



Monica Hirst is a Brazilian academic based in Argentina. She holds a PhD in Strategic Studies from the Federal University of Rio Grande do Sul (UFRGS) and works as a full-time professor at the Department of Economics at the University of Quilmes. She also teaches at the MA Program in International Studies at the Torcuato Di Tella University. Professor Hirst has taught at the Argentine Foreign Service Institute of the Ministry of Foreign Affairs (1994-2008), and has been a visiting Professor at Stanford University (1992), the University of São Paulo (1994), and Harvard University (2000). She has been co-organizer of a Fellowship Program for Research on Intermediate Powers run by the IESP in Rio de Janeiro, and a free-lance consultant for the UNDP, the Ford Foundation, the Andean Development Corporation (CAF) and the Foreign Ministries of Argentina, Colombia and Brazil. She has published extensively on Brazilian foreign policy, Latin America–U.S. relations and regional security and integration issues. Her most recent books are “The United States and Brazil: A long road of unmet expectations” (New York: Routledge, 2004, translated in Brazil by Ed. FGV, Rio de Janeiro, 2010), and “Crisis del Estado e Intervención Internacional: una mirada desde el Sur” (Buenos Aires: Edhasa, 2009).

If the bilateral relationship between Brazil and the United States is one of enormous potential, it is also one that has suffered, in recent decades, from a dearth of communication and a lack of mutual understanding between academics and policymakers of each country. This informational barrier acts as a brake between the two largest democracies of the Western Hemisphere, impeding the deepening relationships between the United States and Brazil.

Monica Hirst’s thorough and insightful study goes a long way toward uncovering and demystifying this relationship. The sweeping scope of her study, encompassing the history of U.S.-Brazilian relations from the closing decades of the nineteenth century to the era of the Rousseff and Obama administrations, captures the political, economic, and diplomatic contexts that define the modern-day U.S.-Brazil relationship. Furthermore, the analytic frameworks she develops to explain the evolution of this relationship in particular, her proposal of five distinct historical states in the relationship (Alliance, Alignment, Autonomy, Adjustment, and Affirmation), and her innovation, building on Barry Buzan’s concept of macro-securitization, of the concept of micro-securitization — provide invaluable analytic tools for scholars and policymakers interested in U.S.-Brazil relations.

Hirst also visits the evolution of Brazil’s participation in international politics, examining Brazil’s collaboration with the United States in assembling the G-20, its initiative within the United Nations in manning and directing peacekeeping operations, and especially its leadership of the United Nations Mission in Haiti, and the implications of its relationships with its South American neighbors as well as with international heavyweights such as the European Union, China, India, and South Africa. Her analysis is certain to provide valuable insight into the future evolution of Brazil’s evolving role in global politics.

Available in both English and Portuguese, Hirst’s analysis will prove an essential guide for both policymakers and the general public interested in American and Brazilian readers alike.

Julia Sweig

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UNDERSTANDING
BRAZIL-UNITED STATES RELATIONS



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RELATIONS

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The body of this dissertation is divided into three main units, followed by a concluding chapter and a bibliographic appendix. The first unit contains a narrative text that summarizes the evolution of the relations between Brazil and the United States since the beginning of the twentieth century. Here, the political and economic aspects are highlighted. The second unit deals with the post-Cold War period; it focuses on the impact of the end of a bipolar world order for inter-American relations, the emergence of a South American political and security agenda and the specificity of the Brazilian-American relations during the 1990s. The third unit deals with the period identified as “post-post-Cold War”, initiated on September 11, 2001. It examines the consequences for Latin America of the process of securitization of the international political agenda and the gradual dismantlement of South America as a US area of influence. This unit further addresses the recent trends of US-Brazil relations and the build-up of a pragmatic and affirmative profile, both on economic and political fronts.

The present phase may be one in which the links with the US have the least relative importance for Brazilian foreign policy. The US is no longer a central element for Brazilian international affairs. This loss of centrality necessarily renders a deep re-evaluation that will certainly have an influence on the academic production in international relations in the future.

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MONICA HIRST

**UNDERSTANDING
BRAZIL-UNITED STATES
RELATIONS**

CONTEMPORARY HISTORY, CURRENT
COMPLEXITIES AND PROSPECTS
FOR THE 21ST CENTURY



Brasília – 2013

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To my children Janaina and Francisco and grandchildren
Carolina and Manoel

*Time present and time past
Are both perhaps present in time future
And time future contained in time past
If all time is eternally present
All time is unredeemable*

(T.S. Eliot, no. 1 of *Four Quartets*)

...el proceso de previsión del futuro debe basarse necesariamente en el conocimiento del pasado. Lo que vaya a ocurrir tendrá forzosamente alguna relación con lo que ya ha ocurrido. Y este es el único aspecto en el que el historiador tiene algo que decir. (Eric Hobsbawm, en “El Tarot del Historiador”, in *Entrevista sobre El Siglo XXI*).

...it is necessary that Brazil makes clear to the United States and for the world the difference between confrontation aiming at autonomy and antagonistic confrontation. The kind of world that Brazil wishes is a multi-polar world in which the South American system will enjoy autonomy vis-à-vis the North American system, but will be solidary with it in what concerns values. It will be solidary with it in what regards the destiny of Man, freedom, democracy and values. (Helio Jaguaribe, in “History opens for us spaces of permissibility that are not permanent”).

PRESENTATION AND ACKNOWLEDGEMENTS

The aim of this dissertation is to focus upon Brazil-United States relations from a dual perspective: the main events and challenges of the contemporary history of bilateral ties and the overall political significance these have assumed for Brazilian international affairs. I intend to show and discuss the kind of influence US pressures and interests have played for Brazil's foreign policy. At the same time, I wish to show in what way that relationship has always been subordinated to the processes of change both in domestic and international contexts.

I

Firstly, I would like to point out the connection between the importance of this set of themes and my academic trajectory in the IR field. My work on Brazilian foreign policy has led me to always pay close attention to the relationship with the United States, both in the analysis of the key moments in its evolution and in

the critical thinking regarding the present political and strategic shaping factors that explain its complexity. In both cases I have tried to understand the peculiarities of US-Brazil bilateralism and its articulation with the global and regional contexts.

From the historic perspective, I examined this link in three crucial moments. Firstly my concern was the process of alignment (1942-45) that took shape during World War II, the subject of my dissertation for a Master's degree at UPERJ in 1982. The second moment I focused upon was that of the unmet expectations of Brazil during the second Vargas government (1951-54), when it was not possible to repeat with Washington the pattern of negotiations and reciprocities achieved in the previous decade. The study of this period was encouraged by a research project supported by Alexandre de Gusmão Foundation of the Brazilian Ministry of External Relations. The third phase deserving attention was that of the ending of the automatic alignment to the US, during the years of the "responsible pragmatism" (1974-78). The analysis of this crucial period for Brazilian foreign policy started with the rich experience shared with Maria Regina Soares de Lima within the oral history project of CPDOC that involved a lengthy interview with Foreign Minister Antonio Francisco Azeredo da Silveira.

Although not exhausting, the research carried forward regarding these three moments was profound, based on primary sources from Brazilian and American archives, enriched by the bibliographical production and interpretations from both countries. I am especially grateful to the opportunity to work for several years at CPDOC-FGV/RJ, where I had the chance, together with my colleague Gerson Moura, to participate in the task of organizing the documentary collection and recording statements of prominent historical actors as well as in that of research in an area then incipient in the studies of contemporary history in Brazil.

The motivation for the analysis of political and strategic issues pertaining to US-Brazil relations however, was related to the interest in questions of international politics and especially in the Latin American agenda, arising in the years when the transformations in the lines of Brazilian external action preceded the democratic winds in domestic politics. The innovative profile of Brazilian diplomacy in the middle of the 70's was crucial for the opening of a unexplored field of academic concern in Brazil concerned with understanding the meaning of concepts such as autonomy, universalism and bi-polar equidistance. In the same context, the divergences expressed by the Brazilian government toward the United States required a critical understanding of issues such as nuclear non-proliferation, disarmament and coercive diplomacy. As part of a reduced academic group concerned with international affairs, I endeavored to understand the dynamics of the Brazil-United States relationship as a result of the combination of perceptions and interests of both countries.

The exchanges with a generation of Latin-American analysts who shared similar perceptions soon gave me the opportunity to develop a comparative perspective that helped to envisage the peculiarities of US-Brazil bilateralism within the regional context. The opportunity to spend time as a visiting researcher at the *Centro de Estudios de los Estados Unidos* of CIDE, in Mexico, headed by Luis Maira, contributed to deepen such perspective. The years of insertion and institution building in Argentina should also be underlined in this trajectory. The persistent reference to the past in IR studies in Argentina allowed me to understand the truncated dynamics of Argentina-Brazil-United States, always resounding in the backstage of the interaction between the three countries. I believe that this is the main explanation for the alternating dynamics between the cycles of regional integration and alignment to the US in the foreign policies of Brazil and Argentina; such

cycles have always led to alternating periods of convergence as well as of divergence between Argentina and Brazil. Washington always perceived a strong link between Brazil and Argentina as an undesirable development, as a factor of imbalance in the inter-American realm. These issues have always been a motive for a rich exchange of ideas and perceptions with my colleagues Roberto Russell and Juan Tokatlian at the Torcuato di Tella University.

Relations with the United States have become the subject of my renewed attention in the framework of the changes in Brazilian international affairs. The recent complexity of the country's interests and actors, in the regional and global chessboards, touching on the economic, political and security fields, make it inevitable to rethink the link between both countries. This is a theme of permanent reflection and exchange shared with several Brazilian colleagues, many of whom belong to the new generation of IR researchers. In this case I wish to underline the work shared with Leticia Pinheiro's to define new analytical tools useful to understand the present changes in Brazilian foreign policy decision making.

In this dissertation I have tried to bring together texts that reflect the trajectory briefly outlined above. My aim has been to articulate a coherent narrative and analytical text which could contribute to the understanding of the present phase of the relationship between Brazil and the United States, of the domestic transformations and of the regional/global context of Brazilian international insertion. Although it could seem incoherent, the present phase may be the one in which this link has the least relative importance for Brazilian foreign policy. The ensemble of transformations in this policy, derived from internal factors but also from new configurations in the international order, lead inevitably to a re-thinking of that relationship. In other words, Brazil is at a crucial moment for the reshaping of the place and meaning of the relations with the United States when

addressing its external insertion. The US is no longer a central element for Brazilian international affairs. This loss of centrality renders necessarily a deep re-evaluation that will certainly have an influence on the academic production in International Relations in the future. I hope that the texts put together in this dissertation may contribute to a better understanding of this changing reality.

II

The body of this dissertation is divided into three main units, followed by a concluding chapter and a bibliographic appendix. The first unit contains a narrative text that summarizes the evolution of the relations between Brazil and the United States since the beginning of the twentieth century, in which the political and economic aspects of the different phases that succeeded each other are highlighted.

The second unit deals with the post-Cold War, it focuses on the impact of the ending of a bipolar world order for inter-American relations, the emergence of a South American political and security agenda and the specificity of the Brazilian-American relations during the 1990s. In this unit the challenges posed by the Brazil-United States economic relations are examined with special attention to four subjects: (a) Brazilian economic policies and the impact of American direct investments; (b) bilateral trade; (c) the multilateral dimension of trade relations; (d) the FTAA negotiations. Next, the bilateral political relations are reviewed, with stress on two types of agenda: one involving *first level* issues, mainly connected with the inter-State matters, covering regional and world politics agendas and those of international security; and another dealing with *second level* issues, generated chiefly by

the action of non-governmental actors in topics such as human rights, environment, Brazilian migration to the United States, the formation of public opinion and the political perceptions which prevail on both sides.

The third unit of the dissertation deals with the period identified as “post-post-Cold War”, initiated on 9/11/2001. This section examines initially the consequences for Latin America of the process of securitization of the international political agenda and the gradual dismantling of South America as a US area of influence. This unit also deals with the frame of changes experienced by Brazil in its external insertion, starting from the Lula government, with special focus on the new importance ascribed to the South-South axis and the new responsibilities undertaken in questions of international security and policy – as exemplified by the action of Brazil in the process of Haitian reconstruction. This unit addresses the recent trends of US-Brazil relations and the built-up of, a pragmatic and affirmative profile, both in the economic and the political fronts. The aim of this chapter is to show that this configuration corresponds to a phase of new bilateral attunement but also of political differentiations brought about by expectations and interests not always convergent between the two countries.

III

I wish to highlight several expressions of gratitude. I must start by stressing my thanks to the Federal University of Rio Grande do Sul and particularly to the Post-graduation Program in Strategic International Studies, in the person of its coordinator, Paulo Vizentini, for the chance to present directly the defense of this dissertation. I also thank Marco Cepik for his role in opening

up this possibility which has deepened even more a relationship of exchange and camaraderie that exists for many years.

I am particularly indebted to Natalia Herbst for her assistance in the task of editing, which enabled the quick and effective edition of the texts included in this dissertation, and to Danilo Marcondes, who helped me in the final phase of its preparation. I am grateful for the assistance of Maria Rivera, Ximena Simpson, Maria Emilia Barsanti, Jazmin Sierra and Brenda Finkelstein, who in different moments contributed to the elaboration of many of the texts assembled in this dissertation. Finally, and regardless of the support I received, I shall be responsible for any faults or inconsistencies that may be found in this dissertation.

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PREFACE

I am honored to present this book written by Monica Hirst for two reasons. In personal terms, this is an opportunity to show my admiration and respect for the intellectual work Hirst develops in the area of International Relations, persistently and masterfully weaving a tapestry of themes that range from international cooperation for development to international security, foreign policy, bilateral relations and regional integration. From an institutional standpoint, it honors us that this book originated from the doctorate thesis defended by Professor Hirst in our Graduate Program for International Strategic Studies of the Federal University of Rio Grande do Sul.

After all, the story of an intellectual life is partly told by the institutions where one studies, researches, tutors, teaches, directs and cooperates. In Professor Hirst's case, we trace her trajectory in the Pontifical Catholic University of Rio de Janeiro, the University Research Institute of Rio de Janeiro (IUPERJ),

FLACSO-Argentina, the Argentine National Foreign Service Institute (ISEN), the Center of Brazilian Studies, Buenos Aires, CIDE Mexico, the Universidade de Buenos Aires, the University of São Paulo, Stanford University, Harvard University, Universidad Torcuato di Tella, UNDP, the Brazilian Ministry of External Relations, the Argentinian Ministry of External Relations, the Colombian Ministry of External Relations, the Ford Foundation and the Friedrich Ebert Foundation. We can now add the Federal University of Rio Grande do Sul (UFRGS) to that list.

Another part of our academic experience is revealed by those with whom we have shared our work. The relationship between Brazil and the United States, the main theme of this work, has been an outstanding area of exchange in the collaboration between Monica Hirst and Maria Regina Soares de Lima, whom, from all of Hirst's intellectual partners, deserves a special mention for having directed Hirst's MA dissertation at IUPERJ, and also for being the first person who brought Hirst and myself together. Becoming part of this cluster allowed me to work and learn from both authors in research projects and debates on security and integration in South America, the comparison between Brazil, South Africa and India, as well as the Brazilian foreign policy themes and relations with Argentina and the United States.

Finally, I would like to address the question of methods and contents involved in the process of intellectual production, which, in Hirst's case, are distinguishable by their historic focus, the capacity of political synthesis and by the use of a multidimensional approach, as has been made explicit in the book's title. In the 1980s, her analytical focus on Brazilian foreign policy could already be clearly perceived, with particular attention to the relations with the United States and the diplomatic rapprochement with Argentina. By dedicating herself to the analysis of PICE (the Program for

Integration and Economic Cooperation), established in 1986, for example, Hirst already sought a multidimensional and strategic approach in addressing inter-regional affairs.

Besides, her work has always been enriched by a farseeing vision. Concerned with transcending the economistic and corporative views of MERCOSUR, this author soon diagnosed that the perception of common historic trajectories had stimulated the development of mutual and “pragmatic loyalties” between the two countries, which bestowed a political sense to MERCOSUR, particularly in the context of the FTAA negotiations and of hemispheric security matters. Another specific aspect of this thesis was the understanding, since the beginning, of the Brazil-Argentina integration not only as a bilateral cooperation initiative, but a strategy for South American autonomy and development as well.

When addressing regional security, Hirst emphasizes the present obsolescence of the inter-American system. This has been a process starting in the 1970s with the gradual adherence to autonomous foreign policies on the part of Latin American governments (Mexico, Chile, Peru, Bolivia, etc.), coupled with the effects of the OAS reforms in 1967 and 1973 and the Inter-American Treaty of Reciprocal Assistance reform in 1975 (which guaranteed ideological pluralism and collective economic security), and the blow produced by the Malvinas/Falklands War in 1982. In the 1990s and 2000s, Professor Hirst presented arguments that have been incorporated as pertinent insights to the debate on hemispheric relations and South America, especially in view of the need to understand the different security dynamics in the Andes and the Southern Cone. Contrasting realities between these two subregions are explained as an inevitable consequence of the institutional contexts in which the State has been built and the democratic traditions and values of each area added to the pattern of relations between local elites and the United States.

In this sense, when discussing US-Latin America relations after 9/11, Hirst refuted the argument that unconventional threats – such as international terrorism – would replace the menaces posed by inter-State war and, therefore, that which would justify robust defense policies aligned to a macro securitized strategy led by Washington. She then proposed the co-existence of three agendas, the “traditional” (inter-State rivalries and security dilemmas), the “new” (peace operations, illegal immigration, environment, drug trafficking and violent organized crime) and the “brand-new” (global war on terror).

The crisis of the legitimacy faced by the United States, which has deeply affect its leadership capacity, added to an expanded autonomous international insertion on the part of Brazil – as well as other intermediate countries in recent years – is one of Hirst’s points. This has led her to broaden the scope of her analysis beyond hemispheric affairs with special attention to Brazil’s South-South cooperation strategies, analyzing both the IBSA Dialogue Forum (India, Brazil and South Africa) and the BRICS initiative, both of which have been accompanied by the build-up of a global social agenda for the access of public goods in developing countries.

As highlighted by Juan Tokatilán and Paulo Vizontini, this book synthesizes, updates and broadens a research agenda built along a fruitful intellectual trajectory. Her analytical synthesis of the several periods of the US-Brazil relations, explained in the thesis of the five As (alliance, alignment, autonomy, adjustment and affirmation), is an example of lucidity and perspective. She takes into account each cycle, addressing the transformations and the persistent asymmetries between the two countries (and the recurring illusions of the Brazilian elite regarding the possibility of a special relationship with Washington). Besides, Hirst’s analysis of the bilateral relations takes into account the current international

environment influenced by a continuous diffusion of power in world politics.

Thus, when analyzing the impact of the global war on terror during the Bush administration and of the 2008 economic crisis, Hirst contributes to broaden the research agenda for foreign policy analysts. According to her view, the relations between Brazil and the United States will depend, in the future, on the combined results of the internal political struggles between more and less inclusive society projects in each of the two countries. Also, from the Brazilian viewpoint, they depend on the degree of strategic consistency and on the success of the Brazilian vision for multidimensional integration in South America, in opposition to alternative visions regarding the future of the region, ranging from Latin-American Bolivarianism to the more strictly liberal perspective of a free-trade area proposed by Chile, Colombia and Mexico.

The South-South axis of Brazilian foreign policy axis will also be relevant for the future of the Brazil-United States relations, as well as the role of China and Europe. However, as the author states, much depends on the reconfiguration of the presence of the United States near the global South, especially after the damage wrought during the years of the Bush Administration. During his first term, Obama recognized the Brazilian projection, its expanded regional and global presence, expressed, for instance, during the G-20 meeting on the international financial crisis and the V Summit of the Americas. But it remains to be seen whether the constraints faced by this administration will lead to a revival of the expectation that Brazil's role is to become a benevolent gendarme in the region, or if a more balanced multipolar international order, in which this country has a say, will be accepted as a positive scenario by Washington.

MARCO CEPIK

Nothing can be better to grasp such challenges than the understanding of the political history of US-Brazil relations from a multidimensional perspective, as addressed by Monica Hirst in this book.

*Marco Cepik*¹

Porto Alegre, May 2013.

1 Associate Professor of the Federal University of Rio Grande do Sul (UFRGS) and Director of the Center for International Studies on Government (CEGOV). [<http://lattes.cnpq.br/3923697331385475>].

PART I: PAST AND PRESENT: THE 5 AS OF THE US-BRAZIL RELATIONS

The first part of this dissertation presents a brief historical retrospective of the bilateral relations, up to the current configuration of its most relevant inter-State and inter-societal developments. Its main purpose is to show, by means of a narrative text, that this relationship, which went through different phases, oscillating between good and bad moments, never crossed a red line that might lead to open confrontation.

Throughout the 20th century, the bilateral relationship occupied a central position among Brazilian external issues and in the hemispheric agenda of the United States. It is possible to identify clearly different phases. The first one became known as an informal alliance (*unwritten alliance*), starting from the first few years of the Brazilian First Republic and remaining until the beginning of the 1940s. The second one is characterized by the automatic alignment of Brazil with the United States, which, despite some hitches, comprises the period from 1942 to 1977. In the third phase, Brazil assumes an autonomous policy vis-à-vis

the United States that remained so until 1990, when Brazil started a period of readjustment of its relations with the US. This latter phase is characterized by a more flexible stance toward American expectations in the realm of economic-commercial, diplomatic and international policies. Finally, one might say that in recent years a fifth period was opened in the relationship, marked by its affirmative character, often interpreted as a sign of maturity. It started with the affirmative tone of the Lula government, with proud and pragmatic positions that set the limits for the concessions and the scope of Brazilian ambitions, both in the relationship with the United States and with other relevant actors in the international system. This relationship, however, also came to reflect an effort to reach certain agreements, sustained by the identification of mutual interests, revealing a reciprocal acknowledgement of international responsibilities and political preferences.

In sum, the relations between Brazil and the United States faced periods of nearness and distance through time. For almost two hundred years that interaction oscillated between friendly dialogue and prudent indifference according to the degree of convergence and/or divergence between the two countries. At the same time, the shared American identity, added to the attributes of power of both nations – territory, population and size of the economy – have always constituted factors of attraction for one and the other¹; I shall unfold below some of the most relevant political and economic aspects of the evolution of this relationship, taking as the point of departure the advent of the Brazilian Republic at the close of the 20th century.

1 In the Americas, Brazil is third in territorial extension, only behind Canada and the United States; it is second in population and economy after the USA.

1.1 Alliance

Up to the final decade of the 19th century, the relationship between Brazil and the United States was sporadic. The dominant links with the European world – particularly Great Britain – and the disputes and negotiations for the definition of the respective territorial spaces took up almost all of the external agenda of both countries. In reality, relations between Brazil and the United States acquired consistency in the last part of the 19th century, when the Brazilian Republican movement started to see the North American political experience as a source of inspiration. It was also at this time that the USA opened its market to Brazilian coffee. The nearness in the political and economic fields accelerated with the inauguration of the Brazilian Republic and the abolition of slavery.

During the First Republic, US-Brazil relations followed the model of an informal alliance, or as characterized by Bradford Burns, of an “unwritten alliance”². Although devoid of mutual military assistance, reciprocal diplomatic support and intense commercial relations wove a strong friendship between the two nations. According to the Brazilian view, the world order dominated by Eurocentric interests would face a process of exhaustion, leading the United States to become a powerful international actor. In other words, the United States was perceived as a relevant power in ascendancy in the international system. Baron of Rio Branco, minister for External Relations (1902-1912) and founding father of Brazilian diplomacy in the 20th century was the main figure responsible for this view.

It is worth stressing, however, that the determination to privilege the United States as an external alliance was conceived

2 See BURNS, Bradford, 1966. *The Unwritten Alliance. Rio Branco and the Brazilian-American Relations*. New York: Columbia University Press.

in a multi-polar world system. At the time, relations with the US did not foresee the exercise of pressures and coercion, which would appear later when that nation assumed the role of hegemonic power. During the first few decades of the 20th century, Brazil and the United States shared expectations of international postures, both regional and bilateral, while a fraternal dialogue between Rio de Janeiro and Washington took place.

One must recall that the First Republic corresponds to a crucial moment in Brazilian diplomatic history. The essential tenets instituted during this period established the foundations of contemporary Brazilian foreign policy. It was also at this time that the Ministry for External Relations (MRE) of Brazil – known as the Itamaraty – affirmed itself as the central agency of the State for the formulation and conduct of the country's international affairs. Since the resolution of most territorial disputes with its South American neighbors, many of which inherited from the colonial period, Brazil started simultaneously to show interest in multilateral diplomacy and in the construction of more solid links with the American government.

As the European system started to show signs of fatigue, the United States was beginning to rise from the other side of the Atlantic as a new economic and political reference in the international community. Its victory in the war against Spain in 1898 and the start of its imperialistic policy in Central America and the Caribbean are the marks of this process. Between 1898 and 1934 there were many episodes of military intervention on the part of the United States – sometimes accompanied by prolonged occupation – in the Dominican Republic, Haiti, Cuba, Honduras, Guatemala, Panama; this practice, legitimized by the Roosevelt Corollary, was accompanied by a policy of open support to American enterprises, known as “dollar diplomacy”. In this panorama, the inter-American environment became conditioned

by the new projection of the United States with its interventionist policies in the Caribbean and in Central America, by the diplomatic activism of Argentina – encouraged by its economic opulence – and by the activity of Brazil, which tried to harmonize positions that could reinforce its dialogue with the South American countries without harming the interest in deepening its friendly relationship with the United States.

In Brazil, the beginning of the Republic was the stage for controversy about the direction to be followed by the country's diplomacy. Since 1870, the Manifest of the Republican Party supported closer relations with the American nations, which supposed the abandonment of a foreign policy essentially turned toward the European world. After November 15, relevant segments of the political class believed that the transformation of the institutional life should lead to the "Republicanization" of Brazilian international relations, meaning its "Americanization". A project of a more intense relationship with the American continent implied the valorization of two partners: Argentina and the United States. Regarding Argentina, a new political sympathy was rising in the political and diplomatic milieu that tried to identify points of cooperation as old rivalries were overcome. As for the United States, the view that a friendly policy could be beneficial to the Brazilian interests gained strength, especially having in mind the growing weight of the former in international and regional affairs.

At the turn of the 19th century, evidence that the ties with Great Britain were suffering a process of exhaustion came to the fore, despite the fact that the presence of British interests in key sectors of the Brazilian economy – such as transportation, communications and finance – maintained its importance until the eruption of World War I.

It was at this time that the ties between Brazil and the United States became increasingly consistent: with North American support to the Provisional Republican Government the trust and the exchanges between the two countries quickly grew. The expansion of its naval presence was accompanied by an increase in the commercial links by means of the signing of the Trade Reciprocity Treaty in 1891. Even in a context of strong American customs protectionism, Brazil assured exception measures and tariff reduction for its products, especially coffee. In reciprocity, Brazil granted advantageous reductions – of 20% and 30% – to products originating in the US.

During the whole period of the First Republic the United States looked for deeper relations with Brazil; participation in border negotiations with Argentina was followed by support to the Brazilian government in the resolution of the boundaries with French and British Guyanas. In counterpart, Brazil supported the American government politically and logistically in 1898, in the conflict with Spain. The diplomatic action of Salvador de Mendonça during the long stretch (1890-98) of his tenure in Washington contributed much to bringing the two countries together. Besides ensuring the entry of Brazilian products in the United States, minister Mendonça tried to attune Brazilian diplomacy to the Pan-American premises. The two countries elevated their diplomatic legations in the respective capitals to the rank of embassy. For the American government, it was the first diplomatic representation of this kind in South America. For Brazil, it was its first embassy abroad, which justified the appointment of Joaquim Nabuco as its head. As Ambassador in Washington, Nabuco tried to imprint a feeling of brotherhood to the US-Brazil relationship. Having in mind the formation of a single continental political system, he expected to contribute to the strengthening of the Monroe Doctrine.

Baron of Rio Branco shared this vision and gave it a defensive meaning that could protect the region against European claims that might jeopardize the sovereignty of American countries. In the years following Rio Branco's tenure, the two countries deepened and diversified their ties. With very rare exceptions, such as Domicio da Gama's administration, the foreign ministers who followed were partisans of an external policy attuned to Washington. The presence of Ambassador Edwin Morgan during the long period from 1912 to 1933 contributed to cement the bond. In that way the North American nation gave consistent proof of friendship toward the governments of the First Republic: the support to Brazilian naval rearmament, in 1913, was reinforced with the inauguration, in 1922, of a military cooperation program.

As Washington put its "dollar diplomacy" into practice it also hardened its posture vis-à-vis the Latin American nations in the commercial and political fields. From that time on, the debate on the pros and cons of a close relationship with the United States started to figure more prominently in Brazilian political and diplomatic circles. The good terms of the relationship did not prevent differences between the two countries to arise during the whole of the First Republic. Suffice it to mention the non-convergent postures at the II Peace Conference in The Hague, with regard to the division between Colombia and Panama and in moments of difficult bilateral trade negotiations.

In the economic arena, ties with the United States concentrated in the area of commercial transactions. These would, however, show strong imbalances since the beginning; in the years 1910-1914, 38% of Brazilian exports were absorbed by the American market, while only 1,5% of the external sales of the United States came to Brazil. Soon after World War I, imports of American products increased substantially and the participation of the United States in imports by Brazil increased from 14% to 26%

in the period 1914-1928. Automobiles and accessories, wheat, gasoline, steam locomotives, cement, machinery and electrical appliances were among the most sought-after goods by Brazil. American foreign investment became significant since the 1920s, especially in the transportation, mining and cold storage sectors. Data on foreign enterprises in Brazil in the years 1891-1928 show that the increased American presence coincided with the decrease in the number of English firms.

1.2 Alignment

The 1930 revolution in Brazil ushered in a period of significant political and economic changes, with immediate reflection on the countries' foreign affairs. In the United States, the victory of Franklin Roosevelt, in 1932, gave rise to new political and economic expectations. In the external field, the democratic Administration launched an international leadership project intended to break the previous isolation of the United States and to ensure conditions of economic peace and stability to the world system.

The changes introduced in American external policy had important implications for Latin America, as they opened the way for a new style of relationship known as the "good neighbor policy" that came to value political dialogue with the countries in the region. The intention was to reinforce the presence of the United States in the area, through economic, cultural and military links, as well as frequent multilateral conferences. Both secretary of State Cordell Hull and undersecretary for American Affairs Sumner Welles preached the replacement of interventionist practices by diplomatic negotiation.

The American government formalized reciprocal trade agreements with eleven Latin American countries and in the 1940s, through American involvement in the world conflict, a system of hemispheric security was quickly put in place, based

on bilateral military assistance programs. The convening of conferences of Latin American foreign ministers generated a new inter-American agenda, and already at the Montevideo meeting, in 1933, Washington announced the *good neighbor* policy with the withdrawal of its troops from Haiti. That conference was followed by those in Buenos Aires in 1936, Lima in 1938, Panama in 1939, Havana in 1940 and Rio de Janeiro in 1942. The last three meetings were decisive to assure the support of the continent to the growing American involvement in World War II. At the Panama conference a declaration of neutrality was approved; later, in Havana, the countries of the region agreed to principles of defensive cooperation; finally, at the Third Consultation Meeting of Foreign Ministers held in Rio de Janeiro, the commitment to sever of relations with the Axis (opposed only by Argentina and Chile) was adopted, with a prominent role played by Brazil.

Three different moments during which Brazil kept a policy of alignment with the United States can be identified.

1.2.1 Phase 1

This period begins with the entry of the United States in the war, in December 1941, after the Japanese attack against Pearl Harbor, when new pressures on Latin America were imposed. Besides political support, some countries became important for the supply of strategic materials and/or the cession of military bases. Latin American participation was differentiated, and only Colombia, Mexico and Brazil opted for direct military involvement. At that time, the construction of a base in the Brazilian Northeast had become crucial in support of the Allied military operations in the North of Africa.

In the economic field, the 1929 crisis had an immediate impact on Brazil, which soon suffered a strong decrease of its importing capacity as a result of the fall of the prices of its exports in the

international market. At the same time, the loss of the value of the national currency rendered more difficult the service of the financial commitments of the country, leading to the negotiation of a “funding loan” in 1931, aimed at alleviating the accumulated debt with English banks. The non-inclusion of American loans gave rise to immediate complaints from the United States. The Provisional Government confronted the effects of the international crisis with policies aiming at the expansion of the economic activity. Foreign exchange policies were also adopted, which inhibited imports and benefitted domestic production. In this period, FDI in Brazil decreased, with a gradual recovery from 1936 on, when an increase in American investment became visible. Foreign capital was concentrated in productive sectors than public utility which was protected by nationalistic legislation.

The adoption of centralizing policies in Brazil also favored economic planning and industrial activity. The strengthening of entrepreneurial interests reverberated on the internal debate on trade policies and, in particular, on the agreement negotiated in 1935 with the United States. According to the liberal tenets of American trade policy this treaty provided for reciprocal concessions of “most favored nation treatment” and contemplated exemptions for certain Brazilian products (coffee, cocoa, rubber and others) in exchange for tariff reductions of 20% to 60% on a number of industrial goods (machinery, steel and others). The difficulties encountered for its approval in Brazil became a source of apprehension in the United States, which, besides worrying about Brazilian protectionist resistances, feared the increase of Brazilian exchanges with Germany. In 1936, the Brazilian Congress ratified the agreement.

For Brazil, the compensated trade offered by the German government had become advantageous, allowing the exchange of coffee and cotton for heavy electrical and metalworking

equipment – previously exported by the British – that would come to favor the industrial policies of the Vargas Administration. Such trade enjoyed the endorsement of the armed forces, which viewed the commercial link with Germany as a way to facilitate the re-equipment of the military. Thanks to this equation, from 1934 to 1938, part of the unconvertible foreign currency from exports to Germany could be used for the purchase of military equipment.

From the mission of Foreign Minister Oswaldo Aranha to Washington, in 1939, the double game of the Vargas government started its countdown at the same time as bilateral negotiations responded to the economic interest of the country. In exchange, Brazil would give up the compensated trade with Germany, adopt a liberal trade policy and resume external debts payments, which had been suspended since 1937 when the *Estado Novo* (New State) was inaugurated. Soon the limited credit granted by the United States and the effects of World War II on Brazilian exports would impose new economic constraints upon the Vargas government. But from 1941 on external sales of Brazilian products got a new thrust as a result of several factors – supplies of strategic materials to the United States, sales of beef and cotton to Great Britain and the improvement of coffee prices, guaranteed by the inter-American Coffee Agreement. Hence the restrictions on external purchases imposed by the world conflict had an undeniable positive effect for Brazil by permitting a significant accumulation of foreign currency.

When World War II broke out, in 1939, Brazil declared its neutrality, seeking to keep an equidistant position from the parts in conflict. Soon the ensuing decline of the flow of trade with Germany due to the war narrowed the margin of maneuver of the Vargas government. On the American side, Brazilian collaboration became ever more important on account of new strategic interests, which was immediately capitalized by the Vargas Administration as a negotiating tool. From that moment on, the relationship between

the two countries gained density in the economic, military and cultural fields. In this context, the negotiations with the US for the financing of a national steel mill project became quite relevant. This project turned into reality in 1940 with the signature of a bilateral agreement for the construction of a steel company at Volta Redonda, to which understandings for the re-equipment of the Brazilian armed forces were added. On the diplomatic front, the collaboration between Brazil and the United States benefitted from the efforts of Carlos Martins, ambassador in Washington in the years 1938-1945, and Jefferson Caffery, who performed the same role for the USA in Rio de Janeiro from 1937 to 1944.

With the entry of the United States in the war, in December 1941, the pressure for Brazilian alignment increased. For Washington it became crucial to assure a military base on the Brazilian Northeast coast in order to support its operations in the North of Africa. Besides, the supply of a number of strategic materials from Brazil also gained in importance, especially aluminum, zinc, nickel, copper, tungsten, magnesium, quartz crystal, rubber, mica and tin. For the Vargas government, the concessions made to the US had to be compensated by the re-equipment of the Brazilian armed forces.

The negotiations with the American government concluded with a secret military agreement signed in May 1942. The "Washington Agreements" provided a US\$ 100 million loan for the Brazilian steel mill project and a credit of US\$ 200 million for the purchase of war material – based on the American Lend Lease Act. The new terms of the link with the United States were accompanied by the Brazilian decision to sever relations with the Axis countries, which provoked the sinking of five Brazilian ships by torpedoes from German submarines. The option for a hemispheric solidarity policy guided the Brazilian diplomatic performance at the Third Consultation Meeting of American Foreign Ministers, held in

January 1942 in Rio de Janeiro. As already mentioned, the main result of this meeting was the adoption of a recommendation to the effect that the American republics would take collectively the decision to sever diplomatic ties with the Axis.

Two joint military commissions were created, one based in Washington and the other in Rio de Janeiro, and the commitment to supply armaments to Brazil was extended. Brazil started to receive more than double of the value of the material shipped to any other Latin American country. The announcement of the permission to build an American base on Brazilian soil was made together with the declaration of war against Germany and Italy (August 1942). The importance of Brazilian support was stressed by the United States in January 1943 on the occasion of the Roosevelt-Vargas meeting at the base in Natal, which marked the moment of maximum nearness between the two countries during the war.

Collaboration with the United States allowed Brazil to greatly expand its military capability. Besides the expansion of the Army troops from 80,000 to 200,000 men, the merchant fleet was significantly increased and the Brazilian Air Force was created, with 500 aircraft in operation. Contacts with American military officials also became intense for training activities and dissemination of defense doctrines. Equally important were the initiatives in the field of economic cooperation leading to the organization of an American economic mission to Brazil known as the Cooke Mission, whose task was to examine the condition of Brazilian industry and the areas of interest to the United States in the country.

On the internal sphere, alignment with the United States provoked some changes in Vargas's support base. The new lines of external policy implied the revision of the positions of high military leaders and as a consequence the distancing from the

sectors more identified with European fascism. Popular support to the declaration of war led the Brazilian government to consider the expansion of the participation of the country in the world conflict. At the close of 1942 Brazil announced to the Allied forces its decision to dispatch troops to the combat front in Europe. For Brazil, the organization of a Brazilian Expeditionary Force (FEB) responded simultaneously to the project of strengthening of the armed forces and to the interest in increasing its international projection. Despite the initial reluctance of the American government, the departure of FEB to Europe took place in the second half of 1944, with a total of 25,000 men sent to Italy to join the 5th Division of the United States Army. Brazil-United States collaboration during the war brought the bilateral ties even closer, as shown by the Brazilian moves to declare war on Japan in July 1945 and to sign an agreement for the sale of monazitic sands to the United States for three years. In exchange Brazil would continue to benefit from the supply of arms under the American Lend Lease Act.

By the time the war ended, the Roosevelt-Vargas dialogue no longer kept its previous friendly tone. For the Brazilian government, the negotiation of favorable prices for coffee as well as the securing of credits for industrial projects in the country became more difficult. The American government started to make public its sympathy toward the Brazilian political sectors that favored liberal economic policies, which quickly contributed to a fluid dialogue between anti-Vargas segments and supporters of the economic liberalism in the two countries.

Brazil was the only Latin American country to dispatch troops to the war in Europe. Both Itamaraty and local political leaders shared the view that this presence would ensure a position of prestige in the post-war conferences. The notion that the status of “associated power” would benefit the interests of Brazil in future

international negotiations gained strength. However, the idea that the participation of Brazil deserved political and economic compensation soon lost ground. From 1945 on the concerns of the United States focused on European reconstruction, leaving little room for Latin American aspirations in the process of rebuilding the world order. During the Inter-American conference at Chapultepec, in 1945, the United States made clear its lack of interest towards the region as it refused to respond to the aspirations of Brazil and of Latin America as a whole to occupy a permanent seat in the United Nations Security Council. The United States also expounded the need for the Brazilian foreign policy to be adapted to the new world reality in which the Soviet Union would have to be recognized as a relevant player in the international community.

For Washington, to detach from non-democratic regimes in Latin America had become a priority, leading the adversaries of Vargas to count on the support of the American government for the return of Brazil to democracy. The United States also became quite concerned that Getúlio Vargas's nationalistic discourse would take him closer to other Latin American leaders, especially Juan Domingo Perón in Argentina. In October 1945, Vargas was deposed by the military chiefs of his own government and elections were held in the next year, opening a democratic period which lasted until 1964.

1.2.2 Phase 2

This period starts in 1946 when more and more political options in Latin America became strongly conditioned by the Cold War. The identification of the region as an area of American influence determined its external ties in the economic, political and military fields, with important effects on Brazilian diplomacy. The limitations imposed by the bipolarity, however, did not

prevent Brazil from adopting creative policies linked to its economic development aims. This endeavor was evident in the nationalistic priorities of the second Vargas government, in the appeal to development by Juscelino Kubitschek and in the innovative direction of the independent foreign policy of the Quadros-Goulart administrations. The evolution of Brazilian foreign policy in this period was influenced by domestic ebbs and flows, that which led the country's diplomatic action to follow partisan positions and interests.

Brazilian economic policy in the immediate post-war period was marked by the implementation of measures along the liberal principles that dominated the international economy. At the same time, commercial relations with the United States flourished; in the years 1947-1950, 60% of Brazilian exports went to the American market, while coffee was responsible for over 60% of the external sales of Brazil. The Dutra administration, inaugurated in 1946, expected that relations with the US would follow the same pattern of understanding reached during World War II, assuring full Brazilian support to Washington in the build-up of the inter-American system. In parallel, military cooperation between the two countries assumed a new configuration: together with the expansion of bilateral ties, American influence in the training and formation of the Brazilian armed forces increased and the activities of the Joint Brazil-United States Military Commission were expanded. The most evident examples of this influence were the institution, in 1946, of the Joint Chiefs of Staff and the Creation of the Brazilian War College (*Escola Superior de Guerra*) inspired by the National War College in Washington. In what regards doctrine, the basic principles of national security came to reproduce the same ideological tenets of hemispheric security.

In September 1947 Brazil hosted the Rio de Janeiro Conference for the Maintenance of Peace and Security in the Continent, when the Inter-American Treaty for Reciprocal Assistance (TIAR)

was signed with the presence of the American president Harry Truman. Still under Dutra the validity of the Cooperation Program for the Supply of Mineral Resources with the United States was extended. This instrument authorized the export of monazitic sands, an important strategic product for the American atomic energy program. Simultaneously, Brazil supported the Baruch Plan, which called for the creation of an International Atomic Energy Authority. On the same lines, the Brazilian government kept its position as a special ally of the United States during the Bogotá Conference (1948) at which the Organization of American States (OAS) was created.

The Dutra government experienced its greatest frustration with the United States in the area of economic cooperation, especially in the face of the narrow scope of the Abbink Mission (Brazil-United States Joint Technical Commission), created in 1948 with the objective of stimulating Brazilian development. Against expectations, this mission confined itself to issue some vague recommendations, such as: the need to increase Brazilian productivity, redirect internal capital and guarantee a larger flow of foreign investment to the country. It was replaced two years later by the Joint Brazil-United States Commission for Economic Development, soon generating new illusions of American support to Brazilian industrialization.

Brazil remained aligned with the United States during the Korean War: first, by recognizing the government of the Republic of Korea (South Korea) in 1949 and then supporting the resolution, promoted by the American government, to condemn the Popular Republic of China for invading the Korean nation. Nevertheless, the alignment with Washington was shaken when the Dutra administration did not obtain the necessary internal support for responding favorably to the American government request to the dispatch Brazilian soldiers to the Korean war theater.

From 1950 on, the Vargas administration tried to revive the formula of using alignment with the United States as a bargaining tool, expecting that political-military support would be rewarded by economic cooperation to accelerate the country's industrialization. Optimism regarding material assistance from the United States led Brazilian authorities to strengthen the promises of supply of strategic materials and of involvement in the Korean conflict. The latter move was rejected by the National Congress, despite the appeals by President Vargas. Nevertheless, positive understandings were achieved and formalized in the 1952 Brazil-United States Military Agreement, approved after nine months of intense legislative debate.

In this context, polarization erupted in Brazilian political circles between nationalistic and pro-American postures. While the nationalistic banners were marked by preference for State controls and strong hostility to foreign capital, opposing positions promoted alignment with the United States and the importance of investments coming from that country. This confrontation could be observed in the protracted debate on the military agreement in Congress and in the heated national controversy around petroleum, which had already arisen since the country's re-democratization in 1945.

During the sessions of the National Constitutional Assembly (February-September 1946) the petroleum issue had already brought divisions between Brazil and the US to the fore as American oil companies demanded a liberal legislation both for the exploitation and for the distribution of oil and other mineral resources. In February 1948 the Dutra administration sent to Congress a draft bill which addressed the legislation on Oil, accepting that 60% of the capital of enterprises in the sector could be of foreign origin. The opposing reaction from public opinion was accompanied by an important political mobilization

and a campaign in defense of petroleum was started, led by several organizations among which chiefly the National Defense League, the Military Club, the Center for Studies for the Defense of Petroleum and the National Students Union, Rallied around the slogan “the oil is ours”, the campaign tried to prevent foreign companies such as Standard Oil, Texaco and Atlantic Refining Company from setting up refineries in Brazil and insisted on the notion that the State monopoly should be preserved in all activities related to petroleum.

In his 1950 presidential campaign, Vargas defended the creation of a national oil company as a priority project in his new administration. In December 1951 a draft bill was sent to Congress providing for the setting up of Petrobras as a mixed economy enterprise, with fixed proportions of national and foreign capital. After almost two years of intense debate, within and without Congress, Law no. 2004 was adopted in October 1953, assuring State monopoly in prospection, drilling, exploitation, refining and transport of oil. This result was achieved thanks to the support of the opposition party National Democratic Union, whose position had been influenced by anti-Vargas sentiment rather than by nationalistic beliefs.

