are unanimously recognized as the countries with which Brazil has a vital interest, even though these perceived interest are based on different economic, political or security reasons and even though they are situated at opposite ends of the Earth. These are not perceptions pegged to the recent evolution of bilateral trade. These countries were granted the same priority at the start of the decade, with the exception of China which rose from 82% to 92%.

It is worth bearing in mind the differences between these countries. Joined by strong ties, the vital interests of Brazil are based on geopolitical
and economic factors. “The Brazil-Argentina alliance is no longer an alternative – it’s an imperative”, says one diplomat. The decades-long tradition of confrontational, mistrustful neighbors has been overcome as symbolized by the creation of Mercosur. Nevertheless, conflict persists within the bloc. In the view of an experienced ambassador:

“The fundamental axis is the Brazil-Argentina relationship, which has been complicated from Menem to Kirchner. The geopolitical question between us has been resolved. But how do we square with the Mercosur question? The original Mercosur of four partners is the fulcrum for South American economic integration.”

Since at least 1999, when Brazil devalued its currency, the Argentines have clamored for reparation from losses to bilateral trade and demanded safeguards. This clamor for greater protection, which found echo in the government of President Nestor Kirchner, coincided with Venezuela’s acquisition of Argentine public debt. This has led many observers to fear that the privileged relationship between Brazil and Argentina could be fraying. This is the opinion of a researcher specialized in international relations in the region:

“Our most serious problem is named Argentina. There is an inflationary process, the economy has not recovered, there is a bottleneck in foreign investment. People are still betting their chips on a partnership with Brazil, but a project has surfaced for an Argentina that is independent of Brazil. That country’s future increasingly depends on Venezuela. A destabilized Argentina that has the support of Chávez is a problem.”

Brazil’s relations with Argentina are still very far from being severed. Trade flows remain strong, buoyed up the prospect of deals done directly in the countries’ two currencies. What is more, Brazil is one of the three main sources of investment in Argentina. The fear persists, however, that Argentina could opt for protectionism, demoting Mercosur and conse-
sequently Brazil’s degree of freedom to negotiate with third countries or blocs.

In contrast is the picture offered by the United States, with whom our trading relations are at an auspicious stage. The trade flow has been growing since the middle of this decade, with Brazil playing an increasingly important role among the United States’ imports. What is more, a proposal for collaboration in the area of biofuels has added further luster to bilateral trade. One obviously cannot expect this relationship to ignore the glaring economic and strategic differences separating the two countries. In the words of a Federal Deputy with solid experience in foreign relations:

“In the case of the United States, our foreign relations should seek a balance between cooperation and competition at the price of either the surrender of Brazilian interests or of a confrontation in which we have nothing to gain. There needs to be an ambience of frankness and cooperation before we can put our contentions on the table. It has always been that way.”

A respected ambassador, for his part, signals that Brazil’s relationship with the United States presents a worryingly narrow vision, often influenced by the pressure of immediate factors and without the reference of a wider international picture. In his opinion, rather than diplomatic initiatives what keeps the two countries in tune is the wide range of connections between their economies and societies.
3.1 Brazil’s Geopolitical Priorities (Percentages that affirm that Brazil has vital interests in the countries listed below)*

*Note: A 0 value indicates that the questions was not included in the 2001 survey.
“Neither we nor the United States have the view of a long-term relationship. Our relations are casuistic, we have topical initiatives. What are we going to do in the case of foreign trade? Is the FTAA dead or not? Luckily, we remain in a relationship in which there are some venial but no cardinal sins. For one thing, this is because relations are currently more in the hands of society than of traditional diplomacy. There are forces in society that will never permit a rupture between Brazil and the United States.”

China maintains third position in the ranking of Brazil’s international relations (92%), currently far closer to the levels traditionally enjoyed by Argentina and the United States. One businessman suggests that exactly for this reason we should be aware of the intense competition between China and the United States and maintain the two at the same distance. In his words:

“The United States became a hegemonic power at the end of World War II. Since then it has been losing power and China is being transformed into the main point for capital accumulation. Hegemony derives from the production of physical goods. For this reason, China will vie with the United States in 15 to 20 years. Our position in the face of this conflict should be neutrality, turning ourselves into an interested third party.”

India (71%) and on a lesser scale South Africa (54%) and Russia (46%) are also seen as countries with which Brazil has vital interests, an evaluation that has taken on a more solid outline since 2001.

Nothing compares, however, with the changed perceptions relating to two other groups of countries. The first of these is made up of Brazil’s immediate neighbors. Bolivia’s importance is cited by 81% of those interviewed against 57% in 2001 – an increase of 24 percentage points. The perception of Colombia has also risen, from 62% to 69%, while Venezuela – added to the list only this year – received 78% of responses. It is important to bear in mind that the priority attributed to neighboring
countries can reflect different facets of ever-closer relationships. Interest in Bolivia, for example, is in regard to the question of energy security, something that is not the case with Colombia or Venezuela, where questions of Brazil’s national security or regional leadership have precedence.

In a broader sense, these changes portray the emergence of South America as a relevant player in the international system. This is in part due to the process of North American integration. “Mexico’s entrance to NAFTA changed the idea of what makes up Latin America and gave greater value to South America, putting geography before the idea of Latinness”, argues an ambassador. The data corroborate this interpretation, as Mexico has lost relevance (falling from 59% to 50%) and Cuba has remained on the margins of Brazil’s global interests (rising slightly from 14% to 22%). Seized upon by diplomacy, the combined effect of the transformations in course has translated into the creation of a new collective identity, politicizing the process of regional integration. In the words of a high-ranking figure at the Foreign Ministry:

“The concept of South America has been totally incorporated, and is even at the origin of the Union of South American Nations (UNASUL). This is an important change that cannot be underestimated and is in large part due to the foreign policy of the Lula government. The change began before, but today there is a far greater recognition of the region.”

A counterpoint to this trend is the patent and progressive reduction in the importance attributed to countries traditionally identified as First World. In comparison with the start of the decade, a far lower number of those interviewed said that Brazil has a vital interest in Germany (from 76% to 59%); Japan (from 62% to 54%); France (from 67% to 50%); Spain (from 63% to 46%); the United Kingdom (from 59% to 41%) or Canada (from 39% to 25%).
The fourth group, which obtained percentages of 10% to 20% of answers, takes in countries with a perceived scarce relevance to Brazil’s foreign policy. Included in this group are South Korea, Cuba, Iran, Indonesia and Israel. This indicates Brazil’s distance from the fault lines dividing the Middle East and Southeast Asia.

The exceptions are the Lusophone countries. Portugal received a modest increase in its perceived relevance (from 44% to 50%), but Angola stood out as a valuable gateway to the African continent, rising from 26% to 62%.

In summation, Brazil’s geopolitical priorities are firstly the United States and the countries of South America. Following are the large emerging nations (China and India and on a lesser scale Russia, Mexico and South Africa) and traditional European partners (with Germany, France, Portugal, Spain and the United Kingdom the highlights).

**Threats to Brazil’s Vital Interests**

As can be seen in the graph below, the most serious threats to Brazil’s vital interests are seen as being global warming (66%) and international drug trafficking (64%), followed at a distance by the wealthy nations’ protectionism (50%).

Global warming and climate change could have catastrophic consequences for the countries of the Southern Hemisphere, warns a high-ranking diplomat. Controlling greenhouse gas emissions has become imperative in the face of the risk posed to Brazil’s economy and quality of living. In his words:

“The greatest challenges of this century are global warming and climate change. As our energy matrix is clean, most of our emissions result from deforestation, which sends thousands of tons of carbon dioxide into the atmosphere. Brazil should propose its own targets for reducing deforestation.”
Not all of those interviewed share the same perception of global changes and their consequences. According to a high-ranking civil servant, Brazil should not accept any limitations on its emissions, as increases in global temperatures are largely due to industrialized nations’ emissions accumulated over the centuries. In his opinion:

“The question of global warming does not have a proven scientific cause. There are equally strong arguments favoring the hypothesis that it is the result of human action or that it’s part of the planet’s natural cycle. Global warming could be an excellent argument for maintaining the status quo. I doubt that any country in the North is willing to cut its emissions. For us, the cost of doing so would be very high and I don’t see the benefits.”
Transnational crime is also at the top of the list of concerns among Brazil’s foreign policy community. International drug trafficking and small- and light-arms smuggling are considered a critical threat by 46% of those interviewed. These activities are favored by Brazil’s large and porous borders. A high-ranking military officer highlights, however, that “the problems of arms and drug trafficking are worrying, but not in terms of land
borders”. In his opinion, “sea and air borders are more important”. In this sense, maintaining security within national territory requires the active collaboration of other countries in the region.

At any rate, the distinction between public safety and collective security has become imprecise as new threats such as transnational crime and terrorism have joined alongside traditional conflicts between nations. Mentioned by 35% of those interviewed, the perception of terrorism as a global threat has grown since 2001, even though many doubt it will explicitly appear in the region. “In South America we don’t have terrorist threats along the lines of the Middle East,” said one experienced ambassador. “Neither is there any sign in the Tri-Border Area of a terrorist threat in the region”. It is necessary to bear in mind, however, that the conflict between guerilla forces and the Colombian government could represent a serious threat to Brazil, as signaled by 29% of those interviewed. This is not the opinion of a Brazilian Armed Forces officer: “The actions of the FARCs in the Amazon aren’t important, except in the remote possibility of the conflict spilling across our border”, he observes. “This guerilla action is still not a military problem, although we need to step up vigilance and intelligence in the region.”

One should not conclude from this, however, that there is no chance whatsoever of conflict between countries in the region. The recent spat between Colombia, Ecuador and Venezuela showed that, while remote, the hypothesis of conventional war in our environs cannot be excluded. “Territorial conflicts in South America are currently low temperature, but they exist”, warns a Federal Deputy with notable experience in the country’s foreign relations. “These conflicts set aside an important role for Brazil as mediator”, he adds.

In fact over a third of those interviewed (40%) expressed concern about a South American arms race and about nuclear proliferation (39%). “Venezuela’s arms acquisitions may please the Armed Forces, but Chávez is wrong to turn the forces into a party instrument”, comments a high-ranking
civil servant “Chávez fears some kind of low-intensity external conflict with Colombia, for example. There’s an element here of what made Cuba become a military power – to have a degree of dissuasive power”. This is not a view shared by all. The circumstances call for caution, warns a high-ranking military officer: “Military equipment has a limited useful lifespan and requires substitution. All of the South American countries have obsolete equipment which, like Venezuela, they are replacing.”

Barriers to Brazilian foreign trade and to the country’s effective insertion into the global economy are the third grouping of perceived threats to the national interest. Primary emphasis is given in these answers to protectionism and the consequent reduction of Brazil’s access to the wealthy nations’ markets. The EU and US are only willing to reduce their farming subsidies in exchange for concessions that would ease developing nation imports of manufactures and services. The comment of an influential Federal Deputy reveals a trace of irritation with this proposal:

“The counter-proposal demanded by the developed nations for the opening of their markets is a fallacy. Brazil doesn’t subsidize production, it has opened its doors to foreign companies in key areas, but the same hasn’t happened with our products in their markets.”

Another perceived threat of an economic nature is economic and technological inequality between the North and South (38%). Even though there are solid reasons to emphasize the relationship between science and technology and economic development, the division between developed and developing countries has been increasingly marked by the division between consumers and producers of knowledge. Recognizing the importance of this factor should not lead to excessive concessions in our trade negotiations, according to a businessman. “I don’t believe that intellectual property, services and investments are negotiable themes in relation to access to markets”, he says. “I don’t see this trade-off.”

Still in this territory, the economic power of the United States divides opinions in Brazil’s foreign policy community. Classified as a threat
by 55% of those interviewed, another 43% see it as another opportunity for Brazil. The growing economic power of China, meanwhile, is feared by only 23% of those interviewed. In the view of an important businessman: “China isn’t an important competitor at the moment. But it could represent an element of strategic importance.”

On the political front, the two main perceived threats are the emergence of dictatorial governments in South America (48%) and the internationalization of the Amazon (46%). Authoritarian governments are nothing new to the region, but a respected diplomat identifies recurring patterns:

“Despite its large disparities, South America develops in waves. In the 1980s there was re-democratization. Democracy and economic reform have been successful, but poverty and inequality remain. Today we see the emergence of social movements. Where democracy is deeper-rooted this demand has been channeled into political parties. In other countries it has occurred through populist leaders, as in the cases of Venezuela and Bolivia.”

Venezuela is perhaps the most emblematic case. The rise to power of President Hugo Chávez and his strident Bolivarian preaching has resulted in insecurity in the region. But he is not out of tune with his country’s historical tendency, according to an important academic researcher:

“One cannot discuss Venezuela without falling back on history. The Venezuelan elite have always been the worst of all. This explains Chávez, who has the support of that half of the population for whom he carries out social policies. The Chávez project signals a change towards dictatorship. But the Venezuela of today is no worse than it used to be.”

The fear of internationalization in the Amazon region, divesting Brazil of effective sovereignty in a large swathe of its territory, is born from the abandonment and scarce presence of public power in the region. It is exacerbated, what is more, by the predatory exploitation of the
region’s natural resources and wealth of biodiversity. “The biggest threat to the Amazon is the state’s absence”, says a military officer with a long record of service in the region. “The Armed Forces are only on the border. The so-called “pavilions for third parties”, which exist for other government bodies, remain empty to the present. If we remove the Armed Forces from there, the state will disappear from the region altogether.”

Described as inconceivable, another possibility is the shaving off and cession of territories in the Amazon Basin. Another high-ranking military officer describes these concerns:

“Among causes for concern are the thousands of NGOs operating in the Amazon without any control from the government, and the creation of indigenous reservations, A lot of these reservations are in border regions with large mineral resources. The Yanomami reservations, for example, stretch from Brazil to Venezuela, in the form of a nation. And this is with neighbors who want to destabilize the region.”

It is more than reasonable to suppose that this constellation of threats tends to change according to the ebb and flow of events in the region and the wider world. Proof of this is the diminishing of concerns about Brazil’s insertion in the global economy, which was at the top of the agenda at the start of the decade.