Vargas believed that the military negotiations with the Truman administration should be compensated by support to his economic development projects. To this end an agreement was signed in December 1950 providing for the installation of a Joint Brazil-United States Commission (CMBEU). Tasked with the elaboration of projects to stimulate economic development to be financially supported by the American Eximbank, this commission was composed of governmental agencies and technical and entrepreneurial elements who wished to ensure permanent instruments for economic development. The creation of a bank was envisaged to coordinate the use of external and internal resources

to finance the 41 projects approved by the Joint Commission, several of them in the areas of transportation and energy.

Already in the beginning of 1952 the expectations created by CMBEU were reversed on account of tensions with the American government due to the decision by the Brazilian administration to restrict the remittance of benefits and the repatriation of capitals. To this scenario a number of external setbacks were added: the end of the boom created by the Korean War, which had benefitted Brazilian exports; the lack of interest on the part of the Eisenhower administration on economic development projects; the hardened attitude of the multilateral credit agencies, particularly the World Bank; and the accumulation of commercial arrears with the United States. In this context, Vargas submitted to Congress, in February 1952, the draft bill to create the National Economic Development Bank (BNDE), approved four months later.

As mentioned above, the difficulties to obtain external financing from the United States increased in the Eisenhower administration (1953-61). The unwillingness of the American government to apply resources from the BIRD and the Eximbank in development projects in Brazil led to the dismantlement of the Joint Commission in December 1953. Since then, economic relations between Brazil and the United States were confined to trade issues. Despite this reversal in expectations, the Brazilian government went forward with the project of creation of BNDE based on the capture of internal resources.

Vargas's suicide in August 1954 produced deep commotion in Brazil, with reverberations around the world. In his *Letter-Will*, Getúlio mentioned the weight of international pressures (understood as coming from the United States) among the reasons that had led him to resort to such a dramatic gesture, revealing the inter-linkage of internal and external problems in his government.

After the political interlude between this tragic event and the presidential elections held in October 1955, the Juscelino Kubitschek government (1955-60) provided Brazil with a cycle of political stability and economic development. As president-elect, Kubitschek traveled to the United States and the main European capitals in search of support for his development crusade. His efforts aimed at the change in the substance of the dialogue with the United States, without affecting the strategic commitments of Brazil. The military links between the two countries maintained the doctrinal loyalties in the field of defense policies. In this context, the installation of an American outpost for the observation of guided rockets on Fernando de Noronha Island was negotiated and an agreement on civilian uses of atomic energy was signed between the two countries, providing for the supply of enriched uranium for the building of reactors in Brazil.

Multilateral forums gained importance for the dissemination of the new priorities of Brazilian foreign policy. At the 1958 General Assembly of the United Nations a regional mobilization around the need for Latin American development was announced. Without shying away from the political commitments that linked Brazil to the American sphere of influence, development was promoted as an instrument of hemispheric security. The Pan-American Operation (OPA) was the main external policy initiative of the Kubitschek government. It was proposed in a letter sent by the Brazilian president to president Eisenhower in May 1958 and received immediate support from the Latin American countries. In Brazil, OPA was a project conceived by the president himself, with the support of Itamaraty and close aides, especially Augusto Frederico Schmidt, who defended the initiative in several multilateral forums. OPA encompassed a number of recommendations, such as investments in backward areas of the continent; technical assistance programs; protection for prices of commodities; and

resources from international financing agencies for the fight against underdevelopment. Consequently, a Committee of 21 was created within the OAS to examine the forms and modalities of its implementation, leading to the creation of the Inter-American Development Bank (IDB). This first institutional initiative for the promotion of development within the inter-American community.

With the Cuban revolution, the American concern with the spread of Communism in Latin America translated into new priorities which dominated the hemispheric agenda. This switch led to the rapid exhaustion of OPA. At the same time, the Kennedy administration brought forth its own prescription to deal with the Latin American economic reality by announcing, in March 1961, a program of assistance to the development of the region, known as *Alliance for Progress*.

The importance of the relations with the United States and the influence of the Cold War upon the foreign policy options of Brazil did not prevent the latter from reinforcing its ties with some European nations. Former powers such as Germany and France offered new opportunities, encouraged by the growth of their economies and by the need of expanding the investments of their enterprises. At the same time the ideological barriers that until then had prevented commercial contacts with the Soviet Union and Eastern European countries became more flexible.

Competition between American and European companies had beneficial effects for the expansion of the Brazilian industrial basis which, besides representing a source of attraction for foreign investment, stimulated the importation and/or the production of capital goods. By the same token, changes in external trade policies pushed forward the purchase of intermediary goods and raw materials used in the production of equipment. In the view of the Kubitschek government the diversification of external

economic links should not affect the support of the United States and a stronger American commitment toward the development of Latin America was expected.

Besides the problems stemming from the absence of the expected external support, the JK government also faced difficulties to control its budget deficit and the rise of inflation. The formulation of a Monetary Stabilization Program was soon followed by a request for financing from the International Monetary Fund (IMF) and the World Bank. Neither initiative prospered: the first, due to internal resistance to measures with recessive effects; the second, because of disagreements between the Brazilian government and the IMF when the latter started conditioning the granting of financial resources to a revision of the monetary and foreign exchange policies. The Brazilian government reacted by severing the dialogue with that organism, counting on strong internal support.

The stagnation of internal accounts brought serious problems for the Quadros-Goulart government, inaugurated in January 1961. Besides a heavy public deficit, the Brazilian economy presented an increasing inflationary trend. Harsh stabilization policies were adopted, involving currency devaluation, restrictions on money printing and controls on governmental expenses. These measures permitted the re-establishment of the dialogue with the international financial community, with the immediate consequence of a rescheduling of external debt payments and the granting of new loans. However, the relief experienced in the field of economic relations was short-lived.

The Jânio Quadros-João Goulart government resorted to a new configuration of the basic tenets of Brazilian diplomatic action known as “Independent Foreign Policy” (IFP). This moment represented a turning point in the international projection of the

country and consequently in the relationship with the United States. According to the basic postulates of IFP, Brazil would expand its autonomy in the international sphere and shake off the constraints imposed by the bipolarity. The country's postures should stem from the national interest and not from pressures by the great powers, particularly the United States. This policy underlined commonalities between Brazil and other developing nations in Latin America, Asia and Africa; it assumed a *neutralist* identity and coincided in many points with those of the Non-Aligned Movement-particularly its criticism of colonialism, neo-colonialism, racism and the armaments race.

In accordance with the premises of IFP, Brazil adopted a posture of non-alignment with the United States at the VIII Consultation Meeting of American Foreign Ministers held in Punta del Este (January 1962) and decided not to adhere to the embargo on Cuba. Months later, in the context of the missile crisis and the naval blockade of Cuba (October 1962) Brazil offered its good offices to Fidel Castro to help overcome the impasse between Havana and Washington. In the end, the seriousness of the situation led Brazil to remain loyal to the United States and to the majority of the countries in the region by voting in favor of the blockade of Cuba at the OAS.

The domestic crisis resulting from the resignation of president Quadros in August 1961 caused immediate monetary, fiscal and credit disruption. Instability persisted until the end of the Goulart government, in March 1964. The lack of sympathy on the part of the United States for the new ideological profile of the Brazilian government became more visible after measures taken by Goulart's administration affecting the interests of American companies based in the country. Most prominent were new rules for remittance of profits, support to nationalization of enterprises and an end to concessions for the exploitation of natural resources.

The disagreements between the two countries were reinforced by divergences arising in the diplomatic arena. The visits to the United States of president Goulart in April 1962 and of Finance minister San Tiago Dantas in March 1963 did not yield fruitful results. In fact, the Goulart government, concerned with the re-establishment of credit lines from multilateral agencies and private American banks, attempted on several occasions to get closer to the United States. The negative perceptions in Washington regarding the autonomist discourse of Brazil became irremovable, added to the strong condemnation to the measures of nationalization of foreign companies taken by the governor of Rio Grande do Sul, Leonel Brizola.

1.2.3 Phase 3

This period starts with the regime change in Brazil in March 1964, in which internal and external factors interplayed. The US support to military and civilian leadership prone to a coup gave rise to an open commitment between the two parties. Thus, during the first phase of the military regime, the foreign policy was marked by a revival of the alignment with the United States and the abandonment of the tenets of the IFP. The link with the West, under American leadership, shaped the ideological profile of the Brazilian diplomacy. Relations with countries in the Socialist orbit waned, the initiatives aiming at getting closer to African countries was left aside and the between the military regime of Brazil and the Salazar government in Portugal were strengthened.

The concepts of ideological boundaries, limited sovereignty and concentric circles were incorporated into the foreign policy design. The doctrine of national security established a bridge between external and internal threats based on policies of collective defense, while the perception of the US as the great leader of the “free world” warranted a strong bilateral alliance that would

reinforce the Western coalition. According to this formulation, the support of Brazil to the institutions of the Inter-American System was reactivated with the endorsement to the creation of an Inter-American Peace Force. As Foreign ministers (1964-66 and 1966-67, respectively) in the Castello Branco government, Vasco Leitão da Cunha e Juracy Magalhães supported continental unity and solidarity together with the principles outlined in the hemispheric collective security concept.

Minister Juracy Magalhães statement that “what is good for the United States is good for Brazil” became emblematic of the new direction of the country’s foreign policy. That perspective led to decisions like the severance of relations with Cuba and participation in the military operation for the invasion of the Dominican Republic in 1965, when Brazil took part in the Inter-American Peace Force with 1,100 soldiers. Besides supporting the US intervention, the Brazilian government backed the creation of a permanent force to safeguard “hemispheric security”. Following the same line, the dispatch of a Brazilian contingent to the Vietnam War was considered by the Castello Branco administration had domestic support been obtained.

The demonstrations of affinity with the United States were complemented by measures that eliminated restrictions to the movement of foreign capital and to the presence of foreign enterprises in Brazil. An effort to recover credibility in international credit agencies, foreign investors and industrialized countries, particularly the United States, was made. The entry of foreign capitals was encouraged together with the expectation that the Alliance for Progress would become a relevant source for external financial support.

The first signs of change were noticed two years after the military coup, when statist economic measures were accompanied

by policies that aimed at the transformation of the external profile of the country. The importance of the relationship with the United States was kept, but it no longer translated into automatic alignment. The inter-linking of the Brazilian international initiatives with economic interests led foreign policy under Foreign minister Magalhães Pinto to be labeled “diplomacy for prosperity”. Within military circles a critical evaluation of the relations with the United States in the previous period was gaining ground. A revision of the Brazilian ideological posture in world politics was facilitated by the momentary exhaustion of the bipolar confrontation during the *détente* years. The concept of limited sovereignty was replaced by that of full sovereignty and development was defined as the primary objective of Brazilian diplomacy. These conceptual changes were supported by the younger strata of Itamaraty, identified with the tenets of the IFP at the start of the decade.

From 1969 on, Brazilian foreign policy deepened the changes of course tested in the previous period. However, the internal political context, of growing political repression, set limits to the country’s possibilities of external action. The “ideological boundaries” set by Brazilian foreign policy were reinforced at the same time as the results of the economic policy consolidated the option for the “national-developmental” model. During the years Gibson Barboza acted as foreign minister (1969-1974) Brazil international affairs followed three basic postures: the first, of an ideological character, defended the presence of military governments in Latin America; the second criticized the distension between the two superpowers by condemning the effects of the power politics of both the United States and the Soviet Union; the third demanded support to development and stated that Brazil deserved to assume more responsibilities in the international system by virtue of its economic potentialities.

Thus, new demands and aspirations were arising, linked to the perception that Brazil was increasing its bargaining power in the world economic system. In international forums, its main postulation became that of “collective economic security”. The effort to assume a leadership role in the Third World led Brazil to value multilateral diplomacy, as could be observed at the United Nations Conference on the Environment (1972), the GATT meeting in Tokyo (1973), and the Conference on the Law of the Sea (1974). This new posture was the basis for a revision of the ties with the United States; it was sustained by a differentiation vis-à-vis the rest of the Latin American countries that should translate into special relations. The presence of Araújo Castro as ambassador in Washington at that time contributed to the revision of the links with the American government. The strategy was to support the expansion of external negotiations with stress on the diversification of commercial relations, the beginning of nuclear cooperation and the inclusion of new issues in the bilateral agenda. The frustration of this project stimulated nationalistic sentiments in military and diplomatic circles which came to question the alignment to the United States.

1.3 Autonomy

This phase starts with the Ernesto Geisel government, when Brazil opened a new chapter in domestic and external affairs. The military regime started to take its first steps toward political opening and new contents were sought for the countries’ foreign policy design. Under foreign minister Antonio Francisco Azeredo da Silveira (1974-1979) the terms of the reinsertion of the country in the world system were reformulated. The fundamental tenets of the Brazilian international insertion were to include: commitment to the principles of autonomy, the sovereign equality of States, the defense of self-determination and non-interference in internal

and external affairs of States and support to the peaceful solution of disputes. Strongly committed to autonomy and universalism, Brazilian foreign policy supposed the end of automatic alignment with the United States, the abandonment of the ideological conditions imposed by the Cold War and a Third World identity. Besides, new areas of coincidence between the Ministry of External Relations and the armed forces came to the fore, postulating the expansion of Brazilian autonomy in the realm of security; the redefinition of the military relations with the United States; the negotiation of a nuclear agreement with Germany; and the increase of Brazilian exports of military equipment.

In this period decisive changes in US-Brazil relations took place. At first, the intention was to reach a new level of understanding with Washington that would permit the replacement of alignment by a “special relationship” formula. With this aim in mind a “Memorandum of Understanding” between minister Azeredo da Silveira and secretary of State Henry Kissinger was signed (1979), which created a mechanism of reciprocal consultations each semester on political and strategic issues of common interest. That initiative began to wane in the following year, when the election of Jimmy Carter changed the priorities of the American international policy, which naturally affected relations with Brazil.

Carter’s campaigns in defense of human rights and nuclear non-proliferation generated strong disagreements with Brazil. In retaliation to American pressures, Brasilia denounced the 1952 military agreement. The Geisel government also chose not to yield to the efforts by Washington for the interruption of the negotiations of the nuclear agreement with Germany. At first, these understandings collided with the Brazil-United States nuclear agreement of 1972, for the construction of the Angra-I plant, which, by its turn, was denounced by the American government in 1978 on the occasion of its ratification of the Treaty on the Non-

proliferation of Nuclear Weapons (NPT). It is worth stressing that this agreement, unlike the one negotiated with Germany, provided only for the transfer of equipment, with no mention to technology access. For the Geisel government this limitation was not accepted as the nuclear project had become a high priority aimed at making possible a strategy that linked development, security and pragmatism.

After a period of strong tensions, relations between the two countries took on a low political profile which persisted until the end of the Geisel administration. The maintenance of a prudent political distance from Washington did not prevent the rise of an increasingly complex bilateral agenda in the economic-commercial field, in which several elements overlapped: the role of American banks in the growing external indebtedness of Brazil; the increase in Brazilian exports of manufactures and semi-manufactures toward the American market; and the competition for the Brazilian market among companies from the United States and those from other industrialized countries.

During the government of João Figueiredo relations with the US were also marked by low political attunement. Despite having condemned the Soviet invasion of Afghanistan (1979), Brazil refused to join sanctions against the USSR proposed by the US at the United Nations. Following expectations generated by President Reagan's visit to Brazil in 1982, the lack of understanding between the two governments prevailed on three issues: the US- Latin American policy, particularly in Central America; bilateral controversies related to military cooperation and contentious commercial questions. Itamaraty viewed with a critical eye the actions of the United States in Central America; deplored the US intervention in Grenada (1983); and opposed the proposal to create an "Organization of the South Atlantic Treaty" in which Argentina and South Africa were supposed to participate.

The issue of cooperation in defense involved the sensitive aspect of the transfer of military and scientific technology, since Brazil was seeking access to technology in the fields of microelectronics, aerospace and long range ballistics. Another delicate point had to do with the Brazilian project to export armored vehicles and aircraft to the American market. On the American side, in spite of the interest to participate in the emerging Brazilian military industry, Washington insisted on having a veto power over the sale or transfer of armaments to third country markets. Despite these divergences, the two countries finally signed, in 1984, a "Memorandum of Understanding on Industrial-Military Cooperation". The commercial disputes, however, acquired further complexity as Brazil became the target of pressure from American authorities against its policy of market reserve for the national production in informatics. There were, in addition, discrepancies with regard to the future agenda of GATT.

In the first few years of Brazilian democratization in the mid 1980s the country's foreign policy followed the same lines of action adopted in previous times. However, the context of successive macroeconomic crises, the internal institutional fragility and the international constraints generated by the final years of the Cold War shook the vigor of an autonomous foreign policy. Despite the maintenance of the essential tenets of its line of action, the first years of democratic transition corresponded to a period of low key for Itamaraty. Besides keeping its fundamental postulates, Brazilian diplomacy underlined certain priorities: ties with Latin America – particularly Argentina – were deepened; the restrictions to the South African government were reinforced; and new cooperation agreements were negotiated with China and the Soviet Union.

This course of action was not welcomed by Washington, which led to cold political relations and complex economic interaction

during the years of the Sarney government. New commercial conflicts came to the fore due to the decision of the Reagan administration to initiate, in September 1985, legal action against the Brazilian policy on informatics. The American decision was part of a package of trade disputes with different countries; in the case of Brazil, harm caused to US interests was brought into play as a more open legislation was demanded. In 1988 the American government increased its pressure by means of trade sanctions on Brazilian products, an initiative that was later discontinued as the Brazilian position became more flexible. New disagreements linked to patent legislation, environmental protection and macroeconomic policy were added to that list. In this context, it became quite difficult to establish a friendly dialogue between the Sarney and the Reagan and Bush administrations.

Paradoxically, the increase of external restrictions caused by the debt crisis led to an expansion of Brazilian commercial transactions with the United States. In the years 1980-1984, Brazilian exports to the US leaped from US\$ 3,5 billion to US\$ 13 billion; in the period 1976-1982 the percentage of exports originating in Brazil and subjected to protectionist measures resulting from the hardening of the American trade policies had jumped from 40% to 65%. The question of pharmaceutical patents acquired growing visibility in the final period of the Sarney government in the face of pressures by American pharmaceutical companies for changes in the Brazilian intellectual protection legislation. New threats of unilateral retaliation by the United States gave rise to nationalistic reaction on the Brazilian side. The creation of the Ministry of Science and Technology (MCT) in 1985 led to the agglutination of nationalistic positions, also shared by the armed forces, in defense of "technological sovereignty". In the name of a national and autonomous policy, an articulation between public policies in the areas of informatics, nuclear

technology and pharmaceutical patents was established. The announcement by the Trade Representative of the United States government (USTR) that sanctions would be applied under Section 301 of US Trade legislation in mid-1988 opened a new chapter in bilateral controversies which remained until the end of the Sarney administration.

1.4 Adjustment

In 1990, a new set of domestic and international factors, including the end of the Cold War and economic globalization, along with democratic consolidation and economic reforms in Brazil, led to a process of gradual change in US-Brazil relations. To this end, the government of Fernando Collor de Mello (1990-1992) announced the intention of Brazil to become part of the “community of free market democracies”, which in fact meant a break from the foreign policy paradigm built-up since the 1970s. The need to turn foreign policy into a tool to expand the country’s international competitiveness and improve its access to markets, credit and technology was improved. Issues such as the environment, human rights and non-proliferation would be approached with positive posture that which implied the abandonment of defensive reactions vis-à-vis international pressures. In the economic realm, the import substitution industrialization (ISI) model was replaced by a set of reforms involving commercial opening, liberalization of investments, privatization of State-owned enterprises and renegotiation of the external debt. Stability and modernization would be followed by a positive international agenda that would bring Brazil closer to the group of industrialized nations and would leave behind its Third World identity.

In the United States, the involvement in the Central American crisis was losing legitimacy as the Cold War ideological

appeal of the last forty years became weaker. After the election of George Bush in 1989, the set of conservative ideas maintained by the Reagan administration showed growing exhaustion and soon a new dialogue between the superpowers came to the fore. In 1988 the Soviet government announced the withdrawal of its troops from Afghanistan and the cease fire in Angola opened the way for Cuba to do the same in Southern Africa. The following year the foundations of the East-West conflict were definitively shaken with the crumbling of the Berlin Wall, the deposition of the chief of State in Romania, the fall of the Communist Party in Czechoslovakia and finally the announcement by presidents Bush and Gorbachev that the Cold War had come to an end.

The status as the only surviving superpower gave the United States new responsibilities. The exercise of world leadership was already put to a test in August 1990, with the Gulf War, when military operations against Iraq were performed by a US led “Western” coalition, endorsed by the UN Security Council. The episode symbolized the affirmation of the strategic superiority of the United States and the notion that this primacy would lead to a unipolar international order. Despite the new tendencies of world politics, Brazil decided to keep away from the Gulf War, which became an inevitable disappointment for the American government.

Domestically, Brazilian reality soon revealed how fragile the internal political grounds were for enforcing the changes that had been announced by the new government. The resistance on the part of the political and economic elites to neoliberal reforms, together with a general rejection of the abuses of power by the new president and his closest collaborators, led to Collor de Mello’s resignation. As vice president Itamar Franco assumed the presidency in 1992, Brazil faced a dramatic crisis of governability, dominated by general macroeconomic disorder, in which the Brazilian the new proposals

for external insertion were progressively abandoned. The changes in the area of international security lost impetus, the enthusiasm of the official discourse on globalization lacked momentum and the economic reforms aiming at the liberalization of the Brazilian economy were selective and not comprehensive. Brazilian identity as a regional power with multiple global interests was reinforced; the deepening of Mercosur, the project of creation of a South American Free Trade Area, the rapprochement with other regional powers as China, India and Russia – and the de-politicization of relations with the United States became priority issues in the diplomatic agenda.

From Bill Clinton's administration (1993) the idealistic proposals of American foreign policy came to the fore with the extolling of the defense of democracy and of the market economy. In the inter-American realm, after the negotiation of the North American Free Trade Agreement (NAFTA), which entered into force from 1994, the negotiating process for the constitution, in 2005, of a Free Trade Area for the Americas (FTAA) was launched.

In this context, the government of Fernando Henrique Cardoso was inaugurated (1995), benefitting internally from the economic stabilization achieved with the Real Plan in the previous administration. Renewed expectations of credibility and prestige based on the success of the economic policy became essential for the external insertion of Brazil. Presidential diplomacy became then a valuable means to expand relations with industrialized countries – including the US – and an instrument to contribute to the consolidation of Mercosur, besides the deepening of ties with South America.

The Cardoso administration also sought to develop a friendly relationship with the United States. A contentious agenda gave way to cordial interaction between the presidents of the two countries as the passing of the Intellectual Property Law by the

Brazilian Congress resolved the most serious bilateral divergence of the previous years.

Nevertheless, tensions in the economic-commercial field added to uncertain perspectives about the international order in the post-Cold War period soon made clear the limits of the rapprochement between the two countries. From the American point of view, the efforts shown by Brazil to conform to the neo-liberal directives dominant in Washington and preached for Latin America as a whole became a reason for disappointment. In the political and international security fields the new era of unipolarity, which consolidated the US world leadership, brought to the fore a reality that, instead of opening new opportunities, reduced the margin of maneuver for Brazilian diplomacy. These questions will be examined in more detail in the third part of this dissertation.

1.5 Affirmation

This phase starts with Lula's government in 2002 closely associated with the idea of change and an *affirmative* approach in the dialogue with the United States. Inevitably, American external priorities set since 9/11 had an impact on relations with Brazil. The element of change in the bilateral link became less significant than both countries expected. At the start, instead of offering support in the global fight against terror, Brazil proposed to initiate a global struggle against poverty, making clear its limited willingness to get involved in the anti-terrorist crusade led by Washington. Brazil's irrelevance in the strategic design sketched by the Bush administration and widely disseminated in 2002 seemed to echo the marginal role of the whole of Latin America in the face of the new demands from Washington.

Having inherited a previously set agenda, the Lula government soon announced its intention to make changes in this relationship

by seeking to stamp it with an *affirmative* brand, in a pragmatic sense. The main concern was to show the unsoundness of the alarm generated by the rise of a leftist leader, interpreted with prejudice by the Washington establishment which believed that anti-Americanism would be the dominant tone in Brasilia. To this end, the first effort of Lula's government was to dispel the fear that his partisan identity would lead to a radical administration, putting into question the values upheld by the business community. Accordingly, the government of the Workers' Party was to revitalize the bilateral communications between the Planalto Palace and the White House to ensure an uninterrupted dialogue between the two highest officials of both countries, accompanied by the identification of common interests in the economic, political and even security fields.

During this period the divergences between the two countries regarding world politics remained and even became deeper in face of the strategic global priorities of the United States sketched in response to 9/11. In an attempt to charter its own course – and up to a point an alternative one – Brazil gave new emphasis to the defense of multilateralism to deal with situations of security and international politics crisis. Its foreign policy also became concerned with expanding the political dialogue with other intermediate powers such as South Africa and India and with world powers such as China and Russia.

Eventually, during the first and second Lula administrations Brasilia and Washington found affinities regarding the regional agenda, particularly in situations where democratic institutions met hazardous conditions. However, differences also came to the fore, such as those seen in the Honduras episode in 2009. As will be examined later, convergent as well as dissonant postures emerged in security and world politics questions. While inter-State relations became even more complex, the inter-societal ties

were visibly expanded. The consolidation of democracy in Brazil from the 1990s on led to the strengthening of non-governmental organizations and movements committed to the protection of human rights and of the environment. Hence, one of the consequences of Lula's election in 2003 was the increase in the political weight of the causes upheld by these groups within society and the government.

PART II: BRAZIL-UNITED STATES IN THE POST-COLD WAR PERIOD

2.1 World order, renewed multilateralism and the emergence of a global agenda

In December 1989 the foundation of the East-West conflict were definitively eroded, the process of détente and the slow opening in Easter European countries were accelerated and presidents Bush and Gorbachev announced in Malta the end of the Cold War and soon the Conference of Security and Cooperation in Europe, which led to the dissolution of the Warsaw Pact. With the signature of the Start-I and II agreements (1991 and 1993) the levels of military parities were lowered with a significant reduction of the American and Russian nuclear arsenals. These negotiations were accompanied by the expectation of new commitments in the field of disarmament.

As the world took leave from bi-polarity, a number of relevant events opened the scenario of the post-Cold War era. During 1990 Germany was re-unified, the end of *apartheid* in South Africa was announced and Iraq invaded Kuwait. The status of sole surviving

superpower bestowed new responsibilities on the United States and the exercise of its world leadership was already put to a test in August 1990 by the Iraqi invasion of Kuwait.

From the start of the Clinton administration (1993) the aims of American external policy became more diffuse. At the same time, Washington showed greater hesitation in the face of the possibility of military interventions, as seen in the cases of the Former Yugoslavia (1994-5), Somalia (1993), Haiti (1994) and Iraq (1996 and 1998). The new world panorama became more favorable to the non-proliferation regimes: after two decades of negotiations, the Convention on the Prohibition of Chemical Weapons was concluded in 1993 and soon an International Agreement for the Banning of Anti-personnel Mines was signed by nearly 100 countries. In 1995 the Treaty on the Non-proliferation of Nuclear Weapons (NPT) was indefinitely extended; (Three years later, only five countries (India, Pakistan, Israel, Cuba and North Korea) remained outside the NPT).

During the 1990s the European scenario was marked by two simultaneous trends. The former socialist orbit and the USSR, composed of eight States, showed a tendency toward fragmentation, breaking up in more than twenty nations. On the other hand, the number of members of the European Economic Community increased and its process of integration deepened. The Treaty of Maastricht, signed in 1992, sealed the decision to create a common currency and to build a European Union. These commitments set off different reactions in the European space. Their confirmation was the subject of protracted negotiations within the Community. At the same time, the Balkan region seemed prone to conflict. The implosion of the former Yugoslavia exacerbated ethnic and religious divisions leading to a fast military escalation. In 1992, the eruption of war in Bosnia – among Serbs, Bosnians and Croats – set off a dramatic picture of blight and persecution to local populations, later repeated in Kosovo (1998).

The new conflicts replaced the former confrontations that had threatened world peace in previous decades; together with the initial expectation that the UN would expand its action in such conflicts the number of its peacekeeping operations was increased and their missions were redefined. Out of the 13 operations taking place between 1989 and 1995, 12 dealt with internal conflicts. At the same time, in some cases the inability of the United Nations to prevent this kind of crisis became evident, opening the way for the leading role of NATO in the Balkans. In the attacks against the government in Belgrade (1999), this Organization demonstrated willingness to exercise its military power whenever it deemed convenient and necessary.

Still as a sign of the new times, decisive changes seemed to take place in the Middle East, Asia and Southern Africa. In 1994 a crisis in the Middle East was overcome with the peace treaty by which Israel recognized the Palestine State. In Asia, the main feature was the impact of the economic changes in China, increasingly converging in the direction of a market economy system. In South Africa, the end of the *apartheid* regime opened the doors to democracy, culminating in 1994 with the election of Nelson Mandela as president.

With the end of the Cold War, a number of new themes gained relevance in the international agenda; that which expanded the presence of a global public opinion. Interpreted as sources of threat or risk for the whole planet, such themes led to the proliferation of non-governmental organizations (NGOs). These became devoted to informing, denouncing and controlling the effects of the new threats before government, multilateral organisms and civil society. Thus the problems of environmental protection, human rights, migrations, drug trafficking, terrorism and illegal arms trade acquired special importance in world forums.

A new cycle of large conferences was started with the aim of promoting the debate of global problems which would lead to new normative consensus. In 1990 the United Nations Conference on the Environment and Development was held in Rio de Janeiro; in 1995, in Beijing, the Fourth International Conference on Women was convened; in 1997, a new meeting on environmental issues – mainly devoted to climate issues – took place in Kyoto. In all cases, the participation of almost two hundred countries was accompanied by the strong presence of representatives of NGOs from all over the world. Expectations grew that multilateralism would be strengthened and that conditions for the rise of “global governance” could be a natural consequence. The organizations linked to economic and security issues were supposed to expand their participation as guardians of peace, economic stability and definition of parameters for the treatment of global themes.

It was often considered that the treatment of these questions no longer fell under the purview of national states, but deserved instead legal and moral control of a global scope. Room for coercive diplomacy – often utilized in trade negotiations – was also expanded and as the winds of globalization kept shaking the foundations of national States. It became clear that the post-Cold War world generated new tensions.

In the economic field, globalization created a hitherto unknown scenario of financial, commercial and investment linkages, a trend accompanied by a new pattern of economic competition throughout the world, in which transnational corporations broke all records of production and commercialization, spurred by an extraordinary mobility of financial flows among countries. In the commercial field, the institutionalization of a global frame of norms and practices led to the signature of the agreement to create the World Trade Organization (WTO) in 1994, replacing GATT.

As financial globalization deepened, the links between markets, risky and unstable conditions in moments of crisis

increased. The consequences of this kind of inter-connection could be felt in occasions such as the Mexican crisis (1994), the Asian crisis (1997) and the Russian crisis (1998). Latin American countries became especially vulnerable to the comings and goings of international transactions of financial assets due to the fiscal and external fragility of their economies.

2.2. The new inter-American context

In Latin America, the start of the 1990s heralded a period of democracy, economic integration and peace. Bilateral negotiations prospered, burying old border disputes; a set of confidence measures emerged and new initiatives of economic integration arose, responding simultaneously to associative impulses and selective orientations. The link between regional integration and economic opening gave rise to the concept of “open regionalism” that sought to differentiate the new regional arrangements from those that had been frustrated in the past due to the permanence of protectionist policies.

The expansion of economic associations stimulated a new agenda of international negotiations for the region. Special mention should be made to the understandings of the European Union with several groups and/or countries and the start of negotiations with the American government since the Free Trade Agreement (NAFTA) signed in 1992 between the United States, Mexico and Canada. Also, the negotiating process for the formation of a Free Trade Area of the Americas (FTAA) in 2005 was launched at the Summit meeting held in Miami (December 1994).

Already at the final stage of the Cold War, the wave of democratization together with the increase in initiatives of political coordination and economic integration had ushered in a new chapter for presidential diplomacy in the region. An intense agenda of meetings of Heads of State came into being, convened

by the “Group of Eight” (the same countries that had formed the Contadora and Support Group) – which soon became the Group of Rio –, by the Ibero-American Conferences, the Hemispheric Summits and the sub-regional groupings of economic integration.

In this context, the changes in the world context influenced political and economic options in South America. The progressive erosion of the ideological polarization of the Cold War strengthened the democratic pathway in the region. The rise of new political regimes in the Southern Cone became an active part of the so-called “third wave” of democratization, which took place in several parts of the world. The governments of Raúl Alfonsín (1983-89) in Argentina, José Sarney (1985-90) in Brazil, Julio María Sanguinetti (1985-90) in Uruguay, Patricio Aylwin (1989-93) in Chile and Andrés Rodríguez (1989-93) in Paraguay are relevant examples. At the turn of the 1990s free elections brought to power Carlos Saul Menem (1989-99) in Argentina, Fernando Collor de Mello (1990-92) in Brazil, Luís Lacalle (1990-95) in Uruguay, Eduardo Frei (1994-98) in Chile and Juan Carlos Wasmosy (1993-98) in Paraguay.

The return to democratic life limited the room of maneuver of the armed forces in domestic and international affairs, bringing as one of its consequences the progressive abandonment of conflictive hypotheses among neighboring countries. In all cases, the end of the authoritarian regimes was accompanied by greater willingness for intra-regional political cooperation and economic integration.

From the 1990s onwards, a wave of pro-liberal economic reforms gained pace, in search of monetary stability, commercial opening and deregulation of the economic activity. In those years, attunement between the new internal political and economic contexts favored the deepening of the process of integration in Mercosur.

In this same context, the characterization of Latin America as a sphere of influence of the United States, similar to the years of the Cold War, had not been overcome, which gave continuity to its condition of strategic subordination, “backyard” and area of repeated interventions³.

By looking back one can observe that the deterioration of the relations between the United States and South America reached its highest peak in the 1980s. The following years, however, were of re-composition with the construction of a cooperative agenda in the economic-commercial, security and international policy fields. The general enthusiasm for multilateral institutions and regimes in the first few years after the Cold War created new and positive expectations for the Organization of American States. Initiatives such as the launching of the Santiago Commitment with Democracy and the renewal of the Inter-American System (1991) are illustrative in this regard. The main themes in the new times of the hemispheric agenda became regional commerce, defense of democracy, protection of human rights and collective security⁴.

So, the initial expectations in the 1990s were that the period of estrangement observed during the second Cold War (1979-89) would be replaced by a relationship of unprecedented understanding with the majority of the South American nations. The illusion that a new era of inter-American dialogue had been definitively inaugurated was closely associated with the predominance of liberal-institutional segments at the helm of

3 See GREEN, David, *The containment of Latin America: a history of the myths and realities of the good neighbor policy*. Chicago, Quadrangle Books, 1971. See also SAULL, Richard. “El lugar del sur global en la conceptualización de la guerra fría: desarrollo capitalista, revolución social y conflicto geopolítico”. In SPENSER, Daniela (coord.). *Especios de la guerra fría: México, América Central y el Caribe*. México: CIESAS, 2004.

4 See HIRST, Monica. *Democracia, seguridad y integración. América Latina en un mundo en transición*. Buenos Aires: Grupo Editorial Norma, 1996.

the external policy of the United States⁵. On the South American side the combination of processes of democratization and economic liberalization contributed to nourish that optimism, ritualized in the Summit presidential meetings instituted by the Clinton administration.

Throughout the 1990s there were several examples that reveal the convergence between the two parties in the endorsement of international regimes and institutions. Most notable were initiatives such as the Kyoto Protocol (1997), the creation of the World Trade Organization (1995), the Ottawa Protocol on Anti-Personnel Mines (1992) the Anti-missile Regime (1992) and the creation of the International Criminal Court (1998). In the same context, countries like Argentina and Brazil yielded to pressure from Washington by adhering to the Non-proliferation Treaty and coordinated actions of regional scope with the USA, such as the peace negotiations between Ecuador and Peru and the containment of anti-democratic forces in Paraguay. The region seems thus willing to endorse and become party in an institutionalized hegemonic order.

From the structural point of view, the relationship of the United States with the countries of the region was marked by strong asymmetries and a relative isolation from other external contexts, reinforced by three factors: i) the coercion power of American interests in the region; ii) the limited capacity of collective articulation among the countries in the area to stand for defensive policies; and iii) the stabilizing role exercised by the United States in situations of intra and inter-State conflict. The fact that Washington's dominant presence was able to remain for over 60 years at relatively low cost, thanks in large measure to

5 See CORRALES, Javier, and FEINBERG, Richard E. "Regimes of Cooperation in the Western Hemisphere: Power, Interests and Intellectual Traditions", *International Studies Quarterly*, vol. 43, 1999, p. 1-36.

the strategic irrelevance of Latin America, explains the negligent, inconsistent and erratic character of the US presence in the region.

All through the 20th century, recurrent intervention had meant a *de facto* relativization of the sovereignty of the States in the region, seen as a self-assured right, freely exercised by the successive American administrations.⁶ Here is the place for the debate about the model of empire to be applied to the United States, what its degree of exceptionalism is and how the notion of an imperial power that rendered intervention legitimate and made of it a benevolent exercise of authority and responsibility can be differentiated. In any case, the identification of this policy with a hegemonic projection became the most prescribed explanatory trend for the kind of interaction established between Washington and the Latin American countries starting in the 1930s. Throughout the 45 years of East-West conflict, albeit marginal, Latin America was an active part of the ensemble of multilateral organisms that gave an institutional facet to the leadership of the United States, ensuring its support and legitimacy. The Inter-American System provided a specific scope for the hegemonic power to exercise its authority – on a consensual and least conflictive basis – supported by a group of weaker States, with which it shared an American identity.

The empire maintained its capacity to coerce through its power of pressure and of agenda setting, succeeding in generating an illusion of communion of interests in the first decade of the post-Cold War period. Yet the power of intervention of the United States in South America was notably diminished in the final stage of the Cold War, due to demise of the ideological convergence between both parts.

6 This phase started with the American victory in the war against Spain in 1898, and the occupation of the Philippines, Guam, Samoa and Puerto Rico.

In the 1990s, the United States contributed to deepen the South American specificity in the Latin American context by stimulating a differentiation based on economic-commercial preferences that later came to be projected in terms of security. After the formation of a free trade area with Mexico and Canada in 1994 a preferential regime with the Caribbean and Central American countries was instituted (2005) and the Northern Command was formed (2002). To the fragmentation between the North and the South of Latin America was added the impact caused by the securitization of the hemispheric agenda starting from September 11, 2001. In the case of the South American countries, a relative autonomy that swings according to the preferences of the foreign policies of each country was maintained⁷.

Since then a difference was established between what is considered a security zone, covering the area of Mexico, Central America and the Caribbean, and the preservation of an area of influence encompassing South America, with the exception of Colombia, whose strategic link with Washington follows the pattern of the first model⁸. The countries that made up the security zone no longer preserved autonomy since their respective defense policies followed entirely the strategic tenets of the United States. The threats coming from those areas came to represent an issue of public security in the United States, as exemplified by the problem of the “maras” and of organized crime/drug trafficking gangs⁹.

7 See RUSSELL, Roberto, and CALLE, Fabian. “La ‘periferia turbulenta’ como factor de la expansión de los intereses de seguridad de los Estados Unidos en América Latina”. In HIRST, Monica (org.) *Crisis de estado y intervención internacional*. Buenos Aires, Edhasa, 2009.

8 HIRST, Monica. “Seguridad regional em las Américas”. In Friedrich-Ebert-Stiftung (FESCOL). *La seguridad regional em las Américas. Enfoques criticos y conceptos alternativos*. Bogotá: Wolf Grabendorff editor, 2003.

9 The “maras” are groups composed mainly of youngsters from Central America who emigrated to the United States in search of better living conditions. In the US, and especially in Los Angeles, they did not find integration as desired and were marginalized.

With the passing of time, the evolution of Mexico-US relations came to represent the chapter of the greatest reversion of expectations in the inter-American context. A future of integration that seemed to constitute the culmination of an economic inter-linking and a progressive framing of the Mexican political system into a liberal frame turned into a humiliating “getotization” of the Mexican nation, whose social indicators in the early 21st century became evermore distant from the forecast about the impact of NAFTA in the beginning of the 1990s.

2.3 The South American uniqueness

South America has a unique situation, especially its contrasts with other developing regions in what regards conditionings imposed by colonial pasts. The South American countries states were part of the first wave of decolonization and integrated the chain of processes of formation and consolidation of national States that took place in the 19th century. Besides constituting a segment of the Western world, they were not subjected to the challenges experienced by the majority of the African and Asian States that had to build their nationalities during the Cold War. This specificity rendered the points of linkage and identification of the South American peoples with the Third World more fluid in economic and social terms than in the fields of international politics and security. At the same time, this region, which occupied a marginal place in the East-West disputes, kept its insertion in the world system closely linked to its condition as an area of influence of the United States, established since World War II.

The analysis of the international insertion of South America must contemplate aspects related to its formative stage as well as to its current developments. Six elements of identity will be briefly highlighted: *first*, the combination of vocations for peace and conflict found in this region since the period of formation

of the South American nationalities; the *second* deals with its specificity in the scope of the global South; the *third* considers the weight of the relationship with the United States since the first few decades of the 20th century and its most recent evolution; the *fourth* point deals with the kind of impact on South America caused by the process of globalization and the projection of the anti-State ideology disseminated in the immediate post-Cold War; the *fifth* aspect refers to the political-institutional evolution of the region in the last twenty years, marked by the dynamics of democratization; finally, the *sixth* element has to do with the scope of intra-regional relations in its political and security dimensions.

South America is considered an anomaly in the studies of international politics on war; a system that does not follow the models, especially since its political evolution in the 20th century¹⁰. Having developed its own dynamics of intra-regional relationship, South America kept during the whole of the 19th century a pattern very similar to the European area regarding the dichotomy war/peace, the formation of alliances and the importance of balance of power as a source of regional stability. In the 20th century, however, this region became an atypical system, labeled by Kalevi Holsti as “zone of negative peace”. If, on the one hand, a culture of mediation of conflicts readily emerges – through intensive use of arbitration – thanks to which there was little change in the demarcation of boundaries since the last quarter of the 19th century, on the other, it constitutes a case of precarious peace. Escalations of military tensions have not led to direct confrontation but to many cases of severance of diplomatic relations. In fact, this area has few chances to become a pluralistic security community, in spite of important progress in the Southern Cone sub-region. Following the same line of argumentation, Ariel Kacowicz classified the South American

10 This perception was especially developed by HOLSTI, Kalevi, “Analyzing an Anomaly: War, Peace and the State in South America”. In: *The State, War and the State of War*. Cambridge University Press, 1996.

zone as of “stable peace”, pointing to the several reasons that would explain the impossibility that its territorial conflicts would become international wars¹¹. These would be: (1) the effect of democratization; (2) the shared aim for economic development; (3) economic integration and interdependence; (4) a normative consensus as to the importance the peaceful solution of conflicts; (5) the pacifying role of the United States and of Brazil (6) a regional balance of power; (7) external threats to countries in the region; (8) geographic isolation, economic irrelevance and impotence and (9) satisfaction with the territorial *status quo*. The combination of these factors leads to the perception that South America is half way between a solid institutional structure of exercise of authority and another fragile one, devoid of operative instruments.

Both Holstil and Kacowicz developed their arguments under the influence of the early post Cold War years when the expectations that political and security cooperation generated by the democratization in the Southern Cone and Mercosur were high. A third study, from Buzan and Weaver, more recently developed, which also isolates the South American space as security system, underlines the difference between the Andean and Southern Cone sub-regions, contrasting the impact produced by the war in Colombia and the one resulting from Mercosur. At the same time, these authors do not consider fundamental the transformations between the period prior and subsequent to the Cold War and define it as a typical regional security community “... marked by domestic social tensions and political instability, the overflow of regional rivalries and of transnational processes and interventionism of great powers, chiefly the United States”¹².

11 KACOWICZ, Ariel M., *Zones of Peace in the Third World. South America and West Africa in Comparative Perspectives*. USA: State University of New York Press, 1998.

12 BUZAN, Barry, and WEAVER, Ole. “South America: an under-conflictual anomaly?”. In: *Regions and Powers*. Cambridge University Press, 2002, p. 309.

Another point deals with the identification of South America as part of a global South. Perhaps this is the aspect in which the specificity of this region in Latin America is less perceptible. From a Third World point of view this differentiation is irrelevant in the face of the fact that the majority of Latin American countries have belonged to the same European powers, that their populations share similar and/or identical ethnic origins, that all have participated in a single decolonization process in the first few decades of the 19th century, are recognized as the focus of irradiation of the set of ideas on development formulated by CEPAL, act as a unit (GRULA) in the main multilateral arenas and face the immediate costs of American dominance. In fact, for the developing world the main differentiation observed is not between the North and the South of Latin America, but between Brazil and the rest of the countries in the region. This difference could be explained by a set of factors such as: 1) historical and ethnic aspects – in which the presence of African culture represents a significant element; 2) physical and material dimension; 3) the international visibility of economic diplomacy during the second half of the 20th century accompanied by international action in global issues – such as the environment and disarmament; 4) the most recent efforts to project itself as a regional power in initiatives of inter-State coordination as IBSA and BRICS.

On the Latin American side, the Southern identity, despite the social and economic indicators of the region, was always more a political construct than a shared identity. More than an acknowledgement of a common reality which made this region part of the Third World, this was a political option which becomes part of an innovative foreign policy of the Peronism in the 1950s; of the Brazilian neutralism at the start of the 1960s; of the Mexican “thirdworldism” and of the responsible pragmatism of Brazil – both conceived in the 1970s. As mentioned before, the fact that

the countries of this region have built their nationalities 150 years before the African and Asian ex-colonies help explain the identity differential. Other clarifying elements may be found when one observes the power that ex-colonial powers still maintain over many countries in Africa and Asia, through the importance of their markets and through their capacity to absorb migrations (as a demographic and economic solution) – that which leads to the flow of remittances, added to the influence they exert on the world view of the post – colonized elites. In cultural as well as in political terms, the American presence in the Latin and South American area can only be comparable to that found in countries notable for their strategic importance for Washington during the Cold War, as for instance was the case of South Korea.

2.4 The Brazilian experience: foreign policy and democratization

In Brazil, the years 1985-95 coincided with the full return to democratic life and economic stability. After 21 years of authoritarian government, the country recovered its institutional normality, chose a new constitution, recovered the practice of free and direct elections and stabilized its economy. This ensemble of changes was linked to the so called third wave of democratization, observed in different parts of the world and in the Southern Cone in particular. Throughout these years new challenges for the Brazilian diplomacy arose, generated by the constraints imposed by the final stage of the Cold War and by the restrictions resulting from the external debt crisis.

In 1985 a new chapter of the Brazilian political history was opened with the inauguration of José Sarney, as a result of the death of president-elect Tancredo Neves. The end of the military regime did not bring many changes to the country's international

policy and unlike other nations in the Latin American region, the impact of the Brazilian re-democratization process on the conduct of international policy was slight. The tenets of diplomatic action were maintained and at the same time Itamaraty established contact with new actors and interests: the interaction with other segments of the Brazilian State widened the field of internal political negotiations of the Ministry of External Relations. The appointment of Foreign ministers Olavo Setúbal by Tancredo Neves in 1985 and of Roberto de Abreu Sodré by president Sarney in 1986, as a result of inter partisan negotiations, took the command of Itamaraty away from diplomatic control.

Olavo Setúbal's "diplomacy for results" and Abreu Sodré's "diplomacy with freedom" had to coexist with an international context that restricted Brazil's room for maneuver. The democratic context of the first few years of the "New Republic" expanded the interest of non-governmental actors in international policy issues. In parliamentary circles, despite attracting less attention than internal politics, foreign policy generated a new kind of interest. The questions arousing most concern were: foreign debt, the Central American crisis, integration with Argentina and the policy on informatics. The inclusion of foreign policy in the debates at the Constitutional Assembly was also a signal of a new interest for international affairs in domestic politics. The new Constitution, adopted in 1988, defined a set of basic principles for Brazilian foreign policy: national independence; the primacy of human rights; the self-determination of peoples; non-intervention; equality among States; the defense of peace; peaceful solution of conflicts; repudiation of terrorism and racism; cooperation among peoples for the progress of mankind. A paragraph committing Brazil to Latin-American integration was then included in the Constitution.

The return to democracy opened new doors for Brazil, permitting a more fluid dialogue with the international community. A link between the new institutional profile of the country and an independent line of action was sought, together with new impetus to presidential diplomacy. The new president demonstrated special interest for external issues. Commitment in decision-making processes, personal involvement in the elaboration of texts and speeches on foreign policy and in international contacts were a permanent trace of the Sarney administration (1985-1990)¹³.

Sarney's diplomacy devoted great attention to the developing world. Besides innumerable contacts with Latin American chiefs of State – especially from the Southern Cone – this Brazilian president also strove to deepen the ties with countries of the Portuguese-speaking community. Rapprochement with Argentina, personally conducted by presidents Sarney and Alfonsín, kicked off the process that would later lead to the formation of Mercosur.

As already mentioned in the first part of this dissertation, the relations of the Sarney government with the United States became more complex in the economic field. New trade conflicts came to the fore when the Reagan administration started legal action against the Brazilian policy on informatics, in September 1985. The new Brazilian legislation, adopted in 1984, provided for a term of 8 years during which the national market would remain reserved for national production. The American decision was part of a set of legal procedures on trade divergences with several countries. In the case of Brazil, a less protectionist legislation was demanded to attend the interests of American firms which invested in this sector. President Sarney's visit to the United States (1986) took place during this contest, which also

13 See DANESE, Sérgio. *Diplomacia presidencial*. Rio de Janeiro; Topbooks, 2000.

related to patent legislation, environmental protection measures and macroeconomic policy decisions. In this same context, in 1988, Washington increased the pressure and imposed trade restrictions on Brazilian products.

Differences with the US also were constant regarding the multilateral trade agenda, as Brazil did not change its postures at GATT during the first few years of democratization. As co-chairman of the Group of 10, together with India, the country opposed the inclusion of the service sector in the Uruguay Round, started in 1986.

Brazil started its democratic transition with a favorable economic performance. Having grown at a rate of 8.5% in 1985, the country faced as the main challenge the control of its inflation, which already surpassed a monthly average of 45%. During the Sarney government there were several attempts of adjustment in the Brazilian economy. The first stabilization program was launched in March 1986 with the Cruzado Plan; the second in June 1987 with the Bresser Plan and the third in January 1989 with the Summer Plan (Plano Verão). None was capable to do away with the inflationary process. The difficulty to overcome fiscal imbalance added to the weight of external indebtedness, which prevented the reordering of the government finances.

A unilateral moratorium decreed in the beginning of 1987 generated serious external economic restrictions for Brazil. Ministerial reform at the start of 1988 aimed at normalizing the relations between the country and the international financial community. A few months later a wide ranging agreement to reschedule the external debt was obtained. It included an agreement with international banks, an understanding with the Club of Paris and the restart of negotiations with the multilateral institutions. However, a new clash with the international financial community

came about when the Brazilian government suspended, in mid-1989, the payment of interests on the country's external debt. This decision was maintained until the inauguration of Collor de Mello in 1990. From then on the negotiations with the international financial community were restarted in a context of new economic expectations.

Fernando Collor de Mello's government in Brazil brought new internal and external prospects. Stability and modernity would be accompanied by a positive international agenda that would bring the country closer to the group of industrialized nations and would supplant its identification with the Third World. The new government also signifies important changes in Brazilian foreign policy, particularly in issues such as the environment, human rights and non-proliferation¹⁴.

During the Collor de Mello administration the use of presidential diplomacy remained intense. Direct contacts with the leaders of industrialized world brought forth the new priorities of Brazilian foreign policy. Entrepreneurial and public opinion audiences were valued. In his short lived term, Collor de Mello travelled abroad several times and met the presidents of Uruguay, Venezuela and Paraguay at the respective borders with Brazil¹⁵. Among the measures regarding international security a substantial reduction in military technology programs, the adherence of Brazil to international non-proliferation regimes and the creation of the Strategic Affairs secretariat should be mentioned. The innovations in international security policy were accompanied for the first time by negotiations with Argentina in the fields of nuclear cooperation

14 During the Collor de Mello administration foreign policy was conducted by Foreign Ministers José Francisco Rezek (March 1990-April 1992) and Celso Lafer (April-October 1992).

15 Among the countries visited, Argentina, Japan, USA, Spain, Mexico, Angola, Zimbabwe and Mozambique are to be noted.

and economic integration. In 1991 the Quadripartite Nuclear Agreement and the Treaty of Asunción establishing the creation of Mercosur¹⁶ were signed.

Prospects for a closer relation with the United States were shaken by the Gulf War (1991) when the American expectation for full Brazilian support was thwarted. The Brazilian government condemned Iraq's action and supported the United Nations Security Council decision to apply economic sanctions against that country, but kept a reluctant position regarding military intervention against the Iraqi government.

The convening in Brazil of the United Nations Conference on Environment and Development (Rio-92) inaugurated a new Brazilian posture on global environmental issues. On that occasion the following documents: Declaration of Rio, Agenda 21, Convention on Climate Change, Convention on Biological Diversity and Declaration of Principles on Forests were adopted with the presence of 103 Heads of State.

Nevertheless, the new impetus of Brazilian external action of the Collor de Mello government slowed down in face of the domestic political crisis that led to the impeachment of the president in October 1992. The new stance on international security and the postures assumed on global questions lost intensity. The impulse of economic reforms aiming at the liberalization of the Brazilian economy also declined.

In the Itamar Franco government (1992-95), presidential diplomacy concentrated on the commitments regarding relationships with the neighboring countries. Brazilian foreign policy priorities

16 Starting in June 1990, Argentina and Brazil created a system of gradual and automatic commercial liberalization that should be concluded in 1994. In March 1991, the Treaty of Asunción expanded the system to Paraguay and Uruguay and provided for the creation of a Common Market in the Southern Cone (Mercosur).

were revised in search of restoring an international posture marked by its identity as a developing country. Also, Brazilian insertion as a nation with multiple interests in the global economic chessboard and as relevant actor in the hemispheric regionalization process was reinforced. Some of the themes given special attention in the diplomatic agenda were: the consolidation of Mercosur; the project of creation of a South American Free Trade Area (ALCSA); the rapprochement with other regional powers – China, India and Russia – and the efforts to depoliticize the relations with the United States. Brazilian foreign policy reacted with prudence to the initiative by the American government to launch an agenda of hemispheric integration. Reticence with regard to this project was justified by the disparity of the levels of development between the economies of Brazil and the United States. This posture marked the action of Brazil at the I Summit of the Americas that was held in Miami (December 1994). Brazil supported the setting of a ten-year delay (2005) for the completion of the negotiating process for the creation of a Free Trade Area of the Americas (FTAA).

Multilateral diplomacy was also valued with the objective of assuring voice and vote for Brazil in the process of institutional reform of the United Nations. The country presented itself as candidate to a permanent seat in the United Nations Security Council and prepared to defend an old aspiration on the occasion of the 50th anniversary of the Organization. With a view to strengthen its position, Brazil assumed in 1993, for the seventh time since 1946, a non-permanent seat in the Council. Brazilian diplomacy proposed to combine the “Agenda for Development” with the “Agenda for Peace” as a broad approach in the global debate. During this period the involvement of Brazil in peacekeeping operations promoted by the United Nations in Central America (ONUCA and ONUSAL) and in Africa (UNAVEM) was expanded. In the international debate on global issues – human rights,

environment, drug trafficking, terrorism – the concepts that limited the sovereignty of States and opened possibilities for interventionism were criticized. Brazilian diplomacy manifested its preoccupation with this trend and at the same time reinforced its endorsement of essential universal values. The Brazilian adherence to the Pact of San José and to the American Human Rights Convention (1992), the country's action at the World Conference on Human Rights in Vienna (June 1993) and at the Cairo Conference on Population and Development (1994) deserve to be mentioned.

At the same time, significant steps were taken in the field of international security. After the approval by the Senate of the Quadripartite Agreement on Nuclear Safeguards between Brazil, Argentina, ABACC and the IAEA, the government announced its willingness to negotiate its adherence to the Missile Technology Control Regime (MCTR) and ratified the Treaty on the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Tlatelolco), whose original version dated from 1967. The project of creation of ZPCAS was also continued with the adherence of South Africa at its third meeting in Brasilia (1994). Brazil sought to expand civilian-military cooperation to deal with environmental and security problems in the Amazon region, which led to the creation of a surveillance system for the Amazon (SIVAM) aiming at increasing control over drug trafficking, smuggling, deforestation and threats to indigenous populations.

In March 1994, when the Brazilian monthly rate of inflation reached 40%, the *Plano Real* was launched. This was the sixth attempt to achieve economic stabilization and its success allowed the country to gradually recover its external credibility. Thus, toward the end of Itamar Franco's term, the expectations grew that Brazil was at the start of a process of internal change with immediate impact on its international insertion.

The leading role assumed by the National Congress since the crisis that led to the process of impeachment of President Collor de Mello had repercussions on all spheres of Brazilian public life. The strengthening of democratic institutions led to a natural expansion of the representation of the different segments of society. The simultaneity between this process and that of globalization rendered less visible the boundary between domestic and international aspects in the treatment of several themes of the national agenda. In the foreign policy field, the way was open for the presence of new actors and pressures outside the governmental scope. The negotiation with Congress, the pressure of non-governmental organizations and of entrepreneurs became part of Brazilian daily diplomatic activity.

From 1995 onwards the international policies of the Cardoso government rested on four pillars: the continuity of foreign policy essential premises; the positive results of economic stability; the projection of democracy and its values; and the new opportunities generated by presidential diplomacy. From the conceptual point of view, the foreign policy formula could be summarized as “autonomy for integration”. The use of presidential diplomacy in the conduct of external affairs generated an unprecedented agenda of international contacts and visits for Brazil. Cardoso made 47 trips abroad and received 26 Heads of State and 8 Heads of Government. Besides official commitments, the agenda of contacts with non-governmental sectors was expanded and meetings with relevant members of the intellectual community in different parts of the world were encouraged¹⁷. In this period relations with industrialized countries were increased and fundamental importance was ascribed to consolidate Mercosur, deepen links with South America and generate a positive political dialogue with the United States.

17 Danese, *op. cit.*, p. 27.

In the field of international security the Brazilian commitment with non-proliferation regimes increased. Brazil dropped any intention to produce, acquire or transfer military long range missiles by adhering to the MCTR at the same time as it expanded participation in United Nations peacekeeping operations¹⁸. In the next year a Brazilian proposal for the military denuclearization of the Southern Hemisphere was approved at the United Nations, and the country signed the Comprehensive Nuclear Test Ban Treaty (CTBT). In 1997 Brazil adhered to the Convention on the Elimination of Antipersonnel Land Mines and in the next year to the Non-proliferation Treaty (NPT). The new commitments in the field of non-proliferation were accompanied by institutional changes that had impact on the civilian-military relationship. In the second term Cardoso's government reactivated the project of creation of a Defense Ministry and sought to strengthen a multilateral approach to address the new issues of the global agenda. With regard to the issue of environmental protection, the Brazilian government introduced at the UN General Assembly, in mid-July 1997, together with South Africa, Germany and Singapore, a Joint Initiative on the Environment dealing with the implementation of Agenda 21 that had been defined at Rio-92. At the Kyoto conference on Climate Change, Brazil defended, together with other States, the reduction of the levels of emission of pollutant gases to the atmosphere originating in industrialized countries. The country also became a permanent champion of the respect to human rights and democracy in several international forums and supported the creation of the International Criminal Court in Rome.

In the economic field, the plummeting of inflation added to the valorization of the currency (Real), the commercial opening

18 Toward the end of 1995 1,300 soldiers were sent to Angola in order to join UNAVEM III.

and the promise of progressive deregulation of the economy changed the profile of commercial ties, financial operations and investments in the country. The ties with its South American partners were deepened, particularly those in Mercosur. During the whole 1980s, these had absorbed on average 11% of Brazilian external exports. In 1999, however, South America accounted for about 20% of Brazilian exports. Other 28% were directed to the European Union, 25% to NAFTA and 12% to Asian markets.

Together with commercial liberalization, economic stability also stimulated a noticeable increase in imports, which benefitted from the expansion of the Brazilian domestic market and of the valorization of local currency. It should be mentioned that at the start of the 1990s the average import duties in Brazil had been reduced from 35% to 14%. On the international level, it became necessary to deal with the new rules and definitions established by the World Trade Organization (WTO). The articulations between agreements on trade preferences, internal policies and the impact of third party unfair practices generated an intense agenda of negotiations for the country.

Throughout the second half of the 1990s the vulnerability of the country to the uncertainties of the international economy brought about a growing concern regarding the costs and benefits of globalization. Undoubtedly, the high levels of exposure of the Brazilian economy opened new areas of vulnerability that became evident in moments of external turbulence generated by the financial globalization. For countries like Brazil, these scenarios – aggravated by strong speculative movements – engender a voluminous loss of reserves, generating imbalances in the external accounts. The changes introduced in the Brazilian foreign exchange policy at the start of 1999, after the impact caused by the Russian crisis, were the most evident signal about the consequences of this dynamics.

During Cardoso's government, relations with Latin America received highest priority. The idea of a strategic relation with Argentina became the main axis of this policy and at the same time efforts were made to consolidate Mercosur. Relations with Chile, Bolivia and the Andean Pact were intensified. Besides its preoccupation with democratic continuity in Paraguay, the Brazilian government endeavored to find a solution for the achievement of peace in the rekindled conflict between Ecuador and Peru. Brazil assumed the role of coordinator of the guarantor countries of the Peace Declaration, which permitted the signature in Brasilia of a peace agreement between the two countries that created a demilitarized zone and two ecological parks in the disputed area.

Following, a more detailed analysis of the complexities of the economic and political relations between Brazil and the United States in this period will be presented.

2.5 The new challenges in US-Brazil economic relations

Since the mid-1970s, US-Brazil economic relations have evolved against a continuously tense background. In-between the debt crisis and the new global financial circumstances, Brazil became more exposed to international economic pressures. Hence, due to increases in both its asymmetrical interdependence and its external economic vulnerability, Brazil has lost bargaining power vis-à-vis the United States and has become subordinated to a more complex set of interests and pressures.

Meanwhile, the democratization process in Brazil has generated new trends in domestic politics in which a variety of political and economic interests exert their influence on internal and external affairs. Democratic consolidation has constrained the relative autonomy of the executive power, as business segments, political parties, and even trade unions have expanded

their influence, especially in congressional politics. The Foreign Ministry remains the main state agency in charge of bilateral, regional, and multilateral trade negotiations dealing with a variety of domestic pressures, but it shares growing responsibilities with other agencies, especially the Ministries of Development and Agriculture, while monetary and financial external matters are handled by the Ministry of the Economy. In the United States, economic relations with Latin America countries are a result of three government agencies: the Department of Treasury, which handles financial and monetary affairs, and the Department of Commerce and the US Trade Representative, which together handle bilateral and regional trade matters.

Ever since the Collor administration (1990-92), US business and government circles had expected that Brazilian economic policies would adjust to mainstream liberal recipes. These expectations were stimulated by the renewed scenario in Latin America dominated by promising experiences of economic liberalization and stabilization. But political uncertainties between Collor's impeachment in September 1992 and Cardoso's inauguration in 1995 delayed these changes. Since then Brazil has moderated its adherence to free market economics; it has moved ahead in liberalizing its economy but has not given up its industrial development strategies.

Economic relations between Brazil and the United States face new challenges that involve four different dimensions. Furthermore, the way in which these dimensions interplay with governmental and private interests has become critical, both for the enhancement of common interests and for the upsurge of controversies and misperceptions in bilateral relations.

The **first** dimension refers to the evolution of Brazilian economics, the expectations raised in the United States and their impact on US direct investment in Brazil. Over the past twenty-

five years, the results of structural adjustment policies have influenced the perceptions and expectations in the United States business community, the US government, and the Washington-based international financial institutions (IMF and World Bank). Brazil's only gradual adherence to liberal economic policies has been a constant source of criticism within the United States and officials constantly voice their disappointment with Brazil in blunt terms. Statements were made calling for more transparency in privatization, market liberalization, and especially for the enforcement of an effective fiscal reform. In this last case, Brazil was criticized for its heavy taxation system which consumes close to 30% of its internal gross product (PIB)¹⁹.

In those years, as Brazil became exposed to global financial turmoil and speculative monetary attacks, the country struggled to conserve room for maneuver when handling critical situations. Nevertheless, the continuity of Brazil's economic stability involved recurrent monitoring and endorsement from the IMF and World Bank. The most critical situation took place in early 1999, when Brazil faced a dramatic currency crisis.

A **second** and more traditional dimension relates to commercial transactions between both countries. This has been an important aspect of bilateral relations all through the twentieth century. Contrary to what had been expected, the trade liberalization measures in Brazil did not contribute to the overcoming of bilateral discrepancies. Brazil resented the lack of reciprocity on the part of US policies, while the US pressured Brazil to deepen its open market policies, in the belief that Brazil should openly face the lack of competitiveness of its industries. These

19 Former-US Ambassador to Brazil (1999–2001), Anthony Harrington's statements exemplified such complaints. While mentioning a list of expectations vis-à-vis Brazil at a conference at the American Chamber of Commerce, his words were clear: "Unpredictability make our investors nervous" *O Globo*, November 4, 1999.

bilateral trade discrepancies gradually spilled over into the arena of multilateral trade negotiations.

A **third** facet gained importance as multilateral institutionalism became even more important in world trade. Since the creation of the World Trade Organization (WTO) in 1992, US-Brazil trade disputes gained a new visibility in the multilateral fora. These disputes have been solved within the WTO in obedience to the set of rules and regulations that both countries have agreed to follow.

The **fourth** dimension also goes beyond strictly bilateral ties, and engages the most recent facet of US-Brazil economic relations involving a regional dimension. Since the launching of NAFTA (North American Free Trade Agreement) on the one hand and Mercosur (Common Market of the Southern Cone) on the other, a new agenda emerged between the two countries. Both the United States and Brazil are the leading markets in their sub-regional economic integration arrangements, and as a consequence they became the main players in the Free Trade Agreement for the Americas (FTAA) negotiations. Mercosur-US negotiations became a decisive factor in the ongoing FTAA negotiations, which were to be concluded in 2005. Nevertheless, as FTAA negotiations marched it became clear that Brazil's resistance goes beyond the Mercosur frame. More and more Brazil assumed an individual stance towards the creation of a hemispheric free trade area transposing to these negotiations the same complaints and demands placed in bilateral terms.

These four dimensions will now be addressed in greater detail in the following sections of this section.

2.5.1 Domestic economics and US direct investment

After almost ten years of frustrating attempts, Brazil's mid-1994 stabilization program promised enduring and positive

results. In July 1994, the introduction of a new currency, the real, led to a decline of inflation, from an average monthly rate over 40% to less than 2%. While this restored domestic and international confidence,²⁰ Brazil's tight monetary policies and very high interest rates constrained the expansion of its economy.

Based on a strongly valued currency and high interest rates, these new economic policies made Brazil attractive to foreign capital. Trade liberalization, already undertaken in the early 1990s under the new currency, stimulated a rapid expansion of Brazilian imports. Meanwhile, privatization gradually advanced, opening key economic areas to foreign investment.

Brazilian economic policies improved the domestic environment for private transnational capital. Whereas the Real Plan changed the country's international image, US business and governmental circles welcomed Brazil's more open and competitive economy, and improvements in economic performance became an important incentive for the augmentation and diversification of foreign investment. Measures facilitating investments from abroad in financial, telecommunications, and transportation sectors led to a major expansion in flows coming from different OECD countries. Besides the role played by Brazil's attractive economic scenario, US investment was also stimulated by the economic growth at home.

Between 1991 and 1998, the United States, longstanding major source of foreign investment in Brazil, more than tripled its investment in the country, so that by 1998 US Foreign Direct Investment (USFDI) in Brazil approached US\$ 38 billion, concentrating mostly in the financial and manufacturing sectors (chemical, transport, and food). Telecommunications and

20 Inflation rates declined from an annual average of 40% in early 1994 to an annual rate of 22% in 1995, 9.34% in 1996, 7.48% in 1997, and 0.71% in 1998.

transportation were the biggest growth sectors of USFDI in Brazil as a result of the participation of US firms in privatization and concessions sales. Brazil became the sixth heading country in total USFDI, and the first in the Third World, accounting for over 50% of US overseas investment in South America.

Notwithstanding all the changes produced by privatization, the process is considered incomplete by US officials who complain that crucial areas such as the petroleum and the electrical energy sectors were left out. In addition, other complaints and expectations soon surfaced involving tax administration, customs procedures, enforcement in intellectual property rights, and increased transparency in economic regulations.

The expansion of US direct investment in Brazil coincided with an important increase in the presence of other countries, especially Spain. In fact, as the figures below show, by the year 2000 Spanish investment in Brazil surpassed the investment coming from the US.

Brazil's investment increased in the US as well, and an important group of Brazilian firms have managed to expand their presence there. This includes firms such as Amil (health insurance), Citrosuco and Cutrale (juice processors), Vale do Rio Doce (mining), Embraer (aircraft), Gerdau (steel), Ipope (polls), Odebrecht (construction and petrochemical) Petrobras (oil) and Embraco, Romi, and Ioschpe (machinery & mechanics)²¹.

In the next few years US direct investment in Brazil tended to decrease as a consequence of three unrelated factors: the slowdown in US economic growth, the end of relevant privatization processes in Brazil, and the new vulnerabilities of the Brazilian economy after the 1999 monetary crisis.

21 *Jornal do Brasil*. April 15, 2001.

Due to the effects of the Russian devaluation and debt default of August 1998, Brazil suffered a speculative attack on its currency which reduced its foreign reserves by US\$ 30 billion in five months. At the time, the Brazilian government managed to obtain crucial external support, particularly from the US administration, to help it weather the changes it made in its monetary policy.²² A rescue package of US\$ 41.5 billion set up by the International Monetary Fund was followed by the adoption of a new exchange rate regime which led to a dramatic depreciation of the local currency.²³ The growth rate of the Brazilian economy fell while the dramatic inflationary impact of devaluation was somewhat avoided thanks to thorough monetary measures, of which high interest rates became an inevitable part.

Under these circumstances, Brazil's public debt increased dramatically during the late 1990s. A reasonable situation in which the public debt represented less than 30% of the gross domestic product was replaced by an alarming scenario in which it surpassed 60%. By the end of the Cardoso administration the repetition of financial speculative waves had slowed economic growth and kept debt payment extremely high. Though foreign investment did not reach the high standards of the mid-1990s, it did not fall as had been expected. In fact, in the year 2000 foreign direct investment in Brazil reached 33.5 billion dollars.

These fragile economic conditions persisted until the presidential elections of October 2002. New monetary speculative

22 The financial assistance package for Brazil involved: US\$ 18 billion from the IMF, US\$ 4.5 billion from both the World Bank and the Inter-American Development Bank, and bilateral credit, US\$ 5 billion of which was provided by the US and US\$ 9.5 billion by European governments. Cardoso, Eliana. "Brazil's Currency Crisis: The Shift from an Exchange Rate Anchor to a Flexible Regime". In: Carol Wise and Riordan Roett (ed.). *Exchange Rate Politics in Latin America* (Washington D.C.: Brookings Institution Press): p. 85.

23 Between January and March the real value against the dollar reached 2.2, by early May it settled at 1.68.

waves also took place, stimulated by the deep economic and political crisis in Argentina and then by the electoral uncertainties in Brazil. However, the markets and investors gradually calmed with the approval of a US\$ 30 billion IMF loan granted after a political negotiation led by the Cardoso administration was accepted by all presidential candidates at the time. Later, the initial external concerns caused by the victory of the left-wing Workers' Party (PT) leader, Luis Ignacio Lula da Silva were lessened, as the newly elected president promised that the financial commitments assumed by the previous government would be honored.

2.5.2 US-Brazil trade: a renewed agenda

US-Brazil trade relations reflected new complexities all through the 1990s. Two-way trade increased from US\$ 12 billion in 1990 to US\$ 19 billion in 1995 and to US\$ 23 billion in 1999. And though Brazil maintained a trade surplus with the United States throughout the 1980s, the situation now changed: US exports to Brazil increased dramatically in number and relative importance, but Brazilian exports to the United States hardly expanded at all. By the mid-1990s, Brazil showed a continuous deficit with the United States. It should also be noted that this picture was part of a general trend in Brazil's trade balance.

In 1994 and 1995, after the Real Plan was launched, the United States accounted for approximately 50% of Brazil's total trade deficit. This tendency was first associated with Brazil's new currency and afterwards with the slowdown of economic growth rates²⁴. After 1999, expectations that US-Brazil trade would become more balanced increased as a result of two new factors: the impact of the devaluation of Brazil's currency since early 1999 and the growing importance of intra-company trade in bilateral

24 GDP growth rates were 2.8% in 1996, 3.2% in 1997, and 0.5% in 1998.

transactions. But while the trade imbalance became less dramatic, it did not cease. In 1999 the surplus with Brazil represented 60% of the US surplus in all the Americas, and out of all its other trading partners, the United States enjoyed its fourth largest trade surplus with Brazil.

As US surplus trade with Brazil became constant, the importance of the Brazilian market increased for US exports. In 1997 and 1998 Brazil became the United States eleventh largest export market. Though Brazilian exports to the United States did not decrease during the 1990s, US exports to Brazil doubled between 1994 and 2000. But even this has not stopped US complaints regarding Brazilian trade barriers which affected US goods and services.

As mentioned earlier, the changing patterns of US-Brazil trade became part of a new scenario of Brazil's mounting trade deficits generated mainly by the strengthening of its currency. Hence, the expansion of US exports to Brazil was more a consequence of trade liberalization than of economic growth. US exports to Brazil have been dominated by capital goods and hi-tech industrial inputs, most of which is in intra-company trade, resulting from the growing presence of US multinationals in Brazil.

After its devaluation in 1999, it was widely expected that Brazil would improve its trade balance, as exports expanded to the country's main trading partners, and in fact the country was able to decrease significantly the bilateral trade deficit with the United States. By the end of the year 2000 its commercial ties had reached an equilibrium not seen since the early 1990s which revealed an important expansion of Brazilian exports to the US. Furthermore, while Brazil's exports to the US were 18-19% of its total exports in the period of 1995-98, they rose to 22-23% in the years 1999-2001. Brazilian officials were quite emphatic that this growth was a consequence of greater competitiveness, not the result of any sort of reduction in US trade barriers.

US trade policies have in fact represented a continuous source of friction for Brazil. Though the United States has one of the lowest tariff systems in world trade – 4.5% is the average – discriminatory measures have led to the application of an average tariff of 45.6% on the fifteen top Brazilian exports to the US market. These fifteen products represent 36.4% of Brazilian total exports.²⁵ The average tariff imposed on the fifteen most important US exports to Brazil does not surpass 14.3%.

Brazilian agricultural products represent only 0.2% of total US agricultural imports. An interesting parallel can be made with Mexico, which now represents over 40% of US agricultural imports. The US tariff rate quota system has affected Brazilian products such as sugar, which has been excluded from the General System Preference (GSP) since 1989, and tobacco. As a consequence of United States quota policies, tariffs imposed upon Brazilian sugar were 236% and they were 350% on tobacco.

However, in some cases, Brazilian exporters have been able to adapt to US trade restrictions. Such is the case of concentrated orange juice, which has been partially displaced by Mexican exports and the local production in Florida. At first, Brazilian orange juice exports to the US were encouraged by American growers and processors in face of the damage caused by the frequent freezes that devastate Florida's citrus crop. After a spectacular penetration in US market in the early 1980s, when Brazilian orange juice made up 45% of the American market, Florida growers managed to get US government to authorize the imposition of antidumping measures which by 1998 had reduced this to 12%, allowing American growers to control 64% of the market. Tariffs on Brazilian juice can range

25 "US Barriers on Brazilian Goods and Services". *Report Prepared by the Brazilian Embassy in Washington D.C.* November, 2000. www.brazilemb.org

as high as 63%. Among the strategies to counter the US barriers, a group of Brazilian firms bought processing plants in Florida, which allowed them to influence prices for bulk juice purchased either from Florida or Brazil. By the mid-1990s, Brazilian companies managed to control 30% of the concentrated orange juice business in Florida.²⁶

Aircraft sales have dominated Brazilian exports to the United States, followed by shoes and auto parts. More and more Brazilian manufactured products have faced increased difficulties penetrating the US market. Brazilian footwear and textiles have been displaced by Chinese industry, and steel has been continuously affected by anti-dumping and countervailing regulations.

In recent years, steel has been the most conflictive chapter in US-Brazil trade. Brazil steel producers had expected preferential negotiations similar to those granted to Russia, but since 2000 the enforcement of new trade barriers affecting steel products has opened a new round of complaints on the part of the Brazilian authorities. Even though punitive duties on cheap steel were conceived mainly to contain Japanese exports, the US government has refused to apply preferential treatment to Brazilian steel products. In early 2000, the imposition of anti-dumping duties on steel imports-particularly hot-rolled steel-was blocked by the United States International Trade Commission (USITC), which was a victory for companies from Japan, Thailand, Argentina, Russia, South Africa and Brazil.²⁷ Nevertheless, that did not stop the powerful US steel industry and unions from making new attempts to control the entry of cheap steel products. After the

26 *O Estado de São Paulo*, 4 - 7, 2000.

27 Antidumping duties were imposed on cold-rolled steel imports from six countries: Argentina, Brazil, Japan, Russia, South Africa, and Thailand. The Commission's negative determinations were made public in New Release 00-0332 Inus Nos. 701-TA-393 and 731-TA-829, 830, 833, 834, 836, and 838 (F).

terrorist attack against the US in September 2001, the industry stated the need to consider its future a matter of national security and called for stronger sanctions against foreign products.²⁸

These difficulties in trade were accompanied by tension and misunderstanding in official circles that became public every time escalation replaced positive negotiations. Public declarations by both US and Brazilian officials often reveal a dialogue of the deaf that involves government, business sectors, and the media. For instance, during the cold-rolled steel episode, the lack of flexibility on the side of US commerce authorities led the Brazilian Foreign Ministry to declare that trade relations with the United States were facing their worst moment in the past thirty years. Meanwhile, the newly appointed US ambassador in Brazil used the USITC decision as an example of fair competition, portraying the accusations against US protectionism as more a matter of misperceptions than of concrete realities.

Brazilian officials shared the view that US-Brazil trade disputes had reached the point of exhaustion in inter-governmental negotiations. As Brazil recognized the limited results of bilateral understanding in the face of continuous US unilateral actions, it fostered the expansion of a pro-Brazilian constituency in the US. The attempts to stimulate a Brazilian caucus to improve penetration in the media and to support inter-firm connections became growingly important for Brazilian diplomacy. Both sides also realized that the cluster of bilateral trade misunderstandings would have an impact on the negotiations regarding the Free Trade Area of the Americas.

28 See MATTHEWS, Robert Guy, *Wall Street Journal*, September 19, 2001. (p. 6, section 2).

2.5.3 The multilateral dimension

Brazil's trade liberalization measures coincided with major changes in the global environment. The new institutional frame that began in the mid-1990s with the creation of the WTO expanded Brazil's exposure to international regulations. The country's use of contingency measures increased, as did its participation in multilateral consultations and panel reviews. And while trade liberalization measures progressed ahead, Brazil made use of new instruments to deal with trade balance problems.

Between 1948 and 1991, Brazil was involved in only thirteen GATT dispute settlements, in ten of them as a complainant. Only once were complaints against Brazil made by the United States, while on six occasions Brazil made complaints against the United States. Between 1992 and 1996, the trade dispute settlements involving Brazil rose to seventeen. Of these, the United States raised six, three of which were against Brazil. In addition, five of the total of eight complaints raised in this period against Brazil came from NAFTA countries²⁹.

Brazil now began to make use for the first time various provisional safeguard measures to balance the effects of its liberalization policies.³⁰ In 1996, eighty-two anti-dumping and countervailing actions were in force against Brazil, twenty of which had been taken by the United States. If NAFTA were considered as a bloc, this number increases to forty-two, or more than 50% of the total. While steel products became the main target of US actions, sugar, tobacco, orange juice, and footwear exports have also been affected. Furthermore, Brazil has continuously been listed as a "priority foreign country" under the US Special 301 provision.

29 See *WTO: Trade Policy Review. Brazil, 1996*, vol. I p. 33-4

30 This was the case of quotas imposed by the Brazilian government on automobiles; it was withdrawn after the WTO Balance of Payments Committee rejected Brazil's justification. The United States was among the countries to complain against Brazil's new quota regime.

Besides its involvement in numerous trade disputes, Brazil has been an active player in the international community regarding the rules and institutional built-up of the multilateral trade system. This has been an area of concern for Brazilian foreign policy since the old days of the GATT. As already mentioned, the Brazilian government was a firm advocate for the creation of the World Trade Organization (WTO) in 1995 and has since then adhered to the group of countries that demand a new round of multilateral trade negotiations, called the "Millennium Round".³¹

Brazil concentrated its attention on two main subjects in multilateral trade negotiations: ending the subsidization of agriculture, which was particularly aimed at the European Community, and the adoption of a flexible stance regarding new trade issues on the agenda. While in the first case Brazil and the US shared similar views, in the second they differed. Brazil basically perceives itself as a small global trader in need of greater access to markets and assumes a defensive posture towards new trade restrictions. After the fiasco at the 2000 Third Ministerial WTO meeting in Seattle, where an agreement regarding the agenda for a new round of global trade negotiations was not achieved among member states, a new attempt was made at Doha (2001). This time, consensus for a new round of global trade negotiations was finally reached.

A major question for Brazil at the Doha meeting concerned the debate on pharmaceutical licensing and public health programs. The 1995 WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) had determined the enforcement of intellectual property rights, including pharmaceutical patents, to take effect by the year 2003. The generic production of anti-retroviral drugs at low production prices had become a large

31 The previous round, named the Uruguay Round, took place during the years 1986-94.

industry in Brazil. While it receives important support from local health authorities, the enforcement of the TRIPS provisions would affect not only the production of these generic variants, but the costs involved in the treatment of AIDS.

The use of non-licensed pharmaceuticals in Brazilian anti-AIDS program had already become a touchy issue in US-Brazil understandings on intellectual property, and at Doha two coalitions were formed: one led by Brazil and India, followed by a broad group of less developed countries; the other by the US, Switzerland, Canada, Australia, New Zealand and Germany. While the first block stood for the inclusion of a more flexible interpretation of the TRIPS provisions in the case of public health necessities, the other did not.³² Thanks to a last-minute switch by the US, the first group finally prevailed. One important reason for the closer position between the US and Brazil on this matter was the public health emergencies faced in the United States in which government needs and the pharmaceutical patent rights held by powerful private interests have not always coincided. A parallel can be traced between Brazilian public health programs against HIV and the measures taken by the US government in 2001 against anthrax. In both cases, government health policies favored generics against the interests of the private pharmaceutical industry.

The start of a new round of global trade negotiations in the near future would bring up new agendas of convergence and discrepancies between Brazil and the United States on multilateral trade arrangements and norms. This process would take place simultaneously with the negotiations for a Hemispheric Free Trade Agreement, as both were scheduled to conclude in 2005. While the

32 According to WTO norms, all 142 member states ought to agree to the contents of the declaration for its approval. The final declaration regarding this controversy stated: "The TRIPS agreement does not impede and should not impede the members from taking measures to protect public health". *Estado de São Paulo*, October 10, 2001, p. 16.

agendas at stake were quite similar, positions regarding specific issues were quite different. The regional negotiation agenda will be addressed in the next section of this chapter.

2.5.4 The regional dimension

Negotiations regarding the Free Trade Area of the Americas (FTAA) gained enormous importance in US-Brazil relations, as they were part of a broader process of redefining foreign trade arrangements in which regionalism has tended to assume a new role. In both cases, these negotiations depended upon domestic support provided by political parties, business sectors, and labor organizations. In the US, the early stage of regional trade talks took place during the first Bush administration; they deepened during the two Clinton administrations and continue during the present Bush administration. In Brazil, negotiations first took place during the government of Collor de Mello, continued with Itamar Franco, deepened with the Cardoso administrations and would conclude during the Lula administration. While internal politics had always been a crucial aspect of foreign trade policies in the US, domestic political involvement and pressure regarding trade negotiations in Brazil it represented a very recent phenomenon linked to the consolidation of democracy. Never before had trade negotiations been so politicized within the Brazilian society, especially those regarding the FTAA.

US interests in constructing a free-trade zone with Canada and Mexico planted the seeds for a hemispheric free trade area at the same time Brazil and Argentina were taking their first steps towards the formation of a common market. In June 1990, Brazil and Argentina created a regime of gradual automatic trade liberalization that was scheduled to be completed in 1994. In March 1991, the Treaty of Asuncion extended the same system

to Paraguay and Uruguay, forecasting the creation of a common market in the Southern Cone, called Mercosur.

Once the idea of a hemispheric free-trade zone first surfaced in the early 1990s, Brazil developed three different positions. First, when the “Bush Initiative” was launched in 1990, Brazil showed *disdain* regarding the formation of a Free Trade Area of the Americas. Four years later, at the Miami Summit (1994), Brazil assumed a *defensive* posture dominated by zero-sum calculations that seemed to indicate Mercosur and FTAA would be mutually exclusive. The third position emerged during the preparations for the 1998 Santiago Summit, where the formal negotiations for FTAA were launched. Brazil then assumed an *affirmative* position supported by two different motivations: the strength of its presence in Mercosur, and the convergence between government and societal organizations that facilitated the articulation of a “national” position towards the FTAA.³³ The advancement of these three positions will be briefly discussed.

For the United States, the “Initiative of the Americas,” launched in June 1990, represented the recognition that the region’s economic needs were indeed congruent with the recipes of economic stabilization recommended by international financial institutions and US authorities. The preoccupation with stimulating investments and interchanges in the Americas primarily became a rhetorical exercise with more political impact than anything else. The simultaneity of the Initiative of the Americas and the formation of Mercosur created the illusion of a 4+1 negotiating process (Mercosur + United States), but this hypothesis rapidly

33 See VEIGA, Pedro da Motta. “El Mercosur y el Proceso de la Construcción de ALCA”. *Integración y Comercio* (Buenos Aires INTAL, 1998): 3-32; Maria Regina Soares de Lima. “Brazil’s Response to the New Regionalism”. In: G. Mace and J.P. Thérien (eds.), *Foreign Policy and Regionalism in the Americas* (Boulder, CO, Lynne Rienner Publishers, 1996): 137-158; “Mercosur, ALCA, União Europeia – Reflexões para uma Estratégia Brasileira,” *Política Externa* 6 (Sept, 1997): 62-70.

dissipated. For the United States, NAFTA had become the space *par excellence* of negotiating preferential commercial agreements with the other countries in the Americas.

Notwithstanding, instead of stimulating a cooperative movement in Latin America, the idea that post-NAFTA negotiations would take place had a fragmenting effect that impeded the consolidation of a harmonious hemispheric negotiation process. While Brazil appeared to be less interested in the NAFTA spillovers, other countries, such as Argentina and Chile, appeared quite anxious to share Mexico's destiny. In the case of Mercosur, this fragmentation affected the Brazil-Argentine negotiating process and helped fuel Chile's reluctance to adhere to the bloc³⁴.

At the same time, Brazilian political and business circles criticized the advancement of NAFTA negotiations, and highlighted two problematic aspects. They thought NAFTA would cause a geo-economic fragmentation between North and South Latin America, and they criticized the inclusion of new issues – labor standards and the environment – in trade negotiations. Brazil had opposed the inclusion of both issues in the GATT multilateral trade negotiations, and feared that NAFTA could potentially become a new channel for pressure on Brazil.

The NAFTA negotiating process coincided with the first positive effects of Mercosur on Brazilian foreign trade. In the years 1991-93, the relative importance of Brazilian exports to the sub-region rose from 7% to 14%; Argentina became Brazil's second most important trading partner, and exports within Mercosur jumped from US\$ 11.1 billion to US\$ 18.5 billion. Regional integration began to be seen within Brazil as an opportunity to enhance its international economic profile, and the idea of a South American

34 See HIRST, Monica. "Democracia, Seguridad e Integración". In: *América Latina en un Mundo en Transición*. Buenos Aires: ed. Norma, 1996: pp. 189-222.

trading bloc, which would integrate Mercosur, the Andean Pact and Chile, surfaced. This project was named the South American Free Trade Area (SAFTA) and the idea that SAFTA stood in opposition to FTAA became widespread in Brazil.

During the preparations of the 1994 Miami Summit, US authorities feared that Brazil's reluctance towards a hemispheric trade area would pose difficulties.³⁵ When it was announced that the negotiations would lead to a free trade area in 2005, overcoming these difficulties became a top priority. Furthermore, a schedule for ministerial meetings was set up and the project became a prominent item on the foreign policy agendas of the countries in the region. After the Miami Summit, the Brazilian government assessed the costs of its exclusion, and concentrated its efforts on broadening the FTAA time frames. Besides containing US pressure, Brazil needed time to accommodate and harmonize all the liberalization commitments that were at stake.

The creation of a FTAA had become one of the main topics on the hemispheric expanded agenda. From a US perspective, this process involved the dissolution of other sub-regional integration regimes such as the Central American Common Market, the Andean Pact, and Mercosur. The United States also assumed that a Washington-led process would deepen the US commitment to regionalism. For the executive branch it became crucial to obtain fast track authorization from Congress to carry forward the negotiations. However, Mexico's 1995 "Tequila Crisis" slowed down the rhythm of hemispheric negotiations and disrupted the United States political capacity to include other countries of the region in preferential trade schemes. Brazil consequently gave top priority to Mercosur as its platform for regional cooperation and integration.

35 See FEINBERG, Richard, *Summitry of the Americas: A Progress Report* (Washington D.C. Institute for International Economics, 1997).

The commitments to deepen the sub-regional integration process within Mercosur created the expectation that a customs union would soon be consolidated. Brazil's trade profile was strongly influenced by the consequences of the Real Plan on the balance of payments. The overvaluation of the Brazilian currency, in addition to liberalization policies enforced in the 1990s, substantially augmented the country's deficit with the majority of the countries in the Americas and contributed to a tremendous increase in Brazilian imports (from US\$ 20.7 billion in 1990 to US\$ 53.3 billion in 1996). Within Mercosur, Brazilian trade deficits accumulated to US\$ 2.24 billion between 1995 and 1997.

From a political perspective, Brazil worried far more about its deficit with the United States than the ones with its neighbors. The increased access of Latin American products to the Brazilian market came to be seen as a political asset that helped to downplay the asymmetries between Brazil and its neighbor partners. The trade imbalance with the United States, however, became a source of concern, as it was dissociated from a wider frame of reciprocal negotiations.

Within the United States, the Mexican crisis provoked a debate over the costs and benefits of NAFTA that forced the Clinton administration to change its strategy towards regionalism in the Americas. From this time on, domestic conditions increasingly restricted the US government's freedom to maneuver in international trade negotiations.³⁶ After four years of transmitting ambiguous political signals to Latin American governments, the White House decided to postpone asking Congress for approval of the FTAA. Besides being conscious of domestic constraints to expand hemispheric trade relations, the

36 See ROETT, Riordan, ed., *Mercosur. Regional Integration, World Markets* (Lynne Rienner, Boulder, 1999): 113.

Democratic administration preferred to prioritize other foreign economic agenda issues such as the expansion of its contributions to the International Monetary Fund and trade talks with China.

A new series of meetings in the preparatory phases of the FTAA process took place in September 1996, and Brazil's temporary presidency of the negotiations generated a sense of the country's responsibility in articulating Latin American positions.³⁷ In the Third Commerce Ministers' Conference (Belo Horizonte, May 1997) Brazil assumed an affirmative position in the negotiating process based on the principles negotiated with all thirty-four states involved in the process: consensus, the indivisible nature of the negotiating package ("single undertaking"), compatibility with WTO rules, the coexistence between FTAA and the existing sub-regional and bilateral agreements, the *a priori* non-exclusion of any sector that involved access to markets or the elimination of barriers, and the conclusion of negotiations by the year 2005 when enforcement would begin.