As can be seen in the graph below, which compares results from 2001 with those of 2008, there has been a slump in the perceived threat represented by the wealthy nations’ protectionism (from 75% to 50% of answers), by economic and technological inequality between North and South (from 64% to 38%) and by the economic power of the United States (from 39% to 15%).
While the perceived threat from economic globalization has withered, new ones have taken its place. The perception has grown that global warming is a threat (from 44% to 65%), reflecting recognition of the seriousness of the environmental question. There is also an increased per-
ception of threat from international drug trafficking (from 52% to 64%), arms smuggling (from 42% to 46%), international terrorism (from 21% to 35%) and the conflict between Colombian guerillas and government (from 27% to 29%). Concerns remained largely unchanged in relation to nuclear proliferation (falling from 41% to 39%) and the internationalization of the Amazon (from 49% to 46%). Finally, fears have increased about the appearance of dictatorial governments in South America (from 45% to 48%) and the growth of fundamentalist religious movements (from 9% to 19%).

In summation, the perception of threats has relocated from the sphere of the world economy to environmental, national security and political questions.

**Brazil’s Foreign Policy Objectives**

Eighteen major Brazilian foreign policy themes have been submitted to the scrutiny of interviewees to be classified in order of importance, from “extreme importance” to “of little or no importance”. The results can be seen in the graph below.

Eight of the eighteen foreign policy objectives were considered of “extreme importance” by most of those surveyed. Of these, five were about Brazil’s role in the region: guaranteeing democracy in South America (74%); the integration of transport, energy and telecommunications infrastructure (70%); strengthening Brazil’s regional leadership (65%); acting together with neighboring countries for the defense and protection of the Amazon (57%) and the strengthening of Mercosur (54%). The data corroborate a perception of the region’s increased importance in foreign policy. “South America is sine qua non for Brazil’s international presence”, says a well-known ambassador. “The country needs support in its region.”

Three other objectives considered of extreme importance are environmental protection (62%), the combat of international drug trafficking
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(61%) and the broadening of science and technology cooperation agreements (57%). It is no surprise that the importance granted to foreign policy objectives is closely related to perceived threats. What is impressive, however, is the degree to which perceived threats and answers correspond when the subject is transnational crime. The same is true when placing side by side the threat of dictatorship and the need to secure democracy in the region.

### 3.4 Brazilian Foreign Policy’s Goals (Percentages)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Extremely important</th>
<th>Very important</th>
<th>Of little or no importance</th>
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<tbody>
<tr>
<td>To ensure democracy in South America</td>
<td>74</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>To integrate South American infrastructure (transport, energy and telecommunications)</td>
<td>70</td>
<td>26</td>
<td>4</td>
</tr>
<tr>
<td>To strengthen Brazil’s regional leadership</td>
<td>65</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>62</td>
<td>33</td>
<td>5</td>
</tr>
<tr>
<td>To combat international drug trafficking</td>
<td>61</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td>To expand science and technology cooperation agreements</td>
<td>57</td>
<td>37</td>
<td>6</td>
</tr>
<tr>
<td>To act jointly with neighboring countries for the defense and protection of the Amazon</td>
<td>57</td>
<td>28</td>
<td>15</td>
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<tr>
<td>To strengthen Mercosur</td>
<td>54</td>
<td>38</td>
<td>8</td>
</tr>
<tr>
<td>To encourage biofuel production and consumption</td>
<td>50</td>
<td>39</td>
<td>11</td>
</tr>
<tr>
<td>To defend human rights</td>
<td>49</td>
<td>41</td>
<td>10</td>
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<tr>
<td>To strengthen the Armed Forces and national defense and security policy</td>
<td>42</td>
<td>37</td>
<td>21</td>
</tr>
<tr>
<td>To promote a new round of Brazilian foreign trade liberalization</td>
<td>42</td>
<td>44</td>
<td>14</td>
</tr>
<tr>
<td>To support disarmament and the non-proliferation of nuclear weapons</td>
<td>35</td>
<td>44</td>
<td>21</td>
</tr>
<tr>
<td>To negotiate a free trade agreement with the European Union</td>
<td>33</td>
<td>52</td>
<td>15</td>
</tr>
<tr>
<td>To negotiate a free trade agreement with the United States</td>
<td>31</td>
<td>40</td>
<td>29</td>
</tr>
<tr>
<td>To claim a permanent seat on the United Nations Security Council</td>
<td>18</td>
<td>40</td>
<td>42</td>
</tr>
<tr>
<td>To control and reduce illegal immigration into the country</td>
<td>13</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>To strengthen the Community of Portuguese Speaking Nations</td>
<td>12</td>
<td>31</td>
<td>57</td>
</tr>
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</table>

0 5 0 100 150
The most controversial questions are demands for a permanent seat on the United Nations Security Council (considered “very or extremely important” by 58% of those interviewed, against 42% who consider it of little to no importance) and the control and reduction of immigration into Brazil (54% against 46%).

The controversy about the Security Council requires more careful analysis. Brazil has been active in the reform of the United Nations Security Council. It has proposed that the major nations’ power of veto be counterbalanced by the admission of countries with an important role in different regions of the world. Thus, according to the Brazilian position, the United Nations could be transformed into an effective body for collective security, aimed at preventing conflict and at keeping peace on a global scale. Contrary to what could be inferred from the answers above, the validity of this objective has not been contested, only the degree of importance it deserves. The majority of Brazil’s foreign policy community still supports this objective, only with less conviction than in the past. “It’s a long-term project”, explains an ambassador. “The conditions aren’t there at the moment to increase the number of permanent members on the Security Council.”

The same is the case with illegal immigration. As seen in the following graph, the perception of urgency has leapt from 4% in 2001 to 13% today. “Regional immigration is a theme of growing importance, which should be seen through the lens of integration”, says a high-ranking diplomat at the Foreign Ministry. “We’ve tried to create residence agreements and we’ve already obtained passport exemption for nearly all of the region, as well as a lot of border agreements.”

Another unexpected result is the “negative consensus” about the strengthening of the Community of Portuguese Speaking Countries, an objective that over half of those surveyed granted little or no importance (57%). In reality, this question has been building up in importance since the start of the decade, but from a very small starting point (it leaped from
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2% to 12%). Recently, Brazil sponsored the 7th Meeting of the Community, in which it reaffirmed its commitment to the Lusophone countries.

What leaps out is the low priority given to foreign trade. The lower importance granted to free trade negotiations with the EU and US was predictable, as these possibilities have been virtually excluded from the foreign policy agenda following the Free Trade Area of the Americas (FTAA) fiasco. “The Mercosur-EU agreement needs the FTAA agreement to go ahead. One is hostage to the other”, explains another ambassador. “There is no tendency towards progress for one or the other at the moment. These agreements are neither on the agenda of the United States nor the European Union.”

The truth is that the irrelevance recorded in this case is merely apparent. In 2001, two foreign trade questions were highlighted as being of “extreme importance”. One was the promotion of foreign trade and the reduction of the country’s trade deficit (73%), an objective that has since been successfully met. The other was support for a new round of World Trade Organization talks (55%), made substance by the launch of the Doha Round in November of that same year. While these questions have been excluded from the recent survey, there is no indication that Brazil’s foreign policy community has lessened its enthusiasm for trade liberalization. This is evidenced by the urgency given to promoting a fresh round of talks to this end, called for almost half of those interviewed (42%).

At this stage there are almost no restrictions remaining for a more proactive negotiating posture, willing to accept Brazil’s liberalization of services and the import of manufactures in exchange for markets opened for its agricultural produce. This was recently seen in WTO negotiations at Geneva. Neither is unilateral opening up entirely ruled out. “Within globalization, the opening up of international trade to manufactures and services is inevitable”, says a businessman involved in export activity. Completing this range of questions, incentives for the production and consumption of biofuels gets the support of half of those surveyed (50%),
signaling the potential for cooperation between Brazil and the United States in specific areas of mutual interest.

3.5 Foreign Policy Goals 2001-2008
(Percentages attributing high importance)*

To ensure democracy in South America
To integrate South American infrastructure (transport, energy and telecommunications)
To strengthen Brazil’s regional leadership
Environmental protection
To combat international drug trafficking
To expand science and technology cooperation agreements
To act jointly with neighboring countries for the defense and protection of the Amazon
To strengthen Mercosur
To encourage biofuel production and consumption
To defend human rights
To strengthen the Armed Forces and national defense and security policy
To promote a new round of Brazilian foreign trade liberalization
To support disarmament and the non-proliferation of nuclear weapons
To negotiate a free trade agreements with the European Union
To negotiate a free trade agreements with the US
To claim a permanent seat on the United Nations Security Council
To control and reduce illegal immigration into the country
To strengthen the Community of Portuguese Speaking Nations

*Note: A 0 value indicates that the question was not included in the 2001 survey.
What sounds off-key in the ambit of foreign trade is the relative loss of Mercosur’s importance. There was a preferred aim to strengthen Mercosur for 64% of those interviewed in 2001. The number is now at 54%. This is not an isolated case. As can be seen further ahead, several other manifestations in Brazil’s foreign policy community ratify and give a more solid shape to the trend seen in the graph. Those criticizing Mercosur speak of the need to reform the bloc, giving it more of an institutional role, as one experienced ambassador explains:

“Mercosur is having to work uphill. There has been a major advance in relation to trade, but this has been thanks to global growth and despite governments. Mercosur is going through an institutional crisis, as rules are not obeyed and its bodies don’t function. There has in fact been a setback, with holes appearing in the TEC (Common External Tariff system) and so forth. Instead of deepening Mercosur, making it meet what is established in its treaty and rules, the government wants to bring in Venezuela and Bolivia. What will it do with a shattered Mercosur in four years time?”

The inverse trend can be seen when the focus is on South America as a whole. As mentioned previously, the majority of objectives considered of maximum importance are in respect to the region and almost all of them have gained additional importance since 2001. Guaranteeing democracy remains at the top of the agenda, even above regional transport, energy and telecommunications infrastructure integration. According to a high ranking civil servant, the practical difficulty of implementing this target resides in the profound asymmetries that polarize the region:

“There are two groups of countries in South America. The first is made up of Chile, Argentina, Uruguay and Brazil. Colombia is a case apart. The current trend is towards a post-liberal period, but democracy has consolidated in these cases and they are predictable countries. The other tendency is made up of Venezuela, Ecuador, Bolivia, Paraguay and
Peru. These are exporters of primary products and are going through a profound political crisis. These countries are characterized by absolute unpredictability.”

Under this lens, the new political topography in South America begins to take shape, which includes governments that mix authoritarianism with popular appeal. It would be implausible to imagine there could be agreement about which path should be taken to guarantee democracy in the region. The “democratic clause” which determines the isolation of countries whose governments have been overthrown by force or the threat of coup (as has occurred in Paraguay and Peru, and in Venezuela in 2002) has been discouraged by Brazil in joint action with other countries. Preserving democracy and strengthening Brazil’s regional leadership might thus not be mutually exclusive targets, as an influential ambassador suggests:

“The foreign policy of the first Lula government was a counterbalance to the conservative policy of Bush. In the second term of office, this symbolic factor is no longer necessary. The problem now is that old allies in the region are creating problems and complicating the agenda. We’re carrying out a discreet transition to another role: moderate intervention. This is what President Lula has told Bolivia and Venezuela: ‘We’ve got limits’.”

The integration of regional energy and transport infrastructure is perceived as the second most important foreign policy objective. The outline of a strategy to integrate national infrastructures has been drawn up in the Initiative for the Integration of Regional Infrastructure in South America (IIRSA). However, its priority is within Mercosur and the Andean Community of Nations (CAN) and not South America as a whole. “As much as it has grown, our trade in the region is ridiculous. We have a huge void in the middle of South America without rail or road connections”, says an active business leader. “Our trade is concentrated in the Southern
Cone and most of it is carried out by waterways, as it is with the rest of South America.”

Brazil’s regional leadership is perhaps the most sensitive item on the agenda, although the target of strengthening it has counted on a solid majority of almost two thirds of those surveyed (63% and 65%, respectively) since the start of the decade. “The problem of Brazil’s leadership in South America is complex, as countries in the region see it as an imperialist country even though they want to get closer to it”, says another business leader. “It’s a relationship of fear and love”. This is the source of the caution with which the question is approached by a respected Congressman:

“Brazil shouldn’t make any sudden movement, but rather careful and cooperative ones. We can’t accept the position of regional power, nor as the region’s powerhouse. As the Chinese say about the United States: ‘We light candles during the day, because at nighttime the glare is too bright.”

In terms of foreign policy, bluster is rarely bedfellow to a position of power. Discretion is preferable as the foundation of leadership, explains a renowned academic researcher. In his opinion:

“When speaking of South America, some say that Brazil doesn’t take a position of leadership, doesn’t know what it wants and consequently, that regional integration is unviable. The truth is that Brazil has been very discreet and not very aggressive. The Lula government has shown that Brazil has room for greater boldness, Brazil knows what it wants, our policy in South America does have a tack and it’s not bad.”

In general, the perception or urgency has grown for almost all of the objectives listed. Three of them, however, have developed markedly: environmental protection (which rose from 39% to 62%), strengthening of the Armed Forces and security and national defense policy (from 13% to 42%), the broadening of science and technology cooperation agreements
(from 36% to 57%) and joint action for the defense and protection of the Amazon (from 40% to 57%).

While similar, questions about the environment and the Amazon sometimes awaken contrary reactions. One needs to bear in mind, as one top diplomat observes, that environmental action almost always involves regional cooperation initiatives. In his words:

“In the case of climate change and the environment, Brazil has an ever-stronger position. We’ve tried to harmonize environmental policies in Mercosur. One problem we have in the region is that Brazil has more advanced norms and legislation.”

In the case of Amazon, international cooperation is frequently perceived as intrusive or even as a violation of sovereignty. An ambassador with wide experience in multinational fora points to paths that can get around unwanted pressure:

“The Amazon Cooperation Treaty is the best instrument Brazil has to counterbalance international criticism. In order to prevent the Amazon from being made universal, we need to make it regional. We also need to end the idea of the legal delimitation of the Amazon. The world is concerned about the Amazon rainforest, not with the savannah. Nowadays any burning near to Corumbá is considered deforestation of the Amazon.”