The Brazilian government also tried to give its participation in the FTAA negotiating process a political spin, and the demands of Brazilian business sectors and labor organizations became part of the FTAA negotiating process. In Brazil, the FTAA became a relevant subject for public discussion and growing nationalistic consensus has built-up, supported by business sectors, labor movements, partisan and academic segments. In all cases there was a growing concern regarding the asymmetrical economic effects of trade liberalization if the US did not review unilateral protectionism. The long-lasting consequences of US-Brazil commercial disputes, particularly those in which Brazilian exports had been hurt by US non-tariff barriers, helped to sustain this consensus.

37 Three meetings took place in Brazil: the first in Florianopolis (September 1996), the second in Rio de Janeiro (April 1997), and the third in Belo Horizonte (May 1997).

In this context, a proposal for agreements on the FTAA negotiating process was successfully constructed based on three premises: the indissolubility of Mercosur, gradualism in the negotiating process, and balance between costs and benefits. Further negotiations were to take place in three stages: (1) "business facilitation," with the reduction of transaction costs for the economic agents and the inclusion of measures like certificates of origin, and the simplification of merchandise transportation, and the recognition of sanitation certificates; (2) harmonization of norms, with the elimination of unjustified nontariff restrictions and the definition of a mechanism for resolving controversies inside the free trade area; and (3) the opening of markets and tariff dismantling.

Following the 1998 Santiago Summit, the negotiating process for the creation of a FTAA became more complex. An ambiguous situation had been created, since the progression of the negotiating agenda was not accompanied by most important US political signaling, the approval of fast-track legislation by the US Congress. Furthermore the Clinton administration's growing difficulty in assuring approval by its own party served to counter the belief that the administration would give more economic substance to its Latin American policies.

The main issues at stake in the FTAA negotiation process came to be: adhering to the agreement; a methodology for overseeing the agreement; distributing the costs and benefits between unequal partners; and linking the agreement with the macroeconomic conditions of the countries in the region. For Brazil, this last item became crucial in light of the need to adjust FTAA negotiations with the economic reforms implemented in the previous years - economic deregulation, reductions of substantial restrictions to foreign capital, economic openness, and an ample privatization program.

Brazil expected that the preparatory phases of FTAA would allow for the betterment of its trade relations with the United States. Hence, for Brazil, the issues of major importance in the negotiating process became the reciprocal liberalization of agricultural products; the elimination of subsidies for agricultural products, steel, shoes, and textiles; and measures against disloyal commercial practices.

Since its inauguration in 2001 the Bush administration had given clear signals that negotiation of the FTAA would become a top priority. However, this could only become reality if his administration managed to overcome domestic resistance that for four years had prevented the Congress from granting Fast Track Authority, which was now called Trade Promotion Authority (TPA).

The White House officials became very emphatic about their determination to win the cause at Capitol Hill, and the hemispheric agenda picked up during the Third Hemispheric Presidential Summit that took place in Quebec in April 2001. At the time the thirty-four heads of state of the Americas agreed to complete the FTAA negotiations by January 1, 2005 and to ratify the agreement by December 31, 2005.

Brazil maintained an affirmative policy towards the FTAA, as it assumed a more critical position in the negotiation process. The Brazilian government stood firmly against the stance of the US and Chile in favor of anticipating the inauguration of the FTAA from 2005 to 2003. Brazil also became an active player in the working groups in charge of the preparations for the trade hemispheric negotiations that emphatically appealed for reciprocity in hemispheric talks, stressing that it would not consider the FTAA an "inevitable fate".³⁸

The granting of TPA by the US House of Representatives in December 2001 deepened discrepancies in US-Brazil trade

38 *O Estado de São Paulo*, April 23, 2001.

talks even more. The new congressional authorization included conditions that were considered unacceptable, and were interpreted by the Brazilian government as an obstacle to further FTAA negotiations. Brazil became particularly concerned with two TPA clauses; one which previewed consultation by the US government on currency mechanisms adopted by others if considered a threat to US competitiveness, and another which listed 293 products to be excluded from negotiations including an extensive list of agricultural goods. This meant that the US could maintain subsidies for most of the agricultural products it exported to Latin America and would not have to touch anti-dumping legislation that restricted the entrance of many Latin American exports to the United States. Political leaders in Brazil, from the left to the right, condemned the contents of the authorization, and President Cardoso himself stated that “if the conditions imposed in the TPA were to be followed, there would be no FTAA.”³⁹

On the other side, US Trade Representative Robert B. Zoellick, who had pressed Congress to approve the legislation since he took office in 2001, was euphoric with the vote. While business lobbyists shared this reaction, the TPA received no support from organized labor and was strongly opposed by the majority of the Democratic Party.⁴⁰

39 *Gazeta Mercantil*, 12-10-2001.

40 “The bill, known as “fast-track” negotiating authority, would allow Mr. Bush to negotiate trade deals and bring them back to Congress for an expedited, up-or-down vote. No amendments would be allowed. The legislation was in place in the early 1970s but expired in 1994. Its renewal in the House has been mired in partisan disagreement over whether trade agreements should promote labor and environmental standards, a major issue for Democrats, and how to promote a strong congressional role in trade policy. “The bill that passed yesterday did not address the issue fully enough for most Democrats, who voted 189-21 against the bill. But 194 Republicans backed the legislation, with 23 opposed.” Article by Carter Dougherty. *Washington Times*, Dec. 7, 2001.

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In fact, it is possible to establish a correlation between the opposition to FTAA in the US and in Brazil. The political motivations in each country are quite different, but they come from the most nationalistic political segments. In the US, labor and environmental interests favor more protection and controls; in Brazil the Labor Party and the nationalistic right are against any kind of connection between labor standards and trade negotiations. In the United States, Brazilian resistance to FTAA was acknowledged by those more intimate with hemispheric trade negotiations. Former US Trade Representative, Carla Hills interpreted the Brazilian reluctance as a consequence of three “challenges”: lack of competitiveness of the national private sector; the concern that the US, as the dominating actor, will not address Brazilian priorities; the concern that a FTAA would curtail Brazil’s preeminence in South America.⁴¹

Aside from politicization, very concrete interests influence the positions of Brazil and the US in the FTAA negotiations process. South American markets had become particularly important for Brazilian exports (from 11.8% in 1990 to 23.2% in 1995), and the fact that Latin American, and particularly the South American markets had also increased their importance for US exports creates competition between the United States and Brazil. On the other hand, the expansion of US-Brazil intra-company trade had been reshaping the pattern of bilateral trade. Besides the motivations induced by recent changes in Brazilian domestic policies, the increased presence of US multinationals in Brazil had been stimulated by the new regional-oriented strategies it adopted to take advantage of the Mercosur process and would benefit even more from broad regional trade arrangements. This would

41 See HILLS, Carla, “Por que precisamos de um acordo de livre comércio para as Américas,” *Política Externa*, vol.10, no. 2 Sept.-Oct.-Nov. 2001, p. 27.

definitely be a source of converging interests in the negotiations of a Hemispheric Free Trade Agreement.

Increased bitterness in bilateral trade disputes has contaminated both countries in their hemispheric negotiations. US officials increasingly conditioned specific trade negotiations on a broad hemispheric agreement. Brazil argued the opposite, claiming that a regional consensus could only be achieved once the United States abandoned the use of discriminatory unilateral trade policies. Harsh declarations by government officials on both sides created a difficult environment in which psychological factors replaced rational evaluations. If Brazil ended up taking a negative approach in the FTAA negotiating process, politicization of the negotiations process could escalate. Brazil represented a key player in this process and its absence would affect the success of the project altogether. The maintenance of an active calendar of technical discussions, the preparations for new ministerial meetings and the 2005 deadline put pressure on Brazil to remain on the playing field. The scheduled shared-presidency with the United States during the final phase of the process was also a compelling factor for Brazil to stay on the track.

The ending of the Cardoso administration coincided with the beginning of the last negotiating phase of the FTAA negotiation (2003-2004) co-chaired by Brazil and the United States. Even though the process involved thirty-four countries, both nations assumed the lead in the success or failure of the negotiations. The Lula administration had acknowledged that dealing with Brazil represented a major challenge in faces of the strong anti-FTAA feelings shared by the political forces that sustained its government. On the other side, the Bush administration faced an ambiguous situation in which the recognition of the costs of excluding Brazil from the FTAA went hand-in-hand with stances that reflect growing protectionism and less flexibility at home.

2.6 The new contents in US-Brazil political relations

This section addresses a diverse set of issues which reflects the changing pattern of US-Brazil political relations. Since the early 1990s, US-Brazil political relations have undergone major transformations, influenced by simultaneous transformations in world politics and domestic Brazilian politics. As bilateral relations progressed, they involved new issues and complexities. US-Brazil political relations were now shaped by a myriad of interests and pressures related to a diverse agenda consisting of issues that had become altogether more difficult to rank.

Though not wholly satisfactory, a possible hierarchy differentiates *first level* and *second level* political issues. The first is concerned with the state-to-state agenda, addressing world and regional politics and international security matters; the second encompasses the agenda of “global issues” set by societal movements, non-governmental actors, and public opinion. The interaction between Brazilian democratization, on the one side, and the expanded community of non-governmental actors attentive to world affairs in the United States, on the other, has had a major effect upon US-Brazilian political relations. Though the erosion of the boundary between domestic and international pressures is a common trait in both first and second *tier* issues, it tends to be more visible in the latter.

The issues on the first tier agenda deal with interstate relations. They include diplomatic affairs, as well as international, regional, and bilateral security matters, and evolve according to world events and crises in light of the permanent national security interests of both countries. Although the second tier agenda also involves inter-State interaction, it is essentially set by non-governmental actors and interests. It is, by definition, an open and extensive agenda in which Brazilian and US societal movements and organizations aim, in the first place, to broaden perceptions

and approaches in bilateral relations and, secondly, to push for change in Brazilian State policies. The core issues of this agenda have been human rights and the environment. In both cases, there has been a permanent spillover into new and related topics, as the mobilization of different groups and organizations takes place. Immigration, media and public opinion have also been included in the second tier agenda.

2.6.1 The First Level Agenda

Two aspects are crucial when focusing on US-Brazil inter-State political relations: the first relates to the *a priori* power structure to which bilateral relations are subordinated; the second refers to the bureaucratic apparatus where decision making takes place.

The most important shaping factor in US-Brazil political relations is its asymmetric power structure. For the United States, the importance of Brazil in world politics and international security matters quite little, especially when compared to crucial allies such as Canada and Great Britain, to other world powers such as Germany and Japan, or even former enemies such as Russia. Yet, the reverse does not apply; Brazil has kept a permanent watch on the United States in world politics, and its foreign policy decisions have consistently measured the costs and benefits of convergence or discrepancy with the US.

In the post-Cold War period, such caution increased in the face of unipolar world politics, particularly since 9/11. Discrepancies regarding United States intervention in world and regional crisis, have been discretely revealed in episodes such as the Gulf war (1991), the crisis in Haiti (1996), and the Kosovo tragedy (1998). In all cases, the United States would have welcomed Brazil's full support. Even more, Brazil's choice not

to join the US bandwagon has contrasted with Argentina's full-scope alignment to Washington after the end of the Cold War. Convergence between Argentina and the US in international security and world politics was not only a factor of tension in Argentine-Brazilian relations but also helped to mislead official US expectations towards Brazil.

Room for differentiation in world affairs has further diminished in recent years. In fact, in the first period of the post-Cold War period, the influence of countries like Brazil in world politics became quite irrelevant.

In its relations with the United States, Brazil's influence is defined by its relative importance within the American strategy of preserving its preeminent global position, and Brazil's marginal importance within the American foreign policy framework limits the importance of hard politics *per se* in the relationship between the two nations⁴². In fact State-to-State political relations between the United States and Brazil primarily aim for prudent coexistence, eventual collaboration, and minimal collision. While the United States moves ahead towards the consolidation of an uncontested power position, Brazil searches for a secure and legitimate economic and political platform in South America.

Though Brazil's stances in world politics have been secondary for the United States, the same has not been true in regional politics, particularly in South America. The United States has very slowly acknowledged Brazil as crucial for stability and peace in the area. Under democratic rule, Brazil has expanded this role, even though Brasilia has repeatedly refused

42 MASTANDUNO, Michael. "Preserving the Unipolar Moment: Realist Theories and the US Grand Strategy After the Cold War". In *Unipolar Politics*, ed. Kapstein and Mastanduno. New York: Columbia University Press: 1999.

to transform mutual interests into a blank check alignment. Nevertheless, the United States has become more open to the idea that Brazil expects more than a just a say in South American politics. Brazilian foreign policy, on the other side, also became less defensive towards the positive aspects of the presence of the United States and the pros of hegemonic stability. Convergence and cooperation between Brazil and the United States were particularly important in the Ecuador-Peru peace process and the efforts to rescue Paraguay's democratic transition. Security cooperation also improved, especially regarding the prevention of drug traffic.

It is important to keep in mind that there has been a striking difference between the inter-bureaucratic realm involved with bilateral relations in Brazil and in the United States. On the American side, inter-State relations are carried forward by a bureaucratic *mélange* essentially conducted by the State Department, the National Security Council, and the USTR. In Brazil, they are centralized at the Foreign Ministry, which follows the general guidelines and political preferences made explicit by the presidency. Fine tuning between the presidency, the Foreign Ministry and the embassy in Washington, D.C. has always been the bureaucratic mix that has been in charge of US-Brazil relations. In the United States, less centralized foreign policy decisions have on many occasions facilitated a non-linked negotiation process, unlike Brazil, where the role played by the Foreign Ministry has stimulated a convergent line of action between different areas of negotiation. A particular effort was made to use presidential diplomacy as an instrument for improving US-Brazil political communications on global and regional matters.⁴³

43 In the years 1995-2001 President Cardoso met President Clinton five times and President Bush twice.

In the post-Cold War world, first tier politics tended to follow a fragmented and less predictable pattern, particularly in the case of countries like Brazil in which bandwagon diplomacy has been firmly avoided since the mid-1970s. Though the terrain for autonomous foreign policy had become more restricted, Brazil still aspired to retain some level of independent capability to determine its moves in world affairs. Clear examples of such aspirations include its leading initiatives in South America, the aim to become a permanent member in the UN Security Council, and its protagonism in hemispheric trade negotiations. There was also a growing concern in Brazil to articulate political independence in world affairs with a more plural support at home.

Brazil had gradually adapted to the preeminence of the United States in post-Cold War world politics and security. Though it favored a multipolar world order, Brasilia became less defensive towards the unipolar structure of the contemporary international system.

The combination of political changes in Brazil with major world events has broadened the range of convergence with the United States, particularly regarding political values and world peace efforts. Brazil's reaction to the 9/11 terrorist attack upon the US emphasized even more its affinity and attachment to Western political values. Brazil immediately voiced solidarity in grief as well as in broad-based efforts to combat terrorism. It also took the lead in the immediate call for an OAS conference, followed by the activation of the Inter-American Treaty of Reciprocal Assistance (IATRA). For the US, the role played by Brazil in calling for the OAS was recognized, though more action was expected regarding police and intelligence controls upon terrorist suspects at its border zones. Subtle differences between Brasilia and Washington emerged even more as US

military preparations unfolded in Afghanistan. At the time, the Brazilian government emphasized the need to avoid irrational reactions, and recommended caution instead of precipitated military response.

After 9/11 Brazil developed types of approaches to face the new global security threats, particularly those involving terrorism. In multilateral arenas, most notably the UN, it has insisted on the need for a conceptual revision of world institutional structures, with special concern towards the humanitarian impact of military action and the importance of equilibrium between solidarity and globalization. Brazil's other response was to enforce concrete domestic measures to deepen control over money laundering operations that could facilitate terrorist operations, while the presence of US intelligence in Brazil was expanded to improve internal security. Two months after the 9/11 terrorist attack, Presidents Bush and Cardoso met to fine-tune bilateral relations on world politics. Brazil adopted a rather difficult position, in which it avoided full-scope alignment to the US defense policy and at the same time granted support to the US-led war against terrorism.

2.6.2 World Politics and Security

In the mid-1990s, Brazilian foreign policy developed a positive agenda regarding the international security expectations of the United States, particularly regarding adherence to international nonproliferation regimes. In 1994, Brazil joined the Missile Technology Control Regime (MTCR), and in 1997 it ratified the Non-Proliferation Treaty. At the same time, Brazil supported the enhancement of multilateral initiatives, particularly the expanded role of the United Nations in world politics, while its increased participation in UN peacekeeping operations has meant that it has worked more with the United States in world affairs. Brazil

participated in the UN Observer Mission in El Salvador (ONUSAL), in the UN Observer Mission in Mozambique (ONUMOZ), and in the UN Mission in Angola (UNAVEM), where it sent 1,300 soldiers, the largest military force it has sent abroad since World War II. Brazil also contributed police forces to the 1999 UN peace operation in East Timor.

Building a positive agenda in peace-keeping, however, did not keep the two countries from holding different positions on a large stake of UN General Assembly resolutions, particularly those on disarmament and human rights. The amount of times both countries vote differently each year on both subjects is quite superior to those in which they coincide. For instance, in 1990, US and Brazil votes converged only once on disarmament and differed on twenty three resolutions. The same year they converged on four resolutions and differed on eight resolutions on human rights. US-Brazil disagreements have been even more frequent on disarmament than on human rights.

An illustration of the fragmented pattern of US-Brazil interstate relations can be observed in their recent voting patterns in different UN environments. While their votes will tend to coincide in the Security Council, they rarely do so in the General Assembly. This is because Brazil's international identity in the General Assembly is closer to Third World positions, which usually contrasts with those of the United States and other great powers. Politics in the General Assembly basically reflect a North-South divide, and Brazil has long been an outstanding player in Third World claims. However, this profile changes in the Security Council, where, since the end of the Cold War, Brazil has been elected a non-permanent member three times: in 1989-90, 1993-94 and 1998-99. Here, in resolutions concerning crises situations, Brazil rarely votes differently from the United States.

US and Brazilian officials also agreed on the need for broad institutional reforms within the UN system, including the expansion of the UN Security Council. The Brazilian government made clear to the United States and other world powers its ambition to be one of the new permanent members of the UNSC if the number of seats increases. Though Germany, France and Russia have already endorsed Brazil's candidacy, the US has been more cautious, as this would involve a regional preference that could hurt the interests of other Latin American members, particularly Argentina and Mexico, which have not given up their candidacies to favor Brazil.

In defense matters, Brazilian military officials have not left behind strong nationalistic feelings which contribute to a defensive posture in negotiations with the United States. However, after a period of great resistance, closer relations were accomplished. Besides regular bilateral military exercises, the creation of a Brazilian Defense Ministry in 1998 met long-held US expectations. A Bilateral Working Group for Defense was inaugurated in 1999, and Brazilian authorities hosted and actively participated at the 4th Defense Ministerial of the Americas (2000).

The creation of the Brazilian Defense Ministry contributed to ease US-Brazil understandings in security matters. At first, Brazilian authorities strongly resisted the idea, which in the 1990s was one of issues on the US shopping list in security matters in its talks with Brazil. The resistance came mainly from the military, which would not agree to subordinate their forces to a single civil authority. However, at the start of its second term, the Cardoso administration managed to enforce the initiative, which immediately led to a serious debate among military, academics and politicians regarding the future of Brazil's defense policy. As the ministry took on the task of preparing a white paper as its first important mission, it opened an internal debate on defense

policy. The result, in general terms, was that different positions were assumed by the military, Foreign Ministry, presidency and the legislative branch. Nationalistic and anti-American stances were more frequent among the military, particularly the Army and in Congress, regardless of party affiliation. Less nationalistic and more cooperative stances towards the US were shared by the Foreign Ministry and President Cardoso.

Improvements were also made in US-Brazil negotiations over sensitive technology. This had been a taboo subject for both countries since the misunderstandings of the mid-1970s, when the United States opposed Brazil's nuclear agreement with Germany. Twenty-five years later, an agreement was reached for US companies to use an equatorial launching site at a base on the northeastern Brazilian coast. For the Cardoso government, even though this agreement did not give Brazil access to technology, it opened the opportunity for the country to participate in the international space market.⁴⁴ These negotiations helped dissipate US concerns regarding the agreement Brazil had reached with Ukraine for the supply of rocket technology, while Brazilian officials perceived the start of a more enduring relationship with the United States in an area that had been a source of mistrust for almost three decades.⁴⁵

However, this perception was not shared by all sectors in the Brazilian government. Besides the resistance voiced by certain segments within the military, the agreement was thoroughly reproached in Congress, which rejected it. This was a clear example of inter-bureaucratic differences in which the Foreign Ministry

44 The world satellite-launching industry was expected to grow 20% a year. With the capacity for fourteen launches a year, the Alcântara base in Brazil could bring the country an estimated US\$ 30 million each year. *The New York Times*. April 19, 2000.

45 Such a perception was mentioned in interviews the author conducted with Brazilian government officials in 1999-2000.

pushed for a cooperative agenda with the US, while the military held strong nationalistic positions that were also shared by the legislative branch.

2.6.3 Regional politics and security

Presidential diplomacy by the Cardoso administration became particularly important in improving communications with the White House so as to handle South America crises. Special mention should be made to the 1995 war between Ecuador and Peru and the 1996 political instability in Paraguay.⁴⁶ In October 1998, the governments of Ecuador and Peru signed a peace treaty in Brasilia, finally ending hostilities. The peace talks were coordinated during the 1997-98 period by the Brazilian government in permanent consultation with the governments of the United States, Argentina and Chile (all of which have been formal mediators of the dispute since the first Ecuador-Peru war in 1942).⁴⁷

With regard to Paraguay, Brazil has constantly coordinated diplomatic action with Argentina to contain authoritarian setbacks. Both countries have made use of the prerogatives offered by the democratic clause in the Mercosur legislation to pressure anti-democratic forces in Paraguay. Tension reached its peak in 1997 when Brasilia, together with Buenos Aires and Washington, held back an attempt to throw over the democratically elected government of Juan Carlos Wasmosy (1993-98). The positive communication between the United States and Brazil has also been helpful in clarifying the different positions each country has assumed towards the status of democratic institutions in

46 Regarding the political crisis in Paraguay, a description of earlier coordination between the United States and Brazil appears in Arturo Valenzuela. 1999. *Lessons from the Paraguayan Crisis of 1996. A Report to the Carnegie Commission of Preventing Deadly Conflict*: 32

47 See HERZ, Monica & NOGUEIRA, João. 2002 *Ecuador vs. Per*, Boulder, Rienner, 2002: 49-96

Peru during the electoral crisis in 2001. While Brazil adopted a more cautious approach, the US government made explicit its support for the enforcement of renewed democratic procedures. More recently, a new opportunity for US-Brazil collaboration was opened in Venezuela, where the political fragmentation has led to an escalation of violence and turmoil with unpredictable results.

The US government has acknowledged Brazil's most recent moves towards a more leading role in South America, following Brazil's initiative to sponsor the first meeting of South American presidents. In August 2000, all chiefs of state of the region attended the first South American Presidential summit, which took place in Brasilia. The agenda previously set for the meeting included five topics: 1) defense of democracy; 2) regional trade; 3) regional infrastructure; 4) information, science and technology; and 5) the fight against drug trafficking. Gradual attempts were also taken by the Brazilian Foreign Ministry to bring more life to the Amazon Pact, created in 1978 between Brazil and its Amazon neighbors, with the aim of putting together a cooperative agenda with Peru, Venezuela and Colombia.

Nevertheless, however discretely, concerns have been raised in the US regarding the possibility that a more active Brazil could assemble South America into a single bloc that would destabilize Washington's preeminence in the hemisphere. As Brazil aims to become more active in regional affairs, lack of convergence with the US in regional trade and security issues tends to politicize US hemispheric affairs, and the idea that Brazil could be forging a "unified regional front in negotiations with the United States"⁴⁸ has gained impetus within South America diplomatic and political circles. Hence, Brazil's initiative to call a South America presidential summit was perceived as an attempt to "blunt Washington's

48 *The New York Times*. August 30, 2000

strategy, in trade talks, of favoring bilateral agreements in which it has the upper hand.”⁴⁹ Meanwhile, countries like Argentina and Chile also manifested more caution than enthusiasm towards Brazilian diplomatic moves in South America.

Brazil was reluctant to follow the US drive to revitalize its inter-American leadership. Though the essence of this agenda consists of a hemispheric free trade agreement, it had spilled over to other issues such as the defense of democracy, regional security, and common social policies. In this context, Brazil was perceived by US officials and scholars as an obstructive actor that has impeded the United States from freely setting and commanding the agenda.⁵⁰ However, tensions between the United States and Brazil were more visible before and during the 1994 Miami summit than at the 1998 Santiago summit or the 2001 Quebec summit. A plausible explanation for this is that the United States did not hold the same vigorous position at the Santiago summit that it did in Miami, due to the missing fast-track negotiating authority from President Clinton. At the Quebec summit, full convergence was reached regarding the political agenda, especially with respect to the defense for democracy. On the other hand however, free trade negotiations became particularly thorny.

Brazilian foreign policy has always been emphatically anti-interventionist, but in the United States, particularly during Democratic administrations, the promotion of democracy in the Americas has always been an issue area immersed in deeply held convictions which may justify intervention. Though more

49 Ibid.

50 FEINBERG, Richard. 1997. *Summitry of the Americas: A Progress Report* (Washington, D.C.: Institute for International Economics): 195, and Roett, Riordan. 1999. “US Policy Toward Mercosur: From Miami to Santiago”. In: *Mercosur, Regional Integration, World Markets*, ed. Roett, Riordan. Boulder: Lynne Rienner: 113-15. See also Weintraub, Sidney. 2000. *Development and Democracy in the Southern Cone*. Washington D.C.: CSIS Press.

flexible than in the past, Brazil still strongly stands for national sovereignty, asserting that the internal affairs of a state should be the concern of that country. While commonalties arose regarding democratic values in South America, Brazil and the United States have not always agreed on the best method for promoting these values. The 2001 electoral crisis in Peru, as well as the 1994 Haiti crisis, exposed differences of principles between the United States and Brazil in this regard, which had also been at the center of the bilateral dissent regarding the continued exclusion of Cuba from inter-American institutions.

While the improvement of US-Brazil relations in defense matters took place in a context of political relaxation, Brazil assumed a more active presence in regional security matters. Concerns regarding the growing impact of the Colombian crisis led Brazilian officials in 2001 to participate with other international delegations as observers in the first open peace meeting held between the Colombian government and guerrilla organizations. Brazil also hosted a Latin American and Caribbean conference that focused on a regional approach for the 2001 UN conference on illicit small arms traffic, which deepened security cooperation in the region.⁵¹ While bilateral cooperation with the US was deepened with Argentina and Chile, Brazil was also put on the map for defense surplus equipment. As a result, six US warships previously sent in lease regime were to be incorporated into the Brazilian marine.

The main source of difficulties in US-Brazil regional politics stemmed from the delicate situation in Colombia, as growing US military involvement in support of the Colombian government in combating drug traffickers and guerrillas had a negative impact on

51 The conference took place in Brasilia, on November 22-24, 2000.

the security conditions in the Amazon area near Brazil's borders.⁵² Brazil became particularly concerned with Colombia's political future and the possibility that it had contributed to deepening US political and military presence in the region.

Brazilian apprehensions increased dramatically, ever since the US Congress approved Plan Colombia in 2000, which commits 1.3 billion dollars to fight drug trafficking in that country.⁵³ The connection between defense policy and the protection of the Amazon has increasingly led Brazilian military, politicians and government officials to fear the effects of US interventionism in the area. Meanwhile, the expanded presence of Brazilian military on the border with Colombia augmented budgetary needs and enhanced the importance of defense policy in Brazil's regional agenda. The Querari Operation, launched in 1999, became Brazil's largest military operation in the Amazon area. It involved 5,000 men with the collaboration of the Navy and the Air Force, with a special jungle brigade formed by specially trained indigenous soldiers. The government had also increased the budget of the Calha Norte project in the Amazon Area, which gave high priority to social work and infrastructure initiatives in areas inhabited by poor populations as well as indigenous communities. While Brazilian military and police forces demonstrated their intention of assuming defense measures against narco-guerrilla activities in the Amazon area, they faced a dramatic lack of resources to meet their needs.

52 In August 2000 President Clinton traveled to Colombia to announce the Colombia Plan, which involved a 1.3 billion-dollar aid package and to reaffirm full support for the Pastrana government. Eighty percent of the aid package is for military use, which involves the formations of three 1000-strong anti-drug battalions, 500 military advisers and 60 helicopters.

53 When referring to Plan Colombia at a joint news conference with Secretary of State Madeleine K. Albright, the Brazilian Foreign Minister stated, "We do not have the same degree of commitment... We have no intention of participating in any common or concerted international action." *The New York Times*, August 30, 2000.

New developments in US-Brazil relations regarding regional security took place during the 4th Defense Ministerial Conference of the Americas held in October 2000 at Manaus, Brazil. As this was the first post-Plan Colombia hemispheric defense conference, concerns were high regarding what the US would expect of Brazil. Caution prevailed on both sides: Brazilian officials made it clear that they were not willing to offer support to Plan Colombia while US officials were firm on the need to expand action to contain drug traffic in the area.

Following the terrorist attacks of 9/11, a major switch in US security interests towards South America inevitably affected relations with Brazil. The United States wished to maintain a positive agenda with Brazil in defense policies to assure the equilibrium of its security policy in the Southern Cone, in which the ideal since the end of the Cold War had been to combine military alliances with modest relationships.⁵⁴ 9/11 raised US expectations of the level of response and commitment from its Latin American partners. US security concerns vis-à-vis Latin America included new areas of collaboration such as the strengthening of intelligence cooperation, regional coordination to face new security threats, effective counterterrorist efforts, law enforcement and judicial measures to contain criminal activities, and denial of any sort of support to governments that sponsor terrorism. According to the US government, one third of the terrorist groups spread around the world operated in Latin America.

The US government became particularly concerned with the need to improve intelligence and police control in the “triple border” area between the cities of Puerto Iguazu (Argentina), Ciudad del Este (Paraguay) and Foz do Iguaçu (Brazil), which the Federal Bureau of Investigation (FBI) considered a sanctuary

⁵⁴ WEINTRAUB, Sidney. 2000. *Development and Democracy in the Southern Cone*, p. 67.

for Islamic terrorists. Mutual counter-drug efforts became particularly intense between Brazil and its Mercosur partners according to the lines of the Triple Border Security Plan launched in 1998, followed by agreements facilitating extradition and joint police operations. Special attention also was given to the presence of money laundering, illegal arms, and drug trafficking activities in the area.

New tensions emerged between US and Brazil at the 5th Defense Ministerial (2002) in Santiago, as a consequence of Washington expectations regarding anti-terrorist security policies in the region. Concrete military cooperation was proposed based upon three main ideas: increased cooperation among navies, coast guards, customs officers and police forces to strengthen coastal defensive capabilities in the region, with special attention to the Caribbean area; regional peacekeeping initiatives articulated between Argentina, Brazil, Uruguay and Chile; and effective initiatives to enhance the control over “ungoverned areas” that could become havens for terrorist action, particularly the triple border area and Colombia.

While the need for close collaboration on anti-terrorist measures has become more dramatic for Washington, the United States and Brazil more and more shared concerns regarding the repression of drug trafficking activities, which has been an important topic on the two countries’ agenda since the early 1990s. The main concern on the part of the United States regards Brazil’s role as a major transit country in which drugs are shipped to the United States and where precursor chemicals and synthetic drugs are produced. Drug transit through Brazil facilitates the movement of large amounts of cocaine from the Andean ridge cultivation area to production centers in Colombia, and traffickers “air bridge” over Brazil in order to evade aerial interdiction controls in Peru and Colombia. Traffickers also use the region’s rivers to transport

their drugs to Atlantic ports. Besides, drugs are transited from Andean countries, particularly Colombia, to Europe and the United States through big Brazilian cities, especially in the southern and southeastern parts of the country.

As stated, significant improvements have been made regarding US-Brazil cooperation in this matter. Formal collaboration had been framed in a bilateral narcotics agreement (1994), updated by a Memorandum of Understanding (1996), and the Mutual Legal Assistance Treaty (MLAT, 1997).⁵⁵ Apart from these bilateral mechanisms, US-Brazil cooperation in counter-narcotics activities took place in multilateral arenas such as the UN Drug Control Program (UNDCP) – which Brazil joined in 1991 – and the Organization of American States/Drug Abuse Control Commission (OAS/CICAD). Together with the expansion of a cooperative agenda, the US government expected to strengthen its presence in counter-narcotics activities in Brazil by opening an office in Brasilia.

The US government has also acknowledged that there has been progress in Brazil regarding police and legislative involvement in counter-narcotics activities,⁵⁶ and it praised the Brazilian government for its approval of anti-money-laundering and military air-interception legislation. Important institutional steps in this direction include the establishment of an Anti-Drug Secretariat in 1998 and, in 1999, the formation of a special Congressional Panel of Inquiry on narcotic trafficking, responsible for an unprecedented investigation into the connections between drug trafficking, money laundering, organized crime and official corruption. Besides providing equipment and personnel for Brazil's

55 This treaty was signed by both countries during the 1997 Clinton visit to Brazil. Though the US Senate approved the treaty in October 1998, in 2000 it still awaited Brazilian congressional approval.

56 *International Narcotics Control Strategy Report*. Washington D.C.: PRESS. March 2000, p.1-2.

Anti-Drug Secretariat, the US government has been working with this agency on anti-drug and anti-violence educational programs.⁵⁷

Brazilian authorities became altogether more open to deepening their collaboration with the United States on drug traffic control. Following its hemispheric policy, the White House Office of National Drug Control Policy (ONDCP) has created a permanent connection with the Brazilian Anti-Drug Secretariat,⁵⁸ while the US Drug Enforcement Administration (DEA) has been invited each year to observe Brazilian Federal Police operations in the Amazon region. As a result, bilateral cooperation expanded, and the DEA has also become particularly active in demand reduction and drug education programs, which includes preparing courses for the Brazilian Federal Police throughout the country, organizing seminars and conferences, and offering growing financial support for counter-narcotics operations in the Amazon area.

In this context, the US government expected more progress in Brazil's drug trafficking control, which involves passing more legislation, enhancing the enforcement infrastructure of the existing legislation, and expanding counter-narcotics programs⁵⁹.

57 The Educational Program for Resistance to Drugs and Violence deserves a special mention for the training of uniformed drug education volunteers within the state military police in seventeen of Brazil's twenty-six states.

58 Interagency coordination led by the Anti-Drug Secretariat became a source of political problems since the creation of the Secretariat (1998) as competition between military and police authority in border control operations became explicit. The Secretariat was perceived as enhancing military presence in drug combat and prevention policies due to both its initial command by a retired military officer and its subordination to the presidency via the military. The presence of the military in the suppression of drug trafficking was strengthened by the 1998 legislation authorizing the military to interdict civilian aircraft by force if necessary. This new prerogative has been indirectly connected with the enforcement of a militarily-controlled Amazon Surveillance System (SIVAM). According to the Ministry of Justice, the new Secretariat should restrict its actions to training and educational activities. In 2000 the escalation of inter-bureaucratic conflicts led to the complete renewal of authorities and redefinition of responsibilities in early 2000 in counter-narcotics activities. Afterwards the Secretariat was put in charge of training and educational programs, and the federal police, subordinate to the Ministry of Justice, assumed full responsibility for repressive actions.

59 The US government became especially interested in the approval of an omnibus counter-narcotics bill that was sent to Congress in 1996.

There has been a thin line between US governmental assistance to Brazil geared at controlling drug trafficking and that directed at fighting human rights abuses, and US assistance for police training and education in Brazil has targeted both problems. Nevertheless, human rights violations have mobilized a far more diversified group of non-governmental actors and organizations in both countries. This will be addressed in the next section.

2.6.4 The Second Level Agenda

The expanded presence of non-State actors and interests in bilateral relations has upgraded the second tier political agenda of US-Brazil relations. This process has been connected to the politicization of specific issues such as human rights and the environment, linked to “transnational advocacy networks,” which gradually expanded their presence in Brazil.⁶⁰

Second tier issues increased their importance and political vitality as a consequence of the vigorous social movements and organizations in Brazil and the US, which shape international and local public opinion, creating new sensibilities, and which nowadays affect governmental decisions. While non-governmental organizations played a role in US domestic and foreign policy agendas since the 1970s, their presence in Brazil was relatively recent, and the large number of these organizations is connected to the consolidation of democracy in the 1990s. They improved their capacity to mobilize public opinion through the media and became important in forming perceptions of domestic and international affairs.

Nevertheless, their behavior in Brazil has not always been welcome in government circles, and they are often suspiciously

60 Transnational advocacy networks are characterized by voluntary reciprocal and horizontal changes of information and services. See Keck E, Margaret and Sikkink, Kathryn. 1998. *Activists beyond Borders*. Ithaca: Cornell University Press, p. 8.

viewed as a new form of external intervention and in fact international funding covers over 80 percent of Brazilian NGOs activities, most of it coming from bilateral and multilateral European agencies, religious foundations and the World Bank.⁶¹ This suspicion has been greatest in the case of NGOs that deal with environmental issues in the Amazon area. While these negative opinions towards NGOs probably reveal a nationalistic overreaction, these organizations have also become, at home and abroad, a major source of criticism to environmental and human rights violations. Permanent media campaigns together with an expanded lobby activity in the US and in Brazil became the most effective instruments used by NGOs. Also, the 5-6 thousand letters mailed every year to the Brazilian embassy in Washington by US NGOs and/or individuals asking for the improvement of Brazil's environmental and human rights policies give an idea of the daily pressure put forward by these organizations.

This section addresses two kinds of second tier issues: those which are concrete, such as human rights, the environment and immigration; and those that are less tangible, such as public opinion and perceptions, which may become a source of concern *per se*. In fact, perceptions and public opinion function as a political factor in democratic atmospheres. The relative importance of public opinion and perceptions and the influence they may have depends on the relative importance of the relationship for each side involved. For instance, perceptions in the US towards Brazil have mattered more for Brazil than the other way around. The US perceptions in Brazil towards the US have not represented a source of concern with the power to influence decisions regarding bilateral relations.

61 O Estado de São Paulo, 30-07-2000

At present times, second tier issues are the most vivid political expression of US-Brazil relations. The links between these issues and the consolidation and deepening of democracy in Brazil have greatly expanded in the last decade. US-Brazil relations are stimulated by new connections between non-governmental organizations involved with human rights protection and the environment, growing Brazilian immigration to the US, educational and cultural cooperation and tourism. Furthermore, as will be illustrated, the question of public image, at home and abroad, became a concern for the Brazilian Foreign Ministry. The acknowledgement by the Brazilian government that US public opinion is an important aspect of its relationship with the United States reflects a more open worldview stimulated by the interplay of domestic and international actors and interests favored by the democratic times in Brazil.

2.6.5 Human Rights

During the mid-1970s, human rights became a problematic issue in US-Brazil relations. Because of concerns for global human rights, the State Department was mandated by law to produce an annual report on the state of human rights in every country. In this context, US government tolerance for human rights abuses carried forward by authoritarian regimes in South America decreased substantially. Thanks to the emerging Latin American human rights networks, the US official agenda became concerned with human rights violations in Brazil and elsewhere in South America.⁶² At the time, NGOs were marginal political actors in world affairs, and the most important ones were connected to the Catholic and Protestant churches.⁶³ Because

62 In the United States, the main organizations were the Washington Office on Latin America (WOLA) and the Council on Hemispheric Affairs.

63 CLEARY, Edward. 1997. *The Struggle for Human Rights in Latin America*. Westport: Praeger, p. 141-143.

of their ability to gather sensitive information, they became crucial channels for transmitting information in the United States about human rights abuses – the executions, torture, disappearances, and political imprisonment – perpetrated by the military regimes of the Southern Cone. During the 1970s, the human rights movement in Brazil, as well as its counterparts in the United States and Europe, became as active as in the other Southern Cone countries, among which Chile became the most prominent in international networking.

Violations of human rights by the Brazilian military regime therefore became a sensitive matter in its relations with the United States and contributed to the deterioration of political relations between the two. According to the Brazilian military, US human rights policy had become exceedingly interventionist, particularly after the Carter administration assumed office. Responding to the new US legislation in which military assistance became conditional on human rights performance, the Brazilian government in 1977 unilaterally suspended the 1952 military agreement with the United States.

Two clarifications must be raised at this point. First, Brazilian human rights violations became far less important for the US government than those practiced in other Southern Cone countries such as Argentina, Uruguay, and Chile, where abuses occurred in massive proportions.⁶⁴ Secondly, in the context of President Carter's foreign policy, nuclear proliferation became far more relevant in the tense relationship between the United States and Brazil than human rights violations.

64 For a general comparison between the repressive political apparatus in the Southern Cone and Brazil in the 1970s see ACUÑA, Carlos & SMULOVITZ, Catalina. 1993. Adjusting the Armed Forces to Democracy: successes, failures and ambiguities in the southern cone. In: *Constructing Democracy: successes, failures and ambiguities in the Southern Cone*. ed. Jelin and Hershberg. Boulder, Colorado: Westview.

By the end of the 1970s, however, this subject ceased to exist in the bilateral agenda, thanks to the gradual liberalization of the Brazilian political regime after the 1979 Amnesty Law, the changes made to its Law of National Security. Brazil was slowly put aside by international human rights organizations,⁶⁵ which concentrated their attention on the thorny realities that persisted in other Southern Cone countries and on the increasingly dramatic scenario in Central America.

While Brazil was temporarily put off the radar screen, human rights organizations in the United States and in Europe expanded in many ways. Throughout the 1980s, in spite of the difficult relations in the United States between the executive branch and human rights activists, their organizations' funding and staffing rapidly increased, as well as the range of their programs and the scope of their institutional connections. Multilateral organizations such as the UN and the OAS began using the information gathered by human rights NGOs on a regular basis.⁶⁶

As democratization spread throughout South America, the region's human rights agenda underwent major changes. Before the end of the 1980s, military rule had disappeared from South America, and the peace process in Central America had enormously improved the human rights record in that area. In this context, the whole subject of human rights would go through a process of "refocusing and retrenchment."⁶⁷

Confronted by the need to conform to the new democratic scenario, non-governmental human rights organizations diversified

65 A clear sign of this sort of change was the cable sent in 1979 by Amnesty International to President João Figueiredo in Brazil acknowledging the amnesty as a "positive step towards a return to the rule of law in Brazil." *Amnesty International Report 1980*. London: Amnesty International Publications, p. 113.

66 Both the United Nations Human Rights Commission and the Inter-American Court of Human Rights at the OAS began making extensive use of NGO information.

67 Keck & Sikkink (1998), p. 68.

their agenda in Latin America and adopted an inclusive approach. In the early 1990s, approximately sixty groups were concerned with the Latin American human rights agenda⁶⁸, which was no longer exclusively associated with authoritarian regimes but with any context of abuse, discrimination and/or injustice involving social, economic, and cultural rights.

While the defense of human rights assumed a broader connotation, it also led to more effective political mobilization worldwide. Consequently, the monitoring and denouncing of human rights violations came not only from governmental pressure, but also from transnational campaigns. This changing nature of the human rights agenda was connected with the changing nature of the notion of sovereignty in world politics. The protection of human rights was more than ever identified with a universal cause that disregarded national borders; the debate regarding the legitimacy of external intervention to contain abuse became more complex and subtle.

This change expanded concern for human rights abuses in Brazil where, under democratization, a new human rights policy had started to take shape. In 1985, Brazil became the thirty-fourth State to sign the UN Convention against Torture and other Cruel, Inhuman, and Degrading Treatment of Punishment. Four years later, it was ratified by the Brazilian Congress; ten years later, Brazil announced its acceptance of the jurisdiction of the Inter-American Court of Human Rights; and in 2002 Brazil gave full support to the creation of the International Court against crime and genocide.

In the 1980s, notwithstanding these steps, human rights abuses began again to gain visibility in Brazil, with immediate

68 The most important organizations are: Amnesty International, Human Rights Watch, the Lawyers Committee on Human Rights, the Washington Office for Latin American and the American Anthropological Association.

international repercussions. At first, human right violations were connected to the persecution and incrimination of peasant union delegates and Indian leaders in the rural areas of northern and northeastern Brazil. Afterwards, human rights abuses were also detected in urban contexts involving civil and military police violence in the Brazilian penitentiary system. Local and international NGOs became active in denouncing all sorts of abuses in different parts of the country.⁶⁹ In 1987 Human Rights Watch of Americas, the most important US human rights NGO, opened its office in Rio de Janeiro and published its first report on Human Rights abuses in Brazil.⁷⁰ These abuses acquired an even more dramatic connotation, as they also began to target children.

This scenario worsened all through the 1990s, when the number of death squads killing and victimizing street children and adults in large Brazilian cities reached unprecedented numbers. An expanded group of human right activists, journalists, church workers, congressmen and state prosecutors were particularly concerned with the degree of impunity these violations revealed. In this context, human rights abuse became a subject of extensive journalistic coverage in Brazil and worldwide. In the United States, major newspapers played their part as “essential partners in network information politics”, and lengthy stories were published on the atrocities committed in Brazil against street children and the growing number of cases of military and civil police abuse⁷¹.

Brazil had been developing, since the 1970s, human rights diplomacy to handle the pressures coming from the UN Human

69 In 1982, the National Human Rights Movement was created. In 1991, 223 human rights centers functioned all over the country.

70 *Police abuse in Brazil: Summary Executions & Torture in Sao Paulo and Rio de Janeiro*. New York: Americas Watch, p. 26.

71 Keck and Sikkink, *ibid*.

Rights Commission, the European and the United States governments, and international NGOs. In the early 1990s, coordination between domestic and foreign policy regarding human rights increased in Brazil in the context of democratic consolidation. The convergence between the contents of the Action Plan for Human Rights (1996) and the recommendations of the World Conference of Human Rights held in Vienna (1993) deepened this synchronization even more.⁷² In fact, the “International Action” chapter of the Action Plan became its most successful part, as Brazil fully adhered to related international conventions. In 1997, the Brazilian government created the National Secretariat of Human Rights,⁷³ which, apart from overseeing the implementation of the Action Plan, chaired the government’s inter-ministerial Committee for the Defense of the Human Being.

US and European Human Rights NGOs have fostered substantial financial support for their Brazilian counterparts. On the side of United States, direct contact was established between US government and NGOs, which jointly became a permanent source of pressure upon Brazilian federal, state, and municipal government authorities, who complained that international and local NGO activities impeded fluent communication between government agencies and social movements. As human rights gradually resurfaced in the US governmental agenda, particularly after the Clinton administration came to power, the administration was cautious not to include human rights on the list of the first-tier bilateral matters with Brazil.

72 PINHEIRO, Paulo Sergio. 1996. *Democracia em Pedacos*. São Paulo: Companhia das Letras, p. 19.

73 The National Secretariat for Human Rights within the Ministry of Justice was created to promote legislative measures to expand criminalization of human rights abuse. These included reforms of the criminal justice and judiciary systems, as well as the creation of a federal witness protection program. Also, several state governments initiated local human rights policies.

It should also be pointed out that even though human rights abuses in Brazil have become a permanent subject of US-Brazil non-governmental interaction, this does not mean that the actors on both sides share the same perceptions. While concern in the United States tends to point towards the expansion of activism and the possibility of growing interference in the design and enforcement of recommended policies, in Brazil priority has gone to establishing closer connections between the decrease of human rights abuses and the enforcement of more effective social policies. Hence, Brazilian human rights organizations tend to identify the dramatic social inequality in the country as the main explanation to human rights violations.

While the Department of State reports acknowledged government efforts to improve the human rights conditions, they also pointed out the overall limited results. A sense of disappointment was then transmitted regarding judiciary action on police violence and the enforcement of local legislation.⁷⁴ These reports also illustrated the growing concern among US and Brazilian NGOs towards the protection of two minority groups, indigenous people and Afro-Brazilians. The greatest problem faced by the indigenous population became securing exclusive use of the lands and natural resources of the reservation areas. Brazilian constitutional law is quite explicit regarding cultural and patrimonial rights in reservation areas. Brazilian indigenous policies have been a matter of domestic debate and transnational

74 See the Bureau of Democracy, Human Rights and Labor, US Department of State, "1999 Country Report on Human Rights Practices" in www.state.gov/www/global/human_rights/1999/brazil.htm, February 25, 2000. This report addresses: political and other extra-judicial killings, disappearances, tortures and other cruel, inhuman, or degrading treatment or punishments; arbitrary arrest, detention, or exile; denial of fair public trial; arbitrary interference with privacy, family, home or correspondence. It also addresses respect for civil and political liberties and discrimination on the basis of race, sex, religion, disability, language, or social status. Information was provided by Amnesty International, Human rights Watch and the UN Latin American Institute for the Prevention of Crime and the Treatment of Offenders.

campaigns.⁷⁵ This mobilization has been motivated by two factors: the connections of indigenous rights movements with the landless farmer group in the northern part of Brazil, and the merging of indigenous rights with environmental protection in the Amazon area.

Indigenous movements in Brazil have expanded their political visibility in recent years. As inter-bureaucratic controversies have increased regarding indigenous policies, closer connections have been established between indigenous leaders and other “have-not” social movements, especially the landless farmer group. These connections became emblematic during the year 2000 celebrations of Brazil’s 500th anniversary, when indigenous groups, together with Afro-Brazilian organizations and the Movement of the Landless (MST), used the opportunity to protest governmental policies. Whereas this kind of politicization was perceived by local authorities as a threat to national security, it tended to deepen the networking between the US and Brazil’s NGOs.

Afro-Brazilians also merited special attention by human rights organizations, but this was then a more dubious question in Brazil. Besides the fact that racial discrimination has been illegal since the 1950s, there has been a consensus within the Brazilian elite that racism has been replaced by “racial democracy”.⁷⁶ This then became an issue of some importance in the bilateral non-governmental agenda.

75 The National Indian Foundation (FUNAI) has been responsible for Brazilian indigenous policies since 1967. In 2000, the indigenous population in Brazil approximated 300,000, consisting of 210 ethnicities and approximately 170 languages. The majority of the Brazilian indigenous population lives in the mid-west and North. The remaining 40% are settled in the Northeastern, Eastern, and Southern regions. The 1988 Constitution granted Brazil’s indigenous population extensive rights including demarcation of indigenous territory, which should represent approximately 10% of the country’s territory.

76 According to Brazil’s census, 46% of the country’s population is black (out of a total of 160 million). Yet, estimates suggest that more than 70% of Brazil’s population is of African ancestry.

The crucial part played by African-American organizations in the South Africa anti-apartheid movements allowed them to reach a new status as a pressure group in US international affairs. Though this new reality mostly reflects on US African affairs, it has begun to affect relations with other countries with significant black populations, such as Brazil.⁷⁷ African-American scholars and NGOs have increased their interest regarding the development of Afro-Brazilian movements in Brazil. Perceptions are shared regarding the slow evolution of anti-racist organizations and movements in Brazil. This has led to an expanded involvement of US NGOs in promoting Afro-Brazilian affirmative action programs.

An interesting corollary of the growing connections between the African-American and Afro-Brazilian communities has been the expansion of African diaspora tourism. African-Americans have become increasingly interested in contacting other black cultures, especially those in the Hemisphere, and many believe that Brazil, particularly the state of Bahia, offers a rare opportunity of immersion into a genuinely preserved Afro-culture. The fact that black American tourists have demonstrated their concern with the Brazilian black social reality has had gradual effects, particularly regarding the increase of black personnel in the tourist services in Brazil.⁷⁸

The recent interest of African-Americans on Brazil stimulated renewed reflections regarding the differences and similarities in both countries on the issues of racism and discrimination and the subtle distinction between race and color.⁷⁹ African-American-

77 See "Draft National Policy Plan of Action for US-Africa Relations in the 21st Century". The National Summit on Africa. Mimeo.

78 *Chicago Sun-Times*, August 14, 1994; *The Houston Chronicle*, September 18, 1994; *Los Angeles Times*, February 3, 1998.

79 An interesting illustration of this kind of reflection is brought up by Eugene Robinson's book *Coal to Cream*. He suggests that "it was there that I first really understood that there were other ways to

Afro-Brazilian relations opened a new chapter in US-Brazil relations that intertwine inter-State and inter-societal connections; yet, government-NGO relations in the two countries have not always followed the same pattern.

Another interesting development which illustrates their difference took place during the preparations for the UN World Conference against Racism, Discrimination and Related Intolerance (August 2001). In both countries, governments and NGOs assumed divergent stances regarding the conference agenda. Yet while the main source of controversy for the United States was the demand for slavery reparations, raised by African-American organizations, Brazilian officials maintained their traditional position which dismisses the idea that racism represents a problem in Brazil, arguing that unequal social conditions are related to poverty, not race. In the end more irreconcilable differences emerged between government and NGO representatives in the US than in Brazil. While the US delegation left the Conference in reaction to the demands for past slavery reparations and to stances which condemned discrimination against Palestinians in the Middle East, the Brazilian Foreign Ministry improved the grounds of a “racial diplomacy” supported by the Brazilian black constituency.

Furthermore, in 2002, an affirmative action policy was inaugurated for students of the Diplomatic Academy (known as the Rio Branco Academy) which, if effective, would result in more black diplomats serving the country’s international affairs and open the way for important changes in the conduct of Brazilian foreign policy regarding the question of race. Yet, distinct from

look at race rather than the way I was accustomed to seeing it, and that some of these ways might involve definitions of race radically different from my own. American society sees race but not color, Brazilian society sees color but not race.” See ROBINSON, Eugene. 1999 *Coal to Cream*. New York: The Free Press, p.25. A more academic approach to the subject can be found in FRY, Peter. “Politics, Nationality, and the Meaning of ‘Race’ in Brazil,” *Daedalus*, (Spring 2000): p. 83-118.

the US, affirmative action programs are controversial within the Brazilian black community. A clear example has been the limited support from Afro-Brazilian organizations for a program initiated in 2001 by the Ministry of Education to increase the number of black students in federal universities by way of a quota system.

2.6.6 The environment

Since the end of the Cold War, the United States has expanded its profile in world environment discussions, particularly those regarding global climate change, ozone depletion, ocean and air pollution, and resource degradation. During the Clinton administration global ecological damage was considered a threat to national strategic interests.

For Brazil, the growing importance of environmental diplomacy has been linked both to domestic and international political developments.⁸⁰ At the same time, democratization favored the expansion of Brazilian organizations engaged in environmental protection, Brazil became a target of environmental global campaigns.

The diversity of ecosystems and environmental challenges in Brazil created a rich and complex agenda managed by governmental and non-governmental actors.⁸¹ To face these challenges, the Brazilian Foreign Ministry expanded its involvement in multilateral environmental diplomacy in partnership with other governmental agencies and local NGOs.⁸² While dealing with the

80 In domestic politics, the 1981 National Environment Policy Act and the 1988 Constitution became the backbone of Brazilian environmental policy.

81 See AMES, Barry and MARGARET, Keck. "The Politics of Sustainable Development: Environmental Policy Making in Four Brazilian States." *Journal of Interamerican Studies & World Affairs*, 39:4 (Winter 1997-98):1-40.

82 Brazil has established a broad set of governmental agencies and secretariats at the municipal, state, and federal levels that have been dedicated to environmental policies. The federal environmental agency, the Brazilian Institute for the Environment and Natural Resources (IBAMA), was established in 1989; the Secretariat of the Environment was created in 1990, and transformed into the Ministry of Environment and Amazon Affairs in 1994, under the Itamar Franco administration.

international politics of environmental policy, Foreign Ministry switched from a defensive posture to a positive environmental diplomacy.

Brazil's presence in the global environmental agenda became essentially motivated by the size and importance of Brazilian rainforest resources, particularly in the Amazon area. Since the mid-1980s, a growing mobilization of United States societal and governmental organizations took place requesting that Brazil implement more effective policies to preserve these resources. US environmental groups became an active source of pressure upon the local government, as well as upon multilateral financing institutions, especially the World Bank and the IDB, which imposed new conditionalities on funding policies.⁸³

International environmental organizations intensified their moral campaign against forest degradation and the ineffectiveness of Brazilian legislation to protect the environment.⁸⁴ From the Brazilian official perspective, these campaigns were perceived as a path towards interventionist actions offensive to national sovereignty. The expansion of transnational campaigns against global warming and tropical deforestation coincided with the identification of Brazil as a target country, immediately affected by the inclusion of environmental policies by multilateral financial institutions such as the World Bank and the Inter-American Development Bank (IDB). The extensive burning of the rainforest coupled with the murder of Brazilian rubber-tapper leader Chico Mendes in 1988, which had an immediate impact on US-Brazilian relations.

83 See MC CLEARY, Rachel, "The International Community's Claim to Rights in Brazilian Amazonia." *Political Studies*, XXXIX (1991), p. 691-707

84 According to Article 26 of the 1988 Brazilian Constitution, the destruction of the Amazonian and Atlantic forests is considered a crime under the penal code.

In 1992 the preparations for the UN Conference on Environment and Development (UNCED), or Earth Summit, became a benchmark for Brazilian environmental domestic and international politics. Besides the government's involvement in organizing the summit, Brazilian environmentalists initiated a worldwide mobilization to sponsor a Global Forum which attracted 30,000 participants affiliated with local and international social movements and NGOs.⁸⁵ Since then, a new impulse towards environmental politics took place in Brazil, and the involvement of the Workers Party (Partido dos Trabalhadores - PT) in alliance with the Green Party (Partido Verde - PV) has strengthened the link between environmental and social demands.⁸⁶

The approval of Agenda 21 at the 1992 Summit set the platform for Brazil's environmental diplomacy. Specific policies were shaped to address "global environmental problems," particularly those related to climate change, depletion of the ozone layer, and the loss of biodiversity. Besides reaching an unprecedented status in Brazil's foreign affairs, environmental politics became responsive to new approaches, particularly those that underlined its connection with the rights of indigenous people and sustainable development.

In June 1997, Brazil, together with South Africa, Germany and Singapore, proposed a Joint Initiative for the Environment at the UN General Assembly, which targeted the enforcement of Agenda 21. At the 1998 Kyoto Conference on Climate Change, the Brazilian government stood firmly for the limitation of emission of contaminating gases by the industrialized countries.

85 HOCHSTETLER, Kathryn. 1997. "The Evolution of the Brazilian Environmental Movement and its Political Roles" in *The New Politics of Inequality in Latin America*, ed. Douglas Chalmeres, Carlos Vilas, Katherine Mite, Scott B. Martin, Kevianne Piester, and Monique Segarra. Oxford: Oxford University Press, p. 207.

86 MORAN, Emilio, "The Law, Politics, and Economics of Amazonian Deforestation." *Global Legal Studies Journal*, 11, (1988): pp. 1-7.

Meanwhile, the development of environmental policies by most Brazilian states expanded the grounds for the involvement of the IDB and the World Bank in the financing of sanitation and clean-up initiatives. By the year 2000, Brazil had obtained more than US\$ 5 billion in loans from multilateral agencies allocated to environmental projects.⁸⁷ Moreover, Brazil became a relevant “green market” for US exports of environmental technologies, goods, and services.

Since the mid-1990s environmental issues represent an important chapter in the US-Brazil inter-State and non-governmental relations. In October 1995, official framework meetings began taking place on annual basis to review main topics on the international environment agenda. The aim of these meetings has been to improve bilateral consultation mechanisms regarding the environment and sustainable development.⁸⁸ The effort to expand commonalties was greatly motivated by an extensive agenda of multilateral conferences dedicated to topics such as: climate change, deforestation, species extinction and marine degradation, and the prospects of a Rio + 10 UN Conference, which took place in South Africa in 2002.

The most important matter regarding climate change became the implementation of the Kyoto Protocol, approved in 1996 to reduce greenhouse gas emissions. The approval of the Clean Development Mechanism (CDM) and the creation of a specific regime to enforce the protocol became major concerns for Brazil, a country greatly interested in promoting the expansion of a CDM market. During the Cardoso-Clinton years, Brazil held a less flexible position than the US regarding the enforcement of the

87 “Environmental Law and Environmental Business Opportunities in Brazil: An Overview”. <www.crl.com/~brazil/env.htm>.

88 The US government maintains similar meetings with India, China and Japan.

Kyoto Protocol and imposition of controls upon the emission of contaminating gases by industrialized countries.

US-Brazil talks on deforestation have been connected with discussions regarding the creation of the United Nation Forest Fora (UNFF) and the International Agreement for Tropical Woods (IATW). Both countries agreed on the need to establish a broad regime for monitoring global forest conditions, but they did not agree on what the scope of IATW should be. Brazilian government thought that such accords should include all sorts of woods, while the United States defended a more selective approach.

Even though US-Brazilian governmental relations have shown noticeable improvement in environmental issues it became difficult for Brazil to shed its image as the outstanding “villain” of global environmental degradation. Continuous deforestation in Brazil repeatedly damaged the country’s image in the eyes of the US public.⁸⁹ Besides the gap between environmental legislation and enforcement, a step backwards was taken when Brazilian Congress approved a new legislation which softened the national forestry code.⁹⁰

Under the Bush administration the US hardened its stance in the multilateral environmental arenas. Furthermore, the US decision to reject the Kyoto Protocol during the 7th United Nations Conference on Climate Change (November 2001) was immediately criticized by Brazilian governmental officials. Brazil’s position became even more emphatic, as the Brazilian Congress ratified the

89 Apart from concerns regarding the destruction of Brazil’s Amazon forest, dramatic information has surfaced on the deforestation process of the Atlantic forest, of which only 7% is left.

90 The new legislation, submitted by the Ruralist Party in May 2000, would reduce from 80 to 50% the proportion of the environmental reservation areas. Plus, small properties would not be obliged to replace devastated areas, and legal ecological reserves would be dramatically reduced in economically profitable areas.

Kyoto Protocol in June 2002, shortly before the World Summit on Sustainable Development in South Africa.

Summarizing, even though Brazil and the US communicate on a permanent basis to express their positions regarding environmental issues, their stances hardly coincide. Brazil defends that industrialized countries assume more responsibility regarding the global contamination while the US government has been highly reluctant to follow other industrial partners such as the European Union and Japan in submitting domestic environmental decisions to multilateral regimes. During the Bush administration these differences deepened. From a US perspective, it could be argued that the same kind of reluctance was perceived in Brazil when the debate focuses on biodiversity. In this case, stances held by US officials and non-governmental organizations in favor of more effective international controls in major forest areas – particularly the Amazon area – immediately produced strong reactions within the Brazilian government. Brazilian non-governmental organizations, however, are more dubious as their position will usually depend on their international connections and compromises.

2.6.7 Brazilian Immigration to the United States

The United States became the main destiny of a new demographic movement created by hazardous economic and social conditions in Brazil. Though far less than in the case of most Latin American countries, Brazilian immigration to the United States expanded more than ever since the 1990s.⁹¹ Considered one of the most recent groups of immigrants to the United States, Brazilians have left for the United States in search of improved socioeconomic

91 According to the 1980 US Census, the size of the Brazilian community was slightly larger than 50,000.

opportunities. But aside from those migrating on permanent basis, many Brazilians went to the US to study, the majority for postgraduate degrees.⁹² As a small portion of the illegal Latin Americans in the United States, the Brazilian community has never been a source of concern or a matter deserving attention on the US-Brazil agenda. The number of South American migrants, with the exception of Colombians, has been far less than those from Mexico, Central America, and the Caribbean.

On the Brazilian side, immigration to industrialized countries has become a new issue for Brazilian diplomacy⁹³; since the mid-1980s, dealing with legal and illegal Brazilian immigrants has become a major part of the duty of the many Brazilian Consulates in the United States⁹⁴. Immigration to the United States accounts for approximately 25% of all Brazilians living abroad. Though the data may vary according to the source, researchers stated at the close of the 20th century that the *brazucas* – name given to Brazilians living in the United States – have surpassed 600,000.⁹⁵ Though they come from all parts of Brazil, immigration to the US has been more frequent in certain areas of Brazil.⁹⁶ Brazilians based in the US live mainly the areas of New York, Newark, greater Boston, Los Angeles and San Francisco.⁹⁷

92 In 1995, thanks to institutional support and/or governmental funding, there were 5,497 Brazilian university students in the United States, which led Brazil to rank twelfth among countries of origin of foreign scholars in the country.

93 In the short 1985-88 period, approximately 1,250,000 Brazilians left their country on a permanent basis.

94 Brazilian consulates in the US are located in: San Francisco, Boston, New York, Miami, Houston, Washington D.C. and Atlanta.

95 In Brazil, the city of Governador Valladares, in the state of Minas Gerais, has become a paradigmatic case of immigration to the United States. Since the early 1980s, there has been a constant flow of immigrants to different parts of the United States.

96 According to the 1990 US Census, the number of Brazilian residents was 94,023. Nevertheless, data collected by the Archdiocese of Boston in the early 1990s revealed there were 150,000 Brazilians living in Massachusetts alone.

97 As a symbol of the presence of Brazilians in New York City, a section of 46th Street, where restaurants and stores are owned by Brazilians, has been named "Little Brazil".

Compared to other Latino communities in the United States, the Brazilian group does not hold a strong sense of community and its members usually perceive their presence in the United States as temporary. Though economic opportunities are a strong migratory reason, Brazilian migration to the United States is also motivated by the pursuit of a better quality of life. Brazilians in the United States follow a diversified pattern regarding age, gender, and social background, though the larger portion is formed by low skilled workers⁹⁸. This has meant that many perform informal low-wage jobs in the American labor market, but these conditions are compensated by a general sense that living in the United States offers the opportunity to share improved citizen rights and a superior life standard. Furthermore, while wages for unskilled work are considered low by US standards, they are not by Brazilian standards.

Brazilians have formed an isolated group within the immense population of immigrants in the United States. Their social networking is based on family reunification processes and/or new links, especially by intermarriage, with US citizens. Regarding their identity, Brazilians dislike being considered a segment of the Hispanic community. They have not lived in the same neighborhoods nor have they developed acquaintances with other "Latinos". In the state of Massachusetts for instance, it has been "more natural" for them to establish connections with the long-established Portuguese community, which has had a strong presence in the area from the beginning of the twentieth century. Brazilian social networks and businesses in the United States are modest, and one can count no more than a half dozen Brazilian "closed social universes" in the United States.

98 LORIA, Wilson. "The Invisible Brazilians". <www.brazil.com.br/p25nov99htm>.

2.6.8 Perceptions & public opinion

According to Brazilian diplomats, relations with the US in the 1990s had finally achieved “political maturity.” Bilateral political communications became straightforward, and problematic areas such as trade disputes were avoided to preserve the relationship as a whole. There is also a strong perception among Brazilian officials that political commonalities had expanded ever since Brazilian democracy consolidated.

United States government perceptions were that Brazil, like the rest of South American countries, had made major changes which contributed to strengthen the relationship between both sides. As stated by a government official in 1997,

The US relationship with South America goes far beyond trade and economics, of course. Our policy in the region aims to keep the United States economically strong and internationally competitive, to promote the principles of democracy and to increase the level of regional cooperation to deal more easily with transnational threats of narcotics trafficking, environmental degradation and international crime.⁹⁹

Yet, in the United States, there was a frequent perception among the public concerned with hemispheric affairs that “Brazil has a way to go before necessary reforms are deepened and institutionalized to the point that they provide a really firm, substantially irreversible guarantee of positive performance in the future.”¹⁰⁰

A realistic evaluation of the relations with Brazil was prepared by a group of experts from the Council on foreign relations for

99 Statement of Jeffrey Davidow, Assistant Secretary for Inter-American Affairs, US Department of State.

100 Statement of William Perry, president of the Institute for the Study of the Americas. In *Overview of US policy toward South America and the president's upcoming trip to the Region*. Hearing before the subcommittee on the Western Hemisphere. October 8, 1997: p. 22.

the new US administration in February 2001 in which Brazil was considered “the fulcrum of any successful US policy initiative in South America.”¹⁰¹ Relations with Brazil were perceived as essential to influencing the economic and political future of the hemisphere. This task force also acknowledged that to deepen understanding between the two countries it would be necessary to review US policy toward Brazil so as to “work together on vital matters such as trade, drugs and regional security and move thereafter to engage in a high-level sustained and cooperative strategic dialogue with Brazilian leaders.”¹⁰²

Among its most relevant suggestions, the memo stressed the importance of understanding mutual differences and it urged the US to discard a policy of benign neglect towards Brazil. The importance of relations with Brazil was grounded on four reasons: “its economic power; its central location within South America; its status as a trading partner and the recipient of US investment; and its diplomatic role within South America and the international agencies.”¹⁰³ The statement also warned both the United States and Brazil about the risk of missing the moment to build up a positive agenda. Though trade negotiations with the US could be replaced by negotiations with the European Union, Brazil could not afford to lose preferential access to the American market. Also, both countries were perceived to play complementary roles in the promotion of economic reform and democratic stability in South America.

The Council on Foreign Relations memo pointed out the challenges faced by US-Brazil relations. Besides mentioning

101 *A Letter to the President and a Memorandum on US Policy Toward Brazil*, Statement of an Independent Task Force Sponsored by the Council on Foreign Relations, New York, 2001. <www.cfr.org/p/pubs/Brazil>.

102 *op. cit.*

103 *op.cit.*

potentials, it also called attention to the difficulties, which involved five areas of misunderstanding:

*the legacy and ambiguity of past US policy toward Brazil; the fear in Brazil (and for some within the United States) that free trade in the hemisphere will harm them; the perception in Brazil that the United States wished to diminish Brazilian sovereignty in the Amazon region; wariness both domestically and among Brazil's neighbors if too close a relationship between Brazil and the United States; and the elements of competition as well as cooperation that existed between both countries.*¹⁰⁴

The idea that US-Brazil relations should improve was also shared by some prominent conservatives in the United States. Henry Kissinger, for instance, stated that both countries must make serious efforts to work on a special relationship. While the US must treat Brazil with more sensitiveness and consideration, Brazil should consider a harmonious relationship with the United States as a foreign policy priority.¹⁰⁵ What Kissinger was suggesting implied, to a great extent, a revival of the special relationship project he tried to enforce as secretary of state in the mid-1970s with adjustments to bilateral agenda demands. As with the Council on Foreign Affairs memo, Kissinger's saw improving understanding with Brazil as linked to the importance of this relationship for a successful US hemispheric policy. The main difference between these two prescriptions was the acknowledgement by the Council's memo of the new complexities involved in the relationship, especially concerning Brazil's aspirations and renewed domestic context. Accordingly, this reality was to be interpreted by the United States as an opportunity to work together with Brazil.

¹⁰⁴ op. cit.

¹⁰⁵ *Los Angeles Times*. Los Angeles, April 4, 2002.

A comparative perspective can be quite useful to grasp what makes US-Brazil relations unique in the hemispheric environment. While complex, these bilateral relations have revealed more continuity than change when compared, for instance, with US-Mexico relations. This kind of comparison was developed by Peter Hakin, who merited to point out the obstacles the US and Brazil face to improve their relationship¹⁰⁶. Besides enumerating past and present examples of bilateral cooperation and solidarity, the author briefly described the aims and goals of Brazilian foreign policy and called attention to the domestic and regional constraints the country faces. The article showed that while the expectations regarding a full-scope understanding between both countries could become frustrating, it would also be misleading to expect a conflictive outcome. The author underlined the reasons why the US government should adopt a cautious approach towards Brazil, considering it could become counterproductive to treat this country as an adversary. According to Hakin,

the United States should be prepared to work hard to find common ground with Brazil, especially on trade matters. US officials know they need Brazil's backing to make headway on many issues in hemispheric affairs. Brazil may not be powerful enough to fully shape regional policies to its liking, but it has sufficient size and clout to keep the United States from achieving its goals in such crucial areas as the FTAA and Colombia.

The Brazilian government became more conscious of the connections between the perceptions in the US on bilateral relations and those regarding the country *per se*. A growing concern emerged regarding the need to better the image of

106 73 HAKIN, Peter. 2002 "Dos maneras de sere global". *Foreign Affairs*, Mexico, vol. 2, no. 1: pp. 130-144.

the country among the different segments of American public opinion. This became the aim of the Brazil Information Center, linked to the embassy in Washington, in charge of promoting a positive image of Brazil among US business sectors. Besides the expansion of “Made in Brazil” products, this center was also trying to improve the competitiveness of Brazilian firms in the US business environment.

Furthermore, in an effort to comprehensively appraise “Americans’ overall understanding of Brazil”, to correct misperceptions and enhance positive images of Brazil and “assist in planning and implementing programs in the international arena”; in 2001 the Brazilian Ministry of Foreign Relations hired the National Opinion Research Center (NORC) at the University of Chicago to conduct a thorough study that would appraise “Americans overall understanding of Brazil”¹⁰⁷. Carrying out such a well-planned, unbiased, and thought-provoking political science study required dividing the American public into three separate population samples: the general public, opinion makers, and official, private sector and academics involved in US-Brazil relations.

The main findings among the general public included very little knowledge of Brazil and confusion with other Latin American countries, although not on certain issues such as immigration and drug trafficking. Furthermore, “more informed respondents generally hold more negative impressions of Brazil than less informed respondents.” Opinion makers, on the other hand, were generally more positive and more informed about Brazil than the general public.” For their part, the experts on Brazil were well informed about their particular areas of expertise, though not necessarily about other issues.

107 REYNOLD, Michael, YOUNG, Clifford, SHKILNIK, Jamie and PERGAMIT, Michael. *A Public Opinion Poll on Brazil's Image in the United States of America*. Final Report. National Opinion Research Center at the University of Chicago, April 14.

NORC researchers also suggested five major goals for Brazil's Foreign Ministry, which had to do with publicity and public relations, namely: increasing knowledge, image management, elite outreach, in-country support, and ongoing assessment of progress. Recommendations were that the Foreign Ministry must first and foremost provide more information to Americans about Brazil, particularly to both Democratic and Republican members of Congress. The survey also emphasized the importance of tourism as a means of exposure and connection between Brazil and the United States. Additionally, efforts were to be made to correct a somewhat negative image on issues such as economic instability, environmental degradation and human rights violations (issues that are very common in the US media).

On the Brazilian side, perceptions regarding the US usually involve defensive considerations. Government and non-governmental actors share the idea that the United States represents more of a source of concern than an opportunity for the country, and that US hegemony imposes more costs than benefits. The United States presence as a superpower has been a fact of life for Brazil since the end of World War II, and all through the second half of the twentieth century the United States was perceived by Brazilian elites as the most important power factor in world affairs. The strategic constraints imposed by a bipolar system downplayed the identification of the US as an adversary, though in many occasions more was expected regarding economic support for Brazil. Hence, anti-American sentiments have been linked mostly to economic nationalism.

Nevertheless, the emergence of new international and domestic realities re-shaped perceptions in Brazil. A combination of factors should be pointed out: the end of the Cold War, the expansion of economic exposure caused by financial and trade globalization, and the growing importance of domestic public

opinion as a consequence of the deepening of democracy. In this context, the consolidation of US leadership in the world at the end of the Cold War deepened concerns among political, bureaucratic, academic, business and social organizations as well as the military in Brazil. In the Foreign Ministry, the dominant perception became that a multipolar world order would offer more opportunities and less constraints than the present unipolar momentum based on the US primacy.

However, it is important to state that the most critical perceptions vis-à-vis the United States have not come from the diplomatic circles. From the point of view of the Brazilian Foreign Ministry, if US-Brazil discrepancies emerge, they ought to be managed and conflict is to be avoided. According to Foreign Ministry perceptions, it is more important to expand responsibilities and international prestige in the world arena than to escalate a conflictive agenda with the US.

The Brazilian media transmits a broad anti-American sentiment which expresses the views of different ideological preferences accompanied by strong nationalistic feelings. It is in non-governmental circles that one finds the most antagonistic perceptions towards the US, particularly within social movements and academic environments where leftist political thinking expanded the most. At the same time, democratization has stimulated a new interest within Brazilian political society regarding international affairs. Preserving an autonomous interpretation of democratic values, market economy rules, and national security interests are viewed as an aspiration which collides with the interests of the United States. This kind of vision has been shared by intellectuals such as Helio Jaguaribe, one of the most respectable sociologists in Brazil, who has stood out for more than 50 years as an advocate of Brazilian national interests. According to Jaguaribe, US-Brazil confrontation will be inevitable in the near future since Brazil

could not accept subordination to US “imperial unilateralism”. Yet Jaguaribe does not preview an “antagonistic confrontation”, as he states could be expected in the case of China, but an “autonomy-driven confrontation”¹⁰⁸.

In Brazil, globalization and US economic interests became frequently perceived as the same, viewed as being equally threatening. Hence, from a Brazilian perspective, apprehensions regarding US post-Cold War leadership have been linked to a critical vision of globalization¹⁰⁹.

It is highly unlikely that these sentiments will decrease in the next years, in face of the hard-line foreign policy decisions in world politics undertaken by the Bush administration together with the growing pressures coming from the FTAA negotiations. In fact these sentiments have been magnified by the US-led war against Afghanistan, the expansion of unilateralism in US trade policies and by the war against Iraq¹¹⁰.

108 “Entrevista con Helio Jaguaribe”, *El Debate Político*, no.1, vol. 1, 2003, Fondo de Cultura Económica, Buenos Aires, 2003.

109 See FIORI, José Luis. *60 lições dos 90*, Record, Rio de Janeiro, 2001.

110 Evidence was presented in a poll carried forward by the BBC on anti-American sentiments after the war against Iraq. The poll surveyed 11,000 people in eleven countries. Brazil was one of the countries in which a negative opinion towards the US appeared to be the highest. According to the survey, the percentage in each country with negative opinions were: Jordan 79%, Brazil 66%, Indonesia 58%, France 51%, Australia 29%, Russia 28%, South Korea 28%, Israel 25%, England 19% and Canada 16%. *Veja*, p. 59. August 13, 2003.

PART III: BRAZIL-UNITED STATES RELATIONS IN THE POST-POST-COLD WAR CONTEXT

In his recent book *An Encounter*, Milan Kundera traces an interesting parallel between Latin American and Center-European intellectuals, when he makes reference to the anti-authoritarian solidarity links kept during the Cold War years¹¹¹. Robert Skidesly, in his book *The World after Communism*, attempts something similar in the field of political economy when he suggests an articulation between the dismantling of the planned economies of Eastern Europe and the import substitution industrialization experiences in Latin America¹¹². In the field of comparative politics, Adam Przeworski – among others – explores the coincidences and differences between the processes of democratic transition experienced in the two regional contexts in the 1990s¹¹³.

111 KUNDERA, Milan, *Un Encuentro*. Buenos Aires. Tusquets editors, 2009.

112 SIDELSKY, Robert. *The World After Communism*. London. Papermac, 1995.

113 PRZEWORSKI, Adam. *Democracy and the Market*, Cambridge. Cambridge University Press, 1991.

However, this kind of comparison has not yet been done to address international politics to point out the differences and similarities in the disarticulation of two regions as areas of influence of the Cold War superpowers. Maybe a reason for this lacuna has been the different rhythms and moments of both processes. While the USSR satellite countries simultaneously shook off their subordination with the fall of the Berlin Wall, Latin America remained an area of influence for more than a decade after the bipolar world order was over. This process was slow and gradual, initially with a differentiation between the North and the South of the region regarding relations with the United States, and later as a collateral consequence of imperial American over-extension from 9/11 onwards.

From an American point of view, the expectations for change in the focus on Latin America with the advent of the 2009 Obama administration do not seem significant. With the exception of the inter-domestic agenda – which affect Mexico and the Central American countries – the irrelevance of the region in the context of US foreign policy urgencies would keep the hemispheric agenda a low priority. The risk remained that its permanent securitization would lead to policies intending to reinforce an interventionist trend, especially in public security issues and especially in the Central American, Mexican and Caribbean area.

3.1 The effects of macro-securitization and the imperial over-extension

The concept of “macro-securitization”, coined by Barry Buzan, will be employed to deal with the impact and the unfolding of the strategic policy of the United States with regard to Latin America after 9/11¹¹⁴. It is a definition of threat based upon a systemic-

114 BUZAN, Barry, “The ‘War on Terrorism’ as the new ‘macro-securitization’”. Oslo Workshop, February 2006.

comprehensive perspective and a universal scope, such as had been witnessed during the Cold War. According to this concept, insecurity acquires a planetary meaning, affecting in a general way States and societies, now submitted to the consequences imposed by globalization. The fact that South America is a marginal zone in the scale of priorities of the American security policy did not make it less exposed to the pressures of macro-securitization. In fact, the peripheral situation of the region did not remove it from the global strategic premises adopted by the United States from 2001 onwards.

The dominant presence of Washington for over 60 years, at relatively low cost, and contributing to the strategic irrelevance of South America, explains the negligent, inconsistent and erratic contents of US policy for the region during and after the Cold War. In the 1990s, the United States contributed to deepen the South American specificity in the Latin American context by stimulating a differentiation based on trade preferences, which was soon complemented with security interests¹¹⁵.

South American countries keep a similar autonomy to that maintained since the end of World War II, which oscillates according to the orientation of the foreign policies in each case. Slowly, however, the preservation of this margin of maneuver is put at risk due, in the one hand, to the expansion of American military presence in South America, either through the alliance with Colombia or the setting of Advanced Operative Establishments, and on the other to the ideological perceptions of the United States, which reactivate the “specter” of interventionist actions in the region. The concerns expressed by the Southern Command and the

115 After the formation of a free trade area with México and Canada in 1994, a preference regime was instituted with the Caribbean countries and Central America (2005) and the formation of the Northern Command (2002).

Department of State regarding the unfolding of the national-populist political processes transmit a securitized view of the democratic governance.

Since the turn of the millennium, the official perception in the United States was that regional security faced new problems generated by negative political developments in countries like Haiti, Bolivia and Venezuela. The rise of a “radical populism” was identified as an “emerging threat” that would coincide with a crisis of democracy in the area¹¹⁶. The strategic irrelevance of South America has always been the motive of a kind of myopia on the part of the United States toward the region at the times of application of its macro-securitization schemes. The perception of populist governments as a threat arose during the Cold War and is again repeated in the war against terror.

On the South American side, after 9/11 the use by the US of unilateral preventive policies became a source of concern, rekindling anti-American sentiments that had been expressed only timidly in the 1990s. The questioning of the neoliberal creed multiplied, with the assumption of a critical distance regarding the security policy of the United States¹¹⁷. The refusal of Chile, together with Mexico, to support the invasion of Iraq as temporary members of the United Nations Security Council, was a signal in that direction¹¹⁸. In fact, the view that the hegemon represented a threat rather than a factor of stability for the region became a

116 Testimony of Gen. James Hill – United States Army Commander, United States Southern Command – before the House Armed Services Committee. United States House of Representatives, March 24, 2004.

117 “National Security Strategy of the United States” published in 2008 makes scant references to Latin America, stressing only the cases of Colombia and Venezuela, to which a demagogic use of the oil resources is ascribed, harming democracy and stability in the region. See: United States National Security Strategy 2005, p. 15. Available online at: <http://www.whitehouse.gov/nsc/nss/2006/nss2006/pdf>.

118 NYE, JR., Joseph S. “US Power and Strategy After Irak”, *Foreign Affairs*, July-August 2003. Available at http://www.ksg.harvard.edu/news/opeds;2003/nye_usiraq_foraffairs_070103.htm.

shared perception within the region¹¹⁹. South American anti-Americanism became even more vigorous after the concerns and securitized interpretations of the Bush administration in the face of the political scenarios of the region. New ideological coalitions took place and a link was established between the rise of neo-populist governments and the expansion of anti-American sentiment.

As Buzan rightly points out, the manifestations of macro-securitization and its inevitable ideological configurations lead to the association between the current times of war against terror and the years of the Cold War. Some analyses on the perceptions of the Bush administration regarding South America favor that association, especially the interpretation relating to the national-populist governments. An ideological struggle would be resumed, similar to the one that took place in the decade of the 1960s, in the past century, when the Cold War projected its polarizations over the region. For some authors, this behavior was interpreted as a return to the times of the bipolar years.¹²⁰

From 2006 onwards, the concerns expressed by the Southern Command came to link the internal political scenarios with intra-regional ideological collisions and the extra-regional presences, especially with China, Syria and Iran. Among the concerns stressed by Admiral Stavridis, who assumed the direction of the Southern Command in October 2006, the following are notable: 1) the need to monitor the growing economic, political and military activity of China in Latin America; 2) the ties of countries like Venezuela with countries like Syria and Iran, which protect terrorism and

119 The oscillation between the two perceptions is analyzed by BUZAN, Barry, and WEAVER, Ole. BUZAN, Barry. *Regions and Powers: the structure of international security*. Cambridge: Cambridge University Press, 2003. Chapter 10: "South America; an under-conflictual anomaly?"

120 See: SOARES DE LIMA, Maria Regina. "Guerra Fria, de volta à América do Sul", *Jornal do Brasil*, August 29, 1995. TOKATLIAN, Juan Gabriel. "El Regreso de la Guerra Fria"; *La Nación*, April 10, 2005.

seek QBN weapons; 3) the purchases of Russian and Chinese arms by Caracas and Chavez's interest in disseminating an anti-United States ideology; 4) a quick transition in Cuba is not to be expected; 5) the new Sandinista president of Nicaragua, because of his ties with Chávez and Cuba; 6) the need to abandon the sanctions to countries in the region for having acceded to the International Criminal Court; 7) the presence of the Lebanese group Hezbollah in Latin America, especially in zones like the Triple Border; and 8) the progress of the action in Colombia against terrorist groups from the right and the left.

The main target of this discourse became the government of Hugo Chávez. The strategic contents of the threat posed by the *chavist* security policy for the United States were motivated by the projection of the political and military power of Venezuela over the Caribbean region, the American *mare nostrum*, rather than by the future of democracy in that country. A perverse dynamics was established in the early years of the 21st century, in which US concerns were aggravated by the Venezuelan initiatives to purchase military equipment from suppliers like Russia and China (these purchases resulted from the American government's veto to sales to the Chaves governments on part of any NATO state). Also, the use of a confrontational policy vis-à-vis the United States as an element of internal cohesion by the Venezuelan leader contributed to the total erosion of the boundary between internal and external politics on both sides.

After the 9/11 attacks and the redefinition of security interests by the United States, Washington expressed its expectation for commitments by South American countries in the war against terror. According to the American government, one third of the terrorist groups scattered around the world were operating in Latin America. Already at the V Ministerial Meeting

on the Defense of the Americas, held in Santiago, in 2002, new tensions emerged between the United States and the region due to the demands from Washington on security policies in the region to combat terrorism. A concrete agenda of military cooperation was requested, based on three lines of action: 1) cooperation among navies, coast guards, customs and police forces with a view to reinforce coastal defense capabilities in the region – with special attention to the Caribbean; 2) strengthening of initiatives to keep regional peace between Argentina, Brazil, Uruguay and Chile; and 3) expansion of control over “non-governed areas”, considered as potential spaces for terrorist activities. The main focus of these activities would be, in this case, the Triple Border (Argentina, Brazil and Paraguay) and Colombia.

The security concerns of the United States led to the definition of new areas of cooperation, among which: strengthening cooperation in the field of intelligence activities; regional coordination for the setting of common policies to combat new threats; joint efforts for the implementation of anti-terrorist measures; compliance with laws and judicial measures to contain criminal activities; refusal of any kind of support to governments that sponsor or protect terrorist groups. One of the consequences of the reinforced presence of the Southern Command was the strengthening of the armed forces in the entire region, in tandem with the increase with American military presence in the area.

The role of the Southern Command has become crucial for US Latin American policy. With a budget of 100 million dollars at its disposal, it counted with a larger staff than the number of officials dedicated to South American issues in the departments of State, Commerce, Treasury and Agriculture all together¹²¹. The

121 BARRY, Tom, “Mission Creep”. In: Latin America – US Southern Command’s New Security Strategy”, Americas Program, *International Relations Center (IRC)*, July 2005.

actions of the Southern Command became part of a policy of decentralization followed since the closure of the military bases in Panama and Puerto Rico and the organization of “Cooperative Security Locations”. In South America, besides the installation of the base in Manta, Ecuador, radar points were activated in Peru and Colombia, mainly devoted to air monitoring of the traffic of narcotics, to complement Cooperation Programs maintained with both countries¹²². There were different kinds of joint exercises with military forces from North and South America (34 in the period 2000-2005). It is worth mentioning a notable reduction of such activities in Argentine territory since 2003 and their expansion in Chile (10 exercises from 2000 to 2005), and in Paraguay since 2001 (12 exercises in the years 2001-2005). In Brazil, only one exercise was held, in 2002, although the Brazilian presence was frequent in those taking place in neighboring countries. Besides the fact that this kind of activity involved the participation of the forces of several nationalities in the region, they included a wide number of different exercises, concentrating on simulations of United Nations peace operations, sea operations conducted by UNITAS and activities of assistance to local populations¹²³.

American military presence became a disquieting factor for the majority of South American governments – especially Brazil and Venezuela – which, since the launching of Plan Colombia in 2000, expressed preoccupation about its implications for the stability of the region. For the Southern Cone countries, this kind of concern increased further, since the new lines of defense

122 The headquarters of the Southern Command was installed in Miami. Four military bases that make up a security cooperation network were built in Manta (Ecuador), Aruba, Curaçao and Comalapa (El Salvador). At the base in Manta there are approximately 500 American officials.

123 See: CECENA, Ana Esther, and MOTTO, Carlos Ernesto. *Paraguay: eje de la dominación del Cono Sur. Observatório Latinoamericano de Geopolítica*, CLACSO, 2006.

cooperation established between Washington and Paraguay, with the fear that a military base could be covertly put together in that country¹²⁴. Since then the region faced the challenge of conciliating a defensive vision in the face of the automatism that characterizes macro-securitization with the need to find areas of cooperation with the United States. The inauguration of the 3+1 initiative (a mechanism of diplomatic dialogue between Argentina, Brazil and Paraguay with the United States) in 2002 to deal with the Triple Border was a way to deal with the US pressure. Yet, after five years in operation, this initiative seemed to respond to symbolic rather than real cooperation needs among the four countries. While the American government insisted on the expansion of control operations and intelligence activities in the area, the Brazilian and Argentine governments reaffirmed that the suspicions on the part of the department of State about the presence of cells linked to Islamic terrorism were groundless. Both countries became even more worried about other “presences” in areas of the borders with Paraguay facilitating the transit of drugs and arms in their countries. Here the concept of macro-securitization contrasts with that of a network of “micro-securitizations”, which involves the articulation between operations carried forward by international, regional and local criminal organizations.

The American government showed special concern with the need to improve police and intelligence controls in the Triple Border area, between the towns of Puerto Iguazu (Argentina), Ciudad del Este (Paraguay) and Foz do Iguazu (Brazil), considered by the FBI

124 In May 2005 the Paraguayan Congress endorsed an agreement with the United States to allow for training and operations of American military personnel in several points of the national territory. The presence of the United States was concentrated in the air corridor of Marechal Estigarribia, 3,800 meters long and 80 meters wide, at approximately 200 km from the border with Bolivia. See: LOGAN, Sam & FLYNN, Matthew. “US Military Moves in Paraguay Rattle Regional relations”. *IRC Americas*, December 14, 2005.

as an important hiding place of suspects of terrorism. Intelligence activities and reports prepared to support anti-terrorist actions by the American government indicated the existence of an “informal alliance” between suspect Islamic networks and organized crime in this area ¹²⁵.