Along the same line of reasoning, the higher priority granted to strengthening the Armed Forces and to security and defense policy, touches on concerns about broadening science and technology cooperation agreements. In relation to what is most relevant for the current analysis, the capacity to develop and incorporate advanced technologies grants Brazil a comparative advantage with dissuasive repercussions. The question is tackled by a top-ranking military officer in the following terms:

“None of our neighbors has the capacity to try anything against Brazilian territory. The disparity is too great as we know how to make tanks,
missiles and so forth. Attacking Brazil would be like attacking Pearl Harbor. Japan had an initial victory but was devastated thereafter.”

In summation, the results show a large convergence of threats to the country’s vital interests and the translation of this into foreign policy directives. The United States, Argentina and China are seen as priority countries for the national interest. South America has consolidated as a singular space for Brazilian foreign policy initiatives, with, Bolivia, Venezuela and Colombia and the Mercosur countries standing out alongside Argentina. Outside of the hemisphere, our geopolitical priorities are the following: in the European Union, Germany and France and to a lesser degree Spain, Portugal and the United Kingdom, despite the lower importance perceived for these compared with 2001; In Asia, China, India and Japan; and in Africa, Angola and South Africa. Countries that barely appear in the radar of Brazil’s priorities include South Korea and Indonesia in Asia; Cuba in Latin America; and Iran and Israel in the Middle East.

While foreign trade and international trade negotiations continue to be a central priority for foreign policy, other matters have come to the fore relating to the environment - such as global warming and climate change; and to security - such as drug trafficking and the appearance of dictatorships in neighboring countries. There has also been an important change in relation to trade liberalization, with significant support for a new Brazilian liberalization initiative that seeks to increase the country’s share of global trade. In the other direction there has been a drop in the perceived importance of Mercosur, which clearly contrasts with the priority granted to the integration of physical infrastructure and, generally speaking, to the economic integration of South America.
Chapter 4

THE INTERNATIONAL ECONOMY

Brazil entered the first decade of the 21st Century amid optimism about the multilateral trade talks of the Doha Round. Negotiations raised expectations of matters of vital importance for developing countries - such as new and fairer agricultural trade rules - would from hereon be at the core of the multilateral agenda. There were even predictions that the WTO would be able to act as a balance between the “old” trade agenda (access to markets for agricultural produce and manufactures) and the “new” one (liberalization of services, investment, government acquisitions, intellectual property and labor and environmental protection).

At the heart of negotiations were concessions to be made by the developing economies in line with agriculture related gains to be obtained from the developed nations. An agreement in these areas would clear the way for other negotiations about services and trade rules. Brazil’s Ministry of Foreign Relations fought for the success of the round with justifiable zeal. Brazilian foreign policy’s priority has long been the consolidation of a multilateral order with rules that stand for all. This is for one thing because the country is a geographically diverse global trader. Multilateral negotiations are vital for removing traditional barriers to trade flows and for establishing the basic foundations for other trade agreements.

The Doha Round’s impasse is of particular relevance to Brazil. Convinced that a lowering of protectionist barriers against agricultural goods could only be obtained via multilateral talks, Brazil’s Ministry of Foreign Relations concentrated its fire on the WTO. In doing so it neglected the negotiation of other agreements that could mean Brazilian access to important markets.
The main initiative – the creation of the FTAA free trade zone in the hemisphere – had already been made unviable in previous years. For some, this fiasco was the best thing for Brazil. For others it represented the loss of a preferential agreement with the world’s largest consumer market, with a predictable impact on trade and investment flows. As part of a chain reaction, the FTAA failure reduced the probability of concluding a free trade agreement between Mercosur and the European Union, as the latter would have run the risk of losing trade advantages if Mercosur had joined the FTAA.

At the other extreme, the proliferation of bilateral free trade agreements creates an environment that is adverse to regional and sub-regional integration projects. There are over 200 of these agreements currently in force or on the path to completion, leaving little room for Brazil. With the failure of the FTAA, the United States set its sights southwards, signing agreements with Central America and the Caribbean – which formed CAFTA. In South America, treaties are well advanced with Chile, Peru and Colombia. Gradually, the United States is consolidating a new FTAA on the margins of Mercosur.

Finally, the Doha Round of negotiations evidenced Mercosur’s institutional fragility. In contrast to a predominantly defensive tradition that emphasizes problems of access for - or barriers to - our exports, Brazilian diplomacy went on the offensive in the industrial area, dissociating itself from Argentina and G-20 allies. As part of a customs union, all partners should previously agree the degree to which they will open their markets to manufactures. In contrast to the European Union, which serves as a model for Mercosur, there is not even a joint body for negotiating in the bloc’s name under a mandate established by member states.

What lessons can be learned from the course of action taken by Brazil over the past few years? Can bilateral agreements be an alternative when multilateral or regional liberalization negotiations get stuck? How are frustrated trade negotiations judged? Should the country reject
proposals unfavorable to agricultural trade negotiations? These are the questions we shall be looking into.

Opening the economy

Brazil’s insertion into the global economy has been a matter of intense controversy. Economic liberalization – or opening the economy to international competition - is central to this debate, seen sometimes as conducive to growth and at others as something that will break up domestic production and remove it from national control.

In order to analyze this question, interviewees were asked whether, generally speaking, economic liberalization has been beneficial or prejudicial for the country. The answers can be seen in the graph below.

### 4.1 Evaluation of Economic Liberalization (Percentages)*

- **In general terms, good**: 88% in 2008 vs. 67% in 2001
- **In general terms, bad**: 4% vs. 23%
- **The same**: 14% vs. 16%
- **No opinion**: 4% vs. 0%

*Note: A 0 value indicates that the questions was not included in the 2001 survey.*
The datum to keep an eye on is that the polarization of opinions seen at the start of the decade has eased. At that time, economic liberalization was considered beneficial by two thirds of those surveyed (67%) and prejudicial by the remaining 23%. Today this proportion is 88% to 4%, with 14% perceiving ambiguous results. Overall there is almost unanimity that economic liberalization has been beneficial for Brazil.

For those who defend liberalization, the focus tends to be on the increased competitiveness of domestic production. There has been no deindustrialization, neither has there been a humbling of local industry, even though the degree of internationalization has increased in the domestic economy. On the contrary, traditional sectors fearful of economic liberalization have carried out deep restructuring, reemerging even more competitive and dynamic. A businessman underlines the matter thus:

“Liberalization has created incentives for Brazilian companies to modernize and become more competitive. The consequent increase in productivity has contributed towards increasing the country’s growth potential.”

This view is also related to the perception that liberalization has not gone as far as it should have. “Opening-up is not only good, it’s essential, as Brazil remains one of the most closed and least globalized countries in the world”, says another businessman.

There is still some surviving criticism to economic liberalization, although few hold that the process has been prejudicial for the country. Among the misfortunes it has brought, according to one combative trade union leader, is that it has attracted speculative capital and favored increased imports to the detriment of domestic production:

“Opening up the economy has been good in terms of advances brought to our industrial and agricultural sectors in global markets. It’s bad in terms of speculative capital and the steep growth in consumer goods imports.”
Opening up the economy is not enough in itself if the government does not make a sufficient effort to improve internal conditions of competition, according to one business leader, who says:

“We don’t have a production and export policy. Our infrastructure is terrible, as 95% of volume leaves by sea and the ports are like scrap heaps. We don’t have logistics. We’ve been discussing multi-modal systems for years, but bureaucracy prevents anything from getting off of the ground. We have a tax policy which punishes the exporter. We can’t carry out temporary remittances for export ends as the Revenue Service taxes them. It’s a Kafkaesque bureaucracy that only produces corruption.”

Multilateralism and Regionalism

At the WTO, Brazil has fully taken to defending the multilateral trade system, bolstered by the domestic turn towards economic liberalization. The impasse in the Doha Round, however, both reduces the general willingness towards concessions and could lead to a protectionist reaction, or an increased number of trade disputes due to the lack of new rules agreed for the multilateral system.

In these circumstances, one needs to know which of the trade negotiations in which Brazil is involved is most important. With the recommendation that they should choose only one of the alternatives, interviewees were asked whether Brazil should support multilateral liberalization within the ambit of the WTO; seek to negotiate better trade conditions as part of a regional or sub-regional bloc; or favor very specific bilateral agreements. The results can be seen in the graph below.
4.2 Preferences regarding Brazil’s international insertion (Percentages in favor with only one choice possible)

One can see that the option for multilateralism within the ambit of the WTO remains the single largest preference among those interviewed (31% in 2001, 28% today). The way in which Brazil has defended its interests, however, raises criticism from an influential Federal Deputy:

"Without a coherent line at the WTO, Brazil managed to create the G-20, but without granting it full support. A lack of definition about our foreign policy in relation to our global insertion, furthermore, has meant a failure to fully take advantage of global expectations raised by our having a left-wing, Third World President. We have no strategy and no priorities and we’re paying the price for it.”

What makes regional or sub-regional agreements attractive, on the other hand, is that they contain deeper commitments than those taken
on by parties in the multilateral trade system. The FTAA is obviously no longer seen as a viable alternative and support for negotiations on this front has slumped from 6% to 4% of responses. Mercosur, meanwhile, has suffered a comparable reduction from 21% to 9%.

Because of the impasses that have paralyzed the bloc, a high ranking military officer expresses doubts about Mercosur and South American integration:

“Mercosur is divided, with some countries blaming Brazil, seeing us as the wealthy ones who owe them economic advantages. Another challenge is the integration of markets. How will South America face this question? Will countries shape up individually with strong markets or unite in joint action?”

The lower relevance granted to Mercosur makes it difficult to understand the preference of 15% of those surveyed to become part of a bloc taking in the whole of South America. If Mercosur’s consolidation as a customs union has been inept, it means a still larger number of countries would find it even harder to negotiate more demanding commitments, especially regarding the introduction of an agenda with a vast number of non-trade matters. An ambassador observes that political concerns rather than a trade agenda most noticeably underlie proposals for regional integration. In his opinion:

“The idea of a South American Community of Nations was a reaction to NAFTA and the fear of what the FTAA might entail in its southwards expansion. It was about creating a counter-force. The problem is that we have neither the resources nor the power to influence neighbors, nor are we willing to carry out pleasing gestures for them.”

Inversely, support for bilateral agreements has grown from 4% to 13%. A once discarded alternative has gained strength and will become yet more evident if the Doha Round fails. This is the trend foreseen by a Federal Deputy who also calls for a deepening of Mercosur:
“We should deepen what already exists in Mercosur and end the exceptions to the TEC. If there is growth there should also be horizontal growth. But the priority is to deepen Mercosur and also to seek the bilateral path following the failure of the WTO.”

Not everyone accepts that the country’s insertion into the global economy depends on a single option. “The options aren’t mutually exclusive” says an ambassador. “Brazil should pursue all or nearly all of the options, taking advantage of circumstances in order to prioritize one or the other”. His words find echo in the arguments of an influential Senator:

“I believe Brazilian diplomacy should encompass all possible agreements that could open new markets to our products. We should invest in multilateral negotiations as much as in regional and sub-regional ones and in agreements with certain strategic countries.”

**FTAA Negotiations**

In 2001, the FTAA was a hot subject, capable of provoking extreme reactions. Those in favor of creating a hemispheric free trade area said the Brazilian economy would gain access to the world’s largest consumer market. The central argument of those opposing the proposal was that Brazil was unprepared to join up with the NAFTA countries and risked exposing its domestic productive sector to devastating international competition. There was also no shortage of those who saw adhesion to the FTAA as a submission of the national interest to North American imperialism.

In contrast to what the high temperature of public debate led one to believe, there was no major polarization of opinion about the FTAA in 2001. Most of those interviewed (61%) considered the agreement as potentially beneficial for Brazil, depending on the removal of non-tariff barriers and agricultural subsidies limiting the access of domestic products to the United States market. As could be expected, a large number (40%) of those interviewed today believe that Brazil lost a big opportunity. An-
other 35% consider that the country freed itself from a major threat, as the graph below shows.

4.3 Evaluation of the FTAA negotiations (percentages)

Abandoned in 2005, FTAA negotiations came up for consideration again against a background of stalled WTO talks. This time around, the emphasis was on a bilateral agreement to open the United States market to Brazil. According to one ambassador, ideological prejudice blocked negotiations and any defense of the agreement was unfairly classified as subservience to the United States. In his words:

“The FTAA wasn’t necessarily either a great opportunity or a great threat. Everything would have depended upon the terms negotiated. Brazil conducted the matter under the shadow of ideological prejudice towards something that would formally link us to the United States, making an exaggerated evaluation of the agreement.”
Some of those interviewed expressed pride at the shelving of FTAA negotiations, applauding Brazilian diplomacy’s resistance to United States pretensions. In the words of a well-known trade union leader:

“Brazil and Argentina formed an alliance and carried out a successful strategy that sought to implode the FTAA proposal. It’s clear that given its shape and circumstances, the continental arrangement would have been far more favorable to the United States. We were bang on target.”

One of Brazil’s challenges on the foreign front was to adjust strategies to the new scenario. In the opinion of a Federal Deputy, our reluctance to negotiate in regard to the FTAA has reduced our options and weakened our position, even among our neighbors in South America:

“Our refutation of the FTAA was not accompanied by an alternative proposal, which distanced us from the United States and weakened our position in Mercosur as Uruguay, Paraguay and Argentina distanced themselves from us. The adherence of Venezuela, with political and not trade connotations, has increased this distancing.”

According to one business leader, the FTAA’s failure was predictable. Trade disagreements and the failure to square negotiable positions aggravated the United States government’s own difficulties in obtaining Congressional approval for trade agreements with Latin American countries less competitive than Brazil. In his words:

“The FTAA was unviable in terms of negotiations. There were 32 countries demanding access to United States markets without allowing access to their own. It was unviable in practical terms.”

An alternative to the FTAA floated at the time by Brazilian diplomacy was to give greater emphasis to negotiations with the European Union. Despite firm links between Europe and countries in the Southern Cone, the proposed free trade agreement would not be essentially different to the FTAA and would depend on equally ambitious mutual conces-
sions. What is more, the failure of the FTAA reduced European interest in negotiations of this type.