The main conclusion of the more detailed official American report on the Triple Border is that there is a tripartite informal alliance among Islamic terrorist groups, organized crime mafias and corrupt government officials or police officers from Paraguay, Argentina and Brazil. It is argued that the groups Hamas, Hezbollah, Al-Qaeda, Egyptian Al-Jihad and Al-Gama'a al Islamiyya are probably present in the zone and have used the territory as a hiding place to obtain resources, recruit cadres and organize terrorist attacks. It has also been ascertained, however, that a significant number of these agents moved since 2001 from the Triple Border area to other countries with lesser internal control in South America, such as Chile, Venezuela and Uruguay. This hypothesis, however, lacked empirical evidence, and was not validated by Argentine and Brazilian authorities, though recognized by some local analysts. In the case of Argentina, two previous attacks against the Jewish community in 1992 and 1994 left traces of the presence of Islamic terrorist segments, which, for the local justice, maintained hidden aspects regarding their ramifications with groups in the country itself. In spite of unconcluded judicial investigations, the responsibility for the attack against the Israeli embassy in 1992 fell on the Hezbollah group, with the indication of involvement of prominent members of this organization. In the case of the attack against the Israeli Mutualist Amia in 1994, which caused 85 deaths,

125 See: HUDSON, Rex. “Terrorist and organized crime groups in the tri-border area of South America”. Report prepared by the Federal research Division, Library of Congress, under an Interagency Agreement with the United States Government. July 2000. Available online at <<http://loc.gov/rr/frfd>>.

besides accusations to Hezbollah sustained since then by members of the victim's families and the Jewish local community, suspicions have also been leveled against the Iranian government¹²⁶.

Also in Brazil, where the largest Lebanese community in South America is located, little by little information was disseminated about links between the macro-securitization agendas and the micro-securitization networks. The latter correspond to a number of self-governed spaces in which organized crime operates from an *ad-hoc* process of military occupation and political control. There is an overlapping of sovereignties where the State loses the monopoly of violence, which is transferred *de facto* to gangs and representatives of organized crime. Communication and coordination among the different groups lead to the formation of a network which although not resulting from a previous plan, becomes functional for a group of organizations and assumes regional and global dimensions. Unlike macro-securitization, which corresponds to a strategic project of a totalizing nature with a supposedly universal content, micro-securitization becomes comprehensive due to its ability to reproduce *ad infinitum* a gang system that operates with similar logics. It is thus a securitization process fueled by its spontaneous reproduction and not a strategic project that depends upon classical attributes of power.

126 See: TOKATLIAN, Juan Gabriel. "Kirchner, Irán y la AMIA". *Diario de la Nación*, December 3, 2006. "AMIA: declararon el delito de lesa humanidad". *Diario de la Nación*, November 9, 2006. CAPPPIELLO, Hernán. "Acusan a Irán por el ataque a la AMIA", *Diario de la Nación*, October 26, 2006. For the 1994 attack see: HAUSER, Irina. "El atentado a la embajada de Israel entró en La mira de La nueva Corte", *Diário Página 12*, July 27, 2005. "Una zona vinculada com los dos atentados", *Diário La Nación*, January 21, 2007. VENTURA, Adrian, "No cierra la causa de la embajada de Israel", *Diário La Nación*, November 29, 2006. On the link between the 1992 and 1994 attacks and Islamist terrorists see: BARTOLOMÉ, Mariano César. "La Triple Frontera: Principal Foco de Inseguridad en el Cono Sur" *Military Review* (Spanish Ed.), July-August 2002. KARMON, Ely. "Fight on all fronts: Hizballah, the war on terror and the war in Iraq", *The Washington Institute Policy Focus*, no. 45, December 2003. STEINITZ, Mark. S. "Middle East Terrorist Activity in Latin America", *Policy Papers in the Americas*, volume XIV, Study 7, July 2003, CSIS.

A relevant aspect of micro-securitization is the exposure it generates in national legal systems to US pressure for more effective police control and repression against international terrorism. Unlike the Andean countries – Colombia, Peru and Bolivia – those in the Southern Cone do not address this as reason to link defense policies to public security policies. Nevertheless, in Brazil, the legislation that criminalizes money laundering and, in Argentina, the one dealing with terrorism, were enacted prior to the 9/11 attack in the United States¹²⁷. Brazil's policies to combat drug trafficking in collaboration with its Mercosur partners, along the premises of the Security Plan for the Triple Border, were designed with preventive motivations. Launched in 1998, the Plan involved extradition agreements, joint police operations, reinforced controls on money laundering activities and arms smuggling.

From 2004 onwards, Brazilian defense policy benefitted from an expanded budget. In different moments, the Lula government expressed discomfort with several initiatives taken in the 1990s: suspension of incentives to the development of the national armaments industry; adherence to the international nuclear non-proliferation regimes; and lack of interest in capacitation for defense. The 2007 Brazilian decision to place military units in the Amazon area, the 18.9% increase in the defense budget and the design of a policy that no longer dismissed the possibility of conflict in the region were significant demonstrations of the revision of previous policies.

Starting from the sixth and seventh ministerial meetings on defense (Quito 2004 and Managua 2006) Brazil and the US improved their dialogue, which was reinforced by a multidimensional approach

127 In Brazil, Law 9.613/98, known as "Money Laundering Law", or whitening of capitals, dates from March 3, 1998.

to regional security. Brazil showed acknowledgement to the responsibilities of the OAS in the field of hemispheric security, valued the expansion of reciprocal confidence measures, became open to the participation in peace operations conducted by the United Nations – especially in Haiti.

The strategic premises of the Southern Command projected for the period 2007-2016 deserve special mention. This amounts to a *de facto* re-configuration of the Inter-American System, based on the formulation of objectives and missions to be carried out according to new partnerships with the countries in the region. Conceptually, the actions of the SC were conceived beyond the classic notions of security and defense, with the aim of containing four essential threats: 1) poverty and inequality; 2) corruption; 3) terrorism, and 4) crime. The notion of cooperative and collective security is thus discarded by the magnification of the notion of partnerships that should increase the freedom of movement of the United States in the whole region. A new generation of security agreements was expected with a broader scope than the military accords, accompanied by designations of extra-NATO ally status, the creation of regional Centers of Excellence and programs of military training that allow the partners to value the American way of life. To attain these objectives, the transformation of the current military organization of the SC into a Joint Inter-Agency of Security has been envisaged, to act with greater autonomy within the government of the United States. The relationship with the partners in the region would respond to the need to improve the capacity of understanding and of linkage of the governments with their respective security agencies. One of the salient points in the Southern Command formulation became the inclusion of public security issues as an area for the attention and action by the partnership to be established with the governments in the region.

With the inauguration of the Obama administration, this scenario was expected to receive cosmetic changes. During the V Summit of the Americas in Trinidad and Tobago, a discourse came to the fore, adapted to the notion of “smart power”. It sought to offer the region a sense of change and to become more emphatic in the defense of democratic institutions and values without introducing relevant alterations in the status of the region within the ensemble of global priorities. On the symbolic level, which had become an especially important dimension of the new international policy of the White House, the meeting of the new American president with its peers of UNASUR corresponded to a watershed in US Latin American policy. For the first time a regional organization not including the United States was recognized as a political actor (it must be recalled that, during the entire Central American crisis, Washington did not recognize the power of dialogue of the Contadora or the Support groupings).

At the OAS Assembly (May 2009) new steps were taken in the same direction when resolution 2438 was approved, providing for the beginning of a process of revocation of the exclusion of Cuba from that organization. In fact, to bring this issue to the table and to begin the reincorporation of that country to the Inter-American community signaled the belated end of the Cold War in the Latin American policy of the United States. At the same time, space was opened for other countries in the area – especially Brazil – to be able to act as mediators of the thaw between Washington and Havana, facilitating the replacement of an ideological focus with a political approach to the issue. The horizon opened to de-link the emphatic defense of democratic values from coercive methods which had justified the use of sanctions as a method of political pressure. This meant the abandonment of practices that were legitimized all through the Cold War.

3.1.1 The transformations in the intra and extra-regional security agenda

It must be stressed that in the post-post-Cold War, the international agenda of Latin American countries and especially those in South America was not limited to the good or bad terms of the relationship with the United States. There were important changes in their respective regional and global affairs, and the international relations of the region were not made up only of the inter-American agenda.

Regarding the Inter-American economic and political developments, there was a noticeable reversal of the expectations that existed in the 1990s. The “utopia” of a unified free-trade zone gave way to a process of fragmentation in which regional integration faded away as a shared aspiration. The rhythm of the associative inter-governmental process was reduced; the peculiarities of the options to democratic governance deepened and the regional and sub-regional specificities were reinforced. Side by side with the differentiation between the North and the South of the region – conditioned by the pattern of the linkage with the United States – the incidence of historic-cultural factors, of the consolidation of political-institutional post-authoritarian processes and of new socio-economic adversities rendered more difficult the built-up of regional and sub-regional associative initiatives.

Also in the political sphere, it seemed harder to overcome the difficulties faced by States in the construction and/or strengthening of multilateral regional institutions and regimes. On the one hand, initiatives reactivated or recently launched – such as CAN and Mercosur – became the source of recurrent frustrations. On the other, innovative projects such as the South American Community, now renamed UNASUR, had their relevance diminished in the face of internal divisions that reflected empty spaces or different

leadership aspirations, especially between Brazil and Venezuela. In this same direction, the idea that the expansion of South American energetic integration would open the way for a new strategic sketch of regionalism ended up by yielding to a scenario of disputes and differences stimulated by the interests and needs of individual policies of growth and political influence.

The cooperative security agenda, as a US prescription, was set aside. When the new strategic priorities of the United States resulted in the macro-securitization of its hemispheric agenda, this reduced the functionality of multilateral institutions and regimes. As has been mentioned, macro-securitization operated as a veiled stimulus for the revitalization of national defense policies, accompanied by the increase in military budgets and reactivation of some inter-State rivalries. Instead of a division between two security sub-systems – Andes/Southern Cone – South America became a complex thicket of bilateral tensions, of transnational networks for crime operations and of fragmented responses to the strategic pressures of the United States¹²⁸. In this context, instead of representing a focus of irradiation of regional insecurity, generating common policies for its containment, the war in Colombia became an encapsulated process of intra-State conflict in accordance with the descriptions of the composite sketch of terrorist threats defined from Washington, jointly managed by Colombia. This encapsulation did not prevent the spread of a network of trans-border connections among the Colombian narco-guerrilla groups and crime organizations operating in different parts of South America.

The vigorous assumptions of the 1990s regarding the South American defense policies would have to be revised. The

128 See: RUSSELL, Roberto, and TOKATLIAN, Juan Gabriel. "Resistencia y cooperación: opciones estratégicas de América Latina frente a Estados Unidos". In: LAGOS, Ricardo, *América latina: integración o fragmentación?* Buenos Aires, Edhasa, 2008.

shrinking of national military budgets as a facet of democratic consolidation, accompanied by the deactivation of inter-State conflict hypotheses, leaving room for the expansion of bilateral and multilateral cooperation initiatives, did not become as dominant as expected. Nevertheless, the increase of military expenditures in South America was not associated with a deviation or reversal of democratic regimes. In the Southern Cone, the expansion of budgets in the area of defense did not hinder the intensification of the cooperative agendas in security issues. Even in the case of Colombia, the military presence of the United States was not an obstacle for cooperation on security questions with countries that kept explicit reservations about Plan Colombia, such as Brazil.

Starting from the notion that uni-polarity had concentrated the power of agenda of the United States in security issues, it may be concluded that in the case of South America this concentration also brought about the suspension of its presence as a factor of stability for the region. It is interesting to note that the “abandonment of the post” did not actually translate into withdrawal, but in a transfiguration that came to obey more the pattern of a classical imperial power. Meanwhile, South American defense policies expanded and reconfigured their contents as they started to enjoy more autonomy vis-à-vis the United States.

Visible changes took place in South American defense policies and in the challenges they confront. In all cases, their contents had been altered as a result of the end of the Cold War, domestic democratic processes, new regional contexts and the impact of macro-securitization of world politics. An articulation between external and domestic factors favored the expansion of military power in South America. At the same time, the end of a bipolar world contributed to seal the commitment of the South American armed forces with the preservation of democratic institutions and values, allowing them to recover their role in the processes

of consolidation of the rule of law. Areas of coordination between external and defense policies and between public security and governability were established according to the reality and dominant perception of each country in the region.

With the exception of Brazil, several countries in the region still had unresolved border disputes or were facing new points of disagreement that affected inter-State relations in border areas. The border tensions between Colombia and Venezuela, between Chile and Peru, Chile and Bolivia and Bolivia and Paraguay, the lack of Chilean recognition of the Argentine cartography regarding the Southern Ice and the conflict between Argentina and Uruguay for the construction of the “Botnia” paper mill on the bank of the Uruguay river ought to be mentioned. For one reason or another, the idea that national sovereignty would become a more light shared value, that defense policies would reduce their importance became less likely in 2001 than 10 years before. Despite different institutional conditions and ideological orientation of the democracies in the region, in all cases the presence of the armed forces as partners of local political projects became part of the equation.

In the Southern Cone, legal measures with a view to the investigation and clarification about violation of human rights committed in the years of military regimes, added to the decision not to entrust security tasks to the armed forces – either to prevent risks of political regression or of new stains on the institution.¹²⁹

129 In Chile, Augusto Pinochet was formally accused for the first time and held in custody in his home. The Supreme Court suspended a previous decision that established a delay of 6 months for the conclusion of judicial investigations on human rights violations committed during the years of the military regime. This opened a precedent for other 150 cases. In Argentina the Supreme Court approved the unconstitutionality of the *Punto Final* and *Obediencia* laws in accordance with Congress deliberations of 2003, which led to law suits against more than 200 military. In Uruguay, the Frente Ampla government reinterpreted the scope of the *Ley de Caducidad*, opening the possibility of legal action against 600 members of the Armed forces for crimes of violation of human rights. See also

In the Andean region, however, military involvement in the fight against drug trafficking and the narco-guerrilla, added to the strengthening of the defense capacity as part of the construction of new popular national projects which revalued the role of the armed forces. Also, the remarkable improvement in the performance of the South American economies thanks to the rise of international prices of commodities such as oil, gas and copper, and its repercussion on the GDPs, brought immediate benefit for military budgets.

The defense premises of Argentina, Brazil and Chile reveal approaches that combine the vindications of sovereignty with the development of cooperative initiatives. As the overcoming of inter-States rivalries in the sub-region was recognized, unilateral action and inter-State conflict was completely discarded. Yet, pending territorial issues are still mentioned in the Chilean National Defense Book, as well as the importance of the defense of natural resources in the National Defense Policy of Brazil and the Argentine Defense Policy¹³⁰.

In Chile, the increase in resources coming from copper exports permitted the armed forces to make important purchases of military equipment¹³¹; in Bolivia, Evo Morale's extended hand

SIKKINK, Catherine, & BOOTH WALLING, Carrie's work, "The emergence and impact of international trials". Working document presented at the Torcuato di Tella university in 2006.

130 See: Gobierno de Argentina, Libro de Defensa Nacional 2001, January 3, 2001. Available online at <<http://www.resdal.org/archivo/d0000110.htm>>. For recent changes under Nilda Garré see: "Plan Ejército Argentino 2025". Available online at: <<http://ejercito.mil.ar/PEA2025/index.htm>>, Gobierno de Chile. Libro de Defensa Nacional 2002, May 16, 2003. Available at: <<http://www.resdal.org/Archivo/d000011d/htm>>. Governo do Brasil, Decree no. 5,484 "Política de defesa nacional", June 30, 2005. Available online at <http://www.resdal.org/Archivo/brasil-politica_defensa.htm>. See: SEQUEIRA, Claudio Dantas "Muda Estratégia Militar", *Correio Braziliense*, May 14, 2006.

131 Between 2001 and 2005, Chile imported conventional arms for a value of 792 million dollars. In the same period the country became the 29th largest importer of arms in the world. See: *SIPRI Military Expenditure Database*. In March 2007 the Chilean Navy purchased the frigate "Almirante Lynch" at a cost of approximate US\$ 350 million. See: OSACAR, Ignacio. "Chile renueva su flota y navega su mar presencial". *Nueva Mayoría*, April 5, 2007. In 2006 the first combat aircraft F-16CD (of a total of 10)

to the military contributed to strengthen his internal bases of support and securitize the treatment of the energy agenda; in Peru, politicians share interests with an Army until recently discredited because of its links with *Fujimorism*; in Venezuela, the hypothesis of a conflict with the United States lends grandeur and heroism to the armed forces; in Colombia, the association with the government of the United States propels the armed forces forward as a first rank actor in local political life, and in Brazil, assuming the command of certain United Nations peace operations reinforced the link between foreign policy and defense priorities. It is worth mentioning that Argentina remains as a singular case in this context due to the existing restrictions to its military budget.

Thus, one sees an increase in military power in countries with domestic political processes as different as Chile and Bolivia or as Peru, Venezuela and Colombia, propelled by domestic circumstances and external options. The expansionary trend of defense expenditures in South America has not corresponded to a uniform process. Here there are variations according to individual policies; Chile and Peru concentrate their effort in the re-equipment of their navies, Colombia in the capacity-building of its army and Venezuela in its air force. The latter, which has become a source of general concern in the region and in the United States, showed a greater transformation in the contents of its strategic policy than in its military capability¹³².

started to arrive, as well as two Spanish-French Scorpene submarines. Chile also signed a contract for the purchase of ten F-16CD Block 50 combat aircraft from Lockheed with the Fuerza Aerea de Chile and acquired medium range air missile systems made in Israel. See: CALLE, Fabián. "Evolución reciente de las políticas y estructuras de defensa en el Cono Sur (Argentina, Brasil y Chile) rumbo a la disuasión de la seguridad regional".

132 In July 2006, Venezuela purchased military equipment, mainly weapons (AK-103 assault rifles and licenses for its manufacture), aircraft (Su-30MK2, Mi-17B5, Mi-35M, Mi-26T) from the Russian Federation, for three billion. Contacts for this operation started in 2001, but were postponed due to Moscow's preoccupation that it would be negatively interpreted by Washington. See:<<http://mdb;cast.ru/mdb/1-2007;item4/article1/>>.

A comparison between the experiences of Chile and Venezuela also show different patterns in what regards the external sources of the respective re-equipment. While the Chilean purchases come mainly from NATO countries, in Venezuela the military acquisitions have been supplied by Russia, Spain, China and Iran¹³³. Still with regard to the question of commercialization, it is worth mentioning the case of Brazil as the only country in the region that participates in the international armament market as a supplier. Even having to face political restrictions eventually brought into play by the United States when the operations harm its strategic interests – as in the case of sales already agreed with Venezuela –, Brazilian exports of military equipment increased remarkably. Previous political reservations were abandoned, as those that existed with Colombia, whose armed force has become a good client to Brazil¹³⁴.

Besides the valuing of the defense of territorial integrity, it is worth mentioning the revival of the idea that the armed forces should protect the energy and natural resources of the South American countries. To the extent that the new national circumstances coexist with inter-State rivalries – old and new – a debate has been taking place on the risk that South America would slide back to a scenario marked by the security dilemma, in which military modernization processes could imply a new arms race¹³⁵. The acknowledgement that this is not the case,

133 CALLE, Fabian: "Evolución reciente de las políticas y estructuras de defensa em Sudamérica: los casos paradigmáticos de Chile y Venezuela y su impacto regional".

134 In the end of 2005, Colombia confirmed the purchase of 25 Super Tucano aircraft from Embraer for use in operations of drug trafficking control with launching of bombs guided from the base and long range missiles. See "Ranking do poder militar na América do Sul -2006/2007", *Military Power Review*. Available online at: <<http://www.militarypower.com.br/ranking/htm>>. and MALAMUD, Carlos and GARCIA ENCINA, Carlota. "Rearme o renovación de equipamento militar en América Latina?" DT no. 31/2006, *Real Instituto Elcano*, December 15, 2006.

135 Jorge Battaglino develops a set of arguments on the political meaning of this process. See: BATTAGLINO, Jorge, "Palabras Mortales: Rearme y Carrera Armamentista en América del Sur". *Nueva Sociedad*, no. 215, May-June, 2008.

however, does not mean that the conditions are given for the construction of a stable regional peace zone. The creation of a security community would need homogenizing defense policies and threat definitions, which has not become a priority for South American countries.

In fact, the main source of concern in South (and Latin) America became the question of public security, which does not relate to the conflictive contents of its defense policies. This is the region with the highest rate of deaths by firearms in the world. Latin American countries face growing challenges to contain the escalation of organized crime, which, although it can be explained by the contexts of social marginalization, exclusion and inequality, already acquired a self-sustaining dynamism and leads to the – previously explained – process of “micro-securitization”.

The links between macro and micro-securitization are highlighted here. Facilitated and stimulated by globalization, the contacts between both universes happen because of the shrinkage of the presence of governmental actors in the new forms of threat that nurture the international security agenda. One of the chief motivations of this linkage is that of a financial nature, which stimulates an infinite range of tricks for money laundering in all parts of the world¹³⁶. The fact that the dynamics of macro and micro-securitization may constitute a self-sustained phenomenon nurtured by social, economic, political and cultural motivations, is unique to the region. From the standpoint of international security, micro-securitization corresponds to an advanced stage of the agenda which, in the immediate post-Cold War, was classified as related to the “new threats”¹³⁷. In South America, the negligence of States regarding their public security responsibilities came to

136 BUZAN, Barry, *op. cit.*

137 BUZAN, Barry. *People, States and Fear: an agenda for international security studies in the post-Cold War era*. Boulder. Lynne Rienner Publishers.

represent one of the most serious failures of the democratization processes¹³⁸.

If accepted, the premise that the regional dimension of security corresponds to an intermediate point between the global and the local realms, South America inter-State interests and initiatives have been a gradual achievement. Undoubtedly, the deepening of intra-regional collaboration in defense and security performs a relevant role, although it has been slow and at the same time there is still a remarkable preservation of nationalistic views that reinforce inter-State sentiments of rivalry. Taking the argument that the end of the Cold War provided greater liberty for regions to widen the responsibility over their respective security agendas, we would conclude that South America made modest use of this opportunity¹³⁹.

At the same time, the economic and managerial difficulties faced by its States in order to ensure efficient regional security policies became more serious as a result of the impact – observed the world over – of the link between the international dimension of crime and the porosity of the mechanisms of control over the circulation of goods, services, capital and people, stimulated by globalization¹⁴⁰. The first steps to revert this trend were taken with the creation of the South American Defense Council, in 2008.

138 The analysis developed by Marcelo Sain represents a contribution to understanding this kind of failure: "The return of democracy in the wide majority of these countries not only meant the consolidation of the effective rule of law but also leads to the exercise of an illegal and arbitrary power on the part of certain social sectors, which brought about violent situations of abuse of human rights". SAIN, Marcelo. "Democracia, Seguridad Pública y Policía: la reforma del sistema de seguridad y policial en la provincia de Buenos Aires". Seminario Las reformas policiales em Argentina. Centro de Estudios Legales y Sociales (CELS). Buenos Aires, December 1 and 2, 1998.

139 BUZAN, Barry. *Regions and Power: the structure of international security*. Cambridge, Cambridge University Press, 2003, p. 18.

140 See: HURRELL, Andrew. "Security in Latin America", *International Affairs*, vol. 4, no. 3, 1998. TOKATLIAN, Juan Gabriel. *Globalización, narcotráfico y violencia: siete ensayos sobre Colombia*. Buenos Aires, Editorial Norma, 2006. MILLELMAN, James H. & JOHNSTON, Robert. "Globalization of organized crime; the Courtesan State and the Corruption of Civil Society", *Global Governance*, vol. 5, no. 1, Jan.-Mar. 1999.

It must be stressed that the modest results in the building of a security community did not prevent important transformations in the articulations of the region with the global agenda. Despite its marginal strategic situation and the limited results of its regional institutional initiatives, South America remarkably expanded its presence in multilateral actions linked to the preservation of peace and international cooperation. South American countries have conducted more intervention than they have received and at the same time they have assumed a new role in South-South cooperation and humanitarian assistance. Asia and Africa are also important regions among those that offer contingents for peace operations, but they correspond to the areas where such missions are most present. In the South American context, the countries with greater relative development and/or institutional stability – Argentina, Brazil and Chile – seem determined to keep and expand their action in processes of post-war reconstruction enforced by the United Nations Security Council.

In sum, inter-State relations in South America simultaneously encompass agendas of rivalry and of cooperation. In what regards cooperative security initiatives, a trend already observed in the 1990s, confidence measures among Southern Cone countries have been more frequent than within the Andean area. Relevant cooperative measures were initiated as humanitarian de-mining activities started in the Southern Chile-Argentina border and the proposal to resume the 2-2 mechanism with Peru can be mentioned in this context¹⁴¹.

The efforts exerted by the Southern Cone countries and Brazil throughout the last two decades to deepen regionalization

141 The 2-2 mechanism consists of bilateral meetings between the ministers of Defense and External Relations of both countries to discuss defense and security issues. 2-2 meetings between Peruvians and Chileans had been suspended since 2005.

combining economic integration, democratic solidity and cooperative security are well known¹⁴². In the region, these countries tried hard to bring flexibility to their rigid anti-interventionist traditions, taking up new forms of action such as those that seek to contain the securitization of the regional agenda, a goal of the United States since 9/11. Despite its shortcomings, there has been an attempt at preserving South America's own space for initiatives in the international community aiming, in the long run, at the building of a zone of peace. Besides a heritage of reciprocal confidence measures and daily joint military exercises, permanent inter-State exchanges leading to a common agenda of concerns in defense policies has been achieved in the region.

3.1.2 The new regional performance in peace operations: the experience in Haiti

Since the end of the Cold War, the issue of the responsibility of regional organizations and actors gained new impulse with regards to the maintenance of peace and stability in their respective zones of influence. In some developing areas, regional institutions have expanded their responsibilities, as has been especially true in the case of the African Union (AU). Nevertheless, for Latin and South America, regionalism omits cooperation in peace-building. Neither Mercosur, the Andean Community, the South American Union or the Rio Group include PKOs and humanitarian assistance as part of their shared responsibilities. When facing major institutional debacles, such as the case of Haiti in 2004, the South American nations – and the ABC in particular – preferred to act with the tools furnished by global multilateralism. In fact, the participation

142 HIRST, Monica. "Mercosur's complex political agenda" In: ROETT, Riordan (ed.). *Mercosur regional integration, World Market*. London. Lynne Rienner Publishers, 1999. JONES, Charles. *International Relations in the Americas: Microcosm or exception?* mimeo, University of Cambridge, 2005.

in UN-led MINUSTAH became the first military and political intervention initiative coordinated by South American states.

The institutional collapse of Haiti in late 2003, propelled the Southern Cone countries – Brazil, Argentina and Chile – to launch in 2004 a regional initiative coordinated with the UN which culminated in the MINUSTAH.¹⁴³ This represented the fifth UN mission in the country; this time with the purpose of reestablishing order by way of national reconciliation among local political groups, containing inter-gang violence and promoting economic and social development¹⁴⁴. Besides political stabilization, the Mission undertook a wide range of responsibilities related to electoral surveillance, public security, humanitarian aid, protection of human rights and the betterment of environmental conditions and economic development.

The prominent participation of the ABC troops, alongside other contributors, led this mission to become emblematic as an initiative of regional cooperation combined with multilateral intervention¹⁴⁵. Special mention must be made to the presence

143 In the year 2000, Jean Bertrand Aristide was elected president with 91% of the votes (just 10% of the electorate voted due to a boycott by opposition parties). The opposition as well as the international community accused the government of committing fraud and manipulating votes. The international community imposed severe sanctions on the country, which heavily affected its economy. In 2004, a violent uprising took place, and extended through the whole country. After the failure of negotiated solutions and confronted with Washington's decision to send troops, Aristide decided to abandon the country. The UNSC authorized (by request of the provisional president Boniface Alexandre) the deployment of the Provision Multinational Force composed by American, French, Canadian and Chilean soldiers. In June 1st, 2004, by resolution 1542, the MINUSTAH was established for an initial period of six months.

144 The UN missions in Haiti include: MICIVIH, developed jointly with the OAS (Res. A/47/208. April 1993). UNMIH (UN's Mission in Haiti. Res. CS/940. September 1993-June 1996). UNSMIH (UN's Support Mission in Haiti. Res. CS/1063. July 1996 – June 1997). UNTMIH (UN's Transitional Mission in Haiti. Res. CS/123. August-November 1997). MIPONUH (UN's Civil Police Mission in Haiti. Res CS/1542. December 1997- March 2000). MICAH (Res. A/54/193. December 1999). MIF (Provisional Peacekeeping Force. Res. CS/1529. February 2004).

145 The countries that participate in MINUSTAH with military and police contingents are: Argentina, Brazil, Canada, Chile, United States, Philippines, France, Jordan, Nepal, Pakistan and Uruguay. With only military contingents: Bolivia, Croatia, Ecuador, Guatemala, Malaysia, Nepal, Paraguay, Perú, Sri

of Uruguayan troops, as well as the contingents from Paraguay and Bolivia, which reinforced the South American facade of the Mission. The performance of the ABC group in the Haitian reconstruction efforts was achieved thanks to an unprecedented articulation between their defense and foreign policies aimed at expanding the presence of these countries in the global debate on governability and effective multilateralism.

The military presence of the Southern Cone countries in Haiti – with the exception of Chile – is the result of culminated experience in PKOs in the past 15 years. In the 1990s, this experience was mostly motivated by the necessity to redefine the role of the Armed Forces in the context of local democratization. In Argentina, this participation was linked to a renewed pattern of civil-military relations; in Uruguay, it became a major source for the maintenance of the military; in Brazil, as an instrument for international prestige and acknowledgement. In the current stage – with the inclusion of Chile – external political stimuli gained more preponderance, based upon the region's capacity to “export” stability and democracy. In the previous stage, the PKOs were perceived as a functional instrument for the consolidation of the Rule of Law in Latin American countries and a contribution to the transformation of the military worldview. At present they contribute to reinforce a shared mission of the South American armed forces – especially in given democratic contexts –, nowadays

Lanka. With only police contingents: Benin, Burkina Faso, Cameroon, Chad, China, Colombia, Egypt, El Salvador, Spain, Russia, Guinea, Madagascar, Mali, Maurice, Niger, Nigeria, Rwanda, Rumania, Senegal, Togo, Turkey, Vanuatu and Yemen.

A selective list of readings on the Minustah includes: AGUIRRE, Mariano, “Naciones Unidas y España en Haití”, *FRIDE*, 02/06. BURKE, Megan, “Recovering From Armed Conflict: Lessons Learned and Next Steps for Improved International Assistance”, *FRIDE*, Working Paper N° 22, abril 2006. DINIZ, Eugenio, “O Brasil e a MINUSTAH”, *Security and Defense Studies Review*, Volume 5, No. 1, spring 2005. DOORNBOS, Martin, WOODWARD, Susan and SILVIA, Roque, “Failing States or Failed States? The Role of Development Models: Collected Works”, *FRIDE*, Working Paper no. 19, February 2006.

intertwined with the idea that the region can offer a positive contribution to improve peace and security in world affairs. The assumption that democratic regimes are less prone to war argues that these very regimes have more adequate resources and more affinity to participate in PKOs.¹⁴⁶

ABC inter-State coordination was sought from the very beginning of the MINUSTAH. The combination of a Chilean UN Special Representative with the Brazilian military command was crucial.¹⁴⁷ Next, an Argentine official was placed as the second in the military chain of command and a Chilean as Chief of Operations.¹⁴⁸ While team spirit rapidly built-up, this did not mean that these three countries were in Haiti for the same reasons, nor that their presence there was a consensual decision at home.

Besides the maintenance of peace, the MINUSTAH troops have also been mobilized to undertake tasks related to local communications, infrastructure, public health and civil construction. These tasks became even more urgent after the devastating effects first of Hurricane Jeanne in October 2004 and then by the earthquake of 2010. This constitutes the essence of the concept of multi-dimensionality incorporated by the recent generation of PKOs. Meanwhile, it is important to understand that this concept is a result of a relatively improvised solution that in many occasions substitutes international cooperation initiatives,

146 See: ANDERSSON, Andreas, "Democracies and UN Peacekeeping Operations, 1990-1996", *International Peacekeeping*, Vol. 7, Issue 2, summer 2000.

147 Juan Gabriel Valdés (former Ambassador of Chile to the UN and Argentina) was head of the MINUSTAH from August 2004 to May 2006.

148 The early Commanders of the MINUSTAH were: General Augusto Heleno Ribeiro Pereira (Brazil) (February 2004-September 2005) / Urano Teixeira da Matta Bacellar (Brazil) (September 2005-January 2006) / Teniente General José Elito Carvalho Siqueira (Brazil) (January-December 2006). Deputy Commander: Alfredo Lugani (Argentina) (August 2004-September 2005), Eduardo Aldunate Herman (Chile) (September 2005).

whether these would be the construction of roads, schools, hospitals and the improvement of basic sanitarian conditions. Brazilian, Argentine and Chilean troops in Haiti include military engineers and doctors, besides ordinary troops.

Simultaneously, each contingent absorbs this experience from their specific background and current political and military conditions. Among the South Americans, the Argentine, Brazilian and Chilean contingents stand out for their numeric presence, responsibilities and level of communications. From the beginning the ABC's military introduced a particular "style" of action adopted by the MINUSTAH, suggesting the idea that the South America offers to the UN a new kind of intervention that differentiates itself from other PKOs.

3.1.3 The dismantling of an area of influence

Renowned international analysts have increasingly included the quality of US-Latin American relations among the indicators of the failure and exhaustion of the American imperial project. Authors like Joseph Nye and Stanley Hoffmann, who seldom mentioned our region in the past, underlined the disdain of the Bush administration toward the area as a sign of the loss of direction of the external policy of the United States after 9/11. The "insubordination" of Latin American and particularly South American governments was mentioned as an example of a leadership default that revealed the bad use of power resources in the name of mistaken strategic priorities. The application of the concept of imperial over-extension gained strength as an explanation for this process, as it was considered that the United States came to over-privilege strategic policies supported by its military might¹⁴⁹.

149 On the concept of imperial over-extension, see SNYDER, Jack. *Myths of Empire: Domestic Policies and International Ambition*. Ithaca, NY, Cornell University Press, 1991.

In this way, there would be a connection between the dismantlement of the only surviving area of influence after the fall of the Berlin Wall and the post 2001 US foreign policy developments. It would be a process of tensions brought about by the break of the hegemonic power of the United States vis-à-vis South America, in which fragmentation prevailed over cooperation. It would be possible to identify the exhaustion of a positive agenda which, despite always being subject to marked asymmetries, had constituted a factor of stability in the Americas since the 1940s. Unlike other moments, one would observe dynamics in which the region loses its functionality for US power. In that way, the American inability to preserve its ascendancy despite the absence of threats or extra-regional competitors would be underlined.

The contrast between the level of coincidence of South American nations and the United States in the first and second decades of the post-Cold War became clear. From 9/11 onwards the use of unilateral preventive policies became a source of apprehension for the South American countries, rekindling anti-American sentiments that had been only timidly expressed in the 1990s. At the same time, the questioning of the neoliberal creed intensified in South America, with a critical distancing with regard to the security policy of the United States. The unfolding of the change of priority in Washington's external policy after 9/11 added to the crisis of the neoliberal model, reversed the previous trend and gave rise to a reaction of prudent distancing on the part of the South American countries in the face to the war against terrorism led by the Bush administration. The option for unilateralism, which meant a progressive disdain for collective instances, further reduced the space for agreement and coordination between the United States and the region.

The view that the imperial nation represented a threat rather than a factor of stability for the region was reinforced¹⁵⁰. In this way, South American anti-Americanism was propagated as a defensive response to the liberal apology of anti-statism and became even more vigorous with the apprehensions expressed by the Bush administration before the political scenarios in the region. An ideological struggle similar to the one that was observed in the 1960s, when the Cold War projected its polarizations over the region, would then be resumed. For some authors, this behavior was interpreted as a return to the times of the Cold War¹⁵¹.

There was also a risk that the preservation of the margin for maneuver for South American policies might be affected by the American military presence in South America, due to the special relations with Colombia and the installation of Advanced Operative Establishments in different parts of the region. Apprehensions expressed by the Southern Command and the Department of State regarding the unfolding of some local processes reactivated the “specter” of interventionism in the region. Democratic crises were associated with the notion of threat, which was inevitably translated into the securitization of actions intended to overcome “turbulent realities”. The official perception of the United States came to be that regional security faced new problems generated by negative political developments in countries like Haiti, Bolivia, Venezuela and Ecuador. The rise of a “radical populism” identified as an “emerging threat” that

150 Barry Buzan and Ole Weaver analyzed the oscillation between the two perceptions. “South America: an under-conflictual anomaly”, in BUZAN, Barry and WEAVER, Ole. *Regions and Powers: the structure of international security*. Cambridge, Cambridge University Press, 2003, p. 319.

151 See: SOARES DE LIMA, Maria Regina. “Guerra Fria, de volta à América do Sul”. *Observatório Político Sul-Americano*, Instituto Universitário de Pesquisas do Rio de Janeiro, IUPERJ/UCAM, article published in *Jornal do Brasil*, August 29, 2005. TOKATLIAN, Juan Gabriel “El regreso de la Guerra Fria”, *La Nación*, Sunday April 10, 1995.

coincided with the crisis of democratic trajectories in the area became a constant feature¹⁵².

The disapproval on the part of the Latin American countries to the American strategic policy soon gained space in the different arenas of world and regional politics. Many signals clearly expressed the distance between both parts: the refusal of Mexico and Chile to support the invasion of Iraq at the United Nations Security Council in 2003, the disagreements at the ministerial meetings on defense, the motivations behind the creation of UNASUR, the affirmative tone of Brazilian foreign policy, the development of defense policies in reaction to the impact of Plan Colombia in the Amazon-Andean area, the ideological polarization that came to characterize both sides of the Colombia-Venezuela relationship and the “Latin-Americanization” of the working agenda of the OAS and the inclusion of Cuba in the Group of Rio.

In the economic field, the progressive paralysis of the negotiations around the Free Trade Area of the Americas led to a fragmented agenda of sub-regional understandings. As the government of the United States seemed willing to deepen its commitment to regionalism, it started from the assumption that FTAA would lead to the dissolution of other regional integration regimes, such as the Central American Common Market, the Andean Community and Mercosur. The American decision, announced in February 2003, to fragment the negotiating offers through differentiated proposals regarding the universe of products to be benefitted by tariff reductions – one for the Caribbean (85%) and others for Central America (64%), for Andean countries (68%) and

152 Testimony of Gen. James Hill – United States Army Commander, United States Southern Command – before the House Armed Services Committee. United States House of Representatives, March 24, 2004.

for Mercosur (50%) clearly signaled the end of an Inter-American free trade project. The different calendars for tariff reductions led to a network of negotiations and pressures with negative results, such as: stimulating competition among the countries in the region; increasing the negotiation power of the United States and killing the most favored nation clause in the hemispheric sphere. As the negotiations on a Free Trade Area failed, bilateral negotiations of Free Trade Agreements (FTA) gained importance, among which the most significant became the understandings achieved with Chile, Peru and the Central American region¹⁵³.

Still on the economic field, the region expanded its exposure to the transformations in the international market and new possibilities for external transactions were opened. The fragmentation of trade negotiations with the United States after the failure of the FTAA reduced the importance of the US as a link between the region and the global economy. The opening of Latin American economies stimulated more intense intra and inter-regional commercial and investment connections and deepened the ties with the more dynamic markets, particularly the Asian powers (China and India). In the same context, there were more comprehensive understandings established with the European Union (Chile, Mexico and Brazil) and an unprecedented economic presence of Canada in several countries of the region was recorded. Besides the Latin American performance in the commodities market (both agricultural and mineral), the projection of some countries' energy resources – especially of Venezuela, Bolivia and Brazil – and the new space occupied by the production of biofuels ought to be mentioned. The presence of the region in the multilateral arena

153 The FTA with Chile was signed and ratified in 2005; the FTA with Peru was signed in 2005 and ratified by Peru in 2006 and by the USA in 2007; The FTA with Central America was signed in 2004 and ratified by the USA in 2006.

and its action in global debates, albeit unequal and fragmented, did show some cohesion in questions of international trade, with special mention to its participation in the G20.

In this context, a varied pattern of bilateral links between South American countries and the United States emerged. Three options could be identified: 1) alignment with tutelage, as with Colombia; 2) confrontation with demonization, as with Venezuela; and 3) affirmation with a sense of opportunity, as can be seen in the case of Brazil.

In the first case, Colombian adherence to the fight against terrorism, associated with the combat to drug trafficking since 2001, further strengthened the bilateral links sealed after the successful negotiation of Plan Colombia. The refusal by other South American countries to agree to demands such as a specific agreement to exempt American citizens bases in their territory from judicial deliberation of the International Criminal Court, illustrated the willingness of the Colombian State to relinquish sovereignty in exchange for military assistance.

The interaction between the American and Venezuelan governments, however, came to reproduce with remarkable fidelity the ideological confrontation typical of the Cold War. The predominance of a confrontationist policy vis-à-vis the White House represented an instrument of internal cohesion for the Hugo Chávez government, especially after the attempted coup at the end of 2002. On Washington's side, recourse to the use of interventionist tools, such as the CIA, the NED (National Endowment for Democracy) and the OTI (Office for Transition Initiatives) revived old methods of destabilization to which was added the polarization of the local population¹⁵⁴.

¹⁵⁴ Since 2001, USAID invested 15 million dollars and NED invested 4 million dollars to support groups opposed to the Hugo Chávez government. A significant part of these resources was used to support

In the case of the relations with Brazil, not only could one observe quite a distinctive course from the two patterns mentioned, but also surprises came about regarding what had been expected from the change of government in 2003. This development will be discussed in greater detail in the last chapter of this dissertation. Before that, however, it would be useful to highlight the set of transformations experienced by Brazil in its external insertion, in the global and in the regional sphere with the Lula government.

3.2 The new framework of the international insertion of Brazil

Like in other fields of public policy of Brazil, there were important transformations in external relations since the start of the Lula administration. In this case, one could observe a combination of substantive traits and institutional pillars already experienced in the past with inter-bureaucratic goals and innovative policies. Besides reflecting a progressive expansion of interest and ambitions projected from Brasilia into the world scene, this process was – and still is – benefitted by favorable global and regional winds. This combination has permitted the formulation of assertive policies that add individual Brazilian postures to positions coordinated with other developing countries in matters of trade, financial reform, climate change, peace and security.

Since the beginning of the Lula administration, Brazilian external policy came to be strongly associated to the notion of

the attempted coup in April 2002 and the general strike that lasted for over two months in the end of 2002. New attempts at intervention also received American support, such as the *Plano Consenso* that promoted the negative vote in the 2003 referendum and civil disobedience act in 2004. See: SANJUAN, Ana Maria. "América Latina y el bolivarianismo del siglo XXI. Alcances y desafíos de la política venezolana hacia la región", in LAGOS, Ricardo, *América Latina: integración o fragmentación?*, Buenos Aires Edhasa, 2008.

change, putting an affirmative brand on the presence of the country in multilateral forums, in global negotiations and in the regional sphere, especially in South America. Brazilian external policy became proactive in security and world politics issues, as well as in international economic questions. As part of this effort, the country showed willingness to expand its international responsibilities, which stimulated its ambition to obtain high positions in the international bureaucracy and justified its campaign to occupy a permanent seat in the United Nations Security Council. The intention to assume new global and regional responsibilities coincided with a period of diffusion of international power, accompanied by a tendency to the configuration of a multi-polar order impelled by a new group of emerging nations.

Within multilateral trade negotiations, the strategy of the Lula government involved efforts to promote wide coalitions with developing countries, which aimed to break the blockade by the European Union and the United States that so often obstructs the positions of the developing world. Stress was given here to the Brazilian leadership for the creation of the G20 in 2003 to exert pressure in favor of the conclusion of the Doha Round, and to the initiative of launching IBSA together with India and South Africa. The objective of the latter was to develop a strategic partnership among developing countries around three points of common interest: 1) the commitment to democratic institutions and values; 2) the effort to link the fight against poverty to policies that promote sustainable development; and 3) the conviction that multilateral institutions and procedures must be strengthened in order to deal with turbulences in the economic, political and security areas. The novelty of this initiative was that it involved a group of emerging countries that were also regional powers.

The formula adopted by the Lula government was to link a new set of social policies to combat poverty and inequality in the

domestic field to an active presidential diplomacy. In the jargon of international politics these assets began to be addressed as soft power variables¹⁵⁵. At the same time as the social question was transformed into a foreign policy banner, an effort was made to combine presidential diplomacy with the institutional and professional resources of the Brazilian State. While the “statist” mark of the foreign policy conducted by Itamaraty was reinforced, new networks of inter-ministerial interconnection took place.

Other innovative features to be stressed have to do with the expansion of the rosters of officials in the ministry of External Relations, changes in the system of distribution of posts abroad in order to deal with the deepening of relations with developing countries and new fields of diplomatic expertise in the areas of trade negotiations and cooperation for development. Specific public policies were added to this endeavor, such as: culture, science and technology, education and defense. Side by side with a redoubled governmental effort to intensify Brazil’s diplomatic presence, entrepreneurial ties and cultural exchanges, programs of horizontal cooperation were also expanded.

Like other Middle Income Countries prominent in the configuration of a new South-South cooperation agenda, Brazil began to intend to become an influent party in the process of revision and construction of minimum consensuses of the world community with regard to International Cooperation for Development (ICD)¹⁵⁶. The label commonly given as “emerging

155 See: NYE, Joseph S. *Bound to Lead: the Changing Nature of American Political Power*. Basic Books, 1991. NYE, Joseph S. *Soft Power: The Means to Success in World Politics*. Public Affairs, New York, 2004.

156 The World Bank adopted a classification criterion based on the Gross Domestic Product (GDP), dividing countries in Low Income, Middle Income and High Income. By its turn, the Middle Income category is subdivided into Low Middle Income and High Middle Income countries. According to 2007 indexes, those with a *per capita* GDP from US\$ 936 up to US\$ 3,507 are considered Low Middle Income and those with a *per capita* GDP of US\$ 3,706 to US\$ 11,455 are classified as High Middle Income. See: ALONSO, José Antonio: “Los Países de Renta Media y el Sistema de Ayuda”, *Cooperación*

donor” gained specificity here because it dealt with a country committed with development ideals, an active participant of the third democratic wave, an important producer of agricultural and industrial goods that would join the much needed efforts to prevent a food crisis in poor countries, and an indispensable clog in the process of construction of a regional integration and cooperation in South America. Thus, international cooperation corresponds, for Brazil, to a field of external action that combines the regional and global dimensions. At the same time, together with other actors of growing relevance in horizontal cooperation actions, Brazil faces challenges and limitations, both administrative and legal, to maximize its capacity to offer horizontal cooperation. The problems of the South-South cooperation regarding sustainability, dispersion and performance also had to cope with financial limitations and institutional fragilities. In the global South, the expansion of horizontal cooperation takes place in a panorama of great heterogeneity that reverberates on the very policies of assistance to development adopted by the emerging nations.

3.2.1 The weight of the regional agenda

Among all the areas of interest for the international policy of the Lula government, South America came to represent the one with the highest priority. This region is also the one with greatest sensitivity for the country, in which the erosion between internal and external policy becomes most visible. The ties with South American neighbors are of a complex nature and are determined by four factors: 1) the projection of Brazilian democratic stability; 2) the irradiation of the country’s economic interests; 3) the

con Países de Renta Media: Justificación y Ambitos de Trabajo Instituto Complutense de Estudios Internacionales (ICEI) & Ministerio de Asuntos Exteriores y Cooperación de España. Available online at: <http://pdf.biblioteca.hegoa.efaber.net/ebook/16732/PaisesRenta_Media.pdf>.

affirmation of Brazil as a regional power in the international system; and 4) the specificity of the bilateral links that are built with each country in particular. The success of Brazilian action depends from its ability to manage the interactions permitted by the articulation of the four factors. Besides structural asymmetries that impose themselves in each bilateral relationship, the level of acceptance and the convergence of interests with the South American countries have not been uniform or constant. In the face of the uncertainties and contexts of instability, Brazilian regional presence became more like a learning process than a power policy with assured results. To this must be added the exposure of Brazilian regional policy to the ideological polarizations that still mark the current panorama of democracy in Latin America.

The current presence of Brazil in South America, in economic as well as security issues, stems from a foreign policy still in a tender age, since for over 150 years its bonds with neighbor countries were subordinated to logics of separation and not of cooperation. Until recently, the construction of a South American project obeyed a logic characterized by gradualism and selectivity. Foreign policy decisions taken during the Lula government, such as ascribing priority to the relationship with Argentina, tolerating the nationalization of Petrobras in Bolivia, agreeing to renegotiate the Itaipu Treaty with Paraguay and shouldering most of the financing of FOCEM in Mercosur were crucial steps to speed up the pace of this construction. In these and other cases, the criterion of the Planalto Palace privileged political innovation over diplomatic traditions of the Itamaraty.

The foreign policy of Lula's government gave special attention to the institutional dimension of South America politics, strongly supporting the creation of the South American Community of Nations, later renamed UNASUR. In sub-regional terms, Brazil maintained its presence in Mercosur and in the Amazonian

Cooperation Treaty (TCA). Politically, the country was especially active in the promotion of democratic solutions in contexts of severe crisis, acting to contain the securitized views promoted by the White House.

Brazil's intention in assuming the role of a regional power generated unprecedented demands on the country, stimulating new diplomatic capacities and abilities. Since 2003, Brazil intervened in political crisis in Venezuela, Bolivia, Ecuador and Haiti. The presence of Brazil in South America has been associated with the role of a "fireman" and a mediator of regional crises, backed by a perseverant presidential diplomacy. More intense ties have been established between the Planalto Palace and the different governments of the Southern Cone countries; a unique bond was kept with Argentina and fraternal manifestations set the tone for the dialogue maintained with presidents Chávez in Venezuela and Morales in Bolivia. It must be mentioned that these ties have generated reaction from some segments of the Brazilian elites, which recall those observed in the 1950s regarding to the risks of association with anti-American populist leaders.

Besides the inauguration of the South American Community of Nations, the Lula government gave great emphasis to the expansion of economic relations within the region, involving public and private initiatives. Three main premises guided Brazilian policy toward South America: first, the idea that a more prominent position in the region would be compatible with closer ties with Argentina; second, that the impact of Lula's presidency on Brazilian democracy would have an indirect effect of promoting political stability in the region; third, that the success of Brazilian expansion in the region would automatically strengthen the global aspirations of the country, consolidating regional support to the expansion of Brazilian presence in world issues. The first premise is associated with the notion that the building of closer relations

with Argentina would – and should – be acquired from the point of departure of the strengthening of Mercosur.

A parenthesis on the recent evolution of the relationship between Brazil and Argentina should be opened here. Undoubtedly, democratic stability in the region corresponds to a strong convergence and cooperative agenda between Argentina and Brazil. Identified as a common concern since the first high level contacts 20 years ago, the perception of shared responsibilities for the preservation of the rule of law in South America seems fully incorporated by the two governments. Countries like Bolivia and Paraguay have represented a permanent source of concern, as well as the action of insurgent forces – *Sendero Luminoso* yesterday and the FARC today. The absence of a constructive dialogue with the United States to deal with polarized realities in the region has also repeated itself: in 1985, the preoccupations concerned Central America; today they are centered on Venezuela. An interesting corollary of this notion of “joint mission” has been the cautious behavior adopted reciprocally in moments of domestic crisis in one or the other. This was seen at the fall of the de la Rúa government in 2001, as well as during the months in which the Lula government faced the crisis of the Worker’s Party leaderships. Both at the Casa Rosada and Planalto Palace, the vision prevailed that the inter-democratic axis Argentina-Brazil represents today the chief source of stability in South America.

In the field of bilateral cooperation between Brazil and Argentina, the governmental and societal interaction has intensified even more in recent years. The process of growth and diversification of these agendas is without a doubt the most gratifying aspect in the recent history of the relationship. While the diplomatic dialogue may present susceptibilities, the expansion of contacts in all areas of public and private activity – health, education, security, culture, tourism – acquired its own

dynamism, nurtured from both sides. In this case, even coming from different realities and cultures, the impulse is symmetrical and irreversible (except in football, of course).

In the case of Mercosur, however, the same kind of expansive process was not repeated. After a rapid development in the 1990s, with the negotiation of an unprecedented number of commitments, this associative process entered a period of crisis and even paralysis. During the Lula government, Brazil and Argentina started an intense series of bilateral negotiations, trying to undo the knots in the search of *ad hoc* solutions for some of the many disputes that had accumulated along the five previous years¹⁵⁷. For the Kirchner presidency in Argentina, however, the abandonment of the old defense of an “open regionalism” and the reaffirmation of a more openly development strategy had become a *sine qua non* condition for any renovation of Mercosur. For Argentina, this translated into renewed expectations that Brazil would make concessions, especially in what regarded investment policy and the acceptance of safeguard mechanisms. Such expectations quickly led to a new wave of disagreements and reciprocal frustrations. The impossibility of reaching an agreement adversely affected the results of the Ouro Preto Summit, held in December 2004, and postponed once again the revitalization of Mercosur. Surprisingly, despite the fact that inter-governmental communications had not responded to the initial concerns, Mercosur members recovered significantly in the past few years, and an expansion of investment among them was also observed, as well as a clear deepening of cultural and educational inter-societal ties.

157 In the Declaration of Buenos Aires, Argentina and Brazil pledged to increase cooperation, strengthen the democratic and integration processes, improve Mercosur institutions, generate sustainable development and fight against poverty.

In the wider field of Brazil-South America relations, the Lula government maintained its responsibility for the maintenance of regional political stability, in the form of promotion of democratic institutions and values. Such an endeavor, however, has not led to a full capacity to contain localized turbulences that put democratic governance at risk. It is valid to ask, for instance, whether Brazil would have been interested in assuming such a responsibility if it knew beforehand how unstable and difficult the political conditions of the Andean countries would become. Regardless of the conclusion of that speculation, the political presence in the South American table constitutes the most important change in regional Brazilian policy and represents a turned page with regard to the foreign policy premises that followed the dogma of the principle of non-intervention in the affairs of other States.

Assuming the role of regional power has generated unprecedented demands on Brazil and seems to require capabilities that go beyond the unquestionable diplomatic ability of Itamaraty. As mentioned above, since 2003, Brazil intervened in political crises in Venezuela, Bolivia, Ecuador and Haiti. Brazil led the “group of friends of Venezuela” (which also included Chile, Colombia, Mexico, Portugal, Spain and the United States) whose objective was to try to repair the misunderstanding between the Chávez government and opposition groups and find a political solution that did not violate democratic principles. In Bolivia, Brazil, together with Argentina, helped to mediate the transition between the Lozada and Mesa governments and acted as a stabilizing force during the 2005 insurrections that led to a new presidential succession and a call to general elections. In Ecuador, Brazil was involved in the political crisis that led to the sudden interruption of the Gutiérrez government.

It must be underlined that there are differences regarding the regional policy of the first and second periods of Lula’s

government. Throughout the first term the soft power variables became the main instrument of rapprochement of Brazil with its neighbors; it was an agenda dominated by the political dialogue conducted by the presidential sphere, accompanied by diplomatic professionalism in a multiple agenda. In the second stage, however, the involvement of the Brazilian State in the South American agenda acquired another kind of texture. The projection of “hard power interests associated with Brazilian grand strategy became more visible, with the prominence of two key national sovereignty interests: the protection of economic interests – private or State – and the configuration of a national security policy with a regional impact. In the first case one can mention the forcefulness of Brasilia’s answer to the tensions generated with Bolivia due to the implications for Petrobras of the nationalization of the energy resources of Evo Morales’s government in 2006 and with Ecuador in the face of the initial decision by president Correa not to honor the commitments signed with the Odebrecht Company. With regard to issues of defense, it is worth mentioning the endeavor of the ministry of Defense of Brazil in favor of the creation of South American Defense Council as a functional arm of UNASUR. In this case, the recognition of the centrality of the formulation of a regional security agenda for the country corresponds to a relevant facet of the new premises of the national defense policy, which take into account the transformation of the military capacity and a considerable expansion of the military resources of the country¹⁵⁸.

It must be kept in mind that although the diplomatic, political, economic and military impulse of Brazil is concentrated in the South American area, it is becoming present in all of Latin America. The

158 See: Decree no. 6,592: National System of Mobilization. This regulates the provisions of Law no. 11,631 and National Defense Strategy (2008). Ministry of Defense. Brasilia.

presence of Brazilian business interests in Central America and the Caribbean has never been encouraged as in much present times. Equally, the action of the country in Haiti has transformed the relationship of the country with the whole Caribbean sub-region and the special dedication of the Lula government to Cuba opened new lines of bilateral cooperation – as in the field of bio-fuels – which will certainly produce good political dividends of long and medium term, among others with the United States. The presence of Brazil in Haiti deserves special attention.

3.2.2 Brazilian action in Haiti

Since the beginning of the MINUSTAH, the Brazilian presence has oscillated between a coordinated action with its South American peers and the construction of its own profile in the performance of its responsibilities on Haitian soil. This double facet actually reproduced a Brazilian pattern of behavior that intensified since the Lula government, aiming at combining regional policy with global interests. After the January 2010 earthquake, the country took new steps with regard to its military and economic responsibilities in Haiti and its action came to be more closely linked to local demands and international expectations than to South-American articulations.

For Brazil, involvement in the efforts of assistance to Haiti in the last few months after the earthquake meant a continuation of the presence in that country since 2004. Besides the prompt dispatch of medicines, food, water and products of immediate necessity, the Lula government soon pledged the donation of 18.6 million dollars and a 100% expansion of the Brazilian military contingents of MINUSTAH. The country's intention to assume a leading role among the main bilateral donors became clear in the successive meetings devoted to chartering the course of the line of action of international cooperation in Haiti in the following years.

Metaphorically, Foreign Minister Amorim made that willingness public when he commented ironically that instead of formulating a Marshall Plan for that country it was possible to conceive of a Lula Plan¹⁵⁹. The governmental response was automatically accompanied by Brazilian society, which together with the commotion for the loss of life of Brazilian citizens, reacted with multiple initiatives of solidarity to help the Haitians¹⁶⁰.

Soon the Lula government expanded its commitment to the reconstruction of Haiti by announcing an assistance plan that would involve 105 million dollars, a pledge that was later raised to 350 million. Part of these resources was conveyed through the ministry of Health for a program in Port-au-Prince to establish units of permanent attention to the local population. At the international meetings convened to chart the course of the plan of reconstruction of the Caribbean country, Brazilian authorities extended their commitment to other fields, especially food production, road construction and cooperation in the area of education. As mentioned before, the current endeavor of the Lula government to expand the presence of Brazil in Haiti includes a sense of continuity with the previous activity in this country, in the military command of MINUSTAH or in the priority attached to it in its agenda of South-South cooperation. The recent expansion of an IBSA program with this objective was an illustration.

Nevertheless, to be part of the Haitian reconstruction process also brought to the table a set of challenges for the Brazilian foreign policy. The first regarded the contents of the military mission in

159 COLON, Leandro. "Amorim diz que ajuda brasileira deve dobrar". *O Estado de São Paulo*, January 24, 2010.

160 As a consequence of the destruction wrought by the earthquake 18 Brazilians who were at the MINUSTAH facilities were killed, including the second in command of the Mission, Luiz Carlos da Costa. Another victim of the earthquake was the Brazilian social worker Zilda Arns.

question. Suddenly a scenario of recognized success slipped from the hands of Brazil. This was evident when MINUSTAH was compared with other peace missions conducted by the United Nations, which included previous efforts of stabilization in Haiti, and when the progress attained in the field was assessed in accordance with the eleven mandates approved by the United Nations Security Council since 2004. The military command of MINUSTAH was maintained, but the responsibilities of the military contingents in Haiti were enormously changed. Little by little the breeches in the conditions of stability in Haiti became known, the work proceeded from a multiplication of *ad hoc* actions in a context of several elements: non-existence of the physical presence of the State; disappearance of the relevant part of the local police force; a resurgence of crime – in its various manifestations – and a large population forced to live side by side with chronic environmental insecurity and subjected to minimal conditions of survival¹⁶¹. Another negative element was the weakening of the civilian conduction of MINUSTAH, which rendered the action of its military contingents more difficult.

The duplicity in the foreign military presence since the arrival of American forces in the days following the earthquake became equally problematic¹⁶². The withdrawal of a large part of that contingent reduced but did not eliminate the problem. On the one hand, there was the possibility that it increased again, unilaterally justified by Washington in the face of new emergency situations. On the other, while commanding the forces of MINUSTAH, Brazil faced the everyday challenge of managing an unusual coexistence with the principal army in the world, something that is not foreseen in the manuals of United Nations peace missions.

161 Haiti: Stabilization and Reconstruction after the Quake. *Latin American Caribbean Report* no. 32- March 31, 2010. International Crisis Group.

162 HIRST, Monica. "As Relações Brasil-Estados Unidos e os novos desafios no Haiti". *Folha de São Paulo*, January 2, 2010.

In the field of international cooperation, the Brazilian presence in Haiti came to be strongly influenced by the contact with the large donors which dominate the reconstruction of that country, among which are the United States, Canada, France, Spain, European Union, World Bank, IDB and UNDP¹⁶³. As co-president of the meeting in New York on March 2010, the Brazilian government made a special endeavor to secure full pardon to the Haitian external debt from international creditors.¹⁶⁴ Bilaterally, Brazil launched a portfolio of projects in the areas of infrastructure, agricultural irrigation, health and education¹⁶⁵. The presence of Haiti in Brazilian social organizations also acquired a new impulse, especially the comprehensive program of activities developed by Viva Rio in the areas of public security, culture, education and environmental protection.

3.2.3 The South-South axis of international politics and the “new” African policy

In recent years, a close connection was established between the international projection of Brazil as a middle power and the priority that the country came to ascribe to the relationship with the developing world. A quick review of the concept of middle power may be useful here.

The definition of middle power is based on indexes such as: size of the population, identity, geopolitics and level of development, besides other politically more encompassing characteristics, such

163 Amorim, Celso. “Haiti e o Futuro”. *Folha de São Paulo*, March 31, 2010.

164 Note de presse. Declaration de presse du président de La République Fédérative du Brésil, Luiz Inácio Lula da Silva, conjointement avec le président de La République d’Haiti René Preval. PAP, Haiti, February 25, 2010. Emb. Brazil.

165 The Project for the construction of a dam on the Artibonite river has been mentioned. See memorandum of cooperation (February 25, 2010) for the reconstruction and strengthening of the system of higher education of the Caribbean island. *CAPES Notícias*, no. 51, 2nd year, March 5, 2010, <www.mec.gov.br>.

as its contributions to regional and international stability. On the other hand, this concept brings forward a political dimension and applies to States that stand out for their capacity to react as well as to take initiatives for dealing with economic development, political and security initiatives in the region and/or in the global context. The positions assumed by these States reveal foreign policy options, as well as the ability to politicize the global agenda and to generate a certain degree of international activism. At first sight, middle States can also be seen as pivot States, even if the realistic basis of this concept imposes obstacles to make it compatible with institutional commitments that these States uphold¹⁶⁶. Middle powers strongly believe that institutions can influence the behavior of the State and at the same time consider that to influence the institutions is a central part of their international mission. In *economic forums*, these States show concern with the promotion of development and social justice; in the *political spheres*, with the values of democracy and human rights; in the realm of *international security*, with the elimination of policies of discrimination that endorse asymmetric power structures, besides the efficacy of international institutions in the prevention and solution of conflicts and post-conflict reconstruction.

In 2003 the IBSA Forum between Brazil, India and South Africa was instituted with the objective of creating a partnership among middle powers in the South; it was brought together around three shared interests: 1) commitment to democratic institutions and values; 2) the endeavor to link the fight against poverty to development policies; and 3) the conviction that multilateral

¹⁶⁶ The notion that pivotal States may become a useful support for the strategic objectives of the United States, in order to improve regional and international stability, was elaborated by Chase, Hill & Kennedy. The list of pivot States put together by the authors includes Mexico, Brazil, Algeria, Egypt, South Africa, Turkey, India, Pakistan and Indonesia. See: CHASE, Robert; HILL, Emily and KENNEDY, Paul. *The Pivotal States*; Malone: W.W. Norton & Company, 1990.

institutions and procedures must be strengthened to confront economic, political and security turbulences. The novelty of this initiative was that it took place among developing countries and was an innovative example of South-South cooperation. Although it meant a new wave of politicization of the larger South that partly revived banners defended in the 1970s, it was also the expression of an innovative inter-State coalition.

IBSA should be understood as part of a dynamics of formation of groups and coalitions that acquired strength in the post-Cold War. While such groups project a discourse in tune with the need to reinforce multilateral institutions, they became more associated with an explicit demonstration, from the South, of the capacity for autonomous movements as well as collective and at the same time selective initiatives. In this sense, it has been different from the proposals of middle powers in the 1970s which essentially intended to work within multilateral institutions, something that was called the establishment of middle powers¹⁶⁷. The growing visibility and functionality of IBSA for Brazilian foreign policy led it to be considered the main intra-South joint platform for conveying the discourse of cooperation for development with a sustainable and inclusive direction. Thank to the coordination among the three countries, the level of intra-IBSA convergence in United Nations voting is of 96%, which will become even deeper in 2011, when the group will be seated at the United Nations Security Council.

During the whole Lula government, Brazil looked for active participation in several groups and coalitions that responded to different perceptions and interests. Besides IBSA, Brazil acted vigorously in favor of the creation of the G-20, BRICS and regional blocs; these initiatives are not directly associated but should be

167 See: HOLBRAAD, C. *Middle Powers in International Politics*. St. Martin's Press. New York, 1994; and WOOD, B. *The Middle Powers and the General Interest*. North-South Institute, Ottawa, 1988.

mutually reinforcing. Although there was an effort to reinforce the State component in South-South relations, these initiatives also became strongly stimulated by the expansion of the network of non-governmental connections that comes from the new pluralism of the global governability, responding to five essential aspirations: 1) to represent an active voice form emerging countries in the main debates of the globalization process; 2) to create alternative forums that can break the dominance of the G-8 3) to valorize economic diplomacy and an instrument of agglutination ; 4) to exert pressure in favor of the reform of the main multilateral instances (United Nations Security Council, World Bank, International Monetary Fund; and 5) to reinforce South-South cooperation for development.

The notion that the developing world should try to deepen its cooperative agenda was not a recent proposal in the field of international cooperation (IC). The decolonization process in the post-World War II period, the creation of the Non-Aligned Movement and the mobilization of middle powers and developing countries within the United Nations, which led to the creation of UNCTAD and the formation of the Group of 77, are the main antecedents of this formulation¹⁶⁸. In general, prior experiences of South-South cooperation showed that it was easier to set in motion cooperative experiences on economic issues than on security questions. The end of the Cold War and the hopes deposited on multilateralism gave a new impetus to the configuration of inter-State coalitions among developing countries.

Political, economic and technological changes throughout these years, which as we know transformed but did not alleviate

168 The Group of 77 was formed in 1964 with the objective of expanding coordination and solidarity among developing nations with a view to establishing a new world economic order in the economic, commercial and development areas. In this same context, UNCTAD (United Nations Conference on Trade and Development) was created. In 1974 it promoted the debate of a New Economic Order.

the North-South cleavage in the international system, represented new challenges for IC. In what regards Technical Cooperation for Development (TCFD), the strategies of action came to encompass multiple possibilities for interaction (North-South, South-South, South-North-South) between donors and recipients, involving governments, international and/or regional organisms and civil organizations that act in scenarios with different degrees of urgency and need. New differences arose regarding the concept of Technical Cooperation, especially between Northern and Southern donors.

In the past few years Brazil has endeavored to project itself as an influent actor in the configuration of the South-South agenda of support to development, together with other middle income Latin American, Asian and African countries¹⁶⁹. This effort coincides with relevant transformations in its external insertion, motivated by new international ambitions intending to expand the country's presence in global negotiations, in multilateral regimes and organizations and in regional affairs¹⁷⁰. Involvement in global issues has been accompanied by the assumption of positions that, at the same time, reinforce the national identity of the country's interests and aspirations.

The Brazilian presence in the international system of cooperation for development (ISCD) as a donor acquired new

169 A categorization of South-South cooperation identifies 18 countries from the South that offer assistance to development and which could be subdivided in two groups, according to the volume of their contributions to cooperation. The main group is composed by Brazil, China, India, Kuwait, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Arab Emirates and Venezuela. The secondary group includes Argentina, Chile, Egypt, Israel, Malaysia, Singapore, Thailand and Tunisia. See: United Nations Economic and Social Council, "Trends in South-South and triangular development cooperation". Background study for the Development Cooperation Forum, April 2008.

170 HIRST, Monica and LIMA, Maria Regina Soares de. "Brazil as an intermediate State and regional Power". *International Affairs*, vol. 82, no. 1, January 2006. SOARES DE LIMA, Maria Regina, "Liderazgo regional en América del Sur: Tiene Brasil um rol a jugar?". Mimeo. Rio de Janeiro, 2007.

visibility in recent years. For Brazil, South-South cooperation combines foreign policy motivations – as shown above – with the capacity to respond to specific demands for technical assistance and at the same time endeavors to prevent the reproduction of logics of North-South assistance conditioned by structural and normative asymmetries agreed by DAC. The South-South cooperation offered by Brazil corresponds to a mean and an end. It is a policy stimulated by cultural, social, economic and political affinities, by the solidarity and opportunity provided by exchange and by experimentation. Through the Brazilian Agency for Cooperation (ABC) the country has endeavored to configure its own style of horizontal cooperation with actions aiming at building bridges for transmission and exchange of knowledge and political and social loyalties with other developing countries. At the same time, Itamaraty upholds the articulation among development assistance, support to governance and the promotion of peace.

Brazil – as well as other South American countries such as Argentina, Mexico and Chile – understands South-South cooperation as an institutional action to offer public goods (technical assistance) coming from its State organs and agencies. It may or may not count on the participation of civil organizations and private entities and is carried out without links to commercial of investment actions in areas of production or services. These intra-South differences can be interpreted as inputs of a multiculturalism of the South-South cooperation. Although diversity is a valued attribute in the global South, in this case, in practical terms, it introduces several kinds of operational and political complications.

Africa undoubtedly corresponds to the region of the widest intercrossing of North-South and South-South cooperation, and Brazil is becoming an active party in this process. Brazilian

rapprochement with its African peers through cooperation brings to the fore new elements of intra-South differentiation. In Africa, South-South cooperation is essentially due to the simultaneous but uncoordinated presence of Brazil, China and India in that continent. For India, the nerve center of the link with Africa has been access to energy sources, transmission of low cost technology and micro-business ventures¹⁷¹. Indian activities in the African continent also involve direct support to the “New Economic Partnership for African Development” (NEPAD), several projects carried out by its Program of Technical and Economic Cooperation and the pardon of the debts of poor, highly indebted countries. In turn, the presence of China is based on a network of commercial and investment financing agreements, the majority of which is managed by the Sino-African Development Agency. There are multiple areas of Chinese action, covering civil construction, energy plants and agricultural and industrial production sectors¹⁷².

In the case of Brazil, the presence of the State as the institutional frame of technical assistance offer is also a repeated feature, but the official guidelines are, on the one hand, to avoid the “closed package method” and on the other to offer assistance with its own human resources, which implies the rejection of hiring consultants or the use of NGO’s as third parties. Nevertheless, in the end, from the point of view of the configuration of the Brazilian

171 In 2004, India recorded a 32.34% commercial increase with Africa, supported by actions like “Focus Africa” (2003) and later the Preferential Trade Treaty with the countries of the Southern Africa Customs Union (SACU) (2008). See: “África na fronteira dos investimentos internacionais”, International Center for Trade and Sustainable Development (ICTSD). *Pontes Quinzenal*, vol. 4, no. 9, May 25, 2009. Available at: <<http://ictsd.org/downloads/pontesquinzenal/pq4-9.pdf>>.

172 In the agricultural sector the main recipients are: Ethiopia, Malawi and Mozambique; in the industrial sector, Egypt, Ghana, Mauritius, Nigeria, Zimbabwe and Angola. See: “África na fronteira dos investimentos internacionais”, International Center for Trade and Sustainable Development (ICTSD). *Pontes Quinzenal*, vol. 4, no. 9, May 25, 2009. Available at: <<http://ictsd.org/downloads/pontesquinzenal/pq4-9.pdf>>.

presence in Africa, it becomes difficult not to find a correlation between foreign policy, business interests, trade flows and technical assistance. From the regional standpoint, Africa is the main destination of technical assistance provided by the Brazilian Agency for Cooperation (ABC), which operates essentially according to demand, whether transmitted by diplomatic representations or offers taking place in the context of presidential visits. From the standpoint of Brasilia's African diplomacy, a complementary relationship was established between IBSA and the Community of Portuguese-speaking Countries (CPLP) as instruments for the configuration of a Brazilian-African agenda of horizontal cooperation that simultaneously reinforces bilateral links and common strategies in multilateral instances.

The current phase can be identified as the "third wave" of interest for Africa in the contemporary history of Brazilian external policy. The relationship with the continent became the main symbolic reference of the South-South diplomatic strategy, a point of convergence of identities that involves historic, racial and socio-cultural aspects of Brazil in its condition as a developing country.

On the diplomatic level, sixteen new embassies were opened in the continent, to which president Lula traveled ten times, visited twenty countries and inaugurated the Africa-South America Summit (2008). The interest for the African community was also associated to strong political motivations in view of the Brazilian interests in the world arena, especially the promotion of a reformulation of the decision-making structure in the United Nations. In fact, the aspiration to occupy a permanent seat at the Security Council reinforced the dialogue with African nations and led the Brazilian diplomacy to explicitly seek support to its candidature.

The gradual recovery of dynamism in Brazil-Africa commercial transactions since 2000 was due to several factors, especially in the field of inter-entrepreneurial initiatives with Nigeria, Angola, Algeria and South Africa. In the period of 2000-2008 Brazilian trade with the continent resumed its dynamism, jumping from 4 billion to 26 billion dollars. As already underlined, this increase was articulated with the valorization of the South-South axis in the country's multiple forms of external linkages¹⁷³. Political dialogue, technical cooperation, investments and trade are complementary dimensions of the current Brazilian-African relationship. Undoubtedly there has been a positive correlation between the 52% of Brazilian exports toward the developing world in 2008 and the 53% of the activities of the Brazilian Agency for Cooperation directed to African countries in the same year.

3.2.4 The specificity of the link with China

Although the Popular Republic of China (PRC)'s wager on a redistribution of world power has transformed it into a political ally of Brazil, there will always be many hues in the construction of this relationship. In the South American sphere, it is the most politically dense link for China, the first to be recognized as a strategic partnership (1994) with an impact that goes beyond the regional dimension. In this case, one observes a close connection between the expansion of economic links and the convergence of political interests from both sides¹⁷⁴. It should also be mentioned that with regard to the Asian partners of Brazil, there is a logic of relationship deviation between China and Japan. In the 1970s,

173 AYLLÓN, Bruno & COSTA LEITE, Ian. "El eje Sur-Sur em La politica exterior del gobierno de Lula". *INFOLATAM*, 2009. Available at: http://www.infolatam.com/entrada/el_eje_sur_sur_en_la_politica_exterior_de-18054.html.

174 DOMINGUEZ, Jorge I. "China's relations with Latin America. Shared gains, Asymmetric Hopes". *Inter-American Dialogue*, June 2008, p. 3.

when the sources of external investment and the range of Brazilian commercial links were becoming diversified, the Japanese presence acquired a strategic meaning that in a large measure is now being filled by the PRC.

A relevant feature of this relationship is the sense of continuity that it has acquired since the mid-1970s. Since then one can observe a simultaneous process of deepening and updating that goes together with the new times of international politics and of the internal processes of both countries, but which also looks for a path that had been sketched previously¹⁷⁵. In the 1970s, when diplomatic relations were established, still in the era of authoritarian government in Brazil, the understanding between the two countries on international trade issues and of pragmatic distancing in the face of bi-polarity corresponded to the basis of bilateral *rapprochement*. The need for the normalization of ties as motivated since that time by the importance attached to the Security Council as a privileged *locus* of world politics. An aspect repeatedly pointed out by the authors who analyze the tenor of Sino-Brazilian relations deals with the importance of the principle of non-intervention, reciprocally respected since the 1970s¹⁷⁶. Nevertheless, the political content of this “understanding” was reversed in the last 30 years. When it was recognized by Brazilian diplomacy during the authoritarian period in Brazil, Itamaraty insisted on the need to avoid that an ideological connotation be ascribed to the normalization of the bilateral relationship in order

175 Azeredo da Silveira file/CPDOC. AAS *Despachos com o presidente* no. 15 to 108, 1974. *Inf. para o Sr. Presidente*. March 16, 1976.

176 The bilateral understandings make explicit the commitment to non-interference in internal affairs of other States. An example was the discretion kept by Brazil, as well as other countries in the region, with regard to the Tiananmen massacre. See: REISS, Stefanie. “La década del dragón: la diplomacia de China Popular con respecto a América Latina desde 1989”. Working paper no. 3, January 2001. <<http://www.colombiainternacional.org/Doc%20PDF/AP-Decada/Dragon/pdf>>.

to prevent resistance on the part of the hard-liners in the country's highest military levels. It became crucial, at that time, to prevent diplomatic relations from becoming an instrument for facilitating contacts between the PRC and elements of the Brazilian opposition. At present, the same kind of prudence prevails (with regard to the principle of non-intervention in internal affairs of the other party), only now in the opposite direction, since the taboo about mentioning the type of regime lies now on the Chinese side. Brazil accepts Beijing's position to ascribe a more practical meaning to its foreign policy, which until now meant the omission of the question of the type of political regime and protection of human rights. The presence of economic development/economic growth as the main feature of the relationship facilitates the identification of common interests with Brazil, considered by the PRC as a "strategic partner" since 1994.

A quick review of the formal bilateral diplomatic understandings (agreements, memoranda of understanding, cooperation protocols) along the last three decades allows for some conclusions. The first is that the expansion of the bilateral agenda was accompanied by a process of diversification of interests that, for twenty years, has been concentrated in the fields of scientific-technologic cooperation, including, since then, sensitive issues such as nuclear and satellite cooperation¹⁷⁷. The second is that, in the democratic period in Brazil, this increase, although constant, was more visible in the period of the minister Celso Amorim, during the Itamar Franco administration (1992-1994) which, despite having been short, enabled the signing of 16 bilateral instruments, and that of the Lula government, when this number

177 The first understanding on these questions (Memorandum of Understanding on Cooperation on the Peaceful Uses of Nuclear Energy) dates from May 29, 1984, signed still in the years of military government in Brazil. Ministry of External Relations – Brasil. Bilateral Relations. International Bilateral Acts. <<http://ww2.mre.gov.br/dai/bilaterais.htm>>.

reached 21. When the numbers relating to China and to the United States are compared, the unfavorable difference regarding the United States is clear, with the exception of the Cardoso years, during which almost 50% of the accords established with the latter country since the 1970s took place.

A new status of the Brazil-China link was created in 2004 with the High Level Coordinating Committee. Being the first commercial partner of China in South America, Brazil has been consistently increasing its exchanges with that country, recording an expansion of 20% in bilateral trade between 2004 and 2005. Side by side with commercial ties, one can observe a significant increase in investments on both sides. In 1995, both countries signed an agreement that included a program of spatial development for the production of satellites – one launched in 1999 and the other in 2003 – involving five bilateral protocols, which acquired a paradigmatic meaning for South-South cooperation¹⁷⁸. To give continuity to this collaboration, the two countries signed an understanding in the area of defense of a wide scope in the fields of science and military and technological exchanges in 2004. The asymmetric character of this kind of cooperation must be remarked, since 70% of the economic resources and technologic inputs are supplied by the Chinese government. In parallel, the number of Sino-Brazilian inter-entrepreneurial and inter-governmental cooperation initiatives has expanded¹⁷⁹. In the area of energy – crucial for sustaining the Chinese economic growth –

178 The first agreement on space cooperation was signed during the Sarney government in 1988. See: CUNHA, Lilian Fernandes da. "Em Busca de um Modelo de Cooperação Sul-Sul. O caso da Área espacial nas Relações entre o Brasil e a República Popular da China (1980-2003)". Master's dissertation. UNB, 2004.

179 Some examples in this direction are: the joint venture created in 2001 between the Vale do Rio Doce Company and the Baosteel steel mill and the association established in 2002 between Embraer and the AVIC2 aeronautics corporation.

understandings between Petrobras and Sinopec gained significance from 2004 onwards.

In 2005, China already represented the third market for the external sales of Brazil and the fourth supplier of its imports. Nevertheless, a classic asymmetric situation is repeated, with respect to the absolute weight of both economies in the world scale, to the relative importance of each for the external trade of the other and to the contrast between a diversified offer on the Chinese side and a concentrated picture on the Brazilian side. Brazilian imports involve shipped machinery and equipment, industrial products – textiles, plastics, toys – in exchange for purchases dominated by commodities such as soybeans, vegetable oils, iron ores, cellulose paste, wood and hides¹⁸⁰. In this case, Brazilian products have been experiencing the imposition of customs barriers hidden in technical norms and sanitary and administrative regulations. One should also mention the expansion of bilateral controversies due to difficulties faced by Brazil to compete with the Chinese production of manufactures, in the domestic market as well as in third countries, which during the Lula government caused the start of 15 anti-dumping procedures against China in the WTO¹⁸¹. There has been special preoccupation with losses incurred in the United States, in the European Union and Japan and even in Mercosur¹⁸². In this way, the commercial preferences assured by

180 Cuba is among the five main destination markets of Brazilian exports – a participation of 5.7%. The Brazilian participation in China's exports is of only 0.5%. The share of China in Brazilian imports is 6.2% (fourth market) and Brazilian participation in China's imports is of only 1.5%. See: PEREIRA, Lia Valls, "Relações comerciais Brasil-China: um parceiro especial?" in *Cadernos Adenauer*, ano VII no. 1. Konrad Adenauer Foundation, 2006, p. 1.

181 KENNEDY, Scott. "China's Porous Protectionism: the Changing Political Economy of Trade Policy". *Political Science Quarterly*, 120:3 p. 413 (2005).

182 The most affected products have been domestic utensils (especially air conditioning units), manganese, bicycles and hand tools. See PEREIRA, Lia Valls, and SILVEIRA MACIEL, Diego. "A concorrência chinesa e as perdas brasileiras". 2006. It is worth mentioning that, in South America, Peru initiated 17 anti-dumping procedures and Argentina initiated 40 against China. KENNEDY, *op. cit.*

intra-bloc negotiations are harmed by Chinese competitiveness and also suffer hindrances from local protectionist measures.

Since the support given by Brazil to the access of China to the WTO (2001), soon followed by its recognition as a market economy, the bilateral dialogue in the field of global commercial negotiations has improved¹⁸³. But this does not necessarily imply fully convergent interests, in view of the differences in the conditions of the insertion of the two countries in the international trade regime. While China should have already reached the maximum level of opening for manufactures, thus attaining a more comfortable position, Brazil, which suffers pressures to open its market for non-agricultural products, keeps a more defensive posture. There are also differences regarding primary products, on which the PRC has maintained a moderate posture vis-à-vis the demands of developing countries, which did not prevent it from joining the Brazilian government in the creation of the G-20. But doubts remain about the scope of Sino-Brazilian convergences regarding the global commercial negotiating process. If both seem to share defensive positions in the face of pressures by the United States and the European Union to expand the global agenda, there are more coincidences in the treatment of the question of services than in the treatment of sectorial themes of non-agricultural products¹⁸⁴.

The negotiation of a preferential agreement that would permit greater coordination between the bilateral commercial agenda and the action of both countries in multilateral economic negotiations

183 This recognition was criticized in Brazil because it was a decision taken without a negotiating process that could assure some advantages, especially regarding more flexible phyto-sanitary requirements imposed by China on Brazilian agricultural exports.

184 PEREIRA Valls, Lia, and FERRAZ FILHO, Galeno Tinoco. "O acesso da China à OMC: implicações para os interesses brasileiros". Relatório final. Fundação Centro de Estudos do Comércio Exterior (FUNCEX), July 2005, pp. 27-31.

has been mentioned among the possibilities to deepen Sino-Brazilian ties. In this case, however, regional commitments should also be contemplated by Brazil. The parallel expansion of exchanges of China with Argentina, which became crucial for the latter's trade policy of "exit from the crisis", became a subtle source of tension intra-bloc at the same time as it reinforced the China-Mercosur ties, since it planted one further seed of competition in the area of external investments between the two South American partners¹⁸⁵. At the same time, it becomes obvious that the Chinese presence in the Southern Cone reproduces a well-known dynamics regarding extra-regional negotiations. A Free Trade Treaty has been established between China and Chile in the same way as the latter can conclude treaties with the European Union and the United States, something that, in the case of Mercosur, has been impossible up to now¹⁸⁶. Ironically, some analysts consider that this negotiation reinforces the position of Chile – which is not a full partner of Mercosur – as a "platform country for trade and services in the Southern Cone"¹⁸⁷.

For Brazil, China occupies a strategic position for the deepening of Brazil's own South-South strategy but it does not seem possible to establish greater convergence on global politic issues seems contradictory. The main difference between the two countries regards the issue of the reform of the Security Council, where the widest coincidences of the Brazilian foreign policy have been with Japan. It is also paradoxical – illustrating the asymmetry of Sino-Brazilian relations in the world politics – that in the 1970s

185 "Sem grande entusiasmo". *O Estado de São Paulo*. November 15, 2004. "A Nestor Kirchner no le resultará nada fácil agasajar a su colega chinas", p. 12, November 16, 2004.

186 The FTA between China and Chile was ratified on August 22, 2006.

187 CESARIN, Sergio. "China y América Latina" *Nueva Sociedad*, Friedrich Ebert Stiftung, September 12, 2006, p. 11.

the access of China to the United Nations Security Council was the factor that triggered the establishment of diplomatic relations between Brazil and the PRC, and that decades later this same power assumed a conservative position that prevents the entry of Brazil as a permanent member of that organ.

Up to now, Brazil has shown diplomatic ability to act in alternative tables of inter-State coalitions that are differentiated by the political and security interests of “others”. These spaces could hardly be shared with China, a country that does not support the Group of 4 due to its veto to the entry of Japan in the Security Council. Tensions on this matter also exist between the PRC and India, a country that, just like Brazil, aspires at becoming a permanent member of the Security Council. On the other hand, it must be taken into account that India and China share capacities for coercion in global terms in their respective regions, which Brazil does not possess, since it does not belong to the nuclear club. The Brazilian defense policy in the South American space combines a policy of dissuasive capacitation in its Northern frontiers with an agenda of cooperation with its Southern neighbors. In this sense, the possibilities for BRICS-IBSA convergences in the area of international security collide with insurmountable constraints.

Among the potential areas for South-South cooperation between China and some South-American countries, the creation of an area of support to development that benefits the poor countries is a relevant option. Some initiatives by IBSA in the areas of education, science and technology and health could be strengthened in that direction¹⁸⁸. In this way, a Sino-ABC field of cooperation began to take shape, stimulated by convergent views regarding the need to support and become part of effective

188 A US\$ 1.3 million dollar development fund was created by IBSA for the development of projects to be implemented in Guinea Bissau, Haiti, Laos and Palestine.

multilateral experiences, especially through the presence in United Nations peace operations, added to synergy in the fields of technologic cooperation and State investments. The possibility that interventionism managed by the United Nations might become linked with actions that strengthen the State in less developed countries and in situations of chronic institutional failure can constitute a new form of Sino-ABC joint action as part of the South-South agenda.

In the economic-commercial sphere of Sino-Brazilian relations, some authors warn about the risks of a simplifying optimism stimulated by new opportunities which may lead to the idea that China can be identified as a natural partner of Brazil¹⁸⁹. Strategic partners are not natural partners; these are links built on the basis of reciprocal interests that require complex and effective negotiating processes. From an ideal perspective, this partnership could be anchored in political and economic complementarities that would strengthen both countries in the multilateral instances and in their own paths for growth and development. Brazil has been performing an agglutinating role through an affirmative diplomacy that goes beyond its weight in economic and international security issues. The PRC acts within a frame of discretion and prudence that is not commensurate with its importance in the world order. The combination of adequate doses of diplomatic experience and millenary discipline may contribute to the launching of an innovative form of strategic alliance for the 21st century. In fact, it may be easier to be creative in the relationship with China than with the United States.

189 PEREIRA, Lia Valls. "Relações Comerciais Brasil-China: um parceiro especial?" in *Cadernos Adenauer*, ano VII, no. 1, Fundação Konrad Adenauer, 2006, p. 10.

3.3 The configuration of a pragmatic and affirmative bilateralism

Since its inception, the Lula government was strongly associated with the idea of change, which, in external policy, brought as a consequence the configuration of an *affirmative* period in the relationship with the United States. According to the official vision, Brazil has reached a stage of maturity, whose main result would be the establishment of a strategic dialogue between Brasilia and Washington¹⁹⁰. In fact, a process of change in the relationship between Brazil and the United States can be observed in several areas of interaction. While it is true that the link preserves specificities that recall its historical evolution, it is necessary to contextualize it in the framework of the most recent transformations of the international system and of Brazilian external policy.

The Lula government needed to maintain a fluid channel of communication between the Planalto Palace and the White House, with the objective of ensuring an inter-presidential dialogue that could identify common interests in the economic, political and even security fields. As assurances were offered in the sphere of economic interest, a new type of expectation was expressed to Brazil by the Bush government regarding its moderating and interventionist action of containment in scenarios of instability (Bolivia), radicalization (Venezuela) or institutional failure (Haiti). As will be shown, the reaction of the Lula government was to respond positively without abdicating from its own power of initiative.

190 See: HIRST, Monica. *Brasil-Estados Unidos: desencontros e afinidades*. Rio de Janeiro, editora FGV, 2009. See also DE AGUIAR PATRIOTA, Antonio. "O Brasil e a política externa dos EUA", *Política Externa*, vol. 17, no. 1, June-July-August 2008, Sweig, Julia "A new Global Player: Brazil's Far-Flung Agenda". *Foreign Affairs*, vol. 89, no. 6, Nov./Dec. 2010.

The forceful affirmation of American world leadership after September 11 in the framework of a unipolar order became a source of concern and critical observation in Brazil, an attitude shared by the majority of foreign policy operators, partisan/congress and bureaucratic circles – including the armed forces – intellectual segments, and entrepreneurial and social sectors. It is interesting to note that, in the first few years of the Lula government, anti-American postures were not maintained only by Itamaraty. In reality, for the ministry of Foreign Relations, bilateral discrepancies should be subject to negotiation and/or affirmation of self-interests. Hence, it was more important to expand responsibilities and spaces of co-existence that provide the option for a conflicting, zero-sum agenda with the United States. Critical views regarding the United States were nurtured mainly in other governmental and non-governmental spheres and became, for different political party segments (both on the left and on the right) and for social organizations and intellectual voices, a way of expressing political identity.

During the years of the Bush administration, the anti-American sentiment again became one of the ideological facets of democratic pluralism in Brazil. This sentiment had already expressed itself during the Cardoso government regarding the progress in the FTAA negotiations from 1998 onwards and later concerning foreign policy decisions of the Bush administration that led to military action in Afghanistan and Iraq¹⁹¹. In this context, the process of globalization and of projection of American economic interests came to be often understood as two sides of the

191 On the eve of the invasion of Iraq, in an opinion poll carried out in 10 countries to evaluate the negative view about the United States, Brazil came in the second place. Carried out by BBC, the poll heard a total of 11 thousand people in 11 countries. The percentage of the population with a negative view of the United States presented the following results: Jordan, 79%; Brazil 66%; Indonesia, 58%; France 51%; Australia 29%; Russia, 28%; South Korea 28%; Israel, 25%; England 19%; and Canada 16%. See: *Veja*, August 13, 2003, p. 59.

same coin. A link could be observed between positions questioning the leadership of the United States and those pointing out the evil effects of globalization.

Thus the Lula government inherited an anti-American predisposition already installed in different circles of Brazilian society, which at first provided it with a solid internal support base for the construction of an affirmative posture in the bilateral relationship. At the same time, as shown before, the articulation between democratic consolidation, economic stability and presidential diplomacy – which had become an instrument of international prestige – stimulated in Brazil the building of a new self-image in external questions which would inevitable result in a reframing of the relations with the United States¹⁹².