**Agricultural Trade Negotiations**

Global agriculture is a crucial point in multilateral trade negotiations and has been going through an extraordinary transformation. The dynamic focus of agricultural supply has been shifting from the wealthy nations to the emerging ones, especially South America – which has a better combination of factors allowing for sustainable supply increases.

Brazilian agribusiness stands out in the global agricultural market thanks to the country’s natural comparative advantages. It has been further favored by investment in research and development and in technology, which has brought enormous gains in productivity. Despite facing agricultural trade barriers, Brazil is actively carrying out unprecedented global expansion in the production and consumption of food and biofuels.

In recent years, a more proactive posture has formed in relation to agricultural trade, which contrasts with the more defensive tack of the past. However, trade talks have stumbled because of the Foreign Ministry’s position that any industrial import concession should be conditional on an immediate and commensurable concession gained in relation to agricultural tariffs and subsidies. This is even though there has been a clear need for a long time to promote a new round of economic liberalization, in order to modernize companies and raise the country’s international competitiveness.

In order to get the Doha Round back on track, Brazil was willing to cut industrial tariffs in exchange for relatively small advantages in agricultural trade. Opposition came from Argentina, which considers opening up Mercosur’s industrial market unacceptable. This placed Brazil in the dilemma of whether to accept the restrictions inherent to a customs union
or to see slip through its fingers a multinational negotiation in which it has invested heavily. The decision - whose repercussions are still being felt – was not accepted unanimously.

A similar question was put in the survey and the distribution of responses shows the success of Brazilian farm exports has not ended resistance to compromising the freedom to autonomously implement national policy. At present, 41% say they are willing to accept opening the domestic market to services and industrial imports. This tendency is also more willing to adopt a more flexible position in terms of investment and intellectual property in exchange, for example, for benefits in agricultural trade. However, 47% prefer to continue demanding the elimination of agricultural trade barriers without giving up mechanisms that protect domestic production or the possibility of implementing autonomous industrial policy.

4.4 Agricultural Trade Negotiations (Percentages)

- To demand an end to agricultural trade barriers without renouncing protection mechanisms for domestic production and the possibility of implementing autonomous industrial policies (47%)
- To further open its market to services and to industrial product imports and to make concessions in areas such as investments and intellectual property in order to increase gains from agricultural trade (41%)
- Other answers (11%)
- No opinion (3%)
This divergence is heavily rooted. For some of those who were interviewed, the export of agricultural produce is anathema because it strengthens agribusiness, threatens small-scale farming and worsens food security questions. “We shouldn’t fixate on foreign trade, let alone negotiate a reduction to farm subsidies through a greater opening of our market for manufactures”, concludes an important director of a non-government organization.

For others, there is the possibility of a compromise in terms of both agriculture negotiations and in terms of saving space for autonomous national policy. According to one experienced ambassador:

“Seeking to get rid of barriers to our farm exports doesn’t necessarily imply renouncing industrial protection or the freedom to implement industrial policy. It’s all compatible with greater openness.”

One businessman says that before selling the idea of concessions to the Brazilian public, it needs to be persuaded that Brazil would gain more than other countries in terms of agricultural trade and lose little from opening its market to industrial imports. In his words:

“Negotiating the elimination of barriers is fundamental, as long as we have clearly defined the country’s agricultural and industrial policies in order to choose accurately exactly what we are negotiating with.”

One business leader, meanwhile, minimizes the importance of reducing trade barriers and liberalizing agricultural trade. He emphasizes that what really weighs in terms of competition on the global market is increasing production and productivity. In his words:

“Although it is important for Brazil to continue creating spaces for its farm products, what is more important is diversifying production and adding value through the creation of a more robust system of innovation.”

A realistic calculation of plans of actions suggests that Brazil will face problems in making industrial concessions within a customs union.
with Argentina – something that continues to cause discomfort in Brazil’s neighbor, despite soothing noises from Brazilian diplomacy. What the Doha Round has revealed is that in fact there are few interested in the genuine liberalization of agricultural trade.
CHAPTER 5

REGIONAL INTEGRATION

The creation of the European Union paved the way for different regional integration experiments, not all of which were fated for success or congruence with each other. In the European case, what started from a build-up of trade and economic cooperation developed into a customs unions and then into a common market. In the context of NAFTA (the North American Free Trade Agreement), the idea of forming a supranational community with common foreign and trade policies sounds off key. Independently of these experiments’ degrees of ambition, what characterizes the successful initiatives is a focus on tangible economic interests and not the search for identity or political convergence.

Mercosur is no exception to this rule. In contrast to the source of its inspiration, however, the bloc has left the path drawn up for it at the start of the current decade and since erratically taken an uncertain and indecisive course. While it aspired to becoming a common market, it has failed even to become an effective customs union.

Mercosur acted cohesively as long as there was an ambitious agenda of foreign negotiations with the United States and the European Union. When these talks froze, differences multiplied within the bloc. Innumerable exceptions were granted to the Mercosur’s TEC common tariff; products imported from third countries continued to pay tariffs twice over when traded on between member countries; a common customs code was postponed; and a system of safeguards was created to protect uncompetitive national products. Added to this was the dissatisfaction of smaller members, who considered themselves excluded from gains made from inter-bloc trade.
Efforts to overcome Mercosur impasses have on the one hand led to attempts at deepening the bloc as a customs union and on the other at widening it by accepting more members – full or associate. Alongside the meager results obtained from agreements with outside countries or blocs, Mercosur has carried out rash acts such as admitting a Venezuela whose government is suspected of violating requisite democratic principles. Another reckless move was the formation of the Union of South American Nations (UNASUL), an integration blueprint with an ambitious agenda of cooperation in areas outside of regional trade.

In the case of practical initiatives, there is a need to draw up feasible projects for energy and transport infrastructure integration in the region. Another urgent initiative is strictly within the Mercosur ambit: reducing the trade and economic development asymmetries that distance Uruguay and Paraguay from the larger members.

**Mercosur’s impact on Brazil**

The 1994 transformation of Mercosur into a customs union coincided with stabilization of the Brazilian and Argentine economies. As a result there was a dramatic increase in intra-bloc trade, with exports growing fivefold between member states. This rosy picture was reversed in January 1999, when Brazil abandoned its fixed exchange rate. Almost two years later, Argentina also found itself obliged to abandon its currency board system where the peso was pegged according to the dollar, and to declare a moratorium.

This crisis cost the country the resignation of President Fernando de la Rúa and a reduction of around 15% to GDP. It also prevented Mercosur from advancing. The subsequent reversal of the balance of trade in Brazil’s favor awoke Argentine protectionism, with safeguards called for to prevent “asymmetries” in trade between the two countries.
Unsurprisingly, friction and disputes marking Mercosur’s path this decade have at least partially reduced perceptions of the bloc’s relevance to Brazil. As the graph below shows, most of those interviewed (78%) still consider Mercosur beneficial for Brazil. However, this pales in comparison with the almost unanimous, 91% positive evaluation of a decade ago.

5.1 Mercosur’s Impact on Brazil (Percentages)*

With Mercosur at an impasse, the failed search for a convincing way forward has led to excessive importance granted to trade advances, according to an experienced ambassador:

“Mercosur is Brazil’s largest current foreign policy problem. If partner’s don’t have a shared vision, how can we decide which path to follow? We have very divergent policies, such as Argentine protectionism, and for

*Note: A 0 value indicates that the question was not included in the 2001 survey.
this reason we can’t confuse trade results with effective advances. When the very basis for integration is in check, trade gains aren’t good indicators. In order to improve them we should integrate chains of production. We haven’t done so and think we can instead solve the problem by making concessions.”

During the failed conclusion of the Doha Round, Argentina failed to support Brazil’s decision to liberalize services and industrial imports in exchange for agricultural trade concession. This raised the possibility of Mercosur becoming an obstacle to Brazil. Limitations that the customs union places on member states to seek trade agreements with third nations are not always compensated by intra-bloc trade gains, according to one business leader.

“Mercosur has been beneficial in the sense of greater trade integration and increased investment, but it has also been an impediment to bilateral trade agreements with other countries.”

Mercosur and Brazil’s Bargaining Power

Until a few years ago, the prevailing opinion was that Mercosur granted Brazil greater international protection than the country could derive from its own power resources and modest share of global trade. This is not currently the dominant opinion. As seen in the graph below, the proportion of those agreeing that Brazil needs Mercosur to negotiate international agreements has fallen significantly, from 72% in 2001 to 38% today. At the same time, the number has more than doubled of those who believe Brazil is qualified to negotiate alone, from 7% to 17%.

Reflecting on the flexibility gained by Brazil in the Doha Round of negotiations, an ambassador agrees with this evaluation:

“Today, Brazil no longer needs to use the Mercosur minibus to get to international negotiations, it can arrive in its own car. We should defend
our national interests in the region in a discreet manner, but also cultivate our own relations with the United States, the European Union and the rest of the world.”

A business leader emphasizes that Brazilian diplomacy has known both how to take advantage of global opportunities that have arisen for the country at multilateral fora and of its strategic position in South America:

“Despite being a small global trader, Brazil’s ‘diplomatic GDP’ is far larger than its effective GDP and even its trade figures. This has allowed it to take part in several types of negotiation and with a wide variety of partners.”

5.2 Mercosur and Brazil’s Bargaining Power (Percentages)

- Brazil needs Mercosur to negotiate trade deals: 38% in 2008, 72% in 2001
- Brazil has sufficient weight to negotiate on its own: 49% in 2008, 25% in 2001
- Other answers: 12% in 2001, 3% in 2008
The Preferred Format for Mercosur

Six years ago, the possibility of Mercosur regressing to a free trade area was not among viable options considered by Brazil’s foreign policy community, attracting the support of only 4%. The following graph shows that today this alternative has the support of 21% of those surveyed, almost the same proportion as those who defend the strengthening of Mercosur as a customs union.

5.3 Mercosur’s Favored Format (Percentages)

One businessman with operations in several countries in the region would prefer to transform Mercosur into a free trade area without the inherent requirements of a customs union. In his words:

“Mercosur should be a free trade area, period. A free trade area is in no way a simple matter and it’s much more than Mercosur ever was.”
Regressing from customs union to a simple free trade area, however, might not be Brazil’s best option. In the words of a high ranking diplomat:

“Mercosur is not under threat as an entity. It corresponds to the reality of economic facts and has the strong support of public opinion. But, in this crisis, is it more worthwhile to advance or retreat? The problem of transforming it into a free trade area is that the auto and information technology industries would be left out. This wouldn’t change with the revocation of the TEC. Mercosur will only become a free trade area if Brazil’s partners prevent it from carrying out trade negotiations with third parties.”

On the other hand, there is more support today than at the start of the decade for transforming Mercosur into a common market with supranational institutions and the free circulation of goods, services, capital and people. This ideal, which apparently enjoys the support of at least half of those interviewed, provokes skepticism on the part of a businessman, for whom the customs union fiasco disallows attempts to fly higher. In his words:

“In South America all integration efforts, including Mercosur, are building blocks towards an unknown goal. We still have a vision of the economic integration of South America like the European Union, but the attitudes of our partners and leaks sprung in the TEC show that this is not on the cards.”

Mercosur’s Integration Options

Between widening or deepening Mercosur, majority opinion tends towards the former (54%), against over a third (37%) opting for the latter. In the opinion of a high-ranking diplomat, integration is an historical South American aspiration:
“Perhaps there will be a moment in which there are obstacles to greater integration, but that moment is very distant. The classification of countries in South America hides the fact that they may create distances between each other in terms of rhetoric, but not in practice. The important thing is to convince the region that to integrate is not to homogenize.”

5.4 Options for Mercosur’s Integration (Percentages)

The same diplomat argues that, in reality, there is no incompatibility between deepening or widening Mercosur:

“There’s no division between widening and deepening. Today, nearly all of the countries in South America have free trade agreements with Mercosur. Not all are full members, as those which have free trade agreements with powers outside of the region face certain limitations. But the fact is that we’re also a customs union and treat the deepening of Mercosur very seriously.”
He adds that “Mercosur should be seen as the “hard core” of a deep regional integration with macro policies coordination.” The possibility of this project coming into fruition can be seen, in his opinion, in the bloc’s positive development. “We’ve multiplied regional trade fivefold in fifteen years.”

Disagreeing with this evaluation, a high ranking military officer points out the difficulty of broadening the bloc without previous consolidation as a customs union. In his words:

“Mercosur is Brazil’s top priority in South America. Upon expanding in the region, the country will gain wider international projection, not only in the case of the economy but also in terms of defense. But the priorities are Argentina, Paraguay and Uruguay. If the original Mercosur doesn’t consolidate, its periphery will be compromised. To widen it at the moment all we’ll do is bring in more instability. Chile is a case apart, but Bolivia should be the last to join and Venezuela shouldn’t even be part of Brazil’s complementary strategy.”

Whatever the direction taken by Mercosur’s development, integration projects kitted out according to ideological affinities and not to deepening trade relations are doomed to failure, according to a well-respected business leader:

“Relations between our countries are political, based on a supposed brotherhood, but almost nothing has occurred in terms of trade and business. Even Mercosur is an incomplete trade integration area. In Asia the reverse is the case. Countries are political adversaries but trading relations are intense.”

Venezuela’s Admission to Mercosur

Since coming to power in Venezuela in 1999, dedicated to a “Bolivarian” unification of South America, President Hugo Chávez has faced questions about the democratic legitimacy of his government. Thus there was
surprise at Mercosur’s decision to allow Venezuela in as a full member, without previously conforming to customs union rules and without more detailed examination of the country’s adherence to the bloc’s democracy clause.

While this decision depends on the congressional approval of Brazil and Paraguay, hefty trade surpluses accumulated by Brazil and the prospect of access to Venezuela’s energy resources favor the country’s admission. Another motive, defended by a Federal Deputy, is the need to prevent Venezuela’s isolation, which could cause a further radicalization of the regime. In his words:

“There are some countries in Latin America which consider themselves as having lost out from globalization and which have turned towards populist models previously considered outdated. The problem is how to deal with them. Given our conciliatory temperament, we should prevent the ties these countries have with globalization from deteriorating and should build bridges between the two.”

For other interviewees, the Brazilian government’s signature of the Adhesion Protocol is all but done. While voicing his opposition to the way in which the process has been carried out, a Federal Deputy nonetheless opposes a veto against Venezuela’s admission:

“We weren’t thinking from a solid basis when we proposed Venezuela’s adhesion. But now we have to go ahead with it because any backtracking would provoke instability in our relationship with Venezuela. We’ll approve formal adhesion and work on the relationship afterwards. Chávez will always try to impose an ideological-political matrix, but Brazil should implement a long term policy vision.”

The profile of responses leaves no doubt that Congress faces a thorny dilemma. A minority of those interviewed (15%) wants Venezuela’s admission to be denied, a little over a third (37%) wants it to be immediately approved and a larger proportion (41%) wants the decision to be
postponed. “We should postpone Venezuela’s admission”, says a businessman, “because the best option - which would be to deny admission - is politically unviable.”

Among those who oppose ratification of the Protocol, pessimism reigns about the bloc’s future. In the opinion of one highly respected ambassador:

“Venezuela’s admittance could represent the kiss of death for Mercosur because the ideas and practices of Chávez are in direct contradiction to the institution’s fundamentals: market economy, free trade, an open regionalism and representative democracy.”

5.5 Venezuela’s Admission to Mercosur (Percentages)
The pro party is no less eloquent, arguing the need to separate government policy from a long term policy of the nation. In the words of an academic researcher:

“Venezuela is Venezuela, Chávez is Chávez. Venezuela is strategic to Brazil because of the Amazon, energy and a trade flow that favors us.”

Another objection to Venezuela’s admittance is a risk of the correlation of forces changing within Mercosur, leaving Brazil at the mercy of Argentine pressure. In the words of one influential businessman:

“If Venezuela joins Mercosur the bloc’s logic will change, as will the Brazil-Argentina relationship. The axis will shift to Buenos Aires-Caracas. The Lula government’s vision is of complete tolerance of Argentina’s wishes. But whenever it can, Argentina acts without taking Brazil into consideration.”

The Agenda of Integration with South America

When Mercosur was created, memories were fresh of the errors and slip-ups of other projects for regional integration, such as the Latin American Free Trade Association (ALALC) and the Latin American Integration Association (ALADI). These failed through overreaching, seeking to unite Mexico to Patagonia. Also fresh in people’s minds were commitments taken on to create a Latin American common market.

The current resumption of equally ambitious projects, with commitments to wide cooperation initiatives, rekindles the need for debate about the benefits of deeper or more superficial South American integration. According to an academic researcher, the question is not the target of integration, but its reach. In his words:

“There is unanimity about South America’s importance and almost everyone supports integration. But in Brazil there are two lines. One group wants political integration to form a non-aligned bloc in international
relations. But there is another group, including within the government, which basically wants trade integration in the region.”

In order to gauge tendencies, interviewees were asked what should be the reach of South America’s integration process. Two alternatives were proposed: a selective integration agenda exclusively concentrating on trade, investment and transport and communications infrastructure; and a deepening agenda to stimulate development, reduce asymmetries between countries in the region and promote political, social, environmental, technological and cultural cooperation.

The answers shown in the graph leave no doubt that the majority preference is for a process of deeper integration (65%). Only a third (33%) leans towards a more superficial form, basically founded on trading relations and the implementation of projects to deepen them.

In favor of the latter option, a Federal Deputy argues that the real measure of a regional integration project’s success should be the intensity of trade and investment. In his words:

“For the region, the starting point needs to be based on a bold proposal of international negotiations. There should be the opening of markets, low tariffs, an opening of the flow of capital between countries and a deepening of integration plans, for energy integration in particular.”

The preference for deeper integration, meanwhile, reveals the attraction offered by the most successful regional integration model: the European Union. According to a Federal Deputy, full integration is the guarantee of stability and the antidote against any possibility of regional conflict:

“We’ll only have effective infrastructure if we have advances in terms of economics, geopolitics and physical infrastructure, etc. We have to overcome nationalism not by confronting it but by promoting a culture of integration. The concern is that the world is moving towards regional conflicts, thus the importance of promoting full integration.”
A high ranking civil servant advises caution in the case of very ambitious regional integration projects, emphasizing that Brazil has not even been able to overcome the obstacles relating to Mercosur. In his opinion, there is a lack of institutional mechanisms that can guarantee the success of these initiatives:

“We have an institutional deficit in the integration process. In Europe everything started off from a small group of homogeneous countries. Here, every country have been invited to be a part of UNASUL. The fact is that the Presidents are more in favor of regional integration than their foreign ministries. We need to overcome this fierce resistance to the supranational in order prevent the need to renegotiate every single treaty.”

Finally, one businessman suggests that South American integration cannot be seen as an end in itself but as a necessary stage to bring Brazil
closer to the United States. He summarizes the required stages of development thus:

“The top priority is the continent’s trade integration. Following this is the crucial need to integrate physical telecommunications and transport infrastructure. Third on the list of priorities is hemispheric integration.”

**Trade Disciplines in Free Trade Agreements**

Given the wide support granted to greater integration, a surprisingly large number of those interviewed (73%) favors the inclusion in South American trade talks of requirements similar to those Brazil rejected in the ambit of the FTAA. These include the protection of investment, intellectual property and the liberalization of services and of government procurement.

An ambassador justifies the contradiction between imposing trade disciplines in the region and rejecting them in external negotiations as an inevitable consequence of Brazil’s growing economic presence in South America.

“Ironically, what was demanded of us by partners such as the United States and even the European Union is now in our interest in relation to our partners, given the new factor of our having major investments in many of them.”
For one influential businessman, demand for agreements with more strict trade disciplines in matters such as investment, results from the expansion of Brazilian transnational firms in the region. In his words:

“Brazilian companies have acted aggressively and in preponderance in the region thanks to monetary stabilization, but we need markets with clear rules, where there are mutual guarantees for investment and the respect of contracts.”

**Energy Integration**

Considering its hydroelectric, oil, gas and biofuel potentials, South America is in an enviable position. To a greater or lesser extent, however, all of the countries in the region face energy shortages which compromise their development capacity.
The main challenge is the formation of a regional energy market which ties together the production and transport of energy inputs at price and cost levels that are compatible with national energy matrices. Regional integration agreements are particularly relevant here because of the heavy investment, long terms and stable regulations required.

Raising energy security concerns, however, is the political hijacking of energy exemplified by the expropriation of Petrobras refineries in Bolivia and by Bolivia and Paraguay’s threat to renegotiate natural gas and electricity supply contracts. This stokes support for defensive energy security policies and for the use of own resources to generate electricity. In the Brazilian case, the timely production of biofuels and discovery of vast offshore oil and gas reserves has highlighted the perceived risk in developing an energy matrix dependent on fragile agreements with neighboring countries.

This knotty range of issues was summarized into a single question: should Brazil promote South American energy integration or seek self-sufficiency? The graph below shows that the formation of an integrated market in the region with stable regulations and adequate infrastructure for the transport of energy was favored by half of those interviewed (51%). This is against a third (37%) wishing to sell energy resources to neighbors, but without abandoning the quest for self-sufficiency. A small group (12%), wants to find a way of conciliating the two approaches.

An important Foreign Ministry team considers that energy integration with the country’s neighbors cannot be easily ruled out due to the need to complement Brazil’s energy resources. In its opinion:

“South America’s importance to Brazil comes from our capacity to turn it into an asset. The region has great energy potential, which interests us because we’re the largest energy consumer in the region.”
On the other hand, it is unrealistic to try and square the energy question in the region without including Venezuela, according to one businessman. In his words:

“Energy is the only area in which supply generates its own demand. We need to restructure the Southern Cone’s energy matrix, which is currently based on natural gas. Palliatives won’t solve anything. We should intervene in terms of hydroelectric investment in the La Plata Basin and according to the natural gas question. Bolivia alone is incapable of presenting a gas solution, even if investment is increased, because its identified fields represent only 0.3% of global reserves. The only country in South America with abundant gas is Venezuela.”

An experienced ambassador argues, however, that it is exactly the prospect of making energy integration dependent on Venezuela’s vast gas reserves that turns the option unviable:
“Energy integration has been compromised. The idea died with Bolivia’s attitude, which has been spreading throughout the region - Argentina suspending the supply to Chile and so forth. Bolivia has little gas to export and Venezuela is asking large concessions in exchange for its gas. Brazil should seek other suppliers from outside of the region.”

Asymmetries between More and Less Developed Countries

The question of asymmetries within Mercosur has become a serious problem. There is a thriving view among Uruguayans and Paraguayans that the bloc has given them few benefits and that concrete initiatives are required to promote their exports and stimulate economic development. The election of a new President in Paraguay, and Venezuela’s admission to Mercosur, could make these pressures inescapable.

Many of the harmful effects on smaller members are due to Mercosur’s incomplete integration. The complaints include obstacles to the free circulation of products, the double charging of tariffs and restrictions on seeking trade agreements with third countries. Other dissatisfactions stem from bilateral energy agreements, involving controversies such as the price of Bolivian natural gas and the acquisition of energy from the Brazilian-Paraguayan Itaipu hydroelectric power plant.

A diplomat points out that generally speaking it is in Brazil’s interest to reduce these asymmetries and to seek to share our gains with the less-developed nations in the region. In his words:

“There is no greater altruism than enlightened self interest. We’re an enormous country, surrounded by nations whose language and culture aren’t exactly the same as ours, but which are friends. We need to draw them in ever closer to our development process, maintaining an external environment of peace and cooperation, using our strengths to their full potential and soothing our neighbors.”
Interviewees were asked which instruments are the best to reduce these asymmetries. The first alternative put forward was to increase the competitiveness of smaller or less developed countries through infrastructure financing, support for small and medium size companies and so forth, according to the directives of the recently-created FOCEM Fund for Structural Convergence. This received the favor of 35% of those surveyed. Another 26% opted for creating incentives for countries in the more developed nations to invest in smaller or less-developed countries. A third group (20%) preferred to get rid of obstacles preventing the poorer countries’ exports to the larger countries in the region. The results can be seen in the graph below.

5.9 Asymmetries between South America’s More and Less Developed Countries (Percentages)
In the opinion of an influential diplomat, creating export incentives for the poorer countries is the best strategy to reduce economic disparities in the region:

“It’s difficult for Brazil to lead economic development in the region maintaining high trade surpluses with its neighbors. The bigger the economy, the greater the generosity with which it should treat its weaker neighbors. If we can import from Bolivia, why import from another country? But the generosity needs to be realistic. What we can’t do is make offers where we get nothing in return. When it’s time to do deals, our neighbors can’t seek out our strongest competitors.”

One experienced Federal Deputy favors removing such obstacles to trade between the countries of Mercosur as the double charging of TEC and the non-existence of a common customs code. He highlights the risk of tariff and customs questions making sub-regional integration unviable

“In a customs union there needs to be a redistribution of customs revenue. There has been a date set to end the double charging of TEC, but this requires an updated Customs Code and a fiscal concessions system whereby the wealthy countries allow redistribution to Uruguay and Paraguay. We have equivocal and exaggerated aspects to our customs, where we seek out and impose non-tariff barriers. Integration could be compromised by customs officers.”

These are not mutually exclusive options, according to an ambassador, but neither is it realistic to expect asymmetries to be eliminated. In his words:

“The three lines of action are complementary and not exclusive. All of them can be followed, but we also need to be aware that asymmetries can be reduced but not eliminated. It’s more important to eliminate the frustrations they produce than the asymmetries in themselves.”
September 11 gave a new dimension to United States defense policy, creating a global security agenda based on the war against terror. The United States reaction, guided by a strategy of supremacy, resulted in two wars, one in Iraq the other in Afghanistan, and had repercussions throughout the world.

Even though they are distant from the main hotspots, neither Brazil nor South America will remain indefinitely on the margins of the world’s fault lines. However, the growing interconnection of external and internal factors has created disparate results. One the one hand there has been a deepening of inter-regional collaboration, with the implementation of reciprocal confidence measures between countries in the Southern Cone. This has been underpinned by joint action by Brazil, Argentina and Chile in the United Nations peacekeeping mission in Haiti.

On the other hand, a climate of contestation and conflict has been growing between the Andean countries. Even when somewhat fantasist perceptions about Venezuela’s international ambitions are ruled out, President Hugo Chávez’s initiative for a military alliance of countries supporting ALBA Bolivarian Alliance of the Americas and his divisive intervention in disputes between Colombia and Ecuador are a source of instability and disquiet.

The need to revise the defense and security agenda is due not only to the possibility, however remote, of classic military confrontations, but also to the marked expansion of transnational crime, with narcotics and arms smuggling and unheard of levels of crime in the region. There has also been a marked increase in military power in the form of heavy invest-
ment in the reequipping and modernization of the armed forces, raising fears of an arms race.

In Brazil, debate has been building up about the role of the Armed Forces and there has already been a quest for a new strategic defense plan. Brazil’s aspiration of giving a strategic character to its leadership in South America has run up against the relative fragility of its action in domestic and regional security and in defense questions. On the domestic front, the most obvious question is the controversial use of military force for policing and guaranteeing public security. Other sensitive topics are restructuring and reequipping the armed forces and encouraging the development of a national arms industry. On the regional front, cooperation initiatives such as the recent proposal to create a South American Security Council, signal a reevaluation of past orientation. There is also a new agenda of multilateral themes, mainly taking in the environmental question and the protection of the Amazon, which sometimes get included in questions of sovereignty and the country’s territorial integrity.

Finally, despite Brazil’s aspiration for a permanent seat on the United Nations Security Council and its willingness to take part in international peacekeeping operations, its security and defense agenda remains essentially regional.

Foreign Security and National Defense

Brazil has long standing objectives of maintaining peace and collective security. Despite the successful peacekeeping mission in Haiti, support for Brazilian participation in operations of this nature has fallen from 88% in 2001 to 74% in 2008. Support has also fallen (from 76% to 54%) for the demand for a permanent seat on the United Nations Security Council.