3.3.1 The economic front

In the economic field, the Lula government received a ready-made agenda of trade negotiations with the United States, to which the new president always expressed his disagreement. Nevertheless, it was necessary to assume the commitment that the economic policy would maintain the directions given by the previous government and provide sure signals dismissing any “risk” of a change of course. The main concern was to prove that the alarm generated by the advent of a leader from the left, interpreted in Washington as the start of an anti-American era in Brasilia, was groundless¹⁹³. The first effort undertaken by the Lula government was to dissipate such mistrust, trying to dispel the apprehension that his party identity would lead to a radical

192 See: BURGE, S. “Autoestima in Brazil: The Logic of Lula’s South-South Foreign Policy”. *International Journal*, vol. 60, 2005, no. 4, pp. 1133-1151.

193 An article by Nobel Prize laureate Joseph Stiglitz is mentioned, in which he argued that leftist government – of social democrat orientation – became the ones most attuned to the rules of market economy. See: STIGLITZ, Joseph. “Si quieren crecer giren a la izquierda”. *El País*, September 9, 2008.

administration pushed by extremist ideologies that would put into question the values upheld by the business community in Wall Street and by the White House.

This endeavor did not prevent the (dis)agreement with the United States in the process of negotiation of the FTAA, which became the most sensitive question in the bilateral agenda in the first two years of the Lula government. Despite the discomfort generated for having received an undesired agenda (especially in view of the American Farm Bill, providing for generous internal subsidies and the conditions of an authorization by Congress (TPA), the Lula government felt compelled to follow a positive line of action in conducting the negotiations. The fact that Brazil co-chaired the negotiation (together with the United States) imposed visibility and political responsibility on the country. Its first decision was to accept the date of January 2005 for the entry into force of the agreement, as it simultaneously tried to lead the understandings between Mercosur and the United States. To this end it was necessary to ensure consensual positions with its partners – especially Argentina – on the commercialization of industrial and agricultural products, services, regulation of intellectual property, procurement, agricultural subsidies and application of parallel tariff measures.

In this same context, at the domestic front, a politicized view of the issue advocating the radicalization of the Brazilian official position gained space. This predisposition would tend to increase in the same proportion as the dissatisfaction expressed by social organizations and movements with the economic policy of the Lula government, which in fact opened the way for a dynamic of compensations: the hardening of postures regarding FTAA masked the continuity of internal stabilization policies. The dialogue of the Brazilian government with the entrepreneurial sector became difficult due to its fragmentation regarding FTAA, with reflections

at the inter-ministerial level. A link was created between the controversy around errors and successes of the directions followed in the FTAA negotiations, on the one hand, and the fight between neo-developmentist sectors and the defenders of stabilization orthodoxy. One cannot underestimate, in this case, the impact of the pressures exerted by the Bush government, which besides taking to the full consequences its fragmenting tactics in the Latin-American sphere, increased its coercion arsenal with regard to Brazil and Argentina and came to advocate a link between monetary-financial and economic-commercial negotiations.

In the sub-regional domain, Brazil started to deal with the costliest result of the slow progress which since 1995 prevented Mercosur to operate as a customs union. The “delay”, tolerated by Itamaraty, in the sub-regional integration process was in this case a factor that weakened the position of the bloc in the hemispheric negotiations. The end result of the mismatch between discourse and reality was that the gains obtained in the initial phase of the negotiating process of FTAA were not taken advantage of, when it had been ensured that already established sub-regional commercial agreements would not be sacrificed in the construction of a hemispheric free trade area. The reinforcement of the ties with the Argentine government, sealed with the “Consensus of Buenos Aires”, contributed to reduce intra-bloc difficulties stimulated by an already chronic crisis of Mercosur inaction¹⁹⁴. The smaller partners – Uruguay and Paraguay – were going in the opposite direction, as they expressed agreement with the continuance of the negotiations with the United States.

As has already been explained, the American decision, announced in February 2003, with differentiated proposals

194 The “Consensus of Buenos Aires” was signed during the State visit of President Lula to Argentina in October 2003.

regarding the universe of products to be benefitted by tariff reductions fragmented the negotiation process. The debate on the need to divide the agenda of understandings between the WTO and ALCA became another source of disagreement with Washington. The American interest was that the questions of agricultural subsidies and trade regulation were dealt within the scope of global negotiations. This strategy, however, lost its vigor as a result of the impasse crated at the Cancún meeting (September 2003), which postponed the Doha Round and polarized North-South positions.

For the Lula government, the realization that the political cost of a withdrawal from the negotiations could be higher than their continuation and that the United States were determined to reduce the scope of its offer to Mercosur led to the conception of a less ambitious, more modest FTAA – soon labeled as a *light* or *reduced FTAA*. “Damage control” became the priority, which would mean the conclusion of understandings resulting in the least possible harm to the country. In other words, the new concern was to prevent the United States from resorting to its tactics of “something for nothing”, so often repeated in the history of its trade agreements with Brazil¹⁹⁵. The shrinking of the agenda, however, did not reduce the level of tension and did not prevent the escalation of disagreements between Brazilians and Americans in the successive ministerial meetings held during 2003 and 2004, when it became more and more difficult to keep both countries seated at the negotiating table.

On the American government’s side, the triple pressure front articulated among the USTR, the department of Commerce and the department of the Treasury reinforced the ammunition of the diplomacy of coercion: a link between the success of the FTAA negotiations and the maintenance of IMF support was now

195 O Estado de São Paulo, February 16, 2003.

being suggested. The action of groups of interest that represented industrial and agricultural productive sectors in the United States was strengthened by the protectionist provisions ensured by the TPA. To the latter were added the labor and the environmental organizations, under the illusion that with Lula's election Brazil would adopt a more flexible position regarding the inclusion of labor and environmental protection clauses in the FTAA. The prospect of a victory of the Democratic Party in the American Congressional election in 2006 favored that line of pressure¹⁹⁶. This set of interests led to the predomination in Washington of the view that Brazil represented the main obstacle to the success of regional hemispheric negotiations. In Brazil there was full awareness that its market represented the main attraction for the United States in the FTAA process. To this was added the fact that, for the American government, it was more effective to exert pressure for its liberalization in the context of hemispheric negotiations rather than in that of bilateral understandings.

On the Brazilian side, to expand access to the American market was a permanent interest of the country's trade policy, which explained in large measure the decision by the Lula government to remain at the negotiating table of the Agreement. But the efforts exerted to expand trade with the larger economies – such as Russia, China and India – and to deepen ties with Latin America also showed results. The United States was still a coveted destination for Brazilian exports, but its weight in the total sales of the country in the final stage of FTAA negotiations was no longer the same. In 2002, besides absorbing 25% of Brazilian external sales – of which 75% corresponded to industrial

196 The achievement of a majority in Congress by the Democratic Party in the November elections rendered more difficult and polarized the approval of FTAs with the Latin-American countries. This trend could be seen in the close approval of the agreement with Central-American countries (CAFTA) and in the postponement of the FTA with Colombia.

products of higher added value and technological content – the United States were responsible for 42% of the country's trade surplus. In 2005 the American market absorbed approximately 19% of Brazilian total exports, this percentage decreased to 17% in 2006 and to 15% in 2007, showing a strong downward trend. The reversal can also be seen in the universe of American investments in Brazil: from a place that oscillated between 9th and 10th in 1999-2000 as the destination of direct investment, Brazil fell to the 18th position in 2005-2007.

After three years, the impossibility to harmonize the differences, the fragmentation of the hemispheric negotiations and the arrival of the deadline for the conclusion led to the implosion of the FTAA, in a context of high politicization. At the same time, the utilization of the Agreement by South American populist leaders such as Hugo Chávez, Evo Morales, Rafael Correa and also Nestor Kirchner to strengthen anti-American sentiments made it clear that the political conditions in the region would not permit the materialization of FTAA. While it was certain that Brazil had contributed decisively to the obstruction of the negotiating process, its action was always characterized by substantive questionings rather than by ideological objections.

In this context, the sinking of the FTAA at the IV Summit of the Americas acquired a symbolic meaning that extrapolated the negotiating agenda about the configuration of a hemispheric free trade area, disengaging Brazil from a proposal that, besides having always been internally disapproved, also prevented the Lula government from putting together its own bilateral agenda with the United States.

Soon the negotiation of a memorandum of understanding on that matter committed both countries to collaborate in research and development, trilateral cooperation and the definition of

universal technical standards¹⁹⁷. According to the Brazilian authorities, the definition of this area of interest played a role of “induction” to expand the scope of convergences and opened the way to impart a strategic meaning to the dialogue between Washington and Brasilia¹⁹⁸. In this sense, it was symptomatic that on the (literal) day after the finalization of the FTAA negotiations both countries expressed the reciprocal interest in constructing a bilateral agenda of wide scope. In bilateral terms, a pragmatic emphasis came to prevail in the treatment of the economic-commercial agenda, with the attribution of special importance to coincidences with regard to renewable energy sources (especially in the area of bio-fuels).

3.3.2 The political front

In the political and security areas, the Bush-Lula relationship followed a course similar to the one observed in the economic agenda. After an initial stage of strong disagreement, the main tension points were softened. Although not disappearing, such issues no longer represented an obstacle to the identification of areas of understanding and convergence.

The political changes that took place in Brazil in the first decade of the 21st century expanded the scope of the convergence with the United States, particularly with regard to political values and the efforts for world peace. Brazil’s first reaction to the terrorist attack in 2001 – still in the Cardoso government – was to lead the convening of a conference at the OAS, followed by the activation of the Inter-American Reciprocal Assistance Treaty. On that occasion, Washington recognized the Brazilian gesture, although further action was expected regarding police

197 HEARING, *op. cit.*, p. 29

198 PATRIOTA, *op. cit.*, p. 104.

and intelligence controls over suspects of terrorism in border zones. That support, however, waned in the face of the American military preparations to invade Afghanistan, when the Brazilian government recommended caution instead of hasty and uncertain accusations. That kind of care became even more emphatic in 2003 when the Bush administration decided to attack Iraq with the objective of toppling Saddam Hussein's regime.

At the time, Brazil reacted with two kinds of responses. On the one hand, it redoubled the effort in defense of multilateralism, notably at the United Nations, insisting on the need for a conceptual revision of the world institutional structures to confront global threats. On the other, the country exhibited a clear concern with the humanitarian impact resulting from the American military actions in Afghanistan and Iraq. Domestic measures to control money laundering operations that could facilitate terrorist operations were also strengthened, and at the same time the presence of American intelligence organs in Brazilian territory increased¹⁹⁹. In this way, Brazil avoided alignment with the defense policy of the United States and assured its support to the war on terrorism led by that country.

The differences between Brazil and the United States in the field of world politics deepened in the face of the American global strategic priorities from September 11 onwards. Looking for the charting of its own path of action, Brazil reinforced the defense of multilateralism for the treatment of situations of security crisis and international politics. At the same time, the effort of the Brazilian government to globalize its external policy and expand the political dialogue with other intermediate powers such as South

199 In Brazil, after passage of Law 9,613, of March 8, 1998, known as "Money Laundering Law, the Lula government elaborated the Law against terrorism and its financing, sent to Congress in 2007. Available at <http://www.planalto.gov.br/ccivil_03/Leis/L9613.htm>. Access on September 18, 2008.

Africa and India and with world powers such as China and Russia became more visible. As already discussed, the end of the Cold War and the expectations placed on multilateralism gave a new impulse to the configuration of inter-State coalitions among developing countries, within which Brazil tried to give more density to its own international agenda. Simultaneously with the recognition of the impact of globalization in international trade negotiations, the affirmative Brazilian performance in its role as an emerging power transformed the sense of its regional policy and its relations with the industrial powers, especially with the United States²⁰⁰.

After the terrorist attacks of September 2001, the security interests of the United States in South America suffered a major setback with inevitable repercussions in the relations with Brazil. New expectations arose in Washington regarding the commitments of its Latin American allies in the war against terrorism. As previously examined, American concerns over Latin American security brought about the definition of new areas of collaboration, especially the reinforcement of cooperation in intelligence activities, regional coordination for the formulation of common policies of combat to new threats, the implementation of joint efforts on anti-terrorist measures, the enforcement of laws and judicial measures on criminal activities and the refusal to provide any kind of support to governments that sponsored or protected terrorist groups.

The American government showed particular concern with the need to improve police and intelligence controls in the Triple Border area between the towns of Puerto Iguazu (Argentina), Ciudad del Este (Paraguay) and Foz do Iguazu (Brazil), considered

200 See: HIRST, Monica & LIMA, Maria Regina Soares de. "Brazil as an intermediate State and regional power". *International Affairs*, vol. 82, no. 1, January 2006.

by the FBI an important hiding place of suspects of terrorism. In this context, the measures of combat against drug trafficking taken by Brazil in collaboration with its Mercosur partners gained a renewed impulse, according to the premises of the Triple Border Security Plan. Launched in 1998, the Plan involves extradition agreements, joint police operations, reinforced controls of money laundering activities and arms smuggling.

The V Ministerial Meeting for the Defense of the Americas held in Santiago in 2001 was characterized by tensions between the United States and Brazil in view of Washington's demands on the fight against terrorism in the region. According to the American government, it was necessary to implement a concrete agenda of military cooperation based on three lines of action: 1) cooperation among Navies, coast Guards, customs and police forces to strengthen the capacity of coastal defense in the region – with special attention to the Caribbean; 2) articulated initiatives of maintenance of regional peace between Argentina, Brazil, Uruguay and Chile; and 3) expansion of control over “non-governed areas”, considered as potential spaces for terrorist activities. The main focuses for such activities would be the Triple Border and Colombia.

Starting from the VI and VII Ministerial meetings for Defense (Quito-2004 and Managua-2006) a tone of coincidence and opening between Washington and Brasilia was observed, to the extent that, with regard to other South American countries, the multidimensional approach to regional security became accepted. The multidimensional concept implies a flexible, malleable and inclusive stance on the part of the security agency in which security questions and defense policies are included. This concept tried to make premises of cooperative security and collective security more compatible. On its part, Washington came to recognize the need to keep open a channel of communication

with Brasilia in order to deal with the regional political agenda, particularly in situations where the permanence of democratic institutions faced greater risks.

The postures assumed by both countries on the crisis in Venezuela in the first few months of 2003 constitute an example. As already mentioned, for the first time the United States accepted to participate *inter pares* of a regional diplomatic initiative. Also for the first time, Brazil assumed the leadership in the conduct of such an initiative, labeled “Group of Friends of Venezuela”, which also included the General Secretariat of the OAS, Mexico, Chile, Colombia, Spain and Portugal. Its main objective was to make possible the dialogue between the government of Hugo Chávez and the opposition groups in search of a political solution that did not violate democratic principles. Although the concrete results were modest, the presence of the United States and Brazil, added to the mediating effort of the OAS, contributed on that occasion to prevent the deterioration of the political situation in Venezuela.

But Brasilia and Washington kept their distances regarding other turbulent realities in the region, especially when these involved American strategic interests. Differing perceptions persisted in the case of the war in Colombia, to the extent that the White House held fast to the idea that its involvement in that country was a part of its political and military action in the fight against terrorism. In the medium term, Washington expected that Brazilian involvement in the Colombian conflict could be adjusted to its security priorities. Brazil, however, intended (and still intends) to contribute – in association with the United Nations and regional multilateral instances such as UNASUR – to the start of a dialogue for the pacification among all parts in the conflict.

The role of Brazil in Bolivia became another recurrent theme in the dialogue between Washington and Brasilia regarding

the chronic institutional crisis in that country²⁰¹. The growing involvement of Brazil in the political and economic Bolivian life, as a consequence of its energy interests or the determination to take forward actions that maximized the conditions of democratic governability of Bolivia, was gradually recognized by the United States as positive and functional, and even more in the context of internal polarizations that lead to ideological confrontation with Washington, such as those that were observed during the government of Evo Morales. The Brazilian insistence for political solutions that avoid securitized interpretations came to be observed with greater attention in the United States and even with some appreciation in the final stage of the Bush administration.

In high-level meetings a special recognition came to be reiterated to the Brazilian intervention in Haiti in view of the decision of the Lula government to assume the military command of MINUSTAH in 2004²⁰². The coincidence regarding peace missions also reflected in other issues dealt with in the United Nations sphere. In the years 2003-2007 the votes of Brazil and the United States coincided by 80% and 70%, with more votes in common on human rights than on disarmament.

The important participation of Argentina, Brazil and Chile (ABC), together with other countries, gave this mission an

201 Three phases stand out in the process of the Bolivian crisis of 2002-2006: 1) from the presidential victory of Sanchez de Lozada, which opened a cycle of protests against his gas policy and the social costs of his economic policy to his renunciation in January 2005; 2) upon the assumption of President Carlos Mesa, a new cycle of protests resulting from mobilization of the Oriental departments of the country with a view to their autonomy; and 3) the assumption of Evo Morales as president after general elections, followed by an energy policy that nationalized the gas resources of the country and by the convening of a Constitutional Assembly that approved a new Charter. This led to the eruption of another cycle of protests around the question of the autonomy of the departments of Santa Cruz, Pando and Tarija.

202 According to Secretary of State Condoleezza Rice, "it was an important progress in Haiti to have the United Nations mission led by Brazil, a regional leader, and with the participation of several States from the region". See: BAOCCINA, Denize, "Celso Amorim defends Brazilian mission in Haiti", *BBC*, June 6, 2005.

emblematic meaning as a sub-regional cooperation initiative, in tune with the expectations of the international community for multilateral action in local situations of institutional collapse. At the same time, it was an extremely functional initiative for the American interests.

From the standpoint of the Brazilian external policy, the preoccupation to differentiate between the country's actions in Haiti from other examples of external intervention, impelled by imperialist ambitions, was always present. The idea that Brazil should assume the commitment to exercise the military command of MINUSTAH in order to avoid "other" presences was explicitly expressed since the beginning. The instrumental meaning of the presence in Haiti must be stressed: it was perceived as a political platform to reinforce the position of defense of the Security Council of the United Nations as the only legitimate instance for deliberation about military intervention in sovereign countries. This notion was transmitted by Celso Amorim: "Brazil accepted to send troops and assume the military command of MINUSTAH in the first place because it is an operation decided by the Security Council, the only body that possesses legitimacy to decide the presence of foreign troops in a sovereign country"²⁰³.

But the international policy premises of the Lula government did not prevent that for the United States, the Brazilian presence on Haitian soil acquired an instrumental meaning, considering the political and military costs of its action in Afghanistan and Iraq. This aspect often brings forth the argument that there would be an "outsourcing" conducted by the American government, implying the use of other countries' military forces to respond to its own

203 See: Governo brasileiro, Ministério das Relações Exteriores. Statement by the minister of External Relations, Ambassador Celso Amorim, at the opening session of the High Level Meeting on Haiti". May 23, 2003.

strategic interests²⁰⁴. On the Brazilian side, simultaneously with the insinuation that the participation in MINUSTAH avoided undesirable occupations, the need for economic contribution and assistance to Haiti by the United States was always a priority.

Finally, and still within the regional sphere, Cuba could become a new item on the Brazil-United States agenda, provided the Lula government and its successor utilize the fraternal relationship maintained by Brazil with the Havana government to persuade the Cuban regime to adopt a less defensive posture regarding its democratization. An action of this nature, however, should be accompanied by an effort to convince the United States to moderate the use of policies of coercion toward Cuba.

In fact, a crisis of leadership of Washington in the region became evident, accompanied by lack of interest and political energy to deal with “peripheral turbulences”, which contributed to the assumption by Brazil of its condition as regional power. The South American policy of the Lula government, together with the new economic presence of the country in the whole region, makes it possible for this condition to establish a positive association between its own aspirations and needs that could hardly be attended to by the United States.

In sum, the Lula-Bush relationship, after a period of distancing, witnessed a series of positive contacts at the inter-ministerial and inter-presidential levels. The initial phase of clear misunderstandings was replaced by a relative distension: although the main points of disagreement did not disappear, they no longer represent an impediment for the identification of areas of understanding. Washington, in turn, came to recognize the need to keep open a channel of communication with Brasilia to deal

204 See: TOKATLIAN, Juan Gabriel. “Haiti: una intervención equivocada”, *Análise de Conyuntura. Obsevatorio Político Sul-americano*, no. 8, July 2005.

with the regional political agenda, particularly in situations where democratic institutions face greater risks of continuity.

Brazil, for its part, has shown the intention to progress towards the construction of a South American leadership in the next few years, with the expectation of expansion of its international presence. The point to be stressed here is that this determination would (and will) be less costly and risky for the country as its negative impact on Brazil's relations with the United States diminishes. The fact that US-Brazil relations come to face new challenges on the regional level does not necessarily imply the building of a field of common interests. Bilateral cooperative initiatives have become irregular and uncertain, particularly since Brazil expanded its radius of action in regional and global chessboards. Present synchronies may collide with discordances when the American leadership seeks to retake the front seat in the region or when Washington perceives Brazilian foreign policy as dysfunctional to its interests.

FINAL REMARKS

In the texts included in this dissertation, I tried to show that, more than a fragmented reality of interactions, the relationship between Brazil and the United States represents a complex and dynamic process that involves a historical trajectory and encompasses a great diversity of issues, actors and governmental and non-governmental interests. My intention was to articulate the “historical dynamics” of this relationship, its cyclical movements and its reiterations with the challenges it faces in the current times²⁰⁵.

This dissertation sought to cover the myriad of questions and areas that since the 20th century have shaped the relationship between Brazil and the United States. Starting from an approach that combines narrative and analytical focuses, I endeavored to offer a useful reference tool for students and those interested

²⁰⁵ This concept is used by Eric Hobsbawm with a more comprehensive meaning in the book “Entrevista sobre el siglo XXI”. See: HOBBSAWN, Eric, *Entrevista sobre el Siglo XXI*, Crítica. Barcelona. 2000, p. 20.

in the past and present of the issues that I consider particularly relevant in the external agenda of Brazil. At the same time, I tried to encapsulate the bilateral relationship in the context of changes in the global, regional and national panorama, with emphasis on the dynamics that started with the end of the bipolar world.

Although the 21st century does not seem to herald the end of the disagreements between Brazil and the United States, it puts forth new possibilities of attunement and at the same time introduces new complexities. But the disagreements no longer contaminate the mood of the bilateral dialogue as before and the difficulties – which are not impossibilities – of dialogue tend to be concentrated on issues linked to economic interests that affect daily life but not the political worth of the relationship. In reality, in the current times the interdependence between the two economies and of convergence in political questions has expanded.

Currently, relations between Brazil and the United States face challenges and opportunities simultaneously linked to the prospects of change in both countries. In the first few years of the current century, the combination of military primacy and the determination to assume full international leadership led the United States to reaffirm its imperial attributes in the world system, which was not propitious for good understanding with Brazil. For this country, the consolidation of democracy, the effects of the world economic globalization and the end of the Cold War reshaped domestic and international pressures and interests. The areas of discrepancies between the two countries became more transparent, and although they may represent an eventual source of politicization – particularly in the Brazilian strategic context – they lost their centrality in the design of Brazil's "grand strategy". In this way, a crucial point has been the adaptation of this relationship to the new times of international politics and economics of our country.

Although the relations between Brazil and the United States have always been shaped by the inter-governmental agenda, the non-governmental actors considerably expanded their power of influence on bilateral interactions. On the one hand, the diversified presence of private economic interests, civil organizations and socio-political movements represent an active part of this relationship. On the other, the presence of a community of Brazilian citizens who reside temporarily or permanently in the United States forced the Brazilian government to expand its consular network in that country in order to deal with American domestic aspects related to civil rights, immigration legislation and penal justice. In this way, the links between Brazil and the United States became more complex; inter-governmental difficulties coexist with an open agenda in which military, economic, political, social and cultural forces permanently introduce new themes, interests and perceptions.

At present, Brazilian policies on the international and regional levels impose a reframing of the link with the United States. If in the past there were moments when the relationship was influenced, and even conditioned by the strategic priorities of the American nation, currently the trend runs in the opposite direction. The sequence of texts presented in this dissertation intend to show this reversal; the more the narrative comes closer to the present, the greater the relevance for the Brazilian side of the articulation between domestic factors, the regional projection and the global possibilities of the country to understand the appropriate moment of its relations with the United States.

Next, I shall indicate what I believe are the main points of reflection that, retaking the universe of the questions dealt with in the three parts of this dissertation, underlining the different forms of the enmeshing, in the past and in the present, of the relation US-Brazil with the Brazilian external insertion.

- As shown from the start, the bilateral link – whether in the political or the economic fields – is nurtured by a cyclical movement of expectations and frustrations. In the past and in the present, movements of approximation accompanied by the preparation of positive agendas lose impulse due to mismatched perceptions that then generate reciprocal frustration and distancing. In Brazil, such cycles are accompanied by macro-visions about the external potentialities of the country, generating the expectation that the Brazilian potential be recognized by Washington and that it is accorded the deserved status in the Latin American and the world scene. The idea that the inauguration of a new historical stage in Brazil would be projected on its external insertion and, necessarily, on its relationship with the United States has come up recurrently.
- The oscillation between expectations and frustrations was observed in the different phases (summarized in the first part) – *alliance, alignment, autonomy and adjustment* – that marked this relationship. It was also noted that the end of each stage coincided with the renewal of dissonant visions by both parties, which warded off, but did not generate, a confrontation between the two countries. This is a fundamental difference in comparison with other bilateral situations in the inter-American context. When compared with the history of other bilateral links in the inter-American space, the relations between Brazil and the United States acquire a unique meaning. Mexico, for instance, shoulders the scars of a war with the United States that meant the loss of an important part of its territory, while Argentina only recently overcame the strong anti-American feelings that shaped its foreign policy during almost the whole 20th century. Throughout the last decade, Venezuela has sustained

a confrontation with the United States as a factor of external identity and domestic cohesion.

Since the mid-1970s Brazil and the United States have shared a veiled notion of “conflict-limit”, which allowed both parties to avoid the exacerbation of their differences. The cyclical mismatches were almost always the result of miscalculations about the behavior of both. This was the case at the end of World War II, when Brazil expected special recognition for its military participation in the struggle against the Axis countries. At the start of the 1950s, new frustrations surfaced when the Brazilian government did not receive the expected American support for its economic development policies. Disappointments on the Brazilian side were again apparent in the mid 1960s, in the face of the absence of an American policy of compensations for the measures adopted to contain “domestic Communist forces”.

Once again, in the middle of the 1980s, signs of frustration on the part of Brazil were recorded, mainly motivated by the fact that it was not promoted to the condition of “key country” in the external policy of the United States, and later for being treated as one of the targets of the American policy regarding atomic armament and violations of human rights; in the mid-1980s, Brazil regretted, together with other Latin American nations, the absence of a political solution for the debt crisis. In the 1990s, the lack of American support in the face of global financial turbulences was the cause of new disappointments. In the first few years of the 21st century, the main Brazilian frustrations emerged with regard to multilateral issues: first, the lack of interest of the United States for the reform and expansion of the United Nations Security Council, and more recently the difficulties created by that country

(but not only) for the convening of a new round of negotiations within the WTO.

Disappointments also accumulated on the American side. The nationalistic economic policies of Brazil repeatedly hurt private American interests since the 1940s; in the political and security fields, the frustration caused by the Brazilian resistance to render military support to the United States in the Korean and Vietnam wars, the critical postures assumed with regard to the Central American policy of Washington and the Gulf War in the 1990s and finally the opposition to the war in Iraq in 2002 also stand out. Later, the main reason for disappointment was the Brazilian decision not to support the pressures exerted against Iran due to its nuclear program.

- In the second half of the dissertation I concentrated my attention on the years of initial impact of the end of bipolarity in the world on Brazil and the Latin American region. I examined the political questions that pertain to the inter-State agenda – classified as *first level* – and those that nurture inter-societal interactions – labeled as *second level*. While inter-State relations seem to become ever more complex, the inter-societal links expanded noticeably, to a large extent due to the fact that the democratic consolidation in Brazil during the 1990s led to the strengthening of non-governmental movements and organizations committed to the protection of human and social rights and of the environment. In the economic realm, bilateral relations came to encompass a more challenging picture of trade negotiations, since bilateral commercial understandings are enmeshed with disputes that are dealt with in multilateral forums and difficult regional negotiations. I tried to indicate that the transforming character of said agendas did not prevent the emergence of

mismatched expectations, always present in the bilateral relationship.

- The texts included in the third part of the dissertation are devoted to the years of the post-post-Cold War, initially marked by the impact of September 11 and the war against terror under the leadership of the United States. I dealt first with the set of transformations experienced by South America under the impact of the macro-securitization, the transformations of the defense policies in the region and their new potentialities as its condition as a sphere of influence of the United States was dismantled.

As we have seen, the differences between Brazil and the United States have deepened in the face of the latter's strategic priorities since September 11. As it tried to chart its own course – to a certain extent an alternative one – Brazil strengthened the defense of multilateralism to deal with situations of political and international security crises. At the same time, the effort of the Brazilian government to globalize its external presence and expand the political dialogue with other emerging nations such as India and South Africa and with world powers such as China and Russia gained visibility. The end of the Cold War and the expectations placed on multilateralism brought a new impulse to the configuration of inter-State coalitions between developing countries, with which Brazil sought to bring more density to its own international agenda. While recognizing the impact of globalization on international trade negotiations, the affirmative Brazilian performance as an emerging power transformed the direction of its international policy and its relations with the industrial powers including the relations with the United States.

- We have thus observed an interesting process of a reframing of the bilateral link, under the influence of the new course

taken by the international policy of the Lula government. The affirmative and pragmatic contents of the dialogue sustained with Washington is part of a wide set of changes in the Brazilian diplomatic action whose aim is to expand the presence of the country in global negotiations, within multilateral regimes and organizations and in regional affairs.

Against initial expectations, the relations between Lula's Brazil and Bush's United States acquired more substance, with positive implications. During the second stage of the Republican administration the bilateral rapprochement was confirmed by convergences in the field of multilateral intervention, especially Brazil's decision to assume the military command of MINUSTAH in Haiti and in energy issues, such as cooperation in bio-fuels.

- With the Obama government, however, the main point of bilateral understanding came about in the context of the serious international financial crisis that erupted in 2008. Pragmatic and affirmative bilateralism was accompanied by positive expectations regarding the terrain of coincidences and mutual empathy between the two highest officials of both countries. The initial signal given to Brazil by Obama was open and generous in what regarded the recognition of the country's projection in the global and regional scenes, as seen at the meeting of the G-20 convened to deal with the world financial crisis and at the V Summit of the Americas. As the first Latin American president to visit the new occupant of the White House, Lula reaffirmed the importance of the common interests in the area of bio-fuels and of the construction of a structure of cooperation for clean energy issues. The international Brazilian position as an emerging power seemed to open possibilities of functional dialogue with the current Democratic administration toward the

reconfiguration of the presence of the United States in the global South, especially after the damage produced during the years of Republican administration.

Soon, indications that a bilateral rapprochement did not mean full convergence on regional and world issues were brought to the table. The list of differences opened with the divergent postures taken by each party on the coup in Honduras, followed with the escalation of disagreements on how to deal with the Iranian nuclear policy. Although both issues revealed differences in international politics and on values and priorities, other developments show the reciprocal preoccupation to avoid counterproductive polarizations that should be met with constructive agendas. This was the meaning of the Military Cooperation Agreement signed in the final year of the Lula government. Since the Military Agreement of 1952 was denounced, in the Geisel years, the two countries had not resumed a formal and wide-ranging commitment to cooperate in questions of defense. It must be noted, however, that the reasons behind this kind of rapprochement follow a more synthetic logic than that observed in the middle of last century. Among the motivations for this understanding is the American interest in purchasing Embraer airplanes (especially the Super Tucano). On the Brazilian side, the main difference between the past and the present regards the number of cooperation agreements (28) and bilateral protocols (29) in force with other countries, among which is the instrument signed with the United States. In fact, although it is difficult to ignore the symbolic meaning of a military agreement with the United States, from the point of view of Brazilian strategic interests the contents of the understanding reached with France in 2010 is more relevant. The negotiation of the agreement with

the Obama administration gave rise to an immediate reaction from South American neighbors, especially worried with the possibility that the door would be open for the establishment of an American military base in the area. The explanations offered by the Brazilian government at UNASUR soothed but did not dispel suspicions that the strengthening of the ties between Brazil and the United States could become a new factor of intra-regional imbalance. This suspicion represents still today a source of uncertainty – essentially in the realm of perceptions – for some neighbors of Brazil, which makes the consolidation of a process of South American leadership for Brazil more difficult.

On the American side, expectations of greater bilateral cooperation arose, mainly directed to the action of organized crime, an issue of recurrent concern for Washington. Also in this case – and again in the realm of perceptions – there is the constant conjecture that the link with Brazil can function as an element to contain the projection of the current Venezuelan government.

- Among American analysts, Brazil is perceived as an ascendant power that might intend to obtain an oversized expansion of its capacity as a player and that entertains global aspirations. The emphasis in this kind of questioning is directed to the “disproportionate” Brazilian global ambitions, and attention is called to the distance that still exists between Brazilian action and the established standards of good practice in the field of respect to human rights and nuclear non-proliferation. Also considered counterproductive are initiatives in the field of high politics such as the Tehran Agreement signed between Iran and Turkey (May 2010) which contested the efficacy of the methods of coercion against nuclear proliferation traditionally postulated by Washington. The difference of level

between Brazil and its companions in BRICS regarding “hard” power resources is pointed out and the exclusive adherence to “soft” power instruments such as the defense of democratic values and of peaceful solution of disputes and sustainable development with social inclusion is seen with suspicion.

In American academic and political circles, more attention is given to the adherence of Brazil to BRICS than to IBSA. This should be understood in accordance with the distance and historical lack of interest of Washington with regard to the South-South dimension of the international agenda. In current times there is also suspicion combined with a defensive reaction to coalitions or movements that bring together developing countries, such as the Non-Aligned Movement, UNCTAD or the Group of 77, among which the last two are considered enormously important for Brazil’s foreign policy. As argued above, Brazil believes that there is a close relationship between action in those circles and the value attached to multilateral diplomacy - another constant source of difference between Washington and Brasilia.

In the texts included in this dissertation I dealt with the articulation established at the end of the Cold War, the new expectations placed on multilateralism and the push for the formation of new inter-State coalitions among developing countries. For Brazil, this process also permits an expansion of cooperation and coordination of positions in political and economic questions with its peers in the South and also strengthens the chances of consolidation of a multipolar world order.

By the same token, Brazilian political and economic presence in Africa in recent years corresponds to an active part of the South-South axis privileged by the Lula government under the impulse of external policy initiatives, especially IBSA

and the CPLP. The focus of American attention, when this kind of Brazilian action is observed, it tends to concentrate on the complementary and/or competitive character of the interaction with other emerging powers, especially China.

- In the last few years, foreign policy analyses that indicate a zero-sum dynamics between the strategic projection of the United States and the growing international presence of China have proliferated. Debate in political and academic circles in the United States about the meaning of the threat of the “Chinese danger” became constant and this is often the main reason to explain the reduction of the relative power of the United States in its former area of influence.

For Brazil, the strengthening of the ties with China responds to the interest in placing its bets on a multipolar international order that results, among other consequences, in the reduction of the weight of the presence of the United States in world politics. In bilateral as well as in multilateral terms, Brazilian foreign policy has reserved a prominent place for its relations with Beijing. At the same time, the effort of the Brazilian government to create areas of cooperation in strategic fields – such as satellite construction, in which China has been more flexible than the United States – attaches an important political meaning to this link. Nevertheless, there is less convergence with Beijing in themes of high politics such as the reform of the United Nations Security Council.

- In any case, the weight of US-Brazil ties in the field of trade and investments generates a promising future for the configuration of an even wider agenda of understandings in the next few years. Brazilian diplomacy played an outstanding role in the two crucial moments of the relationship of the United States with Latin America, first as a close collaborator with Washington for the architecture of the Inter-American

System and in recent years in the process of dismantling of South America as an area of influence of the United States. Washington's leadership curtailment in the region and the lack of interest and of political energy to deal with severe crisis of governability has contributed to the assumption by Brazil of its condition as a regional power. The country's determination to expand its presence in the whole of Latin America bestows upon it new responsibilities that are projected on the inter-American space.

- In the third part of the dissertation I also tried to underline differences in the regional policy during Lula's first and second terms. Throughout the first period, the soft power variables were the instruments of rapprochement of Brazil within its neighborhood; it was an agenda dominated by the political dialogue conducted from the presidency, accompanied by a diplomatic professionalism and a myriad of specific agendas. During Lula's first term the responses from Brasilia sought to balance prudence and solidarity, as was the case in the tensions with Bolivia in the face of president Evo Morales's policy of nationalization of energy resources, with Ecuador in the face of president Rafael Correa's decision not to honor the commitments assumed with the Odebrecht corporation and with Paraguay in the face of the posture of president Fernando Lugo in defense of the renegotiation of the Itaipu agreement. In the more recent period the involvement of the Brazilian State in the South American agenda acquired a new configuration. The projection of the "hard" aspects of the Brazilian grand strategy became more visible. Two key dimensions of the national sovereignty stood out: 1) protection of economic interests, either public or private; and 2) the reconfiguration of a security policy with regional impact. Special relevance is given to the initiative to create a South American Defense Council

as a functional arm of UNASUR. In this case, the recognition of the country's centrality in the design of a regional security agency corresponds to a relevant facet of the new premises of the national defense policy, which contemplate the transformation of the military capabilities and a considerable expansion of the military resources of the country.

The expectation displayed by Washington in the face of Brazilian regional projection is that Brasilia assumes the costs of a leadership role. Here is clear a certain attunement between this perception and opposition voices in Brazil that criticize the "generous" initiatives of horizontal cooperation offered by the different agencies of the Brazilian State and demand a hardline attitude in the defense of the country's interests. The Brazilian regional presence is criticized as timid and as having weak political muscle. This is a view that also blames Brazil's shyness regarding the ideological projection of Venezuela's *chavism* – another point of convergence between the opposition forces to Lula's government and segments of the American establishment. The expansion of military expenditures and the investment in technologies in the area of defense are questioned if they are not accompanied by a leadership strategy that places Brazil as the regional police. This seems to me a narrow view that does not perceive the hues of the South American policy conducted by Brasilia in the past years.

- It must be kept in mind that the diplomatic, political, economic and military impulse of Brazil is concentrated in the South American area and has been present in the whole of Latin America. Several indicators can be mentioned: Brazilian business interests have never been so active in Central America and the Caribbean; the action of Brazil in Haiti transformed the relationship with the whole Caribbean region; and finally

the special devotion of the Lula government to Cuba opened bilateral cooperation roads – as in the case of bio-fuels – with inevitable implications on the relationship with the United States. Nevertheless, it is easier and more interesting for Washington to keep a dialogue with Brazil on Haiti rather than on Cuba, a question with which the United States prefers to deal bilaterally without any kind of interference from other nations in the continent.

Since 2004 Brazilian participation in peace operations came to be at the top of the positive issues of the Brazil-United States agenda, especially the responsibilities assumed with the military command of MINUSTAH. As was already highlighted, it has always been important, from the point of view of Brazilian foreign policy, that this relationship is not understood as another form of “outsourcing” by the United States. As has been argued, the presence in Haiti aimed precisely at preventing experiences of occupation often imposed upon that country in the past. Part of this effort of differentiation is to ensure coordination with other South American countries at MINUSTAH, particularly Argentina and Chile, as well as to add to the presence, on Haitian soil, of a program of cooperation for development with emphasis on areas such as agriculture, sanitation and basic services. Brazilian governmental authorities have shown signs that the presence in Haiti corresponds to one of the most important issues in the country’s international agenda; its conduct imposes at the same time to deal with its capacity of regional leadership by way of the commitment to the principle of non-indifference and of global solidarity.

- After the earthquake in 2010, Haiti began to deserve another kind of attention and concern in the context of US-Brazil relations. The unilateral attitude of the United States, placing

its capacity of military response before its will to promote political coordination with the international community, in a context of complete disarray in Haiti, was a sign that the military command of MINUSTAH found difficult to absorb. On the side of the United States, the reason for that “reflex-reaction” was based on the notion of the Caribbean as *mare nostrum*, on the fear of an uncontrolled migration flow resulting from a Haitian exodus and on the principle of the responsibility to protect in situations of humanitarian disasters.

Brazil tried to keep the focus of its presence and its commitment to Haiti dissociated from the implications that the new Haitian reality imposes to the relationship with the American government. In the short term a division of labor was established: the American military assumed responsibility for the logistics of humanitarian assistance and the forces of MINUSTAH – under Brazilian command – for ensuring local security. Soon Brazil doubled its contingent and the United States withdrew a large part of the troops it had deployed in Haiti. On the Brazilian side, the Lula government took several steps further regarding its military and economic commitments in Haiti and its presence on the island came to be articulated with understandings with the large donors, among which the United States, Canada, France, Spain and the European Union stand out.

It is worth mentioning here that the international action in Haiti during the whole year was far from sufficient to respond to the new emergencies that arose after the earthquake and that the low impact of promises made by governments and multilateral organizations led to a further deterioration of the Haitian reality. This scenario worsened with the bout of cholera and the local political disarray brought about by the confused

electoral process in the country. For Brazilian foreign policy, despite the adverse conditions, it became imperative to preserve at all costs a frame of institutional legality in the Haitian democracy and to avoid the transformation of the country in a US-UN protectorate, which seems to be the wish shared by segments of the local elite and the international community.

Naturally, the greatest challenge for the Haitian nation in the next few years will be to ensure the transitory character of the current subordination to the will of the international community led by coalitions between the United States and the United Nations. Brazil and other South American countries share the desire for Haiti to irreversibly overcome this phase of encapsulated sovereignty.

- Already close to a final conclusion: for South America, and especially for Brazil, either from the political or economic point of view, internal or external, the first decade of the 21st century can be labeled as the “decade of recovery”. Democratic consolidation, stability and economic growth, social inclusion in nations with regional projection and weight were added to new possibilities for political autonomy and international interaction. Unprecedented flows of investments and inter-entrepreneurial associations in the region itself stand side by side with the promising expansion of commodity exports toward Asian markets. Prospective reports and studies by CECLA and the World Bank have confirmed the forecast that the current growth rates – in several cases accompanied by significant reduction of poverty – shared by the majority of South American nations can be maintained in the short term.

I would like to restate here the importance I attach to the renewed presence of Latin American countries in multilateral spaces dedicated to global economic issues, such as the G-20 in

the context of the efforts for the conclusion of the Doha Round and the G-20 convened to seek a consensual way out for the financial crisis ignited since the end of 2006 (in these spaces the action of Brazil as an emerging power acquired special political visibility due to its efforts to assume a mediating role between the industrialized countries and the global South). It was also in these sceneries that the action of Latin American countries in the United Nations Security Council, from their non-permanent seats, acquired importance in regional and world politics. The definition of national and/or joint postures regarding “high politics” issues became an increasingly more valued card by the individual foreign policies of the region. Regardless of their ideological features, the South American governments notably expanded the scope of their external links; in fact, South America as a whole sails on regional and global routes according to the possibilities and interests of each country.

New horizons are also emerging in the articulation of the region with the international agency for regional cooperation. The challenges generated in the context of the global economic crisis increase the pressure of recipients of international cooperation, especially those that also act as donors, such as Argentina, Colombia, Chile and Brazil.

- I sought to show that the centrality of Brazil in this reality is undeniable as a promoter of peace, cooperation, stability, democracy and economic expansion as a regional *power*, but not as a regional *leader*. This distinction is not the result of negligence – as is often insinuated in the hardline segments of international power – but of a balance spontaneously created between the absence of consensus within the Brazilian elites and a mix of hesitation and mistrust on the part of South American political elites. The expansion of Brazilian political

involvement in local crises, added to the growing activities in commerce and investments with its South American neighbors does not always lead to easy and automatic acceptance by the countries in the region, just as Brazilian leadership in world issues is a matter for case by case negotiation.

I also believe it is essential to keep in mind that, for the majority of the countries in the region, regardless of the size of their territory, population or economy, leadership replacement is out of question. The almost generalized fatigue caused by the worn-out preeminence of the United States has not been translated into a search for new leader. For these countries, the relationship with Brazil occurs in a frame of options and opportunities, in the same way as for Brazil the relations with the United States should follow their course freely, unencumbered by the bindings and false expectations of the past.

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If the bilateral relationship between Brazil and the United States is one of enormous potential, it is also one that has suffered, in recent decades, from a dearth of communication and a lack of mutual understanding between academics and policymakers of each country. This informational barrier acts as a brake between the two largest democracies of the Western Hemisphere, impeding the deepening relationships between the United States and Brazil.

Monica Hirst's thorough and insightful study goes a long way toward uncovering and demystifying this relationship. The sweeping scope of her study, encompassing the history of U.S.-Brazilian relations from the closing decades of the nineteenth century to the era of the Rousseff and Obama administrations, captures the political, economic, and diplomatic contexts that define the modern-day U.S.-Brazil relationship. Furthermore, the analytic frameworks she develops to explain the evolution of this relationship in particular, her proposal of five distinct historical states in the relationship (Alliance, Alignment, Autonomy, Adjustment, and Affirmation), and her innovation, building on Barry Buzan's concept of macro-securitization, of the concept of micro-securitization — provide invaluable analytic tools for scholars and policymakers interested in U.S.-Brazil relations.

Hirst also visits the evolution of Brazil's participation in international politics, examining Brazil's collaboration with the United States in assembling the G-20, its initiative within the United Nations in manning and directing peacekeeping operations, and especially its leadership of the United Nations Mission in Haiti, and the implications of its relationships with its South American neighbors as well as with international heavyweights such as the European Union, China, India, and South Africa. Her analysis is certain to provide valuable insight into the future evolution of Brazil's evolving role in global politics.

Available in both English and Portuguese, Hirst's analysis will prove an essential guide for both policymakers and the general public interested in American and Brazilian readers alike.

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