While majority opinion remains favorable towards the two initiatives, opinion has to an extent been shaped by the sending of forces to a country such as Haiti, with which Brazil does not have cultural or eco-
onomic ties. This is the argument of the leader of a non-government organization, for whom “Brazil should send troops selectively, only when it’s to countries of strategic, economic or cultural importance to us.”

Adhesion to the peacekeeping mission in Haiti had nothing to do with the need to train the military in combat tactics, neither in preparing troops for eventual action in Brazilian public safety operations. As a respected ambassador explains:

Participation in peacekeeping missions doesn’t have training our troops as its main objective. It is rather to express concretely our commitment to larger United Nations objectives in terms of security, peace and development.

Reform of the Security Council and the gaining of a permanent seat for Brazil is another strategic foreign policy objective, and has been since the Presidency of Fernando Henrique Cardoso. During the President Lula government, the Ministry of Foreign Relations has formed an alliance with other countries that have this aspiration, such as Japan, Germany and India (G-4). This was the correct strategy, according to an ambassador:

“Brazil’s candidacy for the Security Council with the G-4 was the correct strategy. The Council serves to differentiate the status of countries which today have an important role to play against terrorism. There is the perception that the United States can set the world’s agenda, but also that Brazil can influence it.”
6.1 Collective Security and Strategic Projection (Percentages)*

This is not the opinion of other interviewees. While reform of the Security Council is considered desirable, adjusting the United Nations’ structure to a redistribution of global power, in practice it runs up against major obstacles starting with the unwillingness of current members to share power or lose power of veto. There are also reasons to believe that Brazil does not meet the minimum conditions required for acting on the global stage. This is the criticism a business leader makes of the priorities Brazilian diplomacy grants to this objective:

“The demand for a seat on the Security Council without previous reform of foreign and defense policy and, above all, without the capability for more effective international operations, is no more than infantile nationalism. There are other more important demands.”

*Note: A 0 value indicates that the question was not included in the 2001 survey.
At the other extreme, a high ranking military officer argues that the very fact Brazil has decided to pursue such an ambitious objective puts it in a positive global light. In his words:

“To pursue is more important than to obtain. To pursue is to put cards on the table, helping the Council’s decision to take shape and preventing other protagonists from seizing the opportunity.”

The Regional Security Agenda

Although Brazil has global trade interests, in security and defense questions its influence is limited to South America.

Since the last century, South America has not been much of a stage for armed conflict, although it has not been immune to virulent territorial confrontations between some countries. What has changed is the perception of new security challenges, such as narcotics and arms trafficking and new forms of transnational criminality, which require bilateral, regional or even hemispheric cooperation. According to an influential diplomat:

“Excluding Colombia, we don’t have armed conflicts, separatist movements or fundamentalisms in South America. But the question of security and criminality is becoming a State question, which requires of a policy of State: intelligent repression, strengthening border controls and international cooperation in crucial regions.”

There is also concern about the outcome of the war with Colombia’s guerillas, especially in view of the government’s recent advances. Cornered, the guerillas could try to escape from the Colombian Armed Forces by crossing the borders of neighboring countries. This is the situation foreseen by one Federal Deputy:

“The problem is that Colombia’s guerillas have a destabilizing effect. We should strengthen military forces on the border, with dissuasive
force, without intervening. But the countries on the border with Colombia should create a defensive shield against FARC.”

The growth of governments with an aggressive agenda of influence in the region is also part of the new regional scenario, representing a potential threat to Brazil. Venezuela in particular is considered a destabilizing force in South America, as a military officer explains:

“The Latin American scenario has been changing since the rise of neopopulism, including the Chávez phenomenon - an element with abundant resources and whose behavior is unpredictable. Popular in South America, he represents no direct threat to Brazil, but he’s competing for leadership. However, in the game’s second half when he has 24 Sukhoi jets, 10 submarines and a Kalashnikov factory, he could try to resolve pending questions with Guyana and Colombia, or intervene in Bolivia.”

In the broader perspective, advances in the regional security agenda cannot ignore the definition of a new role for the Armed forces. According to a Federal Deputy:

“What has been affecting the Armed Forces of Venezuela and Chile, and which will soon affect those of Argentina, is that the strategic points of reference have disappeared – the Cold War and the enemy within. The Armed Forces need to redefine their role, taking on a dissuasive role.”

Restructuring the Armed Forces

As can be seen in the graph below, there is a clear convergence of opinions about three matters relating to the Armed Forces: integration of the three forces’ strategies under the command of the Ministry of Defense (considered “extremely important” by 66%); investment in intellectual training of troops (62%); and investment in the reequipping and modernization of the Armed Forces (55%).
Even a superficial reading of the data reveals that the importance attributed to investment in human resources is greater than that granted to modernizing military equipment. An explanation for this is given by a high ranking military officer:

“The human dimension is fundamental in the military body. The technological dimension can change within a short period of time, but not the preparation of officers and soldiers. Venezuela, for example, doesn’t have the capacity to make efficient use of the military systems it is acquiring. Its intentions in relation to armaments could be collective control, expansionism or even the hypothesis of a conflict with Colombia. But I don’t believe it will have the efficiency to do any of this.”

The importance attributed to modernizing the Armed Forces has links to the decision of several neighboring countries to reequip their armed forces. As a Federal Deputy observes, this accentuates the perception of a relative lag that is incompatible with Brazil’s aspiration of enjoying a role of leadership in the continent. In his words:

“Brazil needs Armed Forces that are compatible with its role not only in South America but also in the wider world. We need Armed Forces that are technically and materially prepared and compatible with the size of our territory, population, territorial waters, air space etc. It also has a dissuasive role to play in South America through mediating in conflicts between neighbors. If the Armed Forces fail to meet our expectation, then they will become a factor of instability.”
Perhaps most importantly, support has increased since the start of the decade for the three measures to restructure the Armed Forces, as the following graph shows. Support for the integration of the three forces under the command of the Ministry of Defense rose from 43% to 66%; the physical and intellectual training of troops from 43% to 62%, and reequipping and the technological modernization of the Armed Forces from 27% to 55%.

“I defend the integration of the three Brazilian forces under a single command”, summarizes a Federal Deputy. The thesis has also been receiving growing support in military circles, according to one officer:
“In 2002, the first joint forces operation took place in the Amazon. In the United States, officers have been trying ‘to think jointly’ for twenty years. They act together but think differently. Resistance is lower here. Coordination in the Ministry of Defense is a slow process, but we’ll arrive at ‘joint thinking.’”

6.3 Restructuring of the Armed Forces
(Percentages that consider it of extreme importance)*

*Note: A 0 value indicates that the question was not included in the 2001 survey.
There are, however, reservations about the process of integrating the Armed Forces. In the words of an officer:

“The Ministry of Defense should be the main coordinator, but each force has its specifics. We’ve carried out joint operations and increased integration. But we need to resist the temptation to centralize everything. Standardization should be a natural path.”

The results also show there is little consensus about two other matters. Less than a third of those interviewed granted “extreme importance” to the redeployment of troops from the South and Southeast to the Amazon or to the development of combat-ready troops, something that has changed little over the past decade.

From the viewpoint of the Armed Forces, according to one officer, the ideal would be conciliation between the two alternatives – increase the spread of forces and develop combat-ready troops. In his words:

“Without harming combat-ready troops, we need to increase the spread. There has been no military expansion in Brazil since 1950. Just for purposes of comparison, it needs to be pointed out that the Colombian army has 100,000 more men than we do.”

According to another officer, resistance to redeploying troops to the Amazon is due to the fact that the country’s political and military center is not in that region. In his words:

“Defense of the Amazon doesn’t take place in the Amazon, but depends on the whole gamut of national power. It makes no sense to redeploy troops to the Amazon, debilitating the defense of regions such as São Paulo or Rio de Janeiro. If we don’t have the capacity to defend our production system and sources of energy it won’t make sense to defend the Amazon. We need instruments for the defense of the Amazon and the environment, for the combat of crime and the spilling over of Colom-
bian and Venezuelan conflicts, but we can’t neglect the centers of our political and military power.”

On the other hand, pressure for the effective presence of the Armed Forces in the Amazon should not be underestimated. As a Federal Deputy observes:

“We should redeploy part of the Armed Forces to the North. Defense is like insurance: it’s good not to use it but you have to have it. Another serious problem is the contiguous areas that stretch beyond borders, such as indigenous reservations.”

The most controversial measures are the substitution of obligatory military service by a volunteer force (considered “very or extremely important” by 43% and “of little or no importance” by 54%); training the Armed Forces for law enforcement (53% against 46%); preparing troops for peacekeeping missions (55% against 45%); the military integration of South America (62% against 37%); and the development of a national arms industry (65% against 35%).

The substitution of obligatory military service by voluntary is emphatically rebuffed by a high ranking officer. In his view:

“I don’t see how we can end the draft. It makes our budget restrictions more flexible and getting rid of it could distance us from society, recreating a Praetorian Guard in spirit. If obligatory military service ends, the army’s health system will go into collapse.”

In terms of preparing troops for international peacekeeping missions, the evaluation is that Brazil’s forces are already sufficiently trained. “We already have excellent preparation for peacekeeping forces”, says an officer.

There is, however, great resistance to the use of troops for law enforcement at home. As well as the opposition this proposal receives from a large part of those interviewed, there are not the judicial rules to back up this type of action. Despite this, a Federal Deputy expresses support
for involving the Armed Forces in what many consider to be typical police work. In his words:

“Public safety is part of national security. The latter also includes the security of our industrial and technological secrets and of our natural and cultural patrimony. Financial and industrial globalization promote the globalization of crime.”

Another controversial point is the Brazilian proposal to create a South American Defense Council, a body for consultation and discussions, responsible for implementing confidence-building measures between the Armed Forces of member states, including joint military exercises. According to a high ranking officer, this is a reachable objective, given that “the South American armed forces understand each other better than the governments do. Maintaining the so far unaffected environment of confidence between our armed forces is one of Brazil’s priorities in the region.”

The Defense Council, however, should not be seen as the embryo of a joint military force as envisaged by Venezuela. According to one experienced ambassador, “a joint military force is a non-starter” in negotiations for closer South American military cooperation. A Federal Deputy agrees:

“Brazil has the conditions to be a mediator in this military integration. However, I’m against the creation of a joint military force in South America, which could create a contention with the United States. Brazil shouldn’t form a politico-military bloc with South America.”

Another Federal Deputy expresses concern about territorial integrity in the Amazon area, which is a central question in the collaboration process between the region’s military forces. In his words:

“We have two crucial points for collaboration between the region’s armed forces: the Amazon and the Tri-Border Area. For Brazil and South America, the Amazon is a question of vulnerability. Along the
land borders we have arms and drugs. We still haven’t been able to enforce regulations along a part of the frontier that stipulates a 150 kilometer strip to the Federal Government. Another element is airspace. We need coordination between (Amazon surveillance system) SIVAM and land forces.”

A New Multilateral Agenda

Among the themes on the multilateral agenda, none are given as much relevance as climate change. A panel of scientists coordinated by the UN published a report in 2007 forecasting catastrophic consequences unless emissions are curbed in the near future. In this new context, the targets drawn up by the Kyoto Protocol had fallen behind. The question at present is new global commitments to environmental protection and preventing climate change.

Brazil has not been spared the growing pressure raised by the problem of global warming. In contrast to its defense of the Kyoto Protocol, however, the country has adopted a defensive posture, aligning to the position defended by China and India. According to this, global warming is the responsibility of the developed nations, as they have historically contributed the largest proportion of greenhouse gases.

Brazil’s energy matrix is relatively clean compared with that of China or India, countries which currently lead the ranking of polluters. What makes its position weaker in international fora is the burning of its forested areas, resulting in gas emissions that place the country among the major polluters, as well as putting the very existence of the Amazon forest at risk. This is an area central for the world’s climatic balance.

Most of those interviewed feel Brazil should accept rules drawn up in international accords and cooperate with other countries. Opposing this in the name of national sovereignty is an untenable argument, according to a trade union leader:
“In the case of the environment the appeal to national sovereignty is 
undue, as long as effective international coordination is carried out in 
a multilateral manner without there being any kind of intervention-
ism.”

Support for international coordination has not changed since the 
start of the decade, as evidenced in the graph below.

6.4 International Environmental Protection Action (Percentages)*

Some of those interviewed express opinions in line with the offi-
cial Brazilian position of developed nations’ responsibility for emissions 
over history. One union leader, for example, says that “the costs of limiting 
emissions should be proportional to historical emissions (that is, the devel-
oped countries should pay more).” This is the same position defended by 
the leader of a non-government organization, for whom “everyone should

*Note: A 0 value indicates that the question was not included in the 2001 survey.
limit emissions, although obviously greater responsibility in absolute and relative terms lies with the industrialized countries.”

The environmental question is also seen as a possible source of disagreement between countries in South America. A Federal Deputy says that environmental problems have provoked, or been a pretext for, rows between Argentina and Uruguay. In his opinion:

“The central problem of economic integration is the need to integrate the region’s environmental legislation. But we want to standardize legislation for the better, using ours as a model. At the moment we’ve got the questions out there of paperwork between Uruguay and Argentina and the Rio Madeira river between Brazil and Bolivia.”

6.5 Reduction of Global Warming Gas Emissions (Percentages)
In the case of international agreements, there is still some resistance to the imposition of environmental and workers’ protection clauses. One Federal Deputy, for example, says he is in favor of these requirements, but adds “I believe current forms mask the protectionism of the developed nations.”

A member of the Executive branch adds his voice to this chorus: “Agreements for the free trade of goods and services should be in line only with the relevant articles of GATT and of accords resulting from the Uruguay Round. Each and every country should be free to accept environmental protection and workers’ rights commitments.”

A business leader disagrees with the imposition of environmental or labor requirements in trade agreements: “The markets and public opinion will take on the responsibility of forcing commitment to minimum standards in the sale and distribution of goods and services. Trade agreements should limit themselves to opening up trade, not to imposing undue barriers, which work against comparative advantages.”

The results, however, leave no room for doubt about the marked change of opinion in relation to this topic. In 2001, 58% rejected the thesis that trade agreements should contain labor or environmental clauses. In 2008, 66% agree with the inclusion. One could suppose that the preeminence gained from concerns about the environment and climate change have contributed to this major change.
It cannot be ignored that demands of this type could cover up unfair trading practices, but there are also issues worthy of consideration in relation to the environmental and labor clauses, as a leader of a non-government organization summarizes:

“Even if these demands might mask protectionist purposes, they can’t be invoked in order to evade certain ethical standards and the principle of just safeguards (a reserve of resources for future generations).”
Chapter 7

FOREIGN POLICY AND THE REPRESENTATION OF INTERESTS

Brazil’s growing international inclusion means that over the past ten years the relationship between foreign and domestic policies has become closer. Key domestic issues have been increasingly affected by decisions made in international fora. New and more complex responsibilities require a more sophisticated and competent diplomatic corps, as well as participation and consultation mechanisms to represent the interests of organized groups and the main currents in domestic opinion.

Changes carried out by President Luiz Inácio Lula da Silva’s administration have affected foreign policy and the relationship between government and civil society. On the one hand, decision-making in foreign affairs has begun to be shared between the Ministry of Foreign Relations and the President’s international advisor. On the other, new players and interests have been encouraged to take a more active role in forming foreign policy - even if this participation is sometimes limited to legitimizing positions already taken by the government.

To give voice to domestic interests in the international sphere does not necessarily mean establishing a consensus between government and organized sectors of society regarding foreign policy priorities or content. Having said this, it is important to point out that disagreements between government and organized sectors in society - as well as the disagreements within these sectors - have increased since the beginning of this decade. One example is division in regard to the Doha Round of talks to liberalize agricultural trade. In this case, agribusiness has its active positions armored by channels of communication with the Ministry of Agriculture,
while small farmers have their more defensive position, represented by the Ministry of Agrarian Development.

Presidential diplomacy, which has been stepped up during the Lula administration, has kept Brazil in international orbit and projected a positive view of the country’s possibilities. In contrast, some foreign policy initiatives have had negative repercussions on public opinion. The policy of greater cooperation with Latin America was openly contested when President Evo Morales nationalized two Petrobras refineries in Bolivia. The proposal to allow Venezuela into Mercosur, which is currently passing through Brazil’s Congress, has also raised disagreements regarding the extent of regional integration. Both cases have attracted accusations of negligence towards national interests motivated by ideological sympathies, or of benevolent gestures aimed at minimizing rifts with our immediate neighbors. These are examples where polarization in domestic policy has been projected onto foreign policy.

Brazil’s Foreign Policy

There is a significant degree of convergence between the foreign policies of the Luiz Inácio Lula da Silva and Fernando Henrique Cardoso administrations. As well as specific lines of continuity in the case of objectives and strategies, in both cases presidential diplomacy has occupied center stage, taking advantage of media coverage to bolster public opinion about directions taken by the Ministry of Foreign Relations. This approach has been particularly relevant during the Lula presidency, allowing recourse to some extreme positions in relation to foreign policy as a counterbalance to the execution of more orthodox measures on the domestic front.

It is thus not surprising that most of those surveyed have a predominantly favorable evaluation of both governments’ foreign policy. As the graph below shows, 46% judge the Lula government’s foreign policy as “very good” or “good” against 21% who consider it “poor” or “very poor”.

Brazil’s International Agenda Revisited
Foreign policy directives have not provoked extremes of opinion (13% consider them “very good” against 5% who consider them “very poor”).

**7.1 Foreign Policy in the Lula and Fernando Henrique Cardoso Administrations (Percentages)**

![Bar chart showing foreign policy perceptions of the Cardoso government are generally more favorable than those of the Lula administration (62% of positive responses against 46%).](image)

What should be emphasized is that foreign policy perceptions of the Cardoso government are generally more favorable than those of the Lula administration (62% of positive responses against 46%).

There is no shortage of reasons for this. At the start of the decade, foreign policy was emphasized less in public debate and there were fewer players and interests making their presence felt while it was being formed. In this sense, the current visibility of foreign policy and the wider base of participants contribute to greater repercussions in reversals than in advances.

*Note: A 0 value indicates that the question was not included in the 2001 survey.*
In addition to this, initial foreign policy proposals during the government of President Luiz Inácio Lula da Silva were over-ambitious and their inevitable failure was interpreted as evidence of the Ministry of Foreign Relations’ ineptitude or of equivocal choices. This is the perception of an influential businessman, who concludes that difficulties within Mercosur and challenges posed by Presidents Hugo Chávez and Evo Morales prove Brazil was wrong to widen the reach of regional integration. In his words:

“The ideology of the Ministry of Foreign Relations tried to confine integration to South America. But this policy resulted in nothing: Mercosur became no deeper, Bolivia challenged us head on and Venezuela has invested in regional destabilization. It’s a case of giving something for nothing.”

The Representation of Interests

What is the relationship between public opinion and foreign policy? The more traditional hypothesis is that there is little public interest or knowledge about international questions and that there tend to be emotional reactions to foreign policy fluctuations. A more contemporary approach emphasizes integration between leaders and public in the formation of foreign policy, especially in relation to attracting domestic support. In this sense, the growing proximity between domestic and foreign questions - such as neighboring countries’ actions against Brazilian companies or the security of the transnational natural gas supply - should increase public interest in Brazil’s foreign relations.

This is not the opinion of Brazil’s international relations community. In its view, public opinion continues to have little interest in the matter (76% today 78% in 2001). Few believe that the public has a great deal of interest in foreign policy (11%) while 18% declares the public has no interest whatsoever (18%).
While there is agreement in relation to wider society’s aloofness from international affairs, few question the importance of a public opinion attentive to and involved with foreign policy issues. Failing this, there is awareness of the need for a range of groups interested in foreign policy such as business representatives and non-government organizations. What is surprising is the general perception that the Ministry of Foreign Relations gives scant attention to opinions and proposals of third parties, even other ministries in the federal government.

Of eight groups considered, only four were cited by at least a third of interviewees as receiving “a lot of attention” from the Ministry of Foreign Relations: business associations (39%), other federal government ministries (36%); the media and Congress (both with 30%). At the other extreme, are labor unions (11%), non-government organizations, universities and research centers (18% each).
The results become more saddening with the perception that the Ministry of Foreign Relations currently pays less attention to these groups than it did at the start of the decade, with the possible exception of Congress (30% in both surveys), universities and research centers (from 14% to 18%) and labor unions (from 6% to 11%).

The little attention the Ministry of Foreign Relations grants to the opinions of citizens and elected representatives is not only due to its insulation and zeal for power. There is also the ineptitude and disinterest of pressure groups in influencing diplomacy. Lack of action places one at the whim of events, as a distinguished ambassador points out:

“The Ministry of Foreign Relations is able to cover a wide range due to a lack of combatants. Few politicians or businessmen care about foreign policy.”

Of the groups considered, the opinion of business is considered as most important to the Ministry of Foreign Relations. Even so, one businessman expresses resentment at the situation:

“The Ministry of Foreign Relations’s current modus operandi is not very professional. There is prejudice in its relationship with private companies. Our firms are becoming globalized, with greater global projection, but this generation at the Ministry of Foreign Relations believes that state action can resolve everything. Brazilian investment has been enervated by the absence of a pro-business position.”
There is not even consensus about the relationship with other government ministries. Responses indicate a perception that the Ministry of Foreign Relations worked more in coordination with other ministries in the past (36% today; 57% in 2001). This suggests that Brazil’s international agenda is more consolidated as a diplomatic project than as a government policy. An ambassador observes:

“The Ministry of Foreign Relations’ vision of integration is not entirely shared by the other ministries, each of which has its own agenda.”
Decanting domestic interests to the international agenda is no trivial matter. Among the groups perceived as less relevant to the Ministry of Foreign Relations, it is noticeable that CUT and other labor union umbrella groups still grant trade negotiations a secondary role in their political agendas. Non-government organizations, meanwhile, have only recently taken part in lobbies, in this case to create positions for negotiation at the WTO.

**Congress and Foreign Policy**

The role of Brazil’s Congress in foreign policy has been limited to little more than rubber stamping the Executive’s international initiatives. In the opinion of most respondents, this is the role it should have: 54% agrees that foreign policy decisions should be made by the Executive and ratified by Congress, against 38% who would prefer previous negotiation with the Legislative.

This is the inverse of prevailing opinion at the start of the decade. Seven years ago, the majority (54%) wanted Congress to have increased prerogative. The change may reflect the Executive’s growing dominion over the legislative agenda, as it is able to carry out provisional decrees and to form Congressional majorities through the manipulation of pork and patronage. It could also be because the former opposition is now in power, given that international themes were defended by the parties of the left.

A leader of a non-government organization suggests there is some justification for allowing the Executive initiative to carry out international trade agreements. What is fundamental, in his opinion, is that the formation of foreign policy has wide national support:

“The Executive should have the prerogative to press ahead in certain areas – for example in trade negotiations – for later ratification by Congress. However, foreign policy should be a matter of State and not
of government as it is at present. It should thus be negotiated with all of society beforehand.”

7.4 Congress and Foreign Policy Decision-Making (Percentages)*

Federal deputies and senators aspire to having a more relevant foreign policy role, as evidenced by several bills currently before Congress which seek to widen the Legislature’s function in this realm. At the same time, there is a limited perception of what they can actually do. Independently of changes to the constitution that would increase the role of the two houses, there can be a viable immediate expansion of Congress’ role, according to a Federal Deputy with wide international experience. In his words:

“Congress is unaware of the role it could play in foreign policy. We need to encourage it to realize the importance of this matter, even if there is no electoral repercussion. We should create a Foreign Trade Committee alongside the existing Foreign Relations and Defense Committee.”

*Note: A 0 value indicates that the question was not included in the 2001 survey.
Venezuela’s admittance to Mercosur will be an acid test of Congressional willingness to act with a degree of autonomy in the foreign policy sphere. Traditionally, federal deputies and senators pass this type of subject though consensual, cross-party agreements. However, President Hugo Chávez’s diatribes against Brazil’s Congress have impeded Adhesion Protocol’s passage. Whatever the outcome of this question, Venezuela’s adhesion has turned foreign policy into a matter for domestic political controversy.

**Foreign Policy Formation**

The representation of interests is only one facet of foreign policy formation. This second theme takes in the aggregation of interests, as well as the definition of government priorities and the question of resources for implementing foreign policy decisions. It is fundamental here to obtain minimum consensus about foreign policy to legitimize government decisions, strengthen bargaining power, the credibility of commitments and the capacity to defend interests. Without consensus, the government will frequently be obliged to explain to Congress, interest groups and public opinion about how its foreign policy options meet the national interest.

Among diplomatic developments brought in by the Lula administration, the creation of an international presidential advisor with parallel functions to the Ministry of Foreign Relations has introduced an element of instability to traditional diplomacy. Since the start of the current administration, the Presidency’s international advisor has taken on important diplomatic missions, such as to represent the Brazilian government in a frustrated attempt to free hostages held by FARC. One ambassador argues that double command of foreign policy in the region limits diplomacy:

“Brazil’s foreign policy decisions are currently ideological in nature. In addition to its official channel, foreign policy also has an extra-official
channel conducted by the Presidency - and the official agenda has ended up submitted to the latter.”

A second instability factor mentioned in interviews is the ideological use of foreign policy, be it to generate domestic party gains or to establish an extra-diplomatic channel of communication with neighboring countries. President Lula took office in 2003, amid a wave of leftist governments and nationalistic tendencies that accompanied Hugo Chávez’s election in 1998 and which culminated in the election of Paraguay’s Fernando Lugo in 2008. Although there may be some political convergence with these countries, Brazil has nonetheless pragmatically revised foreign policy in South America. This is because of dissimilar development models in the region – some of which based on strong state intervention – and different regional integration proposals. Below is a comment by a Federal Deputy:

“The Ministry of Foreign Relations’ supposed ideological affinities have proven illusory. We must have a generous front, but when it comes to foreign relations ideological affinities count less than concrete interests.”

Puzzlement at the results of this approach has not been limited to critics of foreign policy. As remarked by an important member of the Executive branch, ideological convergence has failed to diminish tension and conflicts in South America. This perception is summarized as follows:

“We are living a new and paradoxical situation. South America currently has eight democratic leftist or center-left governments. They have a common agenda for development and the reduction of inequality. They have a strong social presence and defend regional integration. Where is the paradox? It is that despite these favorable conditions, there is still a series of minor but multiple conflicts that continue to threaten integration. The left has never done so well, and yet has never faced so many impasses.”
In Bolivia, remarked a diplomat, we saw the end of the illusion that a state-run company from a leftist government would receive different treatment than companies from “imperialist countries”. The expropriation of Petrobras refineries and the threat of a hike in natural gas prices in a flagrant breach of contract exposed the mistaken calculations made by Brazilian diplomacy. In his words:

“South America has been somewhat hostile to Brazil due to the ideological turn of our foreign agenda and to a certain bravado in our diplomacy. Bolivia is an example of the mismanagement of a foreign crisis in which the government allowed itself to become a hostage of the Morales government.”

The third controversial point is the virtual divorce between foreign and security policies and national defense. This is not the opinion of one high-ranking diplomat at the Ministry of Foreign Relations, however, for whom close collaboration between the Armed Forces and diplomacy in the Haitian peacekeeping operation is clear evidence of mutual support between the two areas. Below is his opinion:

“The Ministry of Foreign Relations has been collaborating with the Ministry of Defense. Take the case of Haiti, which is also an example of military coordination in South America.”

A respected ambassador says in contrast that the Ministries of Defense and Foreign Relations have in fact been isolated from each other. The supremacy of the development agenda over the security and defense agenda has led the country to neglect military force as an instrument to strengthen foreign policy. A realistic and effective institutional reorganization should focus on reequipping the Armed Forces and on using military power in foreign relations. In his opinion:

“With the possible exception of Itaipu, our diplomacy has always acted separately from the Armed Forces. Brazil has no reason to fear a conflict with its neighbors. However, for the purposes of dissuasion, we need to
define our security policy, adequately equip our Armed Forces and have the Ministries of Defense and Foreign Relations act together. The problem is that the post-Cold War world is completely different from the world where our diplomats and military leaders were educated. The vision of a non-existent “North-South confrontation” still prevails among them. International narcotics trafficking and FARC spilling into the Amazon are today’s challenges.”

The final point is change within the Ministry of Foreign Relations. Brazilian diplomacy has had to take on new and heavier responsibilities due to the country’s intense participation in multilateral fora. Additionally there has been an extraordinary increase in the volume and complexity of international and inter-governmental legal cases and a mushrooming of commercial litigations. In order to unburden the sector of this wide range of tasks, the institution’s internal structure needs to be restructured. An ambassador explains:

“Although the Ministry of Foreign Relations has twice the number of departments it had six years ago, this has not been translated into concrete action. It must undergo managerial modernization.”

The current management at the Ministry of Foreign Relations has also carried out changes in diplomatic career rules, such as speeding up the promotion of younger diplomats. Furthermore, it has created new diplomatic posts, especially in Africa and Asia. These changes have not been welcomed by all, as exemplified in the criticism of an ambassador:

“The Ministry of Foreign Relations has a political and an institutional area. In the institutional area, the increased number of diplomats and new posts will leave serious scars. In the political area none of what is being done today is new and it is this continuity that is working out, while the negative aspect is where the emphasis has been shifted. Even such a major achievement as the G-20 is now no longer with us. It was an
agricultural alliance which did not stand up to new themes on Doha’s agenda. Meanwhile, all the other initiatives (the Middle East, Africa, the UN Security Council, etc) have failed.”

Along the same lines, a Federal Deputy considers as unsuccessful attempts to strengthen ties between Brazil and Africa by increasing the number of diplomatic posts. He points out China’s successful policy in the region as a counterpoint to Brazil’s initiative:

“Brazil’s foreign policy has developed in an erratic manner. The increased number of embassies and diplomatic staff in Africa has borne no results. China’s approximation with Africa has resulted in a strategic alliance that will ensure access to important natural resources and markets. President Lula’s many trips to Africa, in contrast, have not brought any concrete results.”

Changes within Brazil’s Ministry of Foreign Relations have generated criticism from the diplomatic community, as have standing disagreements about foreign policy’s direction. These issues have prompted an unusual division within Brazilian diplomacy, which has come to light recently and which has created a new domestic source of influence on foreign policy. Below is a reference made to this by an ambassador:

“Today there is an internal debate led by a group of experienced diplomats. This is very important in view of Brazil’s growing projection in the world. We can no longer afford to make the wrong choices.”
The Research Project

This study aims at identifying how priority themes in Brazil’s agenda for South America are perceived by government officials and leaders of the various segments that constitute Brazil’s foreign policy community. The study’s complementary goals are to map out trends and publicize results.

As in 2001, the survey was carried out in two stages. The first, which had a qualitative nature, used semi-structured interviews to map out relevant issues in Brazil’s global and regional agendas. In the second stage, the conclusions of the qualitative interviews were validated through the use of a structured questionnaire and through a quantitative analysis of its results.

Selecting the interviewees

Selection was carried out by updating and expanding the list of members of Brazil’s foreign policy community used as the basis for CEBRI’s previous study. Initial contact was made via letters detailing the study’s goals and requesting an interview, followed by a telephone call for confirmation. In the qualitative survey, 30 people accepted the invitation and were interviewed between April and August 2007. By March 2008 a questionnaire was drawn-up and applied to 150 people.

We ensured that the list had representatives from the various segments of this community, such as government authorities, congressmen, association members, businessmen, academics and journalists. However, no proportionality criteria were used in the list. When studying elites it is virtually impossible to adopt a sampling logic, as there is a strong element of subjectivity in drawing up the population to be studied.
By definition, elites are not identified merely by the formal positions they occupy in the political or economical spheres, but also by reputations of influence. In the criteria used, a heavier weighting was initially attributed to the formal position. Later, indicators of influence were added, such as participation in public debates and in specialized fora and publications, as well as the judgment of experts.

The interviewees were divided into the following segments:

1. **Executive Power**: Ministers and members of the top echelons of the following Ministries: Foreign Relations; Defense; Development, Industry and Foreign Trade, and the Central Bank.

2. **Congress**: Chairmen and members of the Foreign Relations and National Defense Committees of the Senate and of the House; of the Economic Affairs Committee of the Senate; of the Joint Mercosur Parliamentary Committee and of the Latin-American Parliament.

3. **Business, Labor and Non–Government Organization Leaders**: Chairmen and members of the top echelon of industrial, services and agricultural business associations; labor federations and non-governmental organizations.

4. **Businessmen**: Chairmen, vice-chairmen, chief-executive officers and aides of large industrial, financial and energy corporations that operate in foreign trade.

5. **Academics and Journalists**: Editors, columnists and journalists of São Paulo and Rio de Janeiro’s press and television, and professors and academic researchers in foreign relations and defense subjects.

6. **Councilors and consultants at the Brazilian Center for International Relations (CEBRI)**.

**The Interviews**

All the interviews were conducted in person and lasted an average of one hour. The initial stage of interviews was loosely structured, thus giving
interviewees the opportunity to speak at will about their choices. In the final stage, questions were asked about specific issues relating to regional integration, security and defense, economic and trade relations and themes such as human rights, environmental protection, terrorism and drug trafficking. Frequently, many of these questions were raised by the interviewees themselves. However, we must point out that not all the interviewees answered all the questions.

It may be argued that the focus on the country’s current priorities could distort the results of the study as it might enable current events to influence the interviewees’ perception. This could have been the case after President Hugo Chávez’s statements about the Brazilian Congress’ sluggishness in approving Venezuela’s entry into Mercosur.

We must make a distinction between these two types of agenda. There is a public agenda in which high-profile, heavy-impact international issues can raise interest and influence public opinion, such as indignation caused by the Canadian embargo of Brazilian beef in 2001. This agenda, however, does not necessarily coincide with the formal agenda, i.e. the group of issues that are the object of serious consideration by opinion leaders and public policy-makers. The latter issues are based on shared information and drawn up under pressure from organized interested parties. Most of these issues require time and energy to be handled and solved. When they become prominent in the formal agenda, the issues achieve a certain momentum that ensures they receive continued attention, even if this is at cost of excluding emerging issues.

Analysis

The categorization of semi-structured interviews can present a certain degree of difficulty, even when interviewees’ answers are clear and concise. Interviewees also gave elaborate answers, which were expanded on during the exploration of secondary themes. The structure used sought more to
establish broad areas of consensus and divergence than to explore in detail the wealth of information collated.

In order to transmit the gist of the interviews, the content of answers was mapped out based on the incidence of keywords. This distribution of frequencies should not be considered an accurate numerical estimate of the respondent’s foreign policy priorities or perceptions. The interviewees were not selected according to methods of probability and neither did all of them answer the questions. The proportions that appear on the graph are to illustrate the distribution of points of view and to map out themes of interest to the interviewees. They are not meant to be a statistical description of the priorities of communities to which they belong.

Results from the qualitative interviews were analyzed and used as a basis for the questionnaire used in the quantitative survey, and are described in Appendix 2 below.

**Applying the questionnaires**

There were 150 respondents chosen from the various segments of Brazil’s foreign policy community, based on the selection list for the qualitative survey. A replacement list was also drawn-up. As in the first stage a letter was sent to those selected, describing the study’s goals, inviting them to take part in it and asking their permission to include their names on the acknowledgement list.

The themes and priorities identified in the qualitative survey and which were structured into a questionnaire include Brazil’s role in the international system; the international economy, with a focus on trade negotiations and on regional integration; international threats and areas of vital interest to the country; foreign policy priorities; national security and defense; the Ministry of Foreign Relations’ actions; and the representation of civil society’s interests.
As interviewees were scattered throughout Brazil and beyond, the questionnaires were applied in various ways: over the telephone by trained interviewers; answered online by the interviewees and face to face.
Priorities in Brazil’s Regional and Global Agenda

What are Brazil’s current priorities in South America and the world at large? The importance attributed by the interviewees to the various themes in Brazil’s foreign affairs can be measured by the frequency with which certain keywords were used in the interviews. The results have been grouped into wider themes and are summarized below5.

A.1 The Brazilian Agenda’s Priorities in South America

![Bar chart showing the frequency of key-words (%)
Areas of vital interest: 31%
International economy: 21%
Regional integration: 18%
Security and defense: 12%
Foreign policy and regional leadership: 12%
Foreign policy: 6% ](chart)

5 The themes are detailed in Appendix 3.
In the case of areas of vital interest to Brazil, it was surprising to see Venezuela receiving essentially the same number of mentions as the countries of the Southern Cone (Argentina, Uruguay and Paraguay). In 2001, Venezuela had barely featured among the Brazilian foreign policy community’s concerns. There are at least three controversial points about the country. The first is its entry into Mercosur. Many interviewees expressed fears that Hugo Chávez’s government will hinder future Mercosur negotiations, especially with the European Union and the United States. The second point was Venezuela’s compliance with Mercosur’s “democratic clause”. The country’s military expenditure and the threat of an arms race in the region came in third.

On the theme of bilateral relations, the highlights in South America are Bolivia, Chile and Colombia. The expropriation of Petrobras refineries and the potential risks to Brazil’s energy security posed by a reduction and/or suspension in the natural gas supply have placed Bolivia at the center of strategic concerns. Meanwhile, the importance attributed to Colombia is due to its interminable conflict with the FARC guerrilla group.

There is a significant number of mentions of the United States, whose special relationship with Brazil has seen ups-and-downs throughout history. On the other hand, there are relatively few mentions of Asian, European or Middle-Eastern countries – despite the recent increase in trade with these markets. China is one of the most mentioned.

The interviews reveal overall concern about the global economy, especially in relation to trade and investment flows with neighboring countries, the economic development of the region and Brazil’s participation in the regional integration process. Energy integration and physical infrastructure are also emphasized by the respondents.

There is no consensus about the shape and scope of regional integration. Some interviewees defend a deep integration model, which could eventually evolve into a European-style common market with policies
aimed at reducing inequalities between countries in the region. Others prefer a less ambitious and more selective type of integration, mostly focused on trade flows, energy and transport and communications infrastructure. Their main concern is the possibility that bilateral deals between the United States and some South-American countries might divert trade from Mercosur member-states.

Mentions of Mercosur reveal a wide range of concerns. Division remains between those who support the bloc’s expansion and the incorporation of new members such as Venezuela, and those who want to strengthen it through the creation of supranational instances and transformation from customs union to common market. In view of current impasses, however, some defend its transformation into a simple free trade area. Regarding regional deals, there are very few mentions of the Union of South-American Nations (UNASUL). Trade negotiations outside the region also draw little enthusiasm. Several respondents are skeptical about the future of relations between Mercosur, the United States and the European Union, as well as about multilateral negotiations at the WTO’s Doha Round.

Security and national defense are mentioned next, with an emphasis on the modernization of the Armed Forces. It is important to point out that references to conventional security threats, such as border defense, exceed mentions of non-conventional threats such as terrorism. These concerns are related to growing arms purchases by countries in the region, namely Venezuela, Peru and Chile. In fact, military re-equipment is the most mentioned theme, whilst the proposal for military integration in the region is practically ignored. There is also special concern regarding the Amazon, which the interviewees consider as an important strategic issue.

In the case of Presidential leadership, the highlights are Venezuela’s President Hugo Chávez and Brazil’s President Luiz Inácio Lula da Silva.
Some interviewees point out the existence of an ideological undertone in the region’s foreign policy’s guidelines.

There are few mentions of multilateral organizations and their influence in the region, or to themes from the “new multilateral agenda” - except for democracy, arms and drug trafficking and the environment, which appear with some frequency.
### Table A.2 Frequency of Keywords in the Interviews

(Detailed themes)

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<tr>
<th>Themes of the Brazilian agenda in South America (Key-words)</th>
<th>Number of quotes</th>
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</thead>
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<td><strong>Areas of vital interest</strong></td>
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<td>South America (except the Southern Cone)</td>
<td>263</td>
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<td>Venezuela</td>
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<td>Bolivia</td>
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<td>Chile</td>
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<td>Ecuador</td>
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<td>Peru</td>
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<td>North America, Mexico and the Caribbean</td>
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<td>Mexico</td>
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<td>Haiti</td>
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<td>Southern Cone</td>
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<td>Uruguay</td>
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<td>Asia</td>
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<td>Financial sector</td>
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<td>Investments</td>
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<td>Multilateral funding (IDB, BNDES)</td>
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<tr>
<td>Social and economic inequalities</td>
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<td>Trade negotiations</td>
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<td>Free trade deals</td>
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<td>FTAA</td>
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<td><strong>Regional integration</strong></td>
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<td>Mercosur</td>
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<td>Supranational bodies (Parliaments, Tribunals)</td>
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<td>Free trade area</td>
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<td>The Andean Community</td>
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### Themes of the Brazilian agenda in South America (Key-words)

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<td>Border defense</td>
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<td>Wars and transnational conflicts</td>
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<td>Non-conventional threats</td>
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*Total number of mentions (1.579)*
Amaury de Souza holds a PhD in Political Science from the Massachusetts Institute of Technology and was a Fellow at the Woodrow Wilson International Center for Scholars. He is a senior partner at Techne and MCM Consultores Associados. His recent publications include *Brazil and China: An Uneasy Partnership* (Miami: University of Miami, Center for Hemispheric Policy, 2008); *Political Reform in Brazil: Promises and Pitfalls* (Washington, D.C.: Center of International and Strategic Studies, 2004); “Brazil in a Globalizing World” in the book *The European Union, Mercosur and the New World Order*, edited by Helio Jaguaribe and Álvaro de Vasconcellos (London: Frank Cass, 2003); and the chapter about Brazil in the book *Guidance for Governance*, edited by R. Kent Weaver and Paul B. Stares (Tokyo: Japan Center for International Exchange, 2001).

Between 2000 and 2001 he coordinated the research *A Agenda Internacional do Brasil: Um Estudo sobre a Comunidade Brasileira de Política Externa* (*The International Agenda of Brazil: A Study of the Brazilian Foreign Policy Community*) carried out by the Brazilian Center for International Relations (CEBRI).
